



**Auditor of State
Betty Montgomery**

**BEDFORD CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

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**BEDFORD CITY SCHOOL DISTRICT
CUYAHOGA COUNTY
SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2004**

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<u>U.S. DEPARTMENT OF AGRICULTURE</u>						
<i>Passed Through Ohio Department of Education:</i>						
Nutrition Cluster:						
Food Distribution	N/A	10.550	\$0	\$79,344	\$0	\$80,122
School Breakfast Program	043562-05PU-2003	10.553	13,926	0	13,926	0
	043562-05PU-2004	10.553	33,266	0	33,266	0
Total School Breakfast Program			47,192	0	47,192	0
National School Lunch Program	043562-LLP4-2003	10.555	95,646	0	95,646	0
	043562-LLP4-2004	10.555	234,122	0	234,122	0
Total National School Lunch Program			329,768	0	329,768	0
Total U.S. Department of Agriculture - Nutrition Cluster			376,960	79,344	376,960	80,122
<u>U.S. DEPARTMENT OF EDUCATION</u>						
<i>Passed Through Ohio Department of Education:</i>						
Special Education Cluster:						
Special Education: Grants to States	043562-6BSD-2003-P	84.027	20,262	0	18,945	0
	043562-6BSF-2003-P	84.027	138,688	0	71,573	0
	043562-6BSF-2004	84.027	501,984	0	474,677	0
Total Special Education Grants to States			660,934	0	565,195	0
Special Education: Preschool Grants	043562-PGS1-2002-P	84.173	(2,004)	0	0	0
	043562-PGS1-2003-P	84.173	4,436	0	3,680	0
	043562-PGS1-2004	84.173	32,979	0	32,979	0
Total Special Education: Preschool Grants			35,411	0	36,659	0
Total Special Education Cluster			696,345	0	601,854	0
Title I Grants to Local Educational Agencies	043562-C1SD-2000	84.010	(12,080)	0	0	0
	043562-C1S1-2003	84.010	101,536	0	67,136	0
	043562-C1S1-2004	84.010	480,118	0	429,360	0
	043562-C1SD-2003	84.010	4,942	0	8,225	0
	043562-C1SD-2004	84.010	6,356	0	3,416	0
Total Title I Grants to Local Education Agencies			580,872	0	508,137	0
Vocational Education: Basic Grants to States	20C1-2003	84.048	68,900	0	46,205	0
	20C1-2004	84.048	47,182	0	135,576	0
Total Vocation Education: Basic Grants to States			116,082	0	181,781	0
Safe and Drug-Free Schools and Communities State Grants	043562-DRS1-2003	84.186	4,468	0	2,189	0
	043562-DRS1-2004	84.186	13,370	0	11,604	0
Total Safe and Drug-Free Schools and Communities State Grants			17,838	0	13,793	0
Eisenhower Professional Development Grants	043562-MSS1-2002	84.281	0	0	5,773	0
Innovative Education Program Strategies	043562-C2S1-2003	84.298	14,339	0	2,693	0
	043562-C2S1-2004	84.298	18,693	0	14,311	0
Total Innovative Education Program Strategies			33,032	0	17,004	0
Education Technology State Grants	043562-TJS1-2003	84.318	6,386	0	3,161	0
	043562-TJS1-2004	84.318	10,609	0	9,176	0
Total Education Technology State Grants			16,995	0	12,337	0
Comprehensive School Reform Demonstration	043562-RFS1-2002	84.332	21,227	0	27,305	0
	043562-RFS2-2003	84.332	65,895	0	61,144	0
Total Comprehensive School Reform Demonstration			87,122	0	88,449	0
English Language Acquisition Grants	043562-T3S1-2003	84.365	0	0	2,920	0
	043562-T3S1-2004	84.365	6,963	0	6,963	0
Total English Language Acquisition Grants			6,963	0	9,883	0
Improving Teacher Quality State Grants	043562-TRS1-2003	84.367	56,260	0	29,372	0
	043562-TRS1-2004	84.367	133,325	0	118,542	0
Total Improving Teacher Quality State Grants			189,585	0	147,914	0
Total U.S. Department of Education			1,744,834	0	1,586,925	0
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>						
<i>Passed Through Ohio Department of Mental Retardation and Developmental Disabilities:</i>						
Medicaid Assistance Program	N/A	93.778	105,695	0	105,695	0
Total U.S. Department of Health and Human Services			105,695	0	105,695	0
Total Federal Assistance			\$2,227,489	\$79,344	\$2,069,580	\$80,122

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

**BEDFORD CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2004**

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B—CHILD NUTRITION CLUSTER

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

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

NOTE C – NEGATIVE RECEIPTS

The negative receipts shown for the Special Education Pre-School, CFDA #84.173, in the amount of \$2,004 and the Title 1, CFDA #84.010, in the amount of \$12,080, represent amounts that were transferred or refunded to the State due to expiration of the period of availability.

CFDA – Catalog of Federal Domestic Assistance



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

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

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Bedford City School District, Cuyahoga County, Ohio, (the District) as of and for the year ended June 30, 2004, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 17, 2004. 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.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2004-001 to 2004-003. We also noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated December 17, 2004.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated December 17, 2004.

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

This report is intended solely for the information and use of the audit committee, management, Board of Education, 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.

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

Betty Montgomery
Auditor of State

December 17, 2004



Auditor of State Betty Montgomery

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

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

Compliance

We have audited the compliance of the Bedford City School District, Cuyahoga County, Ohio, (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2004. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the District'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 on the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2004.

Internal Control Over Compliance

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

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Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over federal compliance that does not require inclusion in this report, that we have reported to management of the District in a separate letter dated December 17, 2004.

We have audited the basic financial statements of the District as of and for the year ended June 30, 2004, and have issued our report thereon dated December 17, 2004. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of federal awards receipts and expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended for the information and use of the audit committee, management, Board of Education, 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.



Betty Montgomery
Auditor of State

December 17, 2004

**BEDFORD CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

1. SUMMARY OF AUDITOR'S RESULTS		
<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material non-compliance at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(iv)</i>	Were there any material internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Nutrition Cluster: CFDA# 10.550 – Food Distribution 10.553 – School Breakfast Program 10.555 – National School Lunch Program 93.778 – Medicaid Assistance Program
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

**BEDFORD CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
FOR THE FISCAL YEAR ENDED JUNE 30, 2004
(CONTINUED)**

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

Finding Number	2004-001
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Expenditures Exceeded Appropriations

Ohio Rev. Code Section 5705.41(B), prohibits a subdivision or taxing unit from making expenditures unless they have been properly appropriated. Budgetary expenditures (that is, disbursements and encumbrances) as enacted by the Board of Education may not exceed appropriations at the legal level for all funds. The following funds, which were corrected at year end, had expenditures plus encumbrances in excess of appropriations as of March 31, 2004:

<u>Fund</u>	<u>Total Appropriations</u>	<u>Total Expenditures Plus Encumbrances</u>	<u>Excess</u>
Public School Support	\$96,491	\$178,180	(\$81,689)
District Managed Activities	148,960	255,383	(106,423)
Vocational Education Enhancement	17,589	21,588	(3,999)
Title VI-B	603,472	1,416,781	(813,309)
Vocational Education	235,939	243,079	(7,140)
Title VI	29,647	37,759	(8,112)
Drug Free Education	17,150	17,968	(818)
Title VIR	172,438	184,230	(11,792)
Miscellaneous Federal Grants	13,490	20,337	(6,847)
Permanent Improvement	1,500,702	2,680,702	(1,180,000)
Building	478,895	826,782	(347,887)

We recommend the District verify that all expenditures and encumbrances have proper appropriation authority prior to expending funds or certifying encumbrances and compare appropriations to expenditures plus encumbrances in all funds which are legally required to be budgeted, at the legal level of control (fund level), to maintain compliance with the above requirements.

Finding Number	2004-002
-----------------------	-----------------

Total Appropriations Exceeded Total Estimated Revenue

Ohio Rev. Code § 5705.39, provides that total appropriations from each fund should not exceed the total estimated revenue.

The original appropriation for the Building Fund exceeded the total estimated revenue by \$251,979. This was corrected by year end.

We recommend the District monitor total estimated revenue for each fund and appropriate at a level that does not exceed the total estimated revenue.

**BEDFORD CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
FOR THE FISCAL YEAR ENDED JUNE 30, 2004
(CONTINUED)**

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

(Continued)

Finding Number	2004-003
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Appropriations Were Not Established For the Required Funds

Ohio Rev. Code § 5705.36, provides that a board of education shall pass its annual appropriation measure by the first day of October. If, by the first day of October, a board has not received either the amended certificates of estimated resources required by division (B) of Section 5705.36 of the Revised Code or certifications that no amended certificates need be issued, the adoption of the annual appropriation measure shall be delayed until the amended certificates or certifications are received. Prior to the passage of the annual appropriation measure, the board may pass a temporary appropriation measure for meeting the ordinary expenses of the district until it passes an annual appropriation measure, and appropriations made in the temporary measure shall be chargeable to the appropriations in the annual appropriation measure for that fiscal year when passed. During the fiscal year and after the passage of the annual appropriation measure, a district may pass any supplemental appropriation measures as it finds necessary, based on the revised tax budget or the official certificate of estimated resources or amendments of the certificate. School district appropriation measures shall be in the form as the auditor of state, after consultation with the tax commissioner, prescribes.

A review of the appropriation measures passed by the Board for fiscal year 2004 disclosed that 22 of the District's 34 funds did not have an appropriation measure passed as of October 1, 2003, contrary to this requirement.

We recommend the Board appropriate for all required funds.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
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None

**BEDFORD CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A -133 § .315 (b)
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected ?</u>	<u>Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i></u>
2003-001	Original appropriations exceeded total estimated resources contrary to Ohio Rev. Code § 5705.39.	No	Repeated in schedule of finding number 2003-002 of the June 30, 2004 report.
2003-002	Procedures should be reviewed to ensure that cash basis records are properly converted to GAAP.	Yes	
2003-003	District had unrecorded cash disbursements of \$61,900 related to petty cash accounts. District should review procedures for timely review and approval of monthly bank reconciliations.	No	Partially corrected. While the District has improved review procedures for bank reconciliations, the June 30, 2004 audit report includes a management letter comment indicating the bank balance exceeded the book balance by \$7,700 at year end.

Bedford City School District

Bedford, Ohio

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2004

Prepared by:

Mary Ann Nowak
Treasurer

Donald E. Houghton, Jr.
Assistant Treasurer

Bedford City School District
Comprehensive Annual Financial Report
For the Year Ended June 30, 2004

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BEDFORD CITY SCHOOL DISTRICT

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

December 17, 2004

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, 2004. This CAFR includes an opinion from the State Auditor and conforms to generally accepted accounting principles as applicable to governmental entities. Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the School District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the School District. This report will provide the taxpayers of the Bedford City School District with comprehensive financial data in a format which will enable them to gain an understanding of the School District's financial affairs. Copies will be made available to the officials of Bedford, Bedford Heights, Walton Hills, Oakwood, the Cuyahoga County Public Library, major taxpayers, financial rating services and other interested parties.

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

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

The School District

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

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

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

Bedford City School District is one of the 661 active public school districts (193 city, 49 exempted village, 370 local and 49 joint vocational school districts) in the State of Ohio and one of 33 in Cuyahoga County. The School District provided, as of June 30, 2004, education to 3,892 students in grades K-12. Statutorily, the School District operates under standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 of the Ohio Revised Code, to provide services authorized by charter and further mandated by State and Federal agencies.

Reporting Entity

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

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

The School District participates in two jointly governed organizations and an insurance purchasing pool. These organizations are the Lakeshore Northeast Ohio Computer Association, the Ohio Schools Council Association and the Ohio School Boards Association Workers’ Compensation Group Rating Program. These organizations are presented in Notes 20 and 21 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 \$850,589,355 is divided among the four municipalities making up the School District in the following manner: Bedford 35 percent, Bedford Heights 31 percent, Oakwood Village 14 percent and Walton Hills 20 percent. Approximately 43 percent of the tax base is residential real property, 19 percent is personal tangible property, 5 percent is public utility tangible property and 33 percent is commercial/industrial property. Each of the four municipalities actively encourages the maintenance and growth of the tax base.

While there is not an abundance of undeveloped land in the School District, the four communities are committed to maintenance and improvement of real property and a strong business environment. All four municipal corporations have aggressively pursued business development with equitable tax abatement and enterprise zone agreements.

The City of Bedford has solidified their largest employer, Ben Venue Laboratories, offering tax abatement to secure the expansion of that facility with a 165,000 square foot expansion assuring 300 new full time permanent jobs within 5 years and retaining 691 existing full time jobs at the projected site.

Bedford has completed its historic downtown streetscape project which is expected to revitalize that business sector. This project was made possible through two Community Development Block Grants totaling \$150,000 each, a Northeast Ohio Area Coordinating Agency (NOACA) Streetscape Grant in the amount of \$340,785 and \$688,000 provided through local matching funds.

The long awaited development of the old Brush-Wellman site is on the horizon as well with recent approval of the Ohio Department of Development, State of Ohio Account 629 funds making that venture possible. The Cuyahoga County Department of Development under the direction of the Cuyahoga County Commissioners is spearheading an application for a Brownfield Economic Development Grant (BEDI) in the amount of \$2,000,000 to help with the remediation, infrastructure improvements, redevelopment and the development of a publicly dedicated road on this Brownfield site. Cuyahoga County has also agreed to help in the form of loans and grants to improve the property.

The City of Bedford Heights has realized the development of several important industrial clusters within the City's industrial areas along Miles, Richmond, Fargo and Aurora Roads. These clusters include automobile parts manufacturing (including die casting), machine parts and fasteners, steel fabricating/distribution, paint manufacturing, commercial and residential construction supplies/services, food manufacturing and wholesale food distribution operations.

In 2004, the City of Bedford Heights' economic conditions have generally improved as the national and regional economies have started to rebound from the economic downturn. Sales for the steel distribution cluster consisting of Olympic Steel, Majestic Steel USA and EMJ Steel have increased to higher levels comparable to fiscal year 2002. Demand in the automotive parts cluster was mixed for 2004 as some plants indefinitely delayed planned expansions. The City benefited from the closing of the Sherwin Williams facility in Indiana and their decision to move the equipment and the production to the Bedford Heights facility. The result of this decision stabilized the existing local employment and added new jobs in 2004.

In 2001, the City was successful in attracting McCarthy Burgess & Wolff, a business to business collection company. At the time they opened, they had eight employees. By the end of 2004, their growth had increased total employment to approximately 110. They are planning for another facility expansion within the City. The Company helps to expand the City's employment base from the traditional manufacturing jobs to the upper tier service based employment.

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

The Village of Oakwood is currently experiencing an exciting period in its history where its desirability of upscale commercial development is clearly on the rise despite the lagging U.S. economy. Over the past several years, Oakwood has been transforming itself from a community which was reliant on smokestack industries, landfills and truck terminals for its revenue stream to one predicated on knowledge and technology.

The Geis Companies of Streetsboro, through Broad Oak Development, has begun its investment of approximately \$12,500,000 in the Village over the next three years in the development of a business park on a 27 acre site on Broadway Avenue. Phase I commenced in early Spring of 2003, consisting of two high bay, multi-tenant buildings of 75,000 and 60,000 square feet. They each feature distinctive 27 foot high individualized grand entrances. Overall, the business park will offer 325,000 square feet of desirable lease space.

Access Point developed at First Place by the King Group is fast becoming a mini life science park with eight companies specializing in the fields of biomedical engineering, prescription medicine, medical equipment and life science research. They include Oakwood Laboratories, Medical Service Companies, Cardinal Health (formerly Sincor International) and AmeriPath Cleveland.

Oakwood Office Glen is located on Forbes Road. The first of four, two-story 14,000 square foot buildings designed by the Howe Group has a shared occupancy by Chagrin Valley Engineering and Open Systems of Cleveland. Telecommunications capability is state-of-the-art and includes DSL high speed internet access.

The School District does not benefit directly from increasing manufacturing operations except where an addition to real or personal property is involved. Unlike the cities and villages, the School District levies no tax on income. House Bill 920 prohibits school districts from realizing additional revenue from previously voted millage due to reappraisal of existing property values. Rather, the School District must obtain approval of voters for additional revenues through tax levies. A healthy business environment and well maintained communities contribute significantly to the School District's prospects for continued voter support. Voters in the School District have approved continuing tax levies of 5 mills, 5 mills, 4.6 mills, and 4.9 mills in 1986, 1991, 1995, and 1999, respectively. Voters have maintained a 1 mill permanent improvement levy since 1986 (the levy is a 5-year levy, most recently renewed in May 2001). The School District passed a 4.9 mill operating levy on the November 2, 2004 ballot.

Approximately 10 percent of the School District's general operating revenue comes from the State Foundation for schools. The State Supreme Court has declared the State's system of funding for schools unconstitutional and has called for a restructuring which is in progress. No significant change in State Foundation funding to the School District is expected to result. An additional 8 to 10 percent of School District revenue comes from the State's residential taxpayer rebate plan (Homestead Exemption and Rollback programs). The School District also expects to receive a utility deregulation reimbursement from the State of \$1.1 million per year through calendar year 2006.

The School District maintains a strategic fiscal plan, which incorporates long-term fiscal planning and a four to five year levy cycle. The School District is on schedule, at the conclusion of the 2004 fiscal year, with the current long-term fiscal plan. The School District has a long history of local support. Continued voter support and a healthy tax base are crucial to the long-term financial health of the School District. The reader is directed to the narrative introduction, overview, and analysis of the School District's financial condition which is found in Management's Discussion and Analysis in the Financial Section (page 3).

General Information

As of June 30, 2004, 3,892 students were enrolled in the School District's seven schools (two primary schools, two intermediate schools, one sixth grade school, one middle school and one high school). For the last complete academic year the average class size was 19 students. The School District's five year plan forecasts total enrollment to remain stable. As of June 30, 2004, the School District employed (full and part-time) 307 professional staff members and 292 non-teaching and support staff employees. The School District operates a variety of facilities to complement the educational program. These include athletic facilities, a central administration building, a maintenance facility and a transportation facility.

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

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

The School District operates a comprehensive career and technology education curriculum in cooperation with the adjacent Maple Heights City School District. Career and technology education students attend either the School District's High School or Maple Heights High School. Career and technology education courses offered by the School District include: Computerized Accounting, Microsoft Office, Cooperative Business Education, Occupational Work Experience, Occupational Work Adjustment, Diversified Cooperative Training, Marketing Education, Automotive Technology, Manufacturing Technology, Quick-Serve Automotive Care, Electronics Technology, Engineering Technology, Community Job Skills, Cosmetology, Home Improvement and Maintenance, Printing and Consumer Science.

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

The educational program is based on a "graded structure." The primary and intermediate school buildings house three or four grades each, instead of the traditional K through 6 or 8. This provides for a more efficient use of teaching personnel and equipment.

Academic Program Highlights

During the 2003-2004 school year, the Bedford Schools focused extensively on developing, improving, and refining educational services to improve students' academic success. Among the accomplishments in this area were the following:

- With regard to State testing, the Bedford Schools moved up to “Continuous Improvement” ranking on the Local Report Card. The School District maintained a score of 75 percent or improved their scores from the previous year in 13 of the 18 categories on State-mandated tests. Students met all three standards in writing at Grades 4, 6 and 10. Students at Carylwood Intermediate School improved their scores on all five tests. Students at Carylwood and Aurora Upper Intermediate School improved their math scores by 15 percent.
- With funds from an Ohio Reads renewal grant, Central and Glendale primary schools and Columbus and Carylwood intermediate schools continued their volunteer tutoring program to help students improve reading skills. At Central School, for example, the grant funds were used to continue an after-school tutoring program for second grade students and to purchase additional reading books.
- Plans were finalized so that, beginning next school year, all kindergarten students in the Bedford Schools will participate in a full-day program in the second semester. Supported by grant funds, the program will help Central and Glendale kindergarten students to develop a strong foundation for learning in later grades.
- At Glendale Primary School, a morning tutoring program was established for students who need extra help in reading and math. At the end of the six-week program, parents and students received an activity book to help keep the students’ skills sharp over the summer.
- To help parents and families understand what’s required to be successful on the Ohio 6th grade proficiency test, Aurora School sponsored a series of “Family Nights” for each subject area. The “Family Nights” series was an adjunct to “Parent Proficiency Night,” where parents and students learn how the 6th grade curriculum aligns with proficiency outcomes.
- In the area of curriculum, the Heskett Middle School faculty focused on integrating the Academic Content Standards into the School’s educational program. Established by the Ohio Department of Education, these standards are the benchmarks for students to reach at their respective grade levels. For 7th and 8th graders, these benchmarks form the foundation needed for passing the Ohio Graduation Test that will be required for graduation beginning in 2007.

During the 2003-2004 school year, the Bedford Schools celebrated many successes among its students and staff. For example:

- **Kyle Stepnicka**, a fourth grader at Carylwood Intermediate School, earned a perfect score on the Ohio Fourth Grade Reading Test. **Brittany Young** and **Percy Martin** did the same at Columbus Intermediate School. Meanwhile Columbus third grader **Cheyenne Reeves** earned a perfect score on the Ohio Third Grade Reading Achievement Test.
- **Beth Gilmore** was named the Bedford Schools’ *Teacher of the Year*. Mrs. Gilmore, who teaches students with disabilities, was singled out for her commitment to helping all children overcome challenges and be successful in the classroom. **Paulette McGrew**, secretary to the Transportation Department, was named *Employee of the Year* among the non-teaching staff.
- Bedford High School senior **Justin Mack** was recognized as an outstanding participant in the 2004 National Achievement Scholarship Program. He scored in the top five percent among 120,000 African-American students who took the 2002 Preliminary SAT/National Merit Scholarship Qualifying Test. Only about 4,600 African-American high school students achieved this level of accomplishment on the test.

- Heskett Middle School was one of only 27 schools from across the U.S. to receive a Program Excellence Award from the International Technology Education Association. Heskett was acknowledged for its student-centered program using a wide range of technology systems.
- Bedford Patrolman **Keith Collins** was assigned to Bedford High School as the school's first School Resource Officer. Officer Collins, whose work is supported by the City of Bedford and the Bedford Schools, serves as a role model for students and helps them develop conflict management skills.
- Glendale School first grader **Najaya Lyons** wrote a play that was one of six productions performed during the *Marilyn Bianchi Kids' Playwriting Festival* at the Dobama Theatre in Cleveland. Three other Glendale students earned Honorable Mention in this annual children's playwriting contest.
- Aurora teacher **Kim Rado** was named a winner of the *Hilda E. Taylor Award*. This national award recognizes teachers who positively impact their schools and community through exemplary teaching and implementation of the JASON Project. JASON is a supplementary middle school curriculum designed to engage students in science and mathematics through exploration and discovery. Dr. Robert Ballard, who discovered the wreck of the Titanic in the North Atlantic Ocean, is the founder of the JASON Project.
- Five Heskett Middle School teachers were awarded a \$35,000 grant to support innovative technology uses in the classroom. The grant will enable the students to access the Internet and other technology resources while using skills learned in math, science, health, language arts and social studies.
- Columbus School fourth grader **Roberto Lee** won a Cleveland Indians' essay contest which focused on the importance of a healthy diet. Players Coco Crisp and Ben Boussard presented an autographed baseball to Roberto at an all-school assembly featuring Slider, the Indians' mascot. Roberto also threw out the first pitch at an Indians game.
- For the third year in a row, Bedford High School's robotics team participated in the FIRST (For Inspiration and Recognition of Science and Technology) Robotics competition. Students designed and built a robot in six weeks. Grants from NASA and the Ford Motor Co. supported the team and engineers from Ford's Walton Hills Stamping Plant provided technical assistance.
- Two Heskett students advanced from district and regional competition to compete in the State *Power of the Pen* creative writing competition. **Adena Coney** and her twin sister, **Adara**, traveled to the College of Wooster to compete against middle school students from across the state.
- Twenty-five Heskett Middle School students were inducted into the Junior National Honor Society in December. An offshoot of the high school National Honor Society, the JNHS acknowledges students who exemplify excellence in scholarship, leadership, character and service.
- Members of the Bedford High School's Class of 2004 accepted more than \$2,000,000 in scholarships. This is the largest amount of scholarship money earned by a graduating class in the School's history.

