

**BEDFORD CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

AUDIT REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

James G. Zupka, CPA, Inc.
Certified Public Accountants



Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the Bedford City School District, Cuyahoga County, prepared by James G. Zupka, CPA, Inc., for the audit period July 1, 2010 through June 30, 2011. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Bedford City School District is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

January 12, 2012

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**BEDFORD CITY SCHOOL DISTRICT
CUYAHOGA COUNTY
AUDIT REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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JAMES G. ZUPKA, C.P.A., INC.
Certified Public Accountants
5240 East 98th Street
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Ohio Society of Certified Public Accountants

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Board of Education
Bedford City School District
Bedford, Ohio

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, as of and for the year ended June 30, 2011, which collectively comprise the Bedford City School District, Ohio's basic financial statements and have issued our report thereon dated November 16, 2011 where we noted that the District adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Bedford City School District, Ohio's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Bedford City School District, Ohio's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Bedford City School District, Ohio's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

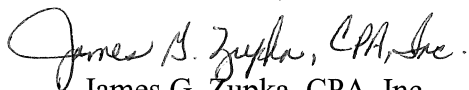
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses.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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Bedford City School District, Ohio's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on 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 such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted a certain matter that we reported to the management of the Bedford City School District, Ohio, in a separate letter dated November 16, 2011.

This report is intended solely for the information and use of management, the Board of Education, the District's Audit Committee, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.


James G. Zupka, CPA, Inc.
Certified Public Accountants

November 16, 2011

JAMES G. ZUPKA, C.P.A., INC.

Certified Public Accountants

5240 East 98th Street

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**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A
DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133**

Board of Education
Bedford City School District
Bedford, Ohio

Compliance

We have audited the Bedford City School District, Cuyahoga County, Ohio's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Bedford City School District, Ohio's major federal programs for the year ended June 30, 2011. The Bedford City School District, Ohio's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Bedford City School District, Ohio's management. Our responsibility is to express an opinion on the Bedford City School District, Ohio'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 obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Bedford City School District, Ohio's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Bedford City School District, Ohio's compliance with those requirements.

In our opinion, the Bedford City School District, Ohio complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

Management of the Bedford City School District, Ohio, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Bedford City School District, Ohio's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Bedford City School District, Ohio's internal control over compliance.


A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

Schedule of Expenditures of Federal Awards

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, Ohio, as of and for the year ended June 30, 2011, and have issued our report thereon dated November 16, 2011 which contained unqualified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements as a whole. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

This report is intended solely for the information and use of management, the Board of Education, the District's Audit Committee, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.


James G. Zupka, CPA, Inc.
Certified Public Accountants

November 16, 2011

**BEDFORD CITY SCHOOL DISTRICT
CUYAHOGA COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Grantor Number	Receipts	Non-Cash Receipts	Expenditures	Non-Cash Expenditures
U.S. Department of Agriculture						
Passed through State Department of Education						
<i>Child Nutrition Cluster:</i>						
National School Lunch Program	10.555	2011	\$ 1,165,392	\$ 162,339	\$ 1,165,392	\$ 162,339
<i>Total Child Nutrition Cluster</i>			<u>1,165,392</u>	<u>162,339</u>	<u>1,165,392</u>	<u>162,339</u>
Total U.S. Department of Agriculture			<u>1,165,392</u>	<u>162,339</u>	<u>1,165,392</u>	<u>162,339</u>
U.S. Department of Education						
Passed through State Department of Education						
<i>Title I School Subsidy Cluster:</i>						
Title I - Grants to Local Educational Agencies	84.010	2010	226,601	0	145,056	0
Title I - Grants to Local Educational Agencies	84.010	2011	<u>851,240</u>	<u>0</u>	<u>896,896</u>	<u>0</u>
<i>Total CFDA #84.010</i>			<u>1,077,841</u>	<u>0</u>	<u>1,041,952</u>	<u>0</u>
School Improvement Grants	84.377	2010	17,248	0	13,566	0
School Improvement Grants	84.377	2011	<u>42,752</u>	<u>0</u>	<u>42,753</u>	<u>0</u>
<i>Total CFDA #84.377</i>			<u>60,000</u>	<u>0</u>	<u>56,319</u>	<u>0</u>
ARRA-Title I - Grants to Local Educational Agencies	84.389	2010	46,266	0	30,102	0
ARRA-Title I - Grants to Local Educational Agencies	84.389	2011	<u>172,536</u>	<u>0</u>	<u>173,181</u>	<u>0</u>
<i>Total CFDA #84.389</i>						
<u>218,802</u>		<u>0</u>	<u>203,283</u>	<u>0</u>		
<i>Total Title I School Subsidy Cluster</i>			<u>1,356,643</u>	<u>0</u>	<u>1,301,554</u>	<u>0</u>
<i>Special Education Cluster:</i>						
Special Education - IDEA Part B	84.027	2010	137,677	0	114,541	0
Special Education - IDEA Part B	84.027	2011	<u>704,258</u>	<u>0</u>	<u>715,315</u>	<u>0</u>
<i>Total CFDA #84.027</i>			<u>841,935</u>	<u>0</u>	<u>829,856</u>	<u>0</u>
ARRA - Special Education Grants to States	84.391	2010	60,805	0	27,032	0
ARRA - Special Education Grants to States	84.391	2011	<u>280,919</u>	<u>0</u>	<u>380,276</u>	<u>0</u>
<i>Total CFDA #84.391</i>			<u>341,724</u>	<u>0</u>	<u>407,308</u>	<u>0</u>
ARRA-Special Education - Preschool Grant	84.392	2010	6,525	0	0	0
ARRA-Special Education - Preschool Grant	84.392	2011	<u>6,080</u>	<u>0</u>	<u>7,930</u>	<u>0</u>
<i>Total CFDA #84.392</i>			<u>12,605</u>	<u>0</u>	<u>7,930</u>	<u>0</u>
Early Childhood Special Education IDEA	84.173	2011	<u>28,572</u>	<u>0</u>	<u>33,192</u>	<u>0</u>
<i>Total Special Education Cluster</i>			<u>1,224,836</u>	<u>0</u>	<u>1,278,286</u>	<u>0</u>
Title IV-A Safe/Drug Free	84.186	2010	<u>3,785</u>	<u>0</u>	<u>2,740</u>	<u>0</u>
Vocational Education - Basic Grants to States	84.048	2010	52,764	0	27,266	0
Vocational Education - Basic Grants to States	84.048	2011	<u>52,227</u>	<u>0</u>	<u>57,517</u>	<u>0</u>
<i>Total CFDA #84.048</i>			<u>104,991</u>	<u>0</u>	<u>84,783</u>	<u>0</u>

(Continued)

**BEDFORD CITY SCHOOL DISTRICT
CUYAHOGA COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(CONTINUED)**

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Grantor Number	Receipts	Non-Cash Receipts	Expenditures	Non-Cash Expenditures
U.S. Department of Education (Continued)						
Passed through State Department of Education (Continued)						
<i>Education Technology State Grants Cluster:</i>						
Education Technology State Grants	84.318	2010	3,044	0	2,653	0
Education Technology State Grants	84.318	2011	<u>1,565</u>	<u>0</u>	<u>2,830</u>	<u>0</u>
<i>Total CFDA #84.318</i>			<u>4,609</u>	<u>0</u>	<u>5,483</u>	<u>0</u>
ARRA - Education Technology State Grants	84.386	2010	32,590	0	20,031	0
ARRA - Education Technology State Grants	84.386	2011	<u>336,142</u>	<u>0</u>	<u>334,986</u>	<u>0</u>
<i>Total CFDA #84.386</i>			<u>368,732</u>	<u>0</u>	<u>355,017</u>	<u>0</u>
<i>Total Education Technology State Grants Cluster</i>			<u>373,341</u>	<u>0</u>	<u>360,500</u>	<u>0</u>
English Language Acquisition Grant	84.365	2011	<u>4,653</u>	<u>0</u>	<u>4,653</u>	<u>0</u>
Improving Teacher Quality State Grants	84.367	2010	62,956	0	41,392	0
Improving Teacher Quality State Grants	84.367	2011	<u>117,451</u>	<u>0</u>	<u>120,358</u>	<u>0</u>
<i>Total CFDA #84.367</i>			<u>180,407</u>	<u>0</u>	<u>161,750</u>	<u>0</u>
ARRA - Education Stabilization Fund	84.394	2011	<u>497,771</u>	<u>0</u>	<u>497,771</u>	<u>0</u>
Total U.S. Department of Education			<u>3,746,427</u>	<u>0</u>	<u>3,692,037</u>	<u>0</u>
Environmental Protection Agency						
Passed through Ohio Environmental Protection Agency						
State Clean Diesel Grant	66.040	2011	<u>0</u>	<u>0</u>	<u>25,216</u>	<u>0</u>
Total Environmental Protection Agency			<u>0</u>	<u>0</u>	<u>25,216</u>	<u>0</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 4,911,819</u>	<u>\$ 162,339</u>	<u>\$ 4,882,645</u>	<u>\$ 162,339</u>

**BEDFORD CITY SCHOOL DISTRICT
CUYAHOGA COUNTY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2011**

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 2: CHILD NUTRITION CLUSTER

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

NOTE 3: FOOD DONATION PROGRAM

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 non-monetary assistance (expenditures) is reported in the Schedule at the fair market value of the commodities received.

**BEDFORD CITY SCHOOL DISTRICT
 CUYAHOGA COUNTY
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 OMB CIRCULAR A-133 & .505
 JUNE 30, 2011**

1. SUMMARY OF AUDITOR'S RESULTS

2011(I)	Type of Financial Statement Opinion	Unqualified
2011(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
2011(ii)	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
2011(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2011(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
2011(iv)	Were there any other significant deficiencies in internal control reported for major federal programs?	No
2011(v)	Type of Major Program's Compliance Opinion	Unqualified
2011(vi)	Are there any reportable findings under .510?	No
2011(vii)	Major Programs (list): Education Technology State Grant Cluster: Education Technology State Grants - CFDA #84.318 ARRA Education Technology State Grants - CFDA #84.386 Special Education Cluster: Special Education - IDEA Part B - CFDA #84.027 ARRA - Special Education Grants to States - CFDA #84.391 ARRA - Special Education - Preschool Grant - CFDA #84.392 Early Childhood Special Education IDEA - CFDA #84.173 ARRA - Education Stabilization Fund - CFDA #84.394	
2011(viii)	Dollar Threshold: Type A\B Program	Type A: \$300,000 or more Type B: All others less than \$300,000
2011(ix)	Low Risk Auditee?	Yes

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

**BEDFORD CITY SCHOOL DISTRICT
CUYAHOGA COUNTY
SCHEDULE OF PRIOR AUDIT FINDINGS AND RECOMMENDATIONS
JUNE 30, 2011**

The prior audit report, as of June 30, 2010, included no citations or instances of noncompliance. Management letter recommendations were corrected, repeated, or procedures instituted to prevent occurrences in this audit period.

JAMES G. ZUPKA, C.P.A., INC.

Certified Public Accountants

5240 East 98th Street

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Ohio Society of Certified Public Accountants

**INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES**

Bedford City School District
475 Northfield Road
Bedford, Ohio

To the Board of Education:

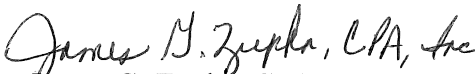
Ohio Revised Code Section 117.53 states, "the Auditor of State shall identify whether the school district or community school has adopted an anti-harassment policy in accordance with Section 3313.666 of the Revised Code. This determination shall be recorded in the audit report. The Auditor of State shall not prescribe the content or operation of any anti-harassment policy adopted by a school district or community school."

Accordingly, we have performed the procedures enumerated below, which were agreed to by the Board, solely to assist the Board in evaluating whether the Bedford City School District (the District), Cuyahoga County, Ohio, has updated its anti-harassment policy in accordance with Ohio Revised Code Section 3313.666. Management is responsible for complying with this requirement. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Board. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

1. We noted the Board did not amend its anti-harassment policy to include violence within a dating relationship within its definition of harassment, intimidation, or bullying as of year end June 30, 2011.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with the anti-harassment policy. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended for the information and use of the Board and is not intended to be and should not be used by anyone other than these specified parties.


James G. Zupka, CPA, Inc.
Certified Public Accountants

November 16, 2011

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BEDFORD CITY SCHOOL DISTRICT
Bedford, Ohio

Comprehensive Annual
FINANCIAL REPORT
For the Fiscal Year Ended
June 30, 2011





Artwork by: Thomas Sanders, IV

11th Grade Student

Bedford High School

Art Teacher: Jennifer Pozz

Bedford City School District

Bedford, Ohio

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2011

Prepared by:

Janet M. Pavlic, CPA
Treasurer

Donald E. Houghton, Jr.
Assistant Treasurer

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Introductory Section



Artwork by: Shanice Dobbins

6th Grade Student

Columbus Intermediate School

Art Teacher: Marjorie Falk



Artwork by: Kimari Armstrong

6th Grade Student

Carylwood Intermediate School

Art Teacher: April Devincentis

Bedford City School District
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2011

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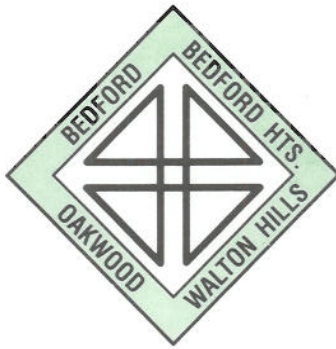
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BEDFORD CITY SCHOOL DISTRICT

Office of the Treasurer • 475 Northfield Road • Bedford, OH 44146-2201
Phone: 440-439-4670 • FAX: 440-439-4327 • Website: www.bedford.k12.oh.us

November 16, 2011

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, 2011. This report enables the School District to comply with Ohio Administrative Code Section 117-2-03 (B), which requires reporting on a GAAP (Generally Accepted Accounting Principles) basis, and Ohio Revised Code Section 117.38 which requires the School Districts reporting on a GAAP basis to file an annual unaudited report with the Auditor of State within 150 days of fiscal year end.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for the purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Ohio law requires independent audits to be performed on all financial operations of the School District either by the Auditor of State or an independent public accounting firm, if permitted by the Auditor of State. James G. Zupka, CPA, Inc. rendered an opinion on the School District's financial statements for the fiscal year ending June 30, 2011, and the Independent Auditors' Report on the basic financial statements is included in the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

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 School District's geographical area encompasses approximately 25 square miles.

Formed as Township 6 in Range 11 of the Western Reserve of Ohio in 1823, Bedford Township consisted of what today is known as the five communities of Bedford, Bedford Heights, Oakwood, Walton Hills and Maple Heights. In 1837, the Village of Bedford was formed from the center of the Township and for the next 70-plus years, the two communities – Village of Bedford and Bedford Township – coexisted. In

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

Bedford City School District is one of the 613 school districts in the State of Ohio and one of 31 in Cuyahoga County. The School District provided, as of June 30, 2011, education to 3,568 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.

The elected five-member Board of Education is required to adopt an annual tax budget and an annual appropriation resolution which serves as the basis for control over and authorization for all expenditures of School District tax money.

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 II Program, the Lakeshore Northeast Ohio Computer Association and the Ohio Schools Council Association. These organizations are presented in Notes 17 and 20 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 \$723,595,670 is divided among the four municipalities making up the School District in the following manner: Bedford 38 percent, Bedford Heights 29 percent, Oakwood Village 16 percent and Walton Hills 17 percent. Approximately 54 percent of the tax base is residential real property, 5 percent is public utility tangible property and 41 percent is commercial/industrial property. Each of the four municipalities actively encourages the maintenance and growth of the tax base.

The City of Bedford established an Enterprise Zone, which included all land within the boundaries of the City of Bedford in April of 1990. The City established a Community Reinvestment area in 1997 and updated this in 2005, which included all land within the boundaries of the City of Bedford. The establishment of the Enterprise Zone and the Community Reinvestment area gave the City the ability to maintain and expand business located in the City and created new jobs.

The City of Bedford is in the process of completing a new industrial development in cooperation with the Hemisphere Corporation on the site designated as the Tinkers Creek Commerce Park. Taylor Chair Corporation has completed the construction of their headquarters building. The Hemisphere Corporation and Hull & Associates have completed building a new headquarters on this site at a cost of \$3.2 million. This was constructed on a Brownfield site and the site was developed with 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).

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 the 15th largest pharmaceutical company in the world having more than 39,000 employees with locations in over 46 countries. Under Boehringer Ingelheim's ownership, Ben Venue has many options as to where to manufacture and distribute Ben Venue's products. Boehringer Ingelheim has highly automated manufacturing facilities throughout the world including locations in Columbus, Ohio, Mexico City, Mexico and Barcelona, Spain. Ben Venue has a long-standing reputation as the premier contract manufacturer of injectable pharmaceuticals. Ben Venue is the largest and oldest manufacturer of lyophilized (freeze-dried) injectable drugs in the United States. Since 1995, Ben Venue has obtained over 130 Abbreviated New Drug Application (ANDA) approvals for injectable drugs from the FDA, building a portfolio of over 260 products and dosages, and is a major player in the injectable pharmaceutical industry. Ben Venue continues to work with the City of Bedford, Cuyahoga County and the State of Ohio in adding value to the community.

Ben Venue's history of continued growth is one any city could hope for. Going back to 1995, Ben Venue employed 419 employees and operated within their 250,000 square foot facility. From 1996 to present, Ben Venue has approached the City for abatements in the Community Reinvestment area, regarding Real Estate development and tax exemptions to be able to conduct various expansion projects. Subsequently, Ben Venue has been able to continue to grow within their Bedford, Ohio location. At year end, 2010, headcount has increased to 1,317 and they are now operating within 1 million square foot of manufacturing area. Most recent projects include their Cyto Geno Facility and Laboratory Office Building. Ben Venue added a laboratory and administrative office area in recent years. On November 2, 2006, Ben Venue signed a Community Reinvestment Area Agreement (#3) with the City to construct a 90,000 square feet free standing office building complex now known as the Quality and Development Center. The total amount of project investment was \$17.5 million with building costs of \$14.8 million and an investment of new machinery at a cost of \$1.5 million. The City offered incentives in the form of an abatement of real estate only at 50 percent for 15 years. This project was completed by mid-2008 and received Silver Certification by LEED standards through the US Green Building Coalition in 2009.

In November 2009, Cuyahoga County was the recipient of a \$2.5 million Clean Ohio Revitalization Fund grant that was used to conduct remediation activities at the Ben Venue site. This was a tremendous success that came as a result of the collaborative efforts of the County, City of Bedford and Ben Venue officials working together for the betterment of our community.

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

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

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

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

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

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.

ViewRay Inc., a Florida company, has chosen Oakwood as its new home, a 41,000-square-foot building on Thermo Fisher Way. The company is developing image-guided radiation therapy technology. The company's Renaissance System 1000 uses magnetic resonance images to precisely target cancer tumors with gamma radiation with little damage to surrounding healthy tissue. A group of East and West coast investors offered ViewRay a \$25 million investment if it moved from Gainesville, Fla., to a center of bioscience innovation. The region's medical imaging heritage, clinical and medical academic institutions, and economic development teamwork won over the company. Some tax incentives also helped. The Ohio Tax Credit Authority granted ViewRay job-creation tax credits worth \$537,431 over 10 years. Oakwood granted the company a 90 percent abatement of personal property tax for 15 years.

Thermo Fisher has made Oakwood Village its corporate venue, developing security products which include a comprehensive range of fixed and portable instruments used for chemical, radiation, and explosive detection. These products are used in airports, embassies, cargo facilities, border crossings, and other high threat facilities.

Airgas opened their new location in Oakwood Village in the summer of 2009. Airgas is the largest distributor of industrial, medical and specialty gases and related equipment in the United States.

Oakwood is continuing to grow its economic base in the field of science, medicine, technology and even in the field of woodworking with the incorporation of one of the most recent members of the Hawthorne Valley Shopping Center. Woodcraft is offering educational classes on building basics to cabinet construction.

General Information

As of October 2010, 3,609 students were enrolled in the School District's six schools (two primary, two intermediate schools, one middle school, and one high school). In addition to its six schools, the Bedford City 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. As of June 30, 2011, the School District employed 289 professional staff members (including 261 teachers and 28 administrators) and 239 non-teaching and support staff employees.

Instructional Program

Academic Program Highlights

The School District's academic program includes the following highlights from the 2010-2011 school year:

- The Bedford City School District earned the "CONTINUOUS IMPROVEMENT" rating on the Ohio Department of Education Report Card. The School District's Performance Index was 87. Central Primary School and Glendale Primary School earned "EXCELLENT" ratings. The School District also gained two State Indicators (previously called "performance standards") and Bedford High School gained three State Indicators: 10th grade reading, 10th grade math, and attendance. The School District exceeded the attendance standard with an average of 95.1 percent across the School District, which was a 0.4 percent increase from last year's 94.7 percent attendance rate.

- Heskett Middle School and Columbus Intermediate School both met Adequate Yearly Progress (AYP). AYP is a measure representing the federal mandate that holds schools accountable for the performance of subgroups, as well as all students.
- The School District met the Value-Added Measure, which is an important indicator of student progress district-wide. Grade 6 Reading and Math scored **ABOVE** in this measure, indicating that greater than one year's progress was achieved in the 6th grade.
- The School District instituted a district-wide theme for the school year: RESPECT—A Right and a Responsibility. Each school stressed this theme in a number of ways throughout the year to its students. Office referrals and disciplinary actions were down across the School District last year.
- Out of the 249 June graduates in the Bedford High School Class of 2011, 212 of them—or 85 percent—planned to pursue higher education. Another 5 percent planned to enter the military, while 4 percent were entering the workforce and 6 percent were undecided or their plans were unknown as of graduation.
- A total of 95 seniors contributed 30 hours or more of community service and received burgundy Honor Cords to wear at Commencement. All totaled, the class volunteered 7,924 hours.
- Four Heskett Middle School students earned high honor awards at the Northeast Ohio Engineering & Science Fair at Cleveland State University on March 17.
- A team of Heskett Middle School 8th graders took 3rd place at the 2nd Annual Edward P. Campbell design Squad Challenge March 19 at the Idea Center at Playhouse Square. The team had to tackle three engineering challenges, building specific items using only the materials provided.
- Three Carylwood 4th grade gifted education students had their poems about tornados published in the Winter 2010 edition of the *Review*, a publication of the Ohio Association for Gifted Children.
- A Bedford High School senior won a Gold Key (1st place) award in the 31st Annual Scholastic Art Awards competition held at the Cleveland Institute of Art.
- A Bedford High School senior won first place for Mixed-Media in the annual 11th Congressional District Art Competition sponsored by U.S. Congresswoman Marcia Fudge.
- Students in a Columbus Intermediate School 4th grade class were the lucky winners in the Cleveland Cavaliers' annual "Read to Achieve" program. As a reward for their 100 percent participation, they were invited to the Cavs' practice facility, where they spent the afternoon playing Scrabble with the players and their mascot, Sir. C. C.

- The Bedford High School Madrigal Singers proudly sang the National Anthem at Jacobs Field before the Cleveland Indians game against the Tampa Bay Devil Rays on May 12.
- About two dozen Bedford High School students spent part of their spring break touring Georgetown University, The University of Pennsylvania, Penn State, Princeton University, Rutgers University, and Temple University. Their visit was among the many activities sponsored last year for members of the University Bound Scholars (UBS) program. This program encourages students to “think big,” by considering admission to some of the most prestigious colleges and universities in the United States.
- Three Central Primary School students placed at the 2011 Statewide Martin Luther King, Jr. Oratorical Contest April 15th in Columbus, Ohio. They took Second and Third Place in the Primary Division, and Second Place in the Intermediate Division.
- Bedford High School inducted 26 students into the National Honor Society and Heskett Middle School inducted 14 students into the National Junior Honor Society last year.
- Bedford High School students in the Marketing Education Program participated in the annual Distributive Education Clubs of America (DECA) District 10 competitive events at Cuyahoga County Community College in February. Events included written exams, as well as presentations of case studies to judges who were professionals in the marketing field. Five BHS students qualified to advance and compete in the State Marketing Education Career Development Conference in Columbus, Ohio.
- Two Heskett Middle School 7th graders brought home awards in the School District Power of the Pen creative writing competition in December at Monticello Middle School in Cleveland Heights. One of them won a 3rd place trophy and the other a 4th place trophy. In all, seven Heskett students qualified to advance to the Regional Tournament.
- Two Bedford High School 2010 graduates were named AP scholars by the College Board for their exceptional achievement on the college-level Advanced Placement exams.
- Bedford students stepped in to try to help the victims of last spring’s Japanese earthquake and tsunami disaster. Bedford High School students held a Benefit April 28th which included vocal and instrumental music, dance, poetry and a prom fashion show. Also, Carylwood Intermediate School students made more than 1,200 paper cranes that they donated to a foundation which was to donate funds to Japan for every crane sent. Cranes are considered good luck charms in the Japanese culture.
- Glendale Primary School students participated in a community service project to collect 100,000 pairs of footwear, including shoes, slippers and boots for children and adults. The footwear was donated to Soles4Souls, a charity that was created to facilitate the donation of shoes to the people who most desperately need them in more than 125 countries.

Long-term Planning

The Bedford City School District has been engaged in a strategic planning process since 1990. Its most recent plan was adopted in 2003, and references efforts to enhance academic achievement, promote cultural diversity, increase parental involvement, expand the use of technology, expand staff development opportunities, and provide ongoing support for the emotional needs of the students and staff. Additionally, the Superintendent and the Board of Education had set forth new goals and initiatives for the Bedford City School District in a 5-year plan called *A Focused Effort on Success—2009-2014*. Goals in this plan reference Board Relations, Academic Programming, Community Engagement, Accountability, Staff Wellness and Morale, Diversifying the Workforce and Records Management.

Some key elements addressed during the 2010-2011 school year from these plans were:

- **Cultural Diversity:** The Bedford City School District held a Multicultural Fair in March 2011 called *Respect Our Differences—Celebrate Our Similarities*. The purpose of this event was to help our children and community members to gain a deeper appreciation and respect for the cultural differences that make us unique and the similarities that bring us together. Exhibits and performances spotlighted a variety of cultures including African, Australian, Mediterranean, Latino, Middle Eastern and Asian.
- **Expand the Use of Technology:**
 - **Network Upgrade:** In the summer of 2010, the entire data network infrastructure that was put into place in 1997 was replaced, and the network backbone was upgraded from 100 MB to 10 GB, offering more than 100 times more digital bandwidth to accommodate modern day voice, video and advanced classroom educational software applications. Included free of charge in this upgrade was a CISCO digital media suite, as the School District was chosen as a pilot district for use of its digital signage, streaming media, and “show and share server”—a curriculum-based version of YouTube.
 - **Teacher Laptops:** In the summer of 2011, 185 teacher laptops were replaced as a part of a plan that was set into motion last year to replace all teacher laptops on a three-year cycle. These laptops are at the core of technology in the classroom, providing resources via the internet to enable teachers to develop creative lessons that make learning fun and engaging. They help teachers keep track of student progress through the School District’s ProgressBook on-line gradebook. And very importantly, the laptops provide a means for communicating with parents through e-mail as it relates to their child’s progress in school. The teachers’ old laptops, then, were essentially recycled for student use. They were reconfigured and placed on mobile computer carts to be used at the elementary and middle schools.
 - **Interactive White Boards:** Forty Interactive White Boards were purchased and are in the process of being installed in classrooms throughout the School District. Replacing the traditional chalkboard, these interactive boards connect a computer and projector. They open a window to many internet-based tools such as Skype video conferencing to connect classrooms with individuals across the nation and in other parts of the world and engage students in real-time instruction. With this latest project, the School District now has about 100 interactive white boards in use in our classrooms.

- **ELMO Document Cameras:** Fifteen additional ELMO document cameras were purchased. These valuable teacher tools project 3-D images of real objects on the whiteboard screen to turn any presentation into an exciting activity.
- **Clickers:** Three new sets of “clickers,” or student response systems, were purchased. These clickers function much like the electronic polling systems used on popular TV shows such as “American’s Funniest Videos.” Using this technology, teachers are able to instantly assess student understanding of key concepts.
- **iPads:** The School District also purchased several iPads. The iPads, made by Apple, Inc., are quickly becoming an important tool in the world of educational technology.
- Additionally, plans were set into place to expand the use of Distance Learning opportunities for students and also to launch a new website in the 2011-2012 school year.

Funding for these technology items was provided through the general fund as well as through federal grants made possible by the American Reinvestment and Recovery Act.

