

# **Bedford City School District**

Bedford, Ohio

## **Comprehensive Annual Financial Report**

*For the Fiscal Year Ended June 30, 2003*

Prepared by:

Mary Ann Nowak  
Treasurer

Donald E. Houghton, Jr.  
Assistant Treasurer





**Auditor of State  
Betty Montgomery**

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

We have reviewed the Independent Auditor's Report of the Bedford City School District, Cuyahoga County, prepared by Grant Thornton LLP, for the audit period July 1, 2002 to June 30, 2003. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

*Betty Montgomery*

BETTY MONTGOMERY  
Auditor of State

May 3, 2004

**This Page is Intentionally Left Blank.**

**Bedford City School District**  
*Comprehensive Annual Financial Report*  
*For the Year Ended June 30, 2003*

*Table of Contents*

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

Combining Statements and Individual Fund Schedules:

Combining Statements – Nonmajor Funds:

Fund Descriptions.....	49
Combining Balance Sheet – Nonmajor Governmental Funds.....	52
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds.....	53
Combining Balance Sheet – Nonmajor Special Revenue Funds.....	54
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds.....	60
Combining Balance Sheet – Nonmajor Capital Projects Funds.....	66
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds.....	67
Combining Statement of Fund Net Assets – Internal Service Funds.....	69
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets – Internal Service Funds.....	70
Combining Statement of Cash Flows – Internal Service Funds.....	71
Statement of Changes in Assets and Liabilities – Agency Fund.....	72

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

Major Fund:

General Fund.....	74
-------------------	----

Nonmajor Funds:

Food Service Fund.....	79
Uniform School Supplies Fund.....	80
Special Enterprise Fund.....	81
Summer School Fund.....	82
Adult and Community Education Fund.....	83
Recreation Fund.....	84
Public School Support Fund.....	85
Other Grants Fund.....	87
Venture Capital Fund.....	89
District Managed Student Activities Fund.....	90
Auxiliary Services Fund.....	92
Teacher Development Fund.....	93
Education Management Information Systems Fund.....	94
Disadvantaged Pupil Program Fund.....	95
Data Communications Fund.....	96

SchoolNet Professional Development Fund .....	97
Ohio Reads Grant Fund .....	98
Vocational Education Enhancement Fund .....	99
Miscellaneous State Grants Fund.....	100
Title II Fund .....	101
Title VI-B Fund .....	102
Vocational Education Fund.....	104
Title III Fund.....	106
Title I Fund .....	107
Title V Fund.....	109
Drug Free Schools Fund .....	110
Preschool Handicapped Fund .....	111
Goals 2000 Fund .....	112
Title VI-R Fund .....	113
Miscellaneous Federal Grants Fund.....	114
Bond Retirement Fund.....	115
Permanent Improvement Fund.....	116
Building Fund .....	117
Capital Replacement Fund.....	118
Vocational Equipment Fund .....	119
SchoolNet Fund .....	120
Self Insurance Fund .....	121
Computer Network Fund .....	122
Scholarship Fund .....	123

### III. Statistical Section

Governmental Activities Revenue by Source and Expenses by Function – Last Three Fiscal Years.....	S1
Governmental Revenues by Source and Expenditures by Function - Last Ten Fiscal Years.....	S2
Assessed and Estimated Actual Value of Taxable Property - Last Ten Calendar Years .....	S4
Property Tax Levies and Collections – Real and Tangible Personal Property – Last Ten Calendar Years.....	S6
Property Tax Rates - Direct and Overlapping Governments - Last Ten Calendar Years.....	S8
Ratio of Net General Obligation Bonded Debt to Assessed Value and Net Bonded Debt Per Capita - Last Ten Fiscal Years .....	S10
Computation of Legal Debt Margin.....	S11
Computation of Direct and Overlapping General Obligation Bonded Debt.....	S12
Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt to Total Governmental Expenditures - Last Ten Fiscal Years.....	S13

Demographic Statistics - Last Ten Years.....	S14
Property Value, Financial Institution Deposits and Building Permits – Last Ten Years.....	S15
Principal Taxpayers - Real Estate Tax.....	S16
Principal Taxpayers - Tangible Personal Property Tax.....	S17
Principal Taxpayers – Public Utilities Tangible Personal Property Tax.....	S18
Per Pupil Cost – Last Ten Fiscal Years.....	S19
Teacher and Administrator Education and Experience.....	S20



January 16, 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, 2003. This CAFR includes an opinion from Grant Thornton, LLP 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 Officers Association (GFOA) Certificate of Achievement.
2. The Financial Section which begins with the Report of Independent Accountants 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.

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, 2003, education to 3,637 students in grades K through 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 ensure 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 schools 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 one 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 Note 18 and 19 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 \$806,632,602 is divided among the four municipalities making up the School District in the following manner: Bedford 32 percent, Bedford Heights 31 percent, Oakwood 14 percent and Walton Hills 23 percent. Approximately 42 percent of the tax base is residential real property, 20 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. The City of Bedford moved into a sparkling new City Hall and Justice Center in May of 2003, constructed at a cost of just over \$16,000,000. The complex is funded with an added one-fourth percent municipal income tax. The City of Bedford Heights approved a referendum, also in May of 2003, to add a second floor to their existing detention center. The expansion is expected to net \$800,000 annually in fees from cooperating local municipal governments. Infrastructure improvements to the Northfield Road corridor

continued with the replacement of 48" water lines from the Bedford Heights corporate limits south to Solon Road. The improvements were funded from state and county resources. Development of Broadway Avenue in Oakwood continued at the southern Village limits with the construction of the first of two planned office buildings.

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. However, 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).

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 2003 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, 2003, 3,637 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 20 students. The School District's five year plan forecasts total enrollment to remain stable. As of June 30, 2003, the School District employed (full and part-time) 309 professional staff members and 303 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 case 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**

Among other attributes, the School District's academic program includes the following:

In the area of proficiency tests, students in the School District maintained a score of 75 percent or improved their scores from the previous year in sixteen of the twenty-two categories on the Ohio proficiency tests. Our students met all four standards in writing. Our sixth grade students improved in all five subject areas. The greatest improvement was in reading, with a score of 59.9 percent. This represented a 20 percent increase. Sixth grade students also improved their science scores to 59.9 percent. This was a 16 percent increase over the previous year's scores.

During the 2002-2003 school year, the School District took advantage of several opportunities to help elementary students enhance their reading skills and improve their performance on proficiency tests. For example:

With funds from a \$30,000 OhioReads renewal grant, Central and Glendale primary schools and Columbus and Carylwood intermediate schools continued their volunteer tutoring program to help students improve reading skills. Some of the schools purchased additional software to expand the Accelerated Reader® program while others purchased additional classroom materials.

Increasing activities to involve parents was a major thrust at Glendale and Central primary schools, Columbus and Carylwood intermediate schools, and Aurora upper intermediate school. Throughout the year, programs such as "Family Night of Reading" and "Proficiency Rocks with Reggae" were held to provide information for parents to help their children reinforce basic learning skills at home and to be more successful on proficiency tests.

Giving parents a better understanding of what their children will need to know on proficiency tests was the focus of Proficiency Day held at Columbus intermediate school. About 100 Columbus intermediate school parents sat side-by-side with their children and answered sample proficiency questions designed from actual tests.

To improve their performance on proficiency tests, students at Aurora upper intermediate school participated in a Drop Everything and Practice Program (DEAP). Twice a week, students worked on various proficiency test preparation materials.

Teachers at Carylwood intermediate school hosted a proficiency breakfast for parents. They discussed the significance of the test and distributed worksheet packets that parents could use to reinforce proficiency skills at home.

In the area of curriculum, teachers at all of the elementary schools further analyzed data with regard to student performance on standardized and proficiency tests. Using this information, teachers developed instructional classroom strategies to address areas where reinforcement was needed. Data analysis also enabled teachers to identify strengths and weaknesses of individual students and provide appropriate intervention.

Gale Papesh, Glendale's health/physical education teacher, was named "Teacher of the Year" for Bedford Schools. Mrs. Papesh was singled out for her well thought-out and planned lessons that frequently include the proficiency-related objectives. Carylwood Head Custodian, Steve Fowler, was named Employee of the Year. Mr. Fowler was singled out for his commitment to maintaining a safe and clean building environment and his friendly nature.

Bedford Heights Patrolman, Frank Reed, was assigned to Heskett School as the first School Resource Officer in the School District. Officer Reed, whose work is supported by a Community Policing Grant awarded to the City of Bedford Heights, serves as a role model for students and helps them develop conflict management skills.

Using grant funds, Carlywood teachers participated in technology training using web-based lesson plans focusing on math intervention skills. Teachers also worked to establish a framework for integrating math, science, reading, and writing in project-based activities to support the curriculum.

The School District's elementary schools participated in a national Harvard University study to raise the academic achievement levels of all students. The goal of the Tripod Project is to narrow the gap between students who are successful and those who struggle in school. Ultimately, Dr. Ronald F. Ferguson, who heads the project, will combine the data obtained from the School District's elementary schools with other schools across the country and share his findings on what strategies work best to lower the achievement gap.

Special education teacher Beck Johnson, art teacher Marjorie Falk, and special education teacher Nancy Hoffmann were named board-certified teachers by the National Board for Professional Teaching Standards (NBPTS). They join three other School District teachers who earned Nation Board Certification the previous school year. National Board Certification is the highest standard for the teaching profession. There are now six board-certified teachers in the School District.

Glendale primary school held its first ever Preschool Fair to acquaint parents with the Bright Beginning Preschool Program. Families enjoyed games and prizes. Teachers and administrators offered free developmental screening and information about child development. The Bright Beginnings Preschool program serves preschools with special needs as well as typically developing youngsters, who in addition to benefiting from the preschool experience, also serve as peer models to their special-needs classmates.

For the second year in a row, Bedford High'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 Company supported the team and engineers from Ford's Walton Hills Stamping Plant provided technical assistance. The team finished 9<sup>th</sup> in a regional competition in which 64 teams from an eight-state region participated.

Two marketing education students advanced from state contests to compete at the national level in Orlando, Florida. One student finished among the top 20 students in the country in his marketing category.

Plans were finalized to add a two-year Health Sciences program in the Career and Technology Education Program next school year. Another healthcare program, called Biotechnology, will be added with the 2003-2004 school year. Health Sciences is designed to provide students preparation to enter the workforce directly or to pursue higher education in a medical field. Biotechnology prepares students to pursue higher education in the area of scientific research.

Heskett School, along with Aurora and Bedford High Schools, were awarded nearly \$45,000 in an Ohio Department of Education grant to provide additional support for special education students. The grant will help regular and special education teachers become a stronger teaching team so that they can help all students in the same classroom.

The Strategic Planning Steering Committee met to develop a new strategic plan for the School District. This document, which will replace a plan that was developed in 1991, will guide the future direction of the Bedford Schools. Actions Teams will be formulated during the 2003-2004 school year to address the eight strategies adopted by the steering committee.

Five Heskett students – the largest number ever – advanced from district and regional competition to compete in the state Power of the Pen creative writing competition. Heskett finished in 31<sup>st</sup> place out of more than 300 middle schools that competed in the state finals.

Aurora Science teacher Kim Rado was named a Presidential Award Finalist in the 2002 Presidential Awards for Excellence in Science Teaching Program. Ms. Rado also was named a finalist for the Hilda E. Taylor Award as an exemplary Jason Project classroom teacher. The Jason Project is an international educational experience designed to inspire students to pursue science, math and technology through exploration and discovery. Ms. Rado incorporates the project's annual theme into her science teaching.

## **Employees**

As of June 30, 2003, the School District had 612 employees. The number of employees has increased by 21 since June 30, 2002. A statewide public employee collective bargaining law applies generally to public employee relations and collective bargaining.

As of June 30, 2003, 309 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 148 held advanced degrees. The 2002-2003 starting salary for a teacher with a bachelor's degree was \$31,883; the maximum teacher salary (for a teacher with a master's degree plus 45 semester hours and 18 years' experience) was \$66,622. The average current base salary of a School District teacher for 2002-2003 was \$50,587, compared to a State average (Fiscal Year 2002) of \$44,410.

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 will be in effect through June 30, 2004. The contract calls 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.

All of the School District's classified support staff (secretarial-clerical, custodial, maintenance, transportation and cafeteria staff) members are represented for bargaining purposes by the Ohio Association of Public School Employees ("OAPSE"), with the exception of 10 administrators and 3 confidential secretaries. The OAPSE contract expires on December 31, 2004. There have been no work stoppages in the last 15 years. In the judgment of the Board of Education, labor relations with all of its employees are excellent.

## **Financial Information**

***Internal Accounting and Budgetary Control*** The School District's day to day 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 School 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 levels.

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 School 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 School District administrators. Administrators overseeing accounts have specific budgetary limits which are approved by the School 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 financial statements.

As part of this new reporting model, management is responsible for preparing a Management's Discussion and Analysis of the School District. This discussion appears after the Report of Independent Certified Accountants and provides an assessment of the School District finances for fiscal year 2003.

***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 network 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 network fund accounts for State monies to be used to assist with the costs of belonging to a computer A-site, however, there was no activity in this fund during the current fiscal year. The internal service funds had net assets of \$1,007,570 at June 30, 2003, compared with \$880,359 in 2002, reflecting a net increase of \$127,211.

### **Cash Management**

The School District follows the Board of Education's established investment policy to best utilize the cash balances for investment purposes. 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 \$239,106 for fiscal year 2003, of which \$236,693 was credited to the general fund and \$2,413 was credited to the auxiliary services special revenue fund. Information regarding School District investments is found in Note 6.

### **Independent Auditor**

State statutes require the School District to be subjected to an annual examination by an independent auditor. The firm of Grant Thornton LLP was selected to render an opinion on the School District's financial statements as of June 30, 2003. 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 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 for the year ended June 30, 2002.



This was the sixth 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 generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to 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 2003 CAFR. The 2003 CAFR is also the work of Assistant Treasurer, Donald E. Houghton, Jr., whose name appears on the title page.

Layout and production of the 2003 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, 2003**

**Board of Education**

Mr. Joseph Allie	President
Mrs. Kay Santangelo	Vice President
Mrs. Cynthia Vecchio	Member
Mrs. Beth Housiaux	Steward
Mrs. Barbara Patterson	Member

**Treasurer**

Ms. Mary Ann Nowak

Mr. J. K. Byrne (Resigned effective July 31, 2003)

**Assistant Treasurer**

Mr. Donald E. Houghton, Jr.

**Administration**

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





REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

The Board of Education  
Bedford City School District

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, Bedford, Ohio (the "District") as of and for the year ended June 30, 2003, 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 District, as of June 30, 2003, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 16, 2004 on our consideration of the District's internal control over financial reporting and on 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 required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining statements and individual fund schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining statements and individual fund schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly presented in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Grant Thornton LLP*

Cleveland, Ohio  
January 16, 2004

**Bedford City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2003*  
*Unaudited*

---

The discussion and analysis of the Bedford City School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2003. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements as well as the statement themselves to enhance their understanding of the School District's financial performance.

### **Financial Highlights**

Key financial highlights for fiscal year 2003 are as follows:

- Total net assets increased \$1,544,219, a 9.3 percent increase over fiscal year 2002. For fiscal year 2003, the School District has elected to reclassify the enterprise funds reporting from business-type activities to governmental activities. The increase in taxes receivable added to the increase.
- General revenues accounted for \$40,491,922 in revenue or 90.9 percent of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$4,060,386 or 9.1 percent of total revenues of \$44,552,308.
- The School District had \$43,031,752 in expenses related to governmental activities; only \$4,060,386 of these expenses were offset by program specific charges for services, grants or contributions. General revenues related to governmental activities of \$40,491,922 were adequate to provide for these programs.
- The general fund had \$36,018,616 in revenues and \$37,173,108 in expenditures. The fund balance of the general fund decreased \$1,444,661 in 2003.

### **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 provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. In the case of the Bedford City School District, the general fund is the most significant fund.

**Bedford City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2003*  
*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.

Effective with this fiscal year, 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 funds begins on page 8. Fund financial reports provide detailed information about the School District's major funds. 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 funds. The School District's 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, beginning this reporting year, the School District will report 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



**Bedford City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2003*  
*Unaudited*

enterprise fund. The charge for a school lunch cannot keep pace with the ever-increasing wage and 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 belonging to a computer A-site and are reported separately 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 2003 compared to fiscal year 2002:

**Table 1**  
 Net Assets

	2003	2002
<b>Assets</b>		
Current and Other Assets	\$50,220,233	\$46,834,877
Capital Assets, Net	16,416,986	16,114,860
<i>Total Assets</i>	66,637,219	62,949,737
<b>Liabilities</b>		
Current and Other Liabilities	35,095,424	32,836,986
Long-Term Liabilities:		
Due Within One Year	1,829,092	940,000
Due in More than One Year	11,536,949	12,541,216
<i>Total Liabilities</i>	48,461,465	46,318,202
<b>Net Assets</b>		
Invested in Capital Assets, Net of Debt	6,000,021	5,265,722
Restricted:		
Capital Projects	575,693	358,950
Debt Service	1,587,484	1,503,513
Other Purposes	619,847	432,505
Unrestricted	9,392,709	9,070,845
<i>Total Net Assets</i>	\$18,175,754	\$16,631,535

Increases in cash, taxes receivable and capital assets from fiscal year 2002 to fiscal year 2003 contributed to the increase of \$3,687,482 in total assets. Increases in deferred revenue, accounts payable and intergovernmental payables contributed to the increase in total liabilities. The growth in governmental activities net assets is consistent with the School District's long-term fiscal plan, which is to delay the next operational levy request as long as possible.

**Bedford City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2003*  
*Unaudited*

Table 2 shows changes in governmental net assets for fiscal years 2003 and 2002.

**Table 2**  
**Changes in Net Assets**

	2003	2002
<b>Revenues</b>		
Program Revenues:		
Charges for Services and Sales	\$1,205,728	\$1,872,006
Operating Grants and Contributions	2,745,121	2,419,375
Capital Grants and Contributions	109,537	50,514
<i>Total Program Revenues</i>	<u>4,060,386</u>	<u>4,341,895</u>
General Revenues:		
Property Taxes	31,493,245	34,544,853
Grants and Entitlements	8,634,340	6,685,643
Payment in Lieu of Taxes	0	21,613
Investment Earnings	239,106	377,677
Gain on Sale of Capital Assets	0	50,753
Miscellaneous	125,231	291,104
<i>Total General Revenues</i>	<u>40,491,922</u>	<u>41,971,643</u>
<i>Total Revenues</i>	<u>44,552,308</u>	<u>46,313,538</u>
<b>Program Expenses</b>		
Instruction	20,903,239	19,493,314
Support Services:		
Pupils	2,591,297	2,504,145
Instructional Staff	1,540,163	1,636,335
Board of Education	174,214	147,718
Administration	2,959,248	2,660,475
Fiscal	1,545,099	1,211,620
Business	505,723	411,748
Operation and Maintenance of Plant	5,933,219	6,335,607
Pupil Transportation	3,422,056	2,860,873
Central	277,502	241,112
Operation of Non-Instructional Services:		
Food Services Operations	1,416,237	1,214,859
Other Non-Instructional Services	608,190	649,054
Extracurricular Activities	628,947	835,766
Interest and Fiscal Charges	526,618	404,297
<i>Total Program Expenses</i>	<u>43,031,752</u>	<u>40,606,923</u>
<i>Increase in Net Assets before Transfers</i>	1,520,556	5,706,615
<i>Transfers</i>	<u>23,663</u>	<u>0</u>
<i>Net Change in Net Assets</i>	1,544,219	5,706,615
<i>Net Assets Beginning of Year</i>	<u>16,631,535</u>	<u>10,924,920</u>
<i>Net Assets End of Year</i>	<u><u>\$18,175,754</u></u>	<u><u>\$16,631,535</u></u>

**Bedford City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2003*  
*Unaudited*

---

General revenues decreased \$1,479,721 from 2002, due primarily to the timing of the taxes revenue available for advance in 2003. Total revenues decreased \$1,761,230 or 3.8 percent from 2002. The decline in program revenues of \$281,509 also contributed to this decline. The increase of \$2,424,829 in program expenses was due mainly to increases in instruction, support services for pupil transportation and operation of non-instructional services - food services expenses.

**Governmental Activities**

In May of 1999, the School District asked the voters for an additional 6.5 mill continuing property tax levy for general operations. That request was turned down. The following November, the voters approved a reduced 4.9 mill continuing operating levy. Additional operating revenue, therefore, did come to the School District for the final six months (January through June) of fiscal year 2000. Fiscal year 2001 saw the first full year's collection on the increased millage.

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 70.7 percent of total revenues in the School District for fiscal year 2003. Instructional expenses account for 48.6 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.

