

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT
OF THE
BEDFORD CITY SCHOOL DISTRICT
for the
FISCAL YEAR ENDED JUNE 30, 2002**

Prepared by the Treasurer's Department

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Board of Education
Bedford City School District
475 Northfield Road
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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, 2001 through June 30, 2002. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

February 6, 2003

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Bedford City School District
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2002
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BEDFORD CITY SCHOOL DISTRICT

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

October 11, 2002

Board of Education Members and Residents of the Bedford City School District:

We are pleased to submit to you the Comprehensive Annual Report ("CAFR") of Bedford City School District (the "District"). This CAFR, which includes an opinion from the firm of Grant Thornton LLP, conforms to accounting principles generally accepted in the United States of America 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 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 various funds and account groups of the District. This report will provide readers with comprehensive financial data in a format which will enable them to gain an understanding of the District's financial affairs. Copies will be made available to 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, Government Finance Officer's Association ("GFOA") Certificate of Achievement, List of Principal Officials and an Organizational Chart of the District.
2. The Financial Section, which begins with the Report of Independent Certified Public Accountants, and includes the Management's Discussion and Analysis, The Basic Financial Statements and Notes providing an overview of the District's financial position and operating results, the Combining Statements by Fund Type, and other schedules providing detailed information relative to the Basic Financial Statements.
3. The Statistical Section, which presents social and economic data, financial trends and fiscal capacity of the District.

District Organization

Bedford City School District is located in northeastern Ohio, approximately fifteen miles southeast of downtown Cleveland. The 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 Village, and Walton Hills Village were formed from the remaining areas. Today, the 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 district provided, as of June, 2002, education to 3,730 students in grades K through 12. Statutorily, the District operates under the standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 and Section 119.01 of the Ohio Revised Code, to provide education services prescribed by charter and further mandated by State and/or Federal agencies.

Reporting Entity

The District has reviewed its operating 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 District for financial reporting purposes, management has considered all agencies, departments and organizations making up the Bedford City School District (the primary government) and its potential component units.

The cities of Bedford and 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 District have not been included in the accompanying financial statements. The governing bodies of these entities are not appointed by the District, nor are they fiscally dependent on the District. The District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program, an insurance purchasing pool, and in the Greater Cleveland Schools' Council purchasing cooperative. These entities also do not meet the established criteria for inclusion in the reporting entity and, accordingly, are excluded from this report.

The School System

General Information

As of June 2002, 3,730 students were enrolled in the 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 District's five-year plan forecasts total enrollment to remain stable. As of June 30, 2002, the District employed (full and part-time) 300 professional staff members and 291 non-teaching and support staff employees. The 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 District schools have library/media centers, lunch programs and multipurpose rooms or gymnasiums for student activities. The Board cooperates with community organizations in making 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 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 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 District's High School or Maple Heights High School. Career and technology education courses offered by the 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 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

The District's academic program includes the following, among other attributes:

-- In the area of proficiency testing, the District improved by two standards on the 2002 Local Report Card from 10 standards to 12. Overall, students' scores improved in 16 of the 27 areas. The highest gain was in 4th grade reading where students passing rate improved from 44.9% to 79.9%. Bedford students passed writing at all grade levels: 4th, 6th, 9th, 10th and 12th.

-- Bedford High School's Alternative High School Program was re-designed into an Online Instructional Program to better meet the needs of students not succeeding in the traditional school setting and who risk dropping out of school. Students can take an academic course online any time of the day or night. A computer lab at the high school was equipped to accommodate students, who must come to the lab at least five hours each week after the regular school day, to meet with a teacher and to take tests.

-- Changes were made to the District's Program of Studies to allow eighth grade students at Heskett Middle School to earn high school credit for taking Spanish I, French I, German I, or Algebra I.

-- Students from Carylwood and Columbus Intermediate schools participated in after-school tutoring sessions in preparation for the 4th grade reading proficiency test. The program was made possible in part by a \$10,000 donation from the Ford Motor Company Family Service Learning Center.

-- Glendale Primary School was awarded a \$59,500 Ohio Reads grant. Ohio Reads is an Ohio Department of Education initiative aimed at improving the reading skills to Ohio's elementary students. Central Primary, and Columbus and Carylwood Intermediate schools also received \$30,000 renewal grants from the Ohio Reads program (they each received an initial grant the previous school year). The renewal funds are being used to continue existing OhioReads tutoring programs at these schools over a two-year period.

-- Helping a child learn to read was the focus of a one-day workshop for volunteers sponsored by the Department of Curriculum and Instruction. The workshop addressed a goal in the District's Continuous Improvement Plan to involve parents in the educational process.

-- A 5,500 square foot modular classroom addition was installed at Columbus Intermediate School. The new wing provides for two additional full-size classrooms and six half-size

half-size classrooms. Movable walls can convert four of the half-size classrooms into two full-size classrooms.

-- Three teachers became the first District teachers to earn certification by the National Board of Professional Teaching Standards, the highest standard possible for the teaching profession.

-- A teaching team at Aurora Upper Intermediate School was named to the Second Team in USA Today newspaper's 2001 All-USA Teacher Team in its October 11, 2001 edition. Of the hundreds of teams nominated from across the country, only 60 were selected for first, second, and third place teams. Aurora School's team was singled out for implementing creative classroom projects enriched with multi-cultural themes, proficiency test skill-building activities, and other academic pursuits.

-- The 2001-2002 school year marked the 10th anniversary of the District's VITAL Volunteer Program. The Program coordinates the efforts of parents, grandparents, and community residents to work with students one-on-one, in small groups, in computer labs, libraries, and offices, through parent organizations, and in many other ways. Last school year, more than 470 people contributed over 16,000 hours of services to students. The volunteers were honored at an annual reception.

-- Local businesses participated in KAPOW (Kids and the Power of Work). This national program is designed to introduce 5th grade youngsters to the working world. Volunteers teach a standard curriculum and host a visit to their workplace to witness first-hand how work gets done. About a dozen local businesses or departments within businesses participated in KAPOW last school year.

-- A Parent Improvement Committee, an outgrowth of the District's Continuous Improvement Plan, adopted three strategies to assist in moving the District into the Continuous Improvement category on the State Report Card:

- 1.) To increase academic activities among sister schools Glendale and Carylwood and sister schools Central and Columbus, to improve student achievement.
- 2.) To establish community Ohio Proficiency Test Nights - opportunities for students and families to work on proficiency packets or activities to take home -- to promote worthwhile preparation for the Ohio proficiency exams.
- 3.) To develop a parent handbook that contains sample tests, tips on reducing test anxiety, and practical teaching ideas for at-home use.

-- The District offered more than 200 courses at the high school level, including five Advanced Placement courses, 12 Honors Courses, 12 on-site career and technology education

programs, three foreign language programs, and a wide range of music and fine arts classes. Instruction in art, music, physical education, and library science is integrated into the curriculum beginning at the first grade level. Computer technology is available at every grade level for remediation, enrichment, and programming skills.

-- At the time of graduation, 81% of Bedford High School's graduates from the Class of 2002 intended to pursue higher education. Approximately 7% will enter the workforce and 6% will enter the military. The remaining 6% were undecided about their future.

-- Athletic programs at Bedford High School include baseball (boys), basketball (boys and girls), cross country (boys and girls), football (boys), golf (boys and girls), soccer (boys and girls), fast-pitch softball (girls), swimming (boys and girls), track and field (boys and girls), volleyball (girls), and wrestling (boys).

Employees

As of June 30, 2002 the District had 591 employees. The number of employees has decreased by 15 since June 30, 1998. A statewide public employee collective bargaining law applies generally to public employee relations and collective bargaining.

As of June 30, 2002, 300 of the 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 149 held advanced degrees. The 2001-2002 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 \$64,422. The average current base salary of District teachers for 2001-2002 was \$49,082, compared to a State average (Fiscal Year 2002) of \$44,410.

All of the District's teachers and educational specialists (excluding 21 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 District 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% on July 1, 2001, 2% on January 24, 2002, 3% on July 1, 2002 and 3% on July 1, 2003. All of the District's classified support staff (secretarial-clerical, custodial, maintenance, transportation and cafeteria staff) members are represented for bargaining purposes by the Ohio Association of Public School Employees ("OAPSE"), with the exception of 10 administrators and 4 confidential secretaries. The OAPSE contract expires on December 31, 2004. There have been no work stoppages in the last 14 years. In the judgment of the District Board of Education, labor relations with all of its employees are excellent.

Financial Information

Internal Accounting and Budgetary Control

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

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

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

At the beginning of each fiscal year, the Board of Education adopts a temporary appropriation measure for that 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 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 District provides an on-line inquiry system available to every administrator. Every budgetary account is the specific responsibility of one of the District administrators. Administrators overseeing accounts have specific budgetary limits which are approved by the District Board of Education at the appropriation level. The Board of Education receives a monthly financial report which includes a list of all disbursements, a report on investments, the cash positions of all funds, and a budget-to-actual report (both month-to-date and year-to-date) on the general operating fund and the food service fund. All employees are covered by a blanket bond, and certain individuals in policy-making roles are covered by a separate, higher limit bond. The basis of accounting and the various funds and account groups utilized by the District are fully described in Note 2 of the financial statements.

Economic Condition and Outlook

The 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 \$805,182,933 is divided among the four municipalities making up the District in the following manner: Bedford 32 percent, Bedford Heights 31 percent, Oakwood 14 percent and Walton Hills 23 percent. Approximately 30 percent of the tax base is residential real property, 32 percent is personal tangible property, 8 percent is public utility tangible property and 30 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 property in the District, the four communities of the District are committed to maintenance and improvement of real property and a strong business environment. In August 2001, the City of Bedford Heights established a Department of Economic and Community Development. Bedford Heights has also entered into various enterprise zone agreements which have created new jobs. A residential development of 45 cluster homes is nearing completion at Bartlett and Columbus Roads with prices starting at \$150,000. Miles Road has been widened from two to five lanes with infrastructure improvements from Green Road to Brainard Road. The Northfield Road corridor is also being improved using State Issue II Program funds. The City of Bedford continues to receive federal block-grant funds for other infrastructure improvements. Ben Venue Laboratories, manufacturer of pharmaceutical products and Bedford's largest employer, is expanding its facilities by 160,000 square feet. The Village of Oakwood continues to encourage redevelopment along the Broadway Boulevard artery.

The 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 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 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 District's prospects for continued voter support. Voters in the 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 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 District is expected to result. An additional 8 to 10 percent of District revenue comes from the State's residential taxpayer rebate plan (Homestead Exemption and Rollback programs). The District also expects to receive a utility deregulation reimbursement from the State of \$1.1 million per year through calendar year 2006.

The District maintains a strategic fiscal plan, which incorporates long-term fiscal planning and a four to five year levy cycle. The District is on schedule, at the conclusion of the 2002 fiscal year, with the current long-term fiscal plan. The 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 District. The reader is directed to the narrative introduction, overview, and analysis of the District's financial condition which is found in Management's Discussion and Analysis in the Financial Section (page 4).

Independent Audit

State statutes require the 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 District's financial statements as of June 30, 2002. An annual audit serves to maintain and strengthen the 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 District adopted and has been in conformance with that system beginning with its financial report for the 1979 year.

Awards

The Government Finance Officers Association ("GFOA") of the United States and Canada awarded the Bedford City School District a Certificate of Achievement ("COA") for Excellence in Financial Reporting for its Comprehensive Annual Financial Report ("CAFR") for the year ended June 30, 2001. The 2001 CAFR also received commendation from the Governmental Accounting Standards Board ("GASB"). The 2001 CAFR implemented, before the required date of fiscal year 2003, the governmental financial reporting model established by the GASB in their Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for*

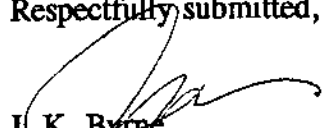
State and Local Governments. This was the fifth consecutive year that the District has achieved the prestigious COA. In order to be awarded a COA, a government must publish an easily readable and efficiently organized annual financial report. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. A COA is valid for 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.

Acknowledgments

The publication of this report continues the 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 District's 2002 CAFR. The 2002 CAFR is also the work of Assistant Treasurer Donald E. Houghton, Jr., whose name appears on the title page.

Layout and production of the 2002 CAFR, as they have been since 1997, are credited to Mrs. Margaret Bierman, Communications Coordinator.

Respectfully submitted,



J. K. Byrne

Bedford City School District Treasurer



Martha A. Motsco, Esq.
Superintendent of Schools

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Bedford City School
District, Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2001

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



William Patrick Pate
President

Jeffrey L. Essler
Executive Director

**Bedford City School District
Principal Officials
June 30, 2002**

Board of Education

Mrs. Kay Santangelo	President
Mr. Joseph Allie	Vice-president
Mrs. Jacqueline Bowman	Member
Mrs. Cynthia Vecchio	Member
Mrs. Beth HousiauxSteward	Member

Treasurer

Mr. J. K. Byrne

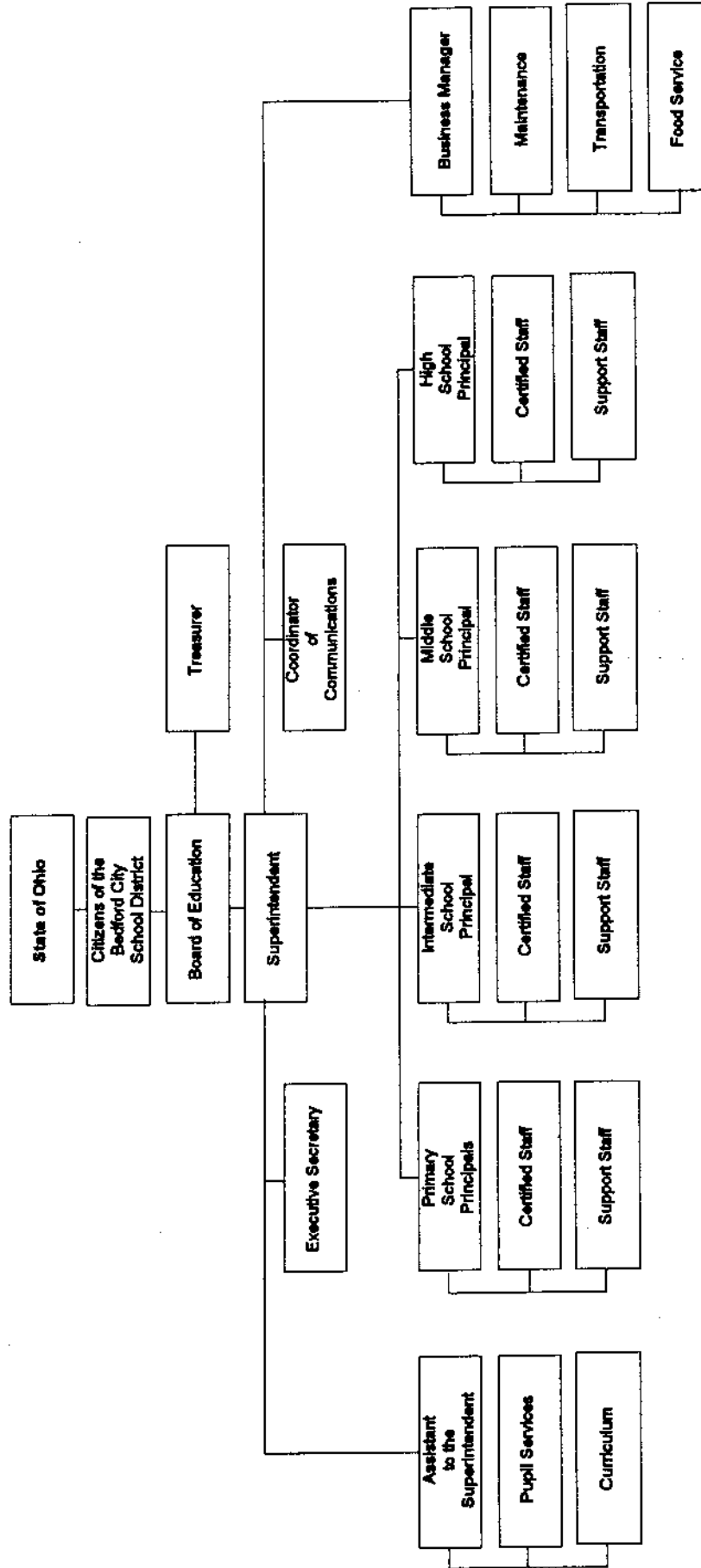
Assistant Treasurer

Mr. Donald E. Houghton, Jr.

Administration

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

Organizational Chart of the Bedford City School District





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, the business-type 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, 2002, 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, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2002, and the respective budgetary comparisons, changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 11, 2002 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 on pages 4 through 15 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 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
October 11, 2002

**BEDFORD CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002 (unaudited)**

The discussion and analysis of the Bedford City School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2002. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements as well as the statements themselves to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2002 are as follows:

- In total, net assets increased \$5.71 million, a 52 percent increase over fiscal year 2001. Net assets of governmental activities increased \$5.53 million which represents a 51 percent increase from fiscal year 2001. Net assets of business-type activities increased from \$0.16 million to \$0.34 million, a 113 percent increase over fiscal year 2001.
- General revenues accounted for \$41.9 million in revenue or 90 percent of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$4.41 million or 9.5 percent of total revenues of \$46.31 million.
- The increase in net assets of governmental activities was the result of increases in both general and program revenue, as well as an effort on the part of the District to minimize expenses.
- The District had \$39.34 million in expenses related to governmental activities; only \$2.97 million of these expenses were offset by program specific charges for services, grants or contributions. General revenues related to governmental activities of \$41.9 million were adequate to provide for these programs.
- The District recognizes three major governmental funds: the general fund, the debt service fund and the permanent improvement fund. Management identifies them as major because they are the funds that receive tax dollars. However, in terms of dollars received and dollars spent, the general fund is significantly larger than all the other funds of the District combined. The general fund has \$40.64 million in revenues and \$35.60 million in expenses. The general fund's balance increased \$4.70 million in 2002.
- The District recognizes three major enterprise funds: the food service fund, the uniform

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school supplies fund and the special enterprises fund. However, the food service activities are significantly larger than all other enterprise funds combined. For the first time, the food service fund showed a net income before transfers. In fiscal year 2002, the food service had net income before transfers of \$0.02 million, and net assets on June 30, 2002 of \$0.02 million. The District's goal is to make the food service operation as self-sufficient as possible. Grants of \$0.41 million in 2002 contributed to the net asset position of the food service fund.

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 District has presented its financial statements using the GASB Statement No. 34 model since 2001. School districts like Bedford will be required to use the new model beginning with the 2003 fiscal year.)

The *Statement of Net Assets* and *Statement of Activities* provide information about the activities of the whole District, presenting both an aggregate view of the 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 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 major governmental funds are the general fund, the debt service fund and the permanent improvement fund. The general fund is the most significant governmental fund. The major enterprise funds are the food service fund, the uniform school supplies fund and the special enterprises fund. The food service fund is the most significant special enterprises fund.

Reporting the District as a Whole:

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially in fiscal year 2002?". The *Statement of Net Assets* and the *Statement of Activities* answer this question. These 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 takes into account all the current fiscal year's revenues and expenses regardless of when cash is received or paid. These two statements report the District's net assets and changes in those assets. This change in net assets is important because it tells the reader whether the financial position of the District as a whole has improved or

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diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the *Statement of Net Assets* and the *Statement of Activities*, the District is divided into two distinct kinds of activities:

1.) **Governmental Activities** – Most of the District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities.

2.) **Business-type Activities** -- These services are provided on a charge for goods or services basis in an attempt to recover all of the expenses of the goods or services provided. The District's food service program is reported as a business-type activity.

Reporting the District's Most Significant Funds

Fund Financial Statements

The analysis of the District's major funds begins on 20. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds.

Governmental Funds

Most of the 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 District's general governmental operations and the basic services it provides. Governmental fund information helps you determine whether there are financial resources that can be spent in the near future to finance educational programs, and what the change in those resources has been from the previous fiscal year. The relationship (or differences) between governmental activities as reported in the *Statement of Net Assets* and the *Statement of Activities* and the modified accrual statements for the governmental funds is reconciled in the financial statements.

Proprietary Funds

Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match the information provided in statements for the District as a whole.

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The District as a Whole

Recall that the *Statement of Net Assets* provides the perspective of the District as a whole, showing assets, liabilities and the difference between them (net assets). Table 1 provides a summary of the District's net assets for fiscal year 2002 compared to fiscal years 2001 and 2000:

**Table 1
Net Assets
(In Millions)**

	Governmental Activities			Business-Type Activities			Total		
	2002	2001	2000	2002	2001	2000	2002	2001	2000
Assets									
Current and Other	\$70.40	\$69.60	\$63.95	\$0.43	\$0.26	\$0.50	\$70.83	\$69.86	\$64.45
Capital	<u>16.08</u>	<u>15.76</u>	<u>15.68</u>	<u>0.04</u>	<u>0.04</u>	<u>0.05</u>	<u>16.12</u>	<u>15.80</u>	<u>15.73</u>
Total	<u>\$86.48</u>	<u>\$85.36</u>	<u>\$79.63</u>	<u>\$0.47</u>	<u>\$0.30</u>	<u>\$0.55</u>	<u>\$86.95</u>	<u>\$85.66</u>	<u>\$80.18</u>
Liabilities									
Long-term	\$13.44	\$14.41	\$15.17	\$0.04	\$0.05	\$0.04	\$13.48	\$14.46	\$15.21
Other	<u>56.75</u>	<u>60.19</u>	<u>58.08</u>	<u>0.09</u>	<u>0.09</u>	<u>0.40</u>	<u>56.84</u>	<u>60.28</u>	<u>58.49</u>
Total	70.19	74.60	73.25	0.13	0.14	0.44	70.32	74.74	73.70
Net Assets									
Invested in Capital Assets, Net of Related Debt	5.02	4.63	-	0.04	0.04	-	5.06	4.67	-
Restricted for:									
Capital Projects	0.36	0.95	-	-	-	-	0.36	0.95	-
Debt Service	1.50	1.35	-	-	-	-	1.50	1.35	-
Other Purposes	0.43	0.25	-	-	-	-	0.43	0.25	-
Unrestricted	<u>8.98</u>	<u>3.58</u>	-	<u>0.30</u>	<u>0.12</u>	-	<u>9.28</u>	<u>3.70</u>	-
Total Net Assets	<u>\$16.29</u>	<u>\$10.76</u>	<u>\$6.38</u>	<u>\$0.34</u>	<u>\$0.16</u>	<u>\$0.11</u>	<u>\$16.63</u>	<u>\$10.92</u>	<u>\$6.48</u>

Increases in governmental cash and capital assets from fiscal year 2001 to fiscal year 2002 offset decreases in taxes and intergovernmental receivables. Decreases in governmental deferred revenue and debt offset increases in accounts, wages and benefits payable. The growth in governmental net assets is consistent with the District's long-term fiscal plan, which is to delay the next operational levy request as long as possible. The District's fiscal year 2000 financial statements were not presented using the GASB Statement No. 34 model, therefore, comparative detail for fiscal year 2000 net assets is not presented.

Table 2 shows changes in net assets for fiscal years 2002 and 2001.

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**Table 2
Changes in Net Assets
(In Millions)**

	Governmental Activities		Business-Type Activities	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
Revenues				
Governmental Program Revenues:				
Charges for Services	\$0.91	\$0.64	-	-
Operating Grants	2.01	1.79	-	-
Capital Grants	0.05	0.21	-	-
Governmental General Revenues:				
Property Taxes	34.54	32.16	-	-
Grants & Entitlements	6.69	6.22	-	-
Other	0.67	1.15	-	-
Food Service	-	-	\$1.28	\$1.23
Uniform School Supplies	-	-	0.02	0.02
Special Enterprises	-	-	0.05	0.02
Summer School	-	-	0.04	0.06
Adult and Community Education	-	-	0.03	0.04
Recreation	-	-	0.02	0.01
Total Revenues	<u>44.87</u>	<u>42.17</u>	<u>1.44</u>	<u>1.38</u>
Expenses				
Governmental Program Expenses:				
Instruction	19.49	18.89	-	-
Support Services:				
Pupil	2.51	2.19	-	-
Instructional Staff	1.64	1.51	-	-
Board of Education	0.15	0.18	-	-
Administration	2.66	2.55	-	-
Fiscal	1.21	1.00	-	-
Business	0.41	0.36	-	-
Operation and Maintenance of Plant	6.34	6.06	-	-
Pupil Transportation	2.86	2.70	-	-
Central	0.24	0.28	-	-
Operation of Non-Instructional Services	0.59	0.80	-	-
Extracurricular Activities	0.84	0.57	-	-
Debt Service:				
Interest and Fiscal Charges	0.40	0.70	-	-
Food Service	-	-	1.20	1.22
Uniform School Supplies	-	-	-	0.02
Special Enterprises	-	-	-	-
Summer School	-	-	0.04	0.04
Adult and Community Education	-	-	0.01	0.04
Recreation	-	-	0.01	0.01
Total Expenses	<u>39.34</u>	<u>37.79</u>	<u>1.27</u>	<u>1.33</u>
Change in Net Assets	5.54	4.38	0.17	0.05
Net Assets - Beginning of Year	<u>10.76</u>	<u>6.38</u>	<u>0.16</u>	<u>0.11</u>
Net Assets - End of Year	<u>\$16.29</u>	<u>\$10.76</u>	<u>\$0.34</u>	<u>\$0.16</u>

Governmental activities' revenues increased over 2001, as did governmental activities' expenses. Revenues exceeded expenses again in 2002, and the District's governmental net assets - end of year increased accordingly. In the District's business-type activities, revenues increased compared with 2001 while expenses decreased compared with 2001. The result is an increase in the net assets - end of year for business-type activities.