- **Wellness Program:** A wellness committee composed of a staff member from each building in the School District was formed to develop activities to promote wellness. The ultimate goal of the program is to control healthcare premiums by reducing utilization through improved employee health. Medical Mutual of Ohio, the School District’s health insurance carrier, and the Oswald Companies, the School District’s health care consultant, have partnered with the Bedford Board of Education to provide financial support for the program and to assist with consultative service. Approximately half of the employee staff participated in the three programs advanced by the committee last school year. The Wellness Committee will begin to work with the Health Care Committee, a committee developed as a result of the recent negotiated agreement, to provide incentives to increase employee participation and to highlight the benefits of the wellness program.
- **Community Engagement:** Preparations were made to launch a community/business advisory council in the 2011-2012 school year which will serve as the Superintendent’s Consultant Board. Names were suggested for the formation of a roster. The purpose and structure of the Council was sketched out. Also, the School District continued to reach out to the senior citizens in its four communities by offering a quarterly ElderClass, an intergenerational program designed to build a positive relationship between the Bedford Schools, its students, and the senior citizens of Bedford, Bedford Heights, Oakwood, and Walton Hills. Participants enjoy a stimulating afternoon of conversation, education, camaraderie and a light supper at a District school. Programming has included concerts, speakers, authors, financial advisors and legal experts; as well as programs on subjects such as home repair/gardening, health/wellness, dance, cooking, and much more. This program is free of charge to seniors who reside in the School District. Attendance has steadily grown since its inception in 2004, with about 125-150 seniors attending each program last year. ElderClass is predominantly funded by corporate sponsorships and donations. In addition, senior citizens were once again invited to the very popular annual Senior Citizens Valentine’s Day Dance sponsored by Bedford High School’s Varsity B club. Senior Citizens may attend any school function (spring musical, sporting event, concert, etc.) free of charge.

Other achievements

- In the spirit of employee bonding and to help boost staff morale, the School District hosted two “Behind the Fence” parties for all employees and their families. The tailgate-type parties were held before two home football games: the season opener and Homecoming. Tents, tables and grills were set up in an open area behind the stadium building. Hot dogs and hamburgers were grilled, and an employee potluck dinner was spread across three long tables. After eating and socializing, employees and their family members were treated to a free football game.
- The Bedford High School Baseball team clinched the Lake Erie League (LEL) Erie Division Championship for the first time since the 1970s. Also, the BHS Fast Pitch Softball team won its second straight LEL Championship this past spring. Heskett Middle School also won the championship titles for both Baseball and Fast-Pitch Softball.

Employees

As of June 30, 2011, the School District had 528 employees. A Statewide public employee collective bargaining law applies generally to public employee relations and collective bargaining.

As of June 30, 2011, 289 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 64 percent or 185 held advanced degrees. The 2010-2011 starting salary for a teacher with a bachelor’s degree was \$37,898; the maximum teacher salary (for a teacher with a master’s degree plus 45 semester hours and 18 years’ experience) was \$78,766. The average current base salary of a School District teacher for 2010-2011 was \$59,160, compared to a State average of (fiscal year 2010) \$56,715.

All of the School District’s teachers and educational specialists (excluding 19 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, 2010 and will be in effect through June 30, 2013.

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 9 administrators and 3 confidential secretaries and the EMIS Coordinator. A new contract was negotiated and will expire on December 31, 2013. There have been no work stoppages in the last 18 years. In the judgment of the Board of Education, labor relations with all of its employees are excellent.

Awards

The Governmental Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Bedford City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2010. The Certificate is the highest form of recognition in the area of governmental financial reporting. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such a report must satisfy both generally accepted accounting principles 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 the Certificate of Achievement program requirements, and we are submitting it to GFOA.

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. Sonya Jackson, 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 fiscal year 2011 CAFR. The fiscal year 2011 CAFR is also the work of Assistant Treasurer, Donald E. Houghton, Jr., whose name appears on the title page.

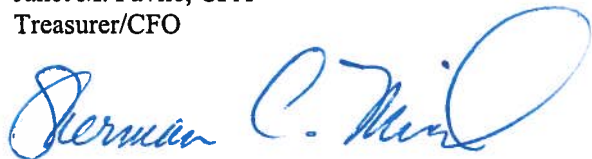
Layout and content of the fiscal year 2011 CAFR, are credited to Mrs. Margaret Bierman, Coordinator of Technology and Electronic Media and Beth Russell, Coordinator of Communications and Public Relations. Ms. Debi Jones, Technology Clerk, was instrumental in the graphic design of this report. The digital 2011 CAFR was produced by the Information Technology Department of the Bedford City School District.

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

Respectfully submitted,



Janet M. Pavlic, CPA
Treasurer/CFO



Sherman C. Micsak
Superintendent of Schools

**Bedford City School District
Principal Officials
June 30, 2011**

Board of Education

Mr. Phil Stevens
Mr. Tim Tench
Mrs. Debora J. Kozak
Mr. Joseph V. Mestnik
Mrs. Barbara A. Patterson

President
Vice President
Member
Member
Member

Treasurer

Mrs. Janet M. Pavlic, CPA

Assistant Treasurer

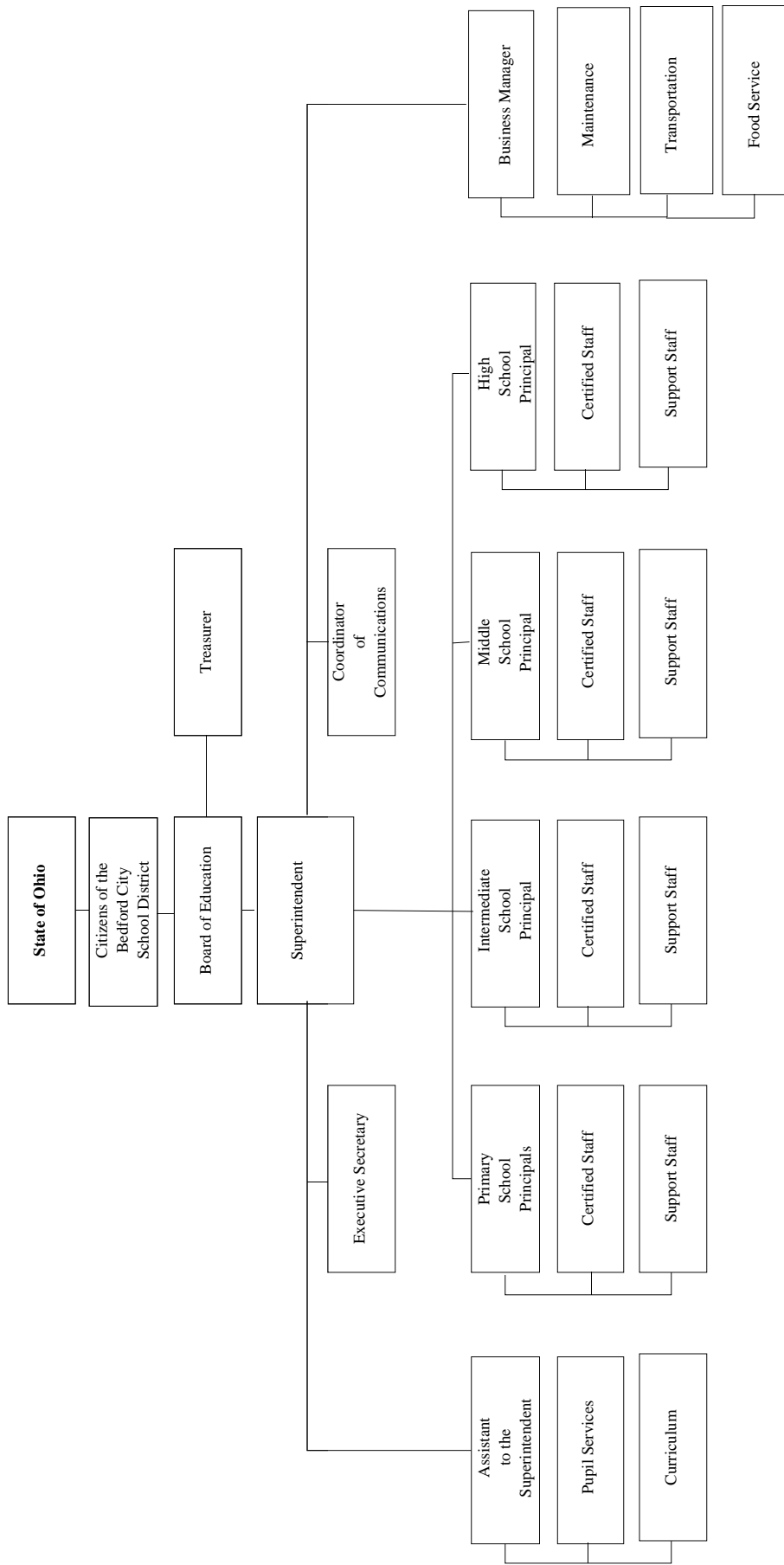
Mr. Donald E. Houghton, Jr.

Administration

Mr. Sherman C. Micsak
Mrs. Linda A. O'Neill
Mr. Jerry Zgrabik

Superintendent
Assistant Superintendent
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, 2010

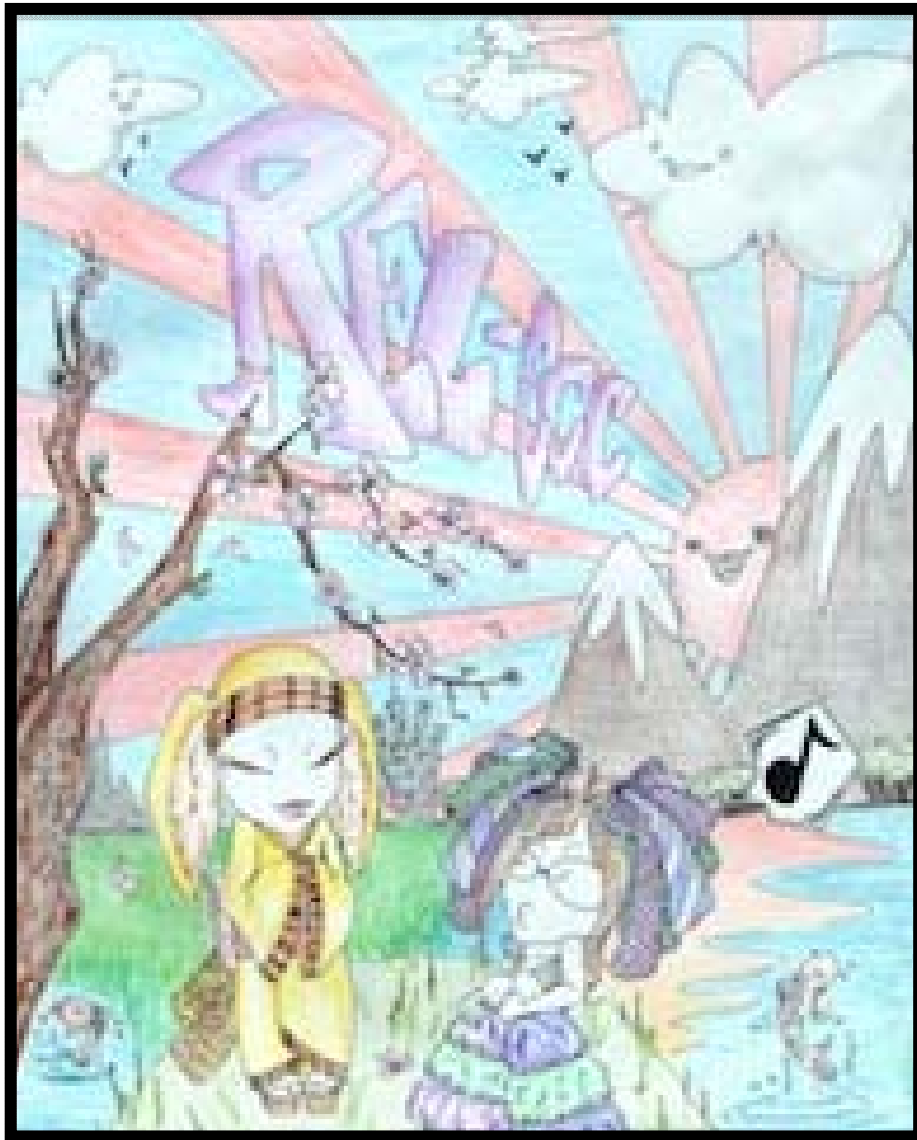
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

Financial Section



Artwork by: Arielle Ciprian

12th Grade Student

Bedford High School

Art Teacher: Dagmar Clements



Artwork by: Jerome Luster

3rd Grade Student

Central Primary School

Art Teacher: Kenan Gabriel

JAMES G. ZUPKA, C.P.A., INC.

Certified Public Accountants

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Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Education
Bedford City School District
Bedford, Ohio

The Honorable Dave Yost
Auditor of State
State of Ohio

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, as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Bedford City School District, Ohio'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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Bedford City School District, Ohio, as of June 30, 2011, and the respective changes in financial position, and 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.

As described in Note 3 to the basic financial statements, the District adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2011, on our consideration of the Bedford City School District, Ohio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 11 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Bedford City School District, Ohio's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financials statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



James G. Zupka, CPA, Inc.
Certified Public Accountants

November 16, 2011

Bedford City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
Unaudited

The discussion and analysis of the Bedford City School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2011. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the transmittal letter, the basic financial statements as well as the notes to the basic financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2011 are as follows:

- In May 2009, the voters of the School District approved a new 4.9 mill operating levy. This new millage went into effect beginning January 2010, and the School District experienced a full-year of collections in fiscal year 2011.
- The Board of Education approved an increase in general fund appropriations during the 2011 fiscal year. This was in response to the passage of the levy in May 2009. As promised to the voters, previous cuts to tutors, textbooks and technology budgets were restored.
- During the 2011 fiscal year, the School District entered into a five year capital lease to upgrade the computer network. Along with the upgrade to the computer network, a secondary lease was entered into for a period of three years in order to purchase computers.
- The School District had slightly lower program expenses related to governmental activities than the previous fiscal year, mainly due to the decrease in instruction related expenses. The School District continues to try to replace retiring teachers with newer teachers, lower on the pay scale.

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, 2011
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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. 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, 2011
Unaudited

The School 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 2011 compared to fiscal year 2010:

Table 1
Net Assets

	2011	2010	Change
Assets			
Current and Other Assets	\$55,582,811	\$52,670,784	\$2,912,027
Capital Assets, Net	20,863,033	19,553,727	1,309,306
<i>Total Assets</i>	<u>76,445,844</u>	<u>72,224,511</u>	<u>4,221,333</u>
Liabilities			
Current and Other Liabilities	29,850,585	29,788,809	61,776
Long-Term Liabilities:			
Due Within One Year	2,810,335	2,540,097	270,238
Due in More than One Year	6,321,716	7,257,798	(936,082)
<i>Total Liabilities</i>	<u>38,982,636</u>	<u>39,586,704</u>	<u>(604,068)</u>
Net Assets			
Invested in Capital Assets, Net of Debt	15,853,913	13,534,897	2,319,016
Restricted:			
Capital Projects	229,779	1,400,209	(1,170,430)
Debt Service	2,086,003	2,148,734	(62,731)
Other Purposes	650,968	557,401	93,567
Unrestricted	18,642,545	14,996,566	3,645,979
<i>Total</i>	<u>\$37,463,208</u>	<u>\$32,637,807</u>	<u>\$4,825,401</u>

The increase in assets was predominantly due to an increase in cash as a result of the School District receiving a full-year of property tax collections from the 4.9 mill operating levy that was passed in May 2009. This increase is partially offset by an overall increase in liabilities due to the restoration of previously reduced expenditures for tutors, textbooks and technology.

Bedford City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
Unaudited

Table 2 shows changes in governmental net assets for fiscal years 2011 and 2010.

Table 2
Changes in Net Assets

	2011	2010	Change
Revenues			
<i>Program Revenues:</i>			
Charges for Services and Sales	\$2,346,793	\$2,491,151	(\$144,358)
Operating Grants and Contributions	5,366,013	4,476,557	889,456
Capital Grants and Contributions	196,417	226,177	(29,760)
<i>Total Program Revenues</i>	<u>7,909,223</u>	<u>7,193,885</u>	<u>715,338</u>
<i>General Revenue:</i>			
Property Taxes	30,321,372	27,523,388	2,797,984
Grants and Entitlements	17,019,801	17,563,453	(543,652)
Investments	27,479	27,574	(95)
Gain on Sale of Capital Assets	1,371	0	1,371
Miscellaneous	371,913	433,459	(61,546)
<i>Total General Revenues</i>	<u>47,741,936</u>	<u>45,547,874</u>	<u>2,194,062</u>
Total Revenues	<u>55,651,159</u>	<u>52,741,759</u>	<u>2,909,400</u>
Program Expenses			
Instruction	25,022,834	26,802,708	1,779,874
Support Services:			
Pupil	3,034,339	3,015,745	(18,594)
Instructional Staff	2,735,600	2,544,377	(191,223)
Board of Education	85,953	243,585	157,632
Administration	3,969,440	3,079,356	(890,084)
Fiscal	1,309,344	1,381,083	71,739
Business	877,396	667,683	(209,713)
Operation and Maintenance of Plant	6,645,111	7,070,172	425,061
Pupil Transportation	3,513,967	3,578,892	64,925
Central	335,344	321,466	(13,878)
Operation of Non-Instructional Services:			
Food Service Operations	1,705,905	1,697,599	(8,306)
Other Non-Instructional Services	394,207	340,054	(54,153)
Extracurricular Activities	838,622	804,712	(33,910)
Interest and Fiscal Charges	357,696	437,058	79,362
<i>Total Program Expenses</i>	<u>50,825,758</u>	<u>51,984,490</u>	<u>1,158,732</u>
<i>Net Change in Net Assets</i>	4,825,401	757,269	4,068,132
<i>Net Assets Beginning of Year</i>	<u>32,637,807</u>	<u>31,880,538</u>	<u>757,269</u>
<i>Net Assets End of Year</i>	<u>\$37,463,208</u>	<u>\$32,637,807</u>	<u>\$4,825,401</u>

Bedford City School District
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General revenues increased from 2010. In 2011, the School District experienced increased levels of property tax collections due the recognition of a full year of the additional 4.9 mill operating levy that was approved in calendar year 2009.

The increase in program revenues is due to the receipt of greater amounts in operating grants and contributions than the previous year. The title VI-B, state fiscal stabilization, technology title II-D, title I and title VI-R special revenue funds make up the majority of the increase in operating grant revenues. The School District actively seeks out additional grant sources to help cover costs.

The School District has been working to reduce expenditures. These efforts are evident by the overall decrease in expenditures from fiscal year 2010 to 2011.

Governmental Activities

The School District went to the voters in November, 2008 seeking approval of a 5.9 mill operating levy in order to keep on track with rising costs and lower revenues incoming from taxes and school foundation funding. Prior to this attempt, the last operating levy approved by voters was 4.9 mills in November 2004. The November, 2008 levy was defeated.

The School District then placed a 4.9 mill operating levy on the ballot in May 2009. This levy was approved by the voters.

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 over half of total revenues in the School District for fiscal year 2011, followed by grants, entitlements and contributions and then charges for services, investments and other revenue made up the remaining revenues.

Instructional expenses account for the largest portion of total program expenses. Building maintenance and pupil transportation cost made up the second largest portion of current year expenses, while board of education, administrative, fiscal and business costs made up the remaining amount.

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

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Table 3
 Net Cost of Governmental Activities

	Total Cost of Services 2011	Net Cost of Services 2011	Total Cost of Services 2010	Net Cost of Services 2010
Instruction	\$25,022,834	\$22,043,028	\$26,802,708	\$23,541,840
Support Services:				
Pupil	3,034,339	2,457,325	3,015,745	2,690,252
Instructional Staff	2,735,600	2,074,300	2,544,377	1,986,922
Board of Education	85,953	85,953	243,585	243,585
Administration	3,969,440	3,826,390	3,079,356	2,760,795
Fiscal	1,309,344	1,309,344	1,381,083	1,381,083
Business	877,396	849,068	667,683	635,646
Operation and Maintenance of Plant	6,645,111	5,548,672	7,070,172	6,644,966
Pupil Transportation	3,513,967	3,513,967	3,578,892	3,578,892
Central	335,344	329,456	321,466	311,649
Operation of Non-Instructional Services:				
Food Service Operations	1,705,905	(146,022)	1,697,599	(122,496)
Other Non-Instructional Services	394,207	79,248	340,054	38,760
Extracurricular Activities	838,622	588,110	804,712	661,653
Interest and Fiscal Charges	357,696	357,696	437,058	437,058
<i>Total</i>	<u>\$50,825,758</u>	<u>\$42,916,535</u>	<u>\$51,984,490</u>	<u>\$44,790,605</u>

The dependence on tax revenues and State subsidies for governmental activities is apparent. The majority of instructional activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is over 84.44 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 \$55,542,220 and expenditures of \$53,399,974. The net change in fund balance for the year in the general fund increased by \$3,469,494 and a \$720,612 decrease in all other governmental funds. The increase in the general fund was primarily due to the additional property tax collections during fiscal year 2011. The decrease in all other governmental funds was primarily due to an increase in the amount of capital outlay expenditures for building improvements and equipment over the 2010 fiscal year.

Bedford City School District
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General Fund Budgeting Highlights

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

During the course of fiscal year 2011, the School District amended its general fund budget several times, but no change was significant. The general fund final budget revenue amount is higher than the original budget amount. The increase was due to the higher than anticipated collection of real estate tax funds. Actual revenues are higher than the final budget amount. Actual expenditures are less than the final budget amount. The School District made a conscious effort to keep expenditures below budgeted amounts. Savings were the greatest in regular instruction and operation and maintenance of plant. The School District ended the fiscal year with a fund balance of \$15,917,968, an increase of \$1,250,013 from fiscal year 2010 and \$3,057,279 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 2011, the School District had, at cost, \$53,139,893 invested in land, construction in progress, buildings and improvements, furniture and equipment, and vehicles. That total carries an accumulated depreciation of \$32,276,860. Table 4 shows fiscal year 2011 balances compared to fiscal year 2010.

Table 4
 Capital Assets at June 30
 Governmental Activities

	2011	2010
Land	\$1,525,500	\$1,525,500
Construction in Progress	618,860	58,891
Buildings and Improvements	14,871,053	14,764,015
Furniture and Equipment	2,068,698	1,535,840
Vehicles	1,778,922	1,669,481
	\$20,863,033	\$19,553,727

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In November of 2010, voters in the School District approved the renewal of a one mill permanent improvement levy. This levy generates approximately \$490,000 a year, and coupled with reimbursements for lost levy proceeds in the amount of \$162,000, provides funds which are used exclusively for capital purchases. These funds are currently being used to finance several construction projects which were started in 2011. The net value of governmental capital assets is 39.26 percent of the value of the capital assets at cost. This ratio reflects a relatively old physical plant and bus fleet. The buildings of the School District are well maintained and in good repair. For additional information on capital assets, see Note 10 of the notes to the basic financial statements.

Debt

At June 30, 2011, the School District had \$5,875,540 in bonds, loans and leases outstanding, \$1,669,411 of which was due within one year. Table 5 summarizes bonds and loans outstanding.

Table 5
Outstanding Debt at June 30
Governmental Activities

	2011	2010
2001 Refunding Serial Bonds	\$1,199,427	\$2,418,808
2001 Refunding Capital Appreciation Bonds	1,396,382	1,262,950
2006 Energy Conservation Improvement Bonds	2,566,145	2,770,450
2002 Maintenance Facility Loan	143,000	210,000
Capital Leases	570,586	96,000
Totals	\$5,875,540	\$6,758,208

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, and the refunding of \$975,000 in library construction bonds and \$8,215,000 in facilities renovation bonds. The refunding bonds also consisted of \$536,300 in capital appreciation bonds. The maintenance facility loan was issued to construct a new maintenance facility for the School District.

During 2004, the School District entered into astro turf 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.

During 2011, the School District entered into a network upgrade lease and a Dell computer lease. These will be paid from the capital replacement fund.

The School District's overall debt margin was \$67,108,219 with an unvoted debt margin of \$723,369. For additional information on long-term obligations, see Note 19 of the notes to the basic financial statements.

Bedford City School District
Management's Discussion and Analysis
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Unaudited

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.

In November 2008, the School District had placed a 5.9 mill operating levy on the ballot which was defeated by voters. In response, the School District made additional reductions in operations. Voters approved a 4.9 mill levy in May 2009. Funding from the new levy began to be collected in January 2010.

School Funding

The State funding formula for K-12 education in Ohio has changed several times in recent years. Governor Strickland developed and proposed the Ohio Evidence-Based Model Education Program (OEBM), most of which was incorporated into the fiscal 2010-2011 biennial State budget, House Bill No.1. The OEBM represented a significant overhaul to the historical per pupil funding model utilized by the State, and was scheduled to be phased-in over the ensuing ten to twelve years. The State of Ohio utilized approximately \$8 billion of the Federal Stimulus package (American Recovery and Reinvestment Act, aka ARRA) to fill its budgetary hole for the 2010-2011 biennium, under which, the School District's State Foundation funding has continued to be under the guarantee subject to a one percent reduction during each of the two fiscal years of the biennium. In November 2010, Governor Strickland lost his bid for re-election to Governor Kasich. The new governor carried through on his promise to repeal the OEBM and has replaced it with a "Bridge" Formula. A new formula is currently under development, and is expected to be unveiled in the next year. Once again, further cuts to education are expected. Consequently, all of the School District's financial abilities will be called upon to meet the challenges the future will bring. The School District's Board and management team continue to carefully and prudently plan in order to provide the resources required to meet the future needs of its students.

The State Legislature has also affected 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. Beginning in 2008, by State law, each School District will be evaluated annually as to whether they will continue to receive deregulation funds. The School District was evaluated and for the first time did not qualify to receive electric deregulation funds in 2011.

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.

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, Bedford, OH 44146.