**Bedford City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2003*  
*Unaudited*

**Table 3**  
 Net Cost of Governmental Activities

	Total Cost of Services 2003	Net Cost of Services 2003	Total Cost of Services 2002	Net Cost of Services 2002
Instruction	\$20,903,239	(\$19,268,938)	\$19,493,314	(\$17,538,024)
Support Services:				
Pupils	2,591,297	(2,533,303)	2,504,145	(2,366,123)
Instructional Staff	1,540,163	(1,339,493)	1,636,335	(1,535,765)
Board of Education	174,214	(174,214)	147,718	(147,718)
Administration	2,959,248	(2,855,352)	2,660,475	(2,654,522)
Fiscal	1,545,099	(1,545,099)	1,211,620	(1,211,620)
Business	505,723	(499,959)	411,748	(411,748)
Operation and Maintenance of Plant	5,933,219	(5,874,504)	6,335,607	(6,335,607)
Pupil Transportation	3,422,056	(3,384,987)	2,860,873	(2,751,415)
Central	277,502	(261,920)	241,112	(236,573)
Operation of Non-Instructional Services:				
Food Service Operations	1,416,237	(156,275)	1,214,859	22,672
Other Non-Instructional Services	608,190	(25,699)	649,054	(101,934)
Extracurricular Activities	628,947	(525,005)	835,766	(592,354)
Interest and Fiscal Charges	526,618	(526,618)	404,297	(404,297)
<i>Total</i>	<u>\$43,031,752</u>	<u>(\$38,971,366)</u>	<u>\$40,606,923</u>	<u>(\$36,265,028)</u>

The total cost of governmental activities' services rose by \$2,424,829 or 5.97 percent from fiscal year 2002 to fiscal year 2003, while the net cost of services increased by \$2,706,338 from fiscal year 2002 to fiscal year 2003.

The dependence on tax revenues and state subsidies for governmental activities is apparent. 92.18 percent of instructional activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is over 90.56 percent.

### **The School District's Funds**

Information about the School District's governmental funds starts on page 14. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$41,262,339 and expenditures of \$43,488,737. The net change in fund balance for the year was most significant in the general fund, decreasing by \$1,444,661.

**Bedford City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2003*  
*Unaudited*

---

**General Fund Budgeting Highlights**

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

During the course of fiscal year 2003, the School District amended its general fund budget several times, but no change was significant. The general fund final budgeted revenue amount of \$37,736,496 is \$1,625,873 or 4.5 percent higher than the original budgeted amount of \$36,110,623. The difference was primarily due to higher than anticipated tax revenue. Actual revenues of \$39,156,781 are \$1,420,285 or 3.8 percent higher than the final budgeted amount. Actual expenditures of \$38,241,225 are \$1,111,744 or 2.8 percent less than the final budgeted amount of \$39,352,969. The School District ended the fiscal year with a fund balance of \$8,226,540, an increase over fiscal year 2002.

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 2003 the School District had, at net value, \$16,416,986 invested in land, buildings and improvements, furniture and equipment, and vehicles. That total carries an accumulated depreciation of \$26,906,249. Table 4 shows fiscal year 2003 balances compared to fiscal year 2002.

**Table 4**  
 Capital Assets at Net Value at June 30  
 Governmental Activities

	2003	2002
Land	\$2,283,183	\$2,283,183
Construction in Progress	885,861	0
Buildings and Improvements	10,755,277	11,317,689
Furniture and Equipment	1,210,389	1,043,165
Vehicles	1,282,276	1,470,823
Totals	\$16,416,986	\$16,114,860

The addition and replacement of capital equipment and buildings in fiscal year 2003 resulted in a slight increase in net capital assets. The net value of governmental capital assets is, however, only 37.9 percent of the value of the capital assets at cost. This ratio reflects a relatively old physical plant and bus fleet. The buildings of the School District are well maintained and in good repair. The School District is in the process of constructing a new maintenance facility, as well as various renovation projects to the School District buildings. The School District has established a capital replacement fund for the purpose of

**Bedford City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2003*  
*Unaudited*

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

***Debt***

At June 30, 2003, the School District had \$10,686,723 in bonds and loan outstanding, \$933,000 of which was due within one year. Table 5 summarizes bonds and loan outstanding.

**Table 5**  
 Outstanding Debt at June 30  
 Governmental Activities

	2003	2002
1993 Energy Conservation Note	\$0	\$225,000
1996 Energy Conservation Note	230,000	300,000
1993 Library Construction Bond	85,000	160,000
1993 Facilities Renovation Bond	545,000	1,040,000
1994 Facilities Acquisition Bond	195,000	210,000
2001 Refunding Serial Bonds	8,400,473	8,443,549
2001 Refunding Capital Appreciation Bonds	625,250	565,505
2002 Maintenance Facility Loan	606,000	0
Totals	\$10,686,723	\$10,944,054

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.

The School District's overall debt margin was \$63,651,032 with an unvoted debt margin of \$611,633. For additional information on long-term obligations, see Note 16 to the basic financial statements.

***Current Financial Related Activities***

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

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.

**Bedford City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2003*  
*Unaudited*

---

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 third 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](mailto:manowak@bedford.k12.oh.us).

**Bedford City School District**

*Statement of Net Assets*

*June 30, 2003*

	<u>Governmental Activities</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$14,862,221
Cash and Cash Equivalents with Fiscal Agent	156,580
Investments	195,000
Accounts Receivable	17,649
Intergovernmental Receivable	533,264
Prepaid Items	33,273
Inventory Held for Resale	20,110
Materials and Supplies Inventory	262,433
Property Taxes Receivable	34,026,525
Unamortized Bond Issuance Costs	113,178
Nondepreciable Capital Assets	3,169,044
Depreciable Capital Assets, Net	<u>13,247,942</u>
<i>Total Assets</i>	<u>66,637,219</u>
<b>Liabilities</b>	
Accounts Payable	1,120,303
Accrued Wages and Benefits Payable	3,521,183
Intergovernmental Payable	1,366,050
Deferred Revenue	29,007,124
Accrued Interest Payable	36,797
Claims Payable	43,967
Long-Term Liabilities:	
Due Within One Year	1,829,092
Due in More Than One Year	<u>11,536,949</u>
<i>Total Liabilities</i>	<u>48,461,465</u>
<b>Net Assets</b>	
Invested in Capital Assets, Net of Related Debt	6,000,021
Restricted for:	
Capital Projects	575,693
Debt Service	1,587,484
Other Purposes	619,847
Unrestricted	<u>9,392,709</u>
<i>Total Net Assets</i>	<u>\$18,175,754</u>

See accompanying notes to the basic financial statements



**Bedford City School District**  
*Statement of Activities*  
For the Fiscal Year Ended June 30, 2003

	Program Revenues			Net Expenses and Changes in Net Assets	
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>					
Instruction:					
Regular	\$15,672,563	\$281,732	\$443,614	\$0	(\$14,947,217)
Special	3,940,974	0	768,859	0	(3,172,115)
Vocational	1,289,702	112	126,231	13,753	(1,149,606)
Support Services:					
Pupil	2,591,297	0	57,994	0	(2,533,303)
Instructional Staff	1,540,163	3,733	196,937	0	(1,339,493)
Board of Education	174,214	0	0	0	(174,214)
Administration	2,959,248	1,455	102,441	0	(2,855,352)
Fiscal	1,545,099	0	0	0	(1,545,099)
Business	505,723	4,949	815	0	(499,959)
Operation and Maintenance of Plant	5,933,219	0	0	58,715	(5,874,504)
Pupil Transportation	3,422,056	0	0	37,069	(3,384,987)
Central	277,502	5,911	9,671	0	(261,920)
Operation of Non-Instructional Services:					
Food Service Operations	1,416,237	742,396	517,566	0	(156,275)
Other Non-Instructional Services	608,190	64,719	517,772	0	(25,699)
Extracurricular Activities	628,947	100,721	3,221	0	(525,005)
Interest and Fiscal Charges	526,618	0	0	0	(526,618)
<i>Total Governmental Activities</i>	<u>\$43,031,752</u>	<u>\$1,205,728</u>	<u>\$2,745,121</u>	<u>\$109,537</u>	<u>(38,971,366)</u>
<b>General Revenues</b>					
Property Taxes Levied for:					
					29,904,312
					1,030,078
					558,855
					8,634,340
					239,106
					125,231
					<u>40,491,922</u>
					23,663
					<u>40,515,585</u>
					1,544,219
					<u>16,631,535</u>
					<u>\$18,175,754</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, 2003*

<b>Total Governmental Fund Balances</b>		<b>\$11,417,275</b>
 <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.		16,416,986
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Delinquent Property Taxes	2,925,050	
Grants	364,919	
		3,289,969
Bond issuance costs will be amortized over the life of the bonds on the statement of net assets.		113,178
Intergovernmental payable includes contractually required pension contributions not expected to be paid with expendable available financial resources and therefore not reported in the funds.		(666,386)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		(36,797)
The internal service funds are used by management to charge the costs of insurance and goods warehoused and distributed to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.		1,007,570
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:		
General Obligation Bonds	(9,373,691)	
Bond Premium	(707,032)	
Loan Payable	(606,000)	
Compensated Absences	(2,679,318)	
Total		(13,366,041)
 <i>Net Assets of Governmental Activities</i>		 <b>\$18,175,754</b>

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, 2003*

	General	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>			
Property Taxes	\$27,135,241	\$1,432,954	\$28,568,195
Intergovernmental	8,397,511	2,666,752	11,064,263
Interest	236,693	2,413	239,106
Charges for Services	0	767,185	767,185
Tuition and Fees	170,129	39,225	209,354
Rentals	1,480	49,633	51,113
Extracurricular Activities	0	178,076	178,076
Contributions and Donations	0	59,816	59,816
Miscellaneous	77,562	47,669	125,231
<i>Total Revenues</i>	<u>36,018,616</u>	<u>5,243,723</u>	<u>41,262,339</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	14,199,496	563,939	14,763,435
Special	3,309,608	740,462	4,050,070
Vocational	1,199,851	147,011	1,346,862
Support Services:			
Pupil	2,502,410	85,155	2,587,565
Instructional Staff	1,409,203	186,888	1,596,091
Board of Education	174,001	0	174,001
Administration	2,799,343	105,067	2,904,410
Fiscal	1,450,531	0	1,450,531
Business	414,705	6,045	420,750
Operation and Maintenance of Plant	5,703,847	0	5,703,847
Pupil Transportation	3,008,535	0	3,008,535
Central	243,023	10,393	253,416
Operation of Non-Instructional Services:			
Food Service Operations	0	1,353,409	1,353,409
Other Non-Instructional Services	0	543,327	543,327
Extracurricular Activities	411,467	215,368	626,835
Capital Outlay	0	1,343,445	1,343,445
Debt Service:			
Principal Retirement	310,000	630,000	940,000
Interest and Fiscal Charges	37,088	385,120	422,208
<i>Total Expenditures</i>	<u>37,173,108</u>	<u>6,315,629</u>	<u>43,488,737</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(1,154,492)</u>	<u>(1,071,906)</u>	<u>(2,226,398)</u>
<b>Other Financing Sources (Uses)</b>			
Proceeds from Sale of Capital Assets	600	0	600
Loan Issued	0	606,000	606,000
Transfers In	0	314,432	314,432
Transfers Out	(290,769)	0	(290,769)
<i>Total Other Financing Sources (Uses)</i>	<u>(290,169)</u>	<u>920,432</u>	<u>630,263</u>
<i>Net Change in Fund Balances</i>	(1,444,661)	(151,474)	(1,596,135)
<i>Fund Balances Beginning of Year - Restated (See Note 3)</i>	<u>10,581,569</u>	<u>2,431,841</u>	<u>13,013,410</u>
<i>Fund Balances End of Year</i>	<u>\$9,136,908</u>	<u>\$2,280,367</u>	<u>\$11,417,275</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, 2003*

---

**Net Change in Fund Balances -Total Governmental Funds** (\$1,596,135)

*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	1,508,208	
Current Year Depreciation	(1,206,082)	
Total	302,126	302,126

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

Delinquent Property Taxes	2,925,050	
Intergovernmental	364,919	
Total	3,289,969	3,289,969

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

Loan Issued		(606,000)
-------------	--	-----------

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.

(8,497)

In the statement of activities, bond accretion, bond premium, bond issuance costs and the deferred amount on refunding are amortized over the term of the bonds, whereas in governmental funds an expenditure is reported when the bonds are issued.

Bond Accretion Amortization	(59,745)	
Bond Premium Amortization	120,220	
Bond Issuance Cost Amortization	(19,244)	
Amortization of Deferred Amount on Refunding	(137,144)	
Total	(95,913)	(95,913)

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

940,000

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds until paid.

Compensated Absences	(142,156)	
Pension Obligations	(666,386)	
Total	(808,542)	(808,542)

The internal service funds 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 funds are allocated among the governmental activities.

127,211

*Change in Net Assets of Governmental Activities*

\$1,544,219

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, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$27,935,145	\$29,192,363	\$30,290,611	\$1,098,248
Intergovernmental	7,700,841	8,048,901	8,352,949	304,048
Interest	235,041	245,664	254,944	9,280
Tuition and Fees	157,648	164,774	170,998	6,224
Rentals	3,631	3,796	3,939	143
Miscellaneous	78,317	80,998	83,340	2,342
<i>Total Revenues</i>	36,110,623	37,736,496	39,156,781	1,420,285
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	14,954,087	15,108,351	14,897,152	211,199
Special	3,517,936	3,385,411	3,356,175	29,236
Vocational	1,304,161	1,269,161	1,235,341	33,820
Support Services:				
Pupil	2,618,197	2,617,963	2,564,212	53,751
Instructional Staff	1,652,582	1,558,629	1,520,522	38,107
Board of Education	135,623	241,623	168,132	73,491
Administration	3,031,695	2,917,541	2,871,553	45,988
Fiscal	1,117,365	1,276,365	1,265,480	10,885
Business	424,108	446,408	415,077	31,331
Operation and Maintenance of Plant	6,052,040	6,094,112	5,654,642	439,470
Pupil Transportation	3,148,174	3,301,073	3,264,271	36,802
Central	272,659	279,472	269,641	9,831
Extracurricular Activities	305,060	509,060	411,939	97,121
Capital Outlay	500	500	0	500
Debt Service:				
Principal Retirement	310,000	310,000	310,000	0
Interest and Fiscal Charges	37,300	37,300	37,088	212
<i>Total Expenditures</i>	38,881,487	39,352,969	38,241,225	1,111,744
<i>Excess of Revenues Over (Under) Expenditures</i>	(2,770,864)	(1,616,473)	915,556	2,532,029
<b>Other Financing Sources (Uses)</b>				
Proceeds from the Sale of Capital Assets	554	578	600	22
Contingencies	(38,500)	(36,500)	0	36,500
Advances In	833,417	871,944	905,600	33,656
Advances Out	(51,000)	(2,219,900)	(2,219,900)	0
Transfers Out	(163,453)	(348,384)	(290,769)	57,615
<i>Total Other Financing Sources (Uses)</i>	581,018	(1,732,262)	(1,604,469)	127,793
<i>Net Change in Fund Balance</i>	(2,189,846)	(3,348,735)	(688,913)	2,659,822
<i>Fund Balance Beginning of Year</i>	7,559,346	7,559,346	7,559,346	0
Prior Year Encumbrances Appropriated	1,356,107	1,356,107	1,356,107	0
<i>Fund Balance End of Year</i>	\$6,725,607	\$5,566,718	\$8,226,540	\$2,659,822

See accompanying notes to the basic financial statements

**Bedford City School District**

*Statement of Fund Net Assets*

*Internal Service Funds*

*June 30, 2003*

---

---

<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$1,051,537
<b>Liabilities</b>	
Claims Payable	<u>43,967</u>
<b>Net Assets</b>	
Unrestricted	<u>1,007,570</u>
<i>Total Net Assets</i>	<u><u>\$1,007,570</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, 2003*

---

---

**Operating Revenues**

Charges for Services \$1,116,270

**Operating Expenses**

Purchased Services 36,035

Claims 953,024

*Total Operating Expenses* 989,059

*Change in Net Assets* 127,211

*Net Assets Beginning of Year* 880,359

*Net Assets End of Year* \$1,007,570

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, 2003*

---

---

**Increase (Decrease) in Cash and Cash Equivalents**

**Cash Flows from Operating Activities**

Cash Received from Interfund Services	\$1,121,133
Cash Payments for Purchased Services	(36,035)
Cash Payments for Claims	<u>(958,597)</u>

*Net Increase in Cash and Cash Equivalents* 126,501

*Cash and Cash Equivalents Beginning of Year* 925,036

*Cash and Cash Equivalents End of Year* \$1,051,537

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

Operating Income \$127,211

*Adjustments:*

Decrease in Accounts Receivables	4,863
Decrease in Claims Payable	<u>(5,573)</u>

*Net Cash Provided by Operating Activities* \$126,501

See accompanying notes to the basic financial statements

**Bedford City School District**  
*Statement of Fiduciary Net Assets*  
*Fiduciary Funds*  
*June 30, 2003*

	Private Purpose Trust	
	Scholarships	Agency
<b>Assets</b>		
Equity in Pooled Cash and Cash Equivalents	\$49,738	\$36,137
<b>Liabilities</b>		
Accounts Payable	0	\$314
Due to Students	0	35,823
<i>Total Liabilities</i>	0	\$36,137
<b>Net Assets</b>		
Held in Trust for Scholarships	\$49,738	

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, 2003*

---

---

	<u>Scholarships</u>
<b>Additions</b>	
Interest	\$705
<b>Deductions</b>	
Scholarships Awarded	<u>0</u>
<i>Excess of Additions Over Deductions</i>	705
Transfers Out	<u>(23,663)</u>
<i>Change in Net Assets</i>	(22,958)
<i>Net Assets Beginning of Year</i>	<u>72,696</u>
<i>Net Assets End of Year</i>	<u><u>\$49,738</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, 2003*

---

**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 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, and provides education to 3,637 students in grades K through 12. The School District also provides preschool education to 34 handicapped students. The School District is located in northeast Ohio, and covers 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 ensure 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, this includes the agencies and departments that 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), the Ohio Schools Council Association and the Ohio School Boards Association Workers' Compensation Group Rating Program. These organizations are presented in Notes 18 and 19 of the notes to the basic financial statements.

**Note 2 - Summary of Significant Accounting Policies**

The financial statements of the Bedford City School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental activities and to its proprietary funds provided they do not conflict with or contradict GASB pronouncements. The more significant of the School District's accounting policies are described below.

**Bedford City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

---

***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 each 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 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 are the School District's major governmental funds:

***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.

***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 internal service funds.

**Bedford City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

---

***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 employee prescription drug and dental claims and the other to account for the costs associated with the computer A-site.

***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 agency fund reports resources belonging to the student bodies of the various schools.

***C. Measurement Focus***

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

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

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

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

***D. Basis of Accounting***

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

**Bedford City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

---

**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.

Non-exchange 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 non-exchange 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 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, 2003, but which were levied to finance fiscal year 2004 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

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

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

***E. Budgetary Data***

All funds, other than agency 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.

**Bedford City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

---

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

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

***F. Cash and Cash Equivalents***

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

During fiscal year 2003, the School District's investments were limited to a Bedford City School District Facilities Acquisition Manuscript Bond and the State Treasury Asset Reserve (STAROhio).

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

STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 2003.

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 2003 amounted to \$236,693, which includes \$89,056 assigned from other School District funds.

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 or short-term investments.

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.

***G. Prepaid Items***

Payments made to vendors for services that will benefit periods beyond June 30, 2003, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the fiscal year in which services are consumed.



**Bedford City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

---

***H. Inventory***

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed 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. These assets 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 one thousand dollars. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>
Buildings and Improvements	10 - 30 years
Furniture and Equipment	5 -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.

***K. Bond Premium***

On the government-wide financial statements, 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 expended when incurred.

***L. Deferred Amount 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 deferred amount on refunding, is being amortized as a component of interest expense. This deferred amount is amortized over the life of the new debt, using the effective interest method. On the governmental fund statements, the deferred amount on refunding was expended when incurred.

***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 activities column of the statement of net assets.

**Bedford City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

---

***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.

***O. Accrued Liabilities and Long-Term Obligations***

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

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

***P. Interfund Activity***

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

***Q. Fund Balance Reserves***

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

The reserve for property tax advance 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.

**Bedford City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

---

Net assets restricted for other purposes includes food services operations, athletics and music activities and grant 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. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund. All revenues and expenses not meeting these definitions are reported as non-operating.

***T. Extraordinary and Special Items***

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

***U. Estimates***

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

**Note 3 - Restatement of Fund Balance/Net Assets**

As of June 30, 2002, the School District restated the beginning fund balance of nonmajor funds and net assets of governmental activities due to the change in fund classification of the enterprise funds. These adjustments had the following effect on fund balance/net assets:

	<u>Nonmajor</u>
Fund Balance, June 30, 2002	\$2,093,446
Fund Reclassification	299,102
Compensated Absences Payable	<u>39,293</u>
Adjusted Fund Balance, June 30, 2002	<u><u>\$2,431,841</u></u>

**Bedford City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

	Governmental Activities	Business-Type Activities
Net Assets, June 30, 2002	\$16,294,927	\$336,605
Fund Reclassification	299,102	(299,102)
Capital Assets	37,506	(37,503)
Adjusted Net Assets, June 30, 2002	\$16,631,535	\$0

**Note 4 – Compliance and Accountability**

**A. Legal Compliance**

Contrary to Ohio Revised Code Section 5705.39, the following funds had original appropriations in excess of certified available resources.