The 2003-2004 school year was one of many accomplishments in the area of communications, strategic planning, and facilities maintenance as well. One of the most significant events was a visit by State Superintendent Dr. Susan Tave Zelman in February 2004. Dr. Zelman observed first-hand, many programs and services in place throughout the School District to help students at all levels and abilities to be successful in school. Other District accomplishments during the 2003-2004 school year included the following:

- Action Teams consisting of community residents, parents and school employees worked on ways to carry out the strategies in the School District's new strategic plan. The Plan guides the future direction of the School District.
- Bedford Schools launched a public education channel on Adelphia Cable. Channel 22 features news and information to keep parents and community residents informed about the Bedford Schools twenty-four hours a day, seven days a week.
- A new telephone system was installed to improve parent-teacher communications. The system provides a telephone in every classroom and enables parents to call and leave a voicemail message for their child's teacher. The telephone also is in easy reach in the event of an emergency in the classroom.
- The pre-kindergarten Course of Study was developed for Bedford students. Mirroring the Early Learning Content Standards recently outlined by the Ohio Department of Education, the standards ensure that preschool-age children are exposed to a variety of experiences in the areas of math, language arts, science and social studies before they enter kindergarten.
- Bedford's Bearcat Stadium was voted the best location to watch a high school football game among readers of the 25-newspaper Sun Newspaper chain. Fifty-eight percent ranked Bearcat Stadium number one, more than double the next highest-rated location, which received twenty-six percent of the votes.
- Career and Technical Education opportunities were expanded at Bedford High School with the addition of a Health Sciences/Pre-Nursing Program. Based at Bedford Medical Center, the program prepares students for careers and higher education in the nursing profession.
- Bedford Schools continued its involvement with the SMART Consortium along with 27 other school districts in the area. The goal of SMART, which stands for *Science and Mathematics Achievement Required for Tomorrow*, is to improve student achievement in math and science. Through the SMART consortium, Bedford Schools have been involved in many projects focusing on new ways to improve math and science teaching.
- More than \$300,000 in textbooks and supplemental classroom materials were purchased for the 2004-2005 school year. These include math textbooks for grades K-6 and social studies textbooks for grades 2-6. Textbooks at the secondary level include social studies books at the 7th, 9th, and 10th grade levels and textbooks for all three foreign languages, science, advanced placement chemistry, business law, math, english, and cooperative business education.
- New synthetic turf which looks and feels like natural grass was installed at the Bedford High School's Bearcat Stadium at no cost to taxpayers. Stadium rental fees that have been accumulating since the stadium opened in 1994 paid the bulk of the cost. Anticipated rental fees over the next eight years will finance the remainder.

- Site improvements completed over the previous summer at Central Primary School were dedicated in October 2003. The improvements included a soft-surface playground, expanded visitor parking area, permanent Safety Town installation, and a new roadway exclusively for bus traffic.
- The demolition of Bedford Schools' deteriorated maintenance garage adjacent to Central School provided for the addition of a staff parking lot and drop off location for students with disabilities. The Maintenance Department moved to a new 17,700 square foot facility located on Solon Road in Bedford Heights.

Employees

As of June 30, 2004, the School District had 599 employees. The number of employees has decreased by 13 since June 30, 2003. A statewide public employee collective bargaining law applies generally to public employee relations and collective bargaining.

As of June 30, 2004, 307 of the School District's employees were professionals (certified or licensed by the State Department of Education) serving as treasurer, assistant treasurer, business manager, classroom teachers, education specialists and certificated administrators, of whom all had at least a bachelor's degree and 50.2 percent or 156 held advanced degrees. The 2003-2004 starting salary for a teacher with a bachelor's degree was \$32,839; the maximum teacher salary (for a teacher with a master's degree plus 45 semester hours and 18 years' experience) was \$67,622. The average current base salary of a School District teacher for 2003-2004 was \$50,956, compared to a State average (Fiscal Year 2003) \$45,550.

All of the School District's teachers and educational specialists (excluding 22 administrators) are represented by the Bedford Education Association (the "Association") which is a labor organization affiliated with the Ohio Education Association. The present contract between the Board of Education and the Association became effective on July 1, 2001 and was in effect through June 30, 2004. The contract called for the base salary to be increased by 2 percent on July 1, 2001, 2 percent on January 24, 2002, 3 percent on July 1, 2002 and 3 percent on July 1, 2003. A new contract will be in effect for July 1, 2004 through June 30, 2007.

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

Financial Information

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

In developing the School District's accounting system, much consideration was given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not

absolute assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance is based on the assumption that the cost of internal accounting controls should not exceed the benefits expected to be derived from their implementation.

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

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

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

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

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

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

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

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

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

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

As part of this new reporting model, management is responsible for preparing a Discussion and Analysis of the School District. This discussion follows the Independent Accountant's Report, providing an assessment of the School District's finances for 2004 and a discussion of current issues affecting the School District's future.

Financial Highlights – Internal Service Funds The internal service funds carried on the financial records of the School District are a self-insurance and a computer warehouse fund. The self insurance fund accounts for the revenues and expenses related to the provision of employee health benefits, including prescription drug and dental. The computer warehouse fund accounts for the group purchasing and use of computer supplies, however, there was no activity in this account during the current fiscal year. The internal service funds had net assets of \$729,005 at June 30, 2004, compared with \$792,127 in 2003, reflecting a net decrease of \$63,122.

Cash Management

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

Interest revenue in the governmental funds totaled \$174,106 for fiscal year 2004, of which \$169,454 was credited to the general fund, \$1,291 was credited to the auxiliary services special revenue fund and \$3,361 was credited to the building capital projects fund. Information regarding School District investments is found in Note 6 of the notes to the basic financial statements.

Independent Auditor

State statutes require the School District to be subjected to an annual examination by an independent auditor. The Auditor of State was selected to render an opinion on the School District's financial statement as of June 30, 2004. An annual audit serves to maintain and strengthen the School District's accounting and budgetary controls. Pursuant to statute, the State prescribed a uniform accounting system to standardize accounting classification and financial reporting for all governments in Ohio. The School District adopted and has been in conformance with that system beginning with its financial report for the 1979 year.

Awards

The Governmental Finance Officers Association ("GFOA") of the United States and Canada awarded the Bedford City School District a Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report ("CAFR") for the fiscal year ended June 30, 2003.

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

Acknowledgements

The publication of this report continues the School District's commitment to professionalism in financial reporting. Appreciation is extended to the staff of the treasurer's department: Mrs. Loretta Dunkel, Payroll Specialist, Mrs. Bonnie Baschko, Accounts Receivable/Leave Accounting Specialist, and Mrs. Angelia Jordan-Webster, Accounts Payable Specialist. A school district cannot produce a CAFR without an efficient treasurer's department. The dedication and accurate work of these employees ensures a smooth day-to-day operation and the accurate maintenance of records. It is their work that makes a timely audit possible. These employees have made a major contribution toward the School District's 2004 CAFR. The 2004 CAFR is also the work of Assistant Treasurer, Donald E. Houghton, Jr., whose name appears on the title page.

Layout and production of the 2004 CAFR, as they have been since 1997, are credited to Mrs. Margaret Bierman, Communications Coordinator.

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

Respectfully submitted,



Mary Ann Nowak
Bedford City School District Treasurer



Martha A. Motsco, Esq.
Superintendent of Schools

**Bedford City School District
Principal Officials
June 30, 2004**

Board of Education

Mr. Joseph Allie	President
Mrs. Kay Santangelo	Vice President
Mrs. Beth Housiaux-Steward	Member
Mrs. Barbara Patterson	Member
Mr. Joseph Mestnik	Member

Treasurer

Ms. Mary Ann Nowak

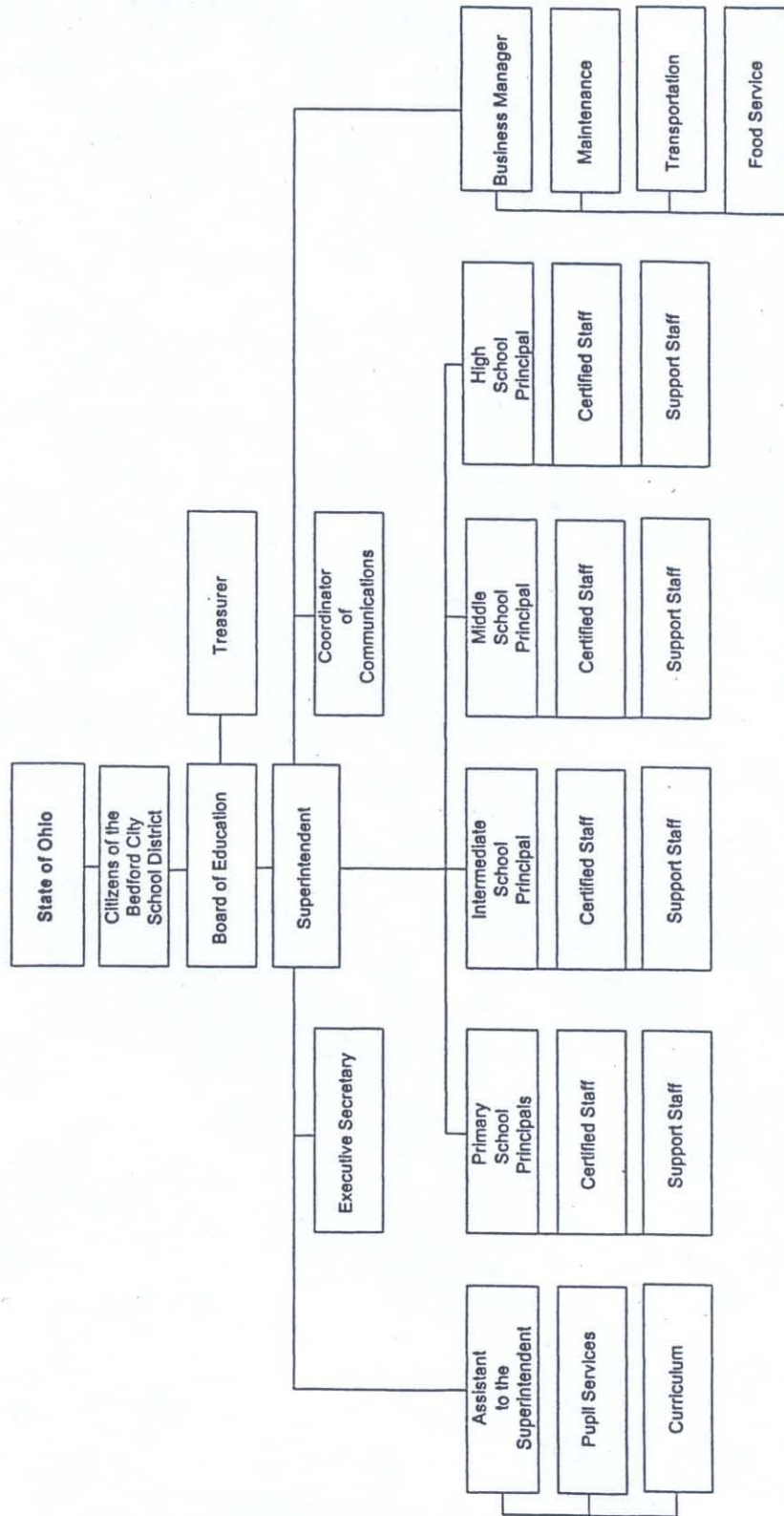
Assistant Treasurer

Mr. Donald E. Houghton, Jr.

Administration

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

Organizational Chart of the Bedford City School District



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Bedford City School District,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2003

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



Nancy L. Zjella

President

Jeffrey R. Emer

Executive Director

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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Bedford City School District, Cuyahoga County, Ohio, (the District) as of and for the year ended June 30, 2004, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 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, each major fund and the aggregate remaining fund information of the Bedford City School District, Cuyahoga County, Ohio, as of June 30, 2004, and the respective changes in financial position and the cash flows, where applicable, and the budgetary comparison for the General Fund thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2004 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to form opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund statements and schedules and statistical tables are presented for additional analysis and are not a required part of the basic financial statements. We subjected the combining and individual nonmajor fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical tables to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

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

Betty Montgomery
Auditor of State

December 17, 2004

Bedford City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
Unaudited

The discussion and analysis of the Bedford City School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2004. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements as well as the statements themselves to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2004 are as follows:

- In total, net assets decreased \$3,672,494, a 17.84 percent decrease over fiscal year 2003.
- For fiscal year 2004, the School District saw a decrease in current and other assets of \$3,846,298 due to a decrease in cash at the end of the year from fiscal year 2003. This decrease can be attributed in part to a decrease in taxes revenues and a decrease in grant monies received and an overall increase in expenses for the School District.
- General revenues accounted for \$38,261,054 in revenues or 88.06 percent of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$5,186,328 or 11.94 percent of total revenues of \$43,447,382.
- The School District had \$47,119,876 in expenses related to governmental activities; only \$5,186,328 of these expenses were offset by program specific charges for services, grants or contributions. General revenues related to governmental activities of \$38,261,054 were not adequate to provide for these programs.
- The general fund had \$40,063,127 in revenues and \$41,096,126 in expenditures. The general fund's fund balance decreased \$1,329,872 in 2004.

Using This Comprehensive Annual Financial Report ("CAFR")

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

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

Bedford City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2004
Unaudited

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

Statement of Net Assets and the Statement of Activities

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

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

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

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; however, as of the 2003 reporting year, the School District reclassified the enterprise funds as *special revenue funds*. The lack of profitability in the food service fund in two of the last three fiscal years lead to the decision to no longer report it as an enterprise fund. The charge for a school lunch cannot keep pace with the ever-increasing wage and

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

The District as a Whole

Recall that the *Statement of Net Assets* provides the perspective of the School District as a whole, showing assets, liabilities and the difference between them (net assets). Table 1 provides a summary of the School District's governmental activities net assets for fiscal year 2004 compared to fiscal year 2003:

Table 1
 Net Assets

	2004	2003
Assets		
Current and Other Assets	\$46,371,009	\$50,217,307
Capital Assets, Net	20,037,726	19,045,494
<i>Total Assets</i>	66,408,735	69,262,801
Liabilities		
Current and Other Liabilities	36,034,949	35,310,867
Long-Term Liabilities:		
Due Within One Year	2,305,868	1,829,092
Due in More than One Year	11,154,519	11,536,949
<i>Total Liabilities</i>	49,495,336	48,676,908
Net Assets		
Invested in Capital Assets, Net of Debt	10,168,889	9,267,931
Restricted:		
Capital Projects	190,733	575,693
Debt Service	997,556	1,587,484
Other Purposes	725,176	616,921
Unrestricted	4,831,045	8,537,864
<i>Total Net Assets</i>	\$16,913,399	\$20,585,893

Decreases in cash and taxes receivable from fiscal year 2003 to fiscal year 2004 contributed to the decrease of \$2,854,066 in total assets. Increases in accrued wages and benefits, compensated absences and claims payable contributed to the increase in total liabilities. The School District approved a 4.9 mill five-year operating levy in the November 2, 2004 general election in effort to keep the long-term fiscal plan on track.

Bedford City School District
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Table 2 shows changes in governmental net assets for fiscal years 2004 and 2003.

Table 2
Changes in Net Assets

	2004	2003
Revenues		
Program Revenues:		
Charges for Services and Sales	\$2,221,988	\$1,205,728
Operating Grants and Contributions	2,964,340	2,742,195
Capital Grants and Contributions	0	109,537
<i>Total Program Revenues</i>	<u>5,186,328</u>	<u>4,057,460</u>
General Revenues:		
Property Taxes	30,192,248	31,493,245
Grants and Entitlements	7,747,756	8,634,340
Investment Earnings	174,106	239,106
Other	146,944	125,231
<i>Total General Revenues</i>	<u>38,261,054</u>	<u>40,491,922</u>
Transfers	0	23,663
<i>Total Revenues</i>	<u>43,447,382</u>	<u>44,573,045</u>
Program Expenses		
Instruction	23,153,227	19,716,538
Support Services:		
Pupils	2,721,877	2,444,186
Instructional Staff	1,620,852	1,452,726
Board of Education	59,311	164,324
Administration	3,565,984	2,791,248
Fiscal	1,290,723	1,457,382
Business	402,210	477,013
Operation and Maintenance of Plant	6,772,564	5,596,383
Pupil Transportation	3,914,942	3,227,782
Central	306,326	261,748
Operation of Non-Instructional Services:		
Food Services Operations	1,362,041	1,335,836
Other Non-Instructional Services	502,320	573,662
Extracurricular Activities	915,504	593,241
Interest and Fiscal Charges	531,995	526,618
<i>Total Program Expenses</i>	<u>47,119,876</u>	<u>40,618,687</u>
<i>Net Change in Net Assets</i>	(3,672,494)	3,954,358
<i>Net Assets Beginning of Year</i>	<u>20,585,893</u>	<u>16,631,535</u>
<i>Net Assets End of Year</i>	<u>\$16,913,399</u>	<u>\$20,585,893</u>

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General revenues decreased \$2,230,868 from 2003, due to the timing of the taxes revenue available for advance in 2004 - \$1,145,018 less received, a decrease of \$886,584 in grant monies received and a decrease of \$65,000 in interest revenues earned during the year. Total revenues decreased \$1,125,663 or 2.53 percent over 2003. The increase to program revenues of \$1,128,868, mainly due to the collection of past due tuition charges, offset the decrease in general revenues.

The increase of \$6,501,189 in program expenses was due mainly to increases in all expense functions due to increased wages and benefits and increased depreciation expense related to the reclassification of the useful lives of the School District's capital assets.

Governmental Activities

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

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

The School District is heavily dependent on property taxes and is hampered by a lack of revenue growth. Thus, the School District must regularly return to the voters to maintain a constant level of service. Property taxes made up 69.9 percent of total revenues in the School District for fiscal year 2004. Instructional expenses account for 49.1 percent of total program expenses.

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 2004	Net Cost of Services 2004	Total Cost of Services 2003	Net Cost of Services 2003
Instruction	\$23,153,227	(\$20,246,339)	\$19,716,538	(\$18,085,163)
Support Services:				
Pupils	2,721,877	(2,664,823)	2,444,186	(2,386,192)
Instructional Staff	1,620,852	(1,435,157)	1,452,726	(1,252,056)
Board of Education	59,311	(59,311)	164,324	(164,324)
Administration	3,565,984	(3,470,480)	2,791,248	(2,687,352)
Fiscal	1,290,723	(1,290,723)	1,457,382	(1,457,382)
Business	402,210	(367,246)	477,013	(471,249)
Operation and Maintenance of Plant	6,772,564	(6,769,025)	5,596,383	(5,537,668)
Pupil Transportation	3,914,942	(3,914,433)	3,227,782	(3,190,713)
Central	306,326	(292,797)	261,748	(246,166)
Operation of Non-Instructional Services:				
Food Service Operations	1,362,041	(79,695)	1,335,836	(75,874)
Other Non-Instructional Services	502,320	(10,056)	573,662	8,829
Extracurricular Activities	915,504	(801,468)	593,241	(489,299)
Interest and Fiscal Charges	531,995	(531,995)	526,618	(526,618)
<i>Total</i>	<u>\$47,119,876</u>	<u>(\$41,933,548)</u>	<u>\$40,618,687</u>	<u>(\$36,561,227)</u>

The total cost of governmental activities' services rose by \$6,501,189 or 16.01 percent from fiscal year 2003 to fiscal year 2004 mainly due to increased salary and benefit costs, increased maintenance costs and bus purchases. The net cost of services decreased by \$5,372,321 or 14.69 percent from fiscal year 2003 to fiscal year 2004, due to the decrease in revenues and increase in expenditures as discussed above.

The dependence on tax revenues and state subsidies for governmental activities is apparent. 87.44 percent of instructional activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is over 88.99 percent.

The School District's Funds

Information about the School District's governmental funds start on page 14. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$46,414,618 and expenditures of \$48,865,785. The net change in fund balance for the year in the general fund decreased by \$1,329,872, with a \$203,178 decrease in all other governmental funds.

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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 2004, the School District amended its general fund budget several times, but no change was significant. The general fund final budget revenue amount of \$37,714,891 is \$550,761 or 1.48 percent higher than the original budget amount of \$37,164,130. The difference was primarily due to higher than anticipated intergovernmental and tuition revenue combined with lower than anticipated taxes revenue. Actual revenues of \$37,854,477 are \$139,586 or .37 percent higher than the final budget amount. Actual expenditures of \$41,484,458 are \$903,751 or 2.13 percent less than the final budget amount of \$42,388,209. The School District ended the fiscal year with a fund balance of \$6,086,026, a decrease of \$3,099,248 from fiscal year 2003, but still \$1,049,272 better than what was estimated.

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

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2004 the School District had, at cost, \$43,909,645 invested in land, buildings and improvements, furniture and equipment, and vehicles. That total carries an accumulated depreciation of \$23,871,919. Table 4 shows fiscal year 2004 balances compared to fiscal year 2003.

Table 4
 Capital Assets at June 30
 Governmental Activities

	2004	2003
Land	\$2,283,183	\$2,283,183
Construction in Progress	0	885,861
Buildings and Improvements	14,144,459	13,516,498
Furniture and Equipment	1,742,630	1,077,676
Vehicles	1,867,454	1,282,276
Totals	\$20,037,726	\$19,045,494

The additions and replacement of capital equipment, building improvements and a new maintenance facility in fiscal year 2004 resulted in an increase in capital assets. The School District also re-evaluated the useful lives of its capital assets and increased the capital asset threshold to \$3,000. These changes had an effect on capital assets for both 2003 and 2004. The net value of governmental capital assets is 45.6 percent of the value of the capital assets at cost. This ratio reflects a relatively old physical plant and bus

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fleet. The buildings of the School District are well maintained and in good repair. The School District has established a capital replacement fund for the purpose of orderly replacement of buses. The long-term bus replacement plan calls for depreciation of the fleet to be matched by transfers from the general fund to the capital replacement fund for bus replacement. For additional information on capital assets, see Note 10 of the notes to the basic financial statements.

Debt

At June 30, 2004, the School District had \$10,705,496 in bonds and loans outstanding, \$1,059,082 of which was due within one year. Table 5 summarizes bonds and loans outstanding.