Bedford City School District*Statement of Net Assets**June 30, 2011*

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$22,969,468
Cash and Cash Equivalents with Fiscal Agent	157,255
Accounts Receivable	19,267
Intergovernmental Receivable	634,918
Inventory Held for Resale	40,529
Materials and Supplies Inventory	387,300
Taxes Receivable	31,367,736
Deferred Charges	6,338
Nondepreciable Capital Assets	2,144,360
Depreciable Capital Assets	<u>18,718,673</u>
<i>Total Assets</i>	<u>76,445,844</u>
Liabilities	
Accounts Payable	807,306
Contracts Payable	552,177
Accrued Wages and Benefits Payable	3,663,987
Intergovernmental Payable	1,664,432
Deferred Revenue	22,922,659
Matured Compensated Absences Payable	148,445
Accrued Interest Payable	29,796
Claims Payable	61,783
Long-Term Liabilities:	
Due Within One Year	2,810,335
Due in More Than One Year	<u>6,321,716</u>
<i>Total Liabilities</i>	<u>38,982,636</u>
Net Assets	
Invested in Capital Assets, Net of Related Debt	15,853,913
Restricted for:	
Capital Projects	229,779
Debt Service	2,086,003
Food Service	362,298
Student Support	78,582
Athletic Facilities	3,636
Other Purposes	206,452
Unrestricted	<u>18,642,545</u>
<i>Total Net Assets</i>	<u><u>\$37,463,208</u></u>

See accompanying notes to the basic financial statements

Bedford City School District
Statement of Activities
For the Fiscal Year Ended June 30, 2011

	Program Revenues			Net Expenses and Changes in Net Assets	
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
Instruction:					
Regular	\$18,698,444	\$1,472,019	\$218,209	\$0	(\$17,008,216)
Special	5,358,120	0	1,143,544	0	(4,214,576)
Vocational	915,394	0	146,034	0	(769,360)
Student Intervention Services	50,876	0	0	0	(50,876)
Support Services:					
Pupil	3,034,339	0	577,014	0	(2,457,325)
Instructional Staff	2,735,600	0	661,300	0	(2,074,300)
Board of Education	85,953	0	0	0	(85,953)
Administration	3,969,440	0	143,050	0	(3,826,390)
Fiscal	1,309,344	0	0	0	(1,309,344)
Business	877,396	23,328	5,000	0	(849,068)
Operation and Maintenance of Plant	6,645,111	0	900,022	196,417	(5,548,672)
Pupil Transportation	3,513,967	0	0	0	(3,513,967)
Central	335,344	0	5,888	0	(329,456)
Operation of Non-Instructional Services:					
Food Service Operations	1,705,905	601,725	1,250,202	0	146,022
Other Non-Instructional Services	394,207	0	314,959	0	(79,248)
Extracurricular Activities	838,622	249,721	791	0	(588,110)
Interest and Fiscal Charges	357,696	0	0	0	(357,696)
Total Governmental Activities	\$50,825,758	\$2,346,793	\$5,366,013	\$196,417	(42,916,535)
General Revenues					
Property Taxes Levied for:					
General Purposes					28,733,772
Debt Service					1,141,941
Capital Outlay					445,659
Grants and Entitlements not Restricted to Specific Programs					17,019,801
Investment Earnings					27,479
Gain on Sale of Capital Assets					1,371
Miscellaneous					371,913
Total General Revenues					47,741,936
Change in Net Assets					4,825,401
<i>Net Assets Beginning of Year - Restated (See Note 3)</i>					<u>32,637,807</u>
<i>Net Assets End of Year</i>					<u><u>\$37,463,208</u></u>

See accompanying notes to the basic financial statements

Bedford City School District

Balance Sheet

Governmental Funds

June 30, 2011

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	\$17,004,579	\$4,520,357	\$21,524,936
Cash and Cash Equivalents with Fiscal Agents	0	157,255	157,255
Accounts Receivable	13,756	5,511	19,267
Intergovernmental Receivable	63,844	571,074	634,918
Inventory Held for Resale	0	40,529	40,529
Materials and Supplies Inventory	381,025	6,275	387,300
Interfund Receivable	1,395,500	75,000	1,470,500
Taxes Receivable	30,073,922	1,293,814	31,367,736
<i>Total Assets</i>	<u>\$48,932,626</u>	<u>\$6,669,815</u>	<u>\$55,602,441</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$421,953	\$385,353	\$807,306
Contracts Payable	0	552,177	552,177
Accrued Wages and Benefits Payable	3,424,103	239,884	3,663,987
Intergovernmental Payable	1,547,622	116,810	1,664,432
Interfund Payable	0	1,470,500	1,470,500
Deferred Revenue	25,818,932	1,080,345	26,899,277
Matured Compensated Absences Payable	126,763	21,682	148,445
<i>Total Liabilities</i>	<u>31,339,373</u>	<u>3,866,751</u>	<u>35,206,124</u>
Fund Balances			
Nonspendable	381,025	6,275	387,300
Restricted	24,172	2,646,554	2,670,726
Committed	263,940	276,279	540,219
Assigned	254,886	0	254,886
Unassigned (Deficit)	16,669,230	(126,044)	16,543,186
<i>Total Fund Balances</i>	<u>17,593,253</u>	<u>2,803,064</u>	<u>20,396,317</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$48,932,626</u>	<u>\$6,669,815</u>	<u>\$55,602,441</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, 2011*

Total Governmental Funds Balances		\$20,396,317
 <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.		20,863,033
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Delinquent Property Taxes	3,943,171	
Grants	33,447	
Total	3,976,618	3,976,618
Bond issuance costs will be amortized over the life of the bonds on the statement of net assets.		6,338
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		(29,796)
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.		1,382,749
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
General Obligation Bonds	(5,161,954)	
Loan Payable	(143,000)	
Capital Leases	(570,586)	
Compensated Absences	(3,256,511)	
Total	(9,132,051)	(9,132,051)
<i>Net Assets of Governmental Activities</i>		\$37,463,208

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, 2011

	General	Other Governmental Funds	Total Governmental Funds
Revenues			
Taxes	\$28,536,413	\$1,575,426	\$30,111,839
Intergovernmental	16,907,185	5,749,221	22,656,406
Interest	27,064	415	27,479
Charges for Services	12,793	603,297	616,090
Tuition and Fees	1,472,019	0	1,472,019
Rentals	23,328	0	23,328
Extracurricular Activities	98,925	136,431	235,356
Contributions and Donations	12,228	15,562	27,790
Miscellaneous	310,250	61,663	371,913
<i>Total Revenues</i>	<u>47,400,205</u>	<u>8,142,015</u>	<u>55,542,220</u>
Expenditures			
Current:			
Instruction:			
Regular	17,843,309	493,227	18,336,536
Special	4,176,131	1,157,442	5,333,573
Vocational	793,883	112,917	906,800
Student Intervention Services	50,876	0	50,876
Support Services:			
Pupil	2,422,171	605,819	3,027,990
Instructional Staff	1,884,247	851,168	2,735,415
Board of Education	85,953	0	85,953
Administration	3,783,738	155,366	3,939,104
Fiscal	1,286,775	10,314	1,297,089
Business	627,633	500	628,133
Operation and Maintenance of Plant	5,757,755	426,603	6,184,358
Pupil Transportation	3,569,928	40,164	3,610,092
Central	327,489	2,000	329,489
Operation of Non-Instructional Services:			
Food Service Operations	0	1,704,502	1,704,502
Other Non-Instructional Services	5,161	350,302	355,463
Extracurricular Activities	494,182	240,922	735,104
Capital Outlay	2,256	2,303,980	2,306,236
Debt Service:			
Principal Retirement	319,305	1,292,800	1,612,105
Interest and Fiscal Charges	124,189	96,967	221,156
<i>Total Expenditures</i>	<u>43,554,981</u>	<u>9,844,993</u>	<u>53,399,974</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>3,845,224</u>	<u>(1,702,978)</u>	<u>2,142,246</u>
Other Financing Sources (Uses)			
Sale of Capital Assets	16,250	0	16,250
Inception of Capital Lease	0	590,386	590,386
Transfers In	0	391,980	391,980
Transfers Out	(391,980)	0	(391,980)
<i>Total Other Financing Sources (Uses)</i>	<u>(375,730)</u>	<u>982,366</u>	<u>606,636</u>
<i>Net Change in Fund Balances</i>	3,469,494	(720,612)	2,748,882
<i>Fund Balances Beginning of Year - Restated (See Note 3)</i>	<u>14,123,759</u>	<u>3,523,676</u>	<u>17,647,435</u>
<i>Fund Balances End of Year</i>	<u>\$17,593,253</u>	<u>\$2,803,064</u>	<u>\$20,396,317</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, 2011*

Net Change in Fund Balances -Total Governmental Funds \$2,748,882

*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	2,720,565	
Current Year Depreciation	<u>(1,396,380)</u>	
Total		1,324,185

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. (14,879)

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

Delinquent Property Taxes	209,533	
Intergovernmental	<u>(101,965)</u>	
Total		107,568

Other financing sources in the governmental funds, such as inception of capital lease, increase long-term liabilities in the statement of net assets. (590,386)

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	8,901	
Annual Accretion	(133,432)	
Amortization of Premium on Bonds	39,917	
Amortization of Loss on Refunding	(45,536)	
Amortization of Issuance Costs	<u>(6,390)</u>	
Total		(136,540)

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. 1,612,105

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. (216,824)

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. (8,710)

Change in Net Assets of Governmental Activities \$4,825,401

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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$27,379,852	\$27,701,852	\$27,821,100	\$119,248
Intergovernmental	16,588,871	16,887,639	16,930,169	42,530
Interest	50,000	26,000	27,064	1,064
Charges for Services	0	12,000	12,793	793
Tuition and Fees	1,224,301	1,424,601	1,452,335	27,734
Rentals	0	0	115	115
Miscellaneous	317,784	349,784	359,951	10,167
<i>Total Revenues</i>	45,560,808	46,401,876	46,603,527	201,651
Expenditures				
Current:				
Instruction:				
Regular	19,648,104	18,424,740	17,962,083	462,657
Special	4,346,975	4,292,325	4,166,699	125,626
Vocational	920,205	999,822	868,135	131,687
Support Services:				
Pupil	2,603,675	2,691,336	2,525,583	165,753
Instructional Staff	1,891,219	1,953,318	1,902,954	50,364
Board of Education	289,180	339,194	109,681	229,513
Administration	4,060,010	4,078,142	3,777,487	300,655
Fiscal	1,410,050	1,463,603	1,313,571	150,032
Business	730,680	743,776	648,792	94,984
Operation and Maintenance of Plant	6,656,225	6,633,979	5,862,638	771,341
Pupil Transportation	3,740,425	3,982,401	3,706,063	276,338
Central	312,200	354,592	341,243	13,349
Extracurricular Activities	474,800	500,900	488,193	12,707
Capital Outlay	5,000	5,000	2,256	2,744
Debt Service:				
Principal Retirement	286,305	398,505	326,876	71,629
Interest and Fiscal Charges	120,945	127,045	127,030	15
<i>Total Expenditures</i>	47,495,998	46,988,678	44,129,284	2,859,394
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,935,190)	(586,802)	2,474,243	3,061,045
Other Financing Sources (Uses)				
Sale of Capital Assets	11,216	16,216	16,250	34
Advances In	781,000	1,103,000	1,103,200	200
Advances Out	(777,380)	(1,933,700)	(1,951,700)	(18,000)
Transfers Out	(279,980)	(405,980)	(391,980)	14,000
<i>Total Other Financing Sources (Uses)</i>	(265,144)	(1,220,464)	(1,224,230)	(3,766)
<i>Net Change in Fund Balance</i>	(2,200,334)	(1,807,266)	1,250,013	3,057,279
<i>Fund Balance Beginning of Year</i>	13,849,287	13,849,287	13,849,287	0
Prior Year Encumbrances Appropriated	818,668	818,668	818,668	0
<i>Fund Balance End of Year</i>	\$12,467,621	\$12,860,689	\$15,917,968	\$3,057,279

See accompanying notes to the basic financial statements

Bedford City School District

Statement of Fund Net Assets

Internal Service Funds

June 30, 2011

Assets	
Equity in Pooled Cash and Cash Equivalents	\$1,444,532
Liabilities	
Claims Payable	<u>61,783</u>
Net Assets	
Unrestricted	<u><u>\$1,382,749</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, 2011*

Operating Revenues

Charges for Services \$1,214,102

Operating Expenses

Purchased Services 2,903

Claims 1,219,909

Total Operating Expenses 1,222,812

Change in Net Assets (8,710)

Net Assets Beginning of Year 1,391,459

Net Assets End of Year \$1,382,749

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, 2011

Increase (Decrease) in Cash and Cash Equivalents

Cash Flows from Operating Activities

Cash Received from Interfund Services	\$1,214,102
Cash Payments for Purchased Services	(2,903)
Cash Payments for Claims	<u>(1,216,658)</u>

Net Decrease in Cash and Cash Equivalents (5,459)

Cash and Cash Equivalents Beginning of Year 1,449,991

Cash and Cash Equivalents End of Year \$1,444,532

Reconciliation of Operating Loss to Net

Cash Used for Operating Activities

Operating Loss (\$8,710)

Adjustments:

Increase in Claims Payable 3,251

Net Cash Used For Operating Activities (\$5,459)

See accompanying notes to the basic financial statements

Bedford City School District
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2011

	Private Purpose Trust	
	Scholarship	Agency
Assets		
Equity in Pooled Cash and Cash Equivalents	\$81,676	\$33,711
Liabilities		
Due to Students	0	\$33,711
Net Assets		
Held in Trust for Scholarships	\$81,676	

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, 2011

	<u>Scholarship</u>
Additions	
Interest	\$52
Deductions	
Scholarships Awarded	<u>443</u>
<i>Change in Net Assets</i>	(391)
<i>Net Assets Beginning of Year</i>	<u>82,067</u>
<i>Net Assets End of Year</i>	<u><u>\$81,676</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, 2011

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 3,568 students in grades K through 12. The School District also provides preschool education to 35 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, Safely Home, and Sacred Heart of Jesus. 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 in a special revenue fund and 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 II Program, the Lakeshore Northeast Ohio Computer Association and Ohio Schools Council Association. These organizations are presented in Notes 17 and 20 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, 2011

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 funds are eliminated to avoid "doubling up" revenues and expenses. These statements usually distinguish between those activities of the School District that are governmental and those that are considered business-type. The School District, however has no business-type activities.

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 a 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 funds are presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by type.

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 and report for all financial resources except those required to be accounted for and reported in another fund. The general fund balance is available to the School District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

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

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 two internal service funds, one 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 donations 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.

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 funds are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the funds are included on the statement of fund 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 funds activity.

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

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

Basis of Accounting

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

Revenues - Exchange and Non-Exchange Transactions Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days of fiscal year-end.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. (See Note 9). 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, 2011, but which were levied to finance fiscal year 2012 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

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

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

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

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.

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.

Cash and Cash Equivalents

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

The School District utilizes a financial institution to service bonded debt as principal and interest payments come due. The balances in these accounts are presented on the statement of fund net assets as "cash and cash equivalents with fiscal agents."

During fiscal year 2011, the School District's investments were limited to the State Treasurer's Asset Reserve (STAR Ohio). STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on June 30, 2011.

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 2011 amounted to \$27,064, which includes \$5,627 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.

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

Inventory

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used. Inventory consists of expendable supplies held for consumption and donated and purchased food held for resale.

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 and construction in progress 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

Bond Issuance Costs

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

As permitted by State statute, the School District paid bond issuance costs for the bond proceeds and therefore does not consider that portion of the debt to be capital-related debt. That portion of the debt was offset against the unamortized bond issuance costs which were included in the determination of unrestricted net assets. Reporting both within the same element of net assets prevents one classification from being overstated while another is understated by the same amount.

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 receipted in the year the bonds are issued.

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

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, whichever is shorter.

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." Interfund loans which do not represent available expendable resources are offset by a fund balance reserve account. These amounts are eliminated in the governmental activity column of the statement of net assets.

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.

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

On the financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "Matured Compensated Absences Payable" in the fund from which the employee who has accumulated unpaid leave will be paid.

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 and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. Bonds and capital leases are recognized as a liability on the fund financial statements when due.

Internal Activity

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

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

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.

Fund Balance Classifications

Fund balance is divided into five classifications based primarily on the extent to which the School is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

Restricted Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions.

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the School District Board of Education. Those committed amounts cannot be used for any other purpose unless the School District Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the School District Board of Education.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The School District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

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 through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for non-public schools and community involvement.

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

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

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.

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 Fund Balance

For fiscal year 2011, the School District has implemented Governmental Accounting Standard Board (GASB) Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions” and GASB Statement No. 59, “Financial Instruments Omnibus”.

GASB Statement No. 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The implementation of this statement resulted in the reclassification of certain funds and restatement of the School District’s financial statements.

GASB Statement No. 59 addresses significant practice issues that have arisen when accounting for financial instruments by updating and improving existing standards regarding financial reporting of certain financial instruments and external investment pools. The implementation of this statement did not result in any change in the School District’s financial statements.

Restatement of Prior Year’s Fund Balance

The implementation of GASB Statement No. 54 had the following effect on fund balances of the major and nonmajor funds as they were previously reported.

	General	Other Governmental Funds	Total Governmental Funds
Fund Balance at June 30, 2010	\$13,894,717	\$3,752,718	\$17,647,435
Change in Fund Structure	229,042	(229,042)	0
Adjusted Fund Balance at June 30, 2010	\$14,123,759	\$3,523,676	\$17,647,435

The School District changed its capital asset policy to allow for a residual value on all capital assets during the fiscal year. This policy change had the following effect on net assets as they were previously reported.

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

	Governmental Activities
Net Assets, June 30, 2010	\$32,908,143
Capital assets	(270,336)
Adjusted Net Assets, June 30, 2010	\$32,637,807

Note 4 – Fund Balances

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

Fund Balances	General	Other Governmental Funds	Total
<i>Nonspendable</i>			
Inventory	\$381,025	\$6,275	\$387,300
<i>Restricted for</i>			
Food Service	0	432,492	432,492
Technology Improvements	0	294	294
Athletics	0	3,636	3,636
Community Involvement	24,172	102,147	126,319
Non-Public Schools	0	18,547	18,547
Debt Service Payments	0	1,944,665	1,944,665
Capital Improvements	0	144,773	144,773
<i>Total Restricted</i>	<i>24,172</i>	<i>2,646,554</i>	<i>2,670,726</i>
<i>Committed to</i>			
Other Purposes	263,940	276,279	540,219
<i>Assigned to</i>			
Other Purposes	254,886	0	254,886
<i>Unassigned (Deficit)</i>	<i>16,669,230</i>	<i>(126,044)</i>	<i>16,543,186</i>
<i>Total Fund Balances</i>	<i>\$17,593,253</i>	<i>\$2,803,064</i>	<i>\$20,396,317</i>

Note 5 –Accountability

At June 30, 2011, the following funds had deficit fund balances:

	Amount
Special Revenue Funds:	
Title VI-B	\$26,711
Title I	61,938
Preschool Handicapped	1
Title VI-R	13,714
Miscellaneous Federal Grants	23,680

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

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

Note 6 - Budgetary Basis of Accounting

While the School District is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than restricted, committed, or assigned fund balance (GAAP basis).
4. Advances in and advances out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis)
5. Budgetary revenues and expenditures of the public school support, recreation, special enterprise, summer school, schoolnet professional development and poverty aid funds are classified to the general fund for GAAP Reporting.

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	\$3,469,494
Net Adjustment for Revenue Accruals	(796,678)
Advances In	1,103,200
Net Adjustment for Expenditure Accruals	479,538
Advances Out	(1,951,700)
Excess of revenues under expenditures:	
Public School Support	(19,974)
Recreation	(681)
Special Enterprises	(33,094)
Summer School	(7,907)
Schoolnet Professional Development	(91)
Poverty Aid	(50,870)
Adjustment for Encumbrances	(941,224)
Budget Basis	\$1,250,013

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

Note 7 - Deposits and Investments

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

Active monies are public monies determined to be necessary to meet current demands upon 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 evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above;
4. Bonds and other obligations of the State of Ohio;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2);
7. The State Treasurer's investment pool (STAR Ohio); and
8. Commercial paper and bankers acceptances if training requirements have been met.

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.

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

Investments

As of June 30, 2011, the School District had a STAR Ohio investment with a fair value of \$23,321,732, an average maturity of 58.3 days and a rating of AAAM by Standard and Poor's.

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 maturity. To date, no investments have been purchased with a life greater than two years.

Credit Risk. Ohio law requires that STAR Ohio 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 8 - Receivables

Receivables at June 30, 2011, consisted of taxes, accounts (student fees and tuition), interfund, and intergovernmental 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 fiscal year guarantee of federal funds. All receivables except for manuscript debt and delinquent property taxes are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

A summary of principal items of intergovernmental receivables follows:

Governmental Activities	Amount
Title VI-B Grants and Subsidies	\$293,355
Title I Grants and Subsidies	180,895
School Employees Retirement System	56,810
Vocational Education Grants and Subsidies	35,396
Title II-D Technology	31,953
Title VI-R Grants and Subsidies	21,005
Preschool Handicapped Grants and Subsidies	6,470
Lorain County Community College	6,412
Cleveland Heights University Heights	2,000
State of Ohio - CAFS	622
Total	<u>\$634,918</u>

Note 9 - Property Taxes

Property taxes are levied and assessed on a calendar year basis while the School District's 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.

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

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 2011 represents collections of calendar year 2010 taxes. Real property taxes received in calendar year 2011 were levied after April 1, 2010, on the assessed value listed as of January 1, 2010, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2011 represents collections of calendar year 2010 taxes. Public utility real and tangible personal property taxes received in calendar year 2011 became a lien December 31, 2009, were levied after April 1, 2010 and are collected in calendar year 2011 with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax revenue received during calendar year 2010 (other than public utility property tax) represents the collection of 2010 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing and equipment, furniture and fixtures is no longer levied and collected. Tangible personal property taxes received from telephone companies in calendar year 2010 were levied after October 1, 2009, on the value as of December 31, 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.

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, 2011, are available to finance fiscal year 2011 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, 2011 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is 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, 2011 was \$4,017,031 in the general fund, \$185,093 in the bond retirement debt service fund, and \$62,693 in the permanent improvement capital projects fund. The amount available as an advance at June 30, 2010, was \$3,386,558 in the general fund, \$156,043 in the bond retirement debt service fund, and \$52,853 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.

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

The assessed values upon which the fiscal year 2011 taxes were collected are:

	2010 Second Half Collections		2011 First Half Collections	
	Amount	Percent	Amount	Percent
Residential/Agricultural	\$390,270,020	53.71 %	\$392,377,120	54.23 %
Other Real Estate	302,456,730	41.62	297,270,960	41.08
Public Utility Personal	33,898,290	4.67	33,947,590	4.69
Total	\$726,625,040	100.00 %	\$723,595,670	100.00 %
Tax rate per \$1,000 of assessed valuation	\$72.50		\$72.50	

Note 10 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2011, was as follows:

	Balance 6/30/10	Additions	Deletions	Balance 6/30/11
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$1,525,500	\$0	\$0	\$1,525,500
Construction in Progress	58,891	1,389,979	(830,010)	618,860
Total Capital Assets, not being depreciated	1,584,391	1,389,979	(830,010)	2,144,360
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	40,238,756	1,045,747	0	41,284,503
Furniture and Equipment	4,523,502	747,748	0	5,271,250
Vehicles	4,408,307	367,101	(335,628)	4,439,780
Total Capital Assets, being depreciated	49,170,565	2,160,596	(335,628)	50,995,533
Less Accumulated Depreciation:				
Buildings and Improvements	(25,474,741)	(938,709)	0	(26,413,450)
Furniture and Equipment	(2,987,662)	(214,890)	0	(3,202,552)
Vehicles	(2,738,826)	(242,781)	320,749	(2,660,858)
Total Accumulated Depreciation	(31,201,229)	(1,396,380) *	320,749	(32,276,860)
Total Capital Assets, being depreciated, net	17,969,336	764,216	(14,879)	18,718,673
Governmental Activities Capital Assets, Net	\$19,553,727	\$2,154,195	(\$844,889)	\$20,863,033

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

* Depreciation expense was charged to governmental functions as follows:

Instruction	
Regular	\$360,048
Special	26,324
Vocational	23,557
Support Services:	
Pupil	1,674
Instructional Staff	27,196
Administration	3,341
Fiscal	2,527
Business	53,677
Operation and Maintenance of Plant	514,557
Pupil Transportation	232,224
Central	470
Operation of Non-Instructional Services:	
Food Service Operations	3,813
Other Non-Instructional Services	43,454
Extracurricular Activities	103,518
	<hr/>
Total Depreciation Expense	<u>\$1,396,380</u>

Note 11 - Contingencies

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, 2011.

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, 2011

Note 12 - Interfund Balances

Interfund balances at June 30, 2011, consist of the following individual fund receivables and payables:

Interfund Payable	Interfund Receivable		
	General Fund	Other Governmental Funds	Total
Other Governmental Funds			
Auxilliary Services	\$4,000	\$0	\$4,000
Title VI-B	580,000	0	580,000
Vocational Education	70,000	0	70,000
Technology Title II-D	55,000	0	55,000
Title I	465,000	0	465,000
Title III	500	0	500
Preschool Handicapped	20,000	0	20,000
Title VI-R	25,000	0	25,000
Miscellaneous Federal Grants	26,000	0	26,000
Permanent Improvement	150,000	75,000	225,000
<i>Total Governmental Activities</i>	<u>\$1,395,500</u>	<u>\$75,000</u>	<u>\$1,470,500</u>

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 interfund transaction between the bond retirement debt service and permanent improvement capital projects fund is a manuscript bond. The manuscript bond consists of a facility acquisition bond and was issued by the School District and purchased by the bond retirement debt service fund as an investment. The manuscript bond will mature on December 1, 2015.

	Outstanding June 30, 2010	Additions	Deletions	Outstanding June 30, 2011
Manuscript Bond - Facility Acquisition	<u>\$90,000</u>	<u>\$0</u>	<u>\$15,000</u>	<u>\$75,000</u>

The general fund transferred \$108,380 to the district managed student activities special revenue fund to provide financial support for the School District's athletics and \$283,600 to the capital replacement capital projects fund for bus purchases.

Note 13 - Risk Management

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 2011, the School District contracted for property and general liability insurance, and boiler and machinery coverage through the Ohio Schools Council Association Group Purchasing Consortium. The Ohio Casualty Insurance Company is the carrier for the School District's insurance.

Bedford City School District
Notes to the Basic Financial Statements
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Aggregate property coverage is \$125,014,351 with a \$5,000 deductible. Aggregate boiler and machinery coverage is approximately \$50 million with a \$1,000 deductible. The policy is renewable on July 1, 2011, 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 \$8 million each occurrence and combined aggregate of \$8 million. The Treasurer is covered by a \$200,000 surety bond and the Superintendent, Board of Education President, and Business Manager are covered by \$50,000 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.

Worker's Compensation

For fiscal year 2011, the School District participated in the Ohio School Boards Association Workers' Compensation Group II Program, an insurance purchasing pool (Note 17). The intent of the Group Rating Program, (GRP) is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of CompManagement, Inc. provides administrative, cost control, and actuarial services to the GRP.

Employee Benefits

The School District has elected to provide employee dental and prescription drug benefits to full time employees through a self-insurance program. 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 92 percent of the premium required: dental - \$21.84 (single), \$65.51 (family); drug - \$92.19 (single), \$253.51 (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 \$61,783 reported in the self insurance fund at June 30, 2011, 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.

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Changes in the fund's claims liability amount for the last two years follows:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2010	\$69,000	\$1,117,376	\$1,127,844	\$58,532
2011	58,532	1,219,909	1,216,658	61,783

Note 14 - 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 275 days for non-certificated and certificated employees and 370 days for administrators. Upon retirement or termination after 25 years of service, payment is made for up to 30 days for certificated employees, 40 days for administrators, plus one-tenth of the days remaining. The maximum number of days to be paid out is 54 days for certificated staff and 73 days for administrators. The non-certificated employees payment is calculated using one-fourth of the days unless the employee has accumulated 90 percent or more of their maximum number of days in which case the calculation is made at 30 percent for a maximum of 78 days. For purposes of retirement, the employee receiving such payment must meet the eligibility requirement provisions set by STRS or SERS.

Note 15 - Defined Benefit Pension Plans

School Employees Retirement System

Plan Description – The School District participates in the School Employees Retirement System (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement, disability and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report can be obtained by visiting the SERS website at www.ohsers.org under Employers/Audit Resources.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2011, the allocation to pension and death benefits was 11.81 percent. The remaining 2.19 percent of the 14 percent employer contribution rate is allocated to the Medicare B and Health Care funds. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2011, 2010 and 2009 were \$953,574, \$721,249 and \$779,920, respectively. For fiscal year 2011, 95.46 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2010 and 2009.

Bedford City School District
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State Teachers Retirement System of Ohio

Plan Description – 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 can be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio Web site at www.strsoh.org.

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 multiplied by a percentage that varies based on years of service, or an allowance based on a member's lifetime 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 member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. The Combined Plan offers features of both the DB Plan and the DC 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. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50. Benefits are established by Ohio Revised Code Chapter 3307.

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 of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy - Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions. Contribution rates are established by the State Teachers Retirement Board, upon the recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. For the fiscal year ended June 30, 2011, plan members were required to contribute 10 percent of their annual covered salary. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations.

The School District's required contributions to STRS Ohio for the DB Plan and for the defined benefit portion of the Combined Plan were \$2,426,228 and \$43,343 for the fiscal year ended June 30, 2011, \$2,471,141 and \$47,100 for the fiscal year ended June 30, 2010 and \$2,590,400 and \$30,981 for the fiscal year ended June 30, 2009. For fiscal year 2011, 86.27 percent has been contributed for the DB plan and 86.27 percent has been contributed for the Combined Plan, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2010 and 2009.

Contributions made to STRS Ohio for the DC Plan for fiscal year 2011 were \$59,507 made by the School District and \$42,505 made by the plan members. In addition, member contributions of \$30,960 were made for fiscal year 2011 for the defined contribution portion of the Combined Plan.

Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Employees Retirement System. As of June 30, 2011, two members of the Board of Education have elected Social Security. The Board's liability is 6.2 percent of wages paid.

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

Note 16- Postemployment Benefits

School Employee Retirement System

Plan Description – The School District participates in two cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plans administered by the School Employees Retirement System for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligation to contribute are established by SERS based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For fiscal year 2011, 1.43 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for fiscal year 2011, this amount was \$35,800. During fiscal year 2011, the School District paid \$125,042 in surcharge.

Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

The School District's contributions for health care for the fiscal years ended June 30, 2011, 2010 and 2009 were \$240,504, \$487,115 and \$484,201, respectively. For fiscal year 2011, 95.46 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2010 and 2009.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2011, this actuarially required allocation was 0.76 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2011, 2010 and 2009, were \$61,365, \$59,509 and \$66,924 respectively. For fiscal year 2011, 95.46 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2010 and 2009.

State Teachers Retirement System

Plan Description – The School District participates in the cost-sharing multiple-employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Health Care Plan. All benefit recipients, for the most recent year, pay a monthly premium. Under Ohio law, funding for post-employment health care may be

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

deducted from employer contributions. For fiscal year 2011, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to post-employment health care. The School District's contributions for health care for the fiscal years ended June 30, 2011, 2010 and 2009 were \$185,780, \$186,669 and \$198,059 respectively. For fiscal year 2011, 86.27 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2010 and 2009.

Note 17 - Insurance Purchasing Pool

Ohio School Boards Association Workers' Compensation Group II Program - The School District participates in the Ohio School Boards Association Workers' Compensation Group II Program, an insurance purchasing pool. The group'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 OSBA to cover the costs of administering the program.

Note 18 - Set Asides

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

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

	Textbooks Instructional Materials Reserve	Capital Improvement Reserve
Set-aside Reserve Balances as of June 30, 2010	(\$1,299,047)	\$0
Current Year Set-aside Requirement	533,425	533,425
Current Year Offsets	0	(457,717)
Qualifying Disbursements	(539,024)	(2,540,525)
Totals	(\$1,304,646)	(\$2,464,817)
Set-aside Balance Carried Forward to Future Fiscal Years	\$0	\$0
Set-aside Reserve Balances as of June 30, 2011	\$0	\$0

The School District had qualifying disbursements during the fiscal year that reduced the textbook set-aside amount below zero. Effective July 1, 2011, the textbook set aside is no longer required and has been removed from existing law. This negative balance is therefore not presented as being carried forward to future fiscal years. While the current year offsets and 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.