	Original Revenues Plus Carryover Balance	Appropriations	Excess
<i>Special Revenue Funds:</i>			
Other Grants	\$63,249	\$66,694	\$3,445
Data Communications	12,000	24,500	12,500
Ohio Reads Grant	112,989	193,484	80,495
Title VI-B	557,784	789,051	231,267
Vocational Education	267,207	315,702	48,495
Title I	659,558	733,954	74,396
Title V	70,585	96,636	26,051
Preschool Handicapped	63,348	69,773	6,425
Title VI-R	175,086	272,106	97,020
<i>Capital Projects Funds:</i>			
Capital Replacement	176,598	198,600	22,002
SchoolNet	33,502	58,715	25,213

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

**Bedford City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

**B. Accountability**

At June 30, 2003, the following funds had deficit fund balances:

	Amount
<b>Special Revenue Funds</b>	
Food Service	\$65,985
Vocational Education Enhancement	\$3,796
Title VI-B	139,093
Vocational Education	38,485
Title I	100,098
Drug Free Schools	4,450
Preschool Handicapped	4,276
Title VI-R	53,942
Miscellaneous Federal Grants	4,890

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

**Note 5 - Budgetary Basis of Accounting**

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

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

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements on a fund type basis for the general fund.

Net Change in Fund Balance	
GAAP Basis	(\$1,444,661)
Net Adjustment for Revenue Accruals	3,138,165
Advances In	905,600
Net Adjustment for Expenditure Accruals	29,224
Advances Out	(2,219,900)
Adjustment for Encumbrances	(1,097,341)
Budget Basis	(\$688,913)

**Bedford City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

---

**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.

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,

**Bedford City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

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 (including Repurchase Agreements) and Reverse Repurchase Agreements".

**Deposits** At fiscal year end, the carrying amount of the School District's deposits was \$745,563 and the bank balance was \$1,650,714. Of the bank balance:

1. \$200,000 was covered by depository insurance; and
2. \$1,450,714 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	Fair Value
Bedford City School District Facilities		
Acquisition Manuscript Bonds	\$195,000	\$195,000
STAROhio	0	14,359,113
Total	\$195,000	\$14,554,113

The classification of cash and cash equivalents on the basic financial statements is based on criteria set forth in GASB Statement No. 9, "Reporting Cash Flows of Proprietary and Non-Expendable Trust Funds and Governmental Entities that Use Proprietary Accounting". 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:

**Bedford City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement No. 9	\$15,104,676	\$195,000
Investments which are part of the cash management pool:		
STAROhio	(14,359,113)	14,359,113
GASB Statement No. 3	\$745,563	\$14,554,113

**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.

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 2003 represents collections of calendar year 2002 taxes. Real property taxes received in calendar year 2003 were levied after April 1, 2002, on the assessed value listed as of January 1, 2002, the lien date. Assessed values for real property are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2003 represents collections of calendar year 2002 taxes. Public utility real and tangible personal property taxes received in calendar year 2003 become a lien December 31, 2001, were levied after April 1, 2002 and are collected in 2003 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax revenue received during calendar year 2003 (other than public utility property) represents the collection of 2003 taxes. Tangible personal property taxes received in calendar year 2003 were levied after April 1, 2002, on the value as of December 31, 2002. Tangible personal property is currently assessed at twenty-five percent of true value for capital assets and twenty-four 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 2003 personal property tax settlement was not received until July 2003.

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, 2003, are available to finance fiscal year 2003 operations. The amount available to be advanced can vary based on the date the tax bills are sent.



**Bedford City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2003 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 and the late personal property tax settlement were levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred revenue.

The amount available as an advance at June 30, 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 amount available as an advance at June 30, 2002, was \$4,208,875 in the general fund, \$213,906 in the bond retirement debt service fund, and \$91,121 in the permanent improvement capital projects fund.

The late tax settlement made by the County for fiscal year 2003 was \$262,950 in the general fund, \$7,556 in the bond retirement debt service fund and \$5,106 in the permanent improvement capital projects fund.

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

The assessed values upon which the fiscal year 2003 taxes were collected are:

	2002 Second		2003 First	
	Half Collections		Half Collections	
	Amount	Percent	Amount	Percent
Residential/Agricultural	\$331,671,010	41.20 %	\$337,452,998	41.83 %
Other Real Estate	255,673,720	31.75	265,141,642	32.87
Public Utility Personal	41,718,240	5.18	38,787,420	4.81
Tangible Personal Property	176,119,963	21.87	165,250,542	20.49
<b>Total</b>	<b>\$805,182,933</b>	<b>100.00 %</b>	<b>\$806,632,602</b>	<b>100.00 %</b>
Tax rate per \$1,000 of assessed valuation	\$62.50		\$62.50	

**Note 8 - Receivables**

Receivables at June 30, 2003, 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.

**Bedford City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

A summary of principal items of intergovernmental receivables follows:

Governmental Activities	Amount
General Fund	\$44,562
Food Service	60,301
Title VI-B	160,345
Title I	114,704
Title V	19,567
Drug Free Schools	5,353
Preschool Handicapped	4,435
Title VI-R	66,474
Miscellaneous Federal Grants	7,523
Permanent Improvement	50,000
Total	\$533,264

**Note 9 - Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2003, was as follows:

	Balance 6/30/02	Additions	Deletions	Balance 6/30/03
<b>Governmental Activities</b>				
<i>Capital Assets, not being depreciated:</i>				
Land	\$2,283,183	\$0	\$0	\$2,283,183
Construction in Progress	0	885,861	0	885,861
<i>Total Capital Assets, not being depreciated</i>	2,283,183	885,861	0	3,169,044
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	32,112,868	222,586	0	32,335,454
Furniture and Equipment	3,722,411	373,341	0	4,095,752
Vehicles	3,696,565	26,420	0	3,722,985
<i>Total Capital Assets, being depreciated</i>	39,531,844	622,347	0	40,154,191
Less Accumulated Depreciation:				
Buildings and Improvements	(20,795,179)	(784,998)	0	(21,580,177)
Furniture and Equipment	(2,679,246)	(206,117)	0	(2,885,363)
Vehicles	(2,225,742)	(214,967)	0	(2,440,709)
Total Accumulated Depreciation	(25,700,167)	(1,206,082) *	0	(26,906,249)
<i>Total Capital Assets, being depreciated, net</i>	13,831,677	(583,735)	0	13,247,942
Governmental Activities Capital Assets, Net	\$16,114,860	\$302,126	\$0	\$16,416,986

**Bedford City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

\* Depreciation expense was charged to governmental functions as follows:

Instruction	
Regular	\$691,486
Special	6,001
Vocational	36,249
Support Services:	
Pupil	24,432
Instructional Staff	14,003
Administration	4,109
Fiscal	4,467
Business	7,793
Operation and Maintenance of Plant	131,764
Pupil Transportation	193,829
Central	10,017
Operation of Non-Instructional Services:	
Food Service Operations	7,701
Other Non-Instructional Services	74,231
Total Depreciation Expense	\$1,206,082

**Note 10 - Interfund Balances**

Interfund balances at June 30, 2003, consist of the following individual fund receivables and payables:

Interfund Payable	Interfund Receivable General Fund
<i>Governmental Activities</i>	
<b>Non-Major Funds</b>	
Food Service	\$200,000
Public School Support	10,000
District Managed Student Activities	55,000
Vocational Education Enhancement	4,000
Title II	2,000
Title VI-B	192,000
Vocational Education	98,000
Title I	147,000
Title V	20,000
Drug Free Schools	6,000
Preschool Grant	5,000
Title VI-R	66,000
Miscellaneous Federal Grants	8,000
Permanent Improvement	1,180,000
Building	190,300
<i>Total Governmental Activities</i>	\$2,183,300

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

**Bedford City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

The School District transferred the following amounts to various funds during fiscal year 2003.

Transfers In	Transfers Out		Total
	General Fund	Private Purpose Trust	
<b>Non-Major Funds</b>			
Summer School	\$3,629	\$0	\$3,629
Public School Support	932	0	932
Other Grants	0	23,663	23,663
District Managed Student Activities	101,277	0	101,277
Capital Improvements	184,931	0	184,931
<i>Total Governmental Activities</i>	<u>\$290,769</u>	<u>\$23,663</u>	<u>\$314,432</u>

The general fund transfer to the District Managed Student Activities special revenue fund was to provide financial support for the School District's athletics and music programs. The other transfers from the general fund to the remaining special revenue funds are due to expenditures which exceed grant amounts. The scholarship private purpose trust fund transferred funds to the other grants special revenue fund due to a receipt posting error from a prior fiscal year.

**Note 11 - 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 2003, 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 approximately \$90,472,000 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, 2003, for each coverage. Casualty and fleet insurance coverage was provided, with a combined single limit of \$1 million with a \$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. Liability limits have been increased from \$4 million each occurrence and reduced from a combined aggregate of \$8 million in 2002, and were deemed adequate. 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 participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 19). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is

**Bedford City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control and actuarial services to the GRP.

***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 into the self-funded benefits fund, which represents the entire premium required: dental - \$27.36 (single), \$82.07 (family); drug - \$67.24 (single), \$184.92 (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 \$43,967 reported in the self insurance fund at June 30, 2003, is based on an estimate provided by the Treasurer and the requirements of Governmental Accounting Standards Board Statement No. 30, "Risk Financing Omnibus", 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
2002	\$75,403	\$973,241	\$999,104	\$49,540
2003	49,540	953,024	958,597	43,967

**Note 12 - Other Employee Benefits**

***A. 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 310 days (administrators). Upon retirement or termination after 25 years of service, payment is made for 30 days plus 1/10<sup>th</sup> of the days remaining up to a maximum of 49 days (certificated employees), or one-fourth of the days (non-certificated employees), or 58 days (administrators). For purposes of retirement, the employee receiving such payment must meet the eligibility requirement provisions set by STRS Ohio or SERS.

## **Note 13 - 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 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.

Plan members are required to contribute 9 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 2003, 8.17 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2002, 5.46 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2003, 2002, and 2001 were \$636,525, \$392,945, and \$331,727, respectively; 61 percent has been contributed for fiscal year 2003 and 100 percent for the fiscal years 2002 and 2001.

### ***B. State Teachers Retirement System***

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

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

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

**Bedford City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

---

For the fiscal year ended June 30, 2003, plan members were required to contribute 9.3 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2002, 9.5 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School District's required contributions for pension obligations to the DB Plan for the fiscal years ended June 30, 2003, 2002, and 2001 were \$2,155,328, \$1,528,177, and \$960,196 respectively; 81.40 percent has been contributed for fiscal year 2003 and 100 percent for the fiscal years 2002 and 2001. Contributions to the DC and Combined Plans for fiscal year 2003 were \$6,839 made by the School District and \$19,564 made by the plan members.

***C. Social Security System***

Two members of the Board of Education not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio are covered by social security.

**Note 14- 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 Systems based on authority granted by State statute. Both systems are 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, 2003, 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 \$166,321 for fiscal year 2003.

STRS Ohio pays health care benefits from the Health Care Reserve Fund. At June 30, 2003, the balance in the Fund was \$2.8 billion. For the year ended June 30, 2002, 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, 2003, employer contributions to fund health care benefits were 5.83 percent of covered payroll, a decrease of 2.71 percent from fiscal year 2002. 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 2003, the minimum pay has been established as \$14,500. For the School District, the amount to fund health care benefits, including surcharge, during the 2003 fiscal year equaled \$721,805.

**Bedford City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

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.

**Note 15 - 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 16 - Long Term Obligations**

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

Debt Issue	Original Issue Date	Original Issue Amount	Interest Rate	Date of Maturity
General Obligation Bonds:				
Energy Conservation	1993	\$1,825,000	5.19%	June 1, 2003
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 Refunding Bonds	2001	8,560,000	3.00-5.00%	December 1, 2011
Capital Appreciation Refunding Bonds	2001	406,331	10.3% (Effective)	December 1, 2012
Capital Appreciation Refunding Bonds	2001	129,969	10.3% (Effective)	December 1, 2013
Maintenance Facility Loan	2002	606,000	4.21%	December 1, 2012



**Bedford City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

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

	Principal Outstanding 6/30/02	Additions	(Reductions)	Principal Outstanding 6/30/03	Amount Due in One Year
<b>Governmental Activities:</b>					
General Obligations Bonds:					
1993 Energy Conservation Improvement	\$225,000	\$0	(\$225,000)	\$0	\$0
1996 Energy Conservation Improvement	300,000	0	(70,000)	230,000	75,000
1994 Facilities Acquisition	210,000	0	(15,000)	195,000	15,000
1993 Library Construction	160,000	0	(75,000)	85,000	85,000
1993 Facilities Renovation	1,040,000	0	(495,000)	545,000	545,000
2001 Serial Refunding Bonds	8,560,000	0	(60,000)	8,500,000	165,000
Unamortized Premium on Serial Bonds	827,252	0	(120,220)	707,032	0
Unamortized Refunding on Serial Bonds	(943,703)	137,144	0	(806,559)	0
2001 Capital Appreciation Refunding Bonds	565,505	59,745	0	625,250	0
<i>Total General Obligation Bonds</i>	10,944,054	196,889	(1,060,220)	10,080,723	885,000
2002 Maintenance Facility Loan	0	606,000	0	606,000	48,000
Compensated Absences	2,537,162	308,316	(166,160)	2,679,318	896,092
<b>Total Governmental Activities</b>	<b>\$13,481,216</b>	<b>\$1,111,205</b>	<b>(\$1,226,380)</b>	<b>\$13,366,041</b>	<b>\$1,829,092</b>

Energy conservation bonds were issued for facilities renovations which conserved energy and will be paid from the general fund. The facilities acquisition bonds were issued for an addition to Columbus Road School and will be paid from the general fund. The library construction general obligation bonds were issued for construction of a building to house a branch of the Cuyahoga County Library, and will be paid from property taxes. The building is leased to the County Library System. The facilities renovation general obligation bonds were issued for renovation and construction of facilities, and will be paid from property taxes.

The maintenance facility loan was issued to construct a new maintenance facility in the School District and will be paid from the building capital projects fund. Compensated absences will be paid from the general fund, the food service, auxiliary services, vocational enhancement, 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 \$59,745 which represents the annual accretion of discounted interest. The final amount of these bonds will be \$1,665,000 payable through December 2013. The bonds were issued at a \$900,303 premium and issuance costs were \$144,116.

In a prior year, the School District defeased the 1993 series 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. This advance refunding transaction constituted a legal defeasance of the refunded bonds.

The overall debt margin of the School District as of June 30, 2003, was \$63,651,032 with an unvoted debt margin of \$611,633. Principal and interest requirements to retire general obligation bonds and loan outstanding at June 30, 2003, are as follows:

**Bedford City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

	General Obligation Bonds		Capital Appreciation Bonds	
	Principal	Interest	Principal	Interest
2004	\$885,000	\$391,671	\$0	\$0
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
2009-2013	4,725,000	494,726	536,300	1,128,700
2014-2018	45,000	4,726	0	0
<b>Total</b>	<b>\$9,555,000</b>	<b>\$2,111,438</b>	<b>\$536,300</b>	<b>\$1,128,700</b>

	Maintenance Facility Loan		Total	
	Principal	Interest	Principal	Interest
2004	\$48,000	\$24,522	\$933,000	\$416,193
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
2009-2013	336,000	36,358	5,597,300	1,659,784
2014-2018	0	0	45,000	4,726
<b>Total</b>	<b>\$606,000</b>	<b>\$137,566</b>	<b>\$10,697,300</b>	<b>\$3,377,704</b>

**Note 17 - Set Asides**

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

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

	Textbooks Instructional Materials Reserve	Capital Improvement Reserve
Set-aside Reserve Balances as of June 30, 2002	\$215,120	\$0
Current Year Set-aside Requirement	486,599	486,599
Qualifying Disbursements	(994,726)	(1,753,058)
<b>Totals</b>	<b>(\$293,007)</b>	<b>(\$1,266,459)</b>
Set-aside Balance Carried Forward to Future Fiscal Years	(\$293,007)	\$0
Set-aside Reserve Balances as of June 30, 2003	\$0	\$0

**Bedford City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

---

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

**Note 18 - Jointly Governed Organizations**

***A. Lakeshore Northeast Ohio Computer Association***

LNOCA is a jointly governed organization among sixteen school districts and the Bedford City School District in Cuyahoga County. The jointly governed 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 member districts. Each of the districts supports LNOCA based on a per pupil charge. The School District contributed \$86,439 to LNOCA during the fiscal year 2003 which was 5.10 percent of total revenues received by LNOCA.

The Governing Board consists of superintendents 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. To obtain a copy of LNOCA's financial statements, write to 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 2003, the School District paid \$800 to the Council. Financial information can be obtained by contacting Kathleen T. Neal, the Executive Secretary/Treasurer of the Ohio Schools Council at 6133 Rockside Road, Suite 10, Independence, Ohio 44131.

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

In 1997, 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.

**Bedford City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

---

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 19 - 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 20 - 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, 2003.

***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.

## Combining Statements and Individual Fund Schedules

---

### *Fund Descriptions – Nonmajor 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.

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

***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.

***Other 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.

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

(continued)

***Fund Descriptions – Nonmajor Funds (continued)***

---

***Nonmajor Special Revenue Funds (continued)***

---

***Disadvantaged Pupil Program 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.

***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 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 used to meet State 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.

***Goals 2000 Fund*** To account for federal monies which support a broad range of educational improvement goals.

***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)

***Fund Descriptions – Nonmajor Funds (continued)***

---

***Nonmajor Debt Service Fund***

---

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

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

***Nonmajor Capital Projects Funds***

---

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

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

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

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

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

***SchoolNet Fund*** To account for State monies to be used for the wiring of classrooms, computer workstations and related technologies.