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Governmental Activities

Over the past several fiscal years, the District has remained in stable financial position. In May of 1999, the 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 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 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 District would still receive \$35.00 annually.

The District is heavily dependent on property taxes and is hampered by a lack of revenue growth. Thus, the District must regularly return to the voters to maintain a constant level of service. Property taxes made up 76.98 percent of revenues for governmental activities in the Bedford City School District for fiscal year 2002. Instruction accounts for 49.54 percent of governmental 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 services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

**Table 3
Net Cost of Governmental Activities
(In Millions)**

	Total Cost of Services 2002	Net Cost of Services 2002	Total Cost of Services 2001	Net Cost of Services 2001
Program Expenses				
Instruction	\$19.49	\$17.61	\$18.89	\$17.39
Support Services:				
Pupil	2.51	2.37	2.19	2.07
Instructional Staff	1.64	1.54	1.51	1.41
Board of Education	0.15	0.15	0.18	0.18
Administration	2.66	2.65	2.55	2.55
Fiscal	1.21	1.21	1.00	1.00
Business	0.41	0.41	0.36	0.36
Operation and Maintenance of Plant	6.34	6.34	6.06	5.85
Pupil Transportation	2.86	2.75	2.70	2.63
Central	0.24	0.24	0.28	0.27
Operation of Non-Instructional Services	0.59	0.10	0.80	0.30
Extracurricular Activities	0.84	0.59	0.57	0.47
Debt Service:				
Interest and Fiscal Charges	<u>0.40</u>	<u>0.40</u>	<u>0.70</u>	<u>0.70</u>
Total Expenses	<u>\$39.34</u>	<u>\$36.36</u>	<u>\$37.79</u>	<u>\$35.18</u>

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The total cost of governmental activities' services rose by \$1.55 million from fiscal year 2001 to fiscal year 2002, while the net cost of services increased only \$1.18 million from fiscal year 2001 to fiscal year 2002.

The dependence on tax revenues and state subsidies for governmental activities is apparent. Almost 91 percent of instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is over 92 percent.

Business-type Activities

The most significant business-type activity of the District is the food service operation. The program had revenues of \$1.28 million and expenses of \$1.20 million in fiscal year 2002, compared to revenues of \$1.23 million and expenses of \$1.22 million in fiscal year 2001. The food service had a positive change in net assets after operating revenues and state and federal grants. This positive change in net assets was the first for the fund. A long-time goal for the food service program has been that it be self supporting. The deficits in fiscal years 2001 and 2000 were \$0.04 million, and \$0.06 million respectively. Since fiscal year 1997, when the deficit was \$0.16 million, the need for general fund support has been reduced each year. The need for general fund support in fiscal year 2003 is expected to be limited to short-term cashflow assistance.

The District's Funds

The District's funds are accounted for using the modified accrual basis of accounting. (See Note 2 for discussions of significant accounting methods and policies.) As previously discussed, the District will remain stable in 2003, but will be unable to meet inflationary cost increases in the long-term without additional tax levies.

General Fund Budgeting Highlights

The 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 2002, the District amended its general fund budget several times, but no change was significant. The District uses a modified site-based budget technique which is designed to tightly control site budgets while providing flexibility for site management.

The 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

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prepared for top management and the Board of Education.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2002 the District had, at cost, \$41.82 million invested in land, buildings, vehicles, furniture and equipment of which \$41.61 was in governmental activities. That total carries an accumulated depreciation of \$25.53 million. Table 4 shows fiscal year 2002 balances compared to fiscal years 2001 and 2000.

Table 4
Capital Assets & Accumulated Depreciation at June 30, 2002
(In Millions)

	<u>Governmental Activities</u>		
	<u>2002</u>	<u>2001</u>	<u>2000</u>
Governmental Activities			
Land and Improvements	\$2.28	\$2.28	\$2.28
Buildings and Improvements	32.11	31.32	30.76
Furniture and Equipment	3.52	3.40	3.24
Vehicles	3.70	3.07	3.13
Construction in Progress, Vehicles	-	0.23	-
Construction in Progress, Buildings	-	0.01	-
Totals at Cost	<u>41.61</u>	<u>40.31</u>	<u>39.41</u>
Less Accumulated Depreciation			
Buildings and Improvements	(20.79)	(20.04)	(19.45)
Furniture and Equipment	(2.51)	(2.30)	(2.10)
Vehicles	<u>(2.23)</u>	<u>(2.22)</u>	<u>(2.18)</u>
Total Accumulated Depreciation	<u>(25.53)</u>	<u>(24.56)</u>	<u>(23.73)</u>
Governmental Activities			
Capital Assets, Net	<u>\$16.08</u>	<u>\$15.75</u>	<u>\$15.68</u>
	<u>Business-type Activities</u>		
	<u>2002</u>	<u>2001</u>	<u>2000</u>
Business-type Activities			
Furniture and Equipment	0.21	\$0.20	\$0.20
Less Accumulated Depreciation			
Furniture and Equipment	<u>(0.17)</u>	<u>(0.16)</u>	<u>(0.15)</u>
Business-type Activities			
Capital Assets, Net	<u>\$0.04</u>	<u>\$0.04</u>	<u>\$0.05</u>

The addition and replacement of capital equipment and buildings in fiscal year 2002 resulted in a slight increase in net governmental capital assets. The net value of governmental capital assets is, however, only 39% of the value of the capital assets at cost. This ratio reflects a relatively old physical plant and bus fleet. The buildings of the District are well maintained and in good repair. The District's near term plans for the physical plant call for replacement of the maintenance building and repairs to the other facilities. The District has established a capital

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maintenance building and repairs to the other facilities. The District has established a capital replacement fund for the purpose of orderly replacement of busses. 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. In fiscal year 2002, the District made its second purchase of replacement busses from the capital replacement fund.

Because the government-wide *Statement of Net Assets* reports all government assets, a significant portion of the net assets reported there typically reflect a district's investment in capital assets. To draw the financial statement user's attention to this important information, accounting principals generally accepted in the United States of America ("US GAAP") require the amount of net assets invested in capital assets to be reported as a separate category of net assets. The specific amount reported for governmental activities is calculated as shown in Table 5. The "related debt" is the total of the principal on general obligation and energy conservation bonds. The calculation shows that the depreciated value of the District's capital assets exceeds the total of the related debt.

Table 5
Net Governmental Assets Invested in Capital Assets, Net of Related Debt
(In Millions)

Capital Assets	\$41.61
Less: Accumulated Depreciation	(25.53)
Less: Outstanding Principal of G. O. Debt	(10.54)
Less: Outstanding Principal of Energy Debt	(0.52)
Net Assets Invested in Capital Assets, Net of Related Debt	<u>\$ 5.02</u>

Debt

At June 30, 2002, the District had \$10.81 million in bonds outstanding, \$0.94 million of which was due within one year. Table 6 summarizes bonds and notes outstanding.

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**Table 6
Outstanding Debt, Governmental Activities at Beginning and End of Year
(In Millions)**

<u>Purpose</u>	<u>Amount Outstanding Beginning of Year</u>	<u>Amount Outstanding End of Year</u>
Energy Conservation (H.B. 264)	\$0.44	\$0.22
Energy Conservation (H.B. 264)	0.37	0.30
Facilities Acquisition	0.23	0.21
Library Construction	1.21	0.16
Facilities Renovation	9.71	1.04
Current Interest Serial Refunding Bonds	-	8.31
Capital Appreciation Refunding Bonds	-	0.43
Capital Appreciation Refunding Bonds	-	<u>0.14</u>
	<u>\$11.96</u>	<u>\$10.81</u>

During November 2001, the District issued \$9,096,299 of general obligation refunding bonds to provide resources to purchase U.S. Treasury Securities that were placed in escrow for the purpose of generating resources for all future debt service payments of \$9,190,000 of general obligation bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the government-wide financial statements. This advance refunding was undertaken to reduce total debt service payments over the next 11 years by \$699,217 and resulted in an economic gain of \$581,081.

For the Future

The Bedford City School District is stable. As the preceding information shows, the District is heavily dependent on property taxes. Property tax revenue does not increase solely as a result of inflation. Therefore, in the long-term, the current program and staffing levels will be

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a result of inflation. Therefore, in the long-term, the current program and staffing levels will be dependent on increased funding to meet inflation.

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The court stayed the effect of its ruling to allow the State's legislature to design a plan to remedy the perceived defects in that system. Declared unconstitutional was the State's "school foundation program" which provides significant amounts of monetary support to the District.

On September 6, 2001, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision identified aspects of the current plan that require modification if the plan is to be considered constitutional, including:

- 1.) A change in the school districts that are used as the basis for determining the base cost support amount. Any change in the amount of funds distributed to school districts as a result of this change must be retroactive to July 1, 2001, although a time line for distribution is not specified.
- 2.) Fully funding parity aid no later than the beginning of fiscal year 2004 rather than fiscal year 2006.

The Supreme Court relinquished jurisdiction over the case based on anticipated compliance with its order.

The State of Ohio, in a motion filed September 17, 2001, asked the Court to reconsider and clarify the parts of the decision changing the school districts that are used as the basis for determining the base cost support amount and the requirement that changes be made retroactive to July 1, 2001. In November, 2001, the Court granted the request for reconsideration, but also ordered the parties to participate in a settlement conference with a court appointed mediator. On March 21, 2002, the mediator issued his final report indicating that the conference was unable to produce a settlement. The case is now under reconsideration by the Court.

The School District is currently unable to determine what effect, if any, this decision will have on its 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

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as a result of any of these changes. Based on these factors, the Board of Education and the administration of the District must maintain careful financial planning and prudent fiscal management in order to preserve the financial stability of the District.

The Bedford City School District has committed itself to the highest standards of financial excellence for many years. The 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 second 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 District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact J. K. Byrne, Treasurer of Bedford City School District, 475 Northfield Road 44146, or e-mail at jbyrne@bedford.k12.oh.us.

**Basic
Financial Statements**

Bedford City School District
Statement of Net Assets
June 30, 2002

	Governmental Activities	Business-type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$9,638,967	\$440,719	\$10,079,686
Receivables:			
Taxes - Current	49,277,600	-	49,277,600
Taxes - Delinquent	1,457,052	-	1,457,052
Accounts	14,792	29,889	44,681
Intergovernmental	3,255,169	59,994	3,315,163
Interfund Loans	130,000	(130,000)	-
Materials and Supplies Inventory	255,873	28,689	284,562
Restricted Assets	6,240,144	-	6,240,144
Deferred Charges	132,422	-	132,422
Nondepreciable Capital Assets	2,283,183	-	2,283,183
Depreciable Capital Assets, Net	13,794,171	37,503	13,831,674
Total Assets	86,479,373	466,794	86,946,167
Liabilities			
Accounts Payable	802,553	4,231	806,784
Accrued Wages and Benefits	4,060,597	86,665	4,147,262
Due Other Governments	147,055	-	147,055
Deferred Revenue - Taxes	47,982,431	-	47,982,431
Deferred Revenue - Intergovernmental	3,701,662	-	3,701,662
Accrued Interest Payable	48,225	-	48,225
Long Term Liabilities:			
Due Within One Year	940,000	-	940,000
Due Within More Than One Year	12,501,923	39,293	12,541,216
Total Liabilities	70,184,446	130,189	70,314,635
Net Assets			
Invested in Capital Assets, Net of Related Debt	5,016,849	37,503	5,054,352
Restricted for:			
Capital Projects	358,950	-	358,950
Debt Service	1,503,513	-	1,503,513
Other Purposes	432,505	-	432,505
Unrestricted	8,983,110	299,102	9,282,212
Total Net Assets	\$16,294,927	\$338,605	\$16,631,532

See Accompanying Notes to the Basic Financial Statements

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Bedford City School District
Statement of Activities
For the Fiscal Year Ended June 30, 2002

	Program Revenues			
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
Instruction	\$19,493,317	\$608,085	\$1,270,717	\$ -
Support Services:				
Pupil	2,504,145	-	138,022	-
Instructional Staff	1,636,335	-	100,570	-
Board of Education	147,718	-	-	-
Administration	2,660,475	-	5,953	-
Fiscal	1,211,620	-	-	-
Business	411,748	-	-	-
Operation and Maintenance of Plant	6,335,607	-	-	-
Pupil Transportation	2,860,873	58,117	827	50,514
Central	241,112	-	4,539	-
Operation of Non-Instructional Services	588,894	-	486,957	-
Extracurricular Activities	835,766	243,412	-	-
Interest and Fiscal Charges	404,297	-	-	-
Total Governmental Activities	<u>39,331,907</u>	<u>909,614</u>	<u>2,007,585</u>	<u>50,514</u>
Business-type Activities				
Food Service	1,214,859	826,464	411,067	-
Uniform School Supplies	-	15,138	-	-
Summer School	37,851	42,740	723	-
Adult and Community Education	14,184	9,279	-	-
Recreation	8,125	16,860	-	-
Special Enterprises	-	51,911	-	-
Total Business-type Activities	<u>1,275,019</u>	<u>962,392</u>	<u>411,790</u>	<u>-</u>
Totals	<u>\$40,606,926</u>	<u>\$1,872,006</u>	<u>\$2,419,375</u>	<u>\$50,514</u>

General Revenues

Property Taxes Levied for:
 General Purposes
 Debt Service
 Capital Outlay
Grants and Entitlements not Restricted to Specific Programs
Payment in Lieu of Taxes
Investment Earnings
Gain on Sale of Capital Assets
Miscellaneous

Transfer to Business-type Activities

Total General Revenues and Transfers

Change in Net Assets

Net Assets - Beginning of Year

Net Assets - End of Year

See Accompanying Notes to the Basic Financial Statements

Net (Expense) Revenue
and Changes in Net Assets

Governmental Activities	Business-type Activities	Total
(\$17,614,515)	\$ -	(\$17,614,515)
(2,366,123)	-	(2,366,123)
(1,535,765)	-	(1,535,765)
(147,718)	-	(147,718)
(2,654,522)	-	(2,654,522)
(1,211,620)	-	(1,211,620)
(411,748)	-	(411,748)
(6,335,607)	-	(6,335,607)
(2,751,415)	-	(2,751,415)
(236,573)	-	(236,573)
(101,937)	-	(101,937)
(592,354)	-	(592,354)
(404,297)	-	(404,297)
<u>(36,364,194)</u>	<u>-</u>	<u>(36,364,194)</u>
-	22,672	22,672
-	15,138	15,138
-	5,612	5,612
-	(4,905)	(4,905)
-	8,735	8,735
-	51,911	51,911
<u>-</u>	<u>99,163</u>	<u>99,163</u>
<u>(\$36,364,194)</u>	<u>\$99,163</u>	<u>(\$36,265,031)</u>
32,706,307	-	32,706,307
1,212,396	-	1,212,396
626,150	-	626,150
6,685,643	-	6,685,643
21,613	-	21,613
377,677	-	377,677
50,753	-	50,753
291,104	-	291,104
<u>(72,266)</u>	<u>72,266</u>	<u>-</u>
<u>41,899,377</u>	<u>72,266</u>	<u>41,971,643</u>
<u>5,535,183</u>	<u>171,429</u>	<u>5,706,612</u>
<u>10,759,744</u>	<u>165,176</u>	<u>10,924,920</u>
<u>\$16,294,927</u>	<u>\$336,605</u>	<u>\$16,631,532</u>

Bedford City School District
Balance Sheet
Governmental Funds
June 30, 2002

	General	Debt Service	Permanent Improvement	Non-major Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$8,700,333	\$1,076,571	\$236,108	\$1,352,782
Investments	-	210,000	-	-
Receivables:				
Taxes - Current	49,277,600	1,730,202	921,913	-
Taxes - Delinquent	1,457,052	51,840	27,402	-
Accounts	9,929	-	-	1,056
Intergovernmental	3,240,169	138,318	215,743	76,687
Interfund Loans	869,000	-	-	-
Materials and Supplies Inventory	255,873	-	-	-
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	215,120	-	-	-
Total Assets	\$64,025,076	\$3,206,931	\$1,401,166	\$1,430,525
Liabilities, and Fund Balances				
Liabilities:				
Accounts Payable	\$521,593	\$ -	\$88,602	\$142,818
Accrued Interest Payable	-	19,925	-	-
Accrued Wages and Benefits	3,941,339	-	-	119,258
Interfund Loans Payable	-	-	-	724,000
Due to Other Governments	145,829	-	-	1,226
Deferred Revenue - Taxes	45,594,577	1,545,175	842,679	-
Deferred Revenue - Intergovernmental	3,240,169	138,318	165,743	157,432
Total Liabilities	53,443,507	1,703,418	1,097,024	1,144,734
Fund Balances:				
Reserved for Encumbrances	906,161	-	13,028	98,094
Reserved for Educational Materials	215,120	-	-	-
Reserved for Materials and Supplies Inventory	255,873	-	-	-
Reserved for Retirement of General Long-term Obligations	-	1,289,607	-	-
Reserved for Property Tax Advance	4,208,875	213,906	91,121	-
Unreserved - Undesignated				
General Fund	4,995,540	-	-	-
Special Revenue Funds	-	-	-	119,291
Capital Projects Funds	-	-	199,993	68,406
Total Fund Balances	10,581,569	1,503,513	304,142	285,791
Total Liabilities and Fund Balances	\$64,025,076	\$3,206,931	\$1,401,166	\$1,430,525

See Accompanying Notes to the Basic Financial Statements

<u>Total Governmental Funds</u>			
	Total Governmental Fund Balances		\$12,675,015
\$11,365,794	<i>Amounts reported for governmental activities in the Statement of</i>		
210,000	<i>Net Assets are different because:</i>		
51,929,715	Capital assets used in governmental activities are not financial		
1,536,294	resources and therefore are not reported in the funds.		
10,985	Nondepreciable Capital Assets	2,283,183	
3,670,917	Depreciable Capital Assets	13,794,171	
869,000	Deferred charges (unamortized bond issuance costs) are not		
255,873	reported in the funds as an asset	132,422	
	Interest accrued on debt obligations are not reported in the funds.	(28,300)	
215,120			
<u>\$70,063,698</u>	Long-term liabilities, including bonds payable, are not due and		
	payable in the current period, and therefore are not reported in		
	the funds.		
	Due Within One Year	(940,000)	
	Due Within More Than One Year	(12,501,923)	
\$753,013	Internal service funds are used by management to charge the		
19,925	costs of dental and prescription drug insurance, and the costs of		
4,060,597	goods warehoused and distributed to individual funds. The		
724,000	assets and liabilities of the internal service funds are included in		
147,055	governmental activities in the Statement of Net Assets.	880,359	
47,982,431			
3,701,662			
<u>57,388,683</u>	Net Assets of Governmental Activities		<u>\$16,294,927</u>
1,017,283			
215,120			
255,873			
1,289,607			
4,513,902			
4,995,540			
119,291			
268,399			
<u>12,675,015</u>			
<u>\$70,063,698</u>			

Bedford City School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2002

	General	Debt Service	Permanent Improvement
Revenues			
Taxes	\$32,726,957	\$1,213,001	\$626,508
Tuition and Fees	110,106	-	-
Earnings on Investments	377,677	-	-
Intergovernmental	7,109,399	104,670	57,613
Extracurricular Activities	-	-	-
Charges for Services	58,117	-	-
Miscellaneous	253,200	-	10,000
Total Revenues	40,635,456	1,317,671	694,121
Expenditures			
Current			
Instruction	18,393,999	-	-
Support Services:			
Pupils	2,352,995	-	-
Instructional Staff	1,482,016	-	-
Board of Education	147,718	-	-
Administration	2,651,315	-	-
Fiscal	1,218,995	-	-
Business	389,332	-	-
Operation and Maintenance of Plant	5,237,247	-	1,124,097
Pupil Transportation	2,790,638	-	161,044
Central	229,264	-	-
Community Services	-	-	-
Extracurricular Activities	361,435	-	-
Capital Outlay	-	-	15,949
Debt Service:			
Bond Issuance Costs	-	144,116	-
Principal	300,000	520,000	-
Interest	40,771	284,043	-
Total Expenditures	35,595,725	948,159	1,301,090
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,039,731	369,512	(606,969)
Other Financing Sources (Uses)			
Proceeds from Refunding Bonds Issued	-	9,996,603	-
Sale of Assets	753	-	50,000
Operating Transfers In	-	-	-
Payment to Refunded Bond Escrow Agent	-	(10,217,038)	-
Operating Transfers Out	(343,302)	-	-
Total Other Financing Sources (Uses)	(342,549)	(220,435)	50,000
Net Change in Fund Balances	4,697,182	149,077	(556,969)
Fund Balance - Beginning of Year	5,884,387	1,354,436	861,111
Fund Balance - End of Year	\$10,581,569	\$1,503,513	\$304,142

See Accompanying Notes to the Basic Financial Statements

Non-major Governmental Funds	Total Governmental Funds
\$ -	\$34,566,466
-	110,106
2,301	379,978
1,914,334	9,186,016
271,316	271,316
-	58,117
53,404	316,604
<u>2,241,355</u>	<u>44,888,603</u>
1,278,259	19,672,258
140,281	2,493,276
152,075	1,634,091
-	147,718
4,582	2,655,897
-	1,218,995
5,894	395,226
25,112	6,386,456
320,062	3,271,744
5,031	234,295
520,883	520,883
208,833	570,268
-	15,949
-	144,116
-	820,000
-	324,814
<u>2,661,012</u>	<u>40,505,986</u>
(419,657)	4,382,617
-	9,996,603
-	50,753
271,039	271,039
-	(10,217,038)
-	(343,302)
<u>271,039</u>	<u>(241,945)</u>
(148,618)	4,140,672
434,409	8,534,343
<u>\$285,791</u>	<u>\$12,675,015</u>

Net Change in Fund Balances - Total Governmental Funds

\$4,140,672

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 the estimated useful lives of the assets as depreciation expense.

Building assets capitalization	792,268
Vehicle assets capitalization	800,840
Buildings construction in progress in Fiscal Year 2001, completed	(9,647)
Vehicles construction in progress in Fiscal Year 2001, completed	(225,310)
Furniture & equipment capitalization	114,675
Building assets depreciation	(758,589)
Vehicle assets depreciation	(184,931)
Furniture & equipment depreciation	(208,550)

The issuance of long-term debt (bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, and similar items when debt is first issued, whereas these amount are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

1,105,065

The internal service funds used by management are not reported in the government-wide Statement of Activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service funds is allocated among the governmental activities.

5,365

Compensated absences 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).