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

Note 19 - 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:				
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

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

	Principal Outstanding 6/30/10	Additions	(Reductions)	Principal Outstanding 6/30/11	Amount Due in One Year
Governmental Activities:					
General Obligations Bonds:					
Serial Library and Facilities Refunding Bonds	\$2,430,000	\$0	(\$1,225,000)	\$1,205,000	\$1,205,000
Unamortized Premium on Serial Bonds	79,509	0	(39,917)	39,592	0
Unamortized Loss on Refunding on Serial Bonds	(90,701)	45,536	0	(45,165)	0
Capital Appreciation Refunding Bonds	536,300	0	0	536,300	0
Accretion on Capital Appreciation Bonds	726,650	133,432	0	860,082	0
Energy Conservation Improvement Bonds	2,770,450	0	(204,305)	2,566,145	212,693
<i>Total General Obligation Bonds</i>	<u>6,452,208</u>	<u>178,968</u>	<u>(1,469,222)</u>	<u>5,161,954</u>	<u>1,417,693</u>
Maintenance Facilities Loan	210,000	0	(67,000)	143,000	70,000
Capital Leases	96,000	590,386	(115,800)	570,586	181,718
Compensated Absences	3,039,687	1,212,616	(995,792)	3,256,511	1,140,924
Total Governmental Activities	<u>\$9,797,895</u>	<u>\$1,981,970</u>	<u>(\$2,647,814)</u>	<u>\$9,132,051</u>	<u>\$2,810,335</u>

The serial library and facilities refunding bonds and capital appreciation refunding bonds will be paid with property taxes from the bond retirement fund.

Energy conservation improvement bonds were issued for the purpose of improvements throughout the School District. These bonds will be paid from the general fund.

The maintenance facilities loan will be paid from the general fund. The capital leases will be paid from the general fund and the capital replacement capital projects 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 \$133,432 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.

Bedford City School District
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For the Fiscal Year Ended June 30, 2011

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, 2011, all of bonds outstanding were considered defeased.

The overall debt margin of the School District as of June 30, 2011, was \$67,108,219 with an unvoted debt margin of \$723,369. Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2011, are as follows:

	General Obligation Bonds					
	Serial Bonds		Capital Appreciation Bonds		Maintenance Facilities Loan	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$1,205,000	\$30,125	\$0	\$0	\$70,000	\$4,506
2013	0	0	406,331	823,669	73,000	1,516
2014	0	0	129,969	305,031	0	0
Total	\$1,205,000	\$30,125	\$536,300	\$1,128,700	\$143,000	\$6,022

	Energy Conservation Improvement Bonds			
	Principal		Total	
	Principal	Interest	Principal	Interest
2012	\$212,693	\$105,354	\$1,487,693	\$139,985
2013	221,425	96,622	700,756	921,807
2014	230,516	87,531	360,485	392,562
2015	239,980	78,067	239,980	78,067
2016	249,832	68,215	249,832	68,215
2017-2021	1,411,699	178,536	1,411,699	178,536
Total	\$2,566,145	\$614,325	\$4,450,445	\$1,779,172

Note 20 - Jointly Governed Organizations

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 \$107,615 to LNOCA during fiscal year 2011.

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.

Bedford City School District
Notes to the Basic Financial Statements
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Ohio Schools Council Association

The Ohio Schools' Council Association (Council) is a jointly governed organization among 157 school districts. The jointly governed organization was created by school districts for the purpose of saving money through volume purchases. Each district supports the Council by paying an annual participation fee. Each school district member's superintendent serves as a representative of the Assembly. The Assembly elects five of the Council's Board members and the remaining four are representatives of the Greater Cleveland School Superintendents' Association. The Council operates under a nine-member Board of Directors (the Board). The Board is the policy making authority of the Council. The Board meets monthly from September through June. The Board appoints an Executive Director who is responsible for receiving and disbursing funds, investing available funds, preparing financial reports for the Board and Assembly and carrying out such other responsibilities as designated by the Board. In fiscal year 2011, the School District paid \$400 to the Council. Financial information can be obtained by contacting Dr. David A. Cottrell, the Executive Director of the Ohio Schools' Council at 6133 Rockside Road, Suite 10, Independence, Ohio 44131.

The School District participates in the natural gas purchase program. This program allows the School District to purchase natural gas at reduced rates. Energy USA served as the natural gas supplier and program manager from October 1, 2008 to September 30, 2010. Compass Energy has been selected as the new supplier and program manager for the period from October 1, 2010 through March 31, 2013. There are currently 139 participants in the Program. The participants make monthly payments based on estimated usage. Each September, these estimated payments are compared to their actual usage for the year (July to June). Districts that paid more in estimated billings than their actual billings are issued credits on future billings in September until the credits are exhausted and districts that did not pay enough on estimated billings are invoiced for the difference on the September monthly estimated billing.

The School District also participates in the Council's current electricity group purchase program. The Council's current program, which began in September 2009 and runs through May 2011, provides as much as 25 percent in savings to 244 school districts in the First Energy territory.

Note 21 - Capital Leases - Lessee Disclosure

On November 4, 2010, the School District entered into a \$433,136 five year lease purchase agreement with Key Government Finance for a network upgrade and related equipment. The School District also entered into a \$157,250 three year lease purchase agreement with Key Government Finance for the acquisition of Dell computers. In prior fiscal years, the School District entered into a capital lease agreement for the installation of astro turf at the football stadium of 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 for the installation of astro turf are reflected as debt service expenditures in the general fund on the basic financial statements. Capital lease payments for the network upgrade and Dell computer leases are reflected as debt service expenditures in the capital replacement capital projects fund on the basic financial statements.

As part of the agreement for the leases, Key Bank, as lessor, deposited monies in segregated accounts. 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 the capital lease.

Bedford City School District
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For the Fiscal Year Ended June 30, 2011

Capital assets acquired by lease have been capitalized as follows:

Governmental Activities:	
Capital Assets, being depreciated:	
Building and Improvements	\$385,000
Furniture and Equipment	590,386
<i>Total Capital Assets, being depreciated</i>	<u>975,386</u>
Accumulated Depreciation	<u>(134,750)</u>
<i>Governmental Activities Capital Assets, Net</i>	<u><u>\$840,636</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, 2011.

Fiscal Year Ending June 30	<u>Governmental Activities</u>
2012	\$197,206
2013	147,785
2014	120,553
2015	93,324
2016	46,662
	<u>605,530</u>
Total	605,530
Less: Amount Representing Interest	<u>(34,944)</u>
Present Value of Net Minimum Lease Payments	<u><u>\$570,586</u></u>

Note 22 – Subsequent Events

On November 8, 2011, the voters rejected the additional 1.2 mill permanent improvement tax levy placed on the ballot by the School District. The levy would have generated an additional \$868,000 annually.

COMBINING and INDIVIDUAL FUND STATEMENTS AND SCHEDULES

Combining Statements – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

To account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes other than debt service or capital projects.

Food Service Fund To account for and report the charges for services related to the restricted food service operations of the School District.

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

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

Auxiliary Services Fund To account for and report restricted 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 and report restricted State monies provided for costs associated with the requirements of the management information system.

Data Communications Fund To account for and report restricted State grants provided for Ohio Educational Computer Network Connections.

Title VI-B Fund To account for and report federal grants restricted to provide full educational opportunities to handicapped children.

Vocational Education Fund To account for and report federal grants restricted for cooperating development of vocational education programs.

State Fiscal Stabilization Fund This fund accounts for and reports the allocation of restricted Federal grants used to assist schools in minimizing reductions in education and other essential services at the preschool, elementary and secondary levels.

Technology Title II-D Fund This fund accounts for and reports restricted Federal grants used for technology.

(continued)

Combining Statements – Nonmajor Governmental Funds (continued)

Nonmajor Special Revenue Funds (continued)

Title III Fund To account for and report federal grants restricted for costs associated with English proficiency.

Title I Fund To account for and report federal grants restricted to meet the needs of educationally deprived children.

Drug Free Schools Fund To account for and report federal grants which are restricted to support drug abuse education and prevention programs.

Preschool Handicapped Fund To account for and report federal grants restricted for the improvement and expansion of services for handicapped children ages three through five.

Title VI-R Fund To account for and report federal grants restricted to hire additional classroom teachers in grades one through three.

Miscellaneous Federal Grants Fund To account for and report federal grants restricted for academic and enrichment programs for the student body.

Recreation Fund To account for and report the operation of the swimming pool when it serves the community for open swim, lessons, youth competition and facility rentals. This fund is included with the general fund for GAAP reporting as it does not have a restricted or committed revenue source.

Public School Support Fund To account for and report proceeds of local fund raising at the building level. This fund is included with the general fund for GAAP reporting as it does not have a restricted or committed revenue source.

Special Enterprise Fund To account for and report the financial transactions related to the rental of the School District's high school athletic facilities. This fund is included with the general fund for GAAP reporting as it does not have a restricted or committed revenue source.

Summer School Fund To account for and report the operation of the summer school program. This fund is included with the general fund for GAAP reporting as it does not have a restricted or committed revenue source.

Adult and Continuing Education Fund To account for and report the operation of the adult high school and the adult and community education programs. This fund is included with the general fund for GAAP reporting as it does not have a revenue source.

SchoolNet Professional Development Fund To account for and report a limited number of professional development subsidy grants. This fund is included with the general fund for GAAP reporting as it does not have a revenue source.

Poverty Aid Fund This fund accounts for and reports State monies used for improving the educational and cultural status of disadvantaged pupils. This fund is included with the general fund for GAAP reporting as it does not have a revenue source.

Nonmajor Debt Service Fund

The debt service fund is used to account for and report the financial resources that are restricted, committed or assigned to expenditure for principal and interest.

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

Nonmajor Capital Projects Funds

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

Permanent Improvement Fund To account for and report bond proceeds restricted for the acquisition or construction of major capital facilities.

Building Fund To account for and report bond proceeds restricted for construction and capital acquisitions.

Capital Replacement Fund To account for and report the monies transferred from the general fund that are committed for vehicle replacement.

Bedford City School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2011

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,693,075	\$1,678,846	\$1,148,436	\$4,520,357
Cash and Cash Equivalents with Fiscal Agent	0	0	157,255	157,255
Accounts Receivable	5,511	0	0	5,511
Intergovernmental Receivable	571,074	0	0	571,074
Inventory Held for Resale	40,529	0	0	40,529
Materials and Supplies Inventory	6,275	0	0	6,275
Interfund Receivable	0	75,000	0	75,000
Taxes Receivable	0	826,548	467,266	1,293,814
<i>Total Assets</i>	<u>\$2,316,464</u>	<u>\$2,580,394</u>	<u>\$1,772,957</u>	<u>\$6,669,815</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$211,790	\$0	\$173,563	\$385,353
Contracts Payable	0	0	552,177	552,177
Accrued Wages and Benefits Payable	239,884	0	0	239,884
Intergovernmental Payable	116,810	0	0	116,810
Interfund Payable	1,245,500	0	225,000	1,470,500
Deferred Revenue	43,451	635,729	401,165	1,080,345
Matured Compensated Absences Payable	21,682	0	0	21,682
<i>Total Liabilities</i>	<u>1,879,117</u>	<u>635,729</u>	<u>1,351,905</u>	<u>3,866,751</u>
Fund Balances				
Nonspendable	6,275	0	0	6,275
Restricted	557,116	1,944,665	144,773	2,646,554
Committed	0	0	276,279	276,279
Unassigned (Deficit)	(126,044)	0	0	(126,044)
<i>Total Fund Balances</i>	<u>437,347</u>	<u>1,944,665</u>	<u>421,052</u>	<u>2,803,064</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$2,316,464</u>	<u>\$2,580,394</u>	<u>\$1,772,957</u>	<u>\$6,669,815</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, 2011

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Taxes	\$0	\$1,132,847	\$442,579	\$1,575,426
Intergovernmental	5,440,188	112,616	196,417	5,749,221
Interest	410	0	5	415
Charges for Services	603,297	0	0	603,297
Extracurricular Activities	136,431	0	0	136,431
Contributions and Donations	15,562	0	0	15,562
Miscellaneous	0	0	61,663	61,663
<i>Total Revenues</i>	<u>6,195,888</u>	<u>1,245,463</u>	<u>700,664</u>	<u>8,142,015</u>
Expenditures				
Current:				
Instruction:				
Regular	493,227	0	0	493,227
Special	1,157,442	0	0	1,157,442
Vocational	112,917	0	0	112,917
Support Services:				
Pupil	605,819	0	0	605,819
Instructional Staff	851,168	0	0	851,168
Administration	155,366	0	0	155,366
Fiscal	0	10,314	0	10,314
Business	500	0	0	500
Operation and Maintenance of Plant	426,603	0	0	426,603
Pupil Transportation	40,164	0	0	40,164
Central	2,000	0	0	2,000
Operation of Non-Instructional Services:				
Food Service Operations	1,704,502	0	0	1,704,502
Other Non-Instructional Services	350,302	0	0	350,302
Extracurricular Activities	240,922	0	0	240,922
Capital Outlay	0	0	2,303,980	2,303,980
Debt Service:				
Principal Retirement	0	1,225,000	67,800	1,292,800
Interest and Fiscal Charges	0	90,875	6,092	96,967
<i>Total Expenditures</i>	<u>6,140,932</u>	<u>1,326,189</u>	<u>2,377,872</u>	<u>9,844,993</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>54,956</u>	<u>(80,726)</u>	<u>(1,677,208)</u>	<u>(1,702,978)</u>
Other Financing Sources				
Inception of Capital Lease	0	0	590,386	590,386
Transfers In	108,380	0	283,600	391,980
<i>Total Other Financing Sources</i>	<u>108,380</u>	<u>0</u>	<u>873,986</u>	<u>982,366</u>
<i>Net Change in Fund Balances</i>	163,336	(80,726)	(803,222)	(720,612)
<i>Fund Balances Beginning of Year</i>	<u>274,011</u>	<u>2,025,391</u>	<u>1,224,274</u>	<u>3,523,676</u>
<i>Fund Balances End of Year</i>	<u>\$437,347</u>	<u>\$1,944,665</u>	<u>\$421,052</u>	<u>\$2,803,064</u>

Bedford City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2011

	Food Service	Local Grants	District Managed Student Activities	Auxiliary Services
Assets				
Equity in Pooled Cash and Cash Equivalents	\$501,250	\$67,939	\$11,462	\$77,982
Accounts Receivable	5,511	0	0	0
Intergovernmental Receivable	0	2,000	0	0
Inventory Held for Resale	40,529	0	0	0
Materials and Supplies Inventory	6,275	0	0	0
<i>Total Assets</i>	<u>\$553,565</u>	<u>\$69,939</u>	<u>\$11,462</u>	<u>\$77,982</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$8,952	\$7,600	\$7,768	\$29,429
Accrued Wages and Benefits Payable	29,679	0	0	823
Intergovernmental Payable	76,167	382	58	1,926
Interfund Payable	0	0	0	4,000
Deferred Revenue	0	0	0	0
Matured Compensated Absences Payable	0	0	0	0
<i>Total Liabilities</i>	<u>114,798</u>	<u>7,982</u>	<u>7,826</u>	<u>36,178</u>
Fund Balances				
Nonspendable	6,275	0	0	0
Restricted	432,492	61,957	3,636	41,804
Unassigned (Deficit)	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>438,767</u>	<u>61,957</u>	<u>3,636</u>	<u>41,804</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$553,565</u>	<u>\$69,939</u>	<u>\$11,462</u>	<u>\$77,982</u>

(continued)

Bedford City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
June 30, 2011

	Title VI-B	Vocational Education	Technology Title II-D	Title III
Assets				
Equity in Pooled Cash and Cash Equivalents	\$469,588	\$64,710	\$43,015	\$500
Accounts Receivable	0	0	0	0
Intergovernmental Receivable	293,355	35,396	31,953	0
Inventory Held for Resale	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
<i>Total Assets</i>	<u>\$762,943</u>	<u>\$100,106</u>	<u>\$74,968</u>	<u>\$500</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$121,337	\$12,687	\$6,290	\$0
Accrued Wages and Benefits Payable	62,288	0	11,471	0
Intergovernmental Payable	15,515	473	1,913	0
Interfund Payable	580,000	70,000	55,000	500
Deferred Revenue	10,514	13	0	0
Matured Compensated Absences Payable	0	0	0	0
<i>Total Liabilities</i>	<u>789,654</u>	<u>83,173</u>	<u>74,674</u>	<u>500</u>
Fund Balances				
Nonspendable	0	0	0	0
Restricted	0	16,933	294	0
Unassigned (Deficit)	(26,711)	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>(26,711)</u>	<u>16,933</u>	<u>294</u>	<u>0</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$762,943</u>	<u>\$100,106</u>	<u>\$74,968</u>	<u>\$500</u>

<u>Title I</u>	<u>Preschool Handicapped</u>	<u>Title VI-R</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$418,688	\$13,529	\$22,092	\$2,320	\$1,693,075
0	0	0	0	5,511
180,895	6,470	21,005	0	571,074
0	0	0	0	40,529
0	0	0	0	6,275
<u>\$599,583</u>	<u>\$19,999</u>	<u>\$43,097</u>	<u>\$2,320</u>	<u>\$2,316,464</u>
\$16,540	\$0	\$1,187	\$0	\$211,790
117,981	0	17,642	0	239,884
17,398	0	2,978	0	116,810
465,000	20,000	25,000	26,000	1,245,500
22,920	0	10,004	0	43,451
21,682	0	0	0	21,682
<u>661,521</u>	<u>20,000</u>	<u>56,811</u>	<u>26,000</u>	<u>1,879,117</u>
0	0	0	0	6,275
0	0	0	0	557,116
<u>(61,938)</u>	<u>(1)</u>	<u>(13,714)</u>	<u>(23,680)</u>	<u>(126,044)</u>
<u>(61,938)</u>	<u>(1)</u>	<u>(13,714)</u>	<u>(23,680)</u>	<u>437,347</u>
<u>\$599,583</u>	<u>\$19,999</u>	<u>\$43,097</u>	<u>\$2,320</u>	<u>\$2,316,464</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, 2011

	Food Service	Local Grants	District Managed Student Activities	Auxiliary Services	Education Management Information Systems
Revenues					
Intergovernmental	\$1,250,202	\$35,832	\$0	\$294,791	\$5,000
Interest	0	0	0	410	0
Charges for Services	601,725	0	1,572	0	0
Extracurricular Activities	0	0	136,431	0	0
Contributions and Donations	0	14,771	791	0	0
<i>Total Revenues</i>	<u>1,851,927</u>	<u>50,603</u>	<u>138,794</u>	<u>295,201</u>	<u>5,000</u>
Expenditures					
Current:					
Instruction:					
Regular	0	5,999	0	0	0
Special	0	326	0	0	0
Vocational	0	9,756	0	0	0
Support Services:					
Pupil	0	0	0	0	0
Instructional Staff	0	26,085	0	0	7,493
Administration	0	0	2,563	0	0
Business	0	500	0	0	0
Operation and Maintenance of Plant	0	0	0	0	0
Pupil Transportation	0	0	0	0	0
Central	0	0	0	0	0
Operation of Non-Instructional Services:					
Food Service Operations	1,704,502	0	0	0	0
Other Non-Instructional Services	0	4,543	0	328,028	0
Extracurricular Activities	0	0	240,922	0	0
<i>Total Expenditures</i>	<u>1,704,502</u>	<u>47,209</u>	<u>243,485</u>	<u>328,028</u>	<u>7,493</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	147,425	3,394	(104,691)	(32,827)	(2,493)
Other Financing Sources					
Transfers In	0	0	108,380	0	0
<i>Net Change in Fund Balances</i>	147,425	3,394	3,689	(32,827)	(2,493)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>291,342</u>	<u>58,563</u>	<u>(53)</u>	<u>74,631</u>	<u>2,493</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$438,767</u>	<u>\$61,957</u>	<u>\$3,636</u>	<u>\$41,804</u>	<u>\$0</u>

Data Communications	Title VI-B	Vocational Education	State Fiscal Stabilization	Technology Title II-D	Title III
\$13,650	\$1,298,714	\$116,156	\$497,771	\$402,251	\$4,653
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
13,650	1,298,714	116,156	497,771	402,251	4,653
0	0	0	71,168	215,458	4,653
0	551,372	0	0	0	0
0	46,510	56,651	0	0	0
0	449,888	0	0	0	0
13,650	93,490	8,096	0	146,199	0
0	142,712	9,870	0	0	0
0	0	0	0	0	0
0	0	0	426,603	0	0
0	14,948	0	0	0	0
0	0	2,000	0	0	0
0	0	0	0	0	0
0	10,262	0	0	119	0
0	0	0	0	0	0
13,650	1,309,182	76,617	497,771	361,776	4,653
0	(10,468)	39,539	0	40,475	0
0	0	0	0	0	0
0	(10,468)	39,539	0	40,475	0
0	(16,243)	(22,606)	0	(40,181)	0
\$0	(\$26,711)	\$16,933	\$0	\$294	\$0

(continued)

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, 2011

	Title I	Preschool Handicapped	Title VI-R	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
Revenues					
Intergovernmental	\$1,321,398	\$47,547	\$152,223	\$0	\$5,440,188
Interest	0	0	0	0	410
Charges for Services	0	0	0	0	603,297
Extracurricular Activities	0	0	0	0	136,431
Contributions and Donations	0	0	0	0	15,562
<i>Total Revenues</i>	<u>1,321,398</u>	<u>47,547</u>	<u>152,223</u>	<u>0</u>	<u>6,195,888</u>
Expenditures					
Current:					
Instruction:					
Regular	65,616	0	130,254	75	493,223
Special	603,894	1,850	0	0	1,157,442
Vocational	0	0	0	0	112,917
Support Services:					
Pupil	136,376	19,555	0	0	605,819
Instructional Staff	505,310	19,717	31,132	0	851,172
Administration	221	0	0	0	155,366
Business	0	0	0	0	500
Operation and Maintenance of Plant	0	0	0	0	426,603
Pupil Transportation	0	0	0	25,216	40,164
Central	0	0	0	0	2,000
Operation of Non-Instructional Services:					
Food Service Operations	0	0	0	0	1,704,502
Other Non-Instructional Services	7,350	0	0	0	350,302
Extracurricular Activities	0	0	0	0	240,922
<i>Total Expenditures</i>	<u>1,318,767</u>	<u>41,122</u>	<u>161,386</u>	<u>25,291</u>	<u>6,140,932</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	2,631	6,425	(9,163)	(25,291)	54,956
Other Financing Sources					
Transfers In	0	0	0	0	108,380
<i>Net Change in Fund Balances</i>	2,631	6,425	(9,163)	(25,291)	163,336
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>(64,569)</u>	<u>(6,426)</u>	<u>(4,551)</u>	<u>1,611</u>	<u>274,011</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>(\$61,938)</u>	<u>(\$1)</u>	<u>(\$13,714)</u>	<u>(\$23,680)</u>	<u>\$437,347</u>

Bedford City School District
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2011

	<u>Permanent Improvement</u>	<u>Building</u>	<u>Capital Replacement</u>	<u>Total Nonmajor Capital Projects Funds</u>
Assets				
Equity in Pooled Cash and Cash Equivalents	\$841,417	\$30,745	\$276,274	\$1,148,436
Cash and Cash Equivalents with Fiscal Agent	0	0	157,255	157,255
Taxes Receivable	467,266	0	0	467,266
<i>Total Assets</i>	<u>\$1,308,683</u>	<u>\$30,745</u>	<u>\$433,529</u>	<u>\$1,772,957</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$16,313	\$0	\$157,250	\$173,563
Contracts Payable	552,177	0	0	552,177
Interfund Payable	225,000	0	0	225,000
Deferred Revenue	401,165	0	0	401,165
<i>Total Liabilities</i>	<u>1,194,655</u>	<u>0</u>	<u>157,250</u>	<u>1,351,905</u>
Fund Balances				
Restricted	114,028	30,745	0	144,773
Committed	0	0	276,279	276,279
<i>Total Fund Balances</i>	<u>114,028</u>	<u>30,745</u>	<u>276,279</u>	<u>421,052</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,308,683</u>	<u>\$30,745</u>	<u>\$433,529</u>	<u>\$1,772,957</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, 2011*

	<u>Permanent Improvement</u>	<u>Building</u>	<u>Capital Replacement</u>	<u>Total Nonmajor Capital Projects Funds</u>
Revenues				
Taxes	\$442,579	\$0	\$0	\$442,579
Intergovernmental	196,417	0	0	196,417
Interest	0	0	5	5
Miscellaneous	15,000	0	46,663	61,663
<i>Total Revenues</i>	<u>653,996</u>	<u>0</u>	<u>46,668</u>	<u>700,664</u>
Expenditures				
Capital Outlay	1,441,153	0	862,827	2,303,980
Debt Service:				
Principal Retirement	0	0	67,800	67,800
Interest and Fiscal Charges	0	0	6,092	6,092
<i>Total Expenditures</i>	<u>1,441,153</u>	<u>0</u>	<u>936,719</u>	<u>2,377,872</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(787,157)</u>	<u>0</u>	<u>(890,051)</u>	<u>(1,677,208)</u>
Other Financing Sources				
Capital Lease Issued	0	0	590,386	590,386
Transfers In	0	0	283,600	283,600
<i>Total Other Financing Sources</i>	<u>0</u>	<u>0</u>	<u>873,986</u>	<u>873,986</u>
<i>Net Change in Fund Balances</i>	<u>(787,157)</u>	<u>0</u>	<u>(16,065)</u>	<u>(803,222)</u>
<i>Fund Balances Beginning of Year</i>	<u>901,185</u>	<u>30,745</u>	<u>292,344</u>	<u>1,224,274</u>
<i>Fund Balances End of Year</i>	<u>\$114,028</u>	<u>\$30,745</u>	<u>\$276,279</u>	<u>\$421,052</u>

Combining Statements - Internal Service Funds

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

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

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

Bedford City School District
Combining Statement of Fund Net Assets
Internal Service Funds
June 30, 2011

	Self Insurance	Computer Network	Total Internal Service Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$1,443,954	\$578	\$1,444,532
Liabilities			
Claims Payable	61,783	0	61,783
Net Assets			
Unrestricted	\$1,382,171	\$578	\$1,382,749

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, 2011*

	Self Insurance	Computer Network	Total Internal Service Funds
Operating Revenues			
Charges for Services	\$1,214,102	\$0	\$1,214,102
Operating Expenses			
Purchased Services	2,903	0	2,903
Claims	1,219,909	0	1,219,909
<i>Total Operating Expenses</i>	1,222,812	0	1,222,812
<i>Change in Net Assets</i>	(8,710)	0	(8,710)
<i>Net Assets Beginning of Year</i>	1,390,881	578	1,391,459
<i>Net Assets End of Year</i>	\$1,382,171	\$578	\$1,382,749

Bedford City School District
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2011

	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	\$1,214,102	\$0	\$1,214,102
Cash Payments for Purchased Services	(2,903)	0	(2,903)
Cash Payments for Claims	(1,216,658)	0	(1,216,658)
<i>Net Decrease in Cash and Cash Equivalents</i>	(5,459)	0	(5,459)
<i>Cash and Cash Equivalents Beginning of Year</i>	1,449,413	578	1,449,991
<i>Cash and Cash Equivalents End of Year</i>	\$1,443,954	\$578	\$1,444,532
Reconciliation of Operating Loss to Net Cash Used for Operating Activities			
Operating Loss	(\$8,710)	\$0	(\$8,710)
<i>Adjustments:</i>			
Increase in Claims Payable	3,251	0	3,251
<i>Net Cash Used for Operating Activities</i>	(\$5,459)	\$0	(\$5,459)

Agency Fund

Agency Funds are purely custodial (assets equal liabilities) and thus do not involve the measurement of results of 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, 2011

	Beginning Balance June 30, 2010	Additions	Reductions	Ending Balance June 30, 2011
Student Activities Fund				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$24,373	\$58,689	\$49,351	\$33,711
Liabilities				
Due to Students	\$24,373	\$58,689	\$49,351	\$33,711