***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.

***Agency Fund***

---

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

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

**Bedford City School District**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*June 30, 2003*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$1,322,468	\$1,254,872	\$1,931,953	\$4,509,293
Cash and Cash Equivalents with Fiscal Agent	0	0	156,580	156,580
Investments	0	195,000	0	195,000
Accounts Receivable	14,380	0	0	14,380
Intergovernmental Receivable	438,702	0	50,000	488,702
Inventory Held for Resale	20,110	0	0	20,110
Materials and Supplies Inventory	5,156	0	0	5,156
Property Taxes Receivable	0	1,182,718	617,412	1,800,130
<i>Total Assets</i>	<u>\$1,800,816</u>	<u>\$2,632,590</u>	<u>\$2,755,945</u>	<u>\$7,189,351</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$214,339	\$0	\$237,324	\$451,663
Accrued Wages and Benefits Payable	183,062	0	0	183,062
Intergovernmental Payable	35,556	0	0	35,556
Interfund Payable	813,000	0	1,370,300	2,183,300
Deferred Revenue	364,919	1,111,192	579,292	2,055,403
<i>Total Liabilities</i>	<u>1,610,876</u>	<u>1,111,192</u>	<u>2,186,916</u>	<u>4,908,984</u>
<b>Fund Balances:</b>				
Reserved for Encumbrances	93,441	0	1,507,774	1,601,215
Reserved for Property Taxes	0	63,970	33,014	96,984
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	96,499	0	0	96,499
Debt Service Funds	0	1,457,428	0	1,457,428
Capital Projects Funds (Deficit)	0	0	(971,759)	(971,759)
<i>Total Fund Balances</i>	<u>189,940</u>	<u>1,521,398</u>	<u>569,029</u>	<u>2,280,367</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,800,816</u>	<u>\$2,632,590</u>	<u>\$2,755,945</u>	<u>\$7,189,351</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, 2003*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>				
Property Taxes	\$0	\$927,195	\$505,759	\$1,432,954
Intergovernmental	2,320,386	105,810	240,556	2,666,752
Interest	2,413	0	0	2,413
Charges for Services	767,185	0	0	767,185
Tuition and Fees	39,225	0	0	39,225
Rentals	49,633	0	0	49,633
Extracurricular Activities	178,076	0	0	178,076
Contributions and Donations	59,816	0	0	59,816
Miscellaneous	44,989	0	2,680	47,669
<i>Total Revenues</i>	<u>3,461,723</u>	<u>1,033,005</u>	<u>748,995</u>	<u>5,243,723</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	563,939	0	0	563,939
Special	740,462	0	0	740,462
Vocational	147,011	0	0	147,011
Support Services:				
Pupil	85,155	0	0	85,155
Instructional Staff	186,888	0	0	186,888
Administration	105,067	0	0	105,067
Business	6,045	0	0	6,045
Central	10,393	0	0	10,393
Operation of Non-Instructional Services:				
Food Service Operations	1,353,409	0	0	1,353,409
Other Non-Instructional Services	543,327	0	0	543,327
Extracurricular Activities	215,368	0	0	215,368
Capital Outlay	0	0	1,343,445	1,343,445
Debt Service:				
Principal Retirement	0	630,000	0	630,000
Interest and Fiscal Charges	0	385,120	0	385,120
<i>Total Expenditures</i>	<u>3,957,064</u>	<u>1,015,120</u>	<u>1,343,445</u>	<u>6,315,629</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(495,341)</u>	<u>17,885</u>	<u>(594,450)</u>	<u>(1,071,906)</u>
<b>Other Financing Sources</b>				
Loan Issued	0	0	606,000	606,000
Transfers In	129,501	0	184,931	314,432
<i>Total Other Financing Sources</i>	<u>129,501</u>	<u>0</u>	<u>790,931</u>	<u>920,432</u>
<i>Net Change in Fund Balances</i>	(365,840)	17,885	196,481	(151,474)
<i>Fund Balances Beginning of Year</i>	<u>555,780</u>	<u>1,503,513</u>	<u>372,548</u>	<u>2,431,841</u>
<i>Fund Balances End of Year</i>	<u>\$189,940</u>	<u>\$1,521,398</u>	<u>\$569,029</u>	<u>\$2,280,367</u>

**Bedford City School District**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*June 30, 2003*

	Food Service	Uniform School Supplies	Special Enterprise	Summer School
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$184,681	\$108,677	\$176,695	\$32,996
Accounts Receivable	3,757	0	7,084	0
Intergovernmental Receivable	60,301	0	0	0
Inventory Held for Resale	20,110	0	0	0
Materials and Supplies Inventory	5,156	0	0	0
<i>Total Assets</i>	<u>\$274,005</u>	<u>\$108,677</u>	<u>\$183,779</u>	<u>\$32,996</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$51,231	\$0	\$0	\$0
Accrued Wages and Benefits Payable	78,624	0	0	0
Intergovernmental Payable	10,135	0	0	7,502
Interfund Payable	200,000	0	0	0
Deferred Revenue	0	0	0	0
<i>Total Liabilities</i>	<u>339,990</u>	<u>0</u>	<u>0</u>	<u>7,502</u>
<b>Fund Balances</b>				
Reserved for Encumbrances	24,595	0	0	0
Unreserved, Undesignated (Deficit)	(90,580)	108,677	183,779	25,494
<i>Total Fund Balances (Deficit)</i>	<u>(65,985)</u>	<u>108,677</u>	<u>183,779</u>	<u>25,494</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$274,005</u>	<u>\$108,677</u>	<u>\$183,779</u>	<u>\$32,996</u>

Adult and Continuing Education	Recreation	Public School Support	Other Grants	Venture Capital	District Managed Student Activities
\$23,017	\$13,820	\$104,916	\$35,354	\$81	\$97,641
0	1,070	60	2,400	0	6
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$23,017</u>	<u>\$14,890</u>	<u>\$104,976</u>	<u>\$37,754</u>	<u>\$81</u>	<u>\$97,647</u>
\$0	\$0	\$9,916	\$7,344	\$0	\$8,524
0	0	0	0	0	0
0	501	0	0	0	0
0	0	10,000	0	0	55,000
0	0	0	0	0	0
<u>0</u>	<u>501</u>	<u>19,916</u>	<u>7,344</u>	<u>0</u>	<u>63,524</u>
0	0	11,549	5,068	0	2,245
<u>23,017</u>	<u>14,389</u>	<u>73,511</u>	<u>25,342</u>	<u>81</u>	<u>31,878</u>
<u>23,017</u>	<u>14,389</u>	<u>85,060</u>	<u>30,410</u>	<u>81</u>	<u>34,123</u>
<u>\$23,017</u>	<u>\$14,890</u>	<u>\$104,976</u>	<u>\$37,754</u>	<u>\$81</u>	<u>\$97,647</u>

(continued)

**Bedford City School District**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds (continued)*  
*June 30, 2003*

	Auxiliary Services	Education Management Information Systems	SchoolNet Professional Development	Ohio Reads Grant
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$67,803	\$55,571	\$4,600	\$15,525
Accounts Receivable	3	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>\$67,806</u>	<u>\$55,571</u>	<u>\$4,600</u>	<u>\$15,525</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$33,498	\$0	\$0	\$2,945
Accrued Wages and Benefits Payable	19,950	0	0	0
Intergovernmental Payable	2,583	0	0	568
Interfund Payable	0	0	0	0
Deferred Revenue	0	0	0	0
<i>Total Liabilities</i>	<u>56,031</u>	<u>0</u>	<u>0</u>	<u>3,513</u>
<b>Fund Balances</b>				
Reserved for Encumbrances	9,519	0	0	1,290
Unreserved, Undesignated (Deficit)	2,256	55,571	4,600	10,722
<i>Total Fund Balances (Deficit)</i>	<u>11,775</u>	<u>55,571</u>	<u>4,600</u>	<u>12,012</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$67,806</u>	<u>\$55,571</u>	<u>\$4,600</u>	<u>\$15,525</u>

Vocational Education Enhancement	Miscellaneous State Grants	Title II	Title VI-B	Vocational Education	Title III
\$870	\$5,624	\$8,955	\$123,567	\$75,305	\$2,920
0	0	0	0	0	0
0	0	0	160,345	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$870</u>	<u>\$5,624</u>	<u>\$8,955</u>	<u>\$283,912</u>	<u>\$75,305</u>	<u>\$2,920</u>
\$0	\$3,450	\$0	\$54,669	\$8,450	\$0
666	0	0	13,918	6,582	0
0	0	0	2,073	758	0
4,000	0	2,000	192,000	98,000	0
0	0	0	160,345	0	0
<u>4,666</u>	<u>3,450</u>	<u>2,000</u>	<u>423,005</u>	<u>113,790</u>	<u>0</u>
0	688	0	22,061	283	0
<u>(3,796)</u>	<u>1,486</u>	<u>6,955</u>	<u>(161,154)</u>	<u>(38,768)</u>	<u>2,920</u>
<u>(3,796)</u>	<u>2,174</u>	<u>6,955</u>	<u>(139,093)</u>	<u>(38,485)</u>	<u>2,920</u>
<u>\$870</u>	<u>\$5,624</u>	<u>\$8,955</u>	<u>\$283,912</u>	<u>\$75,305</u>	<u>\$2,920</u>

(continued)

**Bedford City School District**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds (continued)*  
*June 30, 2003*

	Title I	Title V	Drug Free Schools	Preschool Handicapped
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$119,889	\$8,354	\$3,720	\$6,248
Accounts Receivable	0	0	0	0
Intergovernmental Receivable	114,704	19,567	5,353	4,435
Inventory Held for Resale	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
<i>Total Assets</i>	<u>\$234,593</u>	<u>\$27,921</u>	<u>\$9,073</u>	<u>\$10,683</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$22,108	\$844	\$2,170	\$0
Accrued Wages and Benefits Payable	41,310	0	0	5,512
Intergovernmental Payable	9,569	0	0	12
Interfund Payable	147,000	20,000	6,000	5,000
Deferred Revenue	114,704	6,085	5,353	4,435
<i>Total Liabilities</i>	<u>334,691</u>	<u>26,929</u>	<u>13,523</u>	<u>14,959</u>
<b>Fund Balances</b>				
Reserved for Encumbrances	9,139	2,005	1,577	0
Unreserved, Undesignated (Deficit)	(109,237)	(1,013)	(6,027)	(4,276)
<i>Total Fund Balances (Deficit)</i>	<u>(100,098)</u>	<u>992</u>	<u>(4,450)</u>	<u>(4,276)</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$234,593</u>	<u>\$27,921</u>	<u>\$9,073</u>	<u>\$10,683</u>

Goals 2000	Title VI-R	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$2,926	\$37,939	\$4,774	\$1,322,468
0	0	0	14,380
0	66,474	7,523	438,702
0	0	0	20,110
0	0	0	5,156
<u>\$2,926</u>	<u>\$104,413</u>	<u>\$12,297</u>	<u>\$1,800,816</u>
\$0	\$7,526	\$1,664	\$214,339
0	16,500	0	183,062
0	1,855	0	35,556
0	66,000	8,000	813,000
0	66,474	7,523	364,919
<u>0</u>	<u>158,355</u>	<u>17,187</u>	<u>1,610,876</u>
0	1,855	1,567	93,441
2,926	(55,797)	(6,457)	96,499
<u>2,926</u>	<u>(53,942)</u>	<u>(4,890)</u>	<u>189,940</u>
<u>\$2,926</u>	<u>\$104,413</u>	<u>\$12,297</u>	<u>\$1,800,816</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, 2003*

	Food Service	Uniform School Supplies	Special Enterprise	Summer School
<b>Revenues</b>				
Intergovernmental	\$517,566	\$0	\$0	\$0
Interest	0	0	0	0
Charges for Services	742,396	15,086	0	0
Tuition and Fees	0	0	0	33,398
Rentals	0	0	44,110	0
Extracurricular Activities	0	0	0	0
Contributions and Donations	0	0	0	0
Miscellaneous	0	173	0	0
<i>Total Revenues</i>	<u>1,259,962</u>	<u>15,259</u>	<u>44,110</u>	<u>33,398</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	0	0	0	46,458
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	0	2,173
Business	0	0	0	0
Central	0	0	0	0
Operation of Non-Instructional Services:				
Food Service Operations	1,353,409	0	0	0
Other Non-Instructional Services	0	0	0	0
Extracurricular Activities	0	0	0	0
<i>Total Expenditures</i>	<u>1,353,409</u>	<u>0</u>	<u>0</u>	<u>48,631</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(93,447)	15,259	44,110	(15,233)
<b>Other Financing Sources</b>				
Transfers In	0	0	0	3,629
<i>Net Change in Fund Balances</i>	(93,447)	15,259	44,110	(11,604)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>27,462</u>	<u>93,418</u>	<u>139,669</u>	<u>37,098</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>(\$65,985)</u></u>	<u><u>\$108,677</u></u>	<u><u>\$183,779</u></u>	<u><u>\$25,494</u></u>



Adult and Continuing Education	Recreation	Public School Support	Other Grants	Venture Capital	District Managed Student Activities
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
0	0	0	0	0	9,703
0	0	5,827	0	0	0
0	5,523	0	0	0	0
0	0	87,058	0	0	91,018
0	0	21,834	34,761	0	3,221
0	7,733	32,245	4,418	0	420
0	13,256	146,964	39,179	0	104,362
0	0	125,783	3,998	3,344	0
0	0	0	0	0	0
0	0	161	20,874	0	0
0	0	0	0	0	0
0	0	5,963	4,142	0	0
0	0	2,805	0	0	0
0	0	6,045	0	0	0
0	0	780	0	0	0
0	0	0	0	0	0
0	16,598	0	2,841	0	0
0	0	0	0	0	215,368
0	16,598	141,537	31,855	3,344	215,368
0	(3,342)	5,427	7,324	(3,344)	(111,006)
0	0	932	23,663	0	101,277
0	(3,342)	6,359	30,987	(3,344)	(9,729)
23,017	17,731	78,701	(577)	3,425	43,852
<u>\$23,017</u>	<u>\$14,389</u>	<u>\$85,060</u>	<u>\$30,410</u>	<u>\$81</u>	<u>\$34,123</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, 2003*

	Auxiliary Services	Education Management Information Systems	Disadvantaged Pupil Program	Data Communications
<b>Revenues</b>				
Intergovernmental	\$455,912	\$13,890	\$175,722	\$24,500
Interest	2,413	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>458,325</u>	<u>13,890</u>	<u>175,722</u>	<u>24,500</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	0	0	0	0
Special	0	0	175,722	0
Vocational	0	0	0	0
Support Services:				
Pupil	0	0	0	0
Instructional Staff	0	0	0	24,500
Administration	0	0	0	0
Business	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	470,760	0	0	0
Extracurricular Activities	0	0	0	0
<i>Total Expenditures</i>	<u>470,760</u>	<u>0</u>	<u>175,722</u>	<u>24,500</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(12,435)	13,890	0	0
<b>Other Financing Sources</b>				
Transfers In	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(12,435)	13,890	0	0
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>24,210</u>	<u>41,681</u>	<u>0</u>	<u>0</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$11,775</u>	<u>\$55,571</u>	<u>\$0</u>	<u>\$0</u>

<u>SchoolNet Professional Development</u>	<u>Ohio Reads Grant</u>	<u>Vocational Education Enhancement</u>	<u>Miscellaneous State Grants</u>	<u>Title II</u>	<u>Title VI-B</u>
\$11,942	\$80,750	\$17,734	\$21,175	\$15,358	\$330,213
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>11,942</u>	<u>80,750</u>	<u>17,734</u>	<u>21,175</u>	<u>15,358</u>	<u>330,213</u>
7,392	77,470	0	0	0	0
0	0	0	0	0	282,936
0	0	13,492	0	0	31,290
0	0	0	0	0	12,929
0	0	0	11,826	9,124	19,246
0	0	0	0	0	90,556
0	0	0	0	0	0
0	0	0	7,175	0	0
0	0	0	0	0	0
0	0	0	0	0	32,349
0	0	0	0	0	0
<u>7,392</u>	<u>77,470</u>	<u>13,492</u>	<u>19,001</u>	<u>9,124</u>	<u>469,306</u>
4,550	3,280	4,242	2,174	6,234	(139,093)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
4,550	3,280	4,242	2,174	6,234	(139,093)
<u>50</u>	<u>8,732</u>	<u>(8,038)</u>	<u>0</u>	<u>721</u>	<u>0</u>
<u>\$4,600</u>	<u>\$12,012</u>	<u>(\$3,796)</u>	<u>\$2,174</u>	<u>\$6,955</u>	<u>(\$139,093)</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, 2003*

	Vocational Education	Title III	Title I	Title V
<b>Revenues</b>				
Intergovernmental	\$107,255	\$5,220	\$307,466	\$47,022
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>107,255</u>	<u>5,220</u>	<u>307,466</u>	<u>47,022</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	0	2,300	93,250	33,961
Special	0	0	277,766	0
Vocational	81,194	0	0	0
Support Services:				
Pupil	62,577	0	0	7,042
Instructional Staff	13,832	0	21,246	0
Administration	9,533	0	0	0
Business	0	0	0	0
Central	2,438	0	0	0
Operation of Non-Instructional Services:				
Food Service Operations	0	0	0	0
Other Non-Instructional Services	0	0	15,302	5,027
Extracurricular Activities	0	0	0	0
<i>Total Expenditures</i>	<u>169,574</u>	<u>2,300</u>	<u>407,564</u>	<u>46,030</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(62,319)	2,920	(100,098)	992
<b>Other Financing Sources</b>				
Transfers In	0	0	0	0
<i>Net Change in Fund Balances</i>	(62,319)	2,920	(100,098)	992
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>23,834</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>(\$38,485)</u></u>	<u><u>\$2,920</u></u>	<u><u>(\$100,098)</u></u>	<u><u>\$992</u></u>

<u>Drug Free Schools</u>	<u>Preschool Handicapped</u>	<u>Goals 2000</u>	<u>Title VI-R</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$12,887	\$38,953	\$2,326	\$132,822	\$1,673	\$2,320,386
0	0	0	0	0	2,413
0	0	0	0	0	767,185
0	0	0	0	0	39,225
0	0	0	0	0	49,633
0	0	0	0	0	178,076
0	0	0	0	0	59,816
0	0	0	0	0	44,989
<u>12,887</u>	<u>38,953</u>	<u>2,326</u>	<u>132,822</u>	<u>1,673</u>	<u>3,461,723</u>
13,382	0	0	156,601	0	563,939
0	4,038	0	0	0	740,462
0	0	0	0	0	147,011
0	0	0	0	2,607	85,155
4,149	39,191	0	29,713	3,956	186,888
0	0	0	0	0	105,067
0	0	0	0	0	6,045
0	0	0	0	0	10,393
0	0	0	0	0	1,353,409
0	0	0	450	0	543,327
0	0	0	0	0	215,368
<u>17,531</u>	<u>43,229</u>	<u>0</u>	<u>186,764</u>	<u>6,563</u>	<u>3,957,064</u>
(4,644)	(4,276)	2,326	(53,942)	(4,890)	(495,341)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>129,501</u>
(4,644)	(4,276)	2,326	(53,942)	(4,890)	(365,840)
<u>194</u>	<u>0</u>	<u>600</u>	<u>0</u>	<u>0</u>	<u>555,780</u>
<u>(\$4,450)</u>	<u>(\$4,276)</u>	<u>\$2,926</u>	<u>(\$53,942)</u>	<u>(\$4,890)</u>	<u>\$189,940</u>

**Bedford City School District**  
*Combining Balance Sheet*  
*Nonmajor Capital Projects Funds*  
*June 30, 2003*

	Permanent Improvement	Building	Capital Repalcement	Vocational Equipment	Total Nonmajor Capital Projects Funds
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$1,566,455	\$126,879	\$198,529	\$40,090	\$1,931,953
Cash and Cash Equivalents with Fiscal Agent	0	156,580	0	0	156,580
Intergovernmental Receivable	50,000	0	0	0	50,000
Property Taxes Receivable	617,412	0	0	0	617,412
<i>Total Assets</i>	<u>\$2,233,867</u>	<u>\$283,459</u>	<u>\$198,529</u>	<u>\$40,090</u>	<u>\$2,755,945</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts Payable	\$188,597	\$46,727	\$0	\$2,000	\$237,324
Interfund Payable	1,180,000	190,300	0	0	1,370,300
Deferred Revenue	579,292	0	0	0	579,292
<i>Total Liabilities</i>	<u>1,947,889</u>	<u>237,027</u>	<u>0</u>	<u>2,000</u>	<u>2,186,916</u>
<b>Fund Balances:</b>					
Reserved for Encumbrances	1,261,062	47,168	198,529	1,015	1,507,774
Reserved for Property Taxes	33,014	0	0	0	33,014
Unreserved, Undesignated (Deficit)	(1,008,098)	(736)	0	37,075	(971,759)
<i>Total Fund Balances</i>	<u>285,978</u>	<u>46,432</u>	<u>198,529</u>	<u>38,090</u>	<u>569,029</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$2,233,867</u>	<u>\$283,459</u>	<u>\$198,529</u>	<u>\$40,090</u>	<u>\$2,755,945</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, 2003*

	<u>Permanent Improvement</u>	<u>Building</u>	<u>Capital Replacement</u>
<b>Revenues</b>			
Property Taxes	\$505,759	\$0	\$0
Intergovernmental	168,088	0	0
Miscellaneous	2,400	280	0
<i>Total Revenues</i>	676,247	280	0
<b>Expenditures</b>			
Capital Outlay	694,411	559,848	0
<i>Excess of Revenues Under Expenditures</i>	(18,164)	(559,568)	0
<b>Other Financing Sources</b>			
Loan Issued	0	606,000	0
Transfers In	0	0	184,931
<i>Total Other Financing Sources</i>	0	606,000	184,931
<i>Net Change in Fund Balances</i>	(18,164)	46,432	184,931
<i>Fund Balances Beginning of Year</i>	304,142	0	13,598
<i>Fund Balances End of Year</i>	\$285,978	\$46,432	\$198,529

(continued)

**Bedford City School District**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Capital Projects Funds (continued)*  
*For the Fiscal Year Ended June 30, 2003*

	Vocational Equipment	SchoolNet	Total Nonmajor Capital Projects Funds
<b>Revenues</b>			
Property Taxes	\$0	\$0	\$505,759
Intergovernmental	13,753	58,715	240,556
Miscellaneous	0	0	2,680
<i>Total Revenues</i>	13,753	58,715	748,995
<b>Expenditures</b>			
Capital Outlay	30,471	58,715	1,343,445
<i>Excess of Revenues Under Expenditures</i>	(16,718)	0	(594,450)
<b>Other Financing Sources</b>			
Loan Issued	0	0	606,000
Transfers In	0	0	184,931
<i>Total Other Financing Sources</i>	0	0	790,931
<i>Net Change in Fund Balances</i>	(16,718)	0	196,481
<i>Fund Balances Beginning of Year</i>	54,808	0	372,548
<i>Fund Balances End of Year</i>	\$38,090	\$0	\$569,029



**Bedford City School District**  
*Combining Statement of Fund Net Assets*  
*Internal Service Funds*  
*June 30, 2003*

	Self Insurance	Computer Network	Total Internal Service Funds
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$1,050,959	\$578	\$1,051,537
<b>Liabilities</b>			
Claims Payable	43,967	0	43,967
<b>Net Assets</b>			
Unrestricted	1,006,992	578	1,007,570
<i>Total Net Assets</i>	<u>\$1,006,992</u>	<u>\$578</u>	<u>\$1,007,570</u>

**Bedford City School District**  
*Combining Statement of Revenues,  
 Expenses and Changes in Fund Net Assets  
 Internal Service Funds  
 For the Fiscal Year Ended, June 30, 2003*