Table 5
Outstanding Debt at June 30
Governmental Activities

	2004	2003
1996 Energy Conservation Note	\$155,000	\$230,000
1994 Facilities Acquisition Manuscript Bond	180,000	195,000
1993 Library Construction Bond	0	85,000
1993 Facilities Renovation Bond	0	545,000
2001 Refunding Serial Bonds	8,252,286	8,400,473
2001 Refunding Capital Appreciation Bonds	691,307	625,250
2002 Maintenance Facility Loan	558,000	606,000
2004 Astro Turf Lease	385,000	0
2004 Telecommunications Lease	483,903	0
Totals	\$10,705,496	\$10,686,723

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

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

The School District's overall debt margin was \$68,709,777 with an unvoted debt margin of \$515,589. For additional information on long-term obligations, see Note 18 of the notes to the basic financial statements.

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Current Financial Related Activities

As the preceding information shows, the School District is heavily dependent on property taxes. Property tax revenue does not increase solely as a result of inflation.

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

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

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

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

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

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

Contacting the School District's Financial Management

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

Bedford City School District

Statement of Net Assets

June 30, 2004

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$11,502,250
Cash and Cash Equivalents with Fiscal Agent	2,891
Investments	185,000
Accounts Receivable	12,567
Intergovernmental Receivable	472,465
Prepaid Items	426
Inventory Held for Resale	23,755
Materials and Supplies Inventory	254,965
Taxes Receivable	33,822,631
Deferred Charges	94,059
Nondepreciable Capital Assets	2,283,183
Depreciable Capital Assets	<u>17,754,543</u>
<i>Total Assets</i>	<u>66,408,735</u>
Liabilities	
Accounts Payable	534,434
Accrued Wages and Benefits Payable	4,370,834
Intergovernmental Payable	1,345,008
Deferred Revenue	29,087,349
Matured Compensated Absences Payable	221,001
Accrued Interest Payable	41,203
Claims Payable	435,120
Long-Term Liabilities:	
Due Within One Year	2,305,868
Due in More Than One Year	<u>11,154,519</u>
<i>Total Liabilities</i>	<u>49,495,336</u>
Net Assets	
Invested in Capital Assets, Net of Related Debt	10,168,889
Restricted for:	
Capital Projects	190,733
Debt Service	997,556
Uniform School Supplies	108,677
Public School Support	87,656
Local Grants	58,060
Special Enterprise	211,884
District Managed Student Activities	44,478
State Grants	85,250
Federal Grants	69,931
Other Purposes	59,240
Unrestricted	<u>4,831,045</u>
<i>Total Net Assets</i>	<u><u>\$16,913,399</u></u>

See accompanying notes to the basic financial statements

Bedford City School District
Statement of Activities
For the Fiscal Year Ended June 30, 2004

	Program Revenues			Net Expenses and Changes in Net Assets
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
Instruction:				
Regular	\$16,670,465	\$993,140	\$369,322	(\$15,308,003)
Special	4,862,739	209,239	965,512	(3,687,988)
Vocational	1,620,023	73,140	296,535	(1,250,348)
Support Services:				
Pupil	2,721,877	200	56,854	(2,664,823)
Instructional Staff	1,620,852	2,683	183,012	(1,435,157)
Board of Education	59,311	0	0	(59,311)
Administration	3,565,984	1,611	93,893	(3,470,480)
Fiscal	1,290,723	0	0	(1,290,723)
Business	402,210	34,899	65	(367,246)
Operation and Maintenance of Plant	6,772,564	0	3,539	(6,769,025)
Pupil Transportation	3,914,942	0	509	(3,914,433)
Central	306,326	7,576	5,953	(292,797)
Operation of Non-Instructional Services:				
Food Service Operations	1,362,041	792,140	490,206	(79,695)
Other Non-Instructional Services	502,320	11,605	480,659	(10,056)
Extracurricular Activities	915,504	95,755	18,281	(801,468)
Interest and Fiscal Charges	531,995	0	0	(531,995)
<i>Total Governmental Activities</i>	<u>\$47,119,876</u>	<u>\$2,221,988</u>	<u>\$2,964,340</u>	<u>(41,933,548)</u>
 General Revenues				
Property Taxes Levied for:				
				28,471,588
				1,050,439
				670,221
				7,747,756
				174,106
				<u>146,944</u>
<i>Total General Revenues</i>				38,261,054
Change in Net Assets				(3,672,494)
<i>Net Assets Beginning of Year - Restated (See Note 3)</i>				<u>20,585,893</u>
<i>Net Assets End of Year</i>				<u>\$16,913,399</u>

See accompanying notes to the basic financial statements

Bedford City School District*Balance Sheet**Governmental Funds**June 30, 2004*

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	\$7,182,655	\$3,155,470	\$10,338,125
Cash and Cash Equivalents with Fiscal Agent	0	2,891	2,891
Investments	0	185,000	185,000
Accounts Receivable	8,695	3,872	12,567
Intergovernmental Receivable	137,033	335,432	472,465
Prepaid Items	426	0	426
Inventory Held for Resale	0	23,755	23,755
Materials and Supplies Inventory	249,666	5,299	254,965
Interfund Receivable	1,355,694	0	1,355,694
Taxes Receivable	31,976,504	1,846,127	33,822,631
	<u> </u>	<u> </u>	<u> </u>
<i>Total Assets</i>	<u>\$40,910,673</u>	<u>\$5,557,846</u>	<u>\$46,468,519</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$409,460	\$124,974	\$534,434
Accrued Wages and Benefits Payable	4,193,089	177,745	4,370,834
Intergovernmental Payable	656,267	38,908	695,175
Interfund Payable	0	1,355,694	1,355,694
Deferred Revenue	27,631,249	1,778,833	29,410,082
Matured Compensated Absences Payable	213,572	7,429	221,001
	<u> </u>	<u> </u>	<u> </u>
<i>Total Liabilities</i>	<u>33,103,637</u>	<u>3,483,583</u>	<u>36,587,220</u>
Fund Balances (Deficits)			
Reserved for Encumbrances	826,979	195,451	1,022,430
Reserved for Property Taxes	3,267,433	187,223	3,454,656
Unreserved, Undesignated Reported in:			
General Fund	3,712,624	0	3,712,624
Special Revenue Funds	0	354,559	354,559
Debt Service Fund	0	1,486,406	1,486,406
Capital Projects Funds (Deficit)	0	(149,376)	(149,376)
	<u> </u>	<u> </u>	<u> </u>
<i>Total Fund Balances</i>	<u>7,807,036</u>	<u>2,074,263</u>	<u>9,881,299</u>
	<u> </u>	<u> </u>	<u> </u>
<i>Total Liabilities and Fund Balances</i>	<u>\$40,910,673</u>	<u>\$5,557,846</u>	<u>\$46,468,519</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, 2004*

Total Governmental Funds Balances		\$9,881,299
 <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.		20,037,726
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Delinquent Property Taxes	155,865	
Grants	166,868	
		322,733
Bond issuance costs will be amortized over the life of the bonds on the statement of net assets.		94,059
Intergovernmental payable includes contractually required pension contributions not expected to be paid with expendable available financial resources and therefore not reported in the funds.		(649,833)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		(41,203)
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.		729,005
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
General Obligation Bonds	(7,999,693)	
Capital Appreciation Bonds	(691,307)	
Bond Premium	(587,593)	
Loan Payable	(558,000)	
Leases Payable	(868,903)	
Compensated Absences	(2,754,891)	
Total		(13,460,387)
 <i>Net Assets of Governmental Activities</i>		 <u><u>\$16,913,399</u></u>

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, 2004

	General	Other Governmental Funds	Total Governmental Funds
Revenues			
Taxes	\$31,093,241	\$1,868,192	\$32,961,433
Intergovernmental	7,568,466	3,291,489	10,859,955
Interest	169,454	4,652	174,106
Charges for Services	0	797,804	797,804
Tuition and Fees	1,108,972	47,316	1,156,288
Rentals	5,278	34,046	39,324
Extracurricular Activities	0	228,572	228,572
Contributions and Donations	0	50,192	50,192
Miscellaneous	117,716	29,228	146,944
<i>Total Revenues</i>	<u>40,063,127</u>	<u>6,351,491</u>	<u>46,414,618</u>
Expenditures			
Current:			
Instruction:			
Regular	15,407,251	541,388	15,948,639
Special	3,827,515	962,934	4,790,449
Vocational	1,354,252	242,264	1,596,516
Support Services:			
Pupil	2,640,744	50,593	2,691,337
Instructional Staff	1,376,407	226,685	1,603,092
Board of Education	264,211	0	264,211
Administration	3,348,954	104,516	3,453,470
Fiscal	1,295,384	0	1,295,384
Business	489,454	1,896	491,350
Operation and Maintenance of Plant	6,609,629	3,147	6,612,776
Pupil Transportation	3,648,547	299	3,648,846
Central	273,551	8,174	281,725
Operation of Non-instructional Services:			
Food Service Operations	0	1,314,097	1,314,097
Other Non-instructional Services	0	460,734	460,734
Extracurricular Activities	449,312	199,567	648,879
Capital Outlay	0	2,356,466	2,356,466
Debt Service:			
Principal Retirement	90,000	892,214	982,214
Interest and Fiscal Charges	20,915	404,685	425,600
<i>Total Expenditures</i>	<u>41,096,126</u>	<u>7,769,659</u>	<u>48,865,785</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(1,032,999)</u>	<u>(1,418,168)</u>	<u>(2,451,167)</u>
Other Financing Sources (Uses)			
Proceeds of Leases	0	918,117	918,117
Transfers In	0	296,873	296,873
Transfers Out	(296,873)	0	(296,873)
<i>Total Other Financing Sources (Uses)</i>	<u>(296,873)</u>	<u>1,214,990</u>	<u>918,117</u>
<i>Net Change in Fund Balances</i>	<u>(1,329,872)</u>	<u>(203,178)</u>	<u>(1,533,050)</u>
<i>Fund Balances Beginning of Year - Restated (See Note 3)</i>	<u>9,136,908</u>	<u>2,277,441</u>	<u>11,414,349</u>
<i>Fund Balances End of Year</i>	<u>\$7,807,036</u>	<u>\$2,074,263</u>	<u>\$9,881,299</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, 2004*

Net Change in Fund Balances -Total Governmental Funds (\$1,533,050)

*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	2,423,739	
Current Year Depreciation	<u>(1,416,987)</u>	
Total		1,006,752

In the statement of activities the loss on the disposal of capital assets if reported. (14,520)

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

Delinquent Property Taxes	(2,769,185)	
Intergovernmental	<u>(198,051)</u>	
Total		(2,967,236)

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

Proceeds of Leases		(918,117)
--------------------	--	-----------

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

Accrued Interest	(4,406)	
Annual Accretion	(66,057)	
Amortization of Premium on Bonds	119,439	
Amortization of Loss on Refunding	(136,252)	
Amortization of Issuance Costs	<u>(19,119)</u>	
Total		(106,395)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 982,214

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

Compensated Absences	(75,573)	
Pension Obligations	<u>16,553</u>	
Total		(59,020)

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. (63,122)

Change in Net Assets of Governmental Activities (\$3,672,494)

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, 2004

	<u>Budgeted Amounts</u>		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues				
Taxes	\$32,190,191	\$28,852,562	\$28,982,915	\$130,353
Intergovernmental	4,196,529	7,476,526	7,476,526	0
Interest	95,113	159,786	169,454	9,668
Tuition and Fees	620,446	1,104,612	1,105,386	774
Rentals	2,457	4,378	4,378	0
Miscellaneous	59,394	117,027	115,818	(1,209)
<i>Total Revenues</i>	<u>37,164,130</u>	<u>37,714,891</u>	<u>37,854,477</u>	<u>139,586</u>
Expenditures				
Current:				
Instruction:				
Regular	15,179,970	15,751,004	15,604,096	146,908
Special	3,833,041	3,939,887	3,765,887	174,000
Vocational	1,336,318	1,368,702	1,368,702	0
Support Services:				
Pupil	2,656,886	2,815,908	2,808,030	7,878
Instructional Staff	1,459,051	1,611,067	1,519,513	91,554
Board of Education	184,750	246,627	246,627	0
Administration	3,241,617	3,247,760	3,195,466	52,294
Fiscal	1,346,746	1,464,478	1,454,242	10,236
Business	429,255	471,404	471,404	0
Operation and Maintenance of Plant	6,370,187	6,426,736	6,419,407	7,329
Pupil Transportation	3,417,528	3,675,291	3,654,297	20,994
Central	223,517	286,241	286,241	0
Extracurricular Activities	336,032	840,922	448,487	392,435
Debt Service:				
Principal Retirement	90,000	187,214	187,214	0
Interest and Fiscal Charges	10,800	54,968	54,845	123
<i>Total Expenditures</i>	<u>40,115,698</u>	<u>42,388,209</u>	<u>41,484,458</u>	<u>903,751</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(2,951,568)</u>	<u>(4,673,318)</u>	<u>(3,629,981)</u>	<u>1,043,337</u>
Other Financing Sources (Uses)				
Contingencies	(43,500)	(2,700)	0	2,700
Advances In	1,256,905	2,183,300	2,183,300	0
Advances Out	(125,000)	(1,355,694)	(1,355,694)	0
Transfers Out	(129,000)	(300,108)	(296,873)	3,235
<i>Total Other Financing Sources (Uses)</i>	<u>959,405</u>	<u>524,798</u>	<u>530,733</u>	<u>5,935</u>
<i>Net Change in Fund Balance</i>	(1,992,163)	(4,148,520)	(3,099,248)	1,049,272
<i>Fund Balance Beginning of Year</i>	8,087,933	8,087,933	8,087,933	0
Prior Year Encumbrances Appropriated	1,097,341	1,097,341	1,097,341	0
<i>Fund Balance End of Year</i>	<u>\$7,193,111</u>	<u>\$5,036,754</u>	<u>\$6,086,026</u>	<u>\$1,049,272</u>

See accompanying notes to the basic financial statements

Bedford City School District

Statement of Fund Net Assets

Internal Service Funds

June 30, 2004

Assets	
Equity in Pooled Cash and Cash Equivalents	\$1,164,125
Liabilities	
Claims Payable	<u>435,120</u>
Net Assets	
Unrestricted	<u><u>\$729,005</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, 2004*

Operating Revenues	
Charges for Services	<u>\$1,194,357</u>
Operating Expenses	
Purchased Services	227,171
Claims	<u>1,030,308</u>
<i>Total Operating Expenses</i>	<u>1,257,479</u>
<i>Change in Net Assets</i>	(63,122)
<i>Net Assets Beginning of Year - Restated (Note 3)</i>	<u>792,127</u>
<i>Net Assets End of Year</i>	<u><u>\$729,005</u></u>

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, 2004

Increase (Decrease) in Cash and Cash Equivalents

Cash Flows from Operating Activities

Cash Received from Interfund Services	\$1,194,357
Cash Payments for Purchased Services	(227,171)
Cash Payments for Claims	(854,598)

Net Increase in Cash and Cash Equivalents 112,588

Cash and Cash Equivalents Beginning of Year 1,051,537

Cash and Cash Equivalents End of Year \$1,164,125

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

Operating Loss (\$63,122)

Adjustments:

Increase in Claims Payable 175,710

Net Cash Provided by Operating Activities \$112,588

See accompanying notes to the basic financial statements

Bedford City School District
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2004

	Private Purpose Trust	
	Scholarships	Agency
Assets		
Equity in Pooled Cash and Cash Equivalents	\$49,026	\$30,867
Liabilities		
Accounts Payable	0	\$72
Due to Students	0	30,795
<i>Total Liabilities</i>	0	\$30,867
Net Assets		
Held in Trust for Scholarships	\$49,026	

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, 2004

	<u>Scholarships</u>
Additions	
Interest	\$488
Deductions	
Scholarships Awarded	<u>1,200</u>
<i>Change in Net Assets</i>	(712)
<i>Net Assets Beginning of Year</i>	<u>49,738</u>
<i>Net Assets End of Year</i>	<u><u>\$49,026</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, 2004

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 611 active public school districts (183 city, 49 exempted village, 330 local, and 49 joint vocational school districts) in the State of Ohio and one of 33 in Cuyahoga County, and provides education to 3,892 students in grades K through 12. The District also provides preschool education to 34 handicapped students. The School District is located in northeast Ohio, approximately 20 square miles and includes the City of Bedford, most of the City of Bedford Heights, and the Villages of Walton Hills and Oakwood. The operation of the School District is governed by an elected five-member Board of Education.

Reporting Entity

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

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

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

The School District participates in two jointly governed organizations and an insurance purchasing pool. These organizations are the Lakeshore Northeast Ohio Computer Association (LNOCA), Ohio Schools Council Association and the Ohio School Boards Association Workers' Compensation Group Rating Program. These organizations are presented in Notes 20 and 21 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. 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, 2004

A. Basis of Presentation

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

Government-wide Financial Statements The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses.

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

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

B. Fund Accounting

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

Governmental Funds Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following is the School District's only major governmental fund:

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

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

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

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

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

Fiduciary Fund Type Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. The School District's only trust fund is a private purpose trust which accounts for a college scholarship program for students. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District's only agency fund reports resources belonging to the student bodies of the various schools.

C. Measurement Focus

Government-wide Financial Statements The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the statement of net assets. The statement of activities presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets.

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

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

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

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

D. Basis of Accounting

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

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

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

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

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

Property taxes for which there is an enforceable legal claim as of June 30, 2004, but which were levied to finance fiscal year 2005 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, 2004

E. Budgetary Data

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

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

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

F. Cash and Cash Equivalents

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

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

During fiscal year 2004, the School District's investments were limited to a Bedford City School District Facilities Acquisition Manuscript Bond, the State Treasury Asset Reserve (STAROhio) and non-negotiable certificates of deposit.

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

STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 2004.

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 2004 amounted to \$169,454, which includes \$61,511 assigned from other School District funds.

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

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

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2004, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the fiscal year in which services are consumed.

H. Inventory

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

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

I. Capital Assets

All capital assets of the School District are classified as general capital assets. These assets generally result from expenditures in the governmental funds. They are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated capital assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of three thousand dollars; this was increased from one thousand dollars during fiscal year 2004. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

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

J. Bond Issuance Costs

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

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

K. Bond Premium

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

L. Gain/Loss on Refunding

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

M. Interfund Balances

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

N. Compensated Absences

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

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

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

According to the School District's policy for severance payments, if an employee retires during the year the amount of their severance payment is forwarded to a third party administrator and held for payment until January of the following year. These amounts are reported as "Matured Compensated Absences Payable" on the governmental fund and government-wide financial statements.

O. Accrued Liabilities and Long-Term Obligations

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

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

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

P. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Q. Fund Balance Reserves

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

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

R. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net assets restricted for other purposes includes summer school, adult/continuing education, and recreation functions and activities.

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

S. Operating Revenues and Expenses

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

T. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence.

U. Estimates

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

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

Note 3 - Restatement of Fund Balance/Net Assets

During the fiscal year, the School District had to restate the beginning fund balance and net assets due to a correction to the goals 2000 fund, the reclassification of capital assets due to the correction in useful lives as previously reported and threshold value and the understatement of claims payable. These adjustments had the following effect on fund balance/net assets:

	General	Nonmajor	Total
Fund Balance, June 30, 2003	\$9,136,908	\$2,280,367	\$11,417,275
Fund Correction	0	(2,926)	(2,926)
Adjusted Fund Balance, June 30 2003	\$9,136,908	\$2,277,441	\$11,414,349

	Governmental
	Activities
Net Assets, June 30, 2003	\$18,175,754
Fund Correction	(\$2,926)
Understatement of Claims Payable	(215,443)
Capital Assets	2,628,508
Adjusted Net Assets, June 30, 2003	\$20,585,893

The above restatements decreased the change in fund balance for the nonmajor funds by \$2,926 from (\$151,474) to (\$154,400).

Net assets for the internal service funds as of June 30, 2003 was decreased by \$215,443 from \$1,007,570 to \$792,127 due to the understatement of claims payable. The understatement decreased the change in net assets from \$127,211 to (\$88,232).

Note 4 - Accountability and Compliance

A. Legal Compliance

Contrary to Ohio Revised Code Section 5705.36, the Board of Education did not pass appropriation measures for fiscal year 2004 by October 1, 2003 for twenty-two of the thirty-four School District funds. This is recommended for all School District funds, management will try to correct this oversight for the next fiscal year.

Contrary to Ohio Revised Code Section 5705.39, the building capital projects fund had original appropriations of \$385,000 in excess of \$251,979 over original revenues plus carryover balance of \$133,021.

Management was able to reduce the excess balances to zero by fiscal year-end.

Contrary to Ohio Revised Code Section 5705.41(B), the following funds have expenditures plus encumbrances exceeding appropriations during the fiscal year.

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

	<u>Appropriations</u>	<u>Expenditures Plus Encumbrances</u>	<u>Excess</u>
As of March 31, 2004:			
<i>Special Revenue Funds</i>			
Public School Support	\$96,491	\$178,180	\$81,689
District Managed Activities	148,960	255,383	106,423
Vocational Educational Enhancement	17,589	21,588	3,999
Title VI-B	603,274	1,416,781	813,507
Vocational Education	235,939	243,079	7,140
Title V	29,647	37,759	8,112
Drug Free Education	17,150	17,968	818
Title VI-R	172,438	184,230	11,792
Miscellaneous Federal Grants	13,490	20,337	6,847
 <i>Capital Projects Funds</i>			
Permanent Improvements	1,500,702	2,680,702	1,180,000
Building	478,895	826,782	347,887

Management was able to reduce the excess balances to zero by fiscal year-end and has indicated the appropriations will be closely monitored to ensure no future violations.

B. Accountability

At June 30, 2004, the following funds had deficit fund balances:

	<u>Amount</u>
Special Revenue Funds	
Food Service	\$97,696
Vocational Education Enhancement	8,363
Title VI-B	7,590
Vocation Education	38,154
Title I	27,674
Title VI-R	6,834
 Capital Projects Fund	
Permanent Improvement	283,760

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

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

Note 5 - Budgetary Basis of Accounting

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

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

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

Net Change in Fund Balance	
GAAP Basis	(\$1,329,872)
Net Adjustment for Revenue Accruals	(2,208,650)
Advances In	2,183,300
Net Adjustment for Expenditure Accruals	708,297
Advances Out	(1,355,694)
Adjustment for Encumbrances	<u>(1,096,629)</u>
Budget Basis	<u><u>(\$3,099,248)</u></u>

Note 6 - Deposits and Investments

State statutes classify monies held by the School District into three categories.

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

Inactive deposits are public deposits that the Board of Education 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.

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

Protection of School District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Interim monies may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAROhio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3, "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements".

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

Deposits At fiscal year end, the carrying amount of the School District's deposits was \$496,876 and the bank balance was \$767,195. Of the bank balance:

1. \$200,674 was covered by depository insurance; and
2. \$566,521 was uninsured and uncollateralized. Although the securities serving as collateral were held by the pledging institution the pledging institution's name and all State statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the School District to a successful claim by the FDIC.

Investments Investments are required to be categorized to give an indication of the level of risk assumed by the School District at fiscal year end. Category 1 includes investments that are insured or registered or for which the securities are held by the School District or its agent in the School District's name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the School District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the School District's name. The School District's investment in STAROhio, an investment pool operated by the Ohio State Treasurer, is an unclassified investment since it is not evidenced by securities that exist in physical or book entry form.