**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, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Taxes	\$27,379,852	\$27,701,852	\$27,821,100	\$119,248
Intergovernmental	16,588,871	16,887,639	16,930,169	42,530
Interest	50,000	26,000	27,064	1,064
Charges for Services	0	12,000	12,793	793
Tuition and Fees	1,224,301	1,424,601	1,452,335	27,734
Rentals	0	0	115	115
Miscellaneous	317,784	349,784	359,951	10,167
<i>Total Revenues</i>	<u>45,560,808</u>	<u>46,401,876</u>	<u>46,603,527</u>	<u>201,651</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	10,400,000	10,411,500	10,324,623	86,877
Fringe Benefits	4,401,600	3,721,900	3,536,258	185,642
Purchased Services	4,347,418	3,535,895	3,478,836	57,059
Materials and Supplies	446,038	689,970	563,276	126,694
Capital Outlay - New	27,898	46,566	40,286	6,280
Capital Outlay - Replacement	1,000	1,000	979	21
Other	24,150	17,909	17,825	84
Total Regular	<u>19,648,104</u>	<u>18,424,740</u>	<u>17,962,083</u>	<u>462,657</u>
Special:				
Salaries and Wages	3,300,000	3,230,000	3,173,701	56,299
Fringe Benefits	1,044,600	1,059,600	991,159	68,441
Materials and Supplies	2,375	2,725	1,839	886
Total Special	<u>4,346,975</u>	<u>4,292,325</u>	<u>4,166,699</u>	<u>125,626</u>
Vocational:				
Salaries and Wages	650,000	650,000	574,299	75,701
Fringe Benefits	230,480	270,480	222,777	47,703
Purchased Services	12,525	22,109	20,083	2,026
Materials and Supplies	10,200	31,307	26,976	4,331
Capital Outlay - New	15,000	24,313	24,000	313
Capital Outlay - Replacement	2,000	1,613	0	1,613
Total Vocational	<u>920,205</u>	<u>999,822</u>	<u>868,135</u>	<u>131,687</u>
Total Instruction	<u>\$24,915,284</u>	<u>\$23,716,887</u>	<u>\$22,996,917</u>	<u>\$719,970</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Support Services:				
Pupil:				
Salaries and Wages	\$1,650,000	\$1,587,400	\$1,524,649	\$62,751
Fringe Benefits	523,600	563,600	532,892	30,708
Purchased Services	380,950	458,071	413,008	45,063
Materials and Supplies	49,125	81,365	55,034	26,331
Capital Outlay - New	0	900	0	900
Total Pupil	2,603,675	2,691,336	2,525,583	165,753
Instructional Staff:				
Salaries and Wages	1,200,000	1,230,000	1,228,963	1,037
Fringe Benefits	411,330	425,573	424,606	967
Purchased Services	186,294	181,881	147,022	34,859
Materials and Supplies	69,225	98,158	85,448	12,710
Capital Outlay - New	23,570	16,906	16,880	26
Other	800	800	35	765
Total Instructional Staff	1,891,219	1,953,318	1,902,954	50,364
Board of Education:				
Salaries and Wages	40,000	40,000	19,000	21,000
Fringe Benefits	4,400	5,057	0	5,057
Purchased Services	210,650	256,396	81,571	174,825
Materials and Supplies	500	500	310	190
Capital Outlay - New	2,500	2,500	0	2,500
Other	31,130	34,741	8,800	25,941
Total Board of Education	289,180	339,194	109,681	229,513
Administration:				
Salaries and Wages	2,300,000	2,300,000	2,256,011	43,989
Fringe Benefits	1,006,200	1,016,361	957,448	58,913
Purchased Services	619,520	592,719	420,872	171,847
Materials and Supplies	66,590	91,309	78,541	12,768
Capital Outlay - New	4,400	3,930	3,205	725
Other	63,300	73,823	61,410	12,413
Total Administration	\$4,060,010	\$4,078,142	\$3,777,487	\$300,655

(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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Fiscal:				
Salaries and Wages	\$320,000	\$326,000	\$324,577	\$1,423
Fringe Benefits	164,100	164,100	149,548	14,552
Purchased Services	106,150	150,870	115,163	35,707
Materials and Supplies	8,800	9,310	6,537	2,773
Capital Outlay - New	2,000	3,000	885	2,115
Capital Outlay - Replacement	2,000	1,000	0	1,000
Other	807,000	809,323	716,861	92,462
Total Fiscal	1,410,050	1,463,603	1,313,571	150,032
Business:				
Salaries and Wages	333,000	333,000	307,412	25,588
Fringe Benefits	153,980	153,980	133,477	20,503
Purchased Services	198,500	203,657	168,433	35,224
Materials and Supplies	18,000	20,488	19,627	861
Capital Outlay - New	15,000	18,751	16,406	2,345
Capital Outlay - Replacement	10,000	10,000	0	10,000
Other	2,200	3,900	3,437	463
Total Business	730,680	743,776	648,792	94,984
Operation and Maintenance of Plant:				
Salaries and Wages	2,500,000	2,500,000	2,288,746	211,254
Fringe Benefits	1,356,400	1,241,400	1,103,939	137,461
Purchased Services	2,389,425	2,246,321	1,830,808	415,513
Materials and Supplies	246,000	262,067	258,350	3,717
Capital Outlay - New	90,000	362,400	359,245	3,155
Capital Outlay - Replacement	70,000	18,351	18,200	151
Other	4,400	3,440	3,350	90
Total Operation and Maintenance of Plant	6,656,225	6,633,979	5,862,638	771,341
Pupil Transportation:				
Salaries and Wages	2,200,000	2,200,000	1,984,741	215,259
Fringe Benefits	648,130	665,630	665,350	280
Purchased Services	268,100	278,669	247,388	31,281
Materials and Supplies	465,815	523,322	512,327	10,995
Capital Outlay - Replacement	155,580	311,980	295,441	16,539
Other	2,800	2,800	816	1,984
Total Pupil Transportation	\$3,740,425	\$3,982,401	\$3,706,063	\$276,338

(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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Central:				
Salaries and Wages	\$170,000	\$180,000	\$178,360	\$1,640
Fringe Benefits	94,800	100,300	100,172	128
Purchased Services	37,400	63,043	55,883	7,160
Materials and Supplies	6,400	7,649	6,828	821
Capital Outlay - New	2,000	2,000	0	2,000
Capital Outlay - Replacement	1,000	1,000	0	1,000
Other	600	600	0	600
Total Central	312,200	354,592	341,243	13,349
Total Support Services	21,693,664	22,240,341	20,188,012	2,052,329
Extracurricular Activities:				
Academic and Subject Oriented:				
Salaries and Wages	40,000	40,000	34,154	5,846
Fringe Benefits	4,800	5,100	5,069	31
Total Academic and Subject Oriented	44,800	45,100	39,223	5,877
Occupation Oriented:				
Salaries and Wages	5,000	5,000	4,465	535
Fringe Benefits	0	600	517	83
Total Occupation Oriented	5,000	5,600	4,982	618
Sports Oriented:				
Salaries and Wages	320,000	344,000	342,692	1,308
Fringe Benefits	55,000	56,200	56,195	5
Total Sports Oriented	\$375,000	\$400,200	\$398,887	\$1,313

(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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
School and Public Service Oriented:				
Salaries and Wages	\$42,000	\$42,000	\$39,333	\$2,667
Fringe Benefits	8,000	8,000	5,768	2,232
Total School and Public Service Oriented	50,000	50,000	45,101	4,899
Total Extracurricular Activities	474,800	500,900	488,193	12,707
Capital Outlay:				
Architecture and Engineering Services				
Capital Outlay	5,000	5,000	2,256	2,744
Debt Service:				
Principal Retirement	286,305	398,505	326,876	71,629
Interest and Fiscal Charges	120,945	127,045	127,030	15
Total Debt Service	407,250	525,550	453,906	71,644
<i>Total Expenditures</i>	47,495,998	46,988,678	44,129,284	2,859,394
<i>Excess of Revenues Over (Under) Expenditures</i>	(1,935,190)	(586,802)	2,474,243	3,061,045
Other Financing Sources (Uses)				
Sale of Capital Assets	11,216	16,216	16,250	34
Advances In	781,000	1,103,000	1,103,200	200
Advances Out	(777,380)	(1,933,700)	(1,951,700)	(18,000)
Transfers Out	(279,980)	(405,980)	(391,980)	14,000
<i>Total Other Financing Sources (Uses)</i>	(265,144)	(1,220,464)	(1,224,230)	(3,766)
<i>Net Change in Fund Balance</i>	(2,200,334)	(1,807,266)	1,250,013	3,057,279
<i>Fund Balance Beginning of Year</i>	13,849,287	13,849,287	13,849,287	0
Prior Year Encumbrances Appropriated	818,668	818,668	818,668	0
<i>Fund Balance End of Year</i>	\$12,467,621	\$12,860,689	\$15,917,968	\$3,057,279

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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$1,025,000	\$1,025,000	\$1,165,393	\$140,393
Charges for Services	575,000	575,000	605,156	30,156
<i>Total Revenues</i>	<u>1,600,000</u>	<u>1,600,000</u>	<u>1,770,549</u>	<u>170,549</u>
Expenditures				
Current:				
Operation of Non-Instructional Services:				
Food Services Operations:				
Salaries and Wages	622,900	643,950	630,679	13,271
Fringe Benefits	209,200	214,400	183,351	31,049
Purchased Services	193,300	35,830	28,671	7,159
Materials and Supplies	751,102	868,652	757,510	111,142
Capital Outlay - New	23,500	33,470	21,275	12,195
Capital Outlay - Replacement	0	1,000	795	205
Other	100	2,800	2,800	0
<i>Total Expenditures</i>	<u>1,800,102</u>	<u>1,800,102</u>	<u>1,625,081</u>	<u>175,021</u>
<i>Net Change in Fund Balance</i>	(200,102)	(200,102)	145,468	345,570
<i>Fund Balance Beginning of Year</i>	346,668	346,668	346,668	0
Prior Year Encumbrances Appropriated	102	102	102	0
<i>Fund Balance End of Year</i>	<u><u>\$146,668</u></u>	<u><u>\$146,668</u></u>	<u><u>\$492,238</u></u>	<u><u>\$345,570</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$7,500	\$7,500	\$33,832	\$26,332
Extracurricular Activities	5,000	5,000	0	(5,000)
Contributions and Donations	34,000	37,900	16,771	(21,129)
<i>Total Revenues</i>	<u>46,500</u>	<u>50,400</u>	<u>50,603</u>	<u>203</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Materials and Supplies	47,951	8,151	7,147	1,004
Other	6	505	505	0
Total Regular	<u>47,957</u>	<u>8,656</u>	<u>7,652</u>	<u>1,004</u>
Special:				
Purchased Services	450	450	450	0
Vocational:				
Salaries and Wages	0	1,290	1,290	0
Fringe Benefits	0	210	210	0
Purchased Services	500	5,450	5,323	127
Materials and Supplies	3,465	5,465	4,781	684
Total Vocational	<u>3,965</u>	<u>12,415</u>	<u>11,604</u>	<u>811</u>
Total Instruction	<u>52,372</u>	<u>21,521</u>	<u>19,706</u>	<u>1,815</u>
Support Services:				
Pupil				
Materials and Supplies	0	2,000	2,000	0
Instructional Staff:				
Salaries and Wages	3,771	14,445	10,074	4,371
Fringe Benefits	536	641	39	602
Purchased Services	1,604	10,729	10,725	4
Materials and Supplies	4,413	8,338	8,332	6
Total Instructional Staff	<u>10,324</u>	<u>34,153</u>	<u>29,170</u>	<u>4,983</u>
Business				
Other	0	3,900	500	3,400
Total Support Services	<u>\$10,324</u>	<u>\$40,053</u>	<u>\$31,670</u>	<u>\$8,383</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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Operation of Non-Instructional Services:				
Other Non-Instructional Services:				
Community Services				
Other	\$41,237	\$46,659	\$4,543	\$42,116
<i>Total Expenditures</i>	<u>103,933</u>	<u>108,233</u>	<u>55,919</u>	<u>52,314</u>
<i>Net Change in Fund Balance</i>	(57,433)	(57,833)	(5,316)	52,517
<i>Fund Balance Beginning of Year</i>	53,992	53,992	53,992	0
Prior Year Encumbrances Appropriated	<u>3,933</u>	<u>3,933</u>	<u>3,933</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$492</u></u>	<u><u>\$92</u></u>	<u><u>\$52,609</u></u>	<u><u>\$52,517</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$2,000	\$2,000	\$1,572	(\$428)
Extracurricular Activities	157,000	157,000	136,431	(20,569)
Contributions and Donations	1,000	1,000	791	(209)
<i>Total Revenues</i>	<u>160,000</u>	<u>160,000</u>	<u>138,794</u>	<u>(21,206)</u>
Expenditures				
Current:				
Support Services:				
Administration:				
Capital Outlay	2,563	2,563	2,563	0
Extracurricular Activities:				
Academic and Subject Oriented:				
Materials and Supplies	341	31,488	31,488	0
Sport Oriented Activities:				
Salaries and Wages	9,400	9,400	9,400	0
Fringe Benefits	619	619	619	0
Purchased Services	64,159	64,859	64,859	0
Materials and Supplies	5,144	110,180	110,180	0
Total Sport Oriented Activities	<u>\$79,322</u>	<u>\$185,058</u>	<u>\$185,058</u>	<u>\$0</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, 2011

	<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	\$85,519	\$31,114	\$29,655	\$1,459
Materials and Supplies	1,006	1,361	1,361	0
Other	0	113	113	0
Total School and Public Service Oriented	<u>86,525</u>	<u>32,588</u>	<u>31,129</u>	<u>1,459</u>
Total Extracurricular Activities	<u>166,188</u>	<u>249,134</u>	<u>247,675</u>	<u>1,459</u>
<i>Total Expenditures</i>	<u>168,751</u>	<u>251,697</u>	<u>250,238</u>	<u>1,459</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(8,751)</u>	<u>(91,697)</u>	<u>(111,444)</u>	<u>(19,747)</u>
Other Financing Sources (Uses)				
Advances In	63,000	63,000	63,000	0
Advances Out	(160,082)	(64,136)	(63,000)	1,136
Transfers In	97,500	97,500	108,380	10,880
<i>Total Other Financing Sources (Uses)</i>	<u>418</u>	<u>96,364</u>	<u>108,380</u>	<u>12,016</u>
<i>Net Change in Fund Balance</i>	(8,333)	4,667	(3,064)	(7,731)
<i>Fund Balance Beginning of Year</i>	2,538	2,538	2,538	0
Prior Year Encumbrances Appropriated	<u>5,833</u>	<u>5,833</u>	<u>5,833</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$38</u>	<u>\$13,038</u>	<u>\$5,307</u>	<u>(\$7,731)</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, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$269,000	\$289,000	\$319,830	\$30,830
Interest	0	0	410	410
<i>Total Revenues</i>	<u>269,000</u>	<u>289,000</u>	<u>320,240</u>	<u>31,240</u>
Expenditures				
Current:				
Operation of Non-Instructional Services:				
Other Non-Instructional Services:				
Community Services:				
Salaries and Wages	304,596	20,324	16,279	4,045
Fringe Benefits	1,434	6,418	5,572	846
Purchased Services	538	171,431	171,058	373
Materials and Supplies	61,923	149,688	149,596	92
Capital Outlay - New	0	40,630	40,582	48
<i>Total Expenditures</i>	<u>368,491</u>	<u>388,491</u>	<u>383,087</u>	<u>5,404</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(99,491)</u>	<u>(99,491)</u>	<u>(62,847)</u>	<u>36,644</u>
Other Financing Sources (Uses)				
Advances In	32,550	72,550	44,000	(28,550)
Advances Out	0	(40,000)	(40,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>32,550</u>	<u>32,550</u>	<u>4,000</u>	<u>(28,550)</u>
<i>Net Change in Fund Balance</i>	(66,941)	(66,941)	(58,847)	8,094
<i>Fund Balance Beginning of Year</i>	32,499	32,499	32,499	0
Prior Year Encumbrances Appropriated	34,491	34,491	34,491	0
<i>Fund Balance End of Year</i>	<u>\$49</u>	<u>\$49</u>	<u>\$8,143</u>	<u>\$8,094</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$7,000	\$7,000	\$5,000	(\$2,000)
Expenditures				
Current:				
Support Services:				
Instructional Staff:				
Purchased Services	9,493	7,493	7,493	0
<i>Net Change in Fund Balance</i>	(2,493)	(493)	(2,493)	(2,000)
<i>Fund Balance Beginning of Year</i>	0	0	0	0
Prior Year Encumbrances Appropriated	2,493	2,493	2,493	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$2,000</u>	<u>\$0</u>	<u>(\$2,000)</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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$14,000	\$14,000	\$13,650	(\$350)
Expenditures				
Current:				
Support Services:				
Instructional Staff:				
Purchased Services	<u>15,718</u>	<u>15,368</u>	<u>15,368</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(1,718)	(1,368)	(1,718)	(350)
<i>Fund Balance Beginning of Year</i>	0	0	0	0
Prior Year Encumbrances Appropriated	<u>1,718</u>	<u>1,718</u>	<u>1,718</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$350</u></u>	<u><u>\$0</u></u>	<u><u>(\$350)</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, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$2,506,000	\$2,506,000	\$1,183,659	(\$1,322,341)
Expenditures				
Current:				
Instruction:				
Special:				
Salaries and Wages	184,305	246,927	166,852	80,075
Fringe Benefits	45,267	64,255	42,145	22,110
Purchased Services	422,772	209,805	197,761	12,044
Materials and Supplies	92,113	103,613	56,113	47,500
Capital Outlay - New	86,442	160,000	145,388	14,612
Total Special	830,899	784,600	608,259	176,341
Vocational:				
Salaries and Wages	39,376	41,954	35,686	6,268
Fringe Benefits	16,973	15,035	10,672	4,363
Total Vocational	56,349	56,989	46,358	10,631
Total Instruction	887,248	841,589	654,617	186,972
Support Services:				
Pupil:				
Salaries and Wages	126,094	100,479	91,672	8,807
Fringe Benefits	55,908	51,662	44,947	6,715
Purchased Services	243,000	363,420	352,802	10,618
Materials and Supplies	18,786	14,786	13,108	1,678
Total Pupil	443,788	530,347	502,529	27,818
Instructional Staff:				
Salaries and Wages	63,943	72,100	55,289	16,811
Fringe Benefits	28,302	29,199	24,044	5,155
Purchased Services	67,997	37,895	34,673	3,222
Materials and Supplies	441	1,145	1,021	124
Total Instructional Staff	\$160,683	\$140,339	\$115,027	\$25,312

(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, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Administration:				
Salaries and Wages	\$106,409	\$102,451	\$99,827	\$2,624
Fringe Benefits	47,367	46,214	42,525	3,689
Total Administration	153,776	148,665	142,352	6,313
Pupil Transportation:				
Purchased Services	799,435	15,000	14,948	52
Fringe Benefits	0	0	0	0
Total Pupil Transportation	799,435	15,000	14,948	52
Total Support Services	1,557,682	834,351	774,856	59,495
Operation of Non-Instructional Services:				
Other Non-Instructional Services:				
Community Services:				
Purchased Services	4,100	19,335	15,038	4,297
Capital Outlay	0	1,755	1,755	0
Total Operation of Non-Instructional Services	4,100	21,090	16,793	4,297
Total Expenditures	2,449,030	1,697,030	1,446,266	250,764
Excess of Revenues Over (Under) Expenditures	56,970	808,970	(262,607)	(1,071,577)
Other Financing Sources (Uses)				
Advances In	0	250,000	580,000	330,000
Advances Out	(175,000)	(175,000)	(175,000)	0
Total Other Financing Sources (Uses)	(175,000)	75,000	405,000	330,000
Net Change in Fund Balance	(118,030)	883,970	142,393	(741,577)
Fund Balance Beginning of Year	72,060	72,060	72,060	0
Prior Year Encumbrances Appropriated	46,030	46,030	46,030	0
Fund Balance End of Year	\$60	\$1,002,060	\$260,483	(\$741,577)

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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$210,000	\$210,000	\$104,991	(\$105,009)
Expenditures				
Current:				
Instruction:				
Vocational:				
Salaries	2,733	3,607	2,470	1,137
Fringe Benefits	376	669	394	275
Purchased Services	13,973	14,606	14,375	231
Materials and Supplies	24,482	23,053	20,111	2,942
Capital Outlay - New	32,000	32,000	30,833	1,167
Other	84,266	44,055	34,514	9,541
Total Instruction	157,830	117,990	102,697	15,293
Support Services:				
Instructional Staff:				
Purchased Services	5,225	5,108	5,031	77
Other	6,000	6,000	3,098	2,902
Total Instructional Staff	11,225	11,108	8,129	2,979
Administration:				
Materials and Supplies	8,180	8,422	8,384	38
Capital Outlay - New	2,688	2,403	2,370	33
Total Administration	10,868	10,825	10,754	71
Central:				
Purchased Services	2,200	2,200	2,200	0
Other	2,000	2,000	2,000	0
Total Central	4,200	4,200	4,200	0
Total Support Services	26,293	26,133	23,083	3,050
<i>Total Expenditures</i>	\$184,123	\$144,123	\$125,780	\$18,343

(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, 2011*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>\$25,877</u>	<u>\$65,877</u>	<u>(\$20,789)</u>	<u>(\$86,666)</u>
Other Financing Sources (Uses)				
Advances In	0	0	70,000	70,000
Advances Out	<u>(35,000)</u>	<u>(35,000)</u>	<u>(35,000)</u>	<u>0</u>
<i>Total Other Financing Sources (Uses)</i>	<u>(35,000)</u>	<u>(35,000)</u>	<u>35,000</u>	<u>70,000</u>
<i>Net Change in Fund Balance</i>	(9,123)	30,877	14,211	(16,666)
<i>Fund Balance Beginning of Year</i>	3,379	3,379	3,379	0
Prior Year Encumbrances Appropriated	<u>6,123</u>	<u>6,123</u>	<u>6,123</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$379</u>	<u>\$40,379</u>	<u>\$23,713</u>	<u>(\$16,666)</u>

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
State Fiscal Stabilization Fund
For the Fiscal Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$447,000	\$497,771	\$497,771	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Purchased Services	60,000	71,168	71,168	0
Support Services:				
Operation and Maintenance of Plant:				
Purchased Services	387,000	426,603	426,603	0
<i>Total Expenditures</i>	<u>447,000</u>	<u>497,771</u>	<u>497,771</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
Technology Title II-D Fund
For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$325,050	\$458,305	\$373,341	(\$84,964)
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	247,406	257	0	257
Purchased Services	1,234	8,200	8,145	55
Materials and Supplies	17,396	6,268	6,261	7
Capital Outlay - New	0	201,053	201,051	2
Total Instruction	266,036	215,778	215,457	321
Support Services:				
Instructional Staff:				
Salaries and Wages	0	39,435	36,452	2,983
Fringe Benefits	0	19,372	15,677	3,695
Purchased Services	12,300	92,459	91,894	565
Materials and Supplies	0	610	561	49
Capital Outlay	21,468	30,449	30,283	166
Total Support Services	33,768	182,325	174,867	7,458
Operation of Non-Instructional Services:				
Other Non-Instructional Services:				
Community Services:				
Purchased Services	1	1	1	0
Materials and Supplies	131	131	118	13
Capital Outlay - New	240	240	240	0
Total Operation of Non-Instructional Services	372	372	359	13
<i>Total Expenditures</i>	300,176	398,475	390,683	7,792
<i>Excess of Revenues Over (Under) Expenditures</i>	24,874	59,830	(17,342)	(77,172)
Other Financing Sources (Uses)				
Advances In	0	0	55,000	55,000
Advances Out	(60,000)	(60,000)	(60,000)	0
<i>Total Other Financing Sources (Uses)</i>	(60,000)	(60,000)	(5,000)	55,000
<i>Net Change in Fund Balance</i>	(35,126)	(170)	(22,342)	(22,172)
<i>Fund Balance Beginning of Year</i>	2,998	2,998	2,998	0
Prior Year Encumbrances Appropriated	32,176	32,176	32,176	0
<i>Fund Balance End of Year</i>	\$48	\$35,004	\$12,832	(\$22,172)

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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$4,300	\$4,653	\$4,653	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Purchased Services	<u>4,300</u>	<u>4,653</u>	<u>4,653</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Title I Fund
For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$2,315,450	\$2,335,450	\$1,356,643	(\$978,807)
Expenditures				
Current:				
Instruction:				
Regular:				
Fringe Benefits	0	176	0	176
Purchased Services	24,297	83,804	83,804	0
Materials and Supplies	16,418	8,600	6,772	1,828
Total Regular	40,715	92,580	90,576	2,004
Special:				
Salaries and Wages	866,869	409,869	324,436	85,433
Fringe Benefits	89,188	112,972	92,426	20,546
Purchased Services	214,573	177,230	131,807	45,423
Materials and Supplies	30,184	40,653	28,788	11,865
Capital Outlay - New	38,505	5,505	4,867	638
Total Special	1,239,319	746,229	582,324	163,905
Total Instruction	1,280,034	838,809	672,900	165,909
Support Services:				
Pupil:				
Salaries and Wages	159,801	127,857	92,573	35,284
Fringe Benefits	44,569	50,314	32,364	17,950
Purchased Services	10,000	10,000	10,000	0
Materials and Supplies	13,756	13,756	6,202	7,554
Total Pupil	228,126	201,927	141,139	60,788
Instructional Staff:				
Salaries and Wages	397,783	361,374	315,360	46,014
Fringe Benefits	124,010	117,443	77,894	39,549
Purchased Services	124,670	131,936	104,754	27,182
Materials and Supplies	13,000	21,346	17,045	4,301
Capital Outlay	3,300	10,666	10,666	0
Total Instructional Staff	662,763	642,765	525,719	117,046

(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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Administration:				
Materials and Supplies	\$558	\$558	\$221	\$337
Total Support Services	\$891,447	\$845,250	\$667,079	\$178,171
Operation of Non-Instructional Services:				
Other Non-Instructional Services:				
Community Services:				
Purchased Services	19,809	14,566	5,265	9,301
Materials and Supplies	7,308	14,558	3,631	10,927
Total Operation of Non-Instructional Services	27,117	29,124	8,896	20,228
<i>Total Expenditures</i>	2,198,598	1,713,183	1,348,875	364,308
<i>Excess of Revenues Over Expenditures</i>	116,852	622,267	7,768	(614,499)
Other Financing Sources (Uses)				
Advances In	60,000	60,000	485,000	425,000
Advances Out	(235,000)	(255,000)	(255,000)	0
<i>Total Other Financing Sources (Uses)</i>	(175,000)	(195,000)	230,000	425,000
<i>Net Change in Fund Balance</i>	(58,148)	427,267	237,768	(189,499)
<i>Fund Balance Beginning of Year</i>	67,011	67,011	67,011	0
Prior Year Encumbrances Appropriated	66,598	66,598	66,598	0
<i>Fund Balance End of Year</i>	\$75,461	\$560,876	\$371,377	(\$189,499)

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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$16,000	\$16,000	\$3,785	(\$12,215)
Expenditures				
Current:				
Instruction:				
Regular:				
Materials and Supplies	2,072	2,072	1,830	242
Support Services:				
Instructional Staff:				
Salaries and Wages	1,058	58	0	58
Materials and Supplies	910	910	910	0
Total Support Services	1,968	968	910	58
<i>Total Expenditures</i>	4,040	3,040	2,740	300
<i>Excess of Revenues Over Expenditures</i>	11,960	12,960	1,045	(11,915)
Other Financing Uses				
Advances Out	(4,000)	(4,000)	(4,000)	0
<i>Net Change in Fund Balance</i>	7,960	8,960	(2,955)	(11,915)
<i>Fund Balance Beginning of Year</i>	215	215	215	0
Prior Year Encumbrances Appropriated	2,740	2,740	2,740	0
<i>Fund Balance End of Year</i>	<u>\$10,915</u>	<u>\$11,915</u>	<u>\$0</u>	<u>(\$11,915)</u>

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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$88,600	\$88,600	\$41,077	(\$47,523)
Expenditures				
Current:				
Instruction:				
Special:				
Salaries and Wages	5,122	67	0	67
Purchased Services	17,850	0	0	0
Materials and Supplies	0	2,531	1,850	681
Capital Outlay - New	0	11,920	8,124	3,796
Total Instruction	22,972	14,518	9,974	4,544
Support Services:				
Pupil:				
Purchased Services	21,195	19,940	19,555	385
Instructional Staff:				
Purchased Services	38,007	19,717	19,717	0
Total Support Services	59,202	39,657	39,272	385
<i>Total Expenditures</i>	82,174	54,175	49,246	4,929
<i>Excess of Revenues Over (Under) Expenditures</i>	6,426	34,425	(8,169)	(42,594)
Other Financing Sources (Uses)				
Advances In	0	20,000	20,000	0
Advances Out	(8,000)	(8,000)	(8,000)	0
<i>Total Other Financing Sources (Uses)</i>	(8,000)	12,000	12,000	0
<i>Net Change in Fund Balance</i>	(1,574)	46,425	3,831	(42,594)
<i>Fund Balance Beginning of Year</i>	399	399	399	0
Prior Year Encumbrances Appropriated	1,175	1,175	1,175	0
<i>Fund Balance End of Year</i>	\$0	\$47,999	\$5,405	(\$42,594)

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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$244,000	\$244,000	\$180,407	(\$63,593)
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	106,749	97,356	93,730	3,626
Fringe Benefits	40,653	40,842	35,212	5,630
Purchased Services	1,193	0	0	0
Total Instruction	148,595	138,198	128,942	9,256
Support Services:				
Instructional Staff:				
Salaries and Wages	33,108	19,876	19,876	0
Fringe Benefits	5,506	3,947	771	3,176
Purchased Services	15,299	10,839	8,313	2,526
Materials and Supplies	13,250	4,840	4,604	236
Capital Outlay - New	6,330	4,388	2,973	1,415
Total Support Services	73,493	43,890	36,537	7,353
<i>Total Expenditures</i>	222,088	182,088	165,479	16,609
<i>Excess of Revenues Over Expenditures</i>	21,912	61,912	14,928	(46,984)
Other Financing Sources (Uses)				
Advances In	0	0	25,000	25,000
Advances Out	(30,000)	(30,000)	(30,000)	0
<i>Total Other Financing Sources (Uses)</i>	(30,000)	(30,000)	(5,000)	25,000
<i>Net Change in Fund Balance</i>	(8,088)	31,912	9,928	(21,984)
<i>Fund Balance Beginning of Year</i>	3,348	3,348	3,348	0
Prior Year Encumbrances Appropriated	5,088	5,088	5,088	0
<i>Fund Balance End of Year</i>	\$348	\$40,348	\$18,364	(\$21,984)