	Self Insurance	Computer Network	Total Internal Service Funds
<b>Operating Revenues</b>			
Charges for Services	\$1,116,270	\$0	\$1,116,270
<b>Operating Expenses</b>			
Purchased Services	36,035	0	36,035
Claims	953,024	0	953,024
<i>Total Operating Expenses</i>	989,059	0	989,059
<i>Change in Net Assets</i>	127,211	0	127,211
<i>Net Assets Beginning of Year</i>	879,781	578	880,359
<i>Net Assets End of Year</i>	\$1,006,992	\$578	\$1,007,570

**Bedford City School District**  
*Combining Statement of Cash Flows*  
*Internal Service Funds*  
For the Fiscal Year Ended June 30, 2003

	Self Insurance	Computer Network	Total Internal Service Funds
<b>Increase (Decrease) in Cash and Cash Equivalents</b>			
<b>Cash Flows from Operating Activities</b>			
Cash Received from Interfund Services	\$1,121,133	\$0	\$1,121,133
Cash Payments for Purchased Services	(36,035)	0	(36,035)
Cash Payments for Claims	(958,597)	0	(958,597)
<i>Net Increase in Cash and Cash Equivalents</i>	126,501	0	126,501
<i>Cash and Cash Equivalents Beginning of Year</i>	924,458	578	925,036
<i>Cash and Cash Equivalents End of Year</i>	<u>\$1,050,959</u>	<u>\$578</u>	<u>\$1,051,537</u>
 <b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>			
Operating Income	\$127,211	\$0	\$127,211
<i>Adjustments:</i>			
Decrease in Accounts Receivable	4,863	0	4,863
Decrease in Claims Payable	(5,573)	0	(5,573)
<i>Net Cash Provided by Operating Activities</i>	<u>\$126,501</u>	<u>\$0</u>	<u>\$126,501</u>

**Bedford City School District**  
*Statement of Changes in Assets and Liabilities*  
*Agency Fund*  
*For the Year Ended June 30, 2003*

	Beginning Balance <u>June 30, 2002</u>	<u>Additions</u>	<u>Reductions</u>	Ending Balance <u>June 30, 2003</u>
<b><i>Student Activities Fund</i></b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$42,077	\$93,962	\$99,902	\$36,137
<b>Liabilities</b>				
Accounts Payable	\$0	\$314	\$0	\$314
Interfund Payable	15,000	0	15,000	0
Due to Students	27,077	93,962	85,216	35,823
<i>Total Liabilities</i>	<u>\$42,077</u>	<u>\$94,276</u>	<u>\$100,216</u>	<u>\$36,137</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, 2003*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Property Taxes	\$27,935,145	\$29,192,363	\$30,290,611	\$1,098,248
Intergovernmental	7,700,841	8,048,901	8,352,949	304,048
Interest	235,041	245,664	254,944	9,280
Tuition and Fees	157,648	164,774	170,998	6,224
Rentals	3,631	3,796	3,939	143
Miscellaneous	78,317	80,998	83,340	2,342
<i>Total Revenues</i>	<u>36,110,623</u>	<u>37,736,496</u>	<u>39,156,781</u>	<u>1,420,285</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	10,211,917	10,416,917	10,415,929	988
Fringe Benefits	3,110,344	2,971,344	2,899,710	71,634
Purchased Services	622,507	637,539	577,634	59,905
Materials and Supplies	965,672	1,045,309	973,105	72,204
Capital Outlay - New	12,441	15,454	11,941	3,513
Capital Outlay - Replacement	25,419	16,704	14,214	2,490
Other	5,787	5,084	4,619	465
Total Regular	<u>14,954,087</u>	<u>15,108,351</u>	<u>14,897,152</u>	<u>211,199</u>
Special:				
Salaries and Wages	2,694,989	2,630,989	2,617,622	13,367
Fringe Benefits	790,899	720,899	710,997	9,902
Purchased Services	9,878	9,878	5,922	3,956
Materials and Supplies	14,536	14,536	12,731	1,805
Capital Outlay - New	0	1,475	1,475	0
Capital Outlay - Replacement	2,000	2,000	2,000	0
Other	5,634	5,634	5,428	206
Total Special	<u>3,517,936</u>	<u>3,385,411</u>	<u>3,356,175</u>	<u>29,236</u>
Vocational:				
Salaries and Wages	948,226	918,226	915,312	2,914
Fringe Benefits	281,054	276,054	269,105	6,949
Purchased Services	3,276	7,276	2,156	5,120
Materials and Supplies	49,303	49,303	39,819	9,484
Capital Outlay - New	14,602	10,602	6,449	4,153
Capital Outlay - Replacement	7,700	7,700	2,500	5,200
Total Vocational	<u>1,304,161</u>	<u>1,269,161</u>	<u>1,235,341</u>	<u>33,820</u>
Total Instruction	<u>\$19,776,184</u>	<u>\$19,762,923</u>	<u>\$19,488,668</u>	<u>\$274,255</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, 2003*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Support Services:				
Pupil:				
Salaries and Wages	\$1,467,062	\$1,460,062	\$1,456,786	\$3,276
Fringe Benefits	449,961	424,961	406,289	18,672
Purchased Services	513,320	541,145	528,994	12,151
Materials and Supplies	170,452	164,940	146,536	18,404
Capital Outlay - New	15,302	25,302	24,956	346
Capital Outlay - Replacement	1,700	900	0	900
Other	400	653	651	2
Total Pupil	<u>2,618,197</u>	<u>2,617,963</u>	<u>2,564,212</u>	<u>53,751</u>
Instructional Staff:				
Salaries and Wages	891,509	816,509	808,411	8,098
Fringe Benefits	325,418	271,718	270,763	955
Purchased Services	222,557	246,006	224,616	21,390
Materials and Supplies	122,179	135,240	130,076	5,164
Capital Outlay - New	51,855	51,452	49,212	2,240
Capital Outlay - Replacement	27,089	26,488	26,274	214
Other	11,975	11,216	11,170	46
Total Instructional Staff	<u>1,652,582</u>	<u>1,558,629</u>	<u>1,520,522</u>	<u>38,107</u>
Board of Education:				
Salaries and Wages	15,000	15,000	10,800	4,200
Fringe Benefits	1,000	3,000	2,300	700
Purchased Services	114,023	217,023	149,648	67,375
Materials and Supplies	600	600	554	46
Other	5,000	6,000	4,830	1,170
Total Board of Education	<u>135,623</u>	<u>241,623</u>	<u>168,132</u>	<u>73,491</u>
Administration:				
Salaries and Wages	1,978,116	1,978,116	1,972,752	5,364
Fringe Benefits	846,138	716,663	709,682	6,981
Purchased Services	111,644	100,647	76,322	24,325
Materials and Supplies	25,818	29,272	26,347	2,925
Capital Outlay - New	9,250	9,624	9,563	61
Capital Outlay - Replacement	3,000	2,187	0	2,187
Other	57,729	81,032	76,887	4,145
Total Administration	<u>\$3,031,695</u>	<u>\$2,917,541</u>	<u>\$2,871,553</u>	<u>\$45,988</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, 2003*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Fiscal:</b>				
Salaries and Wages	\$303,003	\$330,003	\$328,478	\$1,525
Fringe Benefits	114,230	114,230	111,266	2,964
Purchased Services	71,885	178,885	178,218	667
Materials and Supplies	11,237	14,237	14,035	202
Capital Outlay - New	5,000	24,000	23,566	434
Capital Outlay - Replacement	5,000	5,000	0	5,000
Other	607,010	610,010	609,917	93
<b>Total Fiscal</b>	<b>1,117,365</b>	<b>1,276,365</b>	<b>1,265,480</b>	<b>10,885</b>
<b>Business:</b>				
Salaries and Wages	241,252	252,252	251,708	544
Fringe Benefits	88,156	88,156	81,189	6,967
Purchased Services	61,710	64,810	48,079	16,731
Materials and Supplies	23,440	25,540	24,086	1,454
Capital Outlay - New	5,000	11,100	8,006	3,094
Other	4,550	4,550	2,009	2,541
<b>Total Business</b>	<b>424,108</b>	<b>446,408</b>	<b>415,077</b>	<b>31,331</b>
<b>Operation and Maintenance of Plant:</b>				
Salaries and Wages	2,245,572	2,296,597	2,296,584	13
Fringe Benefits	996,049	898,023	835,912	62,111
Purchased Services	2,453,237	2,525,537	2,159,073	366,464
Materials and Supplies	229,123	239,603	238,759	844
Capital Outlay - New	85,817	87,217	77,845	9,372
Capital Outlay - Replacement	36,348	41,241	41,192	49
Other	5,894	5,894	5,277	617
<b>Total Operation and Maintenance of Plant</b>	<b>6,052,040</b>	<b>6,094,112</b>	<b>5,654,642</b>	<b>439,470</b>
<b>Pupil Transportation:</b>				
Salaries and Wages	1,723,203	1,857,206	1,854,090	3,116
Fringe Benefits	418,391	479,891	472,854	7,037
Purchased Services	323,474	334,375	319,519	14,856
Materials and Supplies	419,026	427,026	418,713	8,313
Capital Outlay - New	6,500	3,100	1,769	1,331
Capital Outlay - Replacement	255,000	195,895	194,433	1,462
Other	2,580	3,580	2,893	687
<b>Total Pupil Transportation</b>	<b>\$3,148,174</b>	<b>\$3,301,073</b>	<b>\$3,264,271</b>	<b>\$36,802</b>

(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, 2003*

	<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	\$119,492	\$125,492	\$123,952	\$1,540
Fringe Benefits	51,577	51,577	47,500	4,077
Purchased Services	94,432	92,882	89,744	3,138
Materials and Supplies	5,658	7,708	6,801	907
Capital Outlay - New	500	513	500	13
Capital Outlay - Replacement	1,000	1,300	1,144	156
Total Central	<u>272,659</u>	<u>279,472</u>	<u>269,641</u>	<u>9,831</u>
Total Support Services	<u>18,452,443</u>	<u>18,733,186</u>	<u>17,993,530</u>	<u>739,656</u>
Extracurricular Activities:				
Academic and Subject Oriented:				
Salaries and Wages	31,569	51,569	32,145	19,424
Fringe Benefits	<u>0</u>	<u>5,000</u>	<u>4,001</u>	<u>999</u>
Total Academic and Subject Oriented	<u>31,569</u>	<u>56,569</u>	<u>36,146</u>	<u>20,423</u>
Occupation Oriented:				
Salaries and Wages	0	15,000	4,113	10,887
Fringe Benefits	<u>0</u>	<u>1,000</u>	<u>0</u>	<u>1,000</u>
Total Occupation Oriented	<u>0</u>	<u>16,000</u>	<u>4,113</u>	<u>11,887</u>
Sports Oriented:				
Salaries and Wages	265,495	355,495	311,694	43,801
Fringe Benefits	0	25,000	24,545	455
Purchased Services	<u>415</u>	<u>415</u>	<u>0</u>	<u>415</u>
Total Sports Oriented	<u>265,910</u>	<u>380,910</u>	<u>336,239</u>	<u>44,671</u>
School and Public Service Oriented:				
Salaries and Wages	7,581	52,581	32,634	19,947
Fringe Benefits	<u>0</u>	<u>3,000</u>	<u>2,807</u>	<u>193</u>
Total School and Public Service Oriented	<u>7,581</u>	<u>55,581</u>	<u>35,441</u>	<u>20,140</u>
Total Extracurricular Activities	<u>305,060</u>	<u>509,060</u>	<u>411,939</u>	<u>97,121</u>
Capital Outlay:				
Architecture and Engineering Services:				
Purchased Services	<u>\$500</u>	<u>\$500</u>	<u>\$0</u>	<u>\$500</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, 2003*

	<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	\$310,000	\$310,000	\$310,000	\$0
Interest and Fiscal Charges	37,300	37,300	37,088	212
Total Debt Service	<u>347,300</u>	<u>347,300</u>	<u>347,088</u>	<u>212</u>
<i>Total Expenditures</i>	<u>38,881,487</u>	<u>39,352,969</u>	<u>38,241,225</u>	<u>1,111,744</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(2,770,864)</u>	<u>(1,616,473)</u>	<u>915,556</u>	<u>2,532,029</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds from the Sale of Capital Assets	554	578	600	22
Contingencies	(38,500)	(36,500)	0	36,500
Advances In	833,417	871,944	905,600	33,656
Advances Out	(51,000)	(2,219,900)	(2,219,900)	0
Transfers Out	(163,453)	(348,384)	(290,769)	57,615
<i>Total Other Financing Sources (Uses)</i>	<u>581,018</u>	<u>(1,732,262)</u>	<u>(1,604,469)</u>	<u>127,793</u>
<i>Net Change in Fund Balance</i>	<u>(2,189,846)</u>	<u>(3,348,735)</u>	<u>(688,913)</u>	<u>2,659,822</u>
<i>Fund Balance Beginning of Year</i>	7,559,346	7,559,346	7,559,346	0
Prior Year Encumbrances Appropriated	<u>1,356,107</u>	<u>1,356,107</u>	<u>1,356,107</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$6,725,607</u>	<u>\$5,566,718</u>	<u>\$8,226,540</u>	<u>\$2,659,822</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, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$354,790	\$370,365	\$389,379	\$19,014
Charges for Services	733,060	765,240	804,527	39,287
<i>Total Revenues</i>	<u>1,087,850</u>	<u>1,135,605</u>	<u>1,193,906</u>	<u>58,301</u>
<b>Expenditures</b>				
Current:				
Operation of Non-Instructional Services:				
Food Services Operations:				
Salaries and Wages	530,468	530,468	528,434	2,034
Fringe Benefits	158,013	158,013	147,326	10,687
Purchased Services	14,723	14,723	10,157	4,566
Materials and Supplies	546,052	563,399	561,291	2,108
Capital Outlay - New	18,000	18,000	11,468	6,532
<i>Total Expenditures</i>	<u>1,267,256</u>	<u>1,284,603</u>	<u>1,258,676</u>	<u>25,927</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(179,406)</u>	<u>(148,998)</u>	<u>(64,770)</u>	<u>84,228</u>
<b>Other Financing Sources (Uses)</b>				
Advances In	182,234	190,234	200,000	9,766
Advances Out	(110,000)	(110,000)	(110,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>72,234</u>	<u>80,234</u>	<u>90,000</u>	<u>9,766</u>
<i>Net Change in Fund Balance</i>	(107,172)	(68,764)	25,230	93,994
<i>Fund Balance Beginning of Year</i>	101,463	101,463	101,463	0
Prior Year Encumbrances Appropriated	32,752	32,752	32,752	0
<i>Fund Balance End of Year</i>	<u>\$27,043</u>	<u>\$65,451</u>	<u>\$159,445</u>	<u>\$93,994</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, 2003*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Charges for Services	\$15,919	\$10,062	\$15,122	\$5,060
Miscellaneous	182	115	173	58
<i>Total Revenues</i>	16,101	10,177	15,295	5,118
<b>Expenditures</b>	0	0	0	0
<i>Net Change in Fund Balance</i>	16,101	10,177	15,295	5,118
<i>Fund Balance Beginning of Year</i>	93,382	93,382	93,382	0
<i>Fund Balance End of Year</i>	<u>\$109,483</u>	<u>\$103,559</u>	<u>\$108,677</u>	<u>\$5,118</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, 2003*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Rentals	\$12,750	\$53,744	\$53,744	\$0
<b>Expenditures</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	12,750	53,744	53,744	0
<i>Fund Balance Beginning of Year</i>	<u>122,951</u>	<u>122,951</u>	<u>122,951</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$135,701</u></u>	<u><u>\$176,695</u></u>	<u><u>\$176,695</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, 2003*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Tuition and Fees	\$59,612	\$8,124	\$37,633	\$29,509
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	37,561	35,204	35,204	0
Fringe Benefits	6,179	4,961	4,961	0
Purchased Services	1,600	0	0	0
Materials and Supplies	3,000	0	0	0
Total Instruction	48,340	40,165	40,165	0
Support Services:				
Administration:				
Salaries and Wages	5,700	0	0	0
Fringe Benefits	939	964	964	0
Total Support Services	6,639	964	964	0
<i>Total Expenditures</i>	54,979	41,129	41,129	0
<i>Excess of Revenues Over (Under) Expenditures</i>	4,633	(33,005)	(3,496)	29,509
<b>Other Financing Sources (Uses)</b>				
Advances Out	(20,000)	(20,000)	(20,000)	0
Transfers In	5,748	783	3,629	2,846
<i>Total Other Financing Sources (Uses)</i>	(14,252)	(19,217)	(16,371)	2,846
<i>Net Change in Fund Balance</i>	(9,619)	(52,222)	(19,867)	32,355
<i>Fund Balance Beginning of Year</i>	52,863	52,863	52,863	0
<i>Fund Balance End of Year</i>	\$43,244	\$641	\$32,996	\$32,355

**Bedford City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Adult and Community Education Fund*  
*For the Fiscal Year Ended June 30, 2003*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Tuition and Fees	\$46,363	\$0	\$0	\$0
<b>Expenditures</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	46,363	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>\$69,380</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, 2003*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Rentals	\$4,363	\$5,856	\$7,893	\$2,037
Miscellaneous	4,275	5,737	7,733	1,996
<i>Total Revenues</i>	<u>8,638</u>	<u>11,593</u>	<u>15,626</u>	<u>4,033</u>
<b>Expenditures</b>				
Current:				
Operation of Non-Instructional Services:				
Community Recreation Services:				
Salaries and Wages	8,000	11,000	8,717	2,283
Fringe Benefits	1,300	1,425	1,415	10
Purchased Services	805	615	48	567
Materials and Supplies	0	590	577	13
Capital Outlay - New	1,000	0	0	0
Capital Outlay - Replacement	0	5,500	5,340	160
<i>Total Expenditures</i>	<u>11,105</u>	<u>19,130</u>	<u>16,097</u>	<u>3,033</u>
<i>Net Change in Fund Balance</i>	(2,467)	(7,537)	(471)	7,066
<i>Fund Balance Beginning of Year</i>	14,186	14,186	14,186	0
Prior Year Encumbrances Appropriated	<u>105</u>	<u>105</u>	<u>105</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$11,824</u></u>	<u><u>\$6,754</u></u>	<u><u>\$13,820</u></u>	<u><u>\$7,066</u></u>



**Bedford City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Public School Support Fund*  
*For the Fiscal Year Ended June 30, 2003*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Tuition and Fees	\$4,895	\$5,521	\$5,827	\$306
Extracurricular Activities	73,189	82,544	87,120	4,576
Contributions and Donations	18,343	20,687	21,834	1,147
Miscellaneous	27,248	30,731	32,434	1,703
<i>Total Revenues</i>	<u>123,675</u>	<u>139,483</u>	<u>147,215</u>	<u>7,732</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Purchased Services	24,191	80,423	66,495	13,928
Materials and Supplies	37,218	101,608	72,111	29,497
Capital Outlay - New	600	300	0	300
Capital Outlay - Replacement	262	262	0	262
Other	3,517	10,004	7,034	2,970
Total Regular	<u>65,788</u>	<u>192,597</u>	<u>145,640</u>	<u>46,957</u>
Special:				
Materials and Supplies	5	5	0	5
Vocational:				
Materials and Supplies	255	299	295	4
Total Instruction	<u>66,048</u>	<u>192,901</u>	<u>145,935</u>	<u>46,966</u>
Support Services:				
Instructional Staff:				
Salaries and Wages	211	211	0	211
Fringe Benefits	1,566	4,903	4,044	859
Materials and Supplies	1,105	1,706	1,344	362
Other	10	10	0	10
Total Instructional Staff	<u>\$2,892</u>	<u>\$6,830</u>	<u>\$5,388</u>	<u>\$1,442</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, 2003*

	<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	2,500	5,800	2,761	3,039
Other	11,970	11,970	0	11,970
Total Administration	<u>15,647</u>	<u>18,947</u>	<u>2,761</u>	<u>16,186</u>
Business:				
Materials and Supplies	2,329	6,182	5,470	712
Capital Outlay - New	0	200	84	116
Total Business	<u>2,329</u>	<u>6,382</u>	<u>5,554</u>	<u>828</u>
Central:				
Other	809	809	780	29
Total Support Services	<u>21,677</u>	<u>32,968</u>	<u>14,483</u>	<u>18,485</u>
Extracurricular Activities:				
School and Public Service Oriented:				
Other	1,647	2,692	2,074	618
<i>Total Expenditures</i>	<u>89,372</u>	<u>228,561</u>	<u>162,492</u>	<u>66,069</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>34,303</u>	<u>(89,078)</u>	<u>(15,277)</u>	<u>73,801</u>
<b>Other Financing Sources (Uses)</b>				
Contingencies	(81,983)	(10,000)	0	10,000
Advances In	15,626	17,623	18,600	977
Advances Out	(25,000)	(33,600)	(33,600)	0
Transfers In	783	883	932	49
<i>Total Other Financing Sources (Uses)</i>	<u>(90,574)</u>	<u>(25,094)</u>	<u>(14,068)</u>	<u>11,026</u>
<i>Net Change in Fund Balance</i>	(56,271)	(114,172)	(29,345)	84,827
<i>Fund Balance Beginning of Year</i>	93,017	93,017	93,017	0
Prior Year Encumbrances Appropriated	<u>21,355</u>	<u>21,355</u>	<u>21,355</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$58,101</u>	<u>\$200</u>	<u>\$85,027</u>	<u>\$84,827</u>