(36,675)

Change in Net Assets of Governmental Activities

\$5,535,183

Bedford City School District
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis) - General Fund
For the Fiscal Year Ended June 30, 2002

Revenues	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Taxes	\$29,512,494	\$29,428,807	\$30,294,259	\$865,452
Tuition	15,000	17,243	17,243	-
Earnings on Investments	500,000	366,238	385,766	20,830
Extracurricular Activities	385,000	361,394	361,394	-
Unrestricted Grants in Aid - State	5,919,722	7,038,753	7,038,753	-
Total Revenues	<u>36,332,216</u>	<u>37,212,435</u>	<u>38,097,415</u>	<u>884,980</u>
Expenditures				
Current:				
Instruction:				
Regular	14,074,652	14,130,939	13,997,404	133,535
Special	3,370,187	3,297,271	3,003,103	294,168
Vocational Education	1,263,603	1,265,933	1,200,204	65,729
Adult/Continuing	1,242	1,242	-	1,242
Other	717,052	717,052	649,045	68,007
Support Services:				
Pupil	2,375,238	2,418,787	2,386,732	32,055
Instructional Staff	1,548,995	1,554,283	1,497,365	56,918
Board of Education	216,558	226,658	153,992	72,666
Administration	2,836,903	2,739,216	2,658,578	80,638
Fiscal	1,087,927	1,218,642	1,199,962	18,680
Business	386,276	428,723	391,526	37,197
Operation and Maintenance of Plant	5,719,851	5,757,852	5,574,664	183,188
Pupil Transportation	2,995,532	2,940,616	2,804,893	135,723
Central	241,195	255,195	244,190	11,005
Extracurricular Activities	298,062	365,062	358,350	6,712
Debt Service:				
Principal	300,000	300,000	300,000	-
Interest	42,000	42,000	40,771	1,229
Total Expenditures	<u>37,475,273</u>	<u>37,659,471</u>	<u>36,460,779</u>	<u>1,198,692</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,143,057)</u>	<u>(447,036)</u>	<u>1,636,636</u>	<u>2,083,672</u>
Other Financing Sources (Uses)				
Advances In	703,400	703,400	703,400	-
Refund of Prior Year Expenditures	56,000	145,894	145,894	-
Operating Transfers Out	(177,000)	(355,249)	(354,891)	358
Advances Out	(125,000)	(903,000)	(903,000)	-
Refund of Prior Years Receipts	-	(2,000)	(1,762)	238
Contingencies	(38,300)	(7,087)	(12)	7,075
Total Other Financing Sources (Uses)	<u>419,100</u>	<u>(418,042)</u>	<u>(410,371)</u>	<u>7,671</u>
Net Change in Fund Balance	<u>(723,957)</u>	<u>(865,078)</u>	<u>1,226,265</u>	<u>2,091,343</u>
Fund Balance - Beginning of Year	6,333,081	6,333,081	6,333,081	-
Encumbrances - End of Year	-	-	1,356,107	1,356,107
Fund Balance - End of Year	<u>\$5,609,124</u>	<u>\$5,468,003</u>	<u>\$8,915,453</u>	<u>\$3,447,450</u>

See Accompanying Notes to the Basic Financial Statements



Bedford City School District
Statement of Fund Net Assets
Proprietary Funds
June 30, 2002

Business-type Activities - Enterprise Funds

	Food Service	Uniform School Supplies	Special Enterprises	Non-major Enterprise Funds	Total Enterprise Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	\$134,215	\$93,382	\$122,951	\$80,171	\$440,719
Receivables:					
Accounts	5,480	36	16,718	7,675	29,889
Intergovernmental	59,994	-	-	-	59,994
Materials and Supplies Inventory	28,689	-	-	-	28,689
Total Current Assets	<u>228,358</u>	<u>93,418</u>	<u>139,669</u>	<u>97,846</u>	<u>559,291</u>
Capital Assets, Net	34,503	-	-	3,000	37,503
Total Assets	<u>262,861</u>	<u>93,418</u>	<u>139,669</u>	<u>100,846</u>	<u>596,794</u>
Liabilities					
Accounts Payable	4,231	-	-	-	4,231
Accrued Wages and Benefits	86,665	-	-	-	86,665
Interfund Loans Payable	110,000	-	-	20,000	130,000
Total Current Liabilities	<u>200,896</u>	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>220,896</u>
Long-term Liabilities					
Compensated Absences Payable	39,293	-	-	-	39,293
Total Liabilities	<u>240,189</u>	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>260,189</u>
Net Assets					
Invested in Capital Assets	34,503	-	-	3,000	37,503
Unrestricted (Deficit)	(11,831)	93,418	139,669	77,846	299,102
Total Net Assets	<u>\$22,672</u>	<u>\$93,418</u>	<u>\$139,669</u>	<u>\$80,846</u>	<u>\$336,605</u>

See Accompanying Notes to the Basic Financial Statements

Governmental Activities -
Internal Service Funds

Total
Internal
Service
Funds

\$925,036

4,863

-

929,899

-

929,899

49,540

-

49,540

-

49,540

-

880,359

\$880,359

Bedford City School District
Statement of Revenues,
Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2002

Business-type Activities - Enterprise Funds

	Food Service	Uniform School Supplies	Special Enterprises	Non-major Enterprise Funds	Total Enterprise Funds
Operating Revenues					
Tuition and Fees	\$ -	\$ -	\$ -	\$43,300	\$43,300
Sales	826,464	15,138	-	-	841,602
Charges for Services	-	-	51,911	25,582	77,493
Total Operating Revenues	<u>826,464</u>	<u>15,138</u>	<u>51,911</u>	<u>68,882</u>	<u>962,395</u>
Operating Expenses					
Salaries and Wages	501,577	-	-	49,743	551,320
Fringe Benefits	134,417	-	-	7,931	142,348
Purchased Services	7,812	-	-	1,178	8,990
Depreciation	8,255	-	-	333	8,588
Materials and Supplies	562,798	-	-	975	563,773
Total Operating Expenses	<u>1,214,859</u>	<u>-</u>	<u>-</u>	<u>60,160</u>	<u>1,275,019</u>
Operating Income (Loss)	<u>(388,395)</u>	<u>15,138</u>	<u>51,911</u>	<u>8,722</u>	<u>(312,624)</u>
Non-Operating Revenues					
State and Federal Grants	364,697	-	-	723	365,420
Donated Commodities	46,370	-	-	-	46,370
Total Non-Operating Revenues	<u>411,067</u>	<u>-</u>	<u>-</u>	<u>723</u>	<u>411,790</u>
Net Income Before Operating Transfers	<u>22,872</u>	<u>15,138</u>	<u>51,911</u>	<u>9,445</u>	<u>99,166</u>
Operating Transfers In	<u>44,226</u>	<u>2,261</u>	<u>-</u>	<u>25,776</u>	<u>72,263</u>
Change in Net Assets	<u>66,898</u>	<u>17,399</u>	<u>51,911</u>	<u>35,221</u>	<u>171,429</u>
Net Assets (Deficit) Beginning of Year	<u>(44,226)</u>	<u>76,019</u>	<u>87,758</u>	<u>45,625</u>	<u>165,176</u>
Net Assets End of Year	<u>\$22,672</u>	<u>\$93,418</u>	<u>\$139,669</u>	<u>\$80,846</u>	<u>\$336,605</u>

See Accompanying Notes to the Basic Financial Statements

Governmental Activities -
Internal Service Funds

Total Internal Service Funds
<u>\$ -</u>
-
<u>1,012,341</u>
<u>1,012,341</u>
-
-
973,241
-
<u>33,735</u>
<u>1,006,976</u>
<u>5,365</u>
-
-
<u>5,365</u>
-
<u>5,365</u>
<u>874,994</u>
<u>\$880,359</u>

Bedford City School District
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2002

Business-type Activities - Enterprise Funds

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Special Enterprises</u>	<u>Non-major Enterprise Funds</u>
Increase (Decrease) in Cash and Cash Equivalents				
Cash Flows from Operating Activities:				
Cash Received from Tuition and Fees	\$ -	\$ -	\$ -	\$39,065
Cash Received from Sales	821,004	15,102	-	13,941
Cash Received from Other Operations	-	-	42,693	8,718
Cash Received from Self-insurance Premiums	-	-	-	-
Cash Payments for Personal Services	(636,008)	-	-	(57,674)
Cash Payments for Purchased Services	(7,812)	-	-	(1,824)
Cash Payments for Materials and Supplies	(515,599)	-	-	-
Cash Payments for Other Expenses	-	-	-	(1,097)
Net Cash Provided by (Used for) Operating Activities	<u>(338,415)</u>	<u>15,102</u>	<u>42,693</u>	<u>1,129</u>
Cash Flows from Noncapital Financing Activities:				
Cash Received from Grants	358,694	-	-	723
Other Revenues	-	-	-	-
Operating Transfers	44,226	2,261	-	25,776
Cash Received - Interfund Loans	110,000	-	-	20,000
Cash Provided by - Intergovernmental	-	512	-	-
Cash (Used) - Interfund Loans	(100,000)	-	-	(10,000)
Net Cash Provided by Noncapital Financing Activities	<u>412,920</u>	<u>2,773</u>	<u>-</u>	<u>36,499</u>
Cash Flows from Capital and Related Financing Activities:				
Acquisition of Capital Assets	(4,139)	-	-	-
Net Cash (Used for) Capital and Related Financing Activities	<u>(4,139)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Increase in Cash and Cash Equivalents	70,366	17,875	42,693	37,628
Cash and Cash Equivalents - Beginning of Year	63,849	75,507	80,258	52,543
Cash and Cash Equivalents - End of Year	<u>\$134,215</u>	<u>\$93,382</u>	<u>\$122,951</u>	<u>\$90,171</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities				
Operating Income (Loss)	(\$388,395)	\$15,138	\$51,911	\$8,722
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation	8,255	-	-	333
Donated Commodities Used	46,370	-	-	-
Changes in Operating Assets and Liabilities:				
Decrease (Increase) in Receivables	(5,460)	(36)	(9,218)	(7,157)
Decrease (Increase) in Materials and Supplies Inventory	(3,402)	-	-	-
Increase (Decrease) in Accounts Payable	4,231	-	-	(769)
Increase (Decrease) in Accrued Wages and Benefits	(14)	-	-	-
Total Adjustments	<u>49,980</u>	<u>(36)</u>	<u>(9,218)</u>	<u>(7,593)</u>
Net Cash Provided by (Used for) Operating Activities	<u>(\$338,415)</u>	<u>\$15,102</u>	<u>\$42,693</u>	<u>\$1,129</u>

Schedule of Non-cash Investing, Capital, and Financing Activities

The Food Service Fund received commodities valued at \$46,370 from the federal government.

See Accompanying Notes to the Basic Financial Statements

Governmental Activities -
Internal Service Funds

<u>Total Enterprise Funds</u>	<u>Total Internal Service Funds</u>
\$39,065	\$ -
850,047	-
51,411	1,917
-	1,009,171
(693,682)	-
(9,636)	(999,104)
(515,599)	(33,735)
(1,097)	-
<u>(279,491)</u>	<u>(21,751)</u>
359,417	-
-	-
72,263	-
130,000	-
512	-
<u>(110,000)</u>	<u>-</u>
452,192	-
(4,139)	-
<u>(4,139)</u>	<u>-</u>
168,562	(21,751)
272,157	946,787
<u>\$440,719</u>	<u>\$925,036</u>
<u>(\$312,624)</u>	<u>\$5,365</u>
8,588	-
46,370	-
(21,871)	(1,253)
(3,402)	-
3,462	(25,863)
(14)	-
<u>33,133</u>	<u>(27,116)</u>
<u>(\$279,491)</u>	<u>(\$21,751)</u>

Bedford City School District
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2002

	Private Purpose Trust	Agency
Assets		
Equity in Pooled Cash and Cash Equivalents	\$72,696	\$42,077
Total Assets	72,696	\$42,077
Liabilities and Fund Balances		
Liabilities:		
Interfund Loans Payable	-	\$15,000
Due to Students	-	27,077
Total Liabilities	-	\$42,077
Net Assets:		
Held in Trust	72,696	
Total Net Assets	\$72,696	

See Accompanying Notes to the Basic Financial Statements

Bedford City School District
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Year Ended June 30, 2002

	Private Purpose Trust
Additions	
Interest	\$1,302
Other	4,220
	5,522
Deductions	
Scholarships	3,664
	3,664
Change in Net Assets	1,858
Net Assets Beginning of Year	70,838
Net Assets End of Year	\$72,696

See Accompanying Notes to the Basic Financial Statements

**BEDFORD CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2002**

NOTE 1 - DESCRIPTION OF THE DISTRICT AND REPORTING ENTITY

A. Description of the District

The Bedford City School District (the "District") is a city school district as defined by Section 3311.02 of the Ohio Revised Code. The 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 3,730 students in grades K through 12. The District also provides preschool education to 34 handicapped students. The District is located in northeast Ohio, approximately 15 miles southeast of the City of Cleveland and entirely within the boundaries of Cuyahoga County. The District 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 District is governed by an elected five-member Board of Education.

B. The Reporting Entity

In evaluating how to define the governmental reporting entity, the District follows the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 14, *The Financial Reporting Entity*, under which the financial statements include all the organizations, activities, functions, and component units for which the District is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board and either (1) the District's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the District. On this basis, the District's financial reporting entity has no component units but includes all funds and account groups that are part of the District.

Non-public schools located within the boundaries of the District include: St. Pius, Chanel, St. Mary's and New Covenant Christian Academy. These non-public schools are operated independently of the District. The District receives auxiliary services money from the State for the support of these non-public schools and serves as the primary recipient having administrative responsibilities with respect to these grants. The accounting for these receipts and disbursements is reflected in a special revenue fund in accordance with GASB Statement No. 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*, but the non-public schools' operations are not reflected in the accompanying financial statements.

The Ohio Schools Council (the "Council") is a jointly governed organization among eighty-eight school districts. The jointly governed organization was formed to purchase quality products

BEDFORD CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)
JUNE 30, 2002

(Note 1 continued)

and services at the lowest possible cost to the member districts. Each district supports the Council by paying an annual participation fee. In fiscal year 2002, the District paid membership fees of \$815 to the Council. 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. Financial information can be obtained by contacting Dr. Kathleen Neal, the Executive Secretary of the Ohio Schools Council at Rockside Square Building 2, 6133 Rockside Road, Independence, Ohio 44131. The 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 district 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 Corporation, a non-profit corporation with a self-appointing board, issued \$119,140,000 in debt to pre-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, that district is required to repay savings to CEI and CEI will refund the remaining prepayment related to that participant to Energy Acquisition Corporation.

The 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 district 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 actual usage and any necessary adjustments are made. The City of Hamilton, a municipal corporation and a 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 the amount, if any, of its contributions to the operating fund which are not encumbered for its share of program administrative costs.

The Lakeshore Northeast Ohio Computer Association ("LNOCA") is a jointly governed computer service bureau among 16 public school districts and an educational service center. The primary function of LNOCA is to provide data services to the 17 members. Major areas of service provided by LNOCA include accounting, payroll, inventory, career guidance services,

BEDFORD CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)
JUNE 30, 2002

(Note 1 continued)

handicapped student tracking, pupil scheduling, attendance reporting and grade reporting, and Internet access. Each school district is represented on the LNOCA board of directors by its superintendent or designated representative. Each year, the Board of Directors elects a Chairman, a Vice Chairman and a Recording Secretary. The Treasurer of the fiscal agent is a nonvoting, ex-officio member of the Board of Directors. The Cuyahoga County Educational Service Center serves as the fiscal agent of LNOCA. Each school district supports LNOCA based upon a per pupil charge dependent upon the software packages used. The degree of control exercised by a participating school district is limited to its representation on the Board. Financial information can be obtained by contacting the Treasurer of the fiscal agent at 7800 Wall Street, Valley View, Ohio 44125.

The following entities which perform activities within the District's boundaries for the benefit of its residents are excluded from the accompanying financial statements because the District is not financially accountable for these entities nor are they fiscally dependent on the District.

- (1.) Cuyahoga County - functions allocated to counties by Ohio law, such as elections, health and human services, and judicial.
- (2.) The Cities of Bedford and Bedford Heights - municipal corporation responsibilities.
- (3.) The Villages of Oakwood and Walton Hills - limited functions allocated to villages.
- (4.) Cuyahoga County Library District - public library.

The following support organizations are currently active within the District: building-level Parent Teacher Associations and the Bedford Schools Foundation, PTA Council, Band and Orchestra Boosters, and Athletic Boosters. Each of these organizations is operated independently of the District and is not part of the District's reporting entity. While each of these organizations' efforts is aimed at helping the District and/or associated school, the District is not involved in the selection of directors and is not financially accountable for any of the above organizations.

BEDFORD CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)
JUNE 30, 2002

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America ("US GAAP") as applied to governmental units. The GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The District's significant accounting policies are described below.

A. Fund Accounting

The District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain District functions or activities.

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulation, restrictions or limitations.

The various funds of the District are grouped into the categories governmental, proprietary and fiduciary.

Governmental Funds - Governmental funds are those through which most governmental functions of the District are financed. Governmental fund reporting focuses on the acquisition, use and balances of the District's expendable financial resources and the related current liabilities. The following are the District's major governmental funds:

General Fund - The general fund is the operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund. The general fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Debt Service Fund - The debt service fund is used to account for the accumulation of resources received from property taxes for the payment of general obligation bond principal and interest.

BEDFORD CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)
JUNE 30, 2002

(Note 2 continued)

Permanent Improvement Capital Projects Fund - The permanent improvement capital projects fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

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

Proprietary Funds - Proprietary funds focus on the determination of the changes in net assets, financial position and cash flows and are classified as either enterprise or internal service.

Enterprise Funds - Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The District records state and federal grant revenue, including commodities received in the food service fund as non-operating revenue. The District's major enterprise funds are:

Food Service Fund - This fund accounts for the financial transactions related to the food service operations of the District.

Uniform School Supplies Fund - This fund accounts for the purchase and sale of school supplies for use in the District. Profits derived from such sales are used for school purposes or activities connected with the school.

Special Enterprises - This fund accounts for financial transactions related to rental of the District's High School athletic facilities.

Internal Service Funds - Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the District. The District's primary internal service fund accounts for insurance premiums received and the settlement expenses for the medical, dental, and prescription drug claims of District employees.

Fiduciary Funds - Fiduciary funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. These include private purpose trust, and agency funds. The private purpose trust income is used to fund scholarships in accordance with the terms of the trusts. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of

BEDFORD CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)
JUNE 30, 2002

(Note 2 continued)

operations. The agency fund accounts for student activities. The government-wide financial statements do not include activities of fiduciary and agency funds.

B. Basis of Presentation

Government-wide Financial Statements The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Internal service fund activity is eliminated to avoid "doubling up" revenues and expenses. The statements distinguish between those activities of the District that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resource measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund 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.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the District and for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements Fund financial statements report detailed information about the District. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Internal service funds are combined

BEDFORD CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)
JUNE 30, 2002

(Note 2 continued)

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

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of fund net assets. The statement of revenues, expenses and changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in revenues, expenses and net assets. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activities.

Fiduciary funds are reported using the economic resources measurement focus.

C. 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.

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 District, available means expected to be received within sixty days of fiscal year-end.

BEDFORD CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)
JUNE 30, 2002

(Note 2 continued)

Non-exchange transactions, in which the 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. 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 year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the 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, grants, student fees and rentals.

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

Delinquent property taxes and property taxes for which there is an enforceable legal claim as of June 30, 2002, but which were levied to finance fiscal year 2003 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 fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue.

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

BEDFORD CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)
JUNE 30, 2002

(Note 2 continued)

D. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolutions are subject to amendments throughout the year, with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are required to be budgeted and appropriated. The primary level of budgetary control is at the object code function level within each fund. Budgetary modifications may only be made by resolution of the Board of Education.

Tax Budget - Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed tax budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Operational expenditure recommendations are developed assuming "committed costs". Public hearings are announced and conducted to obtain taxpayers' comments. The express purpose of this tax budget document is to reflect the need for existing (or increased) tax rates and to provide a basis for the development of the first permanent appropriations for the coming fiscal year.

By no later than January 20, the Board-adopted budget is filed with the Cuyahoga County Budget Commission (the "Budget Commission") for determination of tax rates. The Budget Commission will determine the appropriate tax rates and will prepare a certificate of estimated resources for the District. A hearing may be held by the Budget Commission where the Budget Commission members discuss the proposed budget with District officials.

Board Strategic Fiscal Planning - The Board of Education holds an annual full-day workshop during February or March to review the financial "health" of the District, and to develop target figures for appropriations for the fiscal year which will begin in July. A five-year strategic fiscal plan is updated every year during this workshop. Trends of the previous years are reviewed and, when appropriate, levy plans are made. The Board of Education examines facilities and curriculum, and analyzes the impact of District needs on finances, both short and long-term. Target figures for the coming fiscal year are developed in the context of the District's strategic fiscal plan.

BEDFORD CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)
JUNE 30, 2002

(Note 2 continued)

Estimated Resources - By April 1, or a later date as determined by the Budget Commission, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding year. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the Treasurer of the District. The amounts reported in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2002.

Appropriations - Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certification saying no new certificate is necessary, the annual appropriation must be legally enacted by the Board of Education at the fund, function and object level of expenditures, which are the legal levels of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the District. The appropriation resolution, by fund, must be within the estimated resources as certified by the Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals at any level of control. Any revisions that alter the total of any fund appropriation or alter total function appropriations within a fund, or alter object appropriations within functions, must be approved by the Board of Education. The Board may pass supplemental fund appropriations provided the total appropriations by fund do not exceed the amounts set forth in the most recent certificate of estimated resources. During the fiscal year 2002, several supplementary appropriations were legally enacted; however, none of these amendments were significant. The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all supplemental appropriations.

Lapsing of Appropriations - At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. Encumbered appropriations are carried forward to the succeeding fiscal year and are reappropriated.

E. Cash and Cash Equivalents

To improve cash management, cash received by the District is pooled. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements.

BEDFORD CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)
JUNE 30, 2002

(Note 2 continued)

During fiscal year 2002, investments were limited to a Bedford City School District Facilities Acquisition Bond, and the State Treasury Asset Reserve ("STAR Ohio"). Nonparticipating investment contracts such as nonnegotiable certificates of deposit are reported at cost.

STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on June 30, 2002.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. For fiscal year 2002, the District elected to limit the distribution of interest to the general fund, the auxiliary services fund, private purpose trust fund and the building fund.

For presentation on the financial statements, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the District are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

F. Restricted Assets

Restricted assets represent cash and cash equivalents and other current assets whose use is limited by creditors, grantors or legal requirements. Restricted assets in the general fund include amounts required by statute to be set-aside for the purchase of textbooks and other instructional material. See Note 16 for additional information regarding statutory reserves and Note 17 for additional information regarding restricted assets.

G. Inventory

On government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

On fund financial statements, inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable

BEDFORD CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)
JUNE 30, 2002

(Note 2 continued)

supplies held for consumption. Inventories of proprietary funds consist of donated and purchased food.

H. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. 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 utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net assets and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The District maintains a capitalization threshold of one thousand dollars. The 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 improvements. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-type Activities Estimated Lives</u>
Buildings and Improvements	10-30 years	n/a
Computers	5 years	5 years
Furniture and Equipment	5-20 years	12 years
Vehicles	12 years	n/a

I. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund loans receivable/payable". These amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

BEDFORD CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)
JUNE 30, 2002

(Note 2 continued)

J. Compensated Absences

The District reports compensated absences in accordance with the provisions of GASB Statement No. 16, *Accounting for 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 District will compensate the employees for the benefits through paid time off or some other means.

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

The entire compensated absence liability is reported on the government-wide financial statements. For governmental fund financial statements, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

K. 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 proprietary funds are reported on the proprietary fund financial statements.

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgements, compensated absences and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. In general, liabilities that mature or come due for payment during the fiscal year are considered to have been made with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements when due.

BEDFORD CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)
JUNE 30, 2002

(Note 2 continued)

L. Fund Balance Reserves

The 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, textbooks, inventories of supplies and materials, retirement of general long-term debt obligations, and property taxes. The reserve for property taxes represents taxes recognized as revenue under US GAAP but not available for appropriation under State statute.

M. 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 District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The District applies restricted resources first when an expense is incurred for purpose for which both restricted and unrestricted net assets are available.

N. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are primarily sales for food service and uniform school supplies, tuition and fees for summer school, and charges for services for self-insurance programs. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund.

O. Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

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

BEDFORD CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)
JUNE 30, 2002

(Note 2 continued)

without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

P. Estimates

The preparation of financial statements in conformity with US GAAP 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.

Q. 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. Neither type of transaction occurred during fiscal 2002.

R. Proprietary Activity Accounting

Under guidelines of GASB Statement 20, *Accounting and Financial Reporting for Proprietary funds and Other Governmental entities that use Proprietary Fund Accounting* the District has elected not to apply Financial Accounting Standards Board Statements and Interpretations issued after November 30, 1989 to its business-type activities and enterprise funds.

NOTE 3 - FUND BALANCE DEFICITS

Fund balances/retained earnings at June 30, 2002 included the following individual fund deficits:

Special Revenue Funds	
Other Grant	(\$577)
Career Development	(8,038)

Special revenue fund deficits resulted from operations which exceeded grants, or for which funds were not yet available under modified accrual accounting. The general fund is liable

BEDFORD CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)
JUNE 30, 2002

(Note 3 continued)

for any deficits in these funds and will provide operating transfers when cash is required, not when accruals occur.

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

While the District is reporting financial position, results of operations and changes in fund balance/retained earnings on the basis of US 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 and Actual (Budget Basis) 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 the US GAAP basis are as follows:

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

The following table summarizes the adjustments necessary to reconcile the US GAAP basis statements to the budgetary basis statements for the general fund:

Net Change in Fund Balance	
US GAAP Basis	\$4,697,182
Net Adjustment for	
Revenue Accruals	(2,394,674)
Advances In	703,400
Net Adjustment for	
Expenditure Accruals	479,464
Encumbrances	(1,356,107)
Advances Out	<u>(903,000)</u>
Budget Basis	<u>\$1,226,265</u>

BEDFORD CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)
JUNE 30, 2002

NOTE 5 - CASH AND INVESTMENTS

A. Legal Requirements

State statute requires the classification of moneys held by the District into three categories:

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

Inactive Deposits - Those deposits the District has identified as not required for use within the current two 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 - Interim deposits are those moneys 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 accounts, including passbook accounts.

Interim moneys may be 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;

BEDFORD CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)
JUNE 30, 2002

(Note 5 continued)

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 (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days from the date of purchase in an amount not to exceed twenty-five percent of the interim moneys available for investment at any one time; and,
8. Under limited circumstances, 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 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 qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Protection of the 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.

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*.

**BEDFORD CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)
JUNE 30, 2002**

(Note 5 continued)

B. Deposits

At June 30, 2002 the carrying amount of the District's deposits was \$1,135,938 and the bank balance was \$2,443,454. Of the total bank balance, \$200,000 was covered by federal depository insurance, and \$2,243,454 was secured by a pool of government securities held by the pledging financial institution's trust department in the District's name. Although all state statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the District to a successful claim by the FDIC.

C. Investments

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

Investments at June 30, 2002 consisted of a Bedford City School District School Facilities Acquisition Bond (Category 1) with a carrying value of \$210,000 and an investment in STAR Ohio with a carrying value of \$11,925,504. The carrying value of these investments approximate their fair values at June 30, 2002. At June 30, 2002, the carrying value of the District's deposits and investments, classified in accordance with GASB Statement No. 3, is as follows:

Investments	\$12,135,504
Demand Deposits	<u>1,135,938</u>
Carrying Value	<u>\$13,271,442</u>

The classification of cash and cash equivalents, and investments 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 Fund Accounting*. Using that criteria, the above amounts are included on the basic financial statements as follows:

BEDFORD CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)
JUNE 30, 2002

(Note 5 continued)

	<u>Cash and Cash Equivalents/Deposits</u>	<u>Investments</u>
GASB Statement 9	\$13,061,442	\$210,000
Investments Which Are Part of a Cash Management Pool:		
Investment in State Treasurers Investment Pool	<u>(11,925,504)</u>	<u>11,925,504</u>
GASB Statement 3	<u>\$1,135,938</u>	<u>\$12,135,504</u>

NOTE 6 - PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year. Property taxes include amounts levied against all real, public utility and tangible personal (used in business) property located in the District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31 of the prior year, were levied April 1 and are collected with real property taxes. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. All property is required to be revalued every six years. Public utility property taxes are assessed on tangible personal property at eighty-eight percent of true value (with certain exceptions) and on real property at thirty-five percent of true value. Tangible personal property taxes are levied after April 1 on the value listed as of December 31 of the current year. Tangible personal property assessments are twenty-five percent of true value. Since property taxes are assessed and levied on a calendar year basis, the District receives property taxes from two taxing years during the District's fiscal year. The assessed values upon which the fiscal year 2002 taxes were collected are as follows:

	<u>2001 Second Half Collections</u>		<u>2002 First Half Collections</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Residential/Agricultural	\$328,540,310	40.76%	\$331,671,010	41.20%
Other Real Estate	253,970,390	31.51	255,673,720	31.75
Public Utility Personal	51,899,040	6.44	41,718,240	6.18
Tangible Personal Property	<u>171,559,371</u>	<u>21.29</u>	<u>176,119,963</u>	<u>21.87</u>
Total	<u>\$805,969,111</u>	<u>100.00%</u>	<u>\$805,182,933</u>	<u>100.00%</u>

The full tax rate applied to real property for the 2002 collection year is \$62.50 per \$1,000 of assessed valuation. After adjustment of the rate for inflationary increases in property values,

BEDFORD CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)
JUNE 30, 2002

(Note 6 continued)

the effective tax rate was \$31.23 per \$1,000 of assessed valuation for real property classified as residential/agricultural and \$39.95 for all other real property. Real property owner's tax bills are further reduced by homestead and rollback deductions, when applicable. The amount of these homestead and rollback reductions is reimbursed to the District by the State of Ohio.