	Category 1	Carrying and Fair Value
Bedford City School District School Facilities Acquisition Bonds	\$185,000	\$185,000
STAROhio		11,088,158
Total	\$185,000	\$11,273,158

The classification of cash and cash equivalents and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9. A reconciliation between the classifications of cash and investments on the combined financial statements and the classification per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement No. 9	\$11,585,034	\$185,000
Investments which are part of the cash management pool:		
STAROhio	(11,088,158)	11,088,158
GASB Statement No. 3	\$496,876	\$11,273,158

Note 7 - Property Taxes

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

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

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 2004 represents collections of calendar year 2003 taxes. Real property taxes received in calendar year 2004 were levied after April 1, 2003, on the assessed value listed as of January 1, 2003, the lien date. Assessed values for real property are established by State law at thirty-five percent of appraised market value. Real property are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2004 represents collections of calendar year 2003 taxes. Public utility real and tangible personal property taxes received in calendar year 2004 become a lien December 31, 2002, were levied after April 1, 2003 and are collected in 2004 with real property taxes. Public utility real property is assessed are thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax revenue received during calendar year 2004 (other than public utility property) represents the collection of 2004 taxes. Tangible personal property taxes received in calendar year 2004 were levied after April 1, 2003, on the value as of December 31, 2003. Tangible personal property is currently assessed at twenty-five percent of true value for capital assets and twenty-three percent of true value for inventory. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30. This year, the June 2004 personal property tax settlement was not received until July 2004.

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, 2004, are available to finance fiscal year 2004 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, 2004 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the delayed settlement of personal property tax and the amount of real property taxes available as an advance at June 30 were levied to finance current fiscal year operations are reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred revenue.

The amount available as an advance at June 30, 2004 was \$3,267,433 in the general fund, \$124,622 in the bond retirement debt service fund, and \$62,601 in the permanent improvement capital projects fund. The amount available as an advance at June 30, 2003, was \$1,721,755 in the general fund, \$63,970 in the bond retirement debt service fund, and \$33,014 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, 2004

The assessed values upon which the fiscal year 2004 taxes were collected are:

	2003 Second Half Collections		2004 First Half Collections	
	Amount	Percent	Amount	Percent
Residential/Agricultural	\$337,452,998	41.83 %	\$368,986,650	43.38 %
Other Real Estate	265,141,642	32.87	278,766,770	32.77
Public Utility Personal	38,787,420	4.81	38,882,620	4.57
Tangible Personal Property	165,250,542	20.49	163,953,315	19.28
Total	\$806,632,602	100.00 %	\$850,589,355	100.00 %
Tax rate per \$1,000 of assessed valuation	\$62.50		\$57.88	

During fiscal year 2004, the effect of the County's triennial update is reflected in the increase in assessed values and the decrease in the tax rate.

Note 8 - Receivables

Receivables at June 30, 2004, consisted of taxes, accounts (student fees and tuition), intergovernmental grants, and interest. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. All receivables are expected to be collected within one year.

A summary of principal items of intergovernmental receivables follows:

Governmental Activities	Amount
Auditor of State - CAFS	\$136,502
Substitute Teacher Reimbursement	531
Federal Lunch Subsidy	104,489
Tuition	2,040
Title VI-B Grants and Subsidies	22,832
Vocational Education Grants and Subsidies	110,092
Title I Grants and Subsidies	53,474
Title V Grants and Subsidies	13,504
Drug Free Schools Grants and Subsidies	2,484
Title VI-R Grants and Subsidies	22,798
Miscellaneous Federal Grants and Subsidies	3,719
Total	\$472,465

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

Note 9 - Contingencies

A. Grants

The School District received financial assistance from federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2004.

B. Litigation

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

Note 10 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2004, was as follows:

	Restated Balance 6/30/03	Additions	Deletions	Balance 6/30/04
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$2,283,183	\$0	\$0	\$2,283,183
Construction in Progress	885,861	431,099	(1,316,960)	0
Total Capital Assets, not being depreciated	3,169,044	431,099	(1,316,960)	2,283,183
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	32,325,582	1,670,777	0	33,996,359
Furniture and Equipment	2,574,553	824,017	0	3,398,570
Vehicles	3,721,665	814,806	(304,938)	4,231,533
Total Capital Assets, being depreciated	38,621,800	3,309,600	(304,938)	41,626,462
Less Accumulated Depreciation:				
Buildings and Improvements	(18,809,084)	(1,042,816)	0	(19,851,900)
Furniture and Equipment	(1,496,877)	(159,063)	0	(1,655,940)
Vehicles	(2,439,389)	(215,108)	290,418	(2,364,079)
Total Accumulated Depreciation	(22,745,350)	(1,416,987) *	290,418	(23,871,919)
Total Capital Assets, being depreciated, net	15,876,450	1,892,613	(14,520)	17,754,543
Governmental Activities Capital Assets, Net	\$19,045,494	\$2,323,712	(\$1,331,480)	\$20,037,726

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

* Depreciation expense was charged to governmental functions as follows:

Instruction	
Regular	\$671,846
Special	5,548
Vocational	24,735
Support Services:	
Pupil	10,111
Instructional Staff	10,959
Administration	6,921
Fiscal	4,354
Business	10,636
Operation and Maintenance of Plant	149,095
Pupil Transportation	200,876
Central	4,550
Operation of Non-Instructional Services:	
Food Service Operations	4,242
Other Non-Instructional Services	45,044
Extracurricular Activities	268,070
Total Depreciation Expense	\$1,416,987

Note 11 - Interfund Balances

Interfund balances at June 30, 2004, consist of the following individual fund receivables and payables:

Interfund Payable	Interfund Receivable General Fund
<i>Governmental Activities</i>	
Non-Major Funds	
Food Service	\$187,118
Summer School	80,870
Ohio Reads	96
Summer Intervention	54,726
Vocational Education Enhancement	8,363
Title VI-B	257,499
Vocational Education	110,092
Title I	103,322
Title V	13,504
Drug Free Schools	7,057
Title VI-R	22,899
Miscellaneous Federal Grants	8,719
Permanent Improvement	501,429
<i>Total Governmental Activities</i>	\$1,355,694

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

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

The School District transferred the following amounts to various funds during fiscal year 2004.

Transfers In	Transfers Out General Fund
Non-Major Funds	
Summer School	\$18,050
Public School Support	2,800
District Managed Student Activities	95,500
Title I	27
Capital Replacement	180,496
<i>Total Governmental Activities</i>	<i>\$296,873</i>

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

Note 12 - Risk Management

A. Property and Liability

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

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

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

B. Worker's Compensation

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

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

C. Employee Medical Benefits

The School District has elected to provide employee dental and prescription drug benefits to full time employees through a self-insurance program, while hospitalization and medical benefits are provided with a fully-insured program. Full time is defined as the full 186 day academic year, or 1,700 hours for non-certificated employees. Employees working shorter calendars pay a prorated portion of the health care premiums. The School District maintains a self-insurance internal service fund to account for and finance its uninsured risk of loss in the drug and dental programs. Dental claims are limited to \$2,500 per covered individual per year, with a lifetime limit of \$1,000 on orthodontia. There is no limitation on prescription drug benefits as this type of coverage is not subject to catastrophic loss. A third party administrator, Medical Mutual of Ohio, reviews and pays all claims. The School District pays the following monthly premium into the self-funded benefits fund, which represents the entire premium required: dental - \$23.73 (single), \$71.20 (family); drug - \$73.80 (single), \$202.96 (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 \$435,120 reported in the self insurance fund at June 30, 2004, is based on an estimate provided by the Treasurer and the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in the fund's claims liability amount for the last two years follows:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2003	\$49,540	\$1,050,720	\$840,850	\$259,410
2004	259,410	1,030,308	854,598	435,120

Note 13 - Compensated Absences

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

Note 14 - Defined Benefit Pension Plans

A. School Employees Retirement System

The School District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple employer defined pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 E. Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling (614) 222-5853.

Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal year 2004, 9.09 percent of annual covered salary was the portion used to fund pension obligations; for fiscal year 2003, 8.17 percent was used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2004, 2003, and 2002 were \$753,0142, \$636,525, and \$331,727, respectively; 75.53 percent has been contributed for fiscal year 2004 and 100 percent for the fiscal years 2003 and 2002.

B. State Teachers Retirement System

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

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

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

For the fiscal year ended June 30, 2004 plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

The School District's required contributions for pension obligations to the DB Plan for the fiscal years ended June 30, 2004, 2003, and 2002 were \$2,270,623, \$2,155,328, and \$1,528,177, respectively; 83.14 percent has been contributed for fiscal year 2004 and 100 percent for the fiscal years 2003 and 2002. Contributions to the DC and Combined Plans for fiscal year 2004 were \$24,079 made by the School District and \$48,749 made by the plan members.

Note 15- Postemployment Benefits

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

All STRS Ohio benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Ohio Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Most benefit recipients pay a portion of health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS Ohio funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2004, the STRS Ohio Board allocated employer contributions equal to 1 percent of covered payroll to the Health Care Reserve Fund. For the School District this amount equaled \$174,663 for fiscal year 2004.

STRS Ohio pays health care benefits from the Health Care Reserve Fund. At June 30, 2003, the balance in the Fund was \$2.8 million. For the year ended June 30, 2003, net health care costs paid by STRS Ohio were \$352,301,000 and STRS Ohio had 108,294 eligible benefit recipients.

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

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2004, employer contributions to fund health care benefits were 4.91 percent of covered payroll, a decrease of .92 percent from fiscal year 2003. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2004, the minimum pay has been established as \$25,400. For the School District, the amount to fund health care benefits, including surcharge, during the 2004 fiscal year equaled \$686,118.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care for the fiscal year ended June 30, 2003, were \$204,930,737 and the target level was \$307.4 million. At June 30, 2003, SERS had net assets available for payment of health care benefits of \$303.6 million. SERS has approximately 50,000 participants currently receiving health care benefits.

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

Note 16 - State School Funding Decision

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

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

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

Note 17 - Capital Leases - Lessee Disclosure

During fiscal year 2004, the School District has entered into two capital lease agreements for the installation of astro turf at the football stadium and telecommunications equipment for the School District. The School District's lease obligations meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases." Capital lease payments are reflected as debt service expenditures in the general fund on the basic financial statements.

As part of the agreement for the astro turf lease and the telecommunications lease, National City and Key Bank, respectively, as lessors, deposited monies in segregated accounts for the installation of the astro turf and the telecommunications system. The entire amount was paid to the vendors at the direction of the School District when the installations were completed. At year-end capital assets have been capitalized for these capital leases. No lease payments have been paid on the astro turf as of June 30, 2004.

Accumulated depreciation is not calculated on capital assets in the first year of acquisition. Capital assets acquired by lease have been capitalized as follows:

Governmental Activities:	
Capital Assets, being depreciated:	
Building and Improvements	\$385,000
Furniture and Equipment	<u>533,117</u>
<i>Governmental Activities Capital Assets, Net</i>	<u><u>\$918,117</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, 2004.

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

Fiscal Year Ending June, 30,	Governmental Activities
2005	\$187,490
2006	174,186
2007	172,932
2008	171,527
2009	113,380
2010-2012	153,920
Total	973,435
Less: Amount Representing Interest	(104,532)
Present Value of Net Minimum Lease Payments	\$868,903

Note 18 - Long Term Obligations

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

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

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

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

	Principal Outstanding 6/30/03	Additions	(Reductions)	Principal Outstanding 6/30/04	Amount Due in One Year
Governmental Activities:					
General Obligations Bonds:					
Energy Conservation Improvement	\$230,000	\$0	(\$75,000)	\$155,000	\$75,000
Facilities Acquisition	195,000	0	(15,000)	180,000	15,000
Library Construction	85,000	0	(85,000)	0	0
Facilities Renovation	545,000	0	(545,000)	0	0
Serial Library and Facilities Refunding Bonds	8,500,000	0	(165,000)	8,335,000	835,000
Unamortized Premium on Serial Bonds	707,032	0	(119,439)	587,593	0
Unamortized Loss on Refunding on Serial Bonds	(806,559)	136,252	0	(670,307)	0
Capital Appreciation Refunding Bonds	536,300	0	0	536,300	0
Accretion on Capital Appreciation Bonds	88,950	66,057	0	155,007	0
<i>Total General Obligation Bonds</i>	10,080,723	202,309	(1,004,439)	9,278,593	925,000
Maintenance Facilities Loan	606,000	0	(48,000)	558,000	52,000
Astro Turf Lease	0	385,000	0	385,000	32,000
Telecommunications Lease	0	533,117	(49,214)	483,903	50,082
Compensated Absences	2,679,318	296,574	(221,001)	2,754,891	1,246,786
Total Governmental Activities	\$13,366,041	\$1,417,000	(\$1,322,654)	\$13,460,387	\$2,305,868

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

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

In November 2001, the School District issued general obligation refunding bonds having an original face value of \$9,096,300. These refunding bonds consist of \$8,560,000 in current interest serial bonds and \$536,300 in capital appreciation bonds. This year the addition on the capital appreciation bonds was \$66,057 which represents the annual accretion of discounted interest. The final maturity amount of these bonds is \$1,665,000. The bonds were issued at a \$900,303 premium and issuance costs were \$144,116.

The refunding bonds were issued to defease the 1993 library construction and facilities renovations general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the School District's financial statements. On June 30, 2004, \$8,215,000 of bonds outstanding were considered defeased.

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

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

The overall debt margin of the School District as of June 30, 2004, was \$68,709,777 with an unvoted debt margin of \$515,589. Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2004, are as follows:

	General Obligation Bonds		Capital Appreciation Bonds	
	Principal	Interest	Principal	Interest
2005	\$925,000	\$356,053	\$0	\$0
2006	980,000	325,998	0	0
2007	965,000	289,176	0	0
2008	1,030,000	249,088	0	0
2009	1,095,000	206,400	0	0
2010-2014	3,645,000	290,689	536,300	1,128,700
2015-2018	30,000	2,362	0	0
Total	<u>\$8,670,000</u>	<u>\$1,719,766</u>	<u>\$536,300</u>	<u>\$1,128,700</u>

	Maintenance Facility Loan		Total	
	Principal	Interest	Principal	Interest
2005	\$52,000	\$22,417	\$977,000	\$378,470
2006	54,000	20,145	1,034,000	346,143
2007	57,000	18,778	1,022,000	307,954
2008	59,000	15,346	1,089,000	264,434
2009	62,000	12,799	1,157,000	219,199
2010-2014	274,000	23,559	5,584,000	1,442,948
2015-2018	0	0	30,000	2,363
Total	<u>\$558,000</u>	<u>\$113,044</u>	<u>\$10,893,000</u>	<u>\$2,961,511</u>

Note 19 - Set Asides

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

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

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

	Textbooks Instructional Materials Reserve	Capital Improvement Reserve
Set-aside Reserve Balances as of June 30, 2003	(\$293,007)	(\$1,266,459)
Current Year Set-aside Requirement	539,087	539,087
Qualifying Disbursements	(510,648)	(3,320,118)
Totals	(264,568)	(4,047,490)
Set-aside Balance Carried Forward to Future Fiscal Years	(264,568)	\$0
Set-aside Reserve Balances as of June 30, 2004	\$0	\$0

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

Note 20 - Jointly Governed Organizations

A. Lakeshore Northeast Ohio Computer Association

The Lakeshore Northeast Ohio Computer Association (LNOCA) is a jointly governed organization among sixteen school districts, one educational service center and the Bedford City School District. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among the member districts. Each of the school districts support LNOCA based on a per pupil charge. The School District contributed \$87,565 to LNOCA during the fiscal year 2004 which was 5.12 percent of the total revenues received by LNOCA.

The Governing Board consists of the superintendent from each of the participating school districts and the educational service center. The degree of control exercised by any participant is limited to its representation on the Governing Board. The Board exercises total control over the operation of the organization including budgeting, appropriating, contracting and designating management. A copy of LNOCA's financial statements may be obtained by contacting the Educational Service Center at 5700 West Canal Road, Valley View, Ohio 44125.

B. Ohio Schools Council Association

The Ohio Schools Council Association (Council) is a jointly governed organization among ninety-one school districts. The jointly governed organization was formed to purchase quality products and services at the lowest possible cost to the member districts. Each district supports the Council by paying an annual participation fee. The Council's Board consists of seven superintendents of the participating districts whose term rotates every year. The degree of control exercised by any school district is limited to its representation on the Board. In fiscal year 2004, the School District paid \$875 to the Council. Financial information can be obtained by contacting Dr. David A. Cottrell, the Executive Secretary/Treasurer of the Ohio Schools Council at 6133 Rockside Road, Suite 10, Independence, Ohio 44131.

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2004

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

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

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

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

Note 21 - Insurance Purchasing Pool

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

Note 22 - Subsequent Event

A 4.9 mill five-year continuing renewal levy was approved by the voters at the November 2, 2004 general election.

Combining Statements and Individual Fund Schedules

Combining Statements – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

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

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

Venture Capital Fund To account for State grant funds awarded to the School District and to schools within the School District for the purpose of curriculum improvement.

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

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

Teacher Development Fund To account for State monies spent on teacher in-service and training.

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

(continued)

Combining Statements – Nonmajor Governmental Funds (continued)

Nonmajor Special Revenue Funds (continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(continued)

Combining Statements – Nonmajor Governmental Funds (continued)

Nonmajor Debt Service Fund

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

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

Nonmajor Capital Projects Funds

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

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

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

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

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

Bedford City School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2004

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,486,382	\$1,273,394	\$395,694	\$3,155,470
Cash and Cash Equivalents with Fiscal Agent	0	0	2,891	2,891
Investments	0	185,000	0	185,000
Accounts Receivable	3,872	0	0	3,872
Intergovernmental Receivable	335,432	0	0	335,432
Inventory Held for Resale	23,755	0	0	23,755
Materials and Supplies Inventory	5,299	0	0	5,299
Taxes Receivable	0	1,218,008	628,119	1,846,127
<i>Total Assets</i>	<u>\$1,854,740</u>	<u>\$2,676,402</u>	<u>\$1,026,704</u>	<u>\$5,557,846</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$121,780	\$0	\$3,194	\$124,974
Accrued Wages and Benefits Payable	177,745	0	0	177,745
Intergovernmental Payable	38,908	0	0	38,908
Interfund Payable	854,265	0	501,429	1,355,694
Deferred Revenue	166,868	1,065,374	546,591	1,778,833
Matured Compensated Absences Payable	7,429	0	0	7,429
<i>Total Liabilities</i>	<u>1,366,995</u>	<u>1,065,374</u>	<u>1,051,214</u>	<u>3,483,583</u>
Fund Balances:				
Reserved for Encumbrances	133,186	0	62,265	195,451
Reserved for Property Taxes	0	124,622	62,601	187,223
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	354,559	0	0	354,559
Debt Service Funds	0	1,486,406	0	1,486,406
Capital Projects Funds (Deficit)	0	0	(149,376)	(149,376)
<i>Total Fund Balances (Deficit)</i>	<u>487,745</u>	<u>1,611,028</u>	<u>(24,510)</u>	<u>2,074,263</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,854,740</u>	<u>\$2,676,402</u>	<u>\$1,026,704</u>	<u>\$5,557,846</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, 2004

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Taxes	\$0	\$1,147,699	\$720,493	\$1,868,192
Intergovernmental	3,112,199	107,686	71,604	3,291,489
Interest	1,291	0	3,361	4,652
Charges for Services	797,804	0	0	797,804
Tuition and Fees	47,316	0	0	47,316
Rentals	34,046	0	0	34,046
Extracurricular Activities	228,572	0	0	228,572
Contributions and Donations	50,192	0	0	50,192
Miscellaneous	29,228	0	0	29,228
<i>Total Revenues</i>	<u>4,300,648</u>	<u>1,255,385</u>	<u>795,458</u>	<u>6,351,491</u>
Expenditures				
Current:				
Instruction:				
Regular	541,388	0	0	541,388
Special	962,934	0	0	962,934
Vocational	242,264	0	0	242,264
Support Services:				
Pupil	50,593	0	0	50,593
Instructional Staff	226,685	0	0	226,685
Administration	104,516	0	0	104,516
Business	1,896	0	0	1,896
Operation and Maintenance of Plant	3,147	0	0	3,147
Pupil Transportation	299	0	0	299
Central	8,174	0	0	8,174
Operation of Non-instructional Services:				
Food Service Operations	1,314,097	0	0	1,314,097
Other Non-instructional Services	460,734	0	0	460,734
Extracurricular Activities	199,567	0	0	199,567
Capital Outlay	0	0	2,356,466	2,356,466
Debt Service:				
Principal Retirement	0	795,000	97,214	892,214
Interest and Fiscal Charges	0	370,755	33,930	404,685
<i>Total Expenditures</i>	<u>4,116,294</u>	<u>1,165,755</u>	<u>2,487,610</u>	<u>7,769,659</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>184,354</u>	<u>89,630</u>	<u>(1,692,152)</u>	<u>(1,418,168)</u>
Other Financing Sources				
Proceeds of Leases	0	0	918,117	918,117
Transfers In	116,377	0	180,496	296,873
<i>Total Other Financing Sources</i>	<u>116,377</u>	<u>0</u>	<u>1,098,613</u>	<u>1,214,990</u>
<i>Net Change in Fund Balances</i>	300,731	89,630	(593,539)	(203,178)
<i>Fund Balances Beginning of Year</i>	<u>187,014</u>	<u>1,521,398</u>	<u>569,029</u>	<u>2,277,441</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$487,745</u>	<u>\$1,611,028</u>	<u>(\$24,510)</u>	<u>\$2,074,263</u>

Bedford City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2004

	Food Service	Uniform School Supplies	Summer School	Adult and Continuing Education
Assets				
Equity in Pooled Cash and Cash Equivalents	\$54,811	\$108,677	\$112,909	\$23,017
Accounts Receivable	5	0	0	0
Intergovernmental Receivable	104,489	0	0	0
Inventory Held for Resale	23,755	0	0	0
Materials and Supplies Inventory	5,299	0	0	0
<i>Total Assets</i>	<u>\$188,359</u>	<u>\$108,677</u>	<u>\$112,909</u>	<u>\$23,017</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$0	\$0	\$0	\$0
Accrued Wages and Benefits Payable	85,460	0	0	0
Intergovernmental Payable	13,477	0	9,957	0
Interfund Payable	187,118	0	80,870	0
Deferred Revenue	0	0	0	0
Matured Compensated Absences Payable	0	0	0	0
<i>Total Liabilities</i>	<u>286,055</u>	<u>0</u>	<u>90,827</u>	<u>0</u>
Fund Balances				
Reserved for Encumbrances	0	0	0	0
Unreserved, Undesignated (Deficit)	(97,696)	108,677	22,082	23,017
<i>Total Fund Balances (Deficit)</i>	<u>(97,696)</u>	<u>108,677</u>	<u>22,082</u>	<u>23,017</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$188,359</u>	<u>\$108,677</u>	<u>\$112,909</u>	<u>\$23,017</u>