**Bedford City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Other Grants Fund*  
*For the Fiscal Year Ended June 30, 2003*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Contributions and Donations	\$22,870	\$32,361	\$32,361	\$0
Miscellaneous	3,784	4,418	4,418	0
<i>Total Revenues</i>	<u>26,654</u>	<u>36,779</u>	<u>36,779</u>	<u>0</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	474	450	0	450
Purchased Services	581	581	574	7
Materials and Supplies	5,243	5,182	3,466	1,716
Other	41	26	24	2
Total Regular	<u>6,339</u>	<u>6,239</u>	<u>4,064</u>	<u>2,175</u>
Vocational:				
Salaries and Wages	4,678	4,677	4,357	320
Fringe Benefits	902	535	535	0
Purchased Services	12,825	6,584	6,340	244
Materials and Supplies	1,126	8,484	8,484	0
Capital Outlay - New	9,808	9,808	9,808	0
Other	1,125	367	367	0
Total Vocational	<u>30,464</u>	<u>30,455</u>	<u>29,891</u>	<u>564</u>
Total Instruction	<u>36,803</u>	<u>36,694</u>	<u>33,955</u>	<u>2,739</u>
Support Services:				
Instructional Staff:				
Salaries and Wages	2,972	2,972	2,972	0
Fringe Benefits	1,206	1,189	1,170	19
Materials and Supplies	20	0	0	0
Total Instructional Staff	<u>4,198</u>	<u>4,161</u>	<u>4,142</u>	<u>19</u>
Pupil Transportation:				
Purchased Services	410	410	0	410
Total Support Services	<u>\$4,608</u>	<u>\$4,571</u>	<u>\$4,142</u>	<u>\$429</u>

(continued)

**Bedford City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Other Grants Fund (continued)*  
*For the Fiscal Year Ended June 30, 2003*

	<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	\$16,283	\$23,109	\$3,336	\$19,773
<i>Total Expenditures</i>	<u>57,694</u>	<u>64,374</u>	<u>41,433</u>	<u>22,941</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(31,040)</u>	<u>(27,595)</u>	<u>(4,654)</u>	<u>22,941</u>
<b>Other Financing Sources (Uses)</b>				
Advances Out	(9,000)	(9,000)	(9,000)	0
Transfer In	23,663	23,663	23,663	0
<i>Total Other Financing Sources (Uses)</i>	<u>14,663</u>	<u>14,663</u>	<u>14,663</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(16,377)	(12,932)	10,009	22,941
<i>Fund Balance Beginning of Year</i>	2,536	2,536	2,536	0
Prior Year Encumbrances Appropriated	10,396	10,396	10,396	0
<i>Fund Balance (Deficit) End of Year</i>	<u>(\$3,445)</u>	<u>\$0</u>	<u>\$22,941</u>	<u>\$22,941</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, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$25,082	\$0	\$0	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	3,240	2,775	2,775	0
Fringe Benefits	605	424	424	0
Purchased Services	1,769	3,658	3,658	0
Materials and Supplies	5,350	4,909	4,909	0
Other	918	116	116	0
<i>Total Expenditures</i>	<u>11,882</u>	<u>11,882</u>	<u>11,882</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	13,200	(11,882)	(11,882)	0
<i>Fund Balance Beginning of Year</i>	6,634	6,634	6,634	0
Prior Year Encumbrances Appropriated	<u>5,329</u>	<u>5,329</u>	<u>5,329</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$25,163</u></u>	<u><u>\$81</u></u>	<u><u>\$81</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, 2003*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Charges for Services	\$6,378	\$9,462	\$9,703	\$241
Extracurricular Activities	60,778	90,170	92,467	2,297
Contributions and Donations	2,117	3,141	3,221	80
Miscellaneous	493	732	750	18
<i>Total Revenues</i>	<u>69,766</u>	<u>103,505</u>	<u>106,141</u>	<u>2,636</u>
<b>Expenditures</b>				
Current:				
Extracurricular Activities:				
Academic and Subject Oriented:				
Salaries and Wages	32	782	600	182
Fringe Benefits	0	3	3	0
Purchased Services	217	1,503	1,039	464
Materials and Supplies	3,320	11,977	11,558	419
Other	19	19	0	19
Total Academic and Subject Oriented	<u>3,588</u>	<u>14,284</u>	<u>13,200</u>	<u>1,084</u>
Occupational Oriented:				
Purchased Services	1,460	1,460	0	1,460
Materials and Supplies	2,315	4,304	2,362	1,942
Total Occupational Oriented	<u>3,775</u>	<u>5,764</u>	<u>2,362</u>	<u>3,402</u>
Sport Oriented Activities:				
Salaries and Wages	614	7,366	6,660	706
Fringe Benefits	1,226	1,594	1,577	17
Purchased Services	9,627	72,858	65,658	7,200
Materials and Supplies	15,780	84,535	75,324	9,211
Capital Outlay - New	123	2,122	1,408	714
Capital Outlay - Replacement	15	15	0	15
Total Sport Oriented Activities	<u>\$27,385</u>	<u>\$168,490</u>	<u>\$150,627</u>	<u>\$17,863</u>

(continued)

**Bedford City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*District Managed Student Activities Fund (continued)*  
*For the Fiscal Year Ended June 30, 2003*

	<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	\$0	\$49,025	\$46,482	\$2,543
Materials and Supplies	8,368	16,694	11,235	5,459
Capital Outlay - New	831	331	0	331
Capital Outlay - Replacement	3	3	0	3
Other	308	808	516	292
Total School and Public Service Oriented	<u>9,510</u>	<u>66,861</u>	<u>58,233</u>	<u>8,628</u>
<i>Total Expenditures</i>	<u>44,258</u>	<u>255,399</u>	<u>224,422</u>	<u>30,977</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>25,508</u>	<u>(151,894)</u>	<u>(118,281)</u>	<u>33,613</u>
<b>Other Financing Sources (Uses)</b>				
Contingencies	(150,695)	(55,000)	0	55,000
Advances In	54,556	80,938	83,000	2,062
Advances Out	(25,000)	(53,000)	(53,000)	0
Transfers In	66,569	98,761	101,277	2,516
<i>Total Other Financing Sources (Uses)</i>	<u>(54,570)</u>	<u>71,699</u>	<u>131,277</u>	<u>59,578</u>
<i>Net Change in Fund Balance</i>	(29,062)	(80,195)	12,996	93,191
<i>Fund Balance Beginning of Year</i>	49,305	49,305	49,305	0
Prior Year Encumbrances Appropriated	<u>30,890</u>	<u>30,890</u>	<u>30,890</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$51,133</u>	<u>\$0</u>	<u>\$93,191</u>	<u>\$93,191</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, 2003*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Intergovernmental	\$440,447	\$412,510	\$412,510	\$0
Interest	2,576	2,413	2,413	0
<i>Total Revenues</i>	<u>443,023</u>	<u>414,923</u>	<u>414,923</u>	<u>0</u>
<b>Expenditures</b>				
Current:				
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	147,056	130,035	111,085	18,950
Fringe Benefits	38,359	35,105	30,446	4,659
Purchased Services	185,005	177,954	177,834	120
Materials and Supplies	59,628	152,402	151,422	980
Capital Outlay - New	10,918	27,426	27,348	78
<i>Total Expenditures</i>	<u>440,966</u>	<u>522,922</u>	<u>498,135</u>	<u>24,787</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	2,057	(107,999)	(83,212)	24,787
<b>Other Financing Uses</b>				
Contingencies	(77,939)	0	0	0
<i>Net Change in Fund Balance</i>	(75,882)	(107,999)	(83,212)	24,787
<i>Fund Balance Beginning of Year</i>	67,127	67,127	67,127	0
Prior Year Encumbrances Appropriated	41,755	41,755	41,755	0
<i>Fund Balance End of Year</i>	<u>\$33,000</u>	<u>\$883</u>	<u>\$25,670</u>	<u>\$24,787</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, 2003*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$19,073	\$0	\$0	\$0
<b>Expenditures</b>				
Current:				
Support Services:				
Instructional Staff:				
Salaries and Wages	28	28	28	0
Fringe Benefits	599	598	598	0
Purchased Services	315	300	300	0
Total Support Services	942	926	926	0
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	449	465	465	0
<i>Total Expenditures</i>	1,391	1,391	1,391	0
<i>Net Change in Fund Balance</i>	17,682	(1,391)	(1,391)	0
<i>Fund Balance Beginning of Year</i>	1,391	1,391	1,391	0
<i>Fund Balance End of Year</i>	\$19,073	\$0	\$0	\$0

**Bedford City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Education Management Information Systems Fund*  
*For the Fiscal Year Ended June 30, 2003*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$16,348	\$13,890	\$13,890	\$0
<b>Expenditures</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	16,348	13,890	13,890	0
<i>Fund Balance Beginning of Year</i>	<u>41,681</u>	<u>41,681</u>	<u>41,681</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$58,029</u></u>	<u><u>\$55,571</u></u>	<u><u>\$55,571</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 Program Fund*  
*For the Fiscal Year Ended June 30, 2003*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$175,722	\$175,722	\$175,722	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Special:				
Salaries and Wages	<u>175,722</u>	<u>175,722</u>	<u>175,722</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*  
*Data Communications Fund*  
*For the Fiscal Year Ended June 30, 2003*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$12,000	\$24,500	\$24,500	\$0
<b>Expenditures</b>				
Current:				
Support Services:				
Instructional Staff:				
Capital Outlay - New	<u>24,500</u>	<u>24,500</u>	<u>24,500</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(12,500)	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 (Deficit) End of Year</i>	<u><u>(\$12,500)</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, 2003*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$4,000	\$8,050	\$8,050	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Purchased Services	<u>4,142</u>	<u>7,592</u>	<u>7,592</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(142)	458	458	0
<i>Fund Balance Beginning of Year</i>	<u>7,592</u>	<u>7,592</u>	<u>7,592</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$7,450</u></u>	<u><u>\$8,050</u></u>	<u><u>\$8,050</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*  
*Ohio Reads Grant Fund*  
*For the Fiscal Year Ended June 30, 2003*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$8,000	\$80,750	\$80,750	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	24,960	24,040	17,526	6,514
Fringe Benefits	4,004	3,844	2,862	982
Purchased Services	7,201	2,100	2,100	0
Materials and Supplies	57,076	57,946	56,859	1,087
Other	22,223	20,599	20,102	497
Total Instruction	115,464	108,529	99,449	9,080
Support Services:				
Pupil Transportation:				
Salaries and Wages	1,330	1,000	0	1,000
Fringe Benefits	215	164	0	164
Purchased Services	1,475	1,046	0	1,046
Total Support Services	3,020	2,210	0	2,210
<i>Total Expenditures</i>	118,484	110,739	99,449	11,290
<i>Excess of Revenues Under Expenditures</i>	(110,484)	(29,989)	(18,699)	11,290
<b>Other Financing Uses</b>				
Advances Out	(75,000)	(75,000)	(75,000)	0
<i>Net Change in Fund Balance</i>	(185,484)	(104,989)	(93,699)	11,290
<i>Fund Balance Beginning of Year</i>	71,231	71,231	71,231	0
Prior Year Encumbrances Appropriated	33,758	33,758	33,758	0
<i>Fund Balance (Deficit) End of Year</i>	<u>(\$80,495)</u>	<u>\$0</u>	<u>\$11,290</u>	<u>\$11,290</u>

**Bedford City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Vocational Education Enhancement Fund*  
*For the Fiscal Year Ended June 30, 2003*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$24,479	\$17,734	\$17,734	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Vocational:				
Materials and Supplies	<u>20,864</u>	<u>20,864</u>	<u>20,864</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	3,615	(3,130)	(3,130)	0
<b>Other Financing Sources</b>				
Advances In	<u>5,521</u>	<u>4,000</u>	<u>4,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	9,136	870	870	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>\$9,136</u></u>	<u><u>\$870</u></u>	<u><u>\$870</u></u>	<u><u>\$0</u></u>

**Bedford City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Miscellaneous State Grants Fund*  
*For the Fiscal Year Ended June 30, 2003*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b>Revenues</b>				
Intergovernmental	\$77,188	\$17,402	\$17,402	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	2,000	0	0	0
Fringe Benefits	340	0	0	0
Materials and Supplies	1,000	0	0	0
Total Instruction	3,340	0	0	0
Support Services:				
Instructional Staff:				
Salaries and Wages	5,800	5,630	5,000	630
Fringe Benefits	2,920	2,507	2,299	208
Purchased Services	1,210	940	873	67
Materials and Supplies	270	4,463	4,342	121
Total Instructional Staff	10,200	13,540	12,514	1,026
Administration:				
Salaries and Wages	400	400	0	400
Fringe Benefits	60	60	0	60
Total Administration	460	460	0	460
Central:				
Purchased Services	7,175	7,175	7,175	0
Total Support Services	17,835	21,175	19,689	1,486
<i>Total Expenditures</i>	21,175	21,175	19,689	1,486
<i>Net Change in Fund Balance</i>	56,013	(3,773)	(2,287)	(1,486)
<i>Fund Balance Beginning of Year</i>	3,773	3,773	3,773	0
<i>Fund Balance End of Year</i>	\$59,786	\$0	\$1,486	\$1,486



**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, 2003*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$11,697	\$1,473	\$1,473	\$0
<b>Expenditures</b>				
Current:				
Support Services:				
Instructional Staff:				
Salaries and Wages	11,791	11,791	6,791	5,000
Fringe Benefits	1,666	1,605	832	773
Purchased Services	6,597	306	298	8
Materials and Supplies	5,134	3,943	1,203	2,740
Capital Outlay - New	1,195	0	0	0
<i>Total Expenditures</i>	<u>26,383</u>	<u>17,645</u>	<u>9,124</u>	<u>8,521</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(14,686)</u>	<u>(16,172)</u>	<u>(7,651)</u>	<u>8,521</u>
<b>Other Financing Sources (Uses)</b>				
Advances In	15,882	2,000	2,000	0
Advances Out	(5,000)	(5,000)	(5,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>10,882</u>	<u>(3,000)</u>	<u>(3,000)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(3,804)	(19,172)	(10,651)	8,521
<i>Fund Balance Beginning of Year</i>	18,885	18,885	18,885	0
Prior Year Encumbrances Appropriated	721	721	721	0
<i>Fund Balance End of Year</i>	<u>\$15,802</u>	<u>\$434</u>	<u>\$8,955</u>	<u>\$8,521</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, 2003*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Intergovernmental	\$196,629	\$346,466	\$346,466	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Special:				
Salaries and Wages	13,304	13,304	3,960	9,344
Fringe Benefits	2,534	2,534	831	1,703
Purchased Services	338,328	333,989	333,989	0
Materials and Supplies	21,262	21,262	19,985	1,277
Capital Outlay - New	0	20,942	20,132	810
Total Special	375,428	392,031	378,897	13,134
Vocational:				
Salaries and Wages	50,000	22,909	16,432	6,477
Fringe Benefits	8,500	9,317	6,505	2,812
Total Vocational	58,500	32,226	22,937	9,289
Total Instruction	433,928	424,257	401,834	22,423
Support Services:				
Pupil:				
Salaries and Wages	6,476	10,582	10,582	0
Fringe Benefits	70	1,743	1,743	0
Total Pupil	6,546	12,325	12,325	0
Instructional Staff:				
Fringe Benefits	1,500	1,500	995	505
Purchased Services	21,385	21,385	18,445	2,940
Materials and Supplies	5,000	5,000	0	5,000
Total Instructional Staff	27,885	27,885	19,440	8,445
Administration:				
Salaries and Wages	72,072	71,395	59,700	11,695
Fringe Benefits	21,270	27,280	23,170	4,110
Total Administration	93,342	98,675	82,870	15,805
Total Support Services	\$127,773	\$138,885	\$114,635	\$24,250

(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, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	\$11,067	\$11,067	\$11,067	\$0
Fringe Benefits	21,283	21,282	21,282	0
Total Operation of Non-Instructional Services	32,350	32,349	32,349	0
<i>Total Expenditures</i>	594,051	595,491	548,818	46,673
<i>Excess of Revenues Under Expenditures</i>	(397,422)	(249,025)	(202,352)	46,673
<b>Other Financing Sources (Uses)</b>				
Advances In	108,965	192,000	192,000	0
Advances Out	(195,000)	(195,000)	(195,000)	0
<i>Total Other Financing Sources (Uses)</i>	(86,035)	(3,000)	(3,000)	0
<i>Net Change in Fund Balance</i>	(483,457)	(252,025)	(205,352)	46,673
<i>Fund Balance Beginning of Year</i>	187,661	187,661	187,661	0
Prior Year Encumbrances Appropriated	64,529	64,529	64,529	0
<i>Fund Balance (Deficit) End of Year</i>	( <u>\$231,267</u> )	<u>\$165</u>	<u>\$46,838</u>	<u>\$46,673</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, 2003*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Intergovernmental	\$67,276	\$88,478	\$88,478	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Vocational:				
Materials and Supplies	20,784	26,355	26,349	6
Capital Outlay - New	18,977	25,498	25,498	0
Other	71,796	59,868	29,954	29,914
Total Instruction	111,557	111,721	81,801	29,920
Support Services:				
Pupil:				
Salaries and Wages	21,332	20,399	14,194	6,205
Fringe Benefits	13,438	14,276	12,364	1,912
Purchased Services	10,500	8,793	8,793	0
Materials and Supplies	16,979	10,902	10,902	0
Capital Outlay - New	11,000	8,079	8,079	0
Other	8,857	7,727	4,686	3,041
Total Pupil	82,106	70,176	59,018	11,158
Instructional Staff:				
Purchased Services	11,920	9,896	9,688	208
Other	11,717	11,717	4,458	7,259
Total Instructional Staff	23,637	21,613	14,146	7,467
Administration:				
Materials and Supplies	7,402	5,034	5,034	0
Capital Outlay - New	2,000	4,500	4,500	0
Total Administration	9,402	9,534	9,534	0
Central:				
Purchased Services	1,000	1,100	1,100	0
Other	3,000	3,000	1,338	1,662
Total Central	4,000	4,100	2,438	1,662
Total Support Services	119,145	105,423	85,136	20,287
<i>Total Expenditures</i>	\$230,702	\$217,144	\$166,937	\$50,207

(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, 2003*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<i>Excess of Revenues Under Expenditures</i>	<u>(\$163,426)</u>	<u>(\$128,666)</u>	<u>(\$78,459)</u>	<u>\$50,207</u>
<b>Other Financing Sources (Uses)</b>				
Advances In	67,900	98,000	98,000	0
Advances Out	<u>(85,000)</u>	<u>(85,000)</u>	<u>(85,000)</u>	<u>0</u>
<i>Total Other Financing Sources (Uses)</i>	<u>(17,100)</u>	<u>13,000</u>	<u>13,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(180,526)	(115,666)	(65,459)	50,207
<i>Fund Balance Beginning of Year</i>	103,831	103,831	103,831	0
Prior Year Encumbrances Appropriated	<u>28,200</u>	<u>28,200</u>	<u>28,200</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u>(\$48,495)</u>	<u>\$16,365</u>	<u>\$66,572</u>	<u>\$50,207</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, 2003*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$5,220	\$5,220	\$5,220	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Purchased Services	3,000	5,220	2,300	2,920
Materials and Supplies	2,220	0	0	0
<i>Total Expenditures</i>	<u>5,220</u>	<u>5,220</u>	<u>2,300</u>	<u>2,920</u>
<i>Net Change in Fund Balance</i>	0	0	2,920	2,920
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$2,920</u>	<u>\$2,920</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, 2003*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$310,558	\$336,477	\$336,477	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	1,764	1,764	958	806
Fringe Benefits	336	336	149	187
Purchased Services	86,500	86,500	66,625	19,875
Materials and Supplies	11,400	11,400	11,392	8
Total Regular	100,000	100,000	79,124	20,876
Special:				
Salaries and Wages	286,412	271,256	225,312	45,944
Fringe Benefits	67,388	74,660	64,686	9,974
Purchased Services	2,690	670	670	0
Materials and Supplies	4,561	8,693	2,826	5,867
Capital Outlay - New	2,658	0	0	0
Total Special	363,709	355,279	293,494	61,785
Total Instruction	463,709	455,279	372,618	82,661
Support Services:				
Instructional Staff:				
Salaries and Wages	0	18,075	7,920	10,155
Fringe Benefits	0	2,793	1,233	1,560
Purchased Services	33,944	12,055	9,287	2,768
Materials and Supplies	0	1,092	0	1,092
Total Support Services	33,944	34,015	18,440	15,575
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	38,467	19,085	11,585	7,500
Fringe Benefits	5,981	3,303	1,949	1,354
Materials and Supplies	6,853	4,401	3,325	1,076
Total Operation of Non-Instructional Services	\$51,301	\$26,789	\$16,859	\$9,930