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.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. The District receives property taxes from Cuyahoga County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the county by June 30, 2002, are available to finance fiscal year 2002 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represent delinquent taxes outstanding, the late settlement of personal property taxes, and real property, tangible personal property and public utility taxes which became measurable as of June 30, 2002, and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2002 was \$4,513,902 and is recognized as revenue. Of the total amount available at June 30, 2002, \$4,208,875 was available to the general fund, \$213,906 was available to the debt service fund, and \$91,121 was available to the permanent improvement fund.

BEDFORD CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)
JUNE 30, 2002

NOTE 7 - RECEIVABLES

Receivables at June 30, 2002 consisted of taxes, accounts receivable (billings for user charged services), interfund loans, and intergovernmental grants and entitlements. 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. A summary of the intergovernmental receivables by fund follows:

General Fund	\$3,240,169
Special Revenue	
Title VIB	19,892
Title I	32,054
Title VI	10,039
Preschool Handicapped	14,702
Debt Service	
Bond Retirement	138,318
Capital Projects	
Permanent Improvements	215,743
Enterprise	
Food Service	<u>59,994</u>
 Total	 <u>\$3,730,911</u>

BEDFORD CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)
JUNE 30, 2002

NOTE 8 - CAPITAL ASSETS

The following is a summary of changes in the District's capital assets at June 30, 2002

	<u>Balance</u> <u>6/30/01</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>6/30/02</u>
Governmental Activities				
Land and Improvements	\$2,283,183	\$ -	\$ -	\$2,283,183
Buildings and Improvements	31,320,598	792,268	-	32,112,866
Furniture & Equipment	3,399,136	114,675	-	3,516,811
Vehicles	3,074,848	800,840	(179,123)	3,696,565
Construction in Progress, Vehicles	225,310	-	(225,310)	-
Construction in Progress, Buildings	9,647	-	(9,647)	-
Totals at Cost	40,312,722	1,707,783	(414,080)	41,606,425
Less Accumulated Depreciation				
Buildings and Improvements	(20,063,590)	(758,589)	-	(20,795,179)
Furniture & Equipment	(2,299,600)	(208,550)	-	(2,508,150)
Vehicles	(2,219,934)	(184,931)	179,123	(2,225,742)
Total Accumulated Depreciation	(24,556,124)	(1,152,070)*	179,123	(25,529,071)
Governmental Activities				
Capital Assets, Net	<u>\$15,756,598</u>	<u>\$555,713</u>	<u>(\$234,957)</u>	<u>\$16,077,354</u>
Business-type Activities				
Furniture and Equipment	\$205,036	\$4,139	\$ (575)	\$208,600
Less Accumulated Depreciation	(163,083)	(8,588)	575	(171,096)
Business-type Activities				
Capital Assets, Net	<u>\$41,953</u>	<u>\$(4,450)</u>	<u>\$ -</u>	<u>\$37,503</u>

* Depreciation was charged to governmental functions as follows:

Instruction	\$438,438
Pupils	22,758
Instructional Staff	14,480
Administration	4,578
Fiscal	3,360
Business	16,522
Operation and Maintenance	129,365
Pupil Transportation	170,818
Central	10,487
Community Services	73,194
Extracurricular Activities	268,070
Total Depreciation Expense	<u>\$1,152,070</u>

The voters of the District authorized financing for the construction of the new public library building, furnishing and equipping that building and improving its site (the "Library Project"). The Library Project was completed in 1991 and, upon its completion, the District leased the Library Project assets to the Cuyahoga County Public Library as the Bedford Branch

BEDFORD CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)
JUNE 30, 2002

(Note 8 continued)

of that county-wide library system. The lease term extends for 20 years rent free, with an automatic 20 year extension. During the extension period, the lease may be terminated without cause by either party. Included in the District's governmental activities capital assets at June 30, 2002 is \$2,062,414 related to the Library Project assets.

NOTE 9 - RISK MANAGEMENT

A. Property and Liability

The 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 2002, the District contracted for property and general liability insurance, and boiler and machinery coverage through the 91-member Ohio Schools Council Group Purchasing Consortium. The carrier for District property insurance, and boiler and machinery coverage is The Indiana Insurance Company. Aggregate property coverage is approximately \$87.5 million with a \$1,000 deductible. Aggregate boiler and machinery coverage is approximately \$30 million with a \$1,000 deductible. The policy is renewable on July 1, 2002 for each coverage. Casualty and fleet insurance coverage was provided by Coregis Insurance Company, with a combined single limit of \$2 million and \$250 comprehensive and \$500 collision deductibles. On July 1, 2002, coverage was shifted to the Indiana Insurance Company. Education and umbrella liability insurance coverage was provided by the Great American Alliance Insurance Company, with a combined single limit of \$4 million each occurrence and combined aggregate of \$8 million. Liability limits have been reduced from \$7 million each occurrence and a combined aggregate of \$10 million in 2001, 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 commercial coverage in any of the past three years.

B. Workers Compensation

For fiscal year 2002 the District participated 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 Ohio School Boards Association ("OSBA"). The Executive Director of the OSBA, or his designee, serves as

BEDFORD CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)
JUNE 30, 2002

(Note 9 continued)

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.

The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings 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 & Company provides administrative, cost control and actuarial services to the GRP.

C. Employee Medical Benefits

The District has elected to provide employee dental and prescription drug benefits to full time employees through a self-insured 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 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 District pays the following monthly into the self-funded benefits fund, which represents the entire premium required: dental - \$26.57(single), \$79.69 (family); drug - \$59.91 (single), \$164.70 (family). These premiums are paid by the fund that pays the salary for the employee and is based on historical cost information.

The claims liability of \$45,890 reported in the fund at June 30, 2002 is based on the requirements of GASB Statement No. 10 *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, which requires that a liability for unpaid claims cost, including

BEDFORD CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)
JUNE 30, 2002

(Note 9 continued)

estimates of cost relating to incurred but not reported claims, be reported. Changes in the fund's claims liability amount in fiscal 2001 and 2002 were as follows:

	Balance at Beginning of Year	Current Year Claims	Claims Payments	Balance at End of Year
2001	\$64,846	931,584	921,027	\$75,403
2002	\$75,403	969,591	999,104	\$45,890

The balance available in the fund to pay the cost of future claims was \$929,321 and \$918,001 at June 30, 2002 and 2001 respectively.

NOTE 10 - DEFINED BENEFIT PENSION PLANS

The employees of the District are covered by either the School Employees Retirement System of Ohio ("SERS") or the State Teachers Retirement System of Ohio ("STRS"). The State of Ohio accounts for the activities of these retirement systems and the amounts of the funds are not reflected in the accompanying financial statements. Under both SERS and STRS, a member is eligible for retirement when the member reaches age 60 and has five or more years of service credit; reaches age 55 and has 25 years or more of service credit; or has 30 or more years of service credit at any age.

A. School Employees Retirement System

All employees of the District performing duties that do not require a certificate issued by the Ohio Department of Education are required to contribute to SERS, a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by State statute per Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street Suite 100, Columbus, Ohio 43215. Plan members are required to contribute 9 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current District rate is 14 percent of annual covered payroll. A portion of the District's contribution is used to fund pension

BEDFORD CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)
JUNE 30, 2002

(Note 10 continued)

obligations with the remainder being used to fund health care benefits. Of the 14 percent District portion, 5.46 percent was the portion used to fund pension obligations. For certain employees, the District pays the 9 percent member contribution as an employee benefit. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS Retirement Board. The District's contributions to SERS for the fiscal years ended June 30, 2002, 2001, and 2000 were \$1,024,356, \$997,872, and \$995,070, respectively, equal to the required contributions for each year.

B. State Teachers Retirement System

All full-time certified District employees participate in STRS, a cost-sharing multiple employer public employee retirement system administered by the State Teachers Retirement Board. STRS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

Plan members were required to contribute 9.3 percent of their annual covered salary and the District is required to contribute 14 percent, an actuarially determined rate. Of the 14 percent District portion, 9.5 percent was the portion used to fund pension obligations during fiscal year 2001 (latest information available). For certain employees, the District pays the 9.3 percent member contribution as an employee benefit. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The District's contributions to STRS for the fiscal years ended June 30, 2002, 2001, and 2000 were \$2,242,296, \$2,166,800, and \$2,227,019, respectively, equal to the required contributions for each year.

C. Social Security System

Effective July 1, 1991, all employees and members of the Board of Education not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System are required to choose either Social Security or the School Employees Retirement System/State Teachers Retirement System. In 2002, all employees and three members of the Board were covered by STRS or SERS, while two Board members opted for Social Security.

BEDFORD CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)
JUNE 30, 2002

NOTE 11 - POSTEMPLOYMENT BENEFITS

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

All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of health care costs in the form of a monthly premium. By Ohio Law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. The STRS Board allocated employer contributions equal to 4.5 percent of covered payroll during fiscal year 2001 (latest information available) to the Health Care Reserve Fund for which payments for health care benefits are paid. For the District, this amount equaled \$720,738. The balance in the Health Care Reserve Fund was \$3.256 billion at June 30, 2001 (latest information available). For the year ended June 30, 2001, net health care costs paid by STRS were \$300.8 million and STRS had 102,132 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more years of qualifying service credit, and to disability and survivor benefit recipients. 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. Employer contributions to fund health care benefits were 8.54 percent of covered payroll. 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 the partial service credit. For fiscal year 2002, the minimum pay was \$12,400. The surcharge, added to the allocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. For the District, the amount contributed to fund health care benefits including the surcharge, equaled \$684,654 for the 2002 fiscal year. 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, 2002, were \$182.9 million and the target level was \$274.4 million. At June 30, 2002 SERS had net assets available for payment of health care benefits of \$335.2 million. SERS has approximately 50,000 participants currently receiving health care benefits.

BEDFORD CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)
JUNE 30, 2002

NOTE 12 - LONG-TERM OBLIGATIONS

The changes in the District's long-term obligations during the year ended June 30, 2002 consist of the following:

	<u>Balance</u> <u>July 1, 2001</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2002</u>	<u>Due Within</u> <u>One Year</u>
Governmental Activities					
General Obligation Bonds	\$11,135,000	\$10,225,000	\$(9,725,000)	\$11,635,000	\$645,000
Less deferred amounts:					
For issuance discount	-	(1,128,700)	29,205	(1,099,495)	-
For issuance premiums	-	900,303	(73,051)	827,252	-
On Refunding	-	(1,027,038)	83,335	(943,703)	-
	<u>11,135,000</u>	<u>8,969,565</u>	<u>(9,685,511)</u>	<u>10,419,054</u>	<u>645,000</u>
Energy Conservation Bonds	810,000	-	(285,000)	525,000	295,000
Compensated Absences	<u>2,461,194</u>	<u>36,675</u>	<u>-</u>	<u>2,497,869</u>	<u>-</u>
	<u>\$14,406,194</u>	<u>\$9,006,240</u>	<u>\$(9,970,511)</u>	<u>\$13,441,923</u>	<u>\$940,000</u>
Business-type Activities					
Compensated Absences	<u>\$47,721</u>	<u>\$ -</u>	<u>\$(8,428)</u>	<u>\$39,293</u>	<u>\$ -</u>

The District's voted legal debt margin for general obligation bonds was \$63,434,472 with an unvoted legal debt margin of \$595,183 and an unvoted energy conservation legal debt margin of \$6,721,646 at June 30, 2002. General obligation bonds will be paid from property taxes. Energy conservation bonds and compensated absences will be paid from the general fund.

BEDFORD CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)
JUNE 30, 2002

(Note 12 continued)

A. Bonds Outstanding

The following is a schedule of the District's bonds outstanding at June 30, 2002:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Fully Accreted Interest Rate</u>	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Original Amount</u>	<u>Amount Outstanding June 30, 2002</u>
Energy Conservation [H.B. 264]	5.187%		Jun 1993	Jun 2003	\$1,825,000	\$225,000
Energy Conservation [H.B. 264]	4.624		Feb 1996	Jun 2006	665,000	300,000
Facilities Acquisition	5.250		Feb 1994	Dec 2015	300,000	210,000
Library Construction	5.728		Jun 1993	Dec 2011	1,500,000	160,000
Facilities Renovation	5.853		Jun 1993	Dec 2013	12,000,000	1,040,000
Current Interest Serial Refunding Bonds	From 3.000 to 5.000		Nov 2001	Dec 2011	8,560,000	8,560,000
Capital Appreciation Refunding Bonds		10.30%	Nov 2001	Dec 2012	406,331	428,458
Capital Appreciation Refunding Bonds		10.30	Nov 2001	Dec 2013	129,969	<u>137,047</u>
						<u>\$11,060,505</u>

Energy conservation bonds were issued for facilities renovations which conserved energy and will be paid from general. Facilities acquisition bonds were issued for an addition to Columbus Road School and will be paid from general revenues. 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.

BEDFORD CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)
JUNE 30, 2002

(Note 12 continued)

In November 2001, the District issued general obligation refunding bonds having an original face value of \$9,096,299. These refunding bonds consist of \$8,560,000 in current interest serial bonds and \$536,299 in capital appreciation bonds. The bonds were issued at a \$900,303 premium and issuance costs were \$144,116. The net proceeds of \$9,852,486 along with available District cash of \$364,551 were placed in escrow for the purpose of advance refunding \$975,000 in library construction bonds with maturities from December 2004 through December 2011 and \$8,215,000 in facilities renovation bonds with maturities from December 2004 through December 2013. Aggregate escrow funds of \$10,217,037 have been invested in U.S. Treasury Securities for the purpose of generating sufficient resources for all future debt service payments on the refunded bonds. As a result, the refunding bonds are considered to be defeased and the liability has been removed from the government-wide financial statements. In addition, in accordance with Ohio Revised Code 133.34, the advance refunding transaction constitutes a legal defeasance of the refunded bonds.

The reacquisition price exceeded the net carrying amount of the old debt by \$1,027,037. This amount is being netted against the new debt and amortized over the life of the new debt, which approximates the life of the refunded debt. As of June 30, 2002, amortization of this deferred amount on refunding was \$83,335 and is included as a component of the interest expense of the government-wide financial statements. This advance refunding was undertaken to reduce total debt service payments over the next 11 years by \$699,217 and resulted in an economic gain of \$581,081. Debt issuance costs of \$144,116 are being amortized over the life of the new debt. As of June 30, 2002, amortization of these debt issuance costs was \$11,694. The premium on the issuance of the new debt in the amount of \$900,303 is being amortized over the life of the new debt. As of June 30, 2002, the District recognized \$73,051 of premium amortization, which amount was included as a reduction in interest expense.

BEDFORD CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)
JUNE 30, 2002

(Note 12 continued)

The District's future annual debt service requirements for bonded debt are as follows:

Year Ending June 30	Principal on General Obligation Bonds	Interest on General Obligation Bonds	Total on General Obligation Bonds
2003	\$645,000	\$416,070	\$1,061,070
2004	810,000	380,993	1,190,993
2005	850,000	348,825	1,198,825
2006	900,000	322,238	1,222,238
2007	965,000	289,176	1,254,176
2008	1,030,000	249,088	1,279,088
2009	1,095,000	206,400	1,301,400
2010	1,155,000	155,513	1,310,513
2011	1,240,000	95,600	1,335,600
2012	1,220,000	34,063	1,254,063
2013	1,245,000	3,151	1,248,151
2014	450,000	2,362	452,362
2015	15,000	1,575	16,575
2016	15,000	788	15,788
	<u>\$11,635,000</u>	<u>\$2,505,842</u>	<u>\$14,140,842</u>

Year Ending June 30	Principal on Energy Conservation Bonds	Interest on Energy Conservation Bonds	Total on on Energy Conservation Bonds
2003	\$295,000	\$26,049	\$321,049
2004	75,000	10,678	85,678
2005	75,000	7,228	82,228
2006	80,000	3,760	83,760
	<u>\$525,000</u>	<u>\$47,715</u>	<u>\$572,715</u>

The District's capital appreciation bonds mature in fiscal years 2013 and 2014. Principal on general obligation bonds in the above table includes the full accreted balances on capital appreciation bonds of \$1,230,000 and \$435,000 in 2013 and 2014 respectively.

B. Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Non-certificated employees earn ten to twenty days of vacation per year, depending upon length of service. Accumulated unused vacation time is paid to classified employees upon termination of employment. Teachers do not earn vacation time.

BEDFORD CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)
JUNE 30, 2002

(Note 12 continued)

Each employee earns sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated to a maximum of 220 days (certificated employees), 230 days (non-certificated employees) and 265 days (administrators). Upon retirement or termination after 25 years of service, payment is made for 30 days plus 1/10th of the days remaining up to a maximum of 47.5 days (certificated employees), or one-fourth of the days (non-certificated employees), or 53.5 days (administrators). For purposes of retirement, the employee receiving such payment must meet the eligibility requirement provisions set by STRS or SERS.

NOTE 13 - INTERFUND TRANSACTIONS

Short term interfund loans at June 30, 2002 are as follows:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>	
General	\$869,000		
Special Revenue			
Public School Support		\$25,000	
Other Grant		9,000	
District Managed Student Activities		25,000	
Ohio Reads		75,000	
Title II		5,000	
Title VI B		195,000	
Vocational Education		85,000	
Title I		185,000	
Title VI		30,000	
Drug Free Education		15,000	
Preschool Handicapped		15,000	
Title VIR		<u>60,000</u>	\$724,000
Enterprise			
Food Service		110,000	
Adult Community Education		<u>20,000</u>	130,000
Agency			
Student Managed Activities		<u>15,000</u>	<u>15,000</u>
	<u>\$869,000</u>		<u>\$869,000</u>

BEDFORD CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)
JUNE 30, 2002

(Note 13 continued)

For fiscal year 2002, the general fund reported transfers out of \$343,302 and other non-major governmental funds and enterprise funds reported transfers in of \$271,039 and \$72,263 respectively. General fund transfers out to other funds during fiscal year 2002 were as follows:

Special Revenue Funds		
District Managed Student Activities	\$97,775	
Title I	479	
Drug Free Education	2,965	
Miscellaneous Federal Funds	139	
Capital Projects Fund		
Capital Replacement	<u>169,681</u>	\$271,039
Enterprise Funds		
Food Service	44,226	
Uniform School Supply	2,261	
Summer School	257	
Adult and Community Education	<u>25,519</u>	<u>72,263</u>
Total General Fund Transfer to Other Funds		<u>\$343,302</u>

The District annually provides financial support for District Managed Student Activities. Other transfers to special revenue funds are due to expenditures which exceed grant amounts. The District annually transfers amounts to enterprise funds for operational deficits.

NOTE 14 - CONTINGENCIES

A. Grants

The 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 is 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 District at June 30, 2002.

BEDFORD CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)
JUNE 30, 2002

(Note 14 continued)

B. Litigation

As of June 30, 2002, the District was a party to various legal proceedings, seeking damages or injunctive relief arising in the ordinary course of business. The ultimate disposition of these proceedings is not presently determinable. The District carries adequate insurance coverage for most risks including property damage and personal liability and the District's management does not believe that any potential claims not covered by such insurance would have a material effect on the financial condition of the District.

C. School Finance

As of June 30, 2002, there were pending several challenges to real estate market valuation filed by property owners within the District. If successful, these challenges will result in a decrease of real property market valuation and therefore real estate property tax revenue received by the District. However, in the opinion of management, the disposition of all valuation challenges is not expected in the aggregate to have a material adverse effect on the financial position of the District.

NOTE 15 - STATE SCHOOL FUNDING DECISION

On September 6, 2001, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision identified aspects of the current plan that require modification if the plan is to be considered constitutional, including:

- 1.) A change in the school districts that are used as the basis for determining the base cost support amount. Any change in the amount of funds distributed to school districts as a result of this change must be retroactive to July 1, 2001, although a time line for distribution is not specified.
- 2.) Fully funding parity aid no later than the beginning of fiscal year 2004 rather than fiscal year 2006.

The Supreme Court relinquished jurisdiction over the case based on anticipated compliance with its order. The State of Ohio, in a motion filed September 17, 2001, asked the Court to reconsider and clarify the parts of the decision changing the school districts that are used as the basis for determining the base cost support amount and the requirement that changes be made retroactive

BEDFORD CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)
JUNE 30, 2002

(Note 15 continued)

to July 1, 2001. In November, 2001, the Court granted the request for reconsideration, but also ordered the parties to participate in a settlement conference with a court appointed mediator. On March 21, 2002, the mediator issued his final report indicating that the conference was unable to produce a settlement. The case is now under reconsideration by the Court. The School District is currently unable to determine what effect, if any, this decision will have on its future State funding and on its financial operations.

NOTE 16 - STATUTORY RESERVES

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

The following cash basis information describes the changes in the year-end set aside amounts for educational materials and capital maintenance. Disclosure of this information is required by State statute.

	<u>Educational Materials Reserve</u>	<u>Capital Maintenance Reserve</u>	<u>Total</u>
Set-Aside as of June 30, 2001	\$204,994	(\$605,395)	(\$400,401)
Current Year Set-aside Requirement	884,716	884,716	1,769,432
Qualifying Disbursements	<u>(874,590)</u>	<u>(1,807,916)</u>	<u>(2,682,506)</u>
Total Set-aside for Future Fiscal Years	<u>\$215,120</u>	<u>(\$1,528,595)</u>	<u>(\$1,313,475)</u>
Set-aside Reserve Balance as of June 30, 2002	<u>\$215,120</u>	<u>\$ -</u>	<u>\$215,120</u>

The District had qualifying disbursements during the fiscal year that reduced the capital maintenance reserve set-aside amounts below zero. This amount may be carried forward to reduce future fiscal year requirements. Amounts not spent by year-end or offset by similarly restricted resources received during the year must be held in cash at year-end and carried forward to be used for the same purposes in future years.

BEDFORD CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)
JUNE 30, 2002

NOTE 17 - RESTRICTED ASSETS

The following table represents the detail of restricted assets:

Equity in Pooled Cash and Cash Equivalents	\$2,866,983
Investments	210,000
Receivables:	
Taxes - Current	2,652,115
Taxes - Delinquent	79,242
Accounts	1,056
Intergovernmental	<u>430,748</u>
Restricted Assets	<u>6,240,144</u>
Liabilities Payable from Restricted Assets:	
Accounts Payable	\$251,345
Accrued Wages and Benefits	119,258
Interfund Loans Payable	724,000
Due to Other Governments	1,226
Deferred Revenue - Taxes	2,387,854
Deferred Revenue - Intergovernmental	<u>461,493</u>
Liabilities Payable	<u>3,945,176</u>
Restricted Net Assets	<u>\$2,294,968</u>



**Combining Statements
and Individual Fund Schedules**

Combining Statements - Non-major Funds

Non-major Special Revenue Funds

Special revenue funds are established to account for revenues from specific sources which legally, or otherwise, are restricted to expenditures for specific purposes. A description of the District's non-major special revenue funds follows:

The **Public School Support Fund** accounts for proceeds of local fund raising at the building level.

The **Other Grant Fund** accounts for proceeds of specific revenue sources, except for state and federal grants that are legally restricted to expenditure for specific purposes.

The **Venture Capital Fund** accounts for state grant funds awarded to the District and to schools within the District for the purpose of curriculum improvement.

The **District Managed Student Activities Fund** accounts for all costs (excluding supplemental coaching and advising contract) of the adult-led student activities.

The **Auxiliary Services Fund** accounts for educational programs run by the District with state funds on behalf of four non-public schools within the boundaries of the District.

The **Disadvantaged Pupil Program Fund** accounts for funds which are provided for the improvement of the educational and cultural status of disadvantaged pupils.

The **Career Development Fund** accounts for moneys received and expended in conjunction with Vocational Education Career Development projects funded by the State of Ohio.

The **Teacher Development Fund** accounts for state funds spent on teacher in-service and training.

The **Education Management Information Services Fund** accounts for state funds provided for costs associated with the requirements of the management information system.

The **Disadvantaged Pupil Impact Aid Fund** accounts for moneys received by the District from the State Foundation Program for disadvantaged pupil impact aid.

The **Data Communications Fund** accounts for state funds provided for Ohio Educational Computer Network Connections.

The **SchoolNet Professional Development Fund** accounts for a limited number of professional development subsidy grants.

The **Ohio Reads Fund** accounts for moneys received by the District from the State intended to improve reading outcomes.

Combining Statements - Non-major Funds

(continued)

The **Vocational Education Enhancement Fund** accounts for moneys provided by the State to enhance vocational educational and to replace vocational educational equipment.

The **Extended Learning Opportunity Fund** accounts for moneys provided by the state to promote extended learning opportunities for students.