<u>Recreation</u>	<u>Public School Support</u>	<u>Local Grants</u>	<u>Special Enterprise</u>	<u>District Managed Student Activities</u>	<u>Auxiliary Services</u>
\$16,802	\$91,646	\$59,459	\$211,884	\$49,398	\$87,436
977	0	2,500	0	390	0
0	2,040	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$17,779</u>	<u>\$93,686</u>	<u>\$61,959</u>	<u>\$211,884</u>	<u>\$49,788</u>	<u>\$87,436</u>
\$0	\$5,808	\$3,044	\$0	\$5,282	\$36,256
0	0	0	0	0	9,395
475	138	831	0	0	1,690
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>475</u>	<u>5,946</u>	<u>3,875</u>	<u>0</u>	<u>5,282</u>	<u>47,341</u>
0	6,322	4,215	0	9,746	24,352
<u>17,304</u>	<u>81,418</u>	<u>53,869</u>	<u>211,884</u>	<u>34,760</u>	<u>15,743</u>
<u>17,304</u>	<u>87,740</u>	<u>58,084</u>	<u>211,884</u>	<u>44,506</u>	<u>40,095</u>
<u>\$17,779</u>	<u>\$93,686</u>	<u>\$61,959</u>	<u>\$211,884</u>	<u>\$49,788</u>	<u>\$87,436</u>

(continued)

Bedford City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
June 30, 2004

	Education Management Information Systems	SchoolNet Professional Development	Ohio Reads Grant	Summer Intervention
Assets				
Equity in Pooled Cash and Cash Equivalents	\$10,978	\$4,140	\$48,481	\$63,927
Accounts Receivable	0	0	0	0
Intergovernmental Receivable	0	0	0	0
Inventory Held for Resale	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
<i>Total Assets</i>	<u>\$10,978</u>	<u>\$4,140</u>	<u>\$48,481</u>	<u>\$63,927</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$0	\$0	\$9,319	\$9,099
Accrued Wages and Benefits Payable	0	0	0	0
Intergovernmental Payable	0	0	238	0
Interfund Payable	0	0	96	54,726
Deferred Revenue	0	0	0	0
Matured Compensated Absences Payable	0	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>9,653</u>	<u>63,825</u>
Fund Balances				
Reserved for Encumbrances	4,017	0	33,171	30,054
Unreserved, Undesignated (Deficit)	6,961	4,140	5,657	(29,952)
<i>Total Fund Balances (Deficit)</i>	<u>10,978</u>	<u>4,140</u>	<u>38,828</u>	<u>102</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$10,978</u>	<u>\$4,140</u>	<u>\$48,481</u>	<u>\$63,927</u>

Vocational Education Enhancement	Title II	Title VI-B	Vocational Education	Title I	Title V
\$0	\$9	\$284,806	\$21,699	\$161,760	\$17,886
0	0	0	0	0	0
0	0	22,832	110,092	53,474	13,504
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$0</u>	<u>\$9</u>	<u>\$307,638</u>	<u>\$131,791</u>	<u>\$215,234</u>	<u>\$31,390</u>
\$0	\$0	\$17,480	\$4,367	\$29,539	\$902
0	0	14,160	0	50,704	0
0	0	3,257	0	5,869	0
8,363	0	257,499	110,092	103,322	13,504
0	0	22,832	48,057	53,474	13,504
0	0	0	7,429	0	0
<u>8,363</u>	<u>0</u>	<u>315,228</u>	<u>169,945</u>	<u>242,908</u>	<u>27,910</u>
0	0	3,157	6,164	4,309	3,957
<u>(8,363)</u>	<u>9</u>	<u>(10,747)</u>	<u>(44,318)</u>	<u>(31,983)</u>	<u>(477)</u>
<u>(8,363)</u>	<u>9</u>	<u>(7,590)</u>	<u>(38,154)</u>	<u>(27,674)</u>	<u>3,480</u>
<u>\$0</u>	<u>\$9</u>	<u>\$307,638</u>	<u>\$131,791</u>	<u>\$215,234</u>	<u>\$31,390</u>

(continued)

Bedford City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
June 30, 2004

	Drug Free Schools	Title VI-R	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$8,823	\$37,682	\$10,152	\$1,486,382
Accounts Receivable	0	0	0	3,872
Intergovernmental Receivable	2,484	22,798	3,719	335,432
Inventory Held for Resale	0	0	0	23,755
Materials and Supplies Inventory	0	0	0	5,299
<i>Total Assets</i>	<u>\$11,307</u>	<u>\$60,480</u>	<u>\$13,871</u>	<u>\$1,854,740</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$69	\$615	\$0	\$121,780
Accrued Wages and Benefits Payable	0	18,026	0	177,745
Intergovernmental Payable	0	2,976	0	38,908
Interfund Payable	7,057	22,899	8,719	854,265
Deferred Revenue	2,484	22,798	3,719	166,868
Matured Compensated Absences Payable	0	0	0	7,429
<i>Total Liabilities</i>	<u>9,610</u>	<u>67,314</u>	<u>12,438</u>	<u>1,366,995</u>
Fund Balances				
Reserved for Encumbrances	0	3,675	47	133,186
Unreserved, Undesignated (Deficit)	1,697	(10,509)	1,386	354,559
<i>Total Fund Balances (Deficit)</i>	<u>1,697</u>	<u>(6,834)</u>	<u>1,433</u>	<u>487,745</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$11,307</u>	<u>\$60,480</u>	<u>\$13,871</u>	<u>\$1,854,740</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, 2004

	Food Service	Uniform School Supplies	Summer School	Adult and Continuing Education
Revenues				
Intergovernmental	\$490,206	\$0	\$3,500	\$0
Interest	0	0	0	0
Charges for Services	792,140	0	0	0
Tuition and Fees	0	0	39,798	0
Rentals	0	0	0	0
Extracurricular Activities	0	0	0	0
Contributions and Donations	0	0	0	0
Miscellaneous	40	0	0	0
<i>Total Revenues</i>	<u>1,282,386</u>	<u>0</u>	<u>43,298</u>	<u>0</u>
Expenditures				
Current:				
Instruction:				
Regular	0	0	55,075	0
Special	0	0	0	0
Vocational	0	0	0	0
Support Services:				
Pupil	0	0	0	0
Instructional Staff	0	0	0	0
Administration	0	0	9,685	0
Business	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	0	0	0	0
Central	0	0	0	0
Operation of Non-Instructional Services:				
Food Service Operations	1,314,097	0	0	0
Other Non-Instructional Services	0	0	0	0
Extracurricular Activities	0	0	0	0
<i>Total Expenditures</i>	<u>1,314,097</u>	<u>0</u>	<u>64,760</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(31,711)	0	(21,462)	0
Other Financing Sources				
Transfers In	0	0	18,050	0
<i>Net Change in Fund Balances</i>	(31,711)	0	(3,412)	0
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>(65,985)</u>	<u>108,677</u>	<u>25,494</u>	<u>23,017</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>(\$97,696)</u></u>	<u><u>\$108,677</u></u>	<u><u>\$22,082</u></u>	<u><u>\$23,017</u></u>

(continued)

Bedford City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Fiscal Year Ended June 30, 2004

	Recreation	Public School Support	Local Grants	Special Enterprise
Revenues				
Intergovernmental	\$0	\$0	\$41,353	\$0
Interest	0	0	0	0
Charges for Services	5,664	0	0	0
Tuition and Fees	0	7,518	0	0
Rentals	5,941	0	0	28,105
Extracurricular Activities	0	134,473	0	0
Contributions and Donations	0	6,071	25,840	0
Miscellaneous	0	29,269	0	0
<i>Total Revenues</i>	<u>11,605</u>	<u>177,331</u>	<u>67,193</u>	<u>28,105</u>
Expenditures				
Current:				
Instruction:				
Regular	0	166,121	6,178	0
Special	0	0	0	0
Vocational	0	452	29,381	0
Support Services:				
Pupil	0	250	0	0
Instructional Staff	0	3,271	1,734	0
Administration	0	2,014	0	0
Business	0	1,896	0	0
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	0	0	299	0
Central	0	1,377	0	0
Operation of Non-Instructional Services:				
Food Service Operations	0	0	0	0
Other Non-Instructional Services	8,690	0	1,927	0
Extracurricular Activities	0	2,070	0	0
<i>Total Expenditures</i>	<u>8,690</u>	<u>177,451</u>	<u>39,519</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	2,915	(120)	27,674	28,105
Other Financing Sources				
Transfers In	0	2,800	0	0
<i>Net Change in Fund Balances</i>	2,915	2,680	27,674	28,105
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>14,389</u>	<u>85,060</u>	<u>30,410</u>	<u>183,779</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$17,304</u>	<u>\$87,740</u>	<u>\$58,084</u>	<u>\$211,884</u>

Venture Capital	District Managed Student Activities	Auxiliary Services	Education Management Information Systems	Entry Year Teachers	Disadvantaged Pupil Impact Aid
\$0	\$0	\$429,058	\$14,173	\$14,300	\$175,722
0	0	1,291	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	94,099	0	0	0	0
0	18,281	0	0	0	0
(81)	0	0	0	0	0
(81)	112,380	430,349	14,173	14,300	175,722
0	0	0	0	0	0
0	0	0	0	0	174,000
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	58,766	14,300	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	1,722
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	402,029	0	0	0
0	197,497	0	0	0	0
0	197,497	402,029	58,766	14,300	175,722
(81)	(85,117)	28,320	(44,593)	0	0
0	95,500	0	0	0	0
(81)	10,383	28,320	(44,593)	0	0
81	34,123	11,775	55,571	0	0
\$0	\$44,506	\$40,095	\$10,978	\$0	\$0

(continued)

Bedford City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Fiscal Year Ended June 30, 2004

	<u>Data</u> <u>Communications</u>	<u>SchoolNet</u> <u>Professional</u> <u>Development</u>	<u>Ohio</u> <u>Reads</u> <u>Grant</u>	<u>Summer</u> <u>Intervention</u>
Revenues				
Intergovernmental	\$21,000	\$4,140	\$64,743	\$31,379
Interest	0	0	0	0
Charges for Services	0	0	0	0
Tuition and Fees	0	0	0	0
Rentals	0	0	0	0
Extracurricular Activities	0	0	0	0
Contributions and Donations	0	0	0	0
Miscellaneous	0	0	0	0
<i>Total Revenues</i>	<u>21,000</u>	<u>4,140</u>	<u>64,743</u>	<u>31,379</u>
Expenditures				
Current:				
Instruction:				
Regular	0	4,600	37,927	31,277
Special	0	0	0	0
Vocational	0	0	0	0
Support Services:				
Pupil	0	0	0	0
Instructional Staff	21,000	0	0	0
Administration	0	0	0	0
Business	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	0	0	0	0
Central	0	0	0	0
Operation of Non-Instructional Services:				
Food Service Operations	0	0	0	0
Other Non-Instructional Services	0	0	0	0
Extracurricular Activities	0	0	0	0
<i>Total Expenditures</i>	<u>21,000</u>	<u>4,600</u>	<u>37,927</u>	<u>31,277</u>
<i>Excess of Revenues Over</i> <i>(Under) Expenditures</i>	0	(460)	26,816	102
Other Financing Sources				
Transfers In	0	0	0	0
<i>Net Change in Fund Balances</i>	0	(460)	26,816	102
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>0</u>	<u>4,600</u>	<u>12,012</u>	<u>0</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$0</u>	<u>\$4,140</u>	<u>\$38,828</u>	<u>\$102</u>

Vocational Education Enhancement	Miscellaneous State Grants	Title II	Title VI-B	Vocational Education	Title III
\$12,356	\$2,802	\$0	\$660,935	\$178,117	\$6,963
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	(1,173)	0	0	0
12,356	2,802	(1,173)	660,935	178,117	6,963
0	0	0	0	0	9,883
0	0	0	311,503	0	0
16,923	0	0	56,516	138,992	0
0	0	0	36,034	14,309	0
0	688	5,773	26,332	14,770	0
0	400	0	85,611	6,806	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	3,888	0	0	2,909	0
0	0	0	0	0	0
0	0	0	13,436	0	0
0	0	0	0	0	0
16,923	4,976	5,773	529,432	177,786	9,883
(4,567)	(2,174)	(6,946)	131,503	331	(2,920)
0	0	0	0	0	0
(4,567)	(2,174)	(6,946)	131,503	331	(2,920)
(3,796)	2,174	6,955	(139,093)	(38,485)	2,920
(\$8,363)	\$0	\$9	(\$7,590)	(\$38,154)	\$0

(continued)

Bedford City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Fiscal Year Ended June 30, 2004

	Title I	Title V	Drug Free Schools	Preschool Handicapped
Revenues				
Intergovernmental	\$682,073	\$19,550	\$17,838	\$35,411
Interest	0	0	0	0
Charges for Services	0	0	0	0
Tuition and Fees	0	0	0	0
Rentals	0	0	0	0
Extracurricular Activities	0	0	0	0
Contributions and Donations	0	0	0	0
Miscellaneous	0	0	0	0
<i>Total Revenues</i>	<u>682,073</u>	<u>19,550</u>	<u>17,838</u>	<u>35,411</u>
Expenditures				
Current:				
Instruction:				
Regular	91,042	13,144	2,854	0
Special	477,431	0	0	0
Vocational	0	0	0	0
Support Services:				
Pupil	0	0	0	0
Instructional Staff	9,592	1,612	7,371	31,135
Administration	0	0	0	0
Business	0	0	0	0
Operation and Maintenance of Plant	0	0	1,425	0
Pupil Transportation	0	0	0	0
Central	0	0	0	0
Operation of Non-Instructional Services:				
Food Service Operations	0	0	0	0
Other Non-Instructional Services	31,611	2,306	41	0
Extracurricular Activities	0	0	0	0
<i>Total Expenditures</i>	<u>609,676</u>	<u>17,062</u>	<u>11,691</u>	<u>31,135</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	72,397	2,488	6,147	4,276
Other Financing Sources				
Transfers In	27	0	0	0
<i>Net Change in Fund Balances</i>	72,424	2,488	6,147	4,276
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>(100,098)</u>	<u>992</u>	<u>(4,450)</u>	<u>(4,276)</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>(\$27,674)</u></u>	<u><u>\$3,480</u></u>	<u><u>\$1,697</u></u>	<u><u>\$0</u></u>

Title VI-R	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$189,584	\$16,996	\$3,112,199
0	0	1,291
0	0	797,804
0	0	47,316
0	0	34,046
0	0	228,572
0	0	50,192
1,173	0	29,228
190,757	16,996	4,300,648
123,197	90	541,388
0	0	962,934
0	0	242,264
0	0	50,593
19,758	10,583	226,685
0	0	104,516
0	0	1,896
0	0	3,147
0	0	299
0	0	8,174
0	0	1,314,097
694	0	460,734
0	0	199,567
143,649	10,673	4,116,294
47,108	6,323	184,354
0	0	116,377
47,108	6,323	300,731
(53,942)	(4,890)	187,014
(\$6,834)	\$1,433	\$487,745

Bedford City School District
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2004

	Permanent Improvement	Building	Capital Repalcement	Vocational Equipment	Total Nonmajor Capital Projects Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	\$137,943	\$65,626	\$180,496	\$11,629	\$395,694
Cash and Cash Equivalents with Fiscal Agent	0	2,891	0	0	2,891
Taxes Receivable	628,119	0	0	0	628,119
<i>Total Assets</i>	<u>\$766,062</u>	<u>\$68,517</u>	<u>\$180,496</u>	<u>\$11,629</u>	<u>\$1,026,704</u>
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	\$1,802	\$0	\$0	\$1,392	\$3,194
Interfund Payable	501,429	0	0	0	501,429
Deferred Revenue	546,591	0	0	0	546,591
<i>Total Liabilities</i>	<u>1,049,822</u>	<u>0</u>	<u>0</u>	<u>1,392</u>	<u>1,051,214</u>
Fund Balances:					
Reserved for Encumbrances	0	62,265	0	0	62,265
Reserved for Property Taxes	62,601	0	0	0	62,601
Unreserved, Undesignated (Deficit)	(346,361)	6,252	180,496	10,237	(149,376)
<i>Total Fund Balances (Deficit)</i>	<u>(283,760)</u>	<u>68,517</u>	<u>180,496</u>	<u>10,237</u>	<u>(24,510)</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$766,062</u>	<u>\$68,517</u>	<u>\$180,496</u>	<u>\$11,629</u>	<u>\$1,026,704</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, 2004

	Permanent Improvement	Building	Capital Replacement	Vocational Equipment	Total Nonmajor Capital Projects Funds
Revenues					
Taxes	\$589,349	\$131,144	\$0	\$0	\$720,493
Intergovernmental	71,604	0	0	0	71,604
Interest	0	3,361	0	0	3,361
<i>Total Revenues</i>	<u>660,953</u>	<u>134,505</u>	<u>0</u>	<u>0</u>	<u>795,458</u>
Expenditures					
Capital Outlay	1,230,691	899,393	198,529	27,853	2,356,466
Debt Service:					
Principal Retirement	0	97,214	0	0	97,214
Interest and Fiscal Charges	0	33,930	0	0	33,930
<i>Total Expenditures</i>	<u>1,230,691</u>	<u>1,030,537</u>	<u>198,529</u>	<u>27,853</u>	<u>2,487,610</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(569,738)</u>	<u>(896,032)</u>	<u>(198,529)</u>	<u>(27,853)</u>	<u>(1,692,152)</u>
Other Financing Sources					
Proceeds of Leases	0	918,117	0	0	918,117
Transfers In	0	0	180,496	0	180,496
<i>Total Other Financing Sources</i>	<u>0</u>	<u>918,117</u>	<u>180,496</u>	<u>0</u>	<u>1,098,613</u>
<i>Net Change in Fund Balances</i>	(569,738)	22,085	(18,033)	(27,853)	(593,539)
<i>Fund Balances Beginning of Year</i>	<u>285,978</u>	<u>46,432</u>	<u>198,529</u>	<u>38,090</u>	<u>569,029</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>(\$283,760)</u></u>	<u><u>\$68,517</u></u>	<u><u>\$180,496</u></u>	<u><u>\$10,237</u></u>	<u><u>(\$24,510)</u></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 State monies to be used to assist with the costs of belonging to a computer consortium class "A" Department of Education computer network site.

Bedford City School District
Combining Statement of Fund Net Assets
Internal Service Funds
June 30, 2004

	Self Insurance	Computer Network	Total Internal Service Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$1,163,547	\$578	\$1,164,125
Liabilities			
Claims Payable	435,120	0	435,120
Net Assets			
Unrestricted	\$728,427	\$578	\$729,005

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, 2004*

	Self Insurance	Computer Network	Total Internal Service Funds
Operating Revenues			
Charges for Services	\$1,194,357	\$0	\$1,194,357
Operating Expenses			
Purchased Services	227,171	0	227,171
Claims	1,030,308	0	1,030,308
<i>Total Operating Expenses</i>	<u>1,257,479</u>	<u>0</u>	<u>1,257,479</u>
<i>Change in Net Assets</i>	(63,122)	0	(63,122)
<i>Net Assets Beginning of Year</i>	<u>791,549</u>	<u>578</u>	<u>792,127</u>
<i>Net Assets End of Year</i>	<u>\$728,427</u>	<u>\$578</u>	<u>\$729,005</u>

Bedford City School District
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2004

	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	\$1,194,357	\$0	\$1,194,357
Cash Payments for Purchased Services	(227,171)	0	(227,171)
Cash Payments for Claims	(854,598)	0	(854,598)
<i>Net Increase in Cash and Cash Equivalents</i>	112,588	0	112,588
<i>Cash and Cash Equivalents Beginning of Year</i>	1,050,959	578	1,051,537
<i>Cash and Cash Equivalents End of Year</i>	<u>\$1,163,547</u>	<u>\$578</u>	<u>\$1,164,125</u>
 Reconciliation of Operating Loss to Net Cash Provided by Operating Activities			
Operating Loss	(\$63,122)	\$0	(\$63,122)
<i>Adjustments:</i>			
Increase in Claims Payable	175,710	0	175,710
<i>Net Cash Provided by Operating Activities</i>	<u>\$112,588</u>	<u>\$0</u>	<u>\$112,588</u>

Agency Fund

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

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

Bedford City School District
Statement of Changes in Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2004

	Beginning Balance June 30, 2003	Additions	Reductions	Ending Balance June 30, 2004
Student Activities Fund				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$36,588	\$91,655	\$97,376	\$30,867
Liabilities				
Accounts Payable	\$314	\$72	\$314	\$72
Due to Students	36,274	91,969	97,448	30,795
<i>Total Liabilities</i>	<u>\$36,588</u>	<u>\$92,041</u>	<u>\$97,762</u>	<u>\$30,867</u>

**Individual Fund Schedules of Revenues,
Expenditures/Expenses and Changes in
Fund Balance/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, 2004