(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, 2003*

	<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>	\$548,954	\$516,083	\$407,917	\$108,166
<i>Excess of Revenues Under Expenditures</i>	(238,396)	(179,606)	(71,440)	108,166
<b>Other Financing Sources (Uses)</b>				
Advances In	130,975	147,000	147,000	0
Advances Out	(185,000)	(185,000)	(185,000)	0
<i>Total Other Financing Sources (Uses)</i>	(54,025)	(38,000)	(38,000)	0
<i>Net Change in Fund Balance</i>	(292,421)	(217,606)	(109,440)	108,166
<i>Fund Balance Beginning of Year</i>	218,013	218,013	218,013	0
Prior Year Encumbrances Appropriated	12	12	12	0
<i>Fund Balance (Deficit) End of Year</i>	<u>(\$74,396)</u>	<u>\$419</u>	<u>\$108,585</u>	<u>\$108,166</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, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$28,084	\$37,014	\$37,014	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	18,594	15,245	15,245	0
Fringe Benefits	11,337	11,337	11,337	0
Purchased Services	15,338	6,800	6,800	0
Materials and Supplies	3,589	3,394	3,387	7
Capital Outlay - New	30	0	0	0
Total Instruction	48,888	36,776	36,769	7
Support Services:				
Pupil:				
Salaries and Wages	6,000	6,000	6,000	0
Fringe Benefits	1,000	1,000	1,000	0
Total Pupil	7,000	7,000	7,000	0
Instructional Staff:				
Purchased Services	5,000	5,000	0	5,000
Total Support Services	12,000	12,000	7,000	5,000
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	1,003	1,003	991	12
Materials and Supplies	4,065	3,716	3,697	19
Capital Outlay - New	680	412	412	0
Total Operation of Non-Instructional Services	5,748	5,131	5,100	31
<i>Total Expenditures</i>	66,636	53,907	48,869	5,038
<i>Excess of Revenues Under Expenditures</i>	(38,552)	(16,893)	(11,855)	5,038
<b>Other Financing Sources (Uses)</b>				
Advances In	15,175	20,000	20,000	0
Advances Out	(30,000)	(30,000)	(30,000)	0
<b>Total Other Financing Sources (Uses)</b>	(14,825)	(10,000)	(10,000)	0
<i>Net Change in Fund Balance</i>	(53,377)	(26,893)	(21,855)	5,038
<i>Fund Balance Beginning of Year</i>	24,326	24,326	24,326	0
Prior Year Encumbrances Appropriated	3,000	3,000	3,000	0
<i>Fund Balance (Deficit) End of Year</i>	(\$26,051)	\$433	\$5,471	\$5,038

**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, 2003*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Intergovernmental	\$23,013	\$9,778	\$9,778	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	1,913	1,139	1,139	0
Fringe Benefits	194	34	34	0
Purchased Services	6,575	2,385	2,385	0
Materials and Supplies	10,122	7,509	8,235	(726)
Capital Outlay - New	1,700	1,700	1,700	0
Total Instruction	20,504	12,767	13,493	(726)
Support Services:				
Instructional Staff:				
Salaries and Wages	4,114	2,340	2,340	0
Fringe Benefits	135	113	113	0
Purchased Services	6,903	3,198	3,198	0
Materials and Supplies	1,075	1,075	1,022	53
Total Instructional Staff	12,227	6,726	6,673	53
Operation and Maintenance of Plant:				
Salaries and Wages	1,500	1,425	1,425	0
Total Support Services	13,727	8,151	8,098	53
Operation of Non-Instructional Services				
Community Services:				
Materials and Supplies	41	41	41	0
Total Expenditures	34,272	20,959	21,632	(673)
Excess of Revenues Under Expenditures	(11,259)	(11,181)	(11,854)	(673)
<b>Other Financing Sources (Uses)</b>				
Advances In	12,332	6,000	6,000	0
Advances Out	(15,000)	(15,000)	(15,000)	0
<b>Total Other Financing Sources (Uses)</b>	(2,668)	(9,000)	(9,000)	0
Net Change in Fund Balance	(13,927)	(20,181)	(20,854)	(673)
Fund Balance Beginning of Year	18,299	18,299	18,299	0
Prior Year Encumbrances Appropriated	2,528	2,528	2,528	0
Fund Balance (Deficit) End of Year	\$6,900	\$646	(\$27)	(\$673)

**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, 2003*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Intergovernmental	\$37,190	\$38,885	\$38,885	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Special:				
Salaries and Wages	540	0	0	0
Fringe Benefits	92	0	0	0
Purchased Services	1,213	1,115	1,115	0
Materials and Supplies	6,742	3,356	3,356	0
Capital Outlay - New	6,835	6,378	6,378	0
Total Instruction	15,422	10,849	10,849	0
Support Services:				
Instructional Staff:				
Salaries and Wages	37,368	37,368	33,667	3,701
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	1,983	1,983	0	1,983
<i>Total Expenditures</i>	<u>54,773</u>	<u>50,200</u>	<u>44,516</u>	<u>5,684</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(17,583)</u>	<u>(11,315)</u>	<u>(5,631)</u>	<u>5,684</u>
<b>Other Financing Sources (Uses)</b>				
Advances In	4,279	5,000	5,000	0
Advances Out	(15,000)	(15,000)	(15,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(10,721)</u>	<u>(10,000)</u>	<u>(10,000)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(28,304)	(21,315)	(15,631)	5,684
<i>Fund Balance Beginning of Year</i>	18,536	18,536	18,536	0
Prior Year Encumbrances Appropriated	3,343	3,343	3,343	0
<i>Fund Balance (Deficit) End of Year</i>	<u><u>(\$6,425)</u></u>	<u><u>\$564</u></u>	<u><u>\$6,248</u></u>	<u><u>\$5,684</u></u>

**Bedford City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Goals 2000 Fund*  
*For the Fiscal Year Ended June 30, 2003*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$45,000	\$0	\$0	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Materials and Supplies	<u>2,926</u>	<u>2,926</u>	<u>2,926</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	42,074	(2,926)	(2,926)	0
<i>Fund Balance Beginning of Year</i>	2,326	2,326	2,326	0
Prior Year Encumbrances Appropriated	<u>600</u>	<u>600</u>	<u>600</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$45,000</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

**Bedford City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Title VI-R Fund*  
*For the Fiscal Year Ended June 30, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$45,012	\$105,059	\$105,059	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	145,347	144,631	124,323	20,308
Fringe Benefits	34,714	34,294	28,159	6,135
Total Instruction	180,061	178,925	152,482	26,443
Support Services:				
Instructional Staff:				
Salaries and Wages	15,000	15,000	13,385	1,615
Fringe Benefits	2,550	2,550	3,294	(744)
Purchased Services	9,868	7,468	7,418	50
Materials and Supplies	4,000	7,293	7,136	157
Total Support Services	31,418	32,311	31,233	1,078
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	522	522	477	45
Materials and Supplies	105	105	105	0
Total Operation of Non-Instructional Services	627	627	582	45
<i>Total Expenditures</i>	212,106	211,863	184,297	27,566
<i>Excess of Revenues Under Expenditures</i>	(167,094)	(106,804)	(79,238)	27,566
<b>Other Financing Sources (Uses)</b>				
Advances In	28,278	66,000	66,000	0
Advances Out	(60,000)	(60,000)	(60,000)	0
<i>Total Other Financing Sources (Uses)</i>	(31,722)	6,000	6,000	0
<i>Net Change in Fund Balance</i>	(198,816)	(100,804)	(73,238)	27,566
<i>Fund Balance Beginning of Year</i>	101,796	101,796	101,796	0
<i>Fund Balance (Deficit) End of Year</i>	(\$97,020)	\$992	\$28,558	\$27,566

**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, 2003*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b>Revenues</b>				
Intergovernmental	\$21,175	\$1,673	\$1,673	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Materials and Supplies	0	1,016	997	19
Support Services:				
Pupils:				
Capital Outlay - New	0	1,700	1,700	0
Instructional Staff:				
Salaries and Wages	5,224	2,550	2,550	0
Fringe Benefits	1,070	771	649	122
Purchased Services	3,000	0	0	0
Materials and Supplies	0	3,159	2,234	925
Total Instructional Staff	9,294	6,480	5,433	1,047
Total Support Services	9,294	8,180	7,133	1,047
<i>Total Expenditures</i>	9,294	9,196	8,130	1,066
<i>Excess of Revenues Over (Under) Expenditures</i>	11,881	(7,523)	(6,457)	1,066
<b>Other Financing Sources</b>				
Advances In	101,256	8,000	8,000	0
<i>Net Change in Fund Balance</i>	113,137	477	1,543	1,066
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$113,137	\$477	\$1,543	\$1,066

**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, 2003*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property Taxes	\$1,016,449	\$1,067,518	\$1,092,536	\$25,018
Intergovernmental	99,149	103,620	105,810	2,190
<i>Total Revenues</i>	<u>1,115,598</u>	<u>1,171,138</u>	<u>1,198,346</u>	<u>27,208</u>
<b>Expenditures</b>				
Debt Service:				
Principal Retirement	630,000	630,000	630,000	0
Interest and Fiscal Charges	405,045	405,045	405,045	0
<i>Total Expenditures</i>	<u>1,035,045</u>	<u>1,035,045</u>	<u>1,035,045</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	80,553	136,093	163,301	27,208
<i>Fund Balance Beginning of Year</i>	<u>1,286,571</u>	<u>1,286,571</u>	<u>1,286,571</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,367,124</u></u>	<u><u>\$1,422,664</u></u>	<u><u>\$1,449,872</u></u>	<u><u>\$27,208</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, 2003*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property Taxes	\$477,584	\$524,420	\$577,211	\$52,791
Intergovernmental	139,076	152,715	168,088	15,373
Other	1,986	2,180	2,400	220
<i>Total Revenues</i>	<u>618,646</u>	<u>679,315</u>	<u>747,699</u>	<u>68,384</u>
<b>Expenditures</b>				
Current:				
Support Services:				
Operation and Maintenance of Plant:				
Capital Outlay - New	213,960	988,700	984,809	3,891
Pupil Transportation:				
Capital Outlay - Replacement	169,000	0	0	0
Total Support Services	382,960	988,700	984,809	3,891
Capital Outlay:				
Capital Outlay	73,629	1,079,228	1,059,266	19,962
<i>Total Expenditures</i>	<u>456,589</u>	<u>2,067,928</u>	<u>2,044,075</u>	<u>23,853</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	162,057	(1,388,613)	(1,296,376)	92,237
<b>Other Financing Sources</b>				
Advances In	0	1,180,000	1,180,000	0
<i>Net Change in Fund Balance</i>	162,057	(208,613)	(116,376)	92,237
<i>Fund Balance Beginning of Year</i>	135,791	135,791	135,791	0
Prior Year Encumbrances Appropriated	100,317	100,317	100,317	0
<i>Fund Balance End of Year</i>	<u>\$398,165</u>	<u>\$27,495</u>	<u>\$119,732</u>	<u>\$92,237</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, 2003*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Miscellaneous	\$6	\$280	\$280	\$0
<b>Expenditures</b>				
Capital Outlay:				
Capital Outlay - New	0	608,000	607,016	984
<i>Excess of Revenues Over (Under) Expenditures</i>	6	(607,720)	(606,736)	984
<b>Other Financing Sources (Uses)</b>				
Contingencies	0	(32,000)	0	32,000
Loan Issued	9,170	449,420	449,420	0
Advance In	3,883	190,300	190,300	0
<i>Total Other Financing Sources (Uses)</i>	13,053	607,720	639,720	32,000
<i>Net Change in Fund Balance</i>	13,059	0	32,984	32,984
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$13,059</u>	<u>\$0</u>	<u>\$32,984</u>	<u>\$32,984</u>

**Bedford City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Capital Replacement Fund*  
*For the Fiscal Year Ended June 30, 2003*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
Current:				
Support Services:				
Pupil Transportation:				
Capital Outlay - Replacement	<u>198,600</u>	<u>198,529</u>	<u>198,529</u>	<u>0</u>
<i>Excess of Revenues Under Expenditures</i>	(198,600)	(198,529)	(198,529)	0
<b>Other Financing Sources</b>				
Transfers In	<u>163,000</u>	<u>184,931</u>	<u>184,931</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(35,600)	(13,598)	(13,598)	0
<i>Fund Balance Beginning of Year</i>	<u>13,598</u>	<u>13,598</u>	<u>13,598</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>(\$22,002)</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*  
*Vocational Equipment Fund*  
*For the Fiscal Year Ended June 30, 2003*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$25,773	\$13,753	\$13,753	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Vocational:				
Capital Outlay - New	<u>36,602</u>	<u>36,602</u>	<u>31,486</u>	<u>5,116</u>
<i>Net Change in Fund Balance</i>	(10,829)	(22,849)	(17,733)	5,116
<i>Fund Balance Beginning of Year</i>	46,206	46,206	46,206	0
Prior Year Encumbrances Appropriated	<u>8,602</u>	<u>8,602</u>	<u>8,602</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$43,979</u></u>	<u><u>\$31,959</u></u>	<u><u>\$37,075</u></u>	<u><u>\$5,116</u></u>

**Bedford City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*SchoolNet Fund*  
*For the Fiscal Year Ended June 30, 2003*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$33,502	\$58,715	\$58,715	\$0
<b>Expenditures</b>				
Current:				
Support Services:				
Instructional Staff:				
Materials and Supplies	20,125	20,125	20,125	0
Capital Outlay - New	38,590	38,590	38,590	0
<i>Total Expenditures</i>	58,715	58,715	58,715	0
<i>Net Change in Fund Balance</i>	(25,213)	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance (Deficit) End of Year</i>	(\$25,213)	\$0	\$0	\$0

**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, 2003*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Charges for Services	\$921,672	\$1,116,011	\$1,121,133	\$5,122
<b>Expenses</b>				
Purchased Services	40,403	40,403	39,791	612
Claims	882,597	958,597	958,597	0
<i>Total Expenses</i>	<u>923,000</u>	<u>999,000</u>	<u>998,388</u>	<u>612</u>
<i>Net Change in Fund Equity</i>	(1,328)	117,011	122,745	5,734
<i>Fund Equity Beginning of Year</i>	<u>924,458</u>	<u>924,458</u>	<u>924,458</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$923,130</u></u>	<u><u>\$1,041,469</u></u>	<u><u>\$1,047,203</u></u>	<u><u>\$5,734</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, 2003*

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

**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, 2003*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Interest	\$2,156	\$2,007	\$2,007	\$0
<b>Expenses</b>				
Other	616	1,200	600	600
<i>Excess of Revenues Over Expenses</i>	1,540	807	1,407	600
<b>Other Financing Uses</b>				
Transfers Out	0	0	(23,663)	(23,663)
<i>Net Change in Fund Equity</i>	1,540	807	(22,256)	(23,063)
<i>Fund Equity Beginning of Year</i>	70,778	70,778	70,778	0
Prior Year Encumbrances Appropriated	616	616	616	0
<i>Fund Equity End of Year</i>	<u>\$72,934</u>	<u>\$72,201</u>	<u>\$49,138</u>	<u>(\$23,063)</u>





**Bedford City School District**  
*Governmental Activities Revenues by Source*  
*and Expenses by Function*  
*Last Three Fiscal Years*

	2003	2002	2001
<b>Program Revenues</b>			
Charges for Services	\$1,205,728	\$1,872,006	\$1,543,032
Operating Grants and Contributions	2,745,121	2,419,375	2,165,889
Capital Grants and Contributions	109,537	50,514	211,151
<b>General Revenues and Transfers</b>			
Property Taxes	31,493,245	34,544,853	32,162,026
Payment in Lieu of Taxes	0	21,613	41,975
Intergovernmental	8,634,340	6,685,643	6,216,092
Interest	239,106	377,677	732,915
Miscellaneous	125,231	291,104	235,536
Gain on Sale of Capital Assets	0	50,753	247,800
<b>Total</b>	<b>\$44,552,308</b>	<b>\$46,313,538</b>	<b>\$43,556,416</b>
<b>Expenses</b>			
Instruction	\$20,903,239	\$19,485,279	\$18,893,342
Support Services:			
Pupil	2,591,297	2,504,145	2,193,048
Instructional Staff	1,540,163	1,636,335	1,505,981
Board of Education	174,214	147,718	184,482
Administration	2,959,248	2,660,475	2,554,588
Fiscal	1,545,099	1,211,620	995,828
Business	505,723	411,748	357,096
Operation and Maintenance of Plant	5,933,219	6,335,607	6,062,780
Pupil Transportation	3,422,056	2,860,873	2,696,148
Central	277,502	241,112	282,074
Operation of Non-Instructional Services:			
Food Service Operations	1,416,237	1,214,859	1,215,952
Other Non-Instructional Services	608,190	649,054	905,122
Extracurricular Activities	628,947	835,766	569,058
Interest and Fiscal Charges	526,618	404,297	702,849
<b>Total</b>	<b>\$43,031,752</b>	<b>\$40,598,888</b>	<b>\$39,118,348</b>

Source: School District Financial Records

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

	2003 (1)	2002 (1)	2001	2000
<b>Revenues</b>				
Property Taxes	\$28,568,195	\$34,566,466	\$32,204,001	\$28,332,126
Intergovernmental	11,064,263	9,186,016	8,165,161	7,895,103
Interest	239,106	379,978	773,562	528,651
Charges for Services	767,185	867,184	0	0
Tuition and Fees	209,354	153,406	125,229	249,045
Rentals	51,113	51,911	0	0
Extracurricular Activities	178,076	271,316	166,285	148,635
Contributions and Donations	59,816	0	0	0
Miscellaneous	125,231	374,721	600,092	673,701
<b>Total</b>	<b>\$41,262,339</b>	<b>\$45,850,998</b>	<b>\$42,034,330</b>	<b>\$37,827,261</b>
<b>Expenditures</b>				
<b>Current:</b>				
Instruction	\$20,160,367	\$19,732,418	\$19,305,667	\$18,429,224
Support Services:				
Pupil	2,587,565	2,493,276	2,178,366	2,037,451
Instructional Staff	1,596,091	1,634,091	1,517,140	1,257,482
Board of Education	174,001	147,718	184,482	277,402
Administration	2,904,410	2,655,897	2,549,537	2,483,284
Fiscal	1,450,531	1,218,995	992,467	1,141,137
Business	420,750	395,226	330,128	349,599
Operation and Maintenance of Plant	5,703,847	6,386,456	5,982,969	5,076,352
Pupil Transportation	3,008,535	3,271,744	2,820,794	2,426,571
Central	253,416	234,295	204,128	188,711
Operation of Non-Instructional Services:				
Food Service Operations	1,353,409	1,206,604	0	0
Other Non-Instructional Services	543,327	520,883	537,787	434,129
Extracurricular Activities	626,835	570,268	568,549	579,345
Capital Outlay	1,343,445	15,949	8,850	43,643
Debt Service	1,362,208	1,288,930	1,452,849	1,427,011
<b>Total</b>	<b>\$43,488,737</b>	<b>\$41,772,750</b>	<b>\$38,633,713</b>	<b>\$36,151,341</b>

Source: School District Financial Records

(1) Fiscal years 2003 and 2002 includes funds previously reported as enterprise funds.

1999	1998	1997	1996	1995	1994
\$28,360,641	\$28,009,547	\$28,050,790	\$26,099,983	\$25,485,115	\$24,029,686
7,739,499	7,574,956	6,431,250	6,608,674	5,909,603	5,277,575
426,787	482,063	496,937	448,473	449,072	690,936
0	0	0	0	0	0
89,245	92	2,370	714	10,063	6,902
0	0	0	0	0	0
143,243	163,428	152,215	105,023	143,298	138,224
0	0	0	0	0	0
441,532	994,621	206,955	386,280	168,556	141,964
<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>	<u>\$30,285,287</u>
\$18,678,546	\$18,298,923	\$17,673,431	\$15,703,033	\$15,892,561	\$16,344,022
220,545	2,216,485	1,800,680	1,625,183	1,530,159	1,539,640
1,418,112	1,488,894	1,467,072	1,071,721	1,264,008	1,207,398
238,036	189,634	92,548	198,301	80,003	106,659
2,581,044	2,575,316	2,270,019	2,025,590	2,030,526	2,042,864
1,040,304	1,006,996	841,393	870,565	806,318	819,509
320,302	349,725	595,680	321,652	338,216	397,225
5,081,737	5,430,177	5,887,984	5,396,949	4,351,478	4,610,668
2,343,340	2,425,413	2,442,491	1,923,646	1,933,845	2,742,520
197,415	271,693	176,742	162,139	153,193	154,001
0	0	0	0	0	0
452,998	474,206	471,628	371,100	63,440	66,903
527,393	533,195	479,496	389,051	406,932	367,966
30,684	255,918	247,578	819,696	6,026,627	8,185,218
1,402,421	1,384,362	1,338,061	1,329,150	1,317,233	13,551,118
<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>	<u>\$52,135,711</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)
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
1994	418,788,220	1,196,537,771	63,739,540	72,431,295

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-four percent of actual value.