The **Miscellaneous State Grants Fund** accounts for miscellaneous state grants not otherwise designated.

The **Title II Fund** accounts for federal funds used to strengthen education through the purchase of special equipment and materials.

The **Title VIB Fund** accounts for federal funds used to help provide full educational opportunities to handicapped children.

The **Vocational Education Fund** accounts for federal funds for cooperating development of vocational education programs.

The **Title I Fund** accounts for federal funds used to meet the needs of educationally deprived children.

The **Title VI Fund** accounts for federal funds given to the state used to meet state determined educational needs.

The **Drug Free Education Fund** accounts for federal funds which support drug abuse education and prevention programs.

The **Preschool Handicapped Fund** accounts for federal funds which support the improvement and expansion of services for handicapped children ages three through five.

The **Goals 2000 Fund** accounts for federal funds which support a broad range of educational improvement goals.

The **Title VIR Fund** accounts for federal funds used to hire additional classroom teachers in grades one through three.

The **Miscellaneous Federal Grants Fund** accounts for miscellaneous federal grants not otherwise designated.

Non-major Capital Projects Funds

Capital projects funds account for financial resources used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds). A description of the District's non-major capital projects funds follows:

Combining Statements - Non-major Funds

(continued)

The **Building Fund** accounts for proceeds from the sale of bonded debt for construction purposes, and for all capital acquisitions made with the proceeds.

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

The **Vocational Equipment Fund** accounts for reimbursements from the state and transfers from the General Fund intended to be used for the purchase of vocational education equipment.

The **SchoolNet Fund** accounts for moneys received from the State of Ohio for wiring of classrooms, computer workstations and related technologies.

Non-major Enterprise Funds

Enterprise funds are financed and operated in a manner similar to private business enterprises where the intent of the District is that the costs (expenses, including depreciation) of providing goods or services be financed or recovered primarily through user charges, or where the District has decided that the periodic determination of revenues earned, expenses incurred and/or net income is appropriate for management control and accountability. A description of the District's non-major enterprise funds follows:

The **Summer School Fund** accounts for the operation of the summer school program.

The **Adult and Community Education Fund** accounts for the operation of the Adult High School and the Adult and Community Education program.

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

Internal Service Funds

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

The **Warehouse Fund** accounts for the purchase of bulk supplies, which in turn will be re-purchased by the operations of the many separate funds of the District.

The **Self-funded Benefits Fund** accounts for the transactions of the District's self-funded dental and prescription drug benefits programs.

The **Computer Network Fund** accounts for amounts sent to the District by the State of Ohio to assist with the costs of belonging to a computer consortium class "A" Department of Education computer network site.

Bedford City School District
Combining Balance Sheet
Non-major Governmental Funds
June 30, 2002

	Non-major Special Revenue Funds	Non-major Capital Projects Funds	Total Non-major Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$1,284,376	\$68,406	\$1,352,782
Receivables:			
Accounts	1,056	-	1,056
Intergovernmental	76,687	-	76,687
Total Assets	\$1,362,119	\$68,406	\$1,430,525
 Liabilities, and Fund Balances			
Liabilities:			
Accounts Payable	\$142,818	\$ -	\$142,818
Accrued Wages and Benefits	119,258	-	119,258
Interfund Loans Payable	724,000	-	724,000
Due to Other Governments	1,226	-	1,226
Deferred Revenue - Intergovernmental	157,432	-	157,432
Total Liabilities	1,144,734	-	1,144,734
 Fund Balances:			
Reserved for Encumbrances	98,094	-	98,094
Unreserved - Undesignated	119,291	68,406	187,697
Total Fund Balances	217,385	68,406	285,791
Total Liabilities and Fund Balances	\$1,362,119	\$68,406	\$1,430,525

Bedford City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Funds
For the Fiscal Year Ended June 30, 2002

	Non-major Special Revenue Funds	Non-major Capital Projects Funds	Total Non-major Governmental Funds
Revenues			
Earnings on Investments	\$2,301	\$ -	\$2,301
Intergovernmental	1,884,032	30,302	1,914,334
Extracurricular Activities	271,316	-	271,316
Miscellaneous	53,404	-	53,404
Total Revenues	2,211,053	30,302	2,241,355
Expenditures			
Current			
Instruction	1,260,861	17,398	1,278,259
Support Services:			
Pupils	140,281	-	140,281
Instructional Staff	130,783	21,292	152,075
Administration	4,582	-	4,582
Business	5,894	-	5,894
Operation and Maintenance of Plant	-	25,112	25,112
Pupil Transportation	979	319,083	320,062
Central	5,031	-	5,031
Community Services	520,883	-	520,883
Extracurricular Activities	208,833	-	208,833
Total Expenditures	2,278,127	382,885	2,661,012
(Deficiency) of Revenues (Under) Expenditures	(67,074)	(352,583)	(419,657)
Other Financing Sources			
Operating Transfers In	101,358	169,681	271,039
Total Other Financing Sources	101,358	169,681	271,039
Net Change in Fund Balances	34,284	(182,902)	(148,618)
Fund Balances - Beginning of Year	183,101	251,308	434,409
Fund Balances - End of Year	\$217,385	\$68,406	\$285,791

Bedford City School District
Combining Balance Sheet
Non-major Special Revenue Funds
June 30, 2002

	Public School Support	Other Grant	Venture Capital	District Managed Student Activities	Auxiliary Services	Disadvantaged Pupil Program
Assets						
Equity in Pooled Cash and Cash Equivalents	\$114,372	\$12,932	\$11,963	\$80,195	\$108,882	\$ -
Receivables:						
Accounts	251	-	-	805	-	-
Intergovernmental	-	-	-	-	-	-
Total Assets	\$114,623	\$12,932	\$11,963	\$81,000	\$108,882	\$ -
Liabilities and Fund Balances						
Liabilities:						
Accounts Payable	\$10,922	\$4,509	\$1,775	\$12,148	\$17,570	\$ -
Accrued Wages and Benefits	-	-	-	-	22,816	-
Interfund Loans Payable	25,000	9,000	-	25,000	-	-
Due to Other Governments	-	-	-	-	-	-
Deferred Revenue - Intergovernmental	-	-	6,763	-	44,286	-
Total Liabilities	35,922	13,509	8,538	37,148	84,672	-
Fund Balance (Deficit):						
Reserved for Encumbrances	8,337	5,996	3,425	18,918	24,210	-
Unreserved - Undesignated (Deficit)	70,364	(6,573)	-	24,934	-	-
Total Fund Balance (Deficit)	78,701	(577)	3,425	43,852	24,210	-
Total Liabilities and Fund Balances	\$114,623	\$12,932	\$11,963	\$81,000	\$108,882	\$ -

<u>Career Development</u>	<u>Teacher Development</u>	<u>Education Management Information Services</u>	<u>Disadvantaged Pupil Impact Aid</u>	<u>Data Communications</u>	<u>SchoolNet Professional Development</u>	<u>Ohio Reads</u>	<u>Vocational Education Enhancement</u>
\$ -	\$1,391	\$41,681	\$ -	\$ -	\$7,592	\$104,989	\$ -
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$1,391</u>	<u>\$41,681</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$7,592</u>	<u>\$104,989</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$200	\$21,257	\$ -
8,038	-	-	-	-	-	75,000	-
-	-	-	-	-	-	-	-
-	1,391	-	-	-	7,342	-	-
<u>8,038</u>	<u>1,391</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,542</u>	<u>96,257</u>	<u>-</u>
-	-	-	-	-	50	11,809	-
(8,038)	-	41,681	-	-	-	(3,077)	-
<u>(8,038)</u>	<u>-</u>	<u>41,681</u>	<u>-</u>	<u>-</u>	<u>50</u>	<u>8,732</u>	<u>-</u>
<u>\$ -</u>	<u>\$1,391</u>	<u>\$41,681</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$7,592</u>	<u>\$104,989</u>	<u>\$ -</u>

(continued)

Bedford City School District
Combining Balance Sheet
Non-major Special Revenue Funds (continued)
June 30, 2002

	Extended Learning Opportunity	Miscellaneous State Grants	Title II	Title VIB	Vocational Education
Assets					
Equity in Pooled Cash and Cash Equivalents	\$ -	\$3,773	\$19,606	\$252,190	\$132,031
Receivables:					
Accounts	-	-	-	-	-
Intergovernmental	-	-	-	19,892	-
Total Assets	\$ -	\$3,773	\$19,606	\$272,082	\$132,031
Liabilities and Fund Balances					
Liabilities:					
Accounts Payable	\$ -	\$ -	\$ -	\$64,757	\$3,994
Accrued Wages and Benefits	-	-	-	8,686	-
Interfund Loans Payable	-	-	5,000	195,000	85,000
Due to Other Governments	-	-	-	-	426
Deferred Revenue - Intergovernmental	-	3,773	13,885	3,639	18,777
Total Liabilities	-	3,773	18,885	272,082	108,197
Fund Balance (Deficit):					
Reserved for Encumbrances	-	-	721	-	23,834
Unreserved - Undesignated (Deficit)	-	-	-	-	-
Total Fund Balance (Deficit)	-	-	721	-	23,834
Total Liabilities and Fund Balances	\$ -	\$3,773	\$19,606	\$272,082	\$132,031

Title I	Title VI	Drug Free Education	Preschool Handicapped	Goals 2000	Title VIR	Miscellaneous Federal Grants	Total Non-major Special Revenue Funds
\$218,025	\$27,326	\$20,827	\$21,879	\$2,926	\$101,796	\$ -	\$1,284,376
-	-	-	-	-	-	-	1,056
32,054	10,039	-	14,702	-	-	-	76,687
\$250,079	\$37,365	\$20,827	\$36,581	\$2,926	\$101,796	\$ -	\$1,362,119
\$12	\$ -	\$2,524	\$3,150	\$ -	\$ -	\$ -	\$142,818
62,024	-	-	3,661	-	14,033	-	119,258
185,000	30,000	15,000	15,000	-	60,000	-	724,000
-	800	-	-	-	-	-	1,226
3,043	6,565	3,109	14,770	2,326	27,763	-	157,432
250,079	37,365	20,633	36,581	2,326	101,796	-	1,144,734
-	-	194	-	600	-	-	98,094
-	-	-	-	-	-	-	119,291
-	-	194	-	600	-	-	217,385
\$250,079	\$37,365	\$20,827	\$36,581	\$2,926	\$101,796	\$ -	\$1,362,119

Bedford City School District
*Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Non-major Special Revenue Funds
For the Fiscal Year Ended June 30, 2002*

	Public School Support	Other Grant	Venture Capital	District Managed Student Activities	Auxiliary Services
Revenues					
Earnings on Investments	\$ -	\$ -	\$ -	\$ -	\$2,301
Intergovernmental	-	-	33,747	-	381,220
Extracurricular Activities	167,959	-	-	103,357	-
Miscellaneous	-	53,404	-	-	-
Total Revenues	<u>167,959</u>	<u>53,404</u>	<u>33,747</u>	<u>103,357</u>	<u>383,521</u>
Expenditures					
Current					
Instruction	154,961	47,874	30,786	-	-
Support Services:					
Pupils	-	-	-	-	-
Instructional Staff	6,903	6,006	-	-	-
Administration	-	-	-	-	-
Business	5,894	-	-	-	-
Pupil Transportation	-	-	-	-	-
Central	780	-	-	-	-
Community Services	-	8,380	-	-	417,386
Extracurricular Activities	903	-	-	207,930	-
Total Expenditures	<u>169,441</u>	<u>62,260</u>	<u>30,786</u>	<u>207,930</u>	<u>417,386</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,482)</u>	<u>(8,856)</u>	<u>2,961</u>	<u>(104,573)</u>	<u>(33,865)</u>
Other Financing Sources					
Operating Transfers In	-	-	-	97,775	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>97,775</u>	<u>-</u>
Net change in Fund Balance	<u>(1,482)</u>	<u>(8,856)</u>	<u>2,961</u>	<u>(6,798)</u>	<u>(33,865)</u>
Fund Balance (Deficit) - Beginning of Year	<u>80,183</u>	<u>8,279</u>	<u>464</u>	<u>50,650</u>	<u>58,075</u>
Fund Balance (Deficit) - End of Year	<u><u>\$78,701</u></u>	<u><u>(\$577)</u></u>	<u><u>\$3,425</u></u>	<u><u>\$43,852</u></u>	<u><u>\$24,210</u></u>

Disadvantaged Pupil Program	Career Development	Teacher Development	Education Management Information Services	Disadvantaged Pupil Impact Aid	Data Communications
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	19,919	9,834	14,340	175,722	7,643
-	-	-	-	-	-
-	-	-	-	-	-
-	19,919	9,834	14,340	175,722	7,643
-	26,833	-	-	175,722	-
-	-	-	-	-	-
905	-	11,613	-	-	12,000
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	762	-	-	-
-	-	-	-	-	-
905	26,833	12,375	-	175,722	12,000
(905)	(6,914)	(2,541)	14,340	-	(4,357)
-	-	-	-	-	-
-	-	-	-	-	-
(905)	(6,914)	(2,541)	14,340	-	(4,357)
905	(1,124)	2,541	27,341	-	4,357
\$ -	(\$8,038)	\$ -	\$41,681	\$ -	\$ -

(continued)

Bedford City School District
*Combining Statement of Revenues, Expenditures
and Changes in Fund Balances*
Non-major Special Revenue Funds (continued)
For the Fiscal Year Ended June 30, 2002

	SchoolNet Professional Development	Ohio Reads	Vocational Education Enhancement	Extended Learning Opportunity
Revenues				
Earnings on Investments	\$ -	\$ -	\$ -	\$ -
Intergovernmental	250	82,739	-	36,352
Extracurricular Activities	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	250	82,739	-	36,352
Expenditures				
Current:				
Instruction	1,000	73,039	410	39,900
Support Services:				
Pupils	200	-	-	-
Instructional Staff	-	-	-	-
Administration	-	-	-	-
Business	-	-	-	-
Pupil Transportation	-	979	-	-
Central	-	-	-	-
Community Services	-	-	-	-
Extracurricular Activities	-	-	-	-
Total Expenditures	1,200	74,018	410	39,900
Excess (Deficiency) of Revenues Over (Under) Expenditures	(950)	8,721	(410)	(3,548)
Other Financing Sources				
Operating Transfers In	-	-	-	-
Total Other Financing Sources	-	-	-	-
Net change in Fund Balance	(950)	8,721	(410)	(3,548)
Fund Balance (Deficit) - Beginning of Year	1,000	11	410	3,548
Fund Balance (Deficit) - End of Year	\$50	\$8,732	\$ -	\$ -

Miscellaneous State Grants	Title II	Title VIB	Vocational Education	Title I	Title VI	Drug Free Education	Preschool Handicapped	Goals 2000
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3,694	14,083	364,610	148,828	454,164	25,051	25,418	36,994	16,459
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
3,694	14,083	364,610	148,828	454,164	25,051	25,418	36,994	16,459
29,410	-	225,060	37,665	367,892	14,765	13,461	704	-
-	-	89,303	49,421	-	1,357	-	-	-
-	14,828	-	18,670	-	11	15,178	25,398	19,059
-	-	-	4,582	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
655	-	-	3,596	-	-	-	-	-
-	-	45,239	-	35,991	8,918	-	4,207	-
-	-	-	-	-	-	-	-	-
30,065	14,828	359,602	113,934	403,883	25,051	28,639	30,309	19,059
(26,371)	(745)	5,008	34,894	50,281	-	(3,221)	6,685	(2,600)
-	-	-	-	479	-	2,965	-	-
-	-	-	-	479	-	2,965	-	-
(26,371)	(745)	5,008	34,894	50,760	-	(256)	6,685	(2,600)
26,371	1,466	(5,008)	(11,060)	(50,760)	-	450	(6,685)	3,200
\$ -	\$721	\$ -	\$23,834	\$ -	\$ -	\$194	\$ -	\$600

(continued)

Bedford City School District
*Combining Statement of Revenues, Expenditures
and Changes in Fund Balances*
Non-major Special Revenue Funds (continued)
For the Fiscal Year Ended June 30, 2002

	Title VIR	Miscellaneous Federal Grants	Total Non-major Special Revenue Funds
Revenues			
Earnings on Investments	\$ -	\$ -	\$2,301
Intergovernmental	3,126	29,839	1,884,032
Extracurricular Activities	-	-	271,316
Miscellaneous	-	-	53,404
Total Revenues	3,126	29,839	2,211,053
Expenditures			
Current			
Instruction	3,126	18,253	1,260,861
Support Services:			
Pupils	-	-	140,281
Instructional Staff	-	212	130,783
Administration	-	-	4,582
Business	-	-	5,894
Pupil Transportation	-	-	979
Central	-	-	5,031
Community Services	-	-	520,883
Extracurricular Activities	-	-	208,833
Total Expenditures	3,126	18,465	2,278,127
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	11,374	(67,074)
Other Financing Sources			
Operating Transfers In	-	139	101,358
Total Other Financing Sources	-	139	101,358
Net change in Fund Balance	-	11,513	34,284
Fund Balance (Deficit) - Beginning of Year	-	(11,513)	183,101
Fund Balance (Deficit) - End of Year	\$ -	\$ -	\$217,385

Bedford City School District
Combining Balance Sheet
Non-major Capital Projects Funds
June 30, 2002

	<u>Building</u>	<u>Capital Replacement</u>	<u>Vocational Equipment</u>	<u>SchoolNet</u>	<u>Total Non-major Capital Projects Funds</u>
Assets					
Equity in Pooled Cash and Cash Equivalents	\$ -	\$13,598	\$54,808	\$ -	\$68,406
Total Assets	\$ -	\$13,598	\$54,808	\$ -	\$68,406
Fund Balances:					
Unreserved - Undesignated	\$ -	13,598	54,808	\$ -	\$68,406
Total Fund Equity	-	13,598	54,808	-	68,406
Total Liabilities and Fund Balances	\$ -	\$13,598	\$54,808	\$ -	\$68,406

Bedford City School District
*Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Non-major Capital Projects Funds
For the Fiscal Year Ended June 30, 2002*

	<u>Building</u>	<u>Capital Replacement</u>	<u>Vocational Equipment</u>	<u>SchoolNet</u>	<u>Total Non-major Capital Projects Funds</u>
Revenues					
Intergovernmental	\$ -	\$ -	\$30,041	\$261	\$30,302
Total Revenues	-	-	30,041	261	30,302
Expenditures					
Current:					
Instruction	-	-	17,398	-	17,398
Support Services:					
Instructional Staff	-	-	-	21,292	21,292
Pupil Transportation	-	319,083	-	-	319,083
Operation and Maintenance of Plant	25,112	-	-	-	25,112
Total Expenditures	25,112	319,083	17,398	21,292	382,885
Excess (Deficiency) of Revenues Over (Under) Expenditures	(25,112)	(319,083)	12,643	(21,031)	(352,583)
Other Financing Sources					
Operating Transfers In	-	169,681	-	-	169,681
Total Other Financing Sources	-	169,681	-	-	169,681
Net Change in Fund Balance	(25,112)	(149,402)	12,643	(21,031)	(182,902)
Fund Balance - Beginning of Year	25,112	163,000	42,165	21,031	251,308
Fund Balance - End of Year	<u>\$ -</u>	<u>\$13,598</u>	<u>\$54,808</u>	<u>\$ -</u>	<u>\$68,406</u>

Bedford City School District
Combining Statement of Fund Net Assets
Non-major Enterprise Funds
June 30, 2002

	Summer School	Adult and Community Education	Recreation	Total Non-major Enterprise Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$52,863	\$23,017	\$14,291	\$90,171
Receivables:				
Accounts	4,235	-	3,440	7,675
Total Current Assets	<u>57,098</u>	<u>23,017</u>	<u>17,731</u>	<u>97,846</u>
Capital Assets, Net	-	-	3,000	<u>3,000</u>
Total Assets	<u>57,098</u>	<u>23,017</u>	<u>20,731</u>	<u>100,846</u>
Liabilities				
Interfund Loans Payable	<u>20,000</u>	-	-	<u>20,000</u>
Total Current Liabilities	<u>20,000</u>	-	-	<u>20,000</u>
Total Liabilities	<u>20,000</u>	-	-	<u>20,000</u>
Net Assets				
Invested in Capital Assets	-	-	3,000	3,000
Unrestricted	<u>37,098</u>	<u>23,017</u>	<u>17,731</u>	<u>77,846</u>
Total Net Assets	<u>\$37,098</u>	<u>\$23,017</u>	<u>\$20,731</u>	<u>\$80,846</u>

Bedford City School District
*Combining Statement of Revenues,
 Expenses and Changes in Fund Net Assets
 Non-major Enterprise Funds
 For the Fiscal Year Ended June 30, 2002*

	Summer School	Adult and Community Education	Recreation	Total Non-major Enterprise Funds
Operating Revenues				
Tuition and Fees	\$42,740	\$560	\$ -	\$43,300
Charges for Services	-	8,719	16,863	25,582
Total Operating Revenues	<u>42,740</u>	<u>9,279</u>	<u>16,863</u>	<u>68,882</u>
Operating Expenses				
Salaries and Wages	32,347	10,958	6,440	49,743
Fringe Benefits	5,504	1,513	914	7,931
Purchased Services	-	740	438	1,178
Depreciation	-	-	333	333
Materials and Supplies	-	975	-	975
Total Operating Expenses	<u>37,851</u>	<u>14,184</u>	<u>8,125</u>	<u>60,160</u>
Operating Income (Loss)	<u>4,889</u>	<u>(4,905)</u>	<u>8,738</u>	<u>8,722</u>
Non-Operating Revenues				
State and Federal Grants	723	-	-	723
Total Non-Operating Revenues	<u>723</u>	<u>-</u>	<u>-</u>	<u>723</u>
Net Income (Loss) Before Operating Transfers	5,612	(4,905)	8,738	9,445
Operating Transfers In	<u>257</u>	<u>25,519</u>	<u>-</u>	<u>25,776</u>
Change in Net Assets	<u>5,869</u>	<u>20,614</u>	<u>8,738</u>	<u>35,221</u>
Net Assets Beginning of Year	<u>31,229</u>	<u>2,403</u>	<u>11,993</u>	<u>45,625</u>
Net Assets End of Year	<u>\$37,098</u>	<u>\$23,017</u>	<u>\$20,731</u>	<u>\$80,846</u>

Bedford City School District
Combining Statement of Cash Flows
Non-major Enterprise Funds
For the Fiscal Year Ended June 30, 2002

	Summer School	Adult and Community Education	Recreation	Total Non-major Enterprise Funds
Increase (Decrease) in Cash and Cash Equivalents				
Cash Flows from Operating Activities:				
Cash Received from Tuition and Fees	\$38,505	\$560	\$ -	\$39,065
Cash Received from Sales	-	-	13,941	13,941
Cash Received from Other Operations	-	8,718	-	8,718
Cash Payments for Personal Services	(37,851)	(12,469)	(7,354)	(57,674)
Cash Payments for Purchased Services	-	(1,386)	(438)	(1,824)
Cash Payments for Other Expenses	-	(1,097)	-	(1,097)
Net Cash Provided by (Used for) Operating Activities	<u>654</u>	<u>(5,674)</u>	<u>6,149</u>	<u>1,129</u>
Cash Flows from Noncapital Financing Activities:				
Cash Received from Grants	723	-	-	723
Operating Transfers	257	25,519	-	25,776
Cash Received - Interfund Loans	20,000	-	-	20,000
Cash (Used) - Interfund Loans	-	(10,000)	-	(10,000)
Net Cash Noncapital Financing Activities	<u>20,980</u>	<u>15,519</u>	<u>-</u>	<u>36,499</u>
Net Increase in Cash and Cash Equivalents	21,634	9,845	6,149	37,628
Cash and Cash Equivalents - Beginning of Year	31,229	13,172	8,142	52,543
Cash and Cash Equivalents - End of Year	<u>\$52,863</u>	<u>\$23,017</u>	<u>\$14,291</u>	<u>\$90,171</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities				
Operating Income (Loss)	<u>\$4,889</u>	<u>(\$4,905)</u>	<u>\$8,738</u>	<u>\$8,722</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation	-	-	333	333
Changes in Operating Assets and Liabilities:				
Decrease (Increase) in Receivables	(4,235)	-	(2,922)	(7,157)
Increase (Decrease) in Accounts Payable	-	(769)	-	(769)
Total Adjustments	<u>(4,235)</u>	<u>(769)</u>	<u>(2,589)</u>	<u>(7,593)</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$654</u>	<u>(\$5,674)</u>	<u>\$6,149</u>	<u>\$1,129</u>

Bedford City School District
Combining Statement of Fund Net Assets
Internal Service Funds
June 30, 2002

	Warehouse	Self-funded Benefits	Computer Network	Total Internal Service Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ -	\$924,458	\$578	\$925,036
Receivables:				
Accounts	-	4,863	-	4,863
Total Current Assets	<u>-</u>	<u>929,321</u>	<u>578</u>	<u>929,899</u>
Total Assets	-	929,321	578	929,899
Liabilities				
Accounts Payable	-	49,540	-	49,540
Total Current Liabilities	<u>-</u>	<u>49,540</u>	<u>-</u>	<u>49,540</u>
Total Liabilities	-	49,540	-	49,540
Net Assets				
Unrestricted	<u>-</u>	<u>879,781</u>	<u>578</u>	<u>880,359</u>
Total Net Assets	<u>\$ -</u>	<u>\$879,781</u>	<u>\$578</u>	<u>\$880,359</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, 2002