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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$5,000	\$25,305	\$0	(\$25,305)
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	1,262	1,262	0	1,262
Fringe Benefits	328	328	0	328
Purchased Services	31	31	0	31
Materials and Supplies	79	79	79	0
Total Instruction	1,700	1,700	79	1,621
Support Services:				
Pupil Transportation:				
Materials and Supplies	0	25,216	25,216	0
Total Expenditures	1,700	26,916	25,295	1,621
Excess of Revenues Over (Under) Expenditures	3,300	(1,611)	(25,295)	(23,684)
Other Financing Sources				
Advances In	0	0	26,000	26,000
Net Change in Fund Balance	3,300	(1,611)	705	2,316
Fund Balance Beginning of Year	1,615	1,615	1,615	0
Fund Balance End of Year	<u>\$4,915</u>	<u>\$4</u>	<u>\$2,320</u>	<u>\$2,316</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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Rentals	\$2,500	\$2,500	\$3,497	\$997
Miscellaneous	1,500	1,500	0	(1,500)
<i>Total Revenue</i>	<u>4,000</u>	<u>4,000</u>	<u>3,497</u>	<u>(503)</u>
Expenditures				
Current:				
Operation of Non-Instructional Services:				
Other Non-Instructional Services:				
Community Services:				
Salaries and Wages	14,023	4,423	3,324	1,099
Fringe Benefits	1,977	1,577	854	723
<i>Total Expenditures</i>	<u>16,000</u>	<u>6,000</u>	<u>4,178</u>	<u>1,822</u>
<i>Net Change in Fund Balance</i>	(12,000)	(2,000)	(681)	1,319
<i>Fund Balance Beginning of Year</i>	<u>797</u>	<u>797</u>	<u>797</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>(\$11,203)</u></u>	<u><u>(\$1,203)</u></u>	<u><u>\$116</u></u>	<u><u>\$1,319</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Tuition and Fees	\$3,500	\$3,500	\$1,725	(\$1,775)
Extracurricular Activities	91,000	91,000	98,925	7,925
Contributions and Donations	3,500	3,500	12,228	8,728
Miscellaneous	6,000	6,000	12,178	6,178
<i>Total Revenues</i>	<i>104,000</i>	<i>104,000</i>	<i>125,056</i>	<i>21,056</i>
Expenditures				
Current:				
Instruction:				
Regular:				
Purchased Services	133,949	82,587	80,165	2,422
Materials and Supplies	27,505	45,663	27,974	17,689
Capital Outlay - New	11,660	18,165	12,917	5,248
Capital Outlay - Replacement	83	83	0	83
Other	5,170	19,363	13,009	6,354
Total Regular	178,367	165,861	134,065	31,796
Special:				
Materials and Supplies	257	257	240	17
Vocational:				
Materials and Supplies	3	3	0	3
Total Instruction	178,627	166,121	134,305	31,816
Support Services:				
Instructional Staff:				
Fringe Benefits	516	1,723	819	904
Materials and Supplies	2,414	3,562	202	3,360
Total Instructional Staff	2,930	5,285	1,021	4,264
Administration:				
Purchased Services	1,177	1,177	0	1,177
Materials and Supplies	1,800	3,242	462	2,780
Total Administration	\$2,977	\$4,419	\$462	\$3,957

(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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Business:				
Materials and Supplies	\$9,744	\$11,774	\$2,929	\$8,845
Capital Outlay - New	123	123	0	123
Total Business	<u>9,867</u>	<u>11,897</u>	<u>2,929</u>	<u>8,968</u>
Central:				
Purchased Services	2,337	3,747	1,962	1,785
Materials and Supplies	2,689	3,649	1,955	1,694
Other	478	848	609	239
Total Central	<u>5,504</u>	<u>8,244</u>	<u>4,526</u>	<u>3,718</u>
Total Support Services	<u>21,278</u>	<u>29,845</u>	<u>8,938</u>	<u>20,907</u>
Operation of Non-Instructional Services:				
Other Non-Instructional Services:				
Community Services:				
Other	215	645	544	101
Extracurricular Activities:				
Academic Oriented Activities:				
Purchased Services	99	99	0	99
Other	12	12	0	12
Total Academic Oriented Activities:	<u>111</u>	<u>111</u>	<u>0</u>	<u>111</u>
School and Public Service Oriented:				
Purchased Services	1,251	2,896	1,243	1,653
Other	2,146	4,010	0	4,010
Total School and Public Service Oriented:	<u>3,397</u>	<u>6,906</u>	<u>1,243</u>	<u>5,663</u>
Total Extracurricular Activities	<u>3,508</u>	<u>7,017</u>	<u>1,243</u>	<u>5,774</u>
Total Expenditures	<u>203,628</u>	<u>203,628</u>	<u>145,030</u>	<u>58,598</u>
Net Change in Fund Balance	(99,628)	(99,628)	(19,974)	79,654
Fund Balance Beginning of Year	83,080	83,080	83,080	0
Prior Year Encumbrances Appropriated	<u>16,628</u>	<u>16,628</u>	<u>16,628</u>	<u>0</u>
Fund Balance End of Year	<u>\$80</u>	<u>\$80</u>	<u>\$79,734</u>	<u>\$79,654</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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Rentals	\$33,000	\$33,000	\$18,250	(\$14,750)
Expenditures				
Current:				
Support Services:				
Business:				
Other	750	749	93	656
Debt Service:				
Principal Retirement	48,000	48,000	48,000	0
Interest and Fiscal Charges	3,250	3,251	3,251	0
Total Debt Service	51,250	51,251	51,251	0
<i>Total Expenditures</i>	52,000	52,000	51,344	656
<i>Net Change in Fund Balance</i>	(19,000)	(19,000)	(33,094)	(14,094)
<i>Fund Balance Beginning of Year</i>	35,490	35,490	35,490	0
<i>Fund Balance End of Year</i>	\$16,490	\$16,490	\$2,396	(\$14,094)

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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Tuition and Fees	\$27,000	\$27,000	\$16,408	(\$10,592)
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	500	500	406	94
Fringe Benefits	0	375	375	0
Purchased Services	0	5,100	5,100	0
Materials and Supplies	0	5,500	5,472	28
Total Regular	500	11,475	11,353	122
Student Intervention:				
Fringe Benefits	130	135	5	130
Total Instruction	630	11,610	11,358	252
Support Services:				
Administration:				
Salaries and Wages	48,176	37,075	11,677	25,398
Fringe Benefits	1,164	1,285	1,280	5
Materials and Supplies	30	30	0	30
Total Support Services	49,370	38,390	12,957	25,433
<i>Total Expenditures</i>	50,000	50,000	24,315	25,685
<i>Net Change in Fund Balance</i>	(23,000)	(23,000)	(7,907)	15,093
<i>Fund Balance Beginning of Year</i>	53,137	53,137	53,137	0
<i>Fund Balance End of Year</i>	\$30,137	\$30,137	\$45,230	\$15,093

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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
Instruction:				
Adult Continuing:				
Salaries and Wages	5,000	5,000	0	5,000
<i>Net Change in Fund Balance</i>	(5,000)	(5,000)	0	5,000
<i>Fund Balance Beginning of Year</i>	23,017	23,017	23,017	0
<i>Fund Balance End of Year</i>	<u>\$18,017</u>	<u>\$18,017</u>	<u>\$23,017</u>	<u>\$5,000</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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$1	\$1	\$0	(\$1)
Expenditures				
Current:				
Support Services:				
Instructional Staff:				
Purchased Services	92	92	91	1
<i>Total Expenditures</i>	92	92	91	1
<i>Net Change in Fund Balance</i>	(91)	(91)	(91)	0
<i>Fund Balance Beginning of Year</i>	91	91	91	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Poverty Aid Fund
For the Fiscal Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$1	\$1	\$0	(\$1)
Expenditures				
Current:				
Instruction:				
Student Intervention Services:				
Salaries and Wages	29,200	29,200	29,200	0
Fringe Benefits	7,201	7,201	7,201	0
Materials and Supplies	14,470	14,470	14,469	1
Total Student Intervention Services	50,871	50,871	50,870	1
<i>Total Expenditures</i>	50,871	50,871	50,870	1
<i>Net Change in Fund Balance</i>	(50,870)	(50,870)	(50,870)	0
<i>Fund Balance Beginning of Year</i>	36,400	36,400	36,400	0
Prior Year Encumbrances Appropriated	14,470	14,470	14,470	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0	\$0

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Bond Retirement Fund
For the Fiscal Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$1,024,302	\$1,069,517	\$1,101,755	\$32,238
Intergovernmental	113,000	113,000	112,616	(384)
<i>Total Revenues</i>	<u>1,137,302</u>	<u>1,182,517</u>	<u>1,214,371</u>	<u>31,854</u>
Expenditures				
Current:				
Support Services:				
Fiscal:				
Purchased Services	9,125	10,325	10,314	11
Debt Service:				
Principal Retirement	1,225,000	1,225,000	1,225,000	0
Interest and Fiscal Charges	90,875	90,875	90,875	0
<i>Total Debt Service</i>	<u>1,315,875</u>	<u>1,315,875</u>	<u>1,315,875</u>	<u>0</u>
<i>Total Expenditures</i>	<u>1,325,000</u>	<u>1,326,200</u>	<u>1,326,189</u>	<u>11</u>
<i>Net Change in Fund Balance</i>	(187,698)	(143,683)	(111,818)	31,865
<i>Fund Balance Beginning of Year</i>	<u>1,865,664</u>	<u>1,865,664</u>	<u>1,865,664</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,677,966</u></u>	<u><u>\$1,721,981</u></u>	<u><u>\$1,753,846</u></u>	<u><u>\$31,865</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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$145,932	\$421,717	\$431,524	\$9,807
Intergovernmental	176,000	176,000	196,417	20,417
<i>Total Revenues</i>	<u>321,932</u>	<u>597,717</u>	<u>627,941</u>	<u>30,224</u>
Expenditures				
Current:				
Support Services:				
Operation and Maintenance of Plant:				
Capital Outlay - New	1,336,133	1,473,966	1,459,981	13,985
Capital Outlay:				
Architecture and Engineering Services:				
Capital Outlay	40,679	118,404	118,398	6
<i>Total Expenditures</i>	<u>1,376,812</u>	<u>1,592,370</u>	<u>1,578,379</u>	<u>13,991</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(1,054,880)</u>	<u>(994,653)</u>	<u>(950,438)</u>	<u>44,215</u>
Other Financing Sources (Uses)				
Advances In	150,000	150,000	150,000	0
Advances Out	0	(39,442)	0	39,442
<i>Total Other Financing Sources (Uses)</i>	<u>150,000</u>	<u>110,558</u>	<u>150,000</u>	<u>39,442</u>
<i>Net Change in Fund Balance</i>	(904,880)	(884,095)	(800,438)	83,657
<i>Fund Balance Beginning of Year</i>	204,327	204,327	204,327	0
Prior Year Encumbrances Appropriated	731,812	731,812	731,812	0
<i>Fund Balance End of Year</i>	<u>\$31,259</u>	<u>\$52,044</u>	<u>\$135,701</u>	<u>\$83,657</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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Capital Outlay:				
Architecture and Engineering Services:				
Capital Outlay - New	<u>30,000</u>	<u>30,000</u>	<u>0</u>	<u>30,000</u>
<i>Net Change in Fund Balance</i>	(30,000)	(30,000)	0	30,000
<i>Fund Balance Beginning of Year</i>	<u>30,745</u>	<u>30,745</u>	<u>30,745</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$745</u></u>	<u><u>\$745</u></u>	<u><u>\$30,745</u></u>	<u><u>\$30,000</u></u>

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Capital Replacement Fund
For the Fiscal Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Interest	\$0	\$0	\$5	\$5
Expenditures				
Current:				
Support Services:				
Business:				
Capital Outlay - New	726,800	1,066,821	814,025	252,796
Debt Service:				
Principal Retirement	0	27,229	27,229	0
<i>Total Expenditures</i>	<u>726,800</u>	<u>1,094,050</u>	<u>841,254</u>	<u>252,796</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(726,800)</u>	<u>(1,094,050)</u>	<u>(841,249)</u>	<u>252,801</u>
Other Financing Sources (Uses)				
Advances In	433,200	433,200	433,200	0
Advances Out	(433,200)	(433,200)	(433,200)	0
Capital Lease Issued	433,200	590,450	590,386	(64)
Transfers In	12,300	211,260	283,600	72,340
<i>Total Other Financing Sources (Uses)</i>	<u>445,500</u>	<u>801,710</u>	<u>873,986</u>	<u>72,276</u>
<i>Net Change in Fund Balance</i>	(281,300)	(292,340)	32,737	325,077
<i>Fund Balance Beginning of Year</i>	<u>292,344</u>	<u>292,344</u>	<u>292,344</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$11,044</u>	<u>\$4</u>	<u>\$325,081</u>	<u>\$325,077</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, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$1,100,000	\$1,100,000	\$1,214,102	\$114,102
Expenses				
Purchased Services	95,442	95,442	3,053	92,389
Claims	1,216,658	1,216,658	1,216,658	0
<i>Total Expenses</i>	<u>1,312,100</u>	<u>1,312,100</u>	<u>1,219,711</u>	<u>92,389</u>
<i>Net Change in Fund Equity</i>	(212,100)	(212,100)	(5,609)	206,491
<i>Fund Equity Beginning of Year</i>	1,437,313	1,437,313	1,437,313	0
Prior Year Encumbrances Appropriated	<u>12,100</u>	<u>12,100</u>	<u>12,100</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$1,237,313</u></u>	<u><u>\$1,237,313</u></u>	<u><u>\$1,443,804</u></u>	<u><u>\$206,491</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, 2011

	<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>Excess of Revenues over Expenses Before Transfers</i>	0	0	0	0
Transfers Out	<u>(578)</u>	<u>(578)</u>	<u>0</u>	<u>578</u>
<i>Net Change in Fund Equity</i>	(578)	(578)	0	578
<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>\$0</u>	<u>\$0</u>	<u>\$578</u>	<u>\$578</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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest	\$1,000	\$1,000	\$52	(\$948)
Miscellaneous	5,000	5,000	0	(5,000)
<i>Total Revenues</i>	6,000	6,000	52	(5,948)
Expenses				
Other	25,000	25,000	443	24,557
<i>Net Change in Fund Equity</i>	(19,000)	(19,000)	(391)	18,609
<i>Fund Equity Beginning of Year</i>	82,067	82,067	82,067	0
<i>Fund Equity End of Year</i>	<u>\$63,067</u>	<u>\$63,067</u>	<u>\$81,676</u>	<u>\$18,609</u>

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Statistical Section



Artwork by: Antoine Gurley, Jr.

12th Grade Student

Bedford High School

Art Teacher: Dagmar Clements



Artwork by: Mariah Nelson

7th Grade Student

Heskett Middle School

Art Teacher: Rebecca Genao

Statistical Section

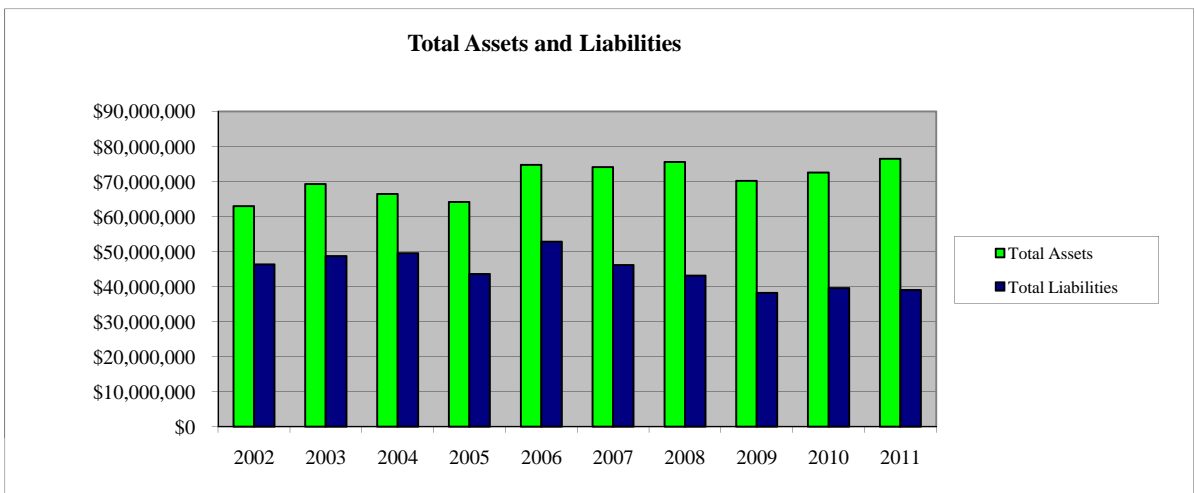
This part of the Bedford City School District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the School District's overall financial 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 - S11
Revenue Capacity These schedules contain information to help the reader assess the School District's most significant local revenue source, the property tax.	S12 - 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 - S41

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 Ten Fiscal Years
(accrual basis of accounting)

	2002	2003	2004	2005
Invested in Capital Assets, Net of Related Debt	\$5,265,722	\$9,267,931	\$10,168,889	\$10,390,724
Restricted for:				
Capital Projects	358,950	575,693	190,733	397,551
Debt Service	1,503,513	1,587,484	997,556	1,418,198
Other Purposes	432,505	616,921	725,176	849,525
Unrestricted	9,070,845	8,537,864	4,831,045	7,486,212
Total Net Assets	\$16,631,535	\$20,585,893	\$16,913,399	\$20,542,210



Source: School District Financial Records

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$9,900,232	\$12,218,017	\$13,434,685	\$13,531,705	\$13,534,897	\$15,853,913
1,882,830	805,810	173,255	557,011	1,400,209	229,779
1,381,463	1,772,547	2,278,168	2,264,251	2,148,734	2,086,003
511,238	1,106,057	1,025,781	1,337,606	557,401	650,968
<u>8,373,797</u>	<u>15,595,855</u>	<u>15,502,858</u>	<u>14,189,965</u>	<u>14,996,566</u>	<u>18,642,545</u>
<u>\$22,049,560</u>	<u>\$31,498,286</u>	<u>\$32,414,747</u>	<u>\$31,880,538</u>	<u>\$32,637,807</u>	<u>\$37,463,208</u>

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

	2002	2003	2004	2005
Expenses				
Governmental Activities:				
Instruction	\$19,493,314	\$19,716,538	\$23,153,227	\$22,869,124
Pupil Support	2,504,145	2,444,186	2,721,877	2,665,621
Instructional Staff Support	1,636,335	1,452,726	1,620,852	1,586,546
Board of Education	147,718	164,324	59,311	207,937
Administration	2,660,475	2,791,248	3,565,984	3,204,240
Fiscal	1,211,620	1,457,382	1,290,723	1,249,303
Business	411,748	477,013	402,210	555,487
Operation and Maintenance of Plant	6,335,607	5,596,383	6,772,564	5,865,329
Pupil Transportation	2,860,873	3,227,782	3,914,942	3,372,082
Central	241,112	261,748	306,326	291,782
Food Service Operations	1,214,859	1,335,836	1,362,041	1,312,760
Operation of Non-Instructional Services	649,054	573,662	502,320	514,115
Extracurricular Activities	835,766	593,241	915,504	916,721
Interest and Fiscal Charges	404,297	526,618	531,995	514,430
<i>Total Governmental Activities Expenses</i>	<i>40,606,923</i>	<i>40,618,687</i>	<i>47,119,876</i>	<i>45,125,477</i>
Program Revenues				
Governmental Activities:				
Charges for Services and Sales:				
Instruction	744,013	281,844	1,275,519	351,669
Pupil Support	0	0	200	0
Instructional Staff Support	0	3,733	2,683	3,693
Administration	0	0	0	0
Business	0	1,455	1,611	5,301
Operation and Maintenance of Plant	0	4,949	34,899	27,745
Pupil Transportation	58,117	0	0	0
Central	0	5,911	7,576	1,412
Food Service Operations	826,464	742,396	792,140	760,722
Operation of Non-Instructional Services	0	64,719	11,605	11,845
Extracurricular Activities	243,412	100,721	95,755	108,995
Operating Grants and Contributions				
Instruction	1,271,440	1,335,778	1,631,369	2,035,753
Pupil Support	138,022	57,994	56,854	33,728
Instructional Staff Support	100,570	196,937	183,012	182,834
Administration	5,953	102,441	93,893	115,923
Business	0	815	65	83
Operation and Maintenance of Plant	0	0	3,539	94,094
Pupil Transportation	827	0	509	97,143
Central	4,539	9,671	5,953	6,977
Food Service Operations	411,067	517,566	490,206	518,616
Operation of Non-Instructional Services	486,957	517,772	480,659	495,433
Extracurricular Activities	0	3,221	18,281	23,644

2006	2007	2008	2009	2010	2011
\$24,090,319	\$24,029,388	\$27,576,746	\$25,229,256	\$26,802,708	\$25,022,834
2,758,509	2,764,302	2,997,511	3,025,366	3,015,745	3,034,339
1,762,862	1,651,433	1,834,242	2,074,281	2,544,377	2,735,600
407,852	310,042	235,547	220,840	243,585	85,953
3,942,749	3,501,283	3,438,272	4,408,025	3,079,356	3,969,440
1,236,174	1,290,060	1,330,855	1,213,939	1,381,083	1,309,344
777,247	779,116	847,097	728,529	667,683	877,396
6,731,992	6,357,050	6,724,899	6,937,228	7,070,172	6,645,111
3,851,122	3,792,614	3,875,037	3,615,129	3,578,892	3,513,967
309,079	299,502	337,904	338,807	321,466	335,344
1,471,121	1,629,821	1,651,021	1,682,513	1,697,599	1,705,905
454,710	539,445	484,150	427,311	340,054	394,207
826,605	826,657	867,928	875,259	804,712	838,622
467,718	520,086	524,154	479,677	437,058	357,696
49,088,059	48,290,799	52,725,363	51,256,160	51,984,490	50,825,758
\$1,246,793	\$1,686,260	\$1,705,852	\$1,974,620	\$1,688,961	\$1,472,019
0	0	0	0	0	0
1,558	94	1,215	926	1,454	0
0	7,765	9,966	691	0	0
185,583	38,356	44,661	27,281	31,312	23,328
31,472	0	0	0	0	0
2,726	0	0	0	0	0
0	0	4,541	1,988	4,470	0
812,352	792,684	750,540	682,879	620,301	601,725
10,637	4,191	4,782	3,714	3,207	0
93,701	131,618	133,483	133,794	141,446	249,721
1,573,434	2,543,592	2,248,787	2,424,680	1,571,907	1,507,787
193,061	206,957	233,872	403,482	325,493	577,014
171,723	209,937	278,710	388,009	556,001	661,300
149,752	116,658	142,926	272,640	48,225	143,050
308	30,114	106,436	481	725	5,000
59,209	35,955	2,132	1,645	469,365	900,022
0	0	0	0	0	0
2,488	5,150	3,860	5,429	5,347	5,888
610,070	755,707	867,048	1,091,798	1,199,794	1,250,202
428,920	443,358	454,033	396,029	298,087	314,959
12,636	5,542	11,463	10,887	1,613	791

(continued)

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

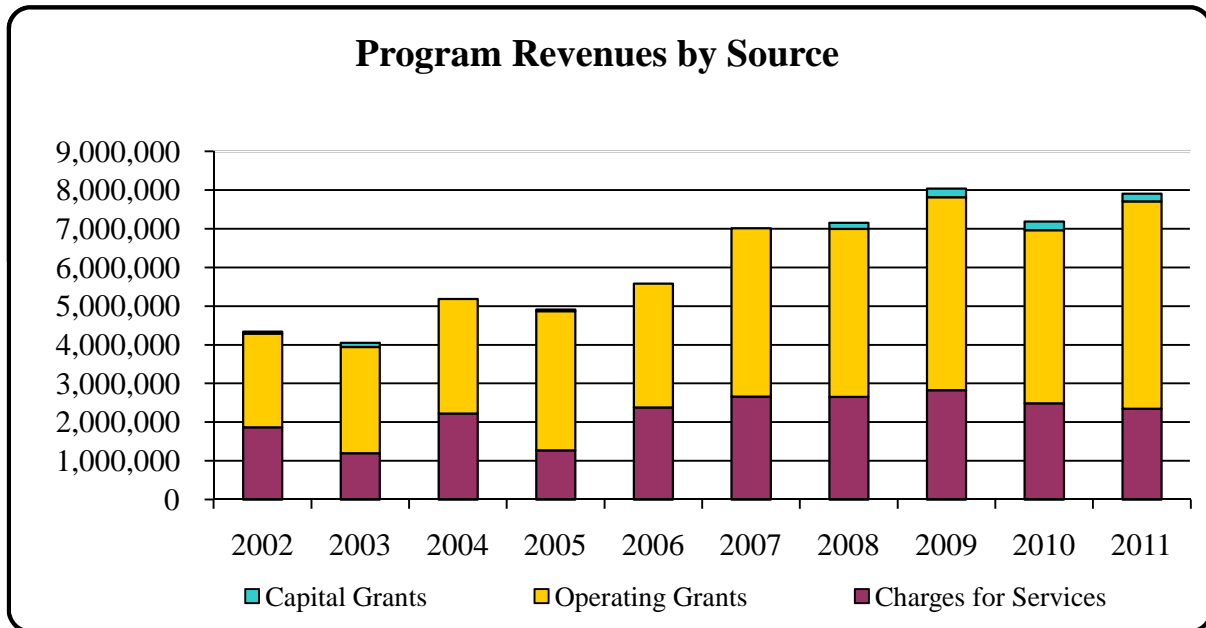
	2002	2003	2004	2005
Capital Grants and Contributions				
Instruction	\$0	\$13,753	\$0	\$0
Instructional Staff Support	0	0	0	35,910
Operation and Maintenance of Plant	0	58,715	0	0
Pupil Transportation	0	37,069	0	0
Central	50,514	0	0	0
<i>Total Governmental Activities Program Revenues</i>	<u>4,341,895</u>	<u>4,057,460</u>	<u>5,186,328</u>	<u>4,911,520</u>
Net (Expense)/Revenue				
Governmental Activities	<u>(36,265,028)</u>	<u>(36,561,227)</u>	<u>(41,933,548)</u>	<u>(40,213,957)</u>
General Revenues and Other Changes in Net Assets				
Governmental Activities:				
Property and Other Local Taxes Levied For:				
General Purposes	32,706,307	29,904,312	28,471,588	32,156,621
Debt Service	1,212,396	1,030,078	1,050,439	1,366,766
Capital Outlay	626,150	558,855	670,221	682,633
Grants and Entitlements not Restricted to Specific Programs	6,685,643	8,634,340	7,747,756	9,140,806
Payment in Lieu of Taxes	21,613	0	0	0
Gain on Sale of Capital Assets	50,753	0	0	0
Investment Earnings	377,677	239,106	174,106	325,033
Miscellaneous	291,104	125,231	146,944	170,909
Transfers	0	23,663	0	0
<i>Total Governmental Activities</i>	<u>41,971,643</u>	<u>40,515,585</u>	<u>38,261,054</u>	<u>43,842,768</u>
Change in Net Assets	<u>\$5,706,615</u>	<u>\$3,954,358</u>	<u>(\$3,672,494)</u>	<u>\$3,628,811</u>

Source: School District Financial Records

2006	2007	2008	2009	2010	2011
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
0	0	156,053	219,516	226,177	196,417
0	0	0	0	0	0
0	0	0	0	0	0
5,586,423	7,013,938	7,160,360	8,040,489	7,193,885	7,909,223
(43,501,636)	(41,276,861)	(45,565,003)	(43,215,671)	(44,790,605)	(42,916,535)
34,235,814	36,899,607	31,323,005	24,728,995	26,041,020	28,733,772
963,017	1,456,398	1,372,001	1,146,612	1,071,389	1,141,941
473,225	702,373	530,429	427,167	410,979	445,659
8,149,887	10,081,905	11,817,104	15,598,148	17,563,453	17,019,801
0	0	0	0	0	0
0	0	1,726	0	0	1,371
759,074	1,126,745	890,620	288,540	27,574	27,479
427,969	458,559	546,579	492,000	433,459	371,913
0	0	0	0	0	0
45,008,986	50,725,587	46,481,464	42,681,462	45,547,874	47,741,936
\$1,507,350	\$9,448,726	\$916,461	(\$534,209)	\$757,269	\$4,825,401