Tangible Personal Property		Total		
Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Ratio
\$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
155,264,796	621,059,184	637,792,556	1,890,028,250	33.74

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

Year (2)	Current Tax Levy	Delinquent Tax Levy	Total Tax Levy	Current Tax Collections	Percent of Current Tax Collections to Total Tax Levy
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
1994	26,204,253	2,833,289	29,037,542	25,160,201	86.65
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 in which the info 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. 2003 information cannot be presented because all collections have not been made by June 30.

---



---

Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy
\$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
527,992	25,688,193	88.47
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 Calendar Years*

---



---

Year	School Levy	Library	County	Bedford City	Bedford Heights City	Oakwood Village	Walton Hills Village
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
1994	53.40	1.00	16.80	10.00	10.00	4.30	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	0.86	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
1.88	0.68	0.00	0.95	1.64	0.00	5.15

**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
2003	\$8,559,325	\$806,632,602	31,656	1.06 %	\$270.39
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
1994	13,730,368	637,792,556	32,716	2.15	419.68

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, 2003*

Assessed Valuation		<u><u>\$806,632,602</u></u>
Overall Debt Limit - 9% of Assessed Value (1)		<u>\$72,596,934</u>
Amount of Debt Applicable to Debt Limit:		
General Obligation Bonds	9,325,000	
Capital Appreciation Bonds	536,300	
Energy Conservation Bonds	230,000	
Maintenance Facility Loan	606,000	
Less: Amount Available in Debt Service Fund	<u>(1,521,398)</u>	
Total Outstanding Debt		9,175,902
Less Exemptions:		
Energy Conservation Bonds		<u>(230,000)</u>
Amount of Debt Applicable to Debt Limit		<u>8,945,902</u>
Overall Debt Margin		<u><u>\$63,651,032</u></u>
Unvoted Debt Limit - .10% of Assessed Value (1)		\$806,633
Amount of Debt Applicable		<u>(195,000)</u>
Unvoted Debt Margin		<u><u>\$611,633</u></u>
Additional Limit for Unvoted Energy Conservation Bonds:		
Debt Limit - .10% of Assessed Valuation		\$806,633
Less: Energy Conservation Bonds		<u>(230,000)</u>
Additional Unvoted Debt Margin		<u><u>\$576,633</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, 2002*

Jurisdiction	General Obligation Bonded Debt Outstanding	Percentage Applicable to School District (1)	Amount Applicable to School District
Direct:			
Bedford City School District	\$10,091,300	100.00%	\$10,091,300
Overlapping:			
Cuyahoga County	200,162,636	2.82	5,644,586
Regional Transit Authority	136,310,000	2.82	3,843,942
City of Bedford	15,505,000	34.26	5,312,013
City of Bedford Heights	8,759,000	37.24	3,261,852
Village of Oakwood	2,790,000	14.70	410,130
Village of Walton Heights	60,000	20.77	12,462
Total Overlapping	363,586,636		18,484,985
Total	\$373,677,936		\$28,576,285

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 2002 collection year.

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

Year	Principal	Interest	Total Debt Service	Total Governmental Expenditures	Ratio of Debt Service to Total Governmental Expenditures (Percentage)
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
1994	12,480,000	1,071,118	13,551,118	52,135,711	25.99

Source: School District Financial Records

(1) Fiscal Years 2003 and 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)	Walton Hills Village Population (2)	Oakwood Village Population (2)	School Enrollment (3)	Unemployment Rate (4)
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
1994	1,412,140	14,822	12,131	2,371	3,392	3,921	5.80

- 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 (1)	Financial Institution Deposits Banks (2)	Property Value (Real Estate Only) (3)
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
1993	5,005,201	21,009,421	418,788,220

- Sources:
- (1) Cities of Bedford and Bedford Heights Building Departments
  - (2) Federal Reserve Bank of Cleveland, Ohio
  - (3) Represents assessed value.

**Bedford City School District**

*Principal Taxpayers*

*Real Estate Tax*

*December 31, 2002*

---

---

<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	4.04 %
Fourteen Plus, LLC	13,176,800	2.19
Pick N Pay Supermarkets, Inc.	11,326,000	1.88
Lee G Siedman Properties	10,505,600	1.74
Ford Motor Company	10,137,960	1.68
Miles Road, LLC	9,973,200	1.66
Bear Creek Investment Company	5,906,440	0.98
FB Properties, LLC	5,678,400	0.94
Riser Foods Company	5,430,600	0.90
Bear Creek Properties Company	<u>4,742,240</u>	<u>0.79</u>
Total	<u>\$101,216,280</u>	<u>16.80 %</u>
<i>Total Real Estate Tax Assessed Value</i>	<u>\$602,594,640</u>	

Source: Cuyahoga County Auditor's Office

(1) Assessed values are for the 2003 collection year.



**Bedford City School District**  
*Principal Taxpayers*  
*Tangible Personal Property Tax*  
*December 31, 2002*

Name of Taxpayer	Assessed Value (1)	Percent of Total Real Estate Tax Assessed Value
Ford Motor Company	\$23,601,520	14.28 %
Ben Venue Laboratories, Inc.	9,613,900	5.82
Riser Foods Company	8,734,520	5.29
Ferro Corporation	3,886,880	2.35
Jay Pontiac, Inc.	2,678,220	1.62
Illinois Tool works, Inc.	2,677,760	1.62
Weyerhaeuser Company	2,632,910	1.59
Earle M. Jorgenson Company	2,190,770	1.33
NPK Construction, Inc.	1,946,410	1.18
Southeast Harley Davidson Sales Company	1,851,830	1.12
Total	<u>\$59,814,720</u>	<u>36.20 %</u>
<i>Total Tangible Personal Property Tax Assessed Value</i>	<u>\$165,250,542</u>	

Source: Cuyahoga County Auditor's Office

(1) Assessed values are for the 2003 collection year.

**Bedford City School District**  
*Principal Taxpayers*  
*Public Utilities Tangible Personal Property Tax*  
*December 31, 2002*

Name of Taxpayer	Assessed Value (1)	Percent of Total Real Estate Tax Assessed Value
Cleveland Electric Illuminating Company	\$19,455,220	50.16 %
American Transmission System	10,075,630	25.98
Ohio Bell Telephone Company	5,071,310	13.07
East Ohio Gas Company	1,374,250	3.54
Norfolk Southern Combined	934,320	2.41
Total	<u>\$36,910,730</u>	<u>95.16 %</u>
<i>Total Public Utilities Tangible Property Tax Assessed Value</i>	<u>\$38,787,420</u>	

Source: Cuyahoga County Auditor's Office

(1) Assessed values are for the 2003 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>
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
1994	52,135,711	3,921	13,297

Source: School District Financial Records.

**Bedford City School District**  
*Teacher and Administrator Education and Experience*  
*June 30, 2003*

Degree	Number of Teachers and Administrators (1)		Percentage of 2003 Total
	2002	2003	
Bachelor's Degree	41	51	16.50 %
Bachelor Including 150 Hours	68	67	21.68
Bachelor Including 180 Hours	42	43	13.92
Master's Degree	51	53	17.15
Master's + 9 Hours	40	43	13.92
Master's + 18 Hours	17	14	4.53
Master's + 27 Hours	10	12	3.88
Master's + 36 Hours	9	6	1.94
Master's + 45 Hours	16	14	4.53
Master's + 54 Hours	6	6	1.95
<b>Total</b>	<b>300</b>	<b>309</b>	<b>100.00 %</b>

Years of Experience	Number of Teachers and Administrators (1)		Percentage of 2003 Total
	2002	2003	
0 - 5	106	115	37.22 %
6 - 10	50	58	18.77
11 - 15	44	38	12.30
16 - 20	23	26	8.41
21 - 25	15	15	4.85
26 and Over	62	57	18.45
<b>Total</b>	<b>300</b>	<b>309</b>	<b>100.00 %</b>

Source: Bedford School District Personnel Records

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

Single audit report

Bedford City School District

For the year ended June 30, 2003



# BEDFORD CITY SCHOOL DISTRICT

## SINGLE AUDIT REPORT

For the year ended June 30, 2003

---

### TABLE OF CONTENTS

	<u>Pages</u>
<b>PART I</b>	
<b>REPORTS ON COMPLIANCE AND ON THE INTERNAL CONTROL STRUCTURE .....</b>	<b>3</b>
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	4 - 5
Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in accordance with OMB Circular A-133.....	6 - 7
<b>PART II</b>	
<b>SUPPLEMENTAL FINANCIAL INFORMATION .....</b>	<b>8</b>
Schedule of Expenditures of Federal Awards .....	9 - 10
Notes to Schedule of Expenditures of Federal Awards .....	11
<b>PART III</b>	
<b>FINDINGS.....</b>	<b>12</b>
Schedule of Findings OMB Circular A-133 §.505.....	13 - 15
Summary Schedule of Prior Audit Findings OMB Circular A-133 §.315(b).....	16

**This Page is Intentionally Left Blank.**



**REPORTS ON COMPLIANCE AND ON THE  
INTERNAL CONTROL STRUCTURE**

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

Board of Education  
**Bedford City School District**

We have audited the basic financial statements of the Bedford City School District (the "District") as of and for the year ended June 30, 2003, and have issued our report thereon dated January 16, 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 of America.

***Compliance***

As part of obtaining reasonable assurance about whether the District's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings as item 2003-1. We also noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated January 16, 2004.

### *Internal Control Over Financial Reporting*

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the basic financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the District's ability to record, process, summarize and report financial data consistent with the assertions of management in the basic financial statements. Reportable conditions are described in the accompanying Schedule of Findings as items 2003-2 and 2003-3.

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 basic 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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that none of the reportable conditions described above is a material weakness. We also noted other matters involving the internal control over financial reporting, which we have reported to management of the District in a separate letter dated January 16, 2004.

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

*Grant Thornton LLP*

Cleveland, Ohio  
January 16, 2004

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

Board of Education  
**Bedford City School District**

***Compliance***

We have audited the compliance of the Bedford City School District (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 its major federal programs for the year ended June 30, 2003. The District's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal programs is the responsibility of the 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 of America; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the 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 of 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, 2003.

### *Internal Control Over Compliance*

The management of the District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the 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 the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control structure 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.

### *Schedule of Expenditures of Federal Awards*

We have audited the basic financial statements of the District as of and for the year ended June 30, 2003, and have issued our report thereon dated January 16, 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 Expenditures of Federal Awards 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 of the District. 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 solely for the information and use of the Board of Education, management, the Auditor of State, 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.

*Grant Thornton LLP*

Cleveland, Ohio  
January 16, 2004

**SUPPLEMENTAL FINANCIAL INFORMATION**

**Bedford City School District**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Fiscal Year Ended June 30, 2003

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Grant Number	Receipts	Expenditures
<b>U.S. Department of Education via Ohio Department of Education</b>				
<b>Special Education Cluster:</b>				
Special Education - Grants to States	84.027	043562-6BSD-2000-P	\$ 13,496	\$ 14,813
		043562-6BSF-2003-P	311,639	378,754
		043562-6BSF-2002-P	21,332	78,522
			<u>346,467</u>	<u>472,089</u>
Special Education - Preschool Grants	84.173	043562-PGS1-2003-P	28,756	29,512
		043562-PGS1-2002-P	14,702	14,702
			<u>43,458</u>	<u>44,214</u>
<b>Total Special Education Cluster</b>			389,925	516,303
Vocational Education - Basic Grants to States	84.048	043562-20C1-2003	81,634	104,329
		043562-20A0-2002	-	19,720
		043562-20C1-2002	15,465	42,776
			<u>97,099</u>	<u>166,825</u>
Title I Grants to Local Educational Agencies	84.010	043562-C1S1-2003	232,338	255,849
		043562-C1S1-2002	37,589	56,609
		043562-C1S1-2002C	-	10,889
		043562-C1SD-2002	-	679
			<u>269,927</u>	<u>324,026</u>
Innovative Education Program Strategies	84.298	043562-C2S1-2003	21,924	21,319
		043562-C2S1-2002	3,702	1,028
		043562-C2S1-2002C	-	12,251
		043562-C2S1-2001	11,388	11,388
			<u>37,014</u>	<u>45,986</u>
Safe and Drug-Free Schools and Communities: State Grants	84.186	043562-DRS1-2003	7,747	8,092
		043562-DRS1-2002	3,460	7,466
		043562-DRS1-2002C	-	1,935
		043562-DRS1-2001	(1,429)	392
			<u>9,778</u>	<u>17,885</u>
Goals 2000: State and Local Education Systemic Improvement Grants	84.276	043562-G2S2-2002	-	2,926
		043562-G2S2-2001	(1,511)	-
			<u>(1,511)</u>	<u>2,926</u>
Eisenhower Professional Development - State Grants	84.281	043562-MSS1-2002	(6,946)	6,583
		043562-MSS1-2001	1,473	2,541
			<u>(5,473)</u>	<u>9,124</u>
Technology Literacy Challenge Fund Grants	84.318	043562-TJS1-2003	1,673	4,898
Comprehensive School Reform Demonstration	84.332	043562-RFS1-2002	78,630	72,551
Class Size Reduction	84.340	043562-CRS1-2002	34,823	76,619
Native American and Alaska Native Children in School Program	84.365	043562-T3S1-2003	5,220	2,300
Improving Teacher Quality State Grants	84.367	043562-TRS1-2003	77,181	98,297
<b>TOTAL U. S. DEPARTMENT OF EDUCATION</b>			<b>\$ 994,286</b>	<b>\$ 1,337,740</b>

Bedford City School District

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED

For the Fiscal Year Ended June 30, 2003

U.S. Department of Agriculture via Ohio Department of Education	Federal CFDA Number	Grant Number	Receipts	Expenditures
<b><u>Nutrition Cluster:</u></b>				
National School Lunch Program (NSLP)	10.555	043562-LLP4-2003	\$ 235,042	\$ 235,042
		043562-LLP4-2002	83,972	83,972
			<u>319,014</u>	<u>319,014</u>
School Breakfast Program	10.553	043562-05PU-2003	33,431	33,431
		043562-05PU-2002	15,556	15,556
			<u>48,987</u>	<u>48,987</u>
Food Distribution	10.550	N/A	<u>67,886</u>	<u>67,216</u>
<b>Total Child Nutrition Cluster</b>			435,887	435,217
<b><i>TOTAL U.S. DEPARTMENT OF AGRICULTURE</i></b>			<b>\$ 435,887</b>	<b>\$ 435,217</b>
<hr/>				
U.S. Department of Health and Human Services via Ohio Department of Mental Retardation and Developmental Disabilities				
Medical Assistance Program	93.778	18-0080-01	\$ 172,799	\$ 172,799
<b><i>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</i></b>			<b>\$ 172,799</b>	<b>\$ 172,799</b>
<hr/>				
<b><i>TOTAL U.S. DEPARTMENT OF EDUCATION</i></b> <i>(from previous page)</i>			<b>\$ 994,286</b>	<b>\$ 1,337,740</b>
<hr/>				
<b>GRAND TOTAL</b>			<b>\$ 1,602,972</b>	<b>\$ 1,945,756</b>

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



BEDFORD CITY SCHOOL DISTRICT

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

June 30, 2003

**(1) General**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the District. The District's reporting entity is defined in Note 1 to the District's basic financial statements.

**(2) Basis of Accounting**

The accompanying Schedule of Expenditures of Federal Awards is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

**(3) Noncash Support**

The District receives noncash support in the form of food subsidies from the Food Distribution Program, CFDA 10.550. The value of the food subsidies is determined by using the fair market value of the food items as quoted by local food suppliers.

## **FINDINGS**

Bedford City School District

SCHEDULE OF FINDINGS  
OMB CIRCULAR A-133 §.505

For the Fiscal Year Ended June 30, 2003

**1. SUMMARY OF AUDITORS' RESULTS**

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

Bedford City School District

SCHEDULE OF FINDINGS  
OMB CIRCULAR A-133 §.505 - Continued

For the Fiscal Year Ended June 30, 2003

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

Finding Number	2003-001
----------------	----------

**Appropriations Exceeding Estimated Resources**

Ohio Rev. Code Section 5705.39 prohibits a political subdivision from making funds appropriations in excess of estimated resources available for expenditure. The following funds had original appropriations in excess of the amount originally certified as available by the budget commission:

<b>Fund</b>	<b>Estimated Original Resources</b>	<b>Original Appropriations</b>	<b>Excess</b>
Other Grants	\$ 63,249	\$ 66,694	\$ 3,445
Data Communications	12,000	24,500	12,500
Ohio Reads Grant	112,989	193,484	80,495
Title VI-B	557,784	789,051	231,267
Vocational Education	267,207	315,702	48,495
Title I	659,558	733,954	74,396
Title V	70,585	96,636	26,051
Preschool Handicapped	63,348	69,773	6,425
Title VI-R	175,086	272,106	97,020
Capital Replacement	176,598	198,600	22,002
SchoolNet	33,502	58,715	25,213

This weakness could allow expenditures in the above fund to exceed the total of the available fund balances and current year revenue. This could result in a negative fund balance.

We recommend the District compare original current year appropriations to original total certified resources, in all funds which are legally required to be budgeted, to ensure compliance with this requirement. Subsequent to the original budget, this comparison should be performed on a monthly basis, at a minimum.

**Bedford City School District**  
**SCHEDULE OF FINDINGS**  
**OMB CIRCULAR A-133 §.505 - Continued**

**For the Fiscal Year Ended June 30, 2003**

Finding Number	2003-002
----------------	----------

**Financial Reporting**

As stipulated by Ohio Revised Code Section 117-2-03(B), effective for fiscal years ended June 30, 1996 and after, the District is required to report (but not necessarily account) on a Generally Accepted Accounting Principles (GAAP) basis. As is typical of school districts in the State of Ohio, the District maintained its accounting records on a cash basis throughout the fiscal year and then converted its cash basis records to GAAP for purposes of year-end reporting. During the 2003 audit of the District, we noted errors in the GAAP conversion preparation which resulted in significant audit adjustments including: an adjustments for unrecorded accounts payable aggregating approximately \$970,200; an adjustment increasing the accrued liability for compensated absences by approximately \$330,900; an adjustment increasing the accrued wages liability by approximately \$21,000; an adjustment decreasing the accrued worker's compensation liability by approximately \$35,400; an adjustment decreasing the SERS surcharge accrual by approximately \$185,100; an adjustment increasing the SERS accrual by approximately \$56,500; an adjustment decreasing the employee insurance accrual by approximately \$131,600; a reclassification adjustment increasing claims expense and decreasing purchased services expense by approximately \$117,700; a reclassification adjustment decreasing the fund balance reserved for encumbrances and increasing fund balance undesignated by approximately \$949,500; an adjustment increasing cash and increasing the District's outstanding maintenance facility loan by approximately \$156,600; an adjustment to increase accrued liabilities for an IRS assessment of approximately \$133,200; and a reclassification adjustment to properly reflect construction in progress of approximately \$885,900.

We recommend that the District review its policies and procedures for the timely and accurate preparation and review of the GAAP conversion supporting schedules and analysis to ensure that the cash basis records are properly converted.

Finding Number	2003-003
----------------	----------

**Unrecorded Cash Disbursements**

The District maintains several "petty-cash" bank accounts which have check writing authority. We noted that the District had unrecorded cash disbursements of approximately \$61,900 at June 30, 2003 related to these accounts. Although these checks were written and released before June 30, 2003, these disbursements had not been recorded in the District's cash basis records, were not included on the District's June 30, 2003 bank reconciliation, and had not been properly reflected in the District's GAAP basis financial statements. Of the total unrecorded disbursements, approximately \$59,500 were disbursements that had actually cleared the bank in June. This discrepancy was not detected by the Districts bank reconciliation review and approval process.

We recommend that the District review its policies and procedures related to the timely recording of disbursements from its petty-cash bank accounts. In addition, we recommend that the District review and strengthen its policies and procedures with respect to the timely review and approval of monthly bank reconciliations.

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

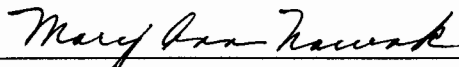
**NONE**

**Bedford City School District**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
OMB CIRCULAR A-133 §.315(b)**

For the year ended June 30, 2003

The June 30, 2002 audit reported no audit findings as defined in OMB Circular A-133 §.510. Therefore, there are no prior audit findings to report the status of.



---

Mrs. Mary Ann Nowak  
Treasurer



**Auditor of State  
Betty Montgomery**

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140

Telephone 614-466-4514  
800-282-0370

Facsimile 614-466-4490

**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  
MAY 18, 2004**