	Warehouse	Self-funded Benefits	Computer Network	Total Internal Service Funds
Operating Revenues				
Charges for Services	\$1,917	\$1,010,424	\$ -	\$1,012,341
Total Operating Revenues	<u>1,917</u>	<u>1,010,424</u>	<u>-</u>	<u>1,012,341</u>
Operating Expenses				
Purchased Services	-	973,241	-	973,241
Materials and Supplies	33,735	-	-	33,735
Total Operating Expenses	<u>33,735</u>	<u>973,241</u>	<u>-</u>	<u>1,006,976</u>
Change in Net Assets	(31,818)	37,183	-	5,365
Net Assets Beginning of Year	<u>31,818</u>	<u>842,598</u>	<u>578</u>	<u>874,994</u>
Net Assets End of Year	<u>\$ -</u>	<u>\$879,781</u>	<u>\$578</u>	<u>\$880,359</u>

Bedford City School District
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2002

	Warehouse	Self-funded Benefits	Computer Network	Total Internal Service Funds
Increase (Decrease) in Cash and Cash Equivalents				
Cash Flows from Operating Activities:				
Cash Received from Other Operations	\$1,917	\$ -	\$ -	\$1,917
Cash Received from Self-insurance Premiums	-	1,009,171	-	1,009,171
Cash Payments for Purchased Services	-	(999,104)	-	(999,104)
Cash Payments for Materials and Supplies	(33,735)	-	-	(33,735)
Net Cash Provided by Operating Activities	<u>(31,818)</u>	<u>10,067</u>	<u>-</u>	<u>(21,751)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(31,818)</u>	<u>10,067</u>	<u>-</u>	<u>(21,751)</u>
Cash and Cash Equivalents - Beginning of Year	31,818	914,391	578	946,787
Cash and Cash Equivalents - End of Year	<u>\$ -</u>	<u>\$924,458</u>	<u>\$578</u>	<u>\$925,036</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities				
Operating Income (Loss)	<u>(\$31,818)</u>	<u>\$37,183</u>	<u>\$ -</u>	<u>\$5,365</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Changes in Operating Assets and Liabilities:				
Decrease (Increase) in Receivables	-	(1,253)	-	(1,253)
Increase (Decrease) in Accounts Payable	-	(25,863)	-	(25,863)
Total Adjustments	<u>-</u>	<u>(27,116)</u>	<u>-</u>	<u>(27,116)</u>
Net Cash Provided by (Used for) Operating Activities	<u>(\$31,818)</u>	<u>\$10,067</u>	<u>\$ -</u>	<u>(\$21,751)</u>

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

Bedford City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis) - General Fund
For the Fiscal Year Ended June 30, 2002

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes	\$29,512,494	\$29,428,807	\$30,294,259	\$865,452
Tuition	15,000	17,243	17,243	-
Earnings on Investments	500,000	366,238	385,766	19,528
Other	385,000	361,394	361,394	-
Unrestricted Grants in Aid - State	5,919,722	7,038,753	7,038,753	-
Total Revenues	<u>36,332,216</u>	<u>37,212,435</u>	<u>38,097,415</u>	<u>884,980</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	10,224,811	10,094,811	10,094,581	230
Fringe Benefits	2,808,082	2,861,927	2,860,306	1,621
Purchased Services	222,916	102,300	57,058	45,242
Materials and Supplies	766,348	986,902	919,590	67,312
Capital Outlay - New	15,255	25,717	23,856	1,861
Capital Outlay - Replacement	32,867	54,309	38,702	15,607
Other	4,373	4,973	3,311	1,662
Total Regular	<u>14,074,652</u>	<u>14,130,939</u>	<u>13,997,404</u>	<u>133,535</u>
Special:				
Salaries and Wages	2,651,901	2,621,901	2,343,079	278,822
Fringe Benefits	685,148	642,148	633,621	8,527
Purchased Services	10,949	10,949	5,903	5,046
Materials and Supplies	14,640	14,975	13,776	1,199
Capital Outlay - Replacement	2,640	2,389	2,335	54
Other	4,909	4,909	4,389	520
Total Special	<u>3,370,187</u>	<u>3,297,271</u>	<u>3,003,103</u>	<u>294,168</u>
Vocational Education:				
Salaries and Wages	941,838	941,838	887,285	54,553
Fringe Benefits	264,790	259,790	249,558	10,232
Purchased Services	3,602	4,052	3,596	456
Materials and Supplies	34,038	39,312	38,824	488
Capital Outlay - New	12,835	14,441	14,441	-
Capital Outlay - Replacement	6,500	6,500	6,500	-
Total Vocational Education	<u>1,263,603</u>	<u>1,265,933</u>	<u>1,200,204</u>	<u>65,729</u>
Adult/Continuing:				
Fringe Benefits	1,242	1,242	-	1,242
Total Adult/Continuing	<u>1,242</u>	<u>1,242</u>	<u>-</u>	<u>1,242</u>
Other:				
Purchased Services	717,052	717,052	649,045	68,007
Total Other	<u>717,052</u>	<u>717,052</u>	<u>649,045</u>	<u>68,007</u>
Total Instruction	<u>\$19,426,736</u>	<u>\$19,412,437</u>	<u>\$18,649,756</u>	<u>\$562,681</u> (continued)

Bedford City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis) - General Fund (continued)
For the Fiscal Year Ended June 30, 2002

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Support Services:				
Pupil:				
Salaries and Wages	\$1,399,217	\$1,409,217	\$1,409,092	\$125
Fringe Benefits	402,330	392,330	383,008	9,322
Purchased Services	430,263	472,908	459,406	13,502
Materials and Supplies	117,050	117,822	109,689	8,133
Capital Outlay - New	24,478	24,478	23,839	639
Capital Outlay - Replacement	1,700	1,700	1,379	321
Other	200	332	319	13
Total Pupil	<u>2,375,238</u>	<u>2,418,787</u>	<u>2,386,732</u>	<u>32,055</u>
Instructional Staff:				
Salaries and Wages	884,808	884,808	855,901	28,907
Fringe Benefits	291,353	294,953	281,132	13,821
Purchased Services	190,922	190,473	184,648	5,825
Materials and Supplies	111,141	111,067	105,187	5,880
Capital Outlay - New	45,361	46,206	46,048	158
Capital Outlay - Replacement	16,122	15,959	14,468	1,491
Other	9,288	10,817	9,981	836
Total Instructional Staff	<u>1,548,995</u>	<u>1,554,283</u>	<u>1,497,365</u>	<u>56,918</u>
Board of Education:				
Salaries and Wages	15,000	15,000	12,240	2,760
Fringe Benefits	-	10,000	9,268	732
Purchased Services	195,000	195,000	128,108	66,892
Materials and Supplies	500	600	589	11
Other	6,058	6,058	3,787	2,271
Total Board of Education	<u>216,558</u>	<u>226,658</u>	<u>153,992</u>	<u>72,666</u>
Administration:				
Salaries and Wages	1,911,592	1,911,592	1,878,403	33,189
Fringe Benefits	778,540	676,612	669,148	7,464
Purchased Services	71,839	75,088	60,630	14,458
Materials and Supplies	16,485	21,989	20,352	1,637
Capital Outlay - New	3,416	4,316	3,631	685
Capital Outlay - Replacement	1,729	1,992	506	1,486
Other	53,302	47,627	25,908	21,719
Total Administration	<u>2,836,903</u>	<u>2,739,216</u>	<u>2,658,578</u>	<u>80,638</u>
Fiscal:				
Salaries and Wages	294,146	307,146	306,184	962
Fringe Benefits	105,201	107,201	105,054	2,147
Purchased Services	75,451	90,451	80,509	9,942
Materials and Supplies	11,129	10,393	9,926	467
Capital Outlay - New	5,000	-	-	-
Capital Outlay - Replacement	5,000	11,451	11,450	1
Other	592,000	692,000	686,839	5,161
Total Fiscal	<u>\$1,087,927</u>	<u>\$1,218,642</u>	<u>\$1,199,962</u>	<u>\$18,680</u>

(continued)

Bedford City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis) - General Fund (continued)
For the Fiscal Year Ended June 30, 2002

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Business:				
Salaries and Wages	\$237,742	\$237,742	\$232,289	\$5,453
Fringe Benefits	73,908	75,908	74,809	1,099
Purchased Services	65,082	87,729	60,826	26,903
Materials and Supplies	3,544	9,644	9,549	95
Capital Outlay - New	2,000	13,000	11,882	1,118
Other	4,000	4,700	2,171	2,529
Total Business	<u>386,276</u>	<u>428,723</u>	<u>391,526</u>	<u>37,197</u>
Operation and Maintenance of Plant:				
Salaries and Wages	2,179,783	2,179,783	2,157,543	22,240
Fringe Benefits	894,718	900,218	867,530	32,688
Purchased Services	2,280,284	2,343,223	2,234,293	108,930
Materials and Supplies	203,171	199,634	196,067	3,567
Capital Outlay - New	67,371	55,772	42,785	12,987
Capital Outlay - Replacement	89,499	74,197	72,595	1,602
Other	5,025	5,025	3,851	1,174
Total Operation and Maintenance of Plant	<u>5,719,851</u>	<u>5,757,852</u>	<u>5,574,664</u>	<u>183,188</u>
Pupil Transportation:				
Salaries and Wages	1,590,996	1,682,761	1,678,860	3,901
Fringe Benefits	369,816	432,816	428,806	4,010
Purchased Services	349,990	330,290	245,044	85,246
Materials and Supplies	416,399	416,549	379,363	37,186
Capital Outlay - New	3,631	981	946	35
Capital Outlay - Replacement	262,950	75,469	70,126	5,343
Other	1,750	1,750	1,748	2
Total Pupil Transportation	<u>2,995,532</u>	<u>2,940,616</u>	<u>2,804,893</u>	<u>135,723</u>
Central:				
Salaries and Wages	112,796	114,796	113,015	1,781
Fringe Benefits	32,842	44,842	44,724	118
Purchased Services	86,511	86,161	77,875	8,286
Materials and Supplies	4,459	4,459	3,695	764
Capital Outlay - New	1,500	1,000	1,000	-
Capital Outlay - Replacement	3,087	3,937	3,881	56
Total Central	<u>241,195</u>	<u>255,195</u>	<u>244,190</u>	<u>11,005</u>
Total Support Services	<u>17,408,475</u>	<u>17,539,972</u>	<u>16,911,902</u>	<u>628,070</u>
Operation of Non-Instructional Services:				
Extracurricular Activities:				
Academic and Subject Oriented:				
Salaries and Wages	31,112	31,112	30,974	138
Fringe Benefits	-	6,000	3,341	2,659
Total Academic and Subject Oriented	<u>31,112</u>	<u>37,112</u>	<u>34,315</u>	<u>2,797</u>
Occupation Oriented:				
Salaries and Wages	-	5,000	3,993	1,007
Total Occupation Oriented	<u>\$ -</u>	<u>\$5,000</u>	<u>\$3,993</u>	<u>\$1,007</u>

(continued)

Bedford City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis) - General Fund (continued)
For the Fiscal Year Ended June 30, 2002

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Sports Oriented:				
Salaries and Wages	\$259,590	\$281,590	\$279,996	\$1,594
Fringe Benefits	-	8,000	7,816	184
Purchased Services	-	1,000	820	180
Total Sports Oriented	<u>259,590</u>	<u>290,590</u>	<u>288,632</u>	<u>1,958</u>
School and Public Service Oriented:				
Salaries and Wages	7,360	28,360	27,814	546
Fringe Benefits	-	4,000	3,596	404
Total School and Public Service Oriented	<u>7,360</u>	<u>32,360</u>	<u>31,410</u>	<u>950</u>
Total Extracurricular Activities	<u>298,062</u>	<u>365,062</u>	<u>358,350</u>	<u>6,712</u>
Debt Service:				
Principal	300,000	300,000	300,000	-
Interest	42,000	42,000	40,771	1,229
Total Debt Service	<u>342,000</u>	<u>342,000</u>	<u>340,771</u>	<u>1,229</u>
Total Expenditures	<u>37,475,273</u>	<u>37,659,471</u>	<u>36,460,779</u>	<u>1,198,692</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,143,057)</u>	<u>(447,036)</u>	<u>1,636,636</u>	<u>2,083,672</u>
Other Financing Sources (Uses)				
Advances In	703,400	703,400	703,400	-
Refund of Prior Year Expenditures	56,000	145,894	145,894	-
Operating Transfers Out	(177,000)	(355,249)	(354,891)	358
Advances Out	(125,000)	(903,000)	(903,000)	-
Refund of Prior Years Receipts	-	(2,000)	(1,762)	238
Contingencies	(38,300)	(7,087)	(12)	7,075
Total Other Financing Sources (Uses)	<u>419,100</u>	<u>(418,042)</u>	<u>(410,371)</u>	<u>7,671</u>
Net Change in Fund Balance	<u>(723,957)</u>	<u>(865,078)</u>	<u>1,226,265</u>	<u>2,091,343</u>
Fund Balance - Beginning of Year	6,333,081	6,333,081	6,333,081	-
Encumbrances - End of Year	-	-	1,356,107	1,356,107
Fund Balance - End of Year	<u>\$5,609,124</u>	<u>\$5,468,003</u>	<u>\$8,915,453</u>	<u>\$3,447,450</u>

Bedford City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis) - Public School Support
Special Revenue Fund - For the Fiscal Year Ended June 30, 2002

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Other	\$123,622	\$165,240	\$169,779	\$4,539
Total Revenues	<u>123,622</u>	<u>165,240</u>	<u>169,779</u>	<u>4,539</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Purchased Services	21,900	115,291	94,124	21,167
Materials and Supplies	35,587	90,091	66,260	23,831
Capital Outlay - New	359	3,908	3,309	599
Capital Outlay - Replacement	300	262	-	262
Other	4,379	6,942	3,818	3,124
Total Regular	<u>62,525</u>	<u>216,494</u>	<u>167,511</u>	<u>48,983</u>
Special:				
Materials and Supplies	5	5	-	5
Total Special	<u>5</u>	<u>5</u>	<u>-</u>	<u>5</u>
Vocational Education:				
Materials and Supplies	186	422	319	103
Total Vocational Education	<u>186</u>	<u>422</u>	<u>319</u>	<u>103</u>
Total Instruction	<u>62,716</u>	<u>216,921</u>	<u>167,830</u>	<u>49,091</u>
Support Services:				
Pupil:				
Capital Outlay - New	293	-	-	-
Total Pupil	<u>293</u>	<u>-</u>	<u>-</u>	<u>-</u>
Instructional Staff:				
Salaries and Wages	11	211	-	211
Fringe Benefits	2,178	4,352	4,248	104
Materials and Supplies	1,697	4,269	4,060	209
Other	-	150	140	10
Total Instructional Staff	<u>3,886</u>	<u>8,982</u>	<u>8,448</u>	<u>534</u>
Board of Education:				
Purchased Services	1,177	1,177	-	1,177
Materials and Supplies	2,500	2,500	-	2,500
Other	11,970	11,970	-	11,970
Total Board of Education	<u>15,647</u>	<u>15,647</u>	<u>-</u>	<u>15,647</u>
Administration:				
Materials and Supplies	1,195	6,734	5,508	1,226
Total Administration	<u>1,195</u>	<u>6,734</u>	<u>5,508</u>	<u>1,226</u>
Central:				
Other	-	809	780	29
Total Central	<u>-</u>	<u>809</u>	<u>780</u>	<u>29</u>
Total Support Services	<u>21,021</u>	<u>32,172</u>	<u>14,736</u>	<u>17,436</u>

(continued)

Bedford City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis) - Public School Support (continued)
Special Revenue Fund - For the Fiscal Year Ended June 30, 2002

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
School and Public Service Oriented:				
Other	\$370	\$2,551	\$903	\$1,648
Total School and Public Service Oriented	370	2,551	903	1,648
Total Extracurricular Activities	370	2,551	903	1,648
Total Expenditures	84,107	251,644	183,469	68,175
Excess (Deficiency) of Revenues Over (Under) Expenditures	39,515	(86,404)	(13,690)	72,714
Other Financing Sources (Uses)				
Advances In	-	25,000	25,000	-
Advances Out	(2,400)	(2,400)	(2,400)	-
Contingencies	(66,231)	(20,301)	-	20,301
Total Other Financing Sources (Uses)	(68,631)	2,299	22,600	20,301
Net Change in Fund Balance	(29,116)	(84,105)	8,910	93,015
Fund Balance - Beginning of Year	84,107	84,107	84,107	-
Encumbrances - End of Year	-	-	21,355	21,355
Fund Balance - End of Year	\$54,991	\$2	\$114,372	\$114,370

Bedford City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis) - Other Grant
Special Revenue Fund - For the Fiscal Year Ended June 30, 2002

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Other	\$50,000	\$53,403	\$53,403	\$ -
Total Revenues	<u>50,000</u>	<u>53,403</u>	<u>53,403</u>	<u>-</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	11,980	11,980	11,956	24
Purchased Services	1,476	1,476	1,476	-
Materials and Supplies	7,776	7,776	7,715	61
Other	3,422	3,422	3,406	16
Total Regular	<u>24,654</u>	<u>24,654</u>	<u>24,553</u>	<u>101</u>
Special:				
Salaries and Wages	5,919	5,939	5,938	1
Fringe Benefits	1,082	1,061	694	367
Purchased Services	1,500	7,500	7,500	-
Materials and Supplies	9,123	3,123	3,123	-
Capital Outlay - New	12,324	12,324	12,324	-
Other	750	750	-	750
Total Special	<u>30,698</u>	<u>30,697</u>	<u>29,579</u>	<u>1,118</u>
Total Instruction	<u>55,352</u>	<u>55,351</u>	<u>54,132</u>	<u>1,219</u>
Support Services:				
Instructional Staff:				
Salaries and Wages	4,320	4,320	4,320	-
Fringe Benefits	1,166	1,166	488	678
Purchased Services	100	100	100	-
Materials and Supplies	1,117	1,117	1,098	19
Total Instructional Staff	<u>6,703</u>	<u>6,703</u>	<u>6,006</u>	<u>697</u>
Total Support Services	<u>6,703</u>	<u>6,703</u>	<u>6,006</u>	<u>697</u>
Operation of Non-Instructional Services:				
Community Services:				
Other	-	8,500	8,380	120
Total Community Services	<u>-</u>	<u>8,500</u>	<u>8,380</u>	<u>120</u>
Total Operation of Non-Instructional Services	<u>-</u>	<u>8,500</u>	<u>8,380</u>	<u>120</u>
Total Expenditures	<u>62,055</u>	<u>70,554</u>	<u>68,518</u>	<u>2,036</u>
(Deficiency) of Revenues				
(Under) Expenditures	<u>(\$12,055)</u>	<u>(\$17,151)</u>	<u>(\$15,115)</u>	<u>\$2,036</u>

(continued)

Bedford City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis) - Other Grant (continued)
Special Revenue Fund - For the Fiscal Year Ended June 30, 2002

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Other Financing Sources				
Advances In	\$ -	\$9,000	\$9,000	\$ -
Total Other Financing Sources	<u>-</u>	<u>9,000</u>	<u>9,000</u>	<u>-</u>
Net Change in Fund Balance	(12,055)	(8,151)	(6,115)	2,036
Fund Balance - Beginning of Year	8,651	8,651	8,651	-
Encumbrances - End of Year	<u>-</u>	<u>-</u>	<u>10,396</u>	<u>10,396</u>
Fund Balance - End of Year	<u>(\$3,404)</u>	<u>\$500</u>	<u>\$12,932</u>	<u>\$12,432</u>

Bedford City School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Budget Basis) - Venture Capital
 Special Revenue Fund - For the Fiscal Year Ended June 30, 2002

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Restricted Grants in Aid - State	\$25,000	\$25,000	\$25,000	\$ -
Total Revenues	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	7,000	7,230	3,990	3,240
Fringe Benefits	2,409	2,893	2,431	462
Purchased Services	11,048	5,082	4,482	600
Materials and Supplies	16,910	19,187	17,738	1,449
Other	3,910	6,884	6,084	800
Total Regular	<u>41,277</u>	<u>41,276</u>	<u>34,725</u>	<u>6,551</u>
Total Instruction	<u>41,277</u>	<u>41,276</u>	<u>34,725</u>	<u>6,551</u>
Total Expenditures	<u>41,277</u>	<u>41,276</u>	<u>34,725</u>	<u>6,551</u>
Net Change in Fund Balance	(16,277)	(16,276)	(9,725)	6,551
Fund Balance - Beginning of Year	16,359	16,359	16,359	-
Encumbrances - End of Year	-	-	5,329	5,329
Fund Balance - End of Year	<u>\$82</u>	<u>\$83</u>	<u>\$11,963</u>	<u>\$11,880</u>

Bedford City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis) - District Managed Student Activities
Special Revenue Fund - For the Fiscal Year Ended June 30, 2002

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Other	\$125,289	\$99,939	\$106,224	\$6,285
Total Revenues	<u>125,289</u>	<u>99,939</u>	<u>106,224</u>	<u>6,285</u>
Expenditures				
Current:				
Extracurricular Activities:				
Academic and Subject Oriented:				
Salaries and Wages	235	532	500	32
Fringe Benefits	6	77	77	-
Purchased Services	780	4,168	3,951	217
Materials and Supplies	1,077	9,290	8,078	1,212
Other	19	19	-	19
Total Academic and Subject Oriented	<u>2,117</u>	<u>14,086</u>	<u>12,606</u>	<u>1,480</u>
Occupation Oriented:				
Purchased Services	1,619	1,675	231	1,444
Materials and Supplies	2,003	4,089	2,182	1,907
Total Occupation Oriented	<u>3,622</u>	<u>5,764</u>	<u>2,413</u>	<u>3,351</u>
Sports Oriented:				
Salaries and Wages	982	8,108	7,629	479
Fringe Benefits	436	2,382	2,312	70
Purchased Services	4,747	71,945	68,285	3,660
Materials and Supplies	22,280	85,433	80,204	5,229
Capital Outlay - New	1,615	5,672	5,661	11
Capital Outlay - Replacement	3,015	3,302	3,287	15
Total Sports Oriented	<u>33,075</u>	<u>176,842</u>	<u>167,378</u>	<u>9,464</u>
School and Public Service Oriented:				
Purchased Services	4,907	40,717	40,218	499
Materials and Supplies	6,172	14,667	6,298	8,369
Capital Outlay - New	10	1,010	178	832
Capital Outlay - Replacement	3	3	-	3
Other	-	818	510	308
Total School and Public Service Oriented	<u>11,092</u>	<u>57,215</u>	<u>47,204</u>	<u>10,011</u>
Total Extracurricular Activities	<u>49,906</u>	<u>253,907</u>	<u>229,601</u>	<u>24,306</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>75,383</u>	<u>(153,968)</u>	<u>(123,377)</u>	<u>30,591</u>
Other Financing Sources (Uses)				
Operating Transfers In	95,000	97,775	97,775	-
Advances In	-	45,000	45,000	-
Advances Out	-	(20,000)	(20,000)	-
Contingencies	(164,206)	(18,713)	-	18,713
Total Other Financing Sources (Uses)	<u>(\$69,206)</u>	<u>\$104,062</u>	<u>\$122,775</u>	<u>\$18,713</u>

(continued)

Bedford City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis) - District Managed Student Activities (continued)
Special Revenue Fund - For the Fiscal Year Ended June 30, 2002

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Net Change in Fund Balance	\$8,177	(\$49,906)	(\$602)	\$49,304
Fund Balance - Beginning of Year	49,907	49,907	49,907	-
Encumbrances - End of Year	-	-	30,890	30,890
Fund Balance - End of Year	<u>\$56,084</u>	<u>\$1</u>	<u>\$80,195</u>	<u>\$80,194</u>

Bedford City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis) - Auxiliary Services
Special Revenue Fund - For the Fiscal Year Ended June 30, 2002

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Earnings on Investments	\$3,000	\$2,301	\$2,301	\$ -
Restricted Grants in Aid - State	414,803	437,696	437,696	-
Total Revenues	<u>417,803</u>	<u>439,997</u>	<u>439,997</u>	<u>-</u>
Expenditures				
Current:				
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	99,101	89,432	68,857	20,575
Fringe Benefits	34,430	32,853	26,690	6,163
Purchased Services	221,066	227,467	217,616	9,851
Materials and Supplies	62,130	161,632	144,009	17,623
Capital Outlay - New	12,421	29,274	18,846	10,428
Total Community Services	<u>429,148</u>	<u>540,658</u>	<u>476,018</u>	<u>64,640</u>
Total Operation of Non-Instructional Services	<u>429,148</u>	<u>540,658</u>	<u>476,018</u>	<u>64,640</u>
Total Expenditures	<u>429,148</u>	<u>540,658</u>	<u>476,018</u>	<u>64,640</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(11,345)</u>	<u>(100,661)</u>	<u>(36,021)</u>	<u>64,640</u>
Other Financing (Uses)				
Refund of Prior Years Receipts	-	(35,133)	(35,133)	-
Contingencies	(141,308)	-	-	-
Total Other Financing Sources (Uses)	<u>(141,308)</u>	<u>(35,133)</u>	<u>(35,133)</u>	<u>-</u>
Net Change in Fund Balance	<u>(152,653)</u>	<u>(135,794)</u>	<u>(71,154)</u>	<u>64,640</u>
Fund Balance - Beginning of Year	138,281	138,281	138,281	-
Encumbrances - End of Year	-	-	41,755	41,755
Fund Balance - End of Year	<u>(\$14,372)</u>	<u>\$2,487</u>	<u>\$108,882</u>	<u>\$106,395</u>

Bedford City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis) - Disadvantaged Pupil Program
Special Revenue Fund - For the Fiscal Year Ended June 30, 2002