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Taxes	\$32,190,191	\$28,852,562	\$28,982,915	\$130,353
Intergovernmental	4,196,529	7,476,526	7,476,526	0
Interest	95,113	159,786	169,454	9,668
Tuition and Fees	620,446	1,104,612	1,105,386	774
Rentals	2,457	4,378	4,378	0
Miscellaneous	59,394	117,027	115,818	(1,209)
<i>Total Revenues</i>	<u>37,164,130</u>	<u>37,714,891</u>	<u>37,854,477</u>	<u>139,586</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	10,823,435	10,369,578	10,367,371	2,207
Fringe Benefits	3,340,183	3,219,968	3,189,290	30,678
Purchased Services	478,243	1,242,262	1,204,592	37,670
Materials and Supplies	514,383	881,750	808,875	72,875
Capital Outlay - New	1,000	20,065	17,860	2,205
Capital Outlay - Replacement	13,900	7,171	7,171	0
Other	8,826	10,210	8,937	1,273
Total Regular	<u>15,179,970</u>	<u>15,751,004</u>	<u>15,604,096</u>	<u>146,908</u>
Special:				
Salaries and Wages	2,965,448	3,084,682	2,910,682	174,000
Fringe Benefits	824,313	814,609	814,609	0
Purchased Services	28,000	19,330	19,330	0
Materials and Supplies	9,780	13,612	13,612	0
Capital Outlay - New	0	1,475	1,475	0
Other	5,500	6,179	6,179	0
Total Special	<u>3,833,041</u>	<u>3,939,887</u>	<u>3,765,887</u>	<u>174,000</u>
Vocational:				
Salaries and Wages	969,318	992,455	992,455	0
Fringe Benefits	309,738	300,452	300,452	0
Purchased Services	6,000	6,784	6,784	0
Materials and Supplies	32,912	43,746	43,746	0
Capital Outlay - New	11,850	12,400	12,400	0
Capital Outlay - Replacement	6,500	12,865	12,865	0
Total Vocational	<u>1,336,318</u>	<u>1,368,702</u>	<u>1,368,702</u>	<u>0</u>
Total Instruction	<u>\$20,349,329</u>	<u>\$21,059,593</u>	<u>\$20,738,685</u>	<u>\$320,908</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, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Support Services:				
Pupils:				
Salaries and Wages	\$1,531,283	\$1,531,283	\$1,527,037	\$4,246
Fringe Benefits	471,953	457,134	457,134	0
Purchased Services	504,535	629,296	629,263	33
Materials and Supplies	130,315	173,997	172,215	1,782
Capital Outlay - New	17,400	20,584	19,050	1,534
Capital Outlay - Replacement	1,000	2,500	2,358	142
Other	400	1,114	973	141
Total Pupils	<u>2,656,886</u>	<u>2,815,908</u>	<u>2,808,030</u>	<u>7,878</u>
Instructional Staff:				
Salaries and Wages	841,853	841,853	808,730	33,123
Fringe Benefits	303,393	295,713	295,713	0
Purchased Services	169,805	213,856	167,407	46,449
Materials and Supplies	101,090	161,736	154,243	7,493
Capital Outlay - New	37,260	71,545	67,088	4,457
Capital Outlay - Replacement	3,000	17,235	17,235	0
Other	2,650	9,129	9,097	32
Total Instructional Staff	<u>1,459,051</u>	<u>1,611,067</u>	<u>1,519,513</u>	<u>91,554</u>
Board of Education:				
Salaries and Wages	15,000	14,445	14,445	0
Fringe Benefits	750	11,796	11,796	0
Purchased Services	162,000	213,532	213,532	0
Materials and Supplies	1,000	284	284	0
Other	6,000	6,570	6,570	0
Total Board of Education	<u>184,750</u>	<u>246,627</u>	<u>246,627</u>	<u>0</u>
Administration:				
Salaries and Wages	2,020,600	2,062,597	2,062,597	0
Fringe Benefits	895,767	881,724	881,724	0
Purchased Services	142,400	143,778	106,382	37,396
Materials and Supplies	61,775	76,297	71,565	4,732
Capital Outlay - New	18,500	29,069	25,444	3,625
Capital Outlay - Replacement	3,000	5,680	5,680	0
Other	99,575	48,615	42,074	6,541
Total Administration	<u>\$3,241,617</u>	<u>\$3,247,760</u>	<u>\$3,195,466</u>	<u>\$52,294</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, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Fiscal:				
Salaries and Wages	\$324,435	\$352,383	\$352,383	\$0
Fringe Benefits	112,811	117,270	117,270	0
Purchased Services	144,000	194,639	194,639	0
Materials and Supplies	10,500	18,185	18,185	0
Capital Outlay - New	5,000	4,269	4,269	0
Capital Outlay - Replacement	5,000	7,842	7,842	0
Other	745,000	769,890	759,654	10,236
Total Fiscal	1,346,746	1,464,478	1,454,242	10,236
Business:				
Salaries and Wages	245,874	263,331	263,331	0
Fringe Benefits	88,031	91,240	91,240	0
Purchased Services	51,800	53,591	53,591	0
Materials and Supplies	21,750	25,904	25,904	0
Capital Outlay - New	5,500	34,945	34,945	0
Other	16,300	2,393	2,393	0
Total Business	429,255	471,404	471,404	0
Operation and Maintenance of Plant:				
Salaries and Wages	2,336,689	2,384,724	2,383,002	1,722
Fringe Benefits	978,435	927,091	926,884	207
Purchased Services	2,602,688	2,683,030	2,677,965	5,065
Materials and Supplies	269,575	301,925	301,590	335
Capital Outlay - New	117,500	64,203	64,203	0
Capital Outlay - Replacement	60,500	59,472	59,472	0
Other	4,800	6,291	6,291	0
Total Operation and Maintenance of Plant	6,370,187	6,426,736	6,419,407	7,329
Pupil Transportation:				
Salaries and Wages	1,893,151	2,017,532	2,017,532	0
Fringe Benefits	446,577	535,666	535,666	0
Purchased Services	316,350	275,792	265,383	10,409
Materials and Supplies	337,950	357,596	347,012	10,584
Capital Outlay - Replacement	423,500	484,070	484,070	0
Other	0	4,635	4,634	1
Total Pupil Transportation	\$3,417,528	\$3,675,291	\$3,654,297	\$20,994

(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, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Central:				
Salaries and Wages	\$128,508	\$134,396	\$134,396	\$0
Fringe Benefits	53,509	55,723	55,723	0
Purchased Services	35,300	91,368	91,368	0
Materials and Supplies	4,700	3,524	3,524	0
Capital Outlay - New	500	230	230	0
Capital Outlay - Replacement	1,000	1,000	1,000	0
Total Central	<u>223,517</u>	<u>286,241</u>	<u>286,241</u>	<u>0</u>
Total Support Services	<u>19,329,537</u>	<u>20,245,512</u>	<u>20,055,227</u>	<u>190,285</u>
Extracurricular Activities:				
Academic and Subject Oriented:				
Salaries and Wages	29,408	39,534	39,534	0
Fringe Benefits	<u>0</u>	<u>2,601</u>	<u>2,601</u>	<u>0</u>
Total Academic and Subject Oriented	<u>29,408</u>	<u>42,135</u>	<u>42,135</u>	<u>0</u>
Occupation Oriented:				
Salaries and Wages	3,513	4,236	4,236	0
Fringe Benefits	<u>0</u>	<u>6</u>	<u>6</u>	<u>0</u>
Total Occupation Oriented	<u>3,513</u>	<u>4,242</u>	<u>4,242</u>	<u>0</u>
Sports Oriented:				
Salaries and Wages	277,101	717,594	325,159	392,435
Fringe Benefits	<u>0</u>	<u>39,767</u>	<u>39,767</u>	<u>0</u>
Total Sports Oriented	<u>277,101</u>	<u>757,361</u>	<u>364,926</u>	<u>392,435</u>
School and Public Service Oriented:				
Salaries and Wages	26,010	30,135	30,135	0
Fringe Benefits	<u>0</u>	<u>7,049</u>	<u>7,049</u>	<u>0</u>
Total School and Public Service Oriented	<u>26,010</u>	<u>37,184</u>	<u>37,184</u>	<u>0</u>
Total Extracurricular Activities	<u>\$336,032</u>	<u>\$840,922</u>	<u>\$448,487</u>	<u>\$392,435</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, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Debt Service:				
Principal Retirement	\$90,000	\$187,214	\$187,214	\$0
Interest and Fiscal Charges	10,800	54,968	54,845	123
Total Debt Service	<u>100,800</u>	<u>242,182</u>	<u>242,059</u>	<u>123</u>
<i>Total Expenditures</i>	<u>40,115,698</u>	<u>42,388,209</u>	<u>41,484,458</u>	<u>903,751</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(2,951,568)</u>	<u>(4,673,318)</u>	<u>(3,629,981)</u>	<u>1,043,337</u>
Other Financing Sources (Uses)				
Contingencies	(43,500)	(2,700)	0	2,700
Advances In	1,256,905	2,183,300	2,183,300	0
Advances Out	(125,000)	(1,355,694)	(1,355,694)	0
Transfers Out	(129,000)	(300,108)	(296,873)	3,235
<i>Total Other Financing Sources (Uses)</i>	<u>959,405</u>	<u>524,798</u>	<u>530,733</u>	<u>5,935</u>
<i>Net Change in Fund Balance</i>	<u>(1,992,163)</u>	<u>(4,148,520)</u>	<u>(3,099,248)</u>	<u>1,049,272</u>
<i>Fund Balance Beginning of Year</i>	8,087,933	8,087,933	8,087,933	0
Prior Year Encumbrances Appropriated	<u>1,097,341</u>	<u>1,097,341</u>	<u>1,097,341</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$7,193,111</u></u>	<u><u>\$5,036,754</u></u>	<u><u>\$6,086,026</u></u>	<u><u>\$1,049,272</u></u>

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Food Service Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$384,803	\$398,127	\$398,127	\$0
Charges for Services	768,843	794,800	795,463	663
Miscellaneous	39	40	40	0
	<u>1,153,685</u>	<u>1,192,967</u>	<u>1,193,630</u>	<u>663</u>
<i>Support Services:</i>				
	<u>1,153,685</u>	<u>1,192,967</u>	<u>1,193,630</u>	<u>663</u>
Expenditures				
Current:				
Operation of Non-Instructional Services:				
Food Services Operations:				
Salaries and Wages	555,514	555,514	555,462	52
Fringe Benefits	175,577	175,577	172,807	2,770
Purchased Services	10,255	10,255	8,447	1,808
Materials and Supplies	573,120	648,946	624,108	24,838
Capital Outlay - New	384	384	384	0
	<u>1,314,850</u>	<u>1,390,676</u>	<u>1,361,208</u>	<u>29,468</u>
<i>Total Expenditures</i>	<u>1,314,850</u>	<u>1,390,676</u>	<u>1,361,208</u>	<u>29,468</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(161,165)</u>	<u>(197,709)</u>	<u>(167,578)</u>	<u>30,131</u>
Other Financing Sources (Uses)				
Advances In	180,856	187,118	187,118	0
Advances Out	(200,000)	(200,000)	(200,000)	0
	<u>(19,144)</u>	<u>(12,882)</u>	<u>(12,882)</u>	<u>0</u>
<i>Total Other Financing Sources (Uses)</i>	<u>(19,144)</u>	<u>(12,882)</u>	<u>(12,882)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(180,309)</u>	<u>(210,591)</u>	<u>(180,460)</u>	<u>30,131</u>
<i>Fund Balance Beginning of Year</i>	159,445	159,445	159,445	0
Prior Year Encumbrances Appropriated	75,826	75,826	75,826	0
<i>Fund Balance End of Year</i>	<u>\$54,962</u>	<u>\$24,680</u>	<u>\$54,811</u>	<u>\$30,131</u>

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Uniform School Supplies Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$17,875	\$0	\$0	\$0
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	17,875	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>108,677</u>	<u>108,677</u>	<u>108,677</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$126,552</u></u>	<u><u>\$108,677</u></u>	<u><u>\$108,677</u></u>	<u><u>\$0</u></u>

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Summer School Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$1,464	\$3,500	\$3,500	\$0
Tuition and Fees	16,646	30,988	39,798	8,810
<i>Total Revenues</i>	18,110	34,488	43,298	8,810
<i>Support Services:</i>				
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	45,969	92,180	41,660	50,520
Fringe Benefits	8,266	14,977	7,491	7,486
Purchased Services	1,390	3,760	1,260	2,500
Materials and Supplies	1,103	3,037	1,000	2,037
Total Instruction	56,728	113,954	51,411	62,543
Support Services:				
Administration:				
Salaries and Wages	10,031	14,093	9,091	5,002
Fringe Benefits	1,990	3,165	1,803	1,362
Total Administration	12,021	17,258	10,894	6,364
Pupil Transportation:				
Purchased Services	0	11,000	0	11,000
Total Support Services	12,021	28,258	10,894	17,364
<i>Total Expenditures</i>	68,749	142,212	62,305	79,907
<i>Excess of Revenues Under Expenditures</i>	(50,639)	(107,724)	(19,007)	88,717
Other Financing Sources				
Advances In	33,826	80,870	80,870	0
Transfers In	7,550	18,050	18,050	0
<i>Total Other Financing Sources</i>	41,376	98,920	98,920	0
<i>Net Change in Fund Balance</i>	(9,263)	(8,804)	79,913	88,717
<i>Fund Balance Beginning of Year</i>	32,996	32,996	32,996	0
<i>Fund Balance End of Year</i>	\$23,733	\$24,192	\$112,909	\$88,717

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, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Tuition and Fees	\$34,796	\$0	\$0	\$0
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	34,796	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>23,017</u>	<u>23,017</u>	<u>23,017</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$57,813</u></u>	<u><u>\$23,017</u></u>	<u><u>\$23,017</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
Recreation Fund
For the Fiscal Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$6,751	\$5,664	\$5,664	\$0
Rentals	7,191	6,034	6,034	0
<i>Total Revenue</i>	<u>13,942</u>	<u>11,698</u>	<u>11,698</u>	<u>0</u>
Support Services:				
Expenditures				
Current:				
Operation of Non-Instructional Services:				
Community Recreation Services:				
Salaries and Wages	8,500	8,500	7,299	1,201
Fringe Benefits	1,650	1,650	1,271	379
Purchased Services	700	700	56	644
Materials and Supplies	600	600	90	510
Capital Outlay - New	1,000	1,000	0	1,000
<i>Total Expenditures</i>	<u>12,450</u>	<u>12,450</u>	<u>8,716</u>	<u>3,734</u>
<i>Net Change in Fund Balance</i>	1,492	(752)	2,982	3,734
<i>Fund Balance Beginning of Year</i>	<u>13,820</u>	<u>13,820</u>	<u>13,820</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$15,312</u>	<u>\$13,068</u>	<u>\$16,802</u>	<u>\$3,734</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, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Tuition and Fees	\$5,991	\$5,472	\$5,478	\$6
Extracurricular Activities	147,066	134,455	134,473	18
Contributions and Donations	6,640	6,071	6,071	0
Miscellaneous	32,021	27,811	29,269	1,458
Support Services:				
<i>Total Revenues</i>	<u>191,718</u>	<u>173,809</u>	<u>175,291</u>	<u>1,482</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Purchased Services	14,684	120,601	106,856	13,745
Materials and Supplies	31,622	86,542	54,780	31,762
Capital Outlay - New	300	287	154	133
Capital Outlay - Replacement	262	262	0	262
Other	3,999	24,179	18,953	5,226
Total Regular	<u>50,867</u>	<u>231,871</u>	<u>180,743</u>	<u>51,128</u>
Vocational:				
Materials and Supplies	397	1,684	452	1,232
Total Instruction	<u>51,264</u>	<u>233,555</u>	<u>181,195</u>	<u>52,360</u>
Support Services:				
Pupils:				
Materials and Supplies	250	250	250	0
Instructional Staff:				
Salaries and Wages	211	10,624	180	10,444
Fringe Benefits	860	3,227	1,108	2,119
Purchased Services	4,160	2,500	2,200	300
Materials and Supplies	360	2,686	775	1,911
Other	0	16	0	16
Total Instructional Staff	<u>\$5,591</u>	<u>\$19,053</u>	<u>\$4,263</u>	<u>\$14,790</u>

(continued)

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Public School Support Fund (continued)
For the Fiscal Year Ended June 30, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Administration:				
Purchased Services	\$1,177	\$1,177	\$0	\$1,177
Materials and Supplies	3,039	5,573	2,719	2,854
Other	11,970	0	0	0
Total Administration	<u>16,186</u>	<u>6,750</u>	<u>2,719</u>	<u>4,031</u>
Business:				
Materials and Supplies	712	6,080	2,933	3,147
Capital Outlay - New	116	200	77	123
Total Business	<u>828</u>	<u>6,280</u>	<u>3,010</u>	<u>3,270</u>
Central:				
Other	29	1,433	1,377	56
Total Support Services	<u>22,884</u>	<u>33,766</u>	<u>11,619</u>	<u>22,147</u>
Extracurricular Activities:				
School and Public Service Oriented:				
Other	878	5,779	2,070	3,709
<i>Total Expenditures</i>	<u>75,026</u>	<u>273,100</u>	<u>194,884</u>	<u>78,216</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>116,692</u>	<u>(99,291)</u>	<u>(19,593)</u>	<u>79,698</u>
Other Financing Sources (Uses)				
Advances Out	0	(10,000)	(10,000)	0
Transfers In	3,062	2,800	2,800	0
<i>Total Other Financing Sources (Uses)</i>	<u>3,062</u>	<u>(7,200)</u>	<u>(7,200)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	119,754	(106,491)	(26,793)	79,698
<i>Fund Balance Beginning of Year</i>	85,027	85,027	85,027	0
Prior Year Encumbrances Appropriated	<u>21,465</u>	<u>21,465</u>	<u>21,465</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$226,246</u>	<u>\$1</u>	<u>\$79,699</u>	<u>\$79,698</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, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$37,249	\$41,353	\$41,353	\$0
Contributions and Donations	25,154	28,240	28,240	0
<i>Total Revenues</i>	<u>62,403</u>	<u>69,593</u>	<u>69,593</u>	<u>0</u>
Support Services:				
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	450	2,523	450	2,073
Purchased Services	0	427	0	427
Materials and Supplies	1,724	4,507	3,277	1,230
Other	0	3,000	2,869	131
Total Regular	<u>2,174</u>	<u>10,457</u>	<u>6,596</u>	<u>3,861</u>
Vocational:				
Salaries and Wages	320	2,807	0	2,807
Fringe Benefits	0	513	50	463
Purchased Services	244	7,669	7,669	0
Materials and Supplies	0	24,344	24,283	61
Capital Outlay - New	0	6,231	6,231	0
Total Vocational	<u>564</u>	<u>41,564</u>	<u>38,233</u>	<u>3,331</u>
Total Instruction	<u>2,738</u>	<u>52,021</u>	<u>44,829</u>	<u>7,192</u>
Support Services:				
Instructional Staff:				
Salaries and Wages	0	600	400	200
Fringe Benefits	19	19	0	19
Purchased Services	0	1,500	650	850
Materials and Supplies	0	2,000	1,234	766
Total Instructional Staff	19	4,119	2,284	1,835
Pupil Transportation:				
Purchased Services	410	299	299	0
Total Support Services	<u>\$429</u>	<u>\$4,418</u>	<u>\$2,583</u>	<u>\$1,835</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, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Operation of Non-Instructional Services:				
Community Services				
Other	\$19,775	\$28,358	\$5,335	\$23,023
<i>Total Expenditures</i>	<u>22,942</u>	<u>84,797</u>	<u>52,747</u>	<u>32,050</u>
<i>Net Change in Fund Balance</i>	39,461	(15,204)	16,846	32,050
<i>Fund Balance Beginning of Year</i>	22,941	22,941	22,941	0
Prior Year Encumbrances Appropriated	<u>12,413</u>	<u>12,413</u>	<u>12,413</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$74,815</u></u>	<u><u>\$20,150</u></u>	<u><u>\$52,200</u></u>	<u><u>\$32,050</u></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, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Rentals	\$42,693	\$35,188	\$35,189	\$1
Expenditures				
Current:				
Support Services:				
Business:				
Other	12,279	12,279	0	12,279
<i>Net Change in Fund Balance</i>	30,414	22,909	35,189	(12,278)
<i>Fund Balance Beginning of Year</i>	176,695	176,695	176,695	0
<i>Fund Balance End of Year</i>	<u>\$207,109</u>	<u>\$199,604</u>	<u>\$211,884</u>	<u>\$12,280</u>

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Venture Capital Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Miscellaneous	\$25,000	(\$81)	(\$81)	\$0
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	25,000	(81)	(81)	0
<i>Fund Balance Beginning of Year</i>	<u>81</u>	<u>81</u>	<u>81</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$25,081</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
District Managed Student Activities Fund
For the Fiscal Year Ended June 30, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Extracurricular Activities	\$118,695	\$93,625	\$93,715	\$90
Contributions and Donations	29,329	18,281	18,281	0
<i>Support Services:</i>	148,024	111,906	111,996	90
Expenditures				
Current:				
Extracurricular Activities:				
Academic and Subject Oriented:				
Salaries and Wages	182	182	0	182
Purchased Services	465	1,532	706	826
Materials and Supplies	949	10,415	9,232	1,183
Other	19	19	0	19
Total Academic and Subject Oriented	1,615	12,148	9,938	2,210
Occupational Oriented:				
Purchased Services	1,460	1,460	0	1,460
Materials and Supplies	1,941	2,889	1,073	1,816
Total Occupational Oriented	3,401	4,349	1,073	3,276
Sport Oriented Activities:				
Salaries and Wages	1,007	6,283	6,155	128
Fringe Benefits	19	812	774	38
Purchased Services	7,531	65,488	65,188	300
Materials and Supplies	10,665	88,786	81,296	7,490
Capital Outlay - New	730	11,040	638	10,402
Capital Outlay - Replacement	0	565	131	434
Total Sport Oriented Activities	\$19,952	\$172,974	\$154,182	\$18,792

(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, 2004

	<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	\$5,667	\$46,259	\$44,904	\$1,355
Materials and Supplies	6,832	19,123	11,004	8,119
Capital Outlay - New	335	3	0	3
Other	389	1,230	705	525
Total School and Public Service Oriented	<u>13,223</u>	<u>66,615</u>	<u>56,613</u>	<u>10,002</u>
<i>Total Expenditures</i>	<u>38,191</u>	<u>256,086</u>	<u>221,806</u>	<u>34,280</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>109,833</u>	<u>(144,180)</u>	<u>(109,810)</u>	<u>34,370</u>
Other Financing Sources (Uses)				
Advances Out	0	(55,000)	(55,000)	0
Transfers In	100,977	95,500	95,500	0
<i>Total Other Financing Sources (Uses)</i>	<u>100,977</u>	<u>40,500</u>	<u>40,500</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	210,810	(103,680)	(69,310)	34,370
<i>Fund Balance Beginning of Year</i>	93,191	93,191	93,191	0
Prior Year Encumbrances Appropriated	<u>10,769</u>	<u>10,769</u>	<u>10,769</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$314,770</u></u>	<u><u>\$280</u></u>	<u><u>\$34,650</u></u>	<u><u>\$34,370</u></u>

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Auxiliary Services Fund
For the Fiscal Year Ended June 30, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$439,568	\$429,058	\$429,058	\$0
Interest	1,312	1,172	1,291	119
<i>Total Revenues</i>	<u>440,880</u>	<u>430,230</u>	<u>430,349</u>	<u>119</u>
Support Services:				
Expenditures				
Current:				
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	100,176	88,169	76,584	11,585
Fringe Benefits	20,130	15,993	14,565	1,428
Purchased Services	222,487	243,416	242,514	902
Materials and Supplies	112,769	142,266	131,717	10,549
Capital Outlay - New	834	2,868	1,571	1,297
Capital Outlay - Replacement	4,610	4,341	4,341	0
<i>Total Expenditures</i>	<u>461,006</u>	<u>497,053</u>	<u>471,292</u>	<u>25,761</u>
<i>Net Change in Fund Balance</i>	(20,126)	(66,823)	(40,943)	25,880
<i>Fund Balance Beginning of Year</i>	24,786	24,786	24,786	0
Prior Year Encumbrances Appropriated	<u>43,017</u>	<u>43,017</u>	<u>43,017</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$47,677</u></u>	<u><u>\$980</u></u>	<u><u>\$26,860</u></u>	<u><u>\$25,880</u></u>

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Teacher Development Fund
For the Fiscal Year Ended June 30, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$25,016	\$0	\$0	\$0
Support Services:				
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	25,016	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>\$25,016</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
Education Management Information Services Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$14,340	\$14,173	\$14,173	\$0
Support Services:				
Expenditures				
Current:				
Support Services:				
Instructional Staff:				
Purchased Services	58,349	63,905	62,783	1,122
<i>Net Change in Fund Balance</i>	(44,009)	(49,732)	(48,610)	1,122
<i>Fund Balance Beginning of Year</i>	55,571	55,571	55,571	0
<i>Fund Balance End of Year</i>	<u>\$11,562</u>	<u>\$5,839</u>	<u>\$6,961</u>	<u>\$1,122</u>

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Entry Year Teachers Fund
For the Fiscal Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$14,300	\$14,300	\$14,300	\$0
Support Services:				
Expenditures				
Current:				
Support Services:				
Instructional Staff:				
Salaries and Wages	12,870	12,870	12,870	0
Fringe Benefits	1,430	1,430	1,430	0
<i>Total Expenditures</i>	<u>14,300</u>	<u>14,300</u>	<u>14,300</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Disadvantaged Pupil Impact Aid Fund
For the Fiscal Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$175,722	\$175,722	\$175,722	\$0
Support Services:				
Expenditures				
Current:				
Instruction:				
Special:				
Salaries and Wages	0	174,000	174,000	0
Support Services:				
Operation and Maintenance of Plant:				
Salaries and Wages	11,843	1,722	1,722	0
<i>Total Expenditures</i>	<u>11,843</u>	<u>175,722</u>	<u>175,722</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	163,879	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>\$163,879</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
Data Communications Fund
For the Fiscal Year Ended June 30, 2004