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

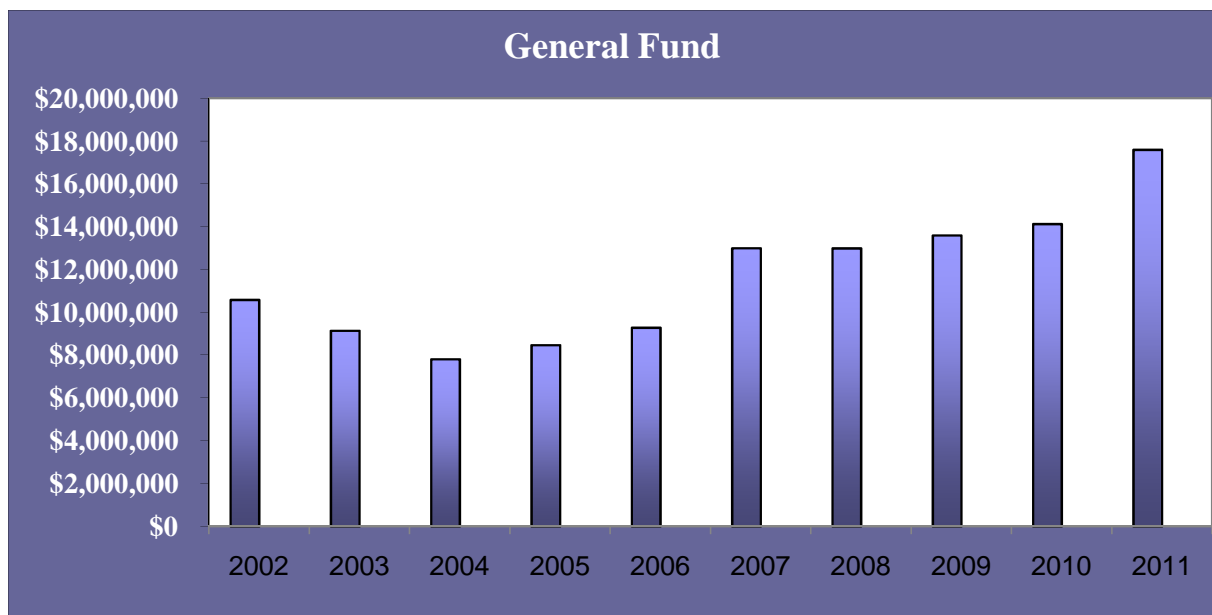
	2002	2003	2004	2005
Governmental Activities				
Instruction	\$2,015,453	\$1,631,375	\$2,906,888	\$2,395,811
Pupil Support	138,022	57,994	57,054	33,728
Instructional Staff Support	100,570	200,670	185,695	222,437
Administration	5,953	103,896	95,504	121,224
Business	0	5,764	34,964	27,828
Operation and Maintenance of Plant	0	58,715	3,539	94,094
Pupil Transportation	109,458	37,069	509	97,143
Central	4,539	15,582	13,529	105,827
Food Service Operations	1,237,531	1,259,962	1,282,346	1,279,338
Operation of Non-Instructional Services	486,957	582,491	492,264	507,278
Extracurricular Activities	243,412	103,942	114,036	132,639
Total Governmental Activities Program Revenues	\$4,341,895	\$4,057,460	\$5,186,328	\$4,911,520



2006	2007	2008	2009	2010	2011
\$2,820,227	\$4,229,852	\$3,954,639	\$4,399,300	\$3,260,868	\$2,979,806
193,061	206,957	233,872	403,482	325,493	577,014
173,281	210,031	279,925	388,935	557,455	661,300
335,335	124,423	152,892	273,331	48,225	143,050
31,780	68,470	151,097	27,762	32,037	28,328
59,209	35,955	158,185	221,161	695,542	1,096,439
2,726	0	0	0	0	0
2,488	5,150	8,401	7,417	9,817	5,888
1,422,422	1,548,391	1,617,588	1,774,677	1,820,095	1,851,927
439,557	447,549	458,815	399,743	301,294	314,959
106,337	137,160	144,946	144,681	143,059	250,512
<u>\$5,586,423</u>	<u>\$7,013,938</u>	<u>\$7,160,360</u>	<u>\$8,040,489</u>	<u>\$7,193,885</u>	<u>\$7,909,223</u>

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

	2002	2003	2004	2005
General Fund				
Nonspendable	\$0	\$0	\$0	\$0
Restricted	0	0	0	0
Committed	0	0	0	0
Assigned	0	0	0	0
Unassigned	0	0	0	0
Reserved	5,586,029	2,150,457	4,094,412	3,660,981
Unreserved	4,995,540	6,986,451	3,712,624	4,804,712
Total General Fund	10,581,569	9,136,908	7,807,036	8,465,693
All Other Governmental Funds				
Nonspendable	0	0	0	0
Restricted	0	0	0	0
Committed	0	0	0	0
Unassigned	0	0	0	0
Reserved	455,442	1,698,199	382,674	1,252,888
Unreserved, Undesignated, Reported in:				
Special Revenue funds (Deficit)	418,393	93,573	354,559	(173,184)
Debt Service funds	1,289,607	1,457,428	1,486,406	1,557,858
Capital Projects funds (Deficit)	268,399	(971,759)	(149,376)	(33,451)
Total All Other Governmental Funds	2,431,841	2,277,441	2,074,263	2,604,111
Total Governmental Funds	\$13,013,410	\$11,414,349	\$9,881,299	\$11,069,804



2006	2007	2008	2009	2010	2011
\$0	\$0	\$0	\$0	\$364,235	\$381,025
0	0	0	0	127,115	24,172
0	0	0	0	0	263,940
0	0	0	0	648,703	254,886
0	0	0	0	12,983,706	16,669,230
3,439,751	3,666,990	4,182,334	4,388,316	0	0
5,838,425	9,322,692	8,804,371	9,200,375	0	0
9,278,176	12,989,682	12,986,705	13,588,691	14,123,759	17,593,253
0	0	0	0	7,739	6,275
0	0	0	0	3,388,085	2,646,554
0	0	0	0	292,344	276,279
0	0	0	0	(164,492)	(126,044)
1,914,332	1,768,180	522,929	498,702	0	0
53,339	740,804	587,229	528,073	0	0
1,626,389	1,746,847	1,898,375	1,933,159	0	0
123,526	(553,176)	(81,771)	315,706	0	0
3,717,586	3,702,655	2,926,762	3,275,640	3,523,676	2,803,064
<u>\$12,995,762</u>	<u>\$16,692,337</u>	<u>\$15,913,467</u>	<u>\$16,864,331</u>	<u>\$17,647,435</u>	<u>\$20,396,317</u>

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

	2002	2003	2004	2005
Revenues				
Taxes	\$34,566,466	\$28,568,195	\$32,961,433	\$33,822,981
Intergovernmental	9,186,016	11,064,263	10,859,955	12,105,042
Interest	379,978	239,106	174,106	325,033
Charges for Services	357,219	767,185	797,804	765,852
Tuition and Fees	110,106	209,354	1,156,288	257,961
Rentals	0	51,113	39,324	32,230
Extracurricular Activities	271,316	178,076	228,572	215,339
Contributions and Donations	0	59,816	50,192	349,198
Miscellaneous	316,604	125,231	146,944	170,909
<i>Total Revenues</i>	<u>45,187,705</u>	<u>41,262,339</u>	<u>46,414,618</u>	<u>48,044,545</u>
Expenditures				
Current:				
Instruction	19,632,965	20,163,293	22,335,604	23,048,542
Support Services:				
Pupil	2,493,276	2,587,565	2,691,337	2,711,466
Instructional Staff	1,634,091	1,596,091	1,603,092	1,715,964
Board of Education	147,718	174,001	264,211	208,201
Administration	2,655,897	2,904,410	3,453,470	3,279,005
Fiscal	1,218,995	1,450,531	1,295,384	1,291,119
Business	395,226	420,750	491,350	576,563
Operation and Maintenance of Plant	6,386,456	5,703,847	6,612,776	5,980,389
Pupil Transportation	3,271,744	3,008,535	3,648,846	3,296,585
Central	234,295	253,416	281,725	298,512
Food Service Operations	0	543,327	1,314,097	1,414,479
Operation of Non-Instructional Services	520,883	1,353,409	460,734	485,150
Extracurricular Activities	570,268	626,835	648,879	654,996
Capital Outlay	15,949	1,343,445	2,356,466	353,204
Debt Service:				
Principal Retirement	820,000	940,000	982,214	1,133,049
Interest and Fiscal Charges	324,814	422,208	425,600	408,816
Bond Issuance Costs	144,116	0	0	0
<i>Total Expenditures</i>	<u>40,466,693</u>	<u>43,491,663</u>	<u>48,865,785</u>	<u>46,856,040</u>
<i>Excess of Revenue Over (Under) Expenditures</i>	<u>4,721,012</u>	<u>(2,229,324)</u>	<u>(2,451,167)</u>	<u>1,188,505</u>
Other Financing Sources (Uses):				
Sale of Capital Assets	50,753	600	0	0
General Obligation Bonds Issued	9,996,603	0	0	0
Loan Issued	0	606,000	0	0
Payment to Refunded Bond Escrow Agent	(10,217,038)	0	0	0
Capital Lease Issued	0	0	918,117	0
Transfers In	271,039	314,432	296,873	234,972
Transfers Out	(343,302)	(290,769)	(296,873)	(234,972)
<i>Total Other Financing Sources (Uses)</i>	<u>(241,945)</u>	<u>630,263</u>	<u>918,117</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>\$4,479,067</u>	<u>(\$1,599,061)</u>	<u>(\$1,533,050)</u>	<u>\$1,188,505</u>
<i>Debt Service as a Percentage of</i>				
<i>Noncapital Expenditures</i>	2.83%	3.23%	3.03%	3.32%

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

2006	2007	2008	2009	2010	2011
\$35,356,794	\$35,140,155	\$33,001,370	\$28,115,325	\$26,973,653	\$30,111,839
11,698,017	14,196,345	16,300,797	20,286,057	22,845,958	22,656,406
759,074	1,126,745	891,414	289,072	27,574	27,479
817,551	809,373	767,700	695,664	633,791	616,090
1,338,900	1,600,541	1,644,257	1,901,550	1,610,786	1,472,019
32,638	39,582	46,235	27,107	31,425	23,328
195,733	211,472	196,848	201,572	215,149	235,356
30,082	38,846	33,624	60,689	33,137	27,790
427,969	458,559	546,579	492,000	433,459	371,913
50,656,758	53,621,618	53,428,824	52,069,036	52,804,932	55,542,220
23,599,077	23,114,104	26,886,187	24,342,434	26,608,416	24,627,785
2,748,756	2,715,900	3,027,291	3,018,391	3,044,855	3,027,990
1,746,185	1,601,990	1,848,397	2,017,649	2,501,589	2,735,415
407,852	310,042	235,547	220,840	243,585	85,953
3,955,263	3,360,610	3,404,060	4,406,969	2,831,149	3,939,104
1,215,241	1,258,900	1,324,697	1,197,973	1,358,705	1,297,089
835,376	706,100	790,875	662,858	665,426	628,133
6,574,042	6,622,764	6,724,407	6,496,796	6,663,901	6,184,358
3,919,612	3,659,119	3,579,251	3,418,883	3,313,997	3,610,092
295,527	291,343	322,631	333,187	321,490	329,489
1,459,746	1,613,500	1,647,393	1,697,381	1,674,162	1,704,502
408,581	491,939	434,894	382,279	309,029	355,463
695,384	693,657	737,178	748,612	672,221	735,104
2,737,132	1,832,344	1,413,163	259,071	78,408	2,306,236
1,184,647	1,402,204	1,428,306	1,436,113	1,448,248	1,612,105
360,493	400,527	406,964	357,686	286,647	221,156
0	0	0	0	0	0
52,142,914	50,075,043	54,211,241	50,997,122	52,021,828	53,399,974
(1,486,156)	3,546,575	(782,417)	1,071,914	783,104	2,142,246
0	0	3,547	0	0	16,250
3,562,114	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	590,386
116,963	462,281	162,380	108,712	395,712	391,980
(116,963)	(462,281)	(162,380)	(108,712)	(395,712)	(391,980)
3,562,114	0	3,547	0	0	606,636
\$2,075,958	\$3,546,575	(\$778,870)	\$1,071,914	\$783,104	\$2,748,882
3.13%	3.79%	3.50%	3.54%	3.35%	3.62%

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			
2002	\$331,671,010	\$255,673,720	\$587,344,730	\$1,678,127,800	\$165,250,542	\$661,002,168
2003	335,640,150	266,954,490	602,594,640	1,721,698,971	163,953,315	655,813,260
2004	368,986,650	278,766,770	647,753,420	1,850,724,057	171,667,792	686,671,168
2005	370,753,750	275,375,240	646,128,990	1,846,082,829	170,826,004	683,304,016
2006	373,351,700	275,230,390	648,582,090	1,853,091,686	132,472,759	706,521,381
2007	423,446,610	290,875,660	714,322,270	2,040,920,771	45,893,227	367,145,816
2008	428,240,950	292,239,890	720,480,840	2,058,516,686	22,946,614	367,145,816
2009	432,422,870	298,786,290	731,209,160	2,089,169,029	22,970,064	367,521,024
2010	390,270,020	302,456,730	692,726,750	1,979,219,286	0	0
2011	392,377,120	297,270,960	689,648,080	1,970,423,086	0	0

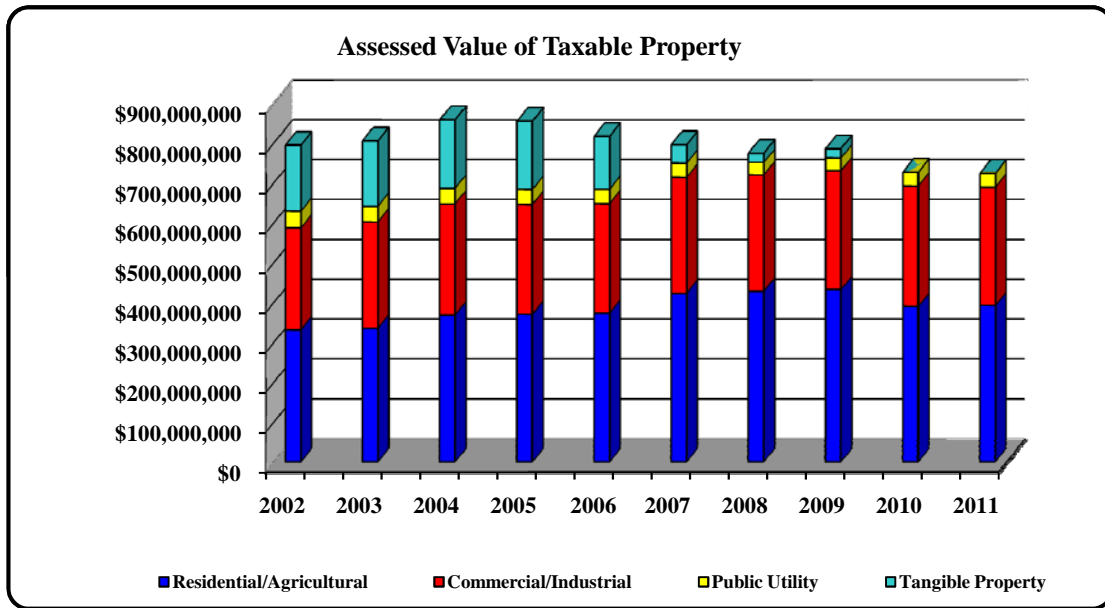
Source: Ohio Department of Taxation

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

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax was phased out beginning in 2006. Both types of general business tangible personal property were assessed at 12.5 for 2007, 6.25 percent for 2008 and zero for 2009. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four year phase out of the tangible personal property tax on local and inter-exchange telephone companies. No tangible personal property taxes were levied or collected in 2009 from general business taxpayers

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 percent, 2 1/2 percent and homestead exemptions before being billed. Beginning in the 2006 collection year, the 10 percent rollback for commercial/industrial property has been eliminated.

Public Utility Personal		Total		
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Weighted Average Tax Rate
\$41,718,240	\$47,407,091	\$794,313,512	\$2,386,537,059	\$37.71013
38,787,420	44,076,614	805,335,375	2,421,588,845	41.98717
38,882,620	44,184,795	858,303,832	2,581,580,021	40.60616
37,778,070	42,929,625	854,733,064	2,572,316,470	45.52011
35,524,420	40,368,659	816,579,269	2,599,981,726	44.42459
35,275,280	40,085,545	795,490,777	2,448,152,133	46.95413
30,823,860	35,027,114	774,251,314	2,460,689,615	38.04737
31,677,970	35,997,693	785,857,194	2,492,687,746	38.26589
33,898,290	38,520,784	726,625,040	2,017,740,070	35.08025
33,947,590	38,576,807	723,595,670	2,008,999,893	44.17982



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

	2002	2003	2004	2005	2006
Unvoted Millage					
Operating	\$4.620000	\$4.620000	\$4.620000	\$4.620000	\$4.620000
Voted Millage - by levy					
1976 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural	7.421300	7.420200	6.759800	6.758900	6.767100
Commercial/Industrial	13.052600	13.045900	12.855900	12.957500	12.976200
Tangible/Public Utility Personal	29.300000	29.300000	29.300000	29.300000	29.300000
1983 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural	3.360800	3.360300	3.061200	3.060800	3.064500
Commercial/Industrial	4.385000	4.382700	4.318900	4.353000	4.359300
Tangible/Public Utility Personal	6.600000	6.600000	6.600000	6.600000	6.600000
1986 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural	2.687400	2.687000	2.447900	2.447500	2.450500
Commercial/Industrial	3.486700	3.484900	3.434100	3.461300	3.466300
Tangible/Public Utility Personal	5.000000	5.000000	5.000000	5.000000	5.000000
1988 Bond (\$2,000,000)	0.170000	0.170000	0.170000	0.170000	0.170000
1991 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural	3.152300	3.151800	2.871300	2.870900	2.874400
Commercial/Industrial	3.749400	3.747500	3.692900	3.722100	3.727500
Tangible/Public Utility Personal	5.000000	5.000000	5.000000	5.000000	5.000000
2007 Permanent Improvement					
Effective Millage Rates					
Residential/Agricultural	0.630500	0.630400	0.574300	0.574200	0.574900
Commercial/Industrial	0.749900	0.749500	0.738600	0.744400	0.745500
Tangible/Public Utility Personal	1.000000	1.000000	1.000000	1.000000	1.000000
1992 Bond (\$12,000,000)	1.310000	1.310000	1.310000	1.310000	1.310000
1995 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural	3.626300	3.625700	3.303100	3.302600	3.306600
Commercial/Industrial	4.006900	4.004800	3.946500	3.977700	3.983400
Tangible/Public Utility Personal	4.600000	4.600000	4.600000	4.600000	4.600000
1999 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural	0.000000	4.252100	3.873700	3.873200	3.877845
Commercial/Industrial	0.000000	4.421300	4.356900	4.391300	4.397678
Tangible/Public Utility Personal	0.000000	4.900000	4.900000	4.900000	4.900000
2004 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural	0.000000	0.000000	0.000000	4.899309	4.900000
Commercial/Industrial	0.000000	0.000000	0.000000	4.900000	4.900000
Tangible/Public Utility Personal	0.000000	0.000000	0.000000	4.900000	4.900000
2010 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural	0.000000	0.000000	0.000000	0.000000	0.000000
Commercial/Industrial	0.000000	0.000000	0.000000	0.000000	0.000000
Tangible/Public Utility Personal	0.000000	0.000000	0.000000	0.000000	0.000000
Total Effective Voted Millage by type of property					
Residential/Agricultural	22.358600	26.607500	24.371300	29.267409	29.295845
Commercial/Industrial	30.910500	35.316600	34.823800	39.987300	40.035878
Tangible/Public Utility Personal	52.980000	57.880000	57.880000	62.780000	62.780000

2007	2008	2009	2010	2011
<u>\$4.620000</u>	<u>\$4.620000</u>	<u>\$4.620000</u>	<u>\$4.620000</u>	<u>\$4.620000</u>
6.012330	6.012653	6.008287	6.689483	6.690040
12.387131	12.323169	12.287716	12.446933	12.472072
29.300000	29.300000	29.300000	29.300000	29.300000
2.722704	2.722849	2.720869	3.029341	3.029591
4.161418	4.139929	4.128016	4.181509	4.189944
6.600000	6.600000	6.600000	6.600000	6.600000
2.177165	2.177285	2.175700	2.422365	2.422565
3.308895	3.291805	3.282335	3.324865	3.331585
5.000000	5.000000	5.000000	5.000000	5.000000
0.270000	0.270000	0.270000	0.270000	0.270000
2.553800	2.553940	2.552085	2.841420	2.841655
3.558260	3.539885	3.529700	3.575435	3.582655
5.000000	5.000000	5.000000	5.000000	5.000000
0.510760	0.510788	0.510417	0.568284	0.568331
0.711652	0.707977	0.705940	0.715087	0.716531
1.000000	1.000000	1.000000	1.000000	1.000000
1.410000	1.410000	1.680000	1.410000	1.410000
2.937780	2.937937	2.935802	3.268645	3.268916
3.802590	3.782952	3.772069	3.820944	3.828663
4.600000	4.600000	4.600000	4.600000	4.600000
3.445317	3.445503	3.442999	3.833344	3.833662
4.197991	4.176309	4.164294	4.218253	4.226769
4.900000	4.900000	4.900000	4.900000	4.900000
4.353458	4.353694	4.350528	4.843758	4.844160
4.677554	4.653397	4.640009	4.700129	4.709615
4.900000	4.900000	4.900000	4.900000	4.900000
0.000000	0.000000	0.000000	4.900000	4.900000
0.000000	0.000000	0.000000	4.900000	4.900000
0.000000	0.000000	0.000000	4.900000	4.900000
26.393314	26.394649	26.646687	34.076640	34.078920
38.485491	38.295423	38.460079	43.563155	43.637834
<u>62.980000</u>	<u>62.980000</u>	<u>63.250000</u>	<u>67.880000</u>	<u>67.880000</u>

(continued)

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

	2002	2003	2004	2005	2006
Total Millage by Type of Property					
Residential/Agricultural	\$26.978600	\$31.227500	\$28.991300	\$33.887409	\$33.915845
Commercial/Industrial	35.530500	39.936600	39.443800	44.607300	44.655878
Tangible/Public Utility Personal	57.600000	62.500000	62.500000	67.400000	67.400000
Overlapping Rates by Taxing District					
City of Bedford Heights					
Effective Millage Rates					
Residential/Agricultural	12.000000	13.000000	13.000000	13.000000	13.000000
Commercial/Industrial	12.000000	13.000000	13.000000	13.000000	13.000000
Tangible/Public Utility Personal	12.000000	13.000000	13.000000	13.000000	13.000000
City of Bedford					
Effective Millage Rates					
Residential/Agricultural	12.800000	12.800000	12.800000	12.800000	12.800000
Commercial/Industrial	12.800000	12.800000	12.800000	12.800000	12.800000
Tangible/Public Utility Personal	12.800000	12.800000	12.800000	12.800000	12.800000
Cuyahoga County					
Effective Millage Rates					
Residential/Agricultural	13.916900	14.993200	14.497100	15.312800	16.061300
Commercial/Industrial	14.534300	15.426100	15.794900	16.539400	17.168000
Tangible/Public Utility Personal	17.600000	17.600000	17.850000	18.450000	18.450000
Oakwood Village					
Effective Millage Rates					
Residential/Agricultural	3.800000	3.800000	3.800000	3.800000	3.800000
Commercial/Industrial	3.800000	3.800000	3.800000	3.800000	3.800000
Tangible/Public Utility Personal	3.800000	3.800000	3.800000	3.800000	3.800000
Walton Hills Village					
Effective Millage Rates					
Residential/Agricultural	0.300000	0.300000	0.300000	0.300000	0.300000
Commercial/Industrial	0.300000	0.300000	0.300000	0.300000	0.300000
Tangible/Public Utility Personal	0.300000	0.300000	0.300000	0.300000	0.300000

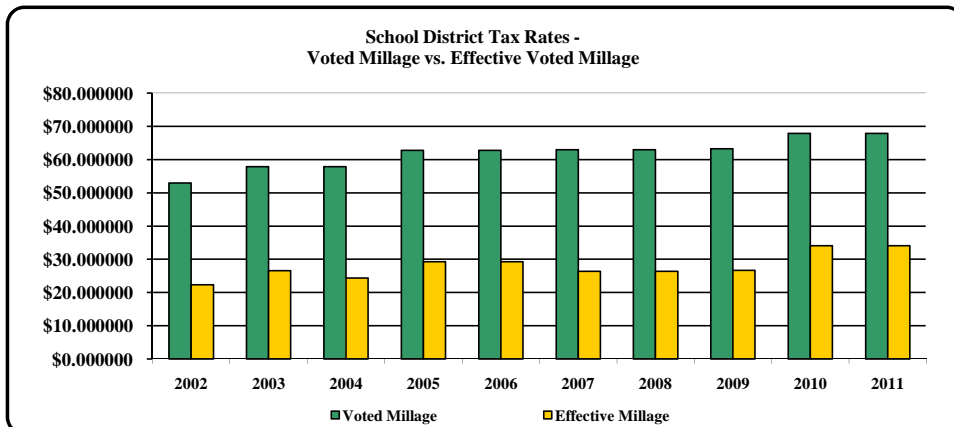
Source: Ohio Department of Taxation

(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 billed in that year.

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

Real property tax rates for voted continuing and operating levies are reduced so that inflationary increases in value do not generate additional revenue.

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



2007	2008	2009	2010	2011
\$31.013314	\$31.014649	\$31.266687	\$38.696640	38.698920
43.105491	42.915423	43.080079	48.183155	48.257834
67.600000	67.600000	67.870000	72.500000	72.500000
13.000000	13.000000	13.000000	13.000000	21.900000
13.000000	13.000000	13.000000	13.000000	21.900000
13.000000	13.000000	13.000000	13.000000	21.900000
12.800000	12.800000	12.800000	21.700000	21.700000
12.800000	12.800000	12.800000	21.700000	21.700000
12.800000	12.800000	12.800000	21.700000	21.700000
18.690000	17.836490	19.320480	20.160000	20.676506
18.760000	18.705333	19.706536	19.740000	20.186219
20.200000	20.200000	20.600000	20.600000	20.900000
3.800000	3.800000	3.800000	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	0.300000	0.300000	0.300000

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

Collection Year (2)	Current Tax Levy	Current Tax Collections	Percent of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections (3)(4)	Total Tax Collections	Percent of Total Tax Collections to Current Tax Levy
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
2006	36,749,231	33,793,627	91.96	2,740,642	36,534,269	99.42
2007	34,246,236	31,140,843	90.93	1,899,471	33,040,314	96.48
2008	31,107,465	28,898,751	92.90	1,852,222	30,750,973	98.85
2009	28,510,791	26,395,684	92.58	2,273,648	28,669,332	100.56
2010	32,114,650	30,357,160	94.53	1,493,447	31,850,607	99.18

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 2011 information cannot be presented because all collections have not been made by June 30, 2011.
- (3) The County does not maintain delinquency information by tax year.
- (4) Penalties and interest are included, since by Ohio Law, they become part of the tax obligation as assessment occurs.

Bedford City School District

Principal Taxpayers

Real Estate Tax

2011 and 2002 (1)

Name of Taxpayer	2011	
	Assessed Valuation	Percent of Real Assessed Value
Ben Venue Laboratories, Incorporated	\$11,878,230	1.72
Bear Creek Properties	7,259,170	1.05
Wal-Mart Stores East	6,610,700	0.96
Ford Motor Company	6,317,500	0.92
Riser Foods Company	6,317,500	0.92
5977 Bear Creek Road, LLC	5,962,160	0.86
Bedford Colony Club Apartments	4,571,110	0.66
South Point Towers Limited	4,221,790	0.61
Mayfred Company	3,512,480	0.52
First Interstate	3,253,370	0.47
Total	\$59,904,010	8.69%
Total Real Estate Valuation	\$689,648,080	
Name of Taxpayer	2002	
	Assessed Valuation	Percent of Real Assessed Value
Ford Motor Company	\$11,332,200	1.93
Riser Foods Company	7,417,410	1.26
Bear Creek Properties Company	6,981,350	1.19
Bear Creek Investment Company	5,661,950	0.96
Bedford Colony Club Apartments	3,850,560	0.66
Mayfred Company	3,617,990	0.62
Sysco Food Service	3,577,460	0.61
South Pointe Towers LTD	3,575,500	0.61
Southgate Towers LLC	3,325,210	0.56
Aspen Woodside Village	3,097,570	0.53
Total	\$52,437,200	8.93%
Total Real Estate Valuation	\$587,344,730	

Source: Office of the Auditor, Cuyahoga County, Ohio

(1) The amounts presented represent the assessed values upon which 2011 and 2002 collections were based.

Bedford City School District

Principal Taxpayers

Public Utilities Tax

2011 and 2002 (1)

<u>Name of Taxpayer</u>	<u>2011</u>	
	<u>Assessed Valuation</u>	<u>Percent of Public Utility Assessed Value</u>
Cleveland Electric Illuminating Company	\$24,028,920	70.78%
American Transmission System	8,526,170	25.12
Total	<u>\$32,555,090</u>	<u>95.90%</u>
Total Public Utility Valuation	<u>\$33,947,590</u>	

<u>Name of Taxpayer</u>	<u>2002</u>	
	<u>Assessed Valuation</u>	<u>Percent of Public Utility Assessed Value</u>
Cleveland Electric Illuminating Company	\$21,332,680	51.14%
American Transmission System	11,153,210	26.73
Ohio Bell Telephone Company	4,998,910	11.98
The East Ohio Gas Company	1,110,870	2.66
Norfolk Southern Combined	365,920	0.88
Total	<u>\$38,961,590</u>	<u>93.39%</u>
Total Public Utility Valuation	<u>\$41,718,240</u>	

Source: Office of the Auditor, Cuyahoga County, Ohio

(1) The amounts presented represent the assessed values upon which 2011 and 2002 collections were based.