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures				
Current:				
Instructional Staff:				
Other	\$ -	\$905	\$905	\$ -
Total Instructional Staff	-	905	905	-
Total Support Services	-	905	905	-
Total Expenditures	-	905	905	-
Net Change in Fund Balance	-	(905)	(905)	-
Fund Balance - Beginning of Year	905	905	905	-
Encumbrances - End of Year	-	-	-	-
Fund Balance - End of Year	<u>\$905</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Bedford City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis) - Career Development
Special Revenue Fund - For the Fiscal Year Ended June 30, 2002

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Restricted Grants in Aid - State	\$25,000	\$25,016	\$25,016	\$ -
Total Revenues	<u>25,000</u>	<u>25,016</u>	<u>25,016</u>	<u>-</u>
Expenditures				
Current:				
Instruction:				
Vocational Education:				
Salaries and Wages	19,919	19,919	19,919	-
Total Vocational Education	<u>19,919</u>	<u>19,919</u>	<u>19,919</u>	<u>-</u>
Total Instruction	<u>19,919</u>	<u>19,919</u>	<u>19,919</u>	<u>-</u>
Total Expenditures	<u>19,919</u>	<u>19,919</u>	<u>19,919</u>	<u>-</u>
Excess of Revenues Over Expenditures	<u>5,081</u>	<u>5,097</u>	<u>5,097</u>	<u>-</u>
Other Financing (Uses)				
Advances Out	(12,000)	(12,000)	(12,000)	-
Total Other Financing Sources (Uses)	<u>(12,000)</u>	<u>(12,000)</u>	<u>(12,000)</u>	<u>-</u>
Net Change in Fund Balance	(6,919)	(6,903)	(6,903)	-
Fund Balance - Beginning of Year	6,903	6,903	6,903	-
Encumbrances - End of Year	-	-	-	-
Fund Balance - End of Year	<u>(\$16)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Bedford City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis) - Teacher Development
Special Revenue Fund - For the Fiscal Year Ended June 30, 2002

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures				
Current:				
Support Services:				
Instructional Staff:				
Salaries and Wages	\$8,138	\$8,138	\$8,109	\$29
Fringe Benefits	1,346	1,346	747	599
Purchased Services	2,865	2,865	2,550	315
Other	6	206	206	-
Total Instructional Staff	<u>12,355</u>	<u>12,555</u>	<u>11,612</u>	<u>943</u>
Total Support Services	<u>12,355</u>	<u>12,555</u>	<u>11,612</u>	<u>943</u>
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	1,211	1,211	762	449
Total Community Services	<u>1,211</u>	<u>1,211</u>	<u>762</u>	<u>449</u>
Total Operation of Non-Instructional Services	<u>1,211</u>	<u>1,211</u>	<u>762</u>	<u>449</u>
Total Expenditures	<u>13,566</u>	<u>13,766</u>	<u>12,374</u>	<u>1,392</u>
Net Change in Fund Balance	(13,566)	(13,766)	(12,374)	1,392
Fund Balance - Beginning of Year	13,765	13,765	13,765	-
Encumbrances - End of Year	-	-	-	-
Fund Balance - End of Year	<u>\$199</u>	<u>(\$1)</u>	<u>\$1,391</u>	<u>\$1,392</u>

Bedford City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis) - Education Management Information Services
Special Revenue Fund - For the Fiscal Year Ended June 30, 2002

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
Restricted Grants in Aid - State	\$11,615	\$14,340	\$14,340	\$ -
Total Revenues	<u>11,615</u>	<u>14,340</u>	<u>14,340</u>	<u>-</u>
 Fund Balance - Beginning of Year	 27,341	 27,341	 27,341	 -
 Encumbrances - End of Year	 -	 -	 -	 -
 Fund Balance - End of Year	 <u>\$38,958</u>	 <u>\$41,681</u>	 <u>\$41,681</u>	 <u>\$ -</u>

Bedford City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis) - Disadvantaged Pupil Impact Aid
Special Revenue Fund - For the Fiscal Year Ended June 30, 2002

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Restricted Grants in Aid - State	\$175,722	\$175,722	\$175,722	\$ -
Total Revenues	<u>175,722</u>	<u>175,722</u>	<u>175,722</u>	<u>-</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	175,722	175,722	175,722	-
Total Regular	<u>175,722</u>	<u>175,722</u>	<u>175,722</u>	<u>-</u>
Total Instruction	<u>175,722</u>	<u>175,722</u>	<u>175,722</u>	<u>-</u>
Total Expenditures	<u>175,722</u>	<u>175,722</u>	<u>175,722</u>	<u>-</u>
 Net Change in Fund Balance	-	-	-	-
 Fund Balance - Beginning of Year	-	-	-	-
Encumbrances - End of Year	-	-	-	-
 Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Bedford City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis) - Data Communications
Special Revenue Fund - For the Fiscal Year Ended June 30, 2002

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures				
Current:				
Support Services:				
Instructional Staff:				
Capital Outlay - New	\$12,000	\$12,000	\$12,000	\$ -
Total Instructional Staff	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>	<u>-</u>
Total Support Services	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>	<u>-</u>
Total Expenditures	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>	<u>-</u>
Net Change in Fund Balance	(12,000)	(12,000)	(12,000)	-
Fund Balance - Beginning of Year	12,000	12,000	12,000	-
Encumbrances - End of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Bedford City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis) - SchoolNet Professional Development
Special Revenue Fund - For the Fiscal Year Ended June 30, 2002

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Restricted Grants in Aid - State	\$ -	\$7,592	\$7,592	\$ -
Total Revenues	<u>-</u>	<u>7,592</u>	<u>7,592</u>	<u>-</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Purchased Services	2,000	2,000	2,000	-
Total Regular	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>-</u>
Total Instruction	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>-</u>
Support Services:				
Instructional Staff:				
Purchased Services	4,142	4,142	250	3,892
Total Instructional Staff	<u>4,142</u>	<u>4,142</u>	<u>250</u>	<u>3,892</u>
Total Support Services	<u>4,142</u>	<u>4,142</u>	<u>250</u>	<u>3,892</u>
Total Expenditures	<u>6,142</u>	<u>6,142</u>	<u>2,250</u>	<u>3,892</u>
Net Change in Fund Balance	(6,142)	1,450	5,342	3,892
Fund Balance - Beginning of Year	2,000	2,000	2,000	-
Encumbrances - End of Year	-	-	250	250
Fund Balance - End of Year	<u>(\$4,142)</u>	<u>\$3,450</u>	<u>\$7,592</u>	<u>\$4,142</u>

Bedford City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis) - Ohio Reads
Special Revenue Fund - For the Fiscal Year Ended June 30, 2002

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Restricted Grants in Aid - State	\$ -	\$82,750	\$82,750	\$ -
Total Revenues	<u>-</u>	<u>82,750</u>	<u>82,750</u>	<u>-</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	29,124	29,124	9,339	19,785
Fringe Benefits	4,821	4,810	1,631	3,179
Purchased Services	8,000	8,000	899	7,101
Materials and Supplies	90,065	90,069	62,935	27,134
Other	21,500	21,496	10,735	10,761
Total Regular	<u>153,510</u>	<u>153,499</u>	<u>85,539</u>	<u>67,960</u>
Total Instruction	<u>153,510</u>	<u>153,499</u>	<u>85,539</u>	<u>67,960</u>
Support Services:				
Pupil Transportation:				
Salaries and Wages	200	2,000	670	1,330
Fringe Benefits	319	319	104	215
Purchased Services	1,681	1,681	206	1,475
Total Pupil Transportation	<u>2,200</u>	<u>4,000</u>	<u>980</u>	<u>3,020</u>
Total Support Services	<u>2,200</u>	<u>4,000</u>	<u>980</u>	<u>3,020</u>
Total Expenditures	<u>155,710</u>	<u>157,499</u>	<u>86,519</u>	<u>70,980</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(155,710)</u>	<u>(74,749)</u>	<u>(3,769)</u>	<u>70,980</u>
Other Financing Sources (Uses)				
Advances In	-	75,000	75,000	-
Refund of Prior Years Receipts	-	(11)	(11)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>74,989</u>	<u>74,989</u>	<u>-</u>
Net Change in Fund Balance	<u>(155,710)</u>	<u>240</u>	<u>71,220</u>	<u>70,980</u>
Fund Balance - Beginning of Year	11	11	11	-
Encumbrances - End of Year	-	-	33,758	33,758
Fund Balance - End of Year	<u><u>(\$155,699)</u></u>	<u><u>\$251</u></u>	<u><u>\$104,989</u></u>	<u><u>\$104,738</u></u>

Bedford City School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Budget Basis) - Vocational Education Enhancement
 Special Revenue Fund - For the Fiscal Year Ended June 30, 2002

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures				
Current:				
Vocational Education:				
Materials and Supplies	\$425	\$425	\$425	\$ -
Total Vocational Education	425	425	425	-
Total Instruction	425	425	425	-
Total Expenditures	425	425	425	-
Net Change in Fund Balance	(425)	(425)	(425)	-
Fund Balance - Beginning of Year	425	425	425	-
Encumbrances - End of Year	-	-	-	-
Fund Balance - End of Year	\$ -	\$ -	\$ -	\$ -

Bedford City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis) - Extended Learning Opportunities
Special Revenue Fund - For the Fiscal Year Ended June 30, 2002

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	\$16,120	\$11,680	\$11,680	\$ -
Fringe Benefits	2,600	1,620	1,620	-
Purchased Services	1,000	2,455	2,455	-
Materials and Supplies	18,180	22,331	22,331	-
Capital Outlay - New	2,000	1,814	1,814	-
Total Regular	<u>39,900</u>	<u>39,900</u>	<u>39,900</u>	<u>-</u>
Total Instruction	<u>39,900</u>	<u>39,900</u>	<u>39,900</u>	<u>-</u>
Total Expenditures	<u>39,900</u>	<u>39,900</u>	<u>39,900</u>	<u>-</u>
Net Change in Fund Balance	(39,900)	(39,900)	(39,900)	-
Fund Balance - Beginning of Year	39,900	39,900	39,900	-
Encumbrances - End of Year	-	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Bedford City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis) - Miscellaneous State Grant
Special Revenue Fund - For the Fiscal Year Ended June 30, 2002

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Restricted Grants in Aid - State	\$ -	\$ -	\$3,773	\$3,773
Total Revenues	<u>-</u>	<u>-</u>	<u>3,773</u>	<u>3,773</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	2,053	1,169	1,169	-
Fringe Benefits	466	181	181	-
Purchased Services	1,204	921	921	-
Materials and Supplies	22,740	19,247	19,247	-
Other	4,383	4,011	4,011	-
Total Regular	<u>30,846</u>	<u>25,529</u>	<u>25,529</u>	<u>-</u>
Special:				
Capital Outlay - New	-	1,147	1,147	-
Total Special	<u>-</u>	<u>1,147</u>	<u>1,147</u>	<u>-</u>
Total Instruction	<u>30,846</u>	<u>26,676</u>	<u>26,676</u>	<u>-</u>
Support Services:				
Central:				
Purchased Services	-	655	655	-
Total Central	<u>-</u>	<u>655</u>	<u>655</u>	<u>-</u>
Total Support Services	<u>-</u>	<u>655</u>	<u>655</u>	<u>-</u>
Total Expenditures	<u>30,846</u>	<u>27,331</u>	<u>27,331</u>	<u>-</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(30,846)</u>	<u>(27,331)</u>	<u>(23,558)</u>	<u>3,773</u>
Other Financing (Uses)				
Refund of Prior Years Receipts	-	(5,296)	(5,296)	-
Total Other Financing (Uses)	<u>-</u>	<u>(5,296)</u>	<u>(5,296)</u>	<u>-</u>
Net Change in Fund Balance	(30,846)	(32,627)	(28,854)	3,773
Fund Balance - Beginning of Year	32,627	32,627	32,627	-
Encumbrances - End of Year	-	-	-	-
Fund Balance - End of Year	<u>\$1,781</u>	<u>\$ -</u>	<u>\$3,773</u>	<u>\$3,773</u>

Bedford City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis) - Title II
Special Revenue Fund - For the Fiscal Year Ended June 30, 2002

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Restricted Grants in Aid - Federal	\$15,688	\$17,270	\$17,270	\$ -
Total Revenues	<u>15,688</u>	<u>17,270</u>	<u>17,270</u>	<u>-</u>
Expenditures				
Current:				
Support Services:				
Instructional Staff:				
Salaries and Wages	10,215	11,575	4,785	6,790
Fringe Benefits	1,740	1,677	784	893
Purchased Services	10,477	9,967	3,728	6,239
Materials and Supplies	6,554	5,285	3,252	2,033
Capital Outlay - New	4,195	4,195	3,000	1,195
Total Instructional Staff	<u>33,181</u>	<u>32,699</u>	<u>15,549</u>	<u>17,150</u>
Total Support Services	<u>33,181</u>	<u>32,699</u>	<u>15,549</u>	<u>17,150</u>
Total Expenditures	<u>33,181</u>	<u>32,699</u>	<u>15,549</u>	<u>17,150</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(17,493)</u>	<u>(15,429)</u>	<u>1,721</u>	<u>17,150</u>
Other Financing Sources (Uses)				
Advances In	-	5,000	5,000	-
Advances Out	(5,000)	(5,000)	(5,000)	-
Total Other Financing Sources (Uses)	<u>(5,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(22,493)	(15,429)	1,721	17,150
Fund Balance - Beginning of Year	17,164	17,164	17,164	-
Encumbrances - End of Year	-	-	721	721
Fund Balance - End of Year	<u>(5,329)</u>	<u>\$1,735</u>	<u>\$19,606</u>	<u>\$17,871</u>

Bedford City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis) - Title VIB
Special Revenue Fund - For the Fiscal Year Ended June 30, 2002

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Restricted Grants in Aid - Federal	\$446,348	\$391,514	\$563,562	\$172,048
Total Revenues	<u>446,348</u>	<u>391,514</u>	<u>563,562</u>	<u>172,048</u>
Expenditures				
Current:				
Special:				
Purchased Services	251,183	248,428	242,421	6,007
Total Special	<u>251,183</u>	<u>248,428</u>	<u>242,421</u>	<u>6,007</u>
Total Instruction	<u>251,183</u>	<u>248,428</u>	<u>242,421</u>	<u>6,007</u>
Support Services:				
Pupil:				
Salaries and Wages	67,705	67,705	61,229	6,476
Fringe Benefits	20,952	20,952	20,883	69
Total Pupil	<u>88,657</u>	<u>88,657</u>	<u>82,112</u>	<u>6,545</u>
Total Support Services	<u>88,657</u>	<u>88,657</u>	<u>82,112</u>	<u>6,545</u>
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	37,103	37,103	37,103	-
Purchased Services	8,136	8,136	8,136	-
Materials and Supplies	1,118	1,153	1,153	-
Total Community Services	<u>46,357</u>	<u>46,392</u>	<u>46,392</u>	<u>-</u>
Total Operation of Non-Instructional Services	<u>46,357</u>	<u>46,392</u>	<u>46,392</u>	<u>-</u>
Total Expenditures	<u>386,197</u>	<u>383,477</u>	<u>370,925</u>	<u>12,552</u>
Excess of Revenues Over Expenditures	<u>60,151</u>	<u>8,037</u>	<u>192,637</u>	<u>184,600</u>
Other Financing Sources (Uses)				
Advances In	-	195,000	195,000	-
Advances Out	(210,000)	(210,000)	(210,000)	-
Refund of Prior Years Receipts	-	(14,902)	(14,902)	-
Total Other Financing Sources (Uses)	<u>(210,000)</u>	<u>(29,902)</u>	<u>(29,902)</u>	<u>-</u>
Net Change in Fund Balance	<u>(149,849)</u>	<u>(21,865)</u>	<u>162,735</u>	<u>184,600</u>
Fund Balance - Beginning of Year	24,926	24,926	24,926	-
Encumbrances - End of Year	-	-	64,529	64,529
Fund Balance - End of Year	<u>(\$124,923)</u>	<u>\$3,061</u>	<u>\$252,190</u>	<u>\$249,129</u>

Bedford City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis) - Vocational Education
Special Revenue Fund - For the Fiscal Year Ended June 30, 2002

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Restricted Grants in Aid - Federal	\$113,975	\$142,528	\$204,045	\$61,517
Total Revenues	<u>113,975</u>	<u>142,528</u>	<u>204,045</u>	<u>61,517</u>
Expenditures				
Current:				
Vocational Education:				
Materials and Supplies	15,193	19,143	19,140	3
Capital Outlay - New	10,870	14,370	14,370	-
Other	56,725	59,367	30,004	29,363
Total Vocational Education	<u>82,788</u>	<u>92,880</u>	<u>63,514</u>	<u>29,366</u>
Total Instruction	<u>82,788</u>	<u>92,880</u>	<u>63,514</u>	<u>29,366</u>
Support Services:				
Pupil:				
Salaries and Wages	14,758	16,183	10,352	5,831
Fringe Benefits	10,003	13,065	11,828	1,437
Purchased Services	10,035	7,293	7,293	-
Materials and Supplies	14,909	14,132	14,132	-
Capital Outlay - New	5,000	8,000	8,000	-
Other	6,539	6,356	5,499	857
Total Pupil	<u>61,244</u>	<u>65,029</u>	<u>56,904</u>	<u>8,125</u>
Instructional Staff:				
Purchased Services	12,640	11,470	11,445	25
Materials and Supplies	1,000	-	-	-
Other	12,091	10,591	8,874	1,717
Total Instructional Staff	<u>25,731</u>	<u>22,061</u>	<u>20,319</u>	<u>1,742</u>
Administration:				
Materials and Supplies	9,110	5,601	5,401	200
Total Administration	<u>9,110</u>	<u>5,601</u>	<u>5,401</u>	<u>200</u>
Central:				
Purchased Services	5,231	2,779	2,779	-
Other	3,317	2,704	2,704	-
Total Central	<u>8,548</u>	<u>5,483</u>	<u>5,483</u>	<u>-</u>
Total Support Services	<u>104,633</u>	<u>98,174</u>	<u>88,107</u>	<u>10,067</u>
Extracurricular Activities:				
Occupation Oriented:				
Purchased Services	5,000	-	-	-
Total Occupation Oriented	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Extracurricular Activities	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>192,421</u>	<u>191,054</u>	<u>151,621</u>	<u>39,433</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(\$78,446)</u>	<u>(\$48,526)</u>	<u>\$52,424</u>	<u>\$100,950</u> (continued)

Bedford City School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Budget Basis) - Vocational Education (continued)
 Special Revenue Fund - For the Fiscal Year Ended June 30, 2002

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Other Financing Sources (Uses)				
Advances In	\$ -	\$85,000	\$85,000	\$ -
Advances Out	(60,000)	(60,000)	(60,000)	-
Refund of Prior Years Receipts	-	(2,546)	(2,546)	-
Total Other Financing Sources (Uses)	<u>(60,000)</u>	<u>22,454</u>	<u>22,454</u>	<u>-</u>
Net Change in Fund Balance	(138,446)	(26,072)	74,878	100,950
Fund Balance - Beginning of Year	28,953	28,953	28,953	-
Encumbrances - End of Year	-	-	28,200	28,200
Fund Balance - End of Year	<u>(\$109,493)</u>	<u>\$2,881</u>	<u>\$132,031</u>	<u>\$129,150</u>

Bedford City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis) - Title I
Special Revenue Fund - For the Fiscal Year Ended June 30, 2002

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Restricted Grants in Aid - Federal	\$429,963	\$305,763	\$435,505	\$129,742
Total Revenues	<u>429,963</u>	<u>305,763</u>	<u>435,505</u>	<u>129,742</u>
Expenditures				
Current:				
Salaries and Wages	358,700	318,945	276,737	42,208
Fringe Benefits	95,125	92,668	79,108	13,560
Purchased Services	3,850	3,000	322	2,678
Materials and Supplies	3,565	4,287	3,725	562
Capital Outlay - New	2,658	7,605	4,947	2,658
Total Special	<u>463,898</u>	<u>426,505</u>	<u>364,839</u>	<u>61,666</u>
Total Instruction	<u>463,898</u>	<u>426,505</u>	<u>364,839</u>	<u>61,666</u>
Support Services:				
Instructional Staff:				
Purchased Services	600	-	-	-
Total Instructional Staff	<u>600</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Support Services	<u>600</u>	<u>-</u>	<u>-</u>	<u>-</u>
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	34,985	44,742	25,205	19,537
Fringe Benefits	9,796	8,655	6,281	2,374
Materials and Supplies	7,360	2,298	-	2,298
Capital Outlay - New	3,000	-	-	-
Total Community Services	<u>55,141</u>	<u>55,695</u>	<u>31,486</u>	<u>24,209</u>
Total Operation of Non-Instructional Services	<u>55,141</u>	<u>55,695</u>	<u>31,486</u>	<u>24,209</u>
Total Expenditures	<u>519,639</u>	<u>482,200</u>	<u>396,325</u>	<u>85,875</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(89,676)</u>	<u>(176,437)</u>	<u>39,180</u>	<u>215,617</u>
Other Financing Sources (Uses)				
Advances In	-	185,000	185,000	-
Advances Out	(160,000)	(160,000)	(160,000)	-
Refund of Prior Years Receipts	(2,758)	(3,077)	(3,077)	-
Total Other Financing Sources (Uses)	<u>(162,758)</u>	<u>21,923</u>	<u>21,923</u>	<u>-</u>
Net Change in Fund Balance	<u>(252,434)</u>	<u>(154,514)</u>	<u>61,103</u>	<u>215,617</u>
Fund Balance - Beginning of Year	156,910	156,910	156,910	-
Encumbrances - End of Year	-	-	12	12
Fund Balance - End of Year	<u>(95,524)</u>	<u>\$2,396</u>	<u>\$218,025</u>	<u>\$215,629</u>

Bedford City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis) - Title VI
Special Revenue Fund - For the Fiscal Year Ended June 30, 2002

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Restricted Grants in Aid - Federal	\$33,858	\$23,842	\$23,842	\$ -
Total Revenues	<u>33,858</u>	<u>23,842</u>	<u>23,842</u>	<u>-</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	3,349	10,689	-	10,689
Fringe Benefits	-	2,627	-	2,627
Purchased Services	21,041	19,141	12,805	6,336
Materials and Supplies	4,314	3,363	1,774	1,589
Capital Outlay - New	2,418	2,418	2,388	30
Total Regular	<u>31,122</u>	<u>38,238</u>	<u>16,967</u>	<u>21,271</u>
Total Instruction	<u>31,122</u>	<u>38,238</u>	<u>16,967</u>	<u>21,271</u>
Support Services:				
Pupil:				
Salaries and Wages	2,000	-	-	-
Fringe Benefits	1,000	12	11	1
Materials and Supplies	1,597	1,346	1,346	-
Total Pupil	<u>4,597</u>	<u>1,358</u>	<u>1,357</u>	<u>1</u>
Instructional Staff:				
Salaries and Wages	2,000	0	0	-
Fringe Benefits	1,000	12	11	1
Purchased Services	3,990	-	-	-
Total Instructional Staff	<u>6,990</u>	<u>12</u>	<u>11</u>	<u>1</u>
Total Support Services	<u>11,587</u>	<u>1,370</u>	<u>1,368</u>	<u>2</u>
Operation of Non-Instructional Services:				
Community Services:				
Materials and Supplies	7,180	7,114	6,765	349
Capital Outlay - New	2,797	2,648	2,152	496
Total Community Services	<u>9,977</u>	<u>9,762</u>	<u>8,917</u>	<u>845</u>
Total Operation of Non-Instructional Services	<u>9,977</u>	<u>9,762</u>	<u>8,917</u>	<u>845</u>
Total Expenditures	<u>52,686</u>	<u>49,370</u>	<u>27,252</u>	<u>22,118</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(18,828)</u>	<u>(25,528)</u>	<u>(3,410)</u>	<u>22,118</u>
Other Financing Sources (Uses)				
Advances In	-	30,000	30,000	-
Advances Out	(30,000)	(30,000)	(30,000)	-
Total Other Financing Sources (Uses)	<u>(\$30,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

Bedford City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis) - Title VI (continued)
Special Revenue Fund - For the Fiscal Year Ended June 30, 2002

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Net Change In Fund Balance	(\$48,828)	(\$25,528)	(\$3,410)	\$22,118
Fund Balance - Beginning of Year	27,736	27,736	27,736	-
Encumbrances - End of Year	-	-	3,000	3,000
Fund Balance - End of Year	<u>(\$21,092)</u>	<u>\$2,208</u>	<u>\$27,326</u>	<u>\$25,118</u>

Bedford City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis) - Drug Free Education
Special Revenue Fund - For the Fiscal Year Ended June 30, 2002

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Restricted Grants in Aid - Federal	\$56,270	\$24,922	\$32,767	\$7,845
Total Revenues	<u>56,270</u>	<u>24,922</u>	<u>32,767</u>	<u>7,845</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	750	750	37	713
Fringe Benefits	250	250	56	194
Purchased Services	7,001	4,500	3,215	1,285
Materials and Supplies	6,270	8,401	5,363	3,038
Capital Outlay - New	4,800	4,800	4,800	-
Total Regular	<u>19,071</u>	<u>18,701</u>	<u>13,471</u>	<u>5,230</u>
Total Instruction	<u>19,071</u>	<u>18,701</u>	<u>13,471</u>	<u>5,230</u>
Support Services:				
Instructional Staff:				
Salaries and Wages	3,923	2,709	2,395	314
Fringe Benefits	611	515	380	135
Purchased Services	8,725	5,087	2,072	3,015
Capital Outlay - New	6,200	10,325	10,325	-
Total Instructional Staff	<u>19,459</u>	<u>18,636</u>	<u>15,172</u>	<u>3,464</u>
Total Support Services	<u>19,459</u>	<u>18,636</u>	<u>15,172</u>	<u>3,464</u>
Total Expenditures	<u>38,530</u>	<u>37,337</u>	<u>28,643</u>	<u>8,694</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>17,740</u>	<u>(12,415)</u>	<u>4,124</u>	<u>16,539</u>
Other Financing Sources (Uses)				
Sale of Assets				
Operating Transfers In	-	15,000	15,000	-
Advances Out	(25,000)	(25,000)	(25,000)	-
Refund of Prior Years Receipts	-	(3,693)	(3,671)	22
Total Other Financing Sources (Uses)	<u>(25,000)</u>	<u>(13,693)</u>	<u>(13,671)</u>	<u>22</u>
Net Change in Fund Balance	<u>(7,260)</u>	<u>(26,108)</u>	<u>(9,547)</u>	<u>16,561</u>
Fund Balance - Beginning of Year	27,846	27,846	27,846	-
Encumbrances - End of Year	-	-	2,528	2,528
Fund Balance - End of Year	<u>\$20,586</u>	<u>\$1,738</u>	<u>\$20,827</u>	<u>\$19,089</u>