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

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
SchoolNet Professional Development Fund
For the Fiscal Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$4,142	\$4,140	\$4,140	\$0
Support Services:				
Expenditures				
Current:				
Instruction:				
Regular:				
Purchased Services	<u>4,600</u>	<u>8,740</u>	<u>4,600</u>	<u>4,140</u>
<i>Net Change in Fund Balance</i>	(458)	(4,600)	(460)	4,140
<i>Fund Balance Beginning of Year</i>	<u>4,600</u>	<u>4,600</u>	<u>4,600</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$4,142</u></u>	<u><u>\$0</u></u>	<u><u>\$4,140</u></u>	<u><u>\$4,140</u></u>

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Ohio Reads Grant Fund
For the Fiscal Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$157,533	\$64,743	\$64,743	\$0
Support Services:				
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	6,514	17,846	16,121	1,725
Fringe Benefits	1,078	2,838	2,230	608
Purchased Services	1,087	1,840	1,057	783
Materials and Supplies	0	50,529	49,126	1,403
Other	498	5,850	5,839	11
Total Instruction	9,177	78,903	74,373	4,530
Support Services:				
Pupil Transportation:				
Salaries and Wages	1,000	0	0	0
Fringe Benefits	163	0	0	0
Purchased Services	1,046	1,461	0	1,461
Total Support Services	2,209	1,461	0	1,461
<i>Total Expenditures</i>	11,386	80,364	74,373	5,991
<i>Excess of Revenues Over (Under) Expenditures</i>	146,147	(15,621)	(9,630)	5,991
Other Financing Sources				
Advances In	217	96	96	0
<i>Net Change in Fund Balance</i>	146,364	(15,525)	(9,534)	5,991
<i>Fund Balance Beginning of Year</i>	11,290	11,290	11,290	0
Prior Year Encumbrances Appropriated	4,235	4,235	4,235	0
<i>Fund Balance End of Year</i>	\$161,889	\$0	\$5,991	\$5,991

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Summer Intervention Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$31,379	\$31,379	\$31,379	\$0
Support Services:				
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	16,996	16,996	16,546	450
Fringe Benefits	2,891	2,891	2,814	77
Purchased Services	38,652	38,652	33,771	4,881
Total Instruction	58,539	58,539	53,131	5,408
Support Services:				
Pupil Transportation:				
Purchased Services	8,200	8,200	8,200	0
<i>Total Expenditures</i>	66,739	66,739	61,331	5,408
<i>Excess of Revenues Under Expenditures</i>	(35,360)	(35,360)	(29,952)	5,408
Other Financing Sources				
Advances In	54,726	54,726	54,726	0
<i>Net Change in Fund Balance</i>	19,366	19,366	24,774	5,408
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$19,366	\$19,366	\$24,774	\$5,408

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Vocational Education Enhancement Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$12,355	\$12,356	\$12,356	\$0
Support Services:				
Expenditures				
Current:				
Instruction:				
Vocational:				
Purchased Services	9,165	13,165	13,165	0
Capital Outlay - New	0	4,424	4,424	0
<i>Total Expenditures</i>	9,165	17,589	17,589	0
<i>Excess of Revenues Over (Under) Expenditures</i>	3,190	(5,233)	(5,233)	0
Other Financing Sources (Uses)				
Advances In	8,363	8,363	8,363	0
Advances Out	(4,000)	(4,000)	(4,000)	0
<i>Total Other Financing Sources (Uses)</i>	4,363	4,363	4,363	0
<i>Net Change in Fund Balance</i>	7,553	(870)	(870)	0
<i>Fund Balance Beginning of Year</i>	870	870	870	0
<i>Fund Balance End of Year</i>	\$8,423	\$0	\$0	\$0

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Miscellaneous State Grants Fund
For the Fiscal Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$3,773	\$2,802	\$2,802	\$0
Support Services:				
Expenditures				
Current:				
Support Services:				
Instructional Staff:				
Salaries and Wages	630	0	0	0
Fringe Benefits	206	0	0	0
Purchased Services	67	0	0	0
Materials and Supplies	122	4,138	4,138	0
Total Instructional Staff	1,025	4,138	4,138	0
Administration:				
Salaries and Wages	400	400	400	0
Fringe Benefits	60	0	0	0
Total Administration	460	400	400	0
Central:				
Purchased Services	0	3,888	3,888	0
<i>Total Expenditures</i>	1,485	8,426	8,426	0
<i>Net Change in Fund Balance</i>	2,288	(5,624)	(5,624)	0
<i>Fund Balance Beginning of Year</i>	1,486	1,486	1,486	0
Prior Year Encumbrances Appropriated	4,138	4,138	4,138	0
<i>Fund Balance End of Year</i>	\$7,912	\$0	\$0	\$0

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Title II Fund
For the Fiscal Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$22,270	\$0	\$0	\$0
Miscellaneous	0	(1,173)	(1,173)	0
<i>Total Revenues</i>	<u>22,270</u>	<u>(1,173)</u>	<u>(1,173)</u>	<u>0</u>
Support Services:				
Expenditures				
Current:				
Support Services:				
Instructional Staff:				
Salaries and Wages	5,000	5,000	5,000	0
Fringe Benefits	773	773	773	0
Purchased Services	9	0	0	0
Materials and Supplies	2,739	0	0	0
<i>Total Expenditures</i>	<u>8,521</u>	<u>5,773</u>	<u>5,773</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	13,749	(6,946)	(6,946)	0
Other Financing Uses				
Advances Out	0	(2,000)	(2,000)	0
<i>Net Change in Fund Balance</i>	13,749	(8,946)	(8,946)	0
<i>Fund Balance Beginning of Year</i>	<u>8,955</u>	<u>8,955</u>	<u>8,955</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$22,704</u></u>	<u><u>\$9</u></u>	<u><u>\$9</u></u>	<u><u>\$0</u></u>

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Title VI-B Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$545,886	\$660,935	\$660,935	\$0
Support Services:				
Expenditures				
Current:				
Instruction:				
Special:				
Salaries and Wages	9,344	3,615	3,615	0
Fringe Benefits	1,702	43	43	0
Purchased Services	248,728	319,883	319,883	0
Materials and Supplies	10,530	15,929	15,547	382
Capital Outlay - New	810	16,135	16,135	0
Total Special	271,114	355,605	355,223	382
Vocational:				
Salaries and Wages	6,476	51,588	40,897	10,691
Fringe Benefits	2,813	19,301	16,268	3,033
Total Vocational	9,289	70,889	57,165	13,724
Total Instruction	280,403	426,494	412,388	14,106
Support Services:				
Pupil:				
Salaries and Wages	6,000	6,000	6,000	0
Fringe Benefits	264	264	264	0
Purchased Services	31,157	31,157	30,125	1,032
Materials and Supplies	2,271	2,271	2,270	1
Total Pupil	39,692	39,692	38,659	1,033
Instructional Staff:				
Salaries and Wages	8,281	8,281	8,281	0
Fringe Benefits	505	3,480	3,480	0
Purchased Services	2,940	9,345	9,345	0
Materials and Supplies	5,000	4,800	4,800	0
Total Instructional Staff	\$16,726	\$25,906	\$25,906	\$0

(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, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Administration:				
Salaries and Wages	\$11,695	\$75,951	\$65,625	\$10,326
Fringe Benefits	4,110	31,588	27,551	4,037
Total Administration	<u>15,805</u>	<u>107,539</u>	<u>93,176</u>	<u>14,363</u>
Total Support Services	<u>72,223</u>	<u>173,137</u>	<u>157,741</u>	<u>15,396</u>
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	15,000	15,703	15,703	0
Total Expenditures	<u>367,626</u>	<u>615,334</u>	<u>585,832</u>	<u>29,502</u>
Excess of Revenues Over Expenditures	<u>178,260</u>	<u>45,601</u>	<u>75,103</u>	<u>29,502</u>
Other Financing Sources (Uses)				
Advances In	212,676	257,499	257,499	0
Advances Out	(192,000)	(192,000)	(192,000)	0
Total Other Financing Sources (Uses)	<u>20,676</u>	<u>65,499</u>	<u>65,499</u>	<u>0</u>
Net Change in Fund Balance	198,936	111,100	140,602	29,502
Fund Balance Beginning of Year	46,838	46,838	46,838	0
Prior Year Encumbrances Appropriated	<u>76,729</u>	<u>76,729</u>	<u>76,729</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$322,503</u></u>	<u><u>\$234,667</u></u>	<u><u>\$264,169</u></u>	<u><u>\$29,502</u></u>

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Vocational Education Fund
For the Fiscal Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$148,350	\$116,082	\$116,082	\$0
Support Services:				
Expenditures				
Current:				
Instruction:				
Vocational:				
Materials and Supplies	48,738	112,151	110,359	1,792
Capital Outlay - New	25,000	30,093	30,088	5
Total Instruction	73,738	142,244	140,447	1,797
Support Services:				
Pupil:				
Salaries and Wages	6,205	6,110	6,110	0
Fringe Benefits	1,910	1,910	1,910	0
Purchased Services	1,500	1,500	1,403	97
Materials and Supplies	8,040	14,480	13,546	934
Total Pupil	17,655	24,000	22,969	1,031
Instructional Staff:				
Salaries and Wages	270	270	270	0
Fringe Benefits	42	42	42	0
Purchased Services	8,974	22,649	16,580	6,069
Total Instructional Staff	9,286	22,961	16,892	6,069
Administration:				
Materials and Supplies	4,953	6,400	5,510	890
Capital Outlay - New	1,000	3,592	3,585	7
Total Administration	5,953	9,992	9,095	897
Central:				
Purchased Services	2,848	4,282	2,909	1,373
Total Support Services	35,742	61,235	51,865	9,370
<i>Total Expenditures</i>	<u>\$109,480</u>	<u>\$203,479</u>	<u>\$192,312</u>	<u>\$11,167</u>

(continued)

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Vocational Education Fund (continued)
For the Fiscal Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<i>Excess of Revenues Over (Under) Expenditures</i>	\$38,870	(\$87,397)	(\$76,230)	\$11,167
Other Financing Sources (Uses)				
Advances In	140,695	110,092	110,092	0
Advances Out	(98,000)	(98,000)	(98,000)	0
<i>Total Other Financing Sources (Uses)</i>	42,695	12,092	12,092	0
<i>Net Change in Fund Balance</i>	81,565	(75,305)	(64,138)	11,167
<i>Fund Balance Beginning of Year</i>	66,572	66,572	66,572	0
Prior Year Encumbrances Appropriated	8,733	8,733	8,733	0
<i>Fund Balance End of Year</i>	<u>\$156,870</u>	<u>\$0</u>	<u>\$11,167</u>	<u>\$11,167</u>

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Title III Fund
For the Fiscal Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$6,963	\$6,963	\$6,963	\$0
Support Services:				
Expenditures				
Current:				
Instruction:				
Regular:				
Purchased Services	<u>9,883</u>	<u>9,883</u>	<u>9,883</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(2,920)	(2,920)	(2,920)	0
<i>Fund Balance Beginning of Year</i>	<u>2,920</u>	<u>2,920</u>	<u>2,920</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Title I Fund
For the Fiscal Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$538,858	\$682,073	\$682,073	\$0
Support Services:				
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	806	2,006	780	1,226
Fringe Benefits	187	392	129	263
Purchased Services	19,875	103,689	103,669	20
Materials and Supplies	8	11,361	11,341	20
Total Regular	20,876	117,448	115,919	1,529
Special:				
Salaries and Wages	45,944	341,479	296,638	44,841
Fringe Benefits	9,975	92,893	81,201	11,692
Materials and Supplies	5,867	4,572	4,572	0
Capital Outlay - New	0	86,898	84,626	2,272
Total Special	61,786	525,842	467,037	58,805
Total Instruction	82,662	643,290	582,956	60,334
Support Services:				
Instructional Staff:				
Salaries and Wages	10,155	7,320	7,320	0
Fringe Benefits	1,560	4,099	4,099	0
Purchased Services	2,768	5,292	2,989	2,303
Materials and Supplies	1,092	1,000	244	756
Total Support Services	15,575	17,711	14,652	3,059
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	7,501	33,280	22,757	10,523
Fringe Benefits	1,363	5,810	4,318	1,492
Purchased Services	0	1,694	625	1,069
Materials and Supplies	1,077	6,868	5,126	1,742
Total Operation of Non-Instructional Services	\$9,941	\$47,652	\$32,826	\$14,826

(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, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<i>Total Expenditures</i>	\$108,178	\$708,653	\$630,434	\$78,219
<i>Excess of Revenues Over (Under) Expenditures</i>	430,680	(26,580)	51,639	78,219
Other Financing Sources (Uses)				
Advances In	81,627	103,322	103,322	0
Advances Out	0	(147,000)	(147,000)	0
Transfers In	21	27	27	0
<i>Total Other Financing Sources (Uses)</i>	81,648	(43,651)	(43,651)	0
<i>Net Change in Fund Balance</i>	512,328	(70,231)	7,988	78,219
<i>Fund Balance Beginning of Year</i>	108,585	108,585	108,585	0
Prior Year Encumbrances Appropriated	11,339	11,339	11,339	0
<i>Fund Balance End of Year</i>	<u>\$632,252</u>	<u>\$49,693</u>	<u>\$127,912</u>	<u>\$78,219</u>

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Title V Fund
For the Fiscal Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$38,218	\$33,032	\$33,032	\$0
Support Services:				
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	4,000	8,000	5,917	2,083
Fringe Benefits	402	1,402	759	643
Purchased Services	451	9,750	7,500	2,250
Materials and Supplies	204	4,204	1,968	2,236
Capital Outlay - New	0	4,000	0	4,000
Total Instruction	5,057	27,356	16,144	11,212
Support Services:				
Pupil:				
Salaries and Wages	746	746	0	746
Fringe Benefits	127	127	12	115
Purchased Services	5,000	1,600	1,600	0
Total Support Services	5,873	2,473	1,612	861
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	327	1,327	434	893
Materials and Supplies	734	3,734	3,673	61
Total Operation of Non-Instructional Services	1,061	5,061	4,107	954
<i>Total Expenditures</i>	11,991	34,890	21,863	13,027
<i>Excess of Revenues Over (Under) Expenditures</i>	26,227	(1,858)	11,169	13,027
Other Financing Sources (Uses)				
Advances In	15,624	13,504	13,504	0
Advances Out	(20,000)	(20,000)	(20,000)	0
Total Other Financing Sources (Uses)	(4,376)	(6,496)	(6,496)	0
<i>Net Change in Fund Balance</i>	21,851	(8,354)	4,673	13,027
<i>Fund Balance Beginning of Year</i>	5,471	5,471	5,471	0
Prior Year Encumbrances Appropriated	2,883	2,883	2,883	0
<i>Fund Balance End of Year</i>	\$30,205	\$0	\$13,027	\$13,027

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, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$34,226	\$17,838	\$17,838	\$0
Support Services:				
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	1,000	2,500	1,417	1,083
Fringe Benefits	100	427	184	243
Purchased Services	500	1,100	790	310
Materials and Supplies	1,000	4,416	2,494	1,922
Total Instruction	2,600	8,443	4,885	3,558
Support Services:				
Instructional Staff:				
Salaries and Wages	2,500	4,400	4,362	38
Fringe Benefits	200	785	276	509
Purchased Services	1,894	2,948	2,872	76
Materials and Supplies	53	0	0	0
Total Instructional Staff	4,647	8,133	7,510	623
Operation and Maintenance of Plant:				
Salaries and Wages	1,000	1,425	1,425	0
Total Support Services	5,647	9,558	8,935	623
Operation of Non-Instructional Services				
Community Services:				
Materials and Supplies	41	41	41	0
Total Expenditures	8,288	18,042	13,861	4,181
<i>Excess of Revenues Under Expenditures</i>	<i>25,938</i>	<i>(204)</i>	<i>3,977</i>	<i>4,181</i>
Other Financing Sources (Uses)				
Advances In	13,541	7,057	7,057	0
Advances Out	(6,000)	(6,000)	(6,000)	0
Total Other Financing Sources (Uses)	7,541	1,057	1,057	0
<i>Net Change in Fund Balance</i>	<i>33,479</i>	<i>853</i>	<i>5,034</i>	<i>4,181</i>
<i>Fund Balance (Deficit) Beginning of Year</i>	<i>(27)</i>	<i>(27)</i>	<i>(27)</i>	<i>0</i>
Prior Year Encumbrances Appropriated	3,747	3,747	3,747	0
Fund Balance End of Year	\$37,199	\$4,573	\$8,754	\$4,181

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, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$55,171	\$35,411	\$35,411	\$0
Support Services:				
Expenditures				
Current:				
Support Services:				
Instructional Staff:				
Salaries and Wages	23,676	28,289	28,289	0
Fringe Benefits	6,000	8,370	8,370	0
Total Support Services	29,676	36,659	36,659	0
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	1,983	0	0	0
<i>Total Expenditures</i>	31,659	36,659	36,659	0
<i>Excess of Revenues Over (Under) Expenditures</i>	23,512	(1,248)	(1,248)	0
Other Financing Uses				
Advances Out	(5,000)	(5,000)	(5,000)	0
<i>Net Change in Fund Balance</i>	18,512	(6,248)	(6,248)	0
<i>Fund Balance Beginning of Year</i>	6,248	6,248	6,248	0
<i>Fund Balance End of Year</i>	<u>\$24,760</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 VI-R Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$117,262	\$189,584	\$189,584	\$0
Miscellaneous	726	1,173	1,173	0
<i>Total Revenues</i>	<u>117,988</u>	<u>190,757</u>	<u>190,757</u>	<u>0</u>
Support Services:				
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	20,308	107,844	89,333	18,511
Fringe Benefits	6,136	36,270	31,870	4,400
Total Instruction	<u>26,444</u>	<u>144,114</u>	<u>121,203</u>	<u>22,911</u>
Support Services:				
Instructional Staff:				
Salaries and Wages	1,615	16,530	7,965	8,565
Fringe Benefits	0	3,229	1,883	1,346
Purchased Services	50	12,935	12,408	527
Materials and Supplies	157	8,083	8,050	33
Total Support Services	<u>1,822</u>	<u>40,777</u>	<u>30,306</u>	<u>10,471</u>
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	45	590	590	0
Materials and Supplies	0	114	104	10
Total Operation of Non-Instructional Services	<u>45</u>	<u>704</u>	<u>694</u>	<u>10</u>
<i>Total Expenditures</i>	<u>28,311</u>	<u>185,595</u>	<u>152,203</u>	<u>33,392</u>
<i>Excess of Revenues Over Expenditures</i>	<u>89,677</u>	<u>5,162</u>	<u>38,554</u>	<u>33,392</u>
Other Financing Sources (Uses)				
Advances In	14,163	22,899	22,899	0
Advances Out	0	(66,000)	(66,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>14,163</u>	<u>(43,101)</u>	<u>(43,101)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	103,840	(37,939)	(4,547)	33,392
<i>Fund Balance Beginning of Year</i>	28,558	28,558	28,558	0
Prior Year Encumbrances Appropriated	9,381	9,381	9,381	0
<i>Fund Balance End of Year</i>	<u>\$141,779</u>	<u>\$0</u>	<u>\$33,392</u>	<u>\$33,392</u>

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, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$8,569	\$16,996	\$16,996	\$0
<i>Support Services:</i>				
Expenditures				
Current:				
Instruction:				
Regular:				
Materials and Supplies	1,068	1,007	997	10
Support Services:				
Instructional Staff:				
Fringe Benefits	123	20	20	0
Purchased Services	5,000	9,848	5,000	4,848
Materials and Supplies	925	2,334	2,320	14
Other	4,000	4,000	4,000	0
Total Support Services	10,048	16,202	11,340	4,862
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	233	233	0	233
Materials and Supplies	47	47	47	0
Total Operation of Non-Instructional Services	280	280	47	233
<i>Total Expenditures</i>	11,396	17,489	12,384	5,105
<i>Excess of Revenues Over (Under) Expenditures</i>	(2,827)	(493)	4,612	5,105
Other Financing Sources (Uses)				
Advances In	4,396	8,719	8,719	0
Advances Out	0	(8,000)	(8,000)	0
<i>Total Other Financing Sources (Uses)</i>	4,396	719	719	0
<i>Net Change in Fund Balance</i>	1,569	226	5,331	5,105
<i>Fund Balance Beginning of Year</i>	1,543	1,543	1,543	0
Prior Year Encumbrances Appropriated	3,231	3,231	3,231	0
<i>Fund Balance End of Year</i>	<u>\$6,343</u>	<u>\$5,000</u>	<u>\$10,105</u>	<u>\$5,105</u>

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, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property Taxes	\$1,171,949	\$1,066,456	\$1,066,591	\$135
Intergovernmental	28,061	110,622	110,622	0
<i>Total Revenues</i>	<u>1,200,010</u>	<u>1,177,078</u>	<u>1,177,213</u>	<u>135</u>
Expenditures				
Debt Service:				
Principal Retirement	795,000	795,000	795,000	0
Interest and Fiscal Charges	370,755	370,755	370,755	0
<i>Total Expenditures</i>	<u>1,165,755</u>	<u>1,165,755</u>	<u>1,165,755</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	34,255	11,323	11,458	135
<i>Fund Balance Beginning of Year</i>	<u>1,446,936</u>	<u>1,446,936</u>	<u>1,446,936</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,481,191</u></u>	<u><u>\$1,458,259</u></u>	<u><u>\$1,458,394</u></u>	<u><u>\$135</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, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property Taxes	\$615,695	\$545,884	\$545,941	\$57
Intergovernmental	0	68,668	118,668	50,000
<i>Total Revenues</i>	<u>615,695</u>	<u>614,552</u>	<u>664,609</u>	<u>50,057</u>
Expenditures				
Current:				
Support Services:				
Operation and Maintenance of Plant:				
Capital Outlay - New	0	484,964	415,369	69,595
Capital Outlay:				
Purchased Services	51,043	943,448	932,763	10,685
Capital Outlay	0	76,751	69,354	7,397
Total Capital Outlay	<u>51,043</u>	<u>1,020,199</u>	<u>1,002,117</u>	<u>18,082</u>
<i>Total Expenditures</i>	<u>51,043</u>	<u>1,505,163</u>	<u>1,417,486</u>	<u>87,677</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>564,652</u>	<u>(890,611)</u>	<u>(752,877)</u>	<u>137,734</u>
Other Financing Sources (Uses)				
Advances In	0	501,429	501,429	0
Advances Out	0	(1,180,000)	(1,180,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>(678,571)</u>	<u>(678,571)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	564,652	(1,569,182)	(1,431,448)	137,734
<i>Fund Balance Beginning of Year</i>	119,732	119,732	119,732	0
Prior Year Encumbrances Appropriated	<u>1,449,659</u>	<u>1,449,659</u>	<u>1,449,659</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$2,134,043</u>	<u>\$209</u>	<u>\$137,943</u>	<u>\$137,734</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, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$6,142	\$2,017	\$2,017	\$0
Expenditures				
Current:				
Support Services:				
Business:				
Capital Outlay - New	0	533,117	533,117	0
Capital Outlay:				
Purchased Services	93,895	90,268	90,268	0
Capital Outlay - New	92,805	377,000	377,000	0
Other	8,000	8,000	8,000	0
Total Capital Outlay	194,700	475,268	475,268	0
<i>Total Expenditures</i>	194,700	1,008,385	1,008,385	0
<i>Excess of Revenues Under Expenditures</i>	(188,558)	(1,006,368)	(1,006,368)	0
Other Financing Sources (Uses)				
Proceeds of Leases	0	918,117	918,117	0
Loan Issued	0	153,689	153,689	0
Advance Out	(190,300)	(190,300)	(190,300)	0
<i>Total Other Financing Sources (Uses)</i>	(190,300)	881,506	881,506	0
<i>Net Change in Fund Balance</i>	(378,858)	(124,862)	(124,862)	0
<i>Fund Balance Beginning of Year</i>	32,984	32,984	32,984	0
Prior Year Encumbrances Appropriated	93,895	93,895	93,895	0
<i>Fund Balance (Deficit) End of Year</i>	(\$251,979)	\$2,017	\$2,017	\$0