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

	2002	2003	2004	2005
Total Assessed Valuation	\$794,313,512	\$805,335,375	\$858,303,832	\$854,733,064
Less Railroad and Telephone Property Valuation	0	0	0	0
Less General Business Tangible Personal Property Valuation	0	0	0	0
Total Assessed Valuation Used to Calculate Legal Debt Margin (1)	794,313,512	805,335,375	858,303,832	854,733,064
Overall Debt Limitation - 9% of Assessed Valuation (2)	71,488,216	72,480,184	77,247,345	76,925,976
Gross Indebtedness Authorized by the School District	11,031,300	10,697,300	9,764,300	8,787,300
Less Exempt Debt:				
Tax Anticipation Note	0	0	(865,000)	0
Energy Conservation	(525,000)	(230,000)	(155,000)	(80,000)
Debt within 9.0% limitation	10,506,300	10,467,300	8,744,300	8,707,300
Less Amount Available in Debt Service	(1,503,513)	(1,521,398)	(1,611,028)	(1,904,007)
Net Debt within 9.0% limitation	9,002,787	8,945,902	7,133,272	6,803,293
Legal debt margin within 9.0% limitation	<u>\$62,485,429</u>	<u>\$63,534,282</u>	<u>\$70,114,073</u>	<u>\$70,122,683</u>
Legal Debt Margin as a Percentage of Debt Limit	87.41%	87.66%	90.77%	91.16%
Energy Conservation Debt limitation 0.9% of assessed valuation	7,148,822	7,248,018	7,724,734	7,692,598
Net Debt within 0.9% limitation	(525,000)	(230,000)	(155,000)	(80,000)
Energy Conservation Debt Margin	<u>\$6,623,822</u>	<u>\$7,018,018</u>	<u>\$7,569,734</u>	<u>\$7,612,598</u>
Energy Conservation Debt Margin as a Percentage of the Energy Conservation Debt Limit	92.66%	96.83%	97.99%	98.96%
Unvoted Legal Debt Limit - .10% of Assessed Value (2)	\$794,314	\$805,335	\$858,304	\$854,733
Gross Indebtedness Authorized by the School District	525,000	230,000	1,020,000	80,000
Less Exempt Debt:				
Tax Anticipation Note			(865,000)	
Energy Conservation	(525,000)	(230,000)	(155,000)	(80,000)
Legal debt margin within .10% limitation	<u>\$794,314</u>	<u>\$805,335</u>	<u>\$858,304</u>	<u>\$854,733</u>
Unvoted Legal Debt Margin as a Percentage of the Excess of Revenues Over (Under) Expenditures	100.00%	100.00%	100.00%	100.00%

Source: Cuyahoga County Auditor and School District Financial Records

(1) The definition of tax valuation for the purpose of calculating the debt margin was modified by H.B. 530, effective 3/3/06, to exclude tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations.

(2) Ohio Bond Law sets a limit of 9 percent for voted debt and .10 percent for unvoted debt.

2006	2007	2008	2009	2010	2011
\$816,579,269	\$795,490,777	\$774,251,314	\$785,857,194	\$726,625,040	\$723,595,670
(11,401,681)	(5,624,070)	(21,638,265)	(315,340)	(145,790)	(226,900)
<u>(132,472,759)</u>	<u>(45,893,227)</u>	<u>(22,946,614)</u>	<u>(22,970,064)</u>	<u>0</u>	<u>0</u>
672,704,829	743,973,480	729,666,435	762,571,790	726,479,250	723,368,770
60,543,435	66,957,613	65,669,979	68,631,461	65,383,133	65,103,189
11,315,414	10,067,582	8,677,507	7,346,998	5,946,750	4,450,445
0	0	0	0	0	0
<u>(3,562,114)</u>	<u>(3,336,282)</u>	<u>(3,155,207)</u>	<u>(2,966,698)</u>	<u>(2,770,450)</u>	<u>(2,566,145)</u>
7,753,300	6,731,300	5,522,300	4,380,300	3,176,300	1,884,300
<u>(1,752,212)</u>	<u>(1,916,465)</u>	<u>(2,103,486)</u>	<u>(2,154,602)</u>	<u>(2,025,391)</u>	<u>(1,944,665)</u>
6,001,088	4,814,835	3,418,814	2,225,698	1,150,909	(60,365)
<u>\$54,542,347</u>	<u>\$62,142,778</u>	<u>\$62,251,165</u>	<u>\$66,405,763</u>	<u>\$64,232,224</u>	<u>\$65,163,554</u>
90.09%	92.81%	94.79%	96.76%	98.24%	100.09%
6,054,343	6,695,761	6,566,998	6,863,146	6,538,313	6,510,319
<u>(3,562,114)</u>	<u>(3,336,282)</u>	<u>(3,155,207)</u>	<u>(2,966,698)</u>	<u>(2,770,450)</u>	<u>(2,566,145)</u>
<u>\$2,492,229</u>	<u>\$3,359,479</u>	<u>\$3,411,791</u>	<u>\$3,896,448</u>	<u>\$3,767,863</u>	<u>\$3,944,174</u>
41.16%	50.17%	51.95%	56.77%	57.63%	60.58%
\$672,705	\$743,973	\$729,666	\$762,572	\$726,479	\$723,369
3,562,114	3,336,282	3,155,207	2,966,698	2,770,450	2,566,145
<u>(3,562,114)</u>	<u>(3,336,282)</u>	<u>(3,155,207)</u>	<u>(2,966,698)</u>	<u>(2,770,450)</u>	<u>(2,566,145)</u>
<u>\$672,705</u>	<u>\$743,973</u>	<u>\$729,666</u>	<u>\$762,572</u>	<u>\$726,479</u>	<u>\$723,369</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

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

Fiscal Year	Personal Income (3)	Population (1)(a)	Estimated Actual Value of Taxable Property(2)	General Bonded Debt		
				General Bonded Debt Outstanding	Ratio of Bonded Debt to Estimated Actual Value	Bonded Debt per Capita
2002	\$587,859,891	27,989	\$2,386,537,059	\$10,944,054	0.46	\$391.01
2003	587,859,891	27,989	2,421,588,845	10,080,723	0.42	360.17
2004	587,859,891	27,989	2,581,580,021	9,278,593	0.36	331.51
2005	587,859,891	27,989	2,572,316,470	8,442,541	0.33	301.64
2006	587,859,891	27,989	2,599,981,726	11,119,864	0.43	397.29
2007	587,859,891	27,989	2,448,152,133	10,031,198	0.41	358.40
2008	587,859,891	27,989	2,460,689,615	8,810,064	0.36	314.77
2009	587,859,891	27,989	2,492,687,746	7,660,171	0.31	273.69
2010	587,859,891	27,989	2,017,740,070	6,452,208	0.32	230.53
2011	606,094,428	26,307	2,008,999,893	5,161,954	0.26	196.22

- Sources:** (1) The population can be found on S30-S31
(a) population is calculated by the following:
100% of the City of Bedford
100% of the Village of Oakwood
100% of the Village of Walton Hills
67.76% of the City of Bedford Heights
- (2) Office of the Auditor, Cuyahoga County, Ohio
- (3) The personal income can be found on S30-S31
(a) personal income is calculated by the following:
100% of the City of Bedford
100% of the Village of Oakwood
100% of the Village of Walton Hills
67.76% of the City of Bedford Heights

General Debt

General Bonded Debt Outstanding	Loans	Capital Leases	Total Debt	Ratio of General Debt to Estimated Actual Value	Ratio of General Debt to Personal Income (3)	General Debt Per Capita
\$10,944,054	\$0	\$0	\$10,944,054	0.46	1.86	\$391.01
10,080,723	606,000	0	10,686,723	0.44	1.82	381.82
9,278,593	558,000	868,903	10,705,496	0.41	1.82	382.49
8,442,541	506,000	712,854	9,661,395	0.38	1.64	345.19
11,119,864	452,000	562,207	12,134,071	0.47	2.06	433.53
10,031,198	395,000	407,835	10,834,033	0.44	1.84	387.08
8,810,064	336,000	249,604	9,395,668	0.38	1.60	335.69
7,660,171	274,000	144,000	8,078,171	0.32	1.37	288.62
6,452,208	210,000	96,000	6,758,208	0.33	1.15	241.46
5,161,954	143,000	570,586	5,875,540	0.29	0.97	223.35

Bedford City School District
Computation of Direct and Overlapping
Governmental Activities Debt
June 30, 2011

	General Debt Outstanding	Percentage Applicable to School District (1)	Amount of Direct and Overlapping Debt
Direct:			
Bedford City School District			
General Obligation Bonds	\$5,161,954	100.00%	\$5,161,954
Loan	143,000	100.00	143,000
Capital Leases	570,586	100.00	570,586
Total Direct	5,875,540	100.00	5,875,540
Overlapping:			
Cuyahoga County			
General Obligation Bonds	141,947,000	2.66	3,775,790
Revenue Bonds	88,220,000	2.66	2,346,652
Capital Lease Obligations	17,699,000	2.66	470,793
Loans Payable	4,103,000	2.66	109,140
Regional Transit Authority			
General Obligation Bonds	152,760,000	2.66	4,063,416
State Infrastructure Bank Loan	2,459,509	2.66	65,423
Capital Lease Obligations	20,869,675	2.66	555,133
City of Bedford			
General Obligation Bonds	11,963,792	37.11	4,333,285
OPWC Loans	337,199	37.11	122,133
Capital Lease Obligation	22,845	37.11	8,274
City of Bedford Heights			
General Obligation Bonds	3,409,550	29.25	1,011,613
OPWC Loans	242,508	29.25	71,952
Capital Lease Obligation	436,193	29.25	129,418
Village of Oakwood			
General Obligation Bonds	3,839,000	16.31	573,931
Total Overlapping	448,309,271		17,636,953
Total	\$454,184,811		\$23,512,493

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 2011 collection year.

Bedford City School District

Principal Employers

2011 and 2002

2011

Employer	City	Nature of Business or Activity	Number of Employees
Ben Venue Laboratories	Bedford	Sterile Pharmaceuticals	1,422
University Hospital Health Systems	Bedford	Health Care	996
Walmart Associates Inc.	Bedford	Retail	799
Riser Foods Company	Bedford Heights	Retail Grocery	754
Bedford Board of Education	Bedford	Public Education	583
Ford Motor Company	Walton Hills	Motor Vehicle Parts and Accessories	432
U.S. Bank Leader Mortgage	Bedford	Banking Service	354
City of Bedford	Bedford	Municipal Government	340
Cleveland Coca-Cola Bottling Company	Bedford Heights	Retail Grocery	268
City of Bedford Heights	Bedford Heights	Municipal Government	238
New York Frozen Foods Inc.	Bedford Heights	Retail	236
Total			<u>6,422</u>
Total Employment within the School District			<u>n/a</u>

2002

Employer	City	Nature of Business or Activity	Number of Employees
Ford Motor Company	Walton Hills	Motor Vehicle Parts and Accessories	1,400
Ben Venue Laboratories	Bedford	Sterile Pharmaceuticals	770
University Hospital Health Systems	Bedford	Health Care	652
Sysco Foods	Bedford Heights	Wholesale Food Distribution	600
Bedford Board of Education	Bedford	Public Education	551
First National Supermarkets	Bedford Heights	Retail Grocery	400
Target Division of Dayton Hudson	Bedford	Retail	336
City of Bedford	Bedford	Municipal Government	328
Alltell Communications	Bedford	Communications	324
Tops Superstore	Bedford Heights	Retail Grocery	278
Total			<u>5,639</u>
Total Employment within the School District			<u>n/a</u>

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

n/a - Information prior to 2001 not available. Total employment within the School District not available.

Bedford City School District
Demographic and Economic Statistics
Last Ten Years

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
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
2007	14,214	285,360,264	20,076	11,375	247,872,625	21,791
2008	14,214	285,360,264	20,076	11,375	247,872,625	21,791
2009	14,214	285,360,264	20,076	11,375	247,872,625	21,791
2010	14,214	285,360,264	20,076	11,375	247,872,625	21,791
2011	13,074	312,808,524	23,926	10,751	234,275,041	21,791

Source 2000 U.S. Census Bureau and 2010 U.S. Census Bureau

Village of Oakwood			Village of Walton Hills			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	2,400	\$63,372,000	\$26,405	6.0%	\$794,313,512
3,667	71,169,136	19,408	2,400	63,372,000	26,405	6.0	805,335,375
3,667	71,169,136	19,408	2,400	63,372,000	26,405	6.6	858,303,832
3,667	71,169,136	19,408	2,400	63,372,000	26,405	6.6	854,733,064
3,667	71,169,136	19,408	2,400	63,372,000	26,405	5.6	816,579,269
3,667	71,169,136	19,408	2,400	63,372,000	26,405	6.6	795,490,777
3,667	71,169,136	19,408	2,400	63,372,000	26,405	5.7	774,251,314
3,667	71,169,136	19,408	2,400	63,372,000	26,405	10.2	785,857,194
3,667	71,169,136	19,408	2,400	63,372,000	26,405	9.0	726,625,040
3,667	71,169,136	19,408	2,281	63,372,000	27,783	8.9	723,595,670

Bedford City School District
Building Statistics
Last Eight Fiscal Years (1)

	2004	2005	2006	2007	2008	2009	2010	2011
Bedford High School								
Constructed in 1954								
Additions in 1955, 1958, 1971, 1994								
Total Building Square Footage	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
Media Center Square Footage	18,400	18,400	18,400	18,400	18,400	18,400	18,400	18,400
Cafeteria and Kitchen Square Footage	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500
Auditorium Square Footage	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Gymnasium (3 each) Square Footage	27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000
Pool Square Footage	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Enrollment Grades 9-12	1,176	1,237	1,306	1,371	1,322	1,268	1,215	1,177
Student Capacity	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800
Regular Instruction Classrooms	90	92	93	93	94	93	93	93
Regular Instruction Teachers	51	55	46	59	58	59	50	47
Special Instruction Classrooms	15	13	12	12	12	13	13	13
Special Instruction Teachers	15	13	12	13	14	15	12	12
Vocational Instruction Classrooms	16	16	16	16	16	16	16	16
Vocational Instruction Teachers	9	8	9	17	14	14	11	9
Heskett Middle School								
Constructed in 1968								
Total Building Square Footage	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000
Media Center Square Footage	5,040	5,040	5,040	5,040	5,040	5,040	5,040	5,040
Cafeteria and Kitchen Square Footage	7,400	7,400	7,400	7,400	7,400	7,400	7,400	7,400
Auditorium Square Footage	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500
Gymnasium Square Footage	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Enrollment Grades 7-8	684	666	635	654	603	587	576	603
Student Capacity	800	800	800	800	800	800	800	800
Regular Instruction Classrooms	37	37	37	37	37	37	37	37
Regular Instruction Teachers	35	35	27	35	35	33	31	30
Special Instruction Classrooms	12	12	12	12	12	9	9	9
Special Instruction Teachers	12	12	12	12	15	15	11	13
Aurora Upper Intermediate School (2)								
Constructed in 1952								
Additions in 1955, 1965								
Building not utilized as a school in 2008								
Total Building Square Footage	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000
Media Center Square Footage	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700
Cafeteria and Kitchen Square Footage	3,400	3,400	3,400	3,400	3,400	3,400	3,400	3,400
Gymnasium Square Footage	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Enrollment Grade 6 Only	331	291	308	274	0	0	0	0
Student Capacity	460	460	460	460	460	460	460	460
Regular Instruction Classrooms	16	18	19	19	19	19	19	19
Regular Instruction Teachers	12	13	10	17	0	0	0	0
Special Instruction Classrooms	7	5	4	4	4	4	4	4
Special Instruction Teachers	7	5	4	4	0	0	0	0

(continued)

- (1) Information prior to 2004 was not available from the School District.
(2) Aurora Upper Intermediate School closed at the end of FY 2007. The 6th graders were moved to the remaining Intermediate Schools and the 3rd graders were moved to the Primary Schools.

Bedford City School District
Building Statistics (continued)
Last Eight Fiscal Years (1)

	2004	2005	2006	2007	2008	2009	2010	2011
Carylwood Intermediate School (2)								
Constructed in 1955								
Additions in 1965								
Total Building Square Footage	44,285	44,285	44,285	44,285	44,285	44,285	44,285	44,285
Media Center Square Footage	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Gym, Cafeteria and Kitchen Square Footage	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200
Enrollment Grades 4-6	398	378	373	423	423	433	433	401
Student Capacity	520	520	520	520	438	438	438	438
Regular Instruction Classrooms	21	25	27	27	27	19	19	19
Regular Instruction Teachers	15	17	13	21	24	21	19	18
Special Instruction Classrooms	9	5	3	3	3	5	5	5
Special Instruction Teachers	9	5	3	6	7	6	8	10
Columbus Intermediate School (2)								
Constructed in 1962								
Additions in 1978, 1965, 2002								
Total Building Square Footage	71,125	71,125	71,125	71,125	71,125	71,125	71,125	71,125
Media Center Square Footage	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400
Gym, Cafeteria and Kitchen Square Footage	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200
Gym/Auditorium Square Footage	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
Enrollment Grades 4-6	485	460	433	438	423	415	388	381
Student Capacity	525	525	525	525	525	525	525	525
Regular Instruction Classrooms	31	32	32	32	32	32	32	32
Regular Instruction Teachers	21	25	20	23	26	23	22	21
Special Instruction Classrooms	7	4	4	4	4	5	5	5
Special Instruction Teachers	7	4	4	7	9	7	8	9
Central Primary School (2)								
Constructed in 1955								
Additions in 1965								
Total Building Square Footage	72,500	72,500	72,500	72,500	72,500	72,500	72,500	72,500
Media Center Square Footage	1,700	1,700	1,700	1,700	1,700	400	400	400
Gym, Cafeteria and Kitchen Square Footage	3,400	3,400	3,400	3,400	3,400	3,400	3,400	3,400
Enrollment Grades K-3	365	385	387	396	525	539	568	524
Student Capacity	520	520	520	520	520	520	520	520
Regular Instruction Classrooms	21	27	27	27	27	26	26	26
Regular Instruction Teachers	15	16	13	21	21	21	29	28
Special Instruction Classrooms	7	3	3	3	3	2	2	2
Special Instruction Teachers	7	3	3	4	5	5	5	6
Glendale Primary School (2)								
Constructed in 1953								
Additions in 1959, 1966								
Total Building Square Footage	66,000	66,000	66,000	66,000	66,000	66,000	66,000	66,000
Media Center Square Footage	1,920	1,920	1,920	1,920	1,920	700	700	700
Cafeteria and Kitchen Square Footage	1,430	1,430	1,430	1,430	1,430	1,430	1,430	1,430
Gymnasium Square Footage	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400
Enrollment Grades K-3	384	391	330	369	481	493	473	482
Student Capacity	520	520	520	520	520	520	520	520
Regular Instruction Classrooms	23	25	26	26	26	25	25	25
Regular Instruction Teachers	15	15	12	17	17	18	23	23
Special Instruction Classrooms	5	5	5	5	5	5	5	5
Special Instruction Teachers	5	5	5	5	7	5	7	9

- (1) Information prior to 2004 was not available from the School District.
(2) Aurora Upper Intermediate School closed at the end of FY 2007. The 6th graders were moved to the remaining Intermediate Schools and the 3rd graders were moved to the Primary Schools.

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
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
2007	3,825	(2.12)	48,272,312	12,620
2008	3,792	(0.86)	52,375,971	13,812
2009	3,735	(1.50)	49,203,323	13,174
2010	3,653	(2.20)	50,286,933	13,766
2011	3,568	(2.33)	53,399,974	14,966

(1) Debt Service totals have been excluded.

Governmental Activities		Students	
Total	Per	Receiving Free	Percentage
Expenses	Pupil Cost	or Reduced	Of Enrollment
		Lunch	
\$40,606,923	\$10,916	1,172	31.51%
40,618,687	11,168	1,233	33.90
47,119,876	12,045	1,400	35.79
45,125,477	12,262	1,502	40.82
49,088,059	12,561	1,664	42.58
48,290,799	12,625	1,701	44.47
52,725,363	13,904	1,767	46.60
51,256,160	13,723	2,088	55.90
51,714,154	14,157	2,043	55.93
50,825,758	14,245	2,265	63.48

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

Function/Program	2002	2003	2004	2005
Regular Instruction				
Elementary Classroom Teachers	107	107	101	107
Middle School Classroom Teachers	34	32	35	35
High School Classroom Teachers	54	57	58	56
Special Instruction				
Preschool Teachers	4	4	3	2.5
Elementary Classroom Teachers	25	22	30	28
Gifted Education Teachers	1	1	1	1
Middle School Classroom Teachers	6	8	9	11
High School Classroom Teachers	9	10	11	12
Vocational Instruction				
High School Classroom Teachers	17	18	18	14
Pupil Support Services				
Guidance Counselors	9	9	9	9
Librarians	2	2	2	4
Psychologists	3	3	3	3.5
Speech & Language Pathologists	4	4	4	4
Administrators				
Elementary	5	5	5	5
Middle School	3	3	3	3
High School	5	5	5	5
Districtwide	19	19	17	19
Operation of Plant				
Custodians	41	40	40	39
Maintenance	8	8	8	8
Pupil Transportation				
Bus Drivers	61	67	68	60
Bus Aides	14	20	15	18
Mechanics	5	5	5	5
Food Service Program				
Elementary Cooks	11	12	13	12
Middle School Cooks	10	10	10	10
High School Cooks	18	18	18	18
Total Employees	<u>475</u>	<u>489</u>	<u>491</u>	<u>489</u>

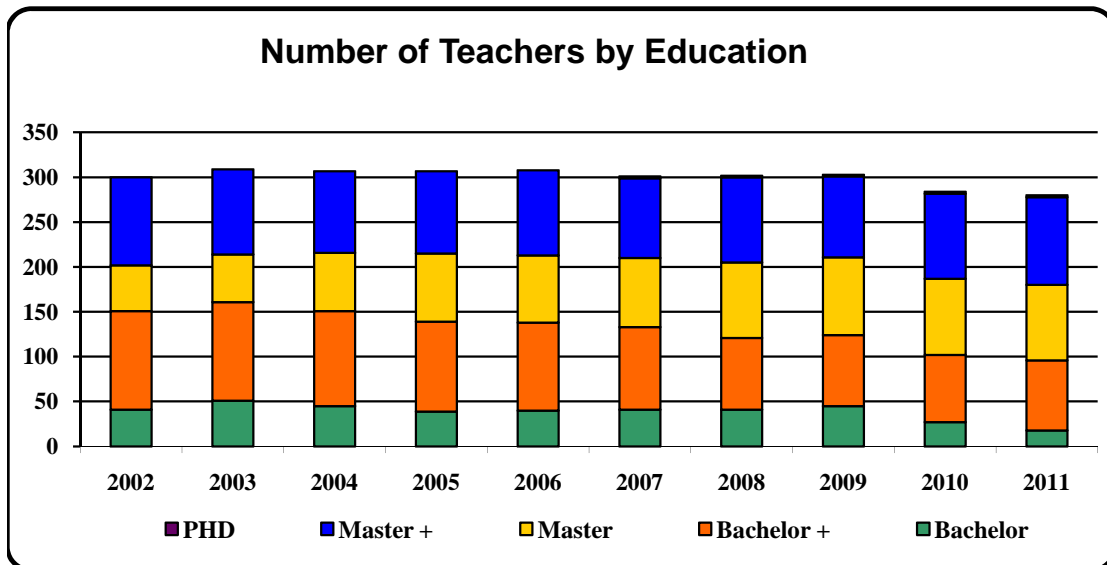
Method: Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee. The count is performed on September 1 of each year.

2006	2007	2008	2009	2010	2011
95	94	88	98	83	90
35	35	36	33	31	30
60	59	58	59	50	47
2.5	2.5	2.5	2	2	2
27	28	24	24	27	32
1	1	1	1	1	1
12	12	15	15	11	14
12	13	15	15	12	12
17	17	14	14	11	9
11	11	10	10	10	10
2	2	2	2	1	1
4	4	4	4	3	4
4	4	4	4	4	4
5	5	4	4	5	4
3	3	3	3	3	3
5	5	5	5	5	5
16	16	16	16	15	16
40	38	35	34	30	29
8	8	8	8	9	8
59	62	66	65	63	59
16	13	9	9	10	12
5	5	5	5	5	5
11	11	8	8	10	8
10	10	10	10	9	9
18	18	18	18	15	14
<u>478.5</u>	<u>476.5</u>	<u>460.5</u>	<u>466</u>	<u>425</u>	<u>428</u>

Bedford City School District
Full-Time Equivalent Certificated School District Employees by Education (1)
Last Ten Fiscal Years

Degree	2002	2003	2004	2005	2006
Bachelor	41	51	45	39	40
Bachelor Including 150 Hours	68	67	63	63	59
Bachelor Including 180 Hours	42	43	43	37	39
Master	51	53	65	76	75
Master +9	40	43	40	39	36
Master +18	17	14	13	12	17
Master +27	10	12	13	11	11
Master +36	9	6	6	6	7
Master + 45	16	14	14	16	16
Master + 54	6	6	5	8	8
PhD or JD	0	0	0	0	0
Total	300	309	307	307	308

(1) Includes any employee that has a teaching certificate.



Source: School District Records

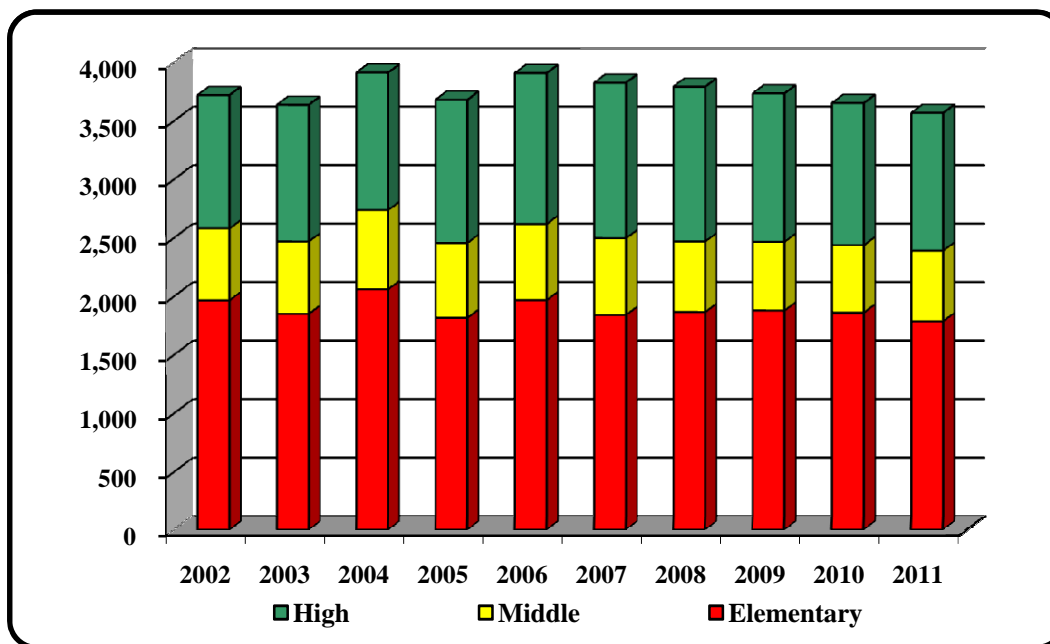
<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
41	41	45	27	18
51	44	46	48	46
41	36	33	27	32
77	84	87	85	84
36	46	43	38	38
15	13	14	22	23
13	11	10	9	11
5	6	4	4	3
13	13	12	12	13
7	6	7	10	10
<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
<u>301</u>	<u>302</u>	<u>303</u>	<u>284</u>	<u>280</u>

Bedford City School District

Enrollment Statistics

Last Ten Fiscal Years

Fiscal Year	Elementary Schools	Middle School	High School	Total
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
2007	1,841	656	1,328	3,825
2008	1,867	603	1,322	3,792
2009	1,880	587	1,268	3,735
2010	1,862	576	1,215	3,653
2011	1,788	603	1,177	3,568



Source: Bedford City School Records

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

Fiscal Year	Bedford City School District Attendance Rate	State Average	Bedford City School District Graduation Rate	State Average
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
2007	95.00	94.10	86.30	86.10
2008	95.00	94.20	84.60	86.90
2009	95.00	97.30	91.90	84.60
2010	94.70	94.30	87.80	83.00
2011	95.10	94.50	82.90	84.30

Source: Ohio Department of Education Local Report Cards

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Artwork by: Anderson Love

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Glendale Primary School
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Dave Yost • Auditor of State

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 26, 2012**