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, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
Support Services:				
Pupil Transportation:				
Capital Outlay - Replacement	<u>0</u>	<u>198,529</u>	<u>198,529</u>	<u>0</u>
<i>Excess of Revenues Under Expenditures</i>	0	(198,529)	(198,529)	0
Other Financing Sources				
Transfers In	<u>169,681</u>	<u>180,496</u>	<u>180,496</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	169,681	(18,033)	(18,033)	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
Prior Year Encumbrances Appropriated	<u>198,529</u>	<u>198,529</u>	<u>198,529</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$368,210</u></u>	<u><u>\$180,496</u></u>	<u><u>\$180,496</u></u>	<u><u>\$0</u></u>

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Vocational Equipment Fund
For the Fiscal Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$30,042	\$0	\$0	\$0
Expenditures				
Current:				
Instruction:				
Vocational:				
Capital Outlay - New	<u>5,115</u>	<u>31,130</u>	<u>29,853</u>	<u>1,277</u>
<i>Net Change in Fund Balance</i>	24,927	(31,130)	(29,853)	1,277
<i>Fund Balance Beginning of Year</i>	37,075	37,075	37,075	0
Prior Year Encumbrances Appropriated	<u>3,015</u>	<u>3,015</u>	<u>3,015</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$65,017</u></u>	<u><u>\$8,960</u></u>	<u><u>\$10,237</u></u>	<u><u>\$1,277</u></u>

Bedford City School District
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Self Insurance Fund
For the Fiscal Year Ended June 30, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Charges for Services	\$1,009,171	\$1,188,941	\$1,194,357	\$5,416
Expenses				
Purchased Services	145,402	248,858	227,171	21,687
Claims	854,598	854,598	854,598	0
<i>Total Expenses</i>	<u>1,000,000</u>	<u>1,103,456</u>	<u>1,081,769</u>	<u>21,687</u>
<i>Net Change in Fund Equity</i>	9,171	85,485	112,588	27,103
<i>Fund Equity Beginning of Year</i>	1,047,203	1,047,203	1,047,203	0
Prior Year Encumbrances Appropriated	<u>3,756</u>	<u>3,756</u>	<u>3,756</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$1,060,130</u></u>	<u><u>\$1,136,444</u></u>	<u><u>\$1,163,547</u></u>	<u><u>\$27,103</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, 2004

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

Bedford City School District
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Scholarship Fund
For the Fiscal Year Ended June 30, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest	\$1,200	\$0	\$488	\$488
Expenses				
Other	1,200	1,800	1,200	600
<i>Net Change in Fund Equity</i>	0	(1,800)	(712)	1,088
<i>Fund Equity Beginning of Year</i>	49,138	49,138	49,138	0
Prior Year Encumbrances Appropriated	600	600	600	0
<i>Fund Equity End of Year</i>	<u>\$49,738</u>	<u>\$47,938</u>	<u>\$49,026</u>	<u>\$1,088</u>

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

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

Source: School District Financial Records

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

	2004 (1)	2003 (1)	2002 (1)	2001
Revenues				
Taxes	\$32,961,433	\$28,568,195	\$34,566,466	\$32,204,001
Intergovernmental	10,859,955	11,064,263	9,186,016	8,165,161
Interest	174,106	239,106	379,978	773,562
Charges for Services	797,804	767,185	867,184	0
Tuition and Fees	1,156,288	209,354	153,406	125,229
Rentals	39,324	51,113	51,911	0
Extracurricular Activities	228,572	178,076	271,316	166,285
Contributions and Donations	50,192	59,816	0	0
Miscellaneous	146,944	125,231	374,721	600,092
Total	\$46,414,618	\$41,262,339	\$45,850,998	\$42,034,330
Expenditures				
Current:				
Instruction	\$22,335,604	\$20,160,367	\$19,732,418	\$19,305,667
Support Services:				
Pupil	2,691,337	2,587,565	2,493,276	2,178,366
Instructional Staff	1,603,092	1,596,091	1,634,091	1,517,140
Board of Education	264,211	174,001	147,718	184,482
Administration	3,453,470	2,904,410	2,655,897	2,549,537
Fiscal	1,295,384	1,450,531	1,218,995	992,467
Business	491,350	420,750	395,226	330,128
Operation and Maintenance of Plant	6,612,776	5,703,847	6,386,456	5,982,969
Pupil Transportation	3,648,846	3,008,535	3,271,744	2,820,794
Central	281,725	253,416	234,295	204,128
Operation of Non-Instructional Services:				
Food Service Operations	1,314,097	1,353,409	1,206,604	0
Other Non-Instructional Services	460,734	543,327	520,883	537,787
Extracurricular Activities	648,879	626,835	570,268	568,549
Capital Outlay	2,356,466	1,343,445	15,949	8,850
Debt Service	1,407,814	1,362,208	1,288,930	1,452,849
Total	\$48,865,785	\$43,488,737	\$41,772,750	\$38,633,713

Source: School District Financial Records

(1) Fiscal years 2004 through 2002 include funds previously reported as enterprise funds.

2000	1999	1998	1997	1996	1995
\$28,332,126	\$28,360,641	\$28,009,547	\$28,050,790	\$26,099,983	\$25,485,115
7,895,103	7,739,499	7,574,956	6,431,250	6,608,674	5,909,603
528,651	426,787	482,063	496,937	448,473	449,072
0	0	0	0	0	0
249,045	89,245	92	2,370	714	10,063
0	0	0	0	0	0
148,635	143,243	163,428	152,215	105,023	143,298
0	0	0	0	0	0
673,701	441,532	994,621	206,955	386,280	168,556
<u>\$37,827,261</u>	<u>\$37,200,947</u>	<u>\$37,224,707</u>	<u>\$35,340,517</u>	<u>\$33,649,147</u>	<u>\$32,165,707</u>
\$18,429,224	\$18,678,546	\$18,298,923	\$17,673,431	\$15,703,033	\$15,892,561
2,037,451	220,545	2,216,485	1,800,680	1,625,183	1,530,159
1,257,482	1,418,112	1,488,894	1,467,072	1,071,721	1,264,008
277,402	238,036	189,634	92,548	198,301	80,003
2,483,284	2,581,044	2,575,316	2,270,019	2,025,590	2,030,526
1,141,137	1,040,304	1,006,996	841,393	870,565	806,318
349,599	320,302	349,725	595,680	321,652	338,216
5,076,352	5,081,737	5,430,177	5,887,984	5,396,949	4,351,478
2,426,571	2,343,340	2,425,413	2,442,491	1,923,646	1,933,845
188,711	197,415	271,693	176,742	162,139	153,193
0	0	0	0	0	0
434,129	452,998	474,206	471,628	371,100	63,440
579,345	527,393	533,195	479,496	389,051	406,932
43,643	30,684	255,918	247,578	819,696	6,026,627
1,427,011	1,402,421	1,384,362	1,338,061	1,329,150	1,317,233
<u>\$36,151,341</u>	<u>\$34,532,877</u>	<u>\$36,900,937</u>	<u>\$35,784,803</u>	<u>\$32,207,776</u>	<u>\$36,194,539</u>

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

Year	Real Property		Public Utility Property	
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)
2004	\$647,753,420	\$1,850,724,057	\$38,882,620	\$44,184,795
2003	602,594,640	1,721,698,971	38,787,420	44,076,614
2002	587,344,730	1,678,127,800	41,718,240	47,407,091
2001	582,510,700	1,664,316,286	51,899,041	58,976,183
2000	512,354,242	1,463,869,263	53,750,330	61,079,920
1999	508,628,070	1,453,223,057	57,620,420	65,477,750
1998	500,692,510	1,430,550,000	58,651,190	66,649,100
1997	462,475,340	1,321,358,114	60,347,010	68,576,148
1996	463,433,170	1,324,094,771	61,033,350	69,356,080
1995	458,816,500	1,310,904,286	64,345,590	73,119,989

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

- (1) This amount is calculated based on the following percentages:
 Real estate is assessed at 35 percent of actual value.
 Public utility personal is assessed at 88 percent of actual value.
 Capital assets for tangible personal property is assessed at twenty-five percent of actual value.
 Inventory for tangible personal property is assessed at twenty-three percent of actual value.

Tangible Personal Property		Total		
Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Ratio
\$163,953,315	\$712,840,500	\$850,589,355	\$2,607,749,352	32.62 %
165,250,542	688,543,925	806,632,602	2,454,319,510	32.87
176,119,963	733,833,179	805,182,933	2,459,368,070	32.74
171,559,370	714,830,708	805,969,111	2,438,123,177	33.06
163,417,945	680,908,104	729,522,517	2,205,857,287	33.07
162,002,170	675,009,042	728,250,660	2,193,709,849	33.20
168,251,180	673,004,700	727,594,880	2,170,203,800	33.54
175,425,395	701,701,580	698,247,745	2,091,635,842	33.38
163,125,326	652,501,304	687,591,846	2,045,952,155	33.61
160,520,899	642,083,596	683,682,989	2,026,107,871	33.74

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

Year (2)	Current Tax Levy	Delinquent Tax Levy	Total Tax Levy	Current Tax Collections	Percent of Current Tax Collections to Total Tax Levy
2003	\$33,913,009	\$2,589,071	\$36,502,080	\$31,967,962	87.58 %
2002	34,024,245	3,500,700	37,524,945	31,964,580	85.18
2001	34,608,563	1,741,814	36,350,377	32,642,761	89.80
2000	34,019,081	1,732,109	35,751,190	32,225,384	90.14
1999	30,031,043	2,115,625	32,146,668	28,714,883	89.32
1998	29,930,844	1,771,468	31,702,312	28,289,144	89.23
1997	29,985,540	1,970,692	31,956,232	28,571,049	89.41
1996	30,037,572	1,874,069	31,911,641	29,285,617	91.77
1995	26,359,127	3,108,884	29,468,011	25,592,605	86.85
1993	25,892,821	2,462,614	28,355,435	25,052,444	88.35

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

- (1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental Revenue.
- (2) Represents collection year. 2004 information cannot be presented because all collections have not been made by June 30.
- (3) This amount cannot be calculated based on other information in this statistical table because of retroactive additions and reductions which are brought on in one lump sum.

Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy
\$986,961	\$32,954,923	90.28 %
1,920,631	33,885,211	90.30
1,894,258	34,537,019	95.01
762,654	32,988,038	92.27
1,314,860	30,029,743	93.41
1,229,508	29,518,652	93.11
1,554,914	30,125,963	94.27
588,670	29,874,287	93.62
1,427,734	27,020,339	91.69
723,442	25,775,886	90.90

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

Year	School Levy	Library	County Levy	Bedford City	Bedford Heights City	Oakwood Village	Walton Hills Village
2004	\$57.88	\$1.40	\$13.52	\$12.80	\$13.00	\$3.80	\$0.30
2003	62.50	1.40	16.20	12.80	13.00	3.80	0.30
2002	62.50	1.40	16.20	12.80	12.00	3.80	0.30
2001	62.60	1.40	16.20	12.80	12.00	3.80	0.30
2000	62.60	1.40	15.30	12.80	12.00	3.80	0.30
1999	57.70	1.40	15.30	12.58	12.00	3.80	0.30
1998	57.60	1.40	16.60	12.80	12.00	3.80	0.30
1997	57.60	1.40	16.60	12.80	12.00	3.80	0.30
1996	57.60	1.40	16.60	12.80	12.00	3.80	0.30
1995	53.10	1.40	16.80	12.80	12.00	3.80	0.30

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

Debt Service Included in Total Levy						
School Levy	County Levy	Bedford City	Bedford Heights City	Oakwood Village	Walton Hills Village	Total
\$1.48	\$0.91	\$0.00	\$1.70	\$0.60	\$0.00	\$4.69
1.48	0.91	0.00	1.70	0.60	0.00	4.69
1.48	0.86	0.00	1.70	0.60	0.00	4.64
1.48	0.79	0.00	1.70	0.60	0.00	4.57
1.58	0.85	0.00	1.70	0.60	0.00	4.73
1.58	0.72	0.00	1.70	0.50	0.00	4.50
1.48	0.60	0.00	1.70	0.50	0.00	4.28
1.48	0.90	0.00	1.70	0.50	0.00	4.58
1.48	0.87	0.00	2.00	1.16	0.00	5.51
1.58	0.76	0.00	1.80	1.20	0.00	5.34

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

Year	Net General Obligation Bonded Debt (1)	Assessed Value (2)	Population (3)	Ratio of Net Debt to Assessed Value	Net Debt Per Capita
2004	\$6,748,965	\$850,589,355	31,656	0.79 %	\$213.20
2003	8,559,235	806,632,602	31,656	1.06	270.38
2002	9,440,541	805,182,933	31,656	1.17	298.22
2001	10,590,564	805,969,111	31,656	1.31	334.55
2000	11,425,430	729,522,517	32,716	1.57	349.23
1999	12,122,651	728,250,660	32,716	1.66	370.54
1998	12,825,871	727,594,880	32,716	1.76	392.04
1997	13,443,392	698,247,745	32,716	1.93	410.91
1996	13,422,038	687,591,846	32,716	1.95	410.26
1995	13,474,449	683,682,989	32,716	1.97	411.86

Sources:

- (1) School District Financial Records
- (2) Cuyahoga County Auditor
- (3) U.S. Census of Population (estimated), 2000 Federal Census and 1990 Federal Census

Bedford City School District
Computation of Legal Debt Margin
 June 30, 2004

Assessed Valuation		<u><u>\$850,589,355</u></u>
Overall Debt Limit - 9% of Assessed Value (1)		\$76,553,042
Amount of Debt Applicable to Debt Limit:		
General Obligation Bonds	8,359,993	
Capital Appreciation Bonds	536,300	
Energy Conservation Bonds	155,000	
Maintenance Facility Loan	558,000	
Amount Available in Debt Service Fund	<u>(1,611,028)</u>	
Total Outstanding Debt	<u>7,998,265</u>	
Less: Exemptions		
Energy Conservation Bonds	<u>(155,000)</u>	
Amount of Debt Applicable to Debt Limit		<u>7,843,265</u>
Overall Debt Margin		<u><u>\$68,709,777</u></u>
Unvoted Debt Limit - .10% of Assessed Value (1)		\$850,589
Amount of Debt Applicable		<u>(335,000)</u>
Unvoted Debt Margin		<u><u>\$515,589</u></u>
Additional Limit for Unvoted Energy Conservation Bonds:		
Debt Limit - .10% of Assessed Valuation		\$850,589
Amount of Debt Applicable		<u>(155,000)</u>
Additional Unvoted Debt Margin		<u><u>\$695,589</u></u>

Source: Cuyahoga County Auditor and School District Financial Records

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

Bedford City School District
Computation of Direct and Overlapping General Obligation Bonded Debt
December 31, 2003

Jurisdiction	General Obligation Bonded Debt Outstanding	Percentage Applicable to School District (1)	Amount Applicable to School District
Direct:			
Bedford City School District	\$8,359,993	100.00%	\$8,359,993
Overlapping:			
Cuyahoga County	172,250,000	2.81	4,840,225
Regional Transit Authority	113,299,118	2.81	3,183,705
City of Bedford	11,590,080	34.59	4,009,009
City of Bedford Heights	4,355,000	31.11	1,354,841
Village of Oakwood	3,292,000	14.29	470,427
Village of Walton Heights	2,300,000	20.01	460,230
Total Overlapping	307,086,198		14,318,437
Total	\$315,446,191		\$22,678,430

Source: Respective Political Subdivision

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the School District by the total assessed valuation of the subdivision. The valuations used were for the 2003 collection year.

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

Year	Principal	Interest	Total Debt Service	Total Governmental Expenditures		Ratio of Debt Service to Governmental Expenditures (Percentage)
2004	\$885,000	\$391,670	\$1,276,670	\$48,865,785	(1)	2.61 %
2003	940,000	422,208	1,362,208	43,488,737	(1)	3.13
2002	820,000	465,930	1,285,930	41,772,750	(1)	3.08
2001	750,000	702,849	1,452,849	38,633,713		3.76
2000	690,000	737,011	1,427,011	36,151,341		3.95
1999	635,000	767,421	1,402,421	34,532,877		4.06
1998	590,000	794,362	1,384,362	36,900,937		3.75
1997	510,000	828,061	1,338,061	35,784,803		3.74
1996	520,000	809,150	1,329,150	32,207,776		4.13
1995	485,000	832,233	1,317,233	36,194,539		3.64

Source: School District Financial Records

(1) Fiscal Years 2004 through 2002 include funds previously reported as enterprise funds.

Bedford City School District

Demographic Statistics

Last Ten Years

Year	Cuyahoga County Population (1)	Bedford City Population (2)	Bedford Heights City Population (2)	Oakwood Village Population (2)	Walton Hills Village Population (2)	School Enrollment (3)	Unemployment Rate (4)
2004	1,379,049	14,214	11,375	2,400	3,667	3,892	6.70 %
2003	1,379,049	14,214	11,375	2,400	3,667	3,637	6.70
2002	1,379,049	14,214	11,375	2,400	3,667	3,730	6.70
2001	1,379,049	14,214	11,375	2,400	3,667	3,844	4.50
2000	1,412,140	14,822	12,131	2,371	3,392	3,867	4.50
1999	1,412,140	14,822	12,131	2,371	3,392	3,888	4.60
1998	1,412,140	14,822	12,131	2,371	3,392	3,873	4.40
1997	1,412,140	14,822	12,131	2,371	3,392	4,004	5.80
1996	1,412,140	14,822	12,131	2,371	3,392	3,977	5.20
1995	1,412,140	14,822	12,131	2,371	3,392	4,003	4.80

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

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

Year	Value of Building Permits Issued	Financial Institution Deposits Banks (1)	Property Value (Real Estate Only) (2)
2003	\$10,967,532	\$97,238,973	\$647,753,420
2002	11,638,796	95,761,917	602,594,640
2001	28,924,713	63,893,769	587,344,730
2000	33,825,655	61,942,764	582,510,700
1999	26,575,569	57,816,942	512,354,242
1998	21,253,396	58,904,596	508,628,070
1997	9,623,626	53,941,971	500,692,510
1996	9,715,925	27,068,211	462,475,340
1995	14,760,742	22,458,573	463,433,170
1994	11,833,283	20,885,453	458,816,500

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

Bedford City School District

Principal Taxpayers

Real Estate Tax

December 31, 2003

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Total Real Estate Tax Assessed Value</u>
Marotta Glazer Realty Company	\$24,339,040	3.76 %
Fourteen Plus, LLC	13,176,800	2.03
Pick N Pay Supermarkets, Inc.	11,326,000	1.75
Lee G Siedman Properties	10,505,600	1.62
Ford Motor Company	10,137,960	1.57
Miles Road, LLC	9,973,200	1.54
Bear Creek Investment Company	5,906,440	0.91
FB Properties, LLC	5,678,400	0.88
Riser Foods Company	5,430,600	0.84
Bear Creek Properties Company	<u>4,742,240</u>	<u>0.73</u>
Total	<u>\$101,216,280</u>	<u>15.63 %</u>
<i>Total Real Estate Tax Assessed Value</i>	<u>\$647,753,420</u>	

Source: Cuyahoga County Auditor's Office

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

Bedford City School District
Principal Taxpayers
Tangible Personal Property Tax
December 31, 2003

Name of Taxpayer	Assessed Value (1)	Percent of Total Real Estate Tax Assessed Value
Ford Motor Company	\$16,956,550	10.34 %
Ben Venue Laboratories, Inc.	14,424,590	8.80
Riser Foods Company	8,667,060	5.29
Sysco Food Services of Cleveland, Inc.	4,652,520	2.84
Majestic Steel Service, Inc.	4,579,350	2.79
Weyerhaeuser Company	3,410,330	2.08
Jay Pontiac, Inc.	3,026,440	1.85
Illinois Tool works, Inc.	2,879,380	1.76
Ferro Corporation	2,817,800	1.72
Total	<u>\$61,414,020</u>	<u>37.46 %</u>
<i>Total Tangible Personal Property Tax Assessed Value</i>	<u>\$163,953,315</u>	

Source: Cuyahoga County Auditor's Office

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

Bedford City School District
Principal Taxpayers
Public Utilities Tangible Property Tax
December 31, 2003

Name of Taxpayer	Assessed Value (1)	Percent of Total Real Estate Tax Assessed Value
Cleveland Electric Illuminating Company	\$4,762,280	12.25 %
Ohio Bell Telephone Company	2,915,640	7.50
American Transmission System	650,200	1.67
East Ohio Gas Company	429,380	1.10
Norfolk Southern Combined	305,220	0.78
Level 3 Communications	134,160	0.35
Qwest Communications	113,050	0.29
AT & T Wireless PCS	63,250	0.16
Total	<u>\$9,373,180</u>	<u>24.11 %</u>
<i>Total Public Utilities Tangible Property Tax Assessed Value</i>	<u>\$38,882,620</u>	

Source: Cuyahoga County Auditor's Office

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

Bedford City School District

Per Pupil Cost

Last Ten Fiscal Years

<u>Year</u>	<u>Governmental Expenditures</u>	<u>Average Daily Student Enrollment</u>	<u>Per Cost Pupil</u>
2004	\$48,865,785	3,892	\$12,555
2003	43,488,737	3,637	11,957
2002	41,772,750	3,730	11,199
2001	38,633,713	3,844	10,050
2000	36,151,341	3,867	9,349
1999	34,532,877	3,888	8,882
1998	36,900,937	3,873	9,528
1997	35,784,803	4,039	8,860
1996	32,207,776	3,977	8,099
1995	36,194,539	4,003	9,042

Source: School District Financial Records.

Bedford City School District
Teacher Education and Experience
 June 30, 2004

Degree	Number of Teachers and Administrators (1)		Percentage of 2004
	2003	2004	Total
Bachelor's Degree	51	45	14.66 %
Bachelor Including 150 Hours	67	63	20.52
Bachelor Including 180 Hours	43	43	14.01
Master's Degree	53	65	21.17
Master's + 9 Hours	43	40	13.03
Master's + 18 Hours	14	13	4.23
Master's + 27 Hours	12	13	4.23
Master's + 36 Hours	6	6	1.96
Master's + 45 Hours	14	14	4.56
Master's + 54 Hours	6	5	1.63
Total	309	307	100.00 %

Years of Experience	Number of Teachers and Administrators (1)		Percentage of 2004
	2003	2004	Total
0 - 5	115	113	36.81 %
6 - 10	58	65	21.17
11 - 15	38	38	12.38
16 - 20	26	32	10.42
21 - 25	15	15	4.89
26 and Over	57	44	14.33
	309	307	100.00 %

Source: Bedford School District Personnel Records

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



**Auditor of State
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**BEDFORD CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
FEBRUARY 10, 2005**