Bedford City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis) - Preschool Handicapped
Special Revenue Fund - For the Fiscal Year Ended June 30, 2002

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Restricted Grants in Aid - Federal	\$ -	\$42,175	\$42,175	\$ -
Total Revenues	<u>-</u>	<u>42,175</u>	<u>42,175</u>	<u>-</u>
Expenditures				
Current:				
Special:				
Salaries and Wages	540	540	-	540
Fringe Benefits	92	92	-	92
Purchased Services	1,791	1,791	1,705	86
Materials and Supplies	6,742	6,742	2,215	4,527
Capital Outlay - New	6,835	6,835	-	6,835
Total Special	<u>16,000</u>	<u>16,000</u>	<u>3,920</u>	<u>12,080</u>
Total Instruction	<u>16,000</u>	<u>16,000</u>	<u>3,920</u>	<u>12,080</u>
Support Services:				
Instructional Staff:				
Salaries and Wages	29,574	29,574	25,398	4,176
Total Instructional Staff	<u>29,574</u>	<u>29,574</u>	<u>25,398</u>	<u>4,176</u>
Total Support Services	<u>29,574</u>	<u>29,574</u>	<u>25,398</u>	<u>4,176</u>
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	6,700	6,189	4,207	1,982
Total Community Services	<u>6,700</u>	<u>6,189</u>	<u>4,207</u>	<u>1,982</u>
Total Operation of Non-Instructional Services	<u>6,700</u>	<u>6,189</u>	<u>4,207</u>	<u>1,982</u>
Total Expenditures	<u>52,274</u>	<u>51,763</u>	<u>33,525</u>	<u>18,238</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(52,274)</u>	<u>(9,588)</u>	<u>8,650</u>	<u>18,238</u>
Other Financing Sources (Uses)				
Advances In	-	15,000	15,000	-
Advances Out	(10,000)	(10,000)	(10,000)	-
Total Other Financing Sources (Uses)	<u>(10,000)</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Net Change in Fund Balance	<u>(62,274)</u>	<u>(4,588)</u>	<u>13,650</u>	<u>18,238</u>
Fund Balance - Beginning of Year	4,886	4,886	4,886	-
Encumbrances - End of Year	-	-	3,343	3,343
Fund Balance - End of Year	<u>(\$57,388)</u>	<u>\$298</u>	<u>\$21,879</u>	<u>\$21,581</u>

Bedford City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis) - Goals 2000
Special Revenue Fund - For the Fiscal Year Ended June 30, 2002

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures				
Current:				
Support Services:				
Instructional Staff:				
Salaries and Wages	\$13,474	\$13,474	\$12,914	\$560
Fringe Benefits	2,555	2,512	1,997	515
Purchased Services	5,000	5,000	4,748	252
Materials and Supplies	1,000	1,000	-	1,000
Total Instructional Staff	<u>22,029</u>	<u>21,986</u>	<u>19,659</u>	<u>2,327</u>
Total Support Services	<u>22,029</u>	<u>21,986</u>	<u>19,659</u>	<u>2,327</u>
Total Expenditures	<u>22,029</u>	<u>21,986</u>	<u>19,659</u>	<u>2,327</u>
Other Financing (Uses)				
Refund of Prior Years Receipts	-	(44)	(44)	-
Total Other Financing (Uses)	<u>-</u>	<u>(44)</u>	<u>(44)</u>	<u>-</u>
Net Change in Fund Balance	<u>(22,029)</u>	<u>(22,030)</u>	<u>(19,703)</u>	<u>2,327</u>
Fund Balance - Beginning of Year	22,029	22,029	22,029	-
Encumbrances - End of Year	-	-	600	600
Fund Balance - End of Year	<u>\$ -</u>	<u>(\$1)</u>	<u>\$2,926</u>	<u>\$2,927</u>

Bedford City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis) - Title VIR
Special Revenue Fund - For the Fiscal Year Ended June 30, 2002

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Restricted Grants in Aid - Federal	\$ -	\$47,133	\$72,151	\$25,018
Total Revenues	<u>-</u>	<u>47,133</u>	<u>72,151</u>	<u>25,018</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	72,828	72,828	6,595	66,233
Fringe Benefits	20,249	20,249	9,762	10,487
Total Regular	<u>93,077</u>	<u>93,077</u>	<u>16,357</u>	<u>76,720</u>
Total Instruction	<u>93,077</u>	<u>93,077</u>	<u>16,357</u>	<u>76,720</u>
Total Expenditures	<u>93,077</u>	<u>93,077</u>	<u>16,357</u>	<u>76,720</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(93,077)</u>	<u>(45,944)</u>	<u>55,794</u>	<u>101,738</u>
Other Financing Sources (Uses)				
Advances In	-	60,000	60,000	-
Advances Out	(25,000)	(25,000)	(25,000)	-
Total Other Financing Sources (Uses)	<u>(25,000)</u>	<u>35,000</u>	<u>35,000</u>	<u>-</u>
Net Change in Fund Balance	(118,077)	(10,944)	90,794	101,738
Fund Balance - Beginning of Year	11,002	11,002	11,002	-
Encumbrances - End of Year	-	-	-	-
Fund Balance - End of Year	<u>(\$107,075)</u>	<u>\$58</u>	<u>\$101,796</u>	<u>\$101,738</u>

Bedford City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis) - Miscellaneous Federal Grant
Special Revenue Fund - For the Fiscal Year Ended June 30, 2002

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Restricted Grants in Aid - Federal	\$ -	\$12,826	\$12,826	\$ -
Total Revenues	<u>-</u>	<u>12,826</u>	<u>12,826</u>	<u>-</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Purchased Services	-	40	40	-
Materials and Supplies	-	2,005	2,005	-
Capital Outlay - New	1,831	1,831	1,831	-
Total Regular	<u>1,831</u>	<u>3,876</u>	<u>3,876</u>	<u>-</u>
Vocational Education:				
Materials and Supplies	746	746	746	-
Total Vocational Education	<u>746</u>	<u>746</u>	<u>746</u>	<u>-</u>
Total Instruction	<u>2,577</u>	<u>4,622</u>	<u>4,622</u>	<u>-</u>
Support Services:				
Instructional Staff:				
Purchased Services	-	212	212	-
Total Instructional Staff	<u>-</u>	<u>212</u>	<u>212</u>	<u>-</u>
Total Support Services	<u>-</u>	<u>212</u>	<u>212</u>	<u>-</u>
Total Expenditures	<u>2,577</u>	<u>4,834</u>	<u>4,834</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,577)</u>	<u>7,992</u>	<u>7,992</u>	<u>-</u>
Other Financing Sources (Uses)				
Operating Transfers In	-	139	139	-
Advances Out	(20,000)	(20,000)	(20,000)	-
Total Other Financing Sources (Uses)	<u>(20,000)</u>	<u>(19,861)</u>	<u>(19,861)</u>	<u>-</u>
Net Change in Fund Balance	(22,577)	(11,869)	(11,869)	-
Fund Balance - Beginning of Year	11,869	11,869	11,869	-
Encumbrances - End of Year	-	-	-	-
Fund Balance - End of Year	<u>(\$10,708)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Bedford City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis) - Debt Service Fund
For the Fiscal Year Ended June 30, 2002

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes	\$1,041,561	\$1,045,007	\$1,086,362	\$41,355
Earnings on Investments	-	19,925	19,925	-
Other	-	9,872,412	9,872,412	-
Unrestricted Grants in Aid - State	100,000	104,670	104,670	-
Total Revenues	<u>1,141,561</u>	<u>11,042,014</u>	<u>11,083,369</u>	<u>41,355</u>
Expenditures				
Current:				
Debt Service:				
Principal	520,000	610,000	610,000	-
Interest	1,143,933	11,290,895	10,431,005	859,890
Total Debt Service	<u>1,663,933</u>	<u>11,900,895</u>	<u>11,041,005</u>	<u>859,890</u>
Total Expenditures	<u>1,663,933</u>	<u>11,900,895</u>	<u>11,041,005</u>	<u>859,890</u>
Net Change in Fund Balance	(522,372)	(858,881)	42,364	901,245
Fund Balance - Beginning of Year	1,244,207	1,244,207	1,244,207	-
Encumbrances - End of Year	-	-	-	-
Fund Balance - End of Year	<u>\$721,835</u>	<u>\$385,326</u>	<u>\$1,286,571</u>	<u>\$901,245</u>

Bedford City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis) - Permanent Improvement
Capital Projects Fund - For the Fiscal Year Ended June 30, 2002

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Taxes	\$548,796	\$548,847	\$573,327	\$24,480
Other	-	10,000	10,000	-
Unrestricted Grants in Aid - State	55,000	57,613	57,613	-
Total Revenues	<u>603,796</u>	<u>616,460</u>	<u>640,940</u>	<u>24,480</u>
Expenditures				
Current:				
Support Services:				
Capital Outlay - New	518,153	1,159,589	1,157,099	2,490
Total Pupil Transportation	<u>518,153</u>	<u>1,159,589</u>	<u>1,157,099</u>	<u>2,490</u>
Central:				
Capital Outlay - Replacement	161,044	161,044	161,044	-
Other	-	-	-	-
Total Central	<u>161,044</u>	<u>161,044</u>	<u>161,044</u>	<u>-</u>
Total Support Services	<u>679,197</u>	<u>1,320,633</u>	<u>1,318,143</u>	<u>2,490</u>
Capital Outlay	<u>25,050</u>	<u>25,150</u>	<u>25,124</u>	<u>26</u>
Total Capital Outlay	<u>25,050</u>	<u>25,150</u>	<u>25,124</u>	<u>26</u>
Total Expenditures	<u>704,247</u>	<u>1,345,783</u>	<u>1,343,267</u>	<u>2,516</u>
Net Change in Fund Balance	(100,451)	(729,323)	(702,327)	26,996
Fund Balance - Beginning of Year	838,118	838,118	838,118	-
Encumbrances - End of Year	-	-	100,317	100,317
Fund Balance - End of Year	<u>\$737,667</u>	<u>\$108,795</u>	<u>\$236,108</u>	<u>\$127,313</u>

Bedford City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis) - Building
Capital Projects Fund - For the Fiscal Year Ended June 30, 2002

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures				
Current:				
Support Services:				
Operation and Maintenance of Plant:				
Capital Outlay - New	\$ -	\$25,112	\$25,112	\$ -
Total Operation and Maintenance of Plant	-	25,112	25,112	-
Total Support Services	-	25,112	25,112	-
Total Expenditures	-	25,112	25,112	-
Net Change in Fund Balance	-	(25,112)	(25,112)	-
Fund Balance - Beginning of Year	-	25,112	25,112	-
Encumbrances - End of Year	-	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Bedford City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis) - Capital Replacement
Capital Projects Fund - For the Fiscal Year Ended June 30, 2002

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures				
Current:				
Support Services:				
Pupil Transportation:				
Capital Outlay - Replacement	\$319,083	\$319,083	\$319,083	\$ -
Total Pupil Transportation	<u>319,083</u>	<u>319,083</u>	<u>319,083</u>	<u>-</u>
Total Support Services	<u>319,083</u>	<u>319,083</u>	<u>319,083</u>	<u>-</u>
Total Expenditures	<u>319,083</u>	<u>319,083</u>	<u>319,083</u>	<u>-</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(319,083)</u>	<u>(319,083)</u>	<u>(319,083)</u>	<u>-</u>
Other Financing Sources				
Operating Transfers In	165,000	169,681	169,681	-
Total Other Financing Sources	<u>165,000</u>	<u>169,681</u>	<u>169,681</u>	<u>-</u>
Net Change in Fund Balance	(154,083)	(149,402)	(149,402)	-
Fund Balance - Beginning of Year	163,000	163,000	163,000	-
Encumbrances - End of Year	-	-	-	-
Fund Balance - End of Year	<u>\$8,917</u>	<u>\$13,598</u>	<u>\$13,598</u>	<u>\$ -</u>

Bedford City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis) - Vocational Equipment
Capital Projects Fund - For the Fiscal Year Ended June 30, 2002

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
Restricted Grants in Aid - State	\$ -	\$30,041	\$30,041	\$ -
Total Revenues	<u>-</u>	<u>30,041</u>	<u>30,041</u>	<u>-</u>
Expenditures				
Current:				
Instruction:				
Vocational Education:				
Capital Outlay - New	26,000	26,000	26,000	-
Total Vocational Education	<u>26,000</u>	<u>26,000</u>	<u>26,000</u>	<u>-</u>
Total Instruction	<u>26,000</u>	<u>26,000</u>	<u>26,000</u>	<u>-</u>
Total Expenditures	<u>26,000</u>	<u>26,000</u>	<u>26,000</u>	<u>-</u>
Net Change in Fund Balance	(26,000)	4,041	4,041	-
Fund Balance - Beginning of Year	42,165	42,165	42,165	-
Encumbrances - End of Year	<u>-</u>	<u>-</u>	<u>8,602</u>	<u>8,602</u>
Fund Balance - End of Year	<u>\$16,165</u>	<u>\$46,206</u>	<u>\$54,808</u>	<u>\$8,602</u>

Bedford City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis) - SchoolNet
Capital Projects Fund - For the Fiscal Year Ended June 30, 2002

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Expenditures				
Current:				
Support Services:				
Instructional Staff:				
Materials and Supplies	\$292	\$292	\$292	\$ -
Capital Outlay - New	21,000	21,000	21,000	-
Total Instructional Staff	<u>21,292</u>	<u>21,292</u>	<u>21,292</u>	<u>-</u>
Total Support Services	<u>21,292</u>	<u>21,292</u>	<u>21,292</u>	<u>-</u>
Total Expenditures	<u>21,292</u>	<u>21,292</u>	<u>21,292</u>	<u>-</u>
Net Change in Fund Balance	(21,292)	(21,292)	(21,292)	-
 Fund Balance - Beginning of Year	21,292	21,292	21,292	-
Encumbrances - End of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Bedford City School District
Schedule of Revenues, Expenses and Changes in Fund Balance
Budget and Actual (Budget Basis) - Food Service
Enterprise Fund - For the Fiscal Year Ended June 30, 2002

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Operating Revenues				
Sales	\$805,300	\$783,601	\$823,601	\$40,000
Total Operating Revenues	<u>805,300</u>	<u>783,601</u>	<u>823,601</u>	<u>40,000</u>
Operating Expenses				
Salaries and Wages	513,307	508,707	500,285	8,422
Fringe Benefits	131,192	135,792	135,722	70
Purchased Services	13,867	13,867	10,835	3,032
Materials and Supplies	548,021	548,021	545,446	2,575
Capital Outlay	18,000	18,000	4,639	13,361
Total Operating Expenses	<u>1,224,387</u>	<u>1,224,387</u>	<u>1,196,927</u>	<u>27,460</u>
(Deficiency) of Operating Revenues (Under) Operating Expenses	<u>(419,087)</u>	<u>(440,786)</u>	<u>(373,326)</u>	<u>67,460</u>
Non-Operating Revenues				
State and Federal Grants	317,000	323,095	356,714	33,619
Total Non-Operating Revenues	<u>317,000</u>	<u>323,095</u>	<u>356,714</u>	<u>33,619</u>
(Deficiency) of Revenues (Under) Expenses Before Operating Transfers and Advances	<u>(102,087)</u>	<u>(117,691)</u>	<u>(16,612)</u>	<u>101,079</u>
Operating Transfers In	70,000	44,226	44,226	-
Advances In	100,000	110,000	110,000	-
Advances Out	<u>(100,000)</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
Net Change in Fund Balance	<u>(32,087)</u>	<u>(63,465)</u>	<u>37,614</u>	<u>101,079</u>
Fund Balance - Beginning of Year	63,849	63,849	63,849	-
Encumbrances - End of Year	<u>-</u>	<u>-</u>	<u>32,752</u>	<u>32,752</u>
Fund Balance - End of Year	<u><u>\$31,762</u></u>	<u><u>\$384</u></u>	<u><u>\$134,215</u></u>	<u><u>\$133,831</u></u>

Bedford City School District
Schedule of Revenues, Expenses and Changes in Fund Balance
Budget and Actual (Budget Basis) - Uniform School Supplies
Enterprise Fund - For the Fiscal Year Ended June 30, 2002

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Operating Revenues				
Classroom Materials and Fees	<u>\$22,866</u>	<u>\$13,680</u>	<u>\$17,875</u>	<u>\$4,195</u>
Total Operating Revenues	<u>22,866</u>	<u>13,680</u>	<u>17,875</u>	<u>4,195</u>
Net Change in Fund Balance	22,866	13,680	17,875	4,195
Fund Balance - Beginning of Year	75,507	75,507	75,507	-
Encumbrances - End of Year	-	-	-	-
Fund Balance - End of Year	<u><u>\$98,373</u></u>	<u><u>\$89,187</u></u>	<u><u>\$93,382</u></u>	<u><u>\$4,195</u></u>

Bedford City School District
Schedule of Revenues, Expenses and Changes in Fund Balance
Budget and Actual (Budget Basis) - Summer School
Enterprise Fund - For the Fiscal Year Ended June 30, 2002

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Operating Revenues				
Tuition	\$25,000	\$27,216	\$38,505	\$11,289
Total Operating Revenues	<u>25,000</u>	<u>27,216</u>	<u>38,505</u>	<u>11,289</u>
Operating Expenses				
Salaries and Wages	43,709	43,709	32,347	11,362
Fringe Benefits	6,972	10,072	5,504	4,568
Materials and Supplies	3,000	3,000	-	3,000
Total Operating Expenses	<u>53,681</u>	<u>56,781</u>	<u>37,851</u>	<u>18,930</u>
Excess (Deficiency) of Operating Revenues Over (Under) Operating Expenses	<u>(28,681)</u>	<u>(29,565)</u>	<u>654</u>	<u>30,219</u>
Non-Operating Revenues				
State and Federal Grants	-	-	723	723
Total Non-Operating Revenues	<u>-</u>	<u>-</u>	<u>723</u>	<u>723</u>
Excess (Deficiency) of Revenues Over (Under) Expenses Before Operating Transfers and Advances	<u>(28,681)</u>	<u>(29,565)</u>	<u>1,377</u>	<u>30,942</u>
Operating Transfers In	-	-	257	257
Advances In	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>20,000</u>
Net Change in Fund Balance	<u>(28,681)</u>	<u>(29,565)</u>	<u>21,634</u>	<u>51,199</u>
Fund Balance - Beginning of Year	31,229	31,229	31,229	-
Encumbrances - End of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$2,548</u>	<u>\$1,664</u>	<u>\$52,863</u>	<u>\$51,199</u>

Bedford City School District
Schedule of Revenues, Expenses and Changes in Fund Balance
Budget and Actual (Budget Basis) - Adult and Community Education
Enterprise Fund - For the Fiscal Year Ended June 30, 2002

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Operating Revenues				
Tuition	\$10,000	\$9,279	\$9,279	\$ -
Total Operating Revenues	<u>10,000</u>	<u>9,279</u>	<u>9,279</u>	<u>-</u>
Operating Expenses				
Salaries and Wages	23,840	23,840	10,956	12,884
Fringe Benefits	3,802	3,802	1,513	2,289
Purchased Services	4,325	4,325	1,387	2,938
Materials and Supplies	3,600	3,600	1,097	2,503
Total Operating Expenses	<u>35,567</u>	<u>35,567</u>	<u>14,953</u>	<u>20,614</u>
(Deficiency) of Operating Revenues (Under) Operating Expenses	<u>(25,567)</u>	<u>(26,288)</u>	<u>(5,674)</u>	<u>20,614</u>
Operating Transfers In	-	25,519	25,519	-
Advances Out	<u>(10,000)</u>	<u>(10,000)</u>	<u>(10,000)</u>	<u>-</u>
Net Change in Fund Balance	(35,567)	(10,769)	9,845	20,614
Fund Balance - Beginning of Year	13,172	13,172	13,172	-
Encumbrances - End of Year	-	-	-	-
Fund Balance - End of Year	<u>(\$22,395)</u>	<u>\$2,403</u>	<u>\$23,017</u>	<u>\$20,614</u>

Bedford City School District
Schedule of Revenues, Expenses and Changes in Fund Balance
Budget and Actual (Budget Basis) - Recreation
Enterprise Fund - For the Fiscal Year Ended June 30, 2002

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Operating Revenues				
Classroom Materials and Fees	\$5,977	\$12,213	\$13,942	\$1,729
Total Operating Revenues	<u>5,977</u>	<u>12,213</u>	<u>13,942</u>	<u>1,729</u>
Operating Expenses				
Salaries and Wages	4,000	9,000	6,440	2,560
Fringe Benefits	775	2,775	914	1,861
Purchased Services	200	638	543	95
Capital Outlay	1,000	562	-	562
Total Operating Expenses	<u>5,975</u>	<u>12,975</u>	<u>7,897</u>	<u>5,078</u>
Net Change in Fund Balance	2	(762)	6,045	6,807
Fund Balance - Beginning of Year	8,141	8,141	8,141	-
Encumbrances - End of Year	-	-	105	105
Fund Balance - End of Year	<u><u>\$8,143</u></u>	<u><u>\$7,379</u></u>	<u><u>\$14,291</u></u>	<u><u>\$6,912</u></u>

Bedford City School District
Schedule of Revenues, Expenses and Changes in Fund Balance
Budget and Actual (Budget Basis) -Special Enterprises
Enterprise Fund - For the Fiscal Year Ended June 30, 2002

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Operating Revenues				
Sales	\$ -	\$37,818	\$42,693	\$4,875
Total Operating Revenues	-	37,818	42,693	4,875
Fund Balance - Beginning of Year	80,258	80,258	80,258	-
Encumbrances - End of Year	-	-	-	-
Fund Balance - End of Year	<u>\$80,258</u>	<u>\$118,076</u>	<u>\$122,951</u>	<u>\$4,875</u>

Bedford City School District
 Schedule of Revenues, Expenses and Changes in Fund Balance
 Budget and Actual (Budget Basis) - Rotary
 Internal Service Fund - For the Fiscal Year Ended June 30, 2002

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Operating Expenses				
Purchased Services	\$375	\$375	\$375	\$ -
Materials and Supplies	<u>3,783</u>	<u>3,783</u>	<u>3,783</u>	<u>-</u>
Total Operating Expenses	<u>4,158</u>	<u>4,158</u>	<u>4,158</u>	<u>-</u>
Net Change in Fund Balance	(4,158)	(4,158)	(4,158)	-
Fund Balance - Beginning of Year	4,158	4,158	4,158	-
Encumbrances - End of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Bedford City School District
Schedule of Revenues, Expenses and Changes in Fund Balance
Budget and Actual (Budget Basis) - Warehouse
Internal Service Fund - For the Fiscal Year Ended June 30, 2002

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Operating Revenues				
Other	\$ -	\$1,918	\$1,918	\$ -
Total Operating Revenues	<u>-</u>	<u>1,918</u>	<u>1,918</u>	<u>-</u>
Operating Expenses				
Other	-	33,736	33,736	-
Total Operating Expenses	<u>-</u>	<u>33,736</u>	<u>33,736</u>	<u>-</u>
Net Change in Fund Balance	-	(31,818)	(31,818)	-
Fund Balance - Beginning of Year	31,818	31,818	31,818	-
Encumbrances - End of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$31,818</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Bedford City School District
Schedule of Revenues, Expenses and Changes in Fund Balance
Budget and Actual (Budget Basis) - Self-funded Benefits
Internal Service Fund - For the Fiscal Year Ended June 30, 2002

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Operating Revenues				
Other	<u>\$821,000</u>	<u>\$919,967</u>	<u>\$1,009,171</u>	<u>\$89,204</u>
Total Operating Revenues	<u>821,000</u>	<u>919,967</u>	<u>1,009,171</u>	<u>89,204</u>
Operating Expenses				
Purchased Services	<u>950,000</u>	<u>999,200</u>	<u>999,104</u>	<u>96</u>
Total Operating Expenses	<u>950,000</u>	<u>999,200</u>	<u>999,104</u>	<u>96</u>
Net Change in Fund Balance	<u>(129,000)</u>	<u>(79,233)</u>	<u>10,067</u>	<u>89,300</u>
Fund Balance - Beginning of Year	914,391	914,391	914,391	-
Encumbrances - End of Year	-	-	-	-
Fund Balance - End of Year	<u><u>\$785,391</u></u>	<u><u>\$835,158</u></u>	<u><u>\$824,458</u></u>	<u><u>\$89,300</u></u>

Bedford City School District
Schedule of Revenues, Expenses and Changes in Fund Balance
Budget and Actual (Budget Basis) - Computer Network
Internal Service Fund - For the Fiscal Year Ended June 30, 2002

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Fund Balance - Beginning of Year	\$578	\$578	\$578	\$ -
Encumbrances - End of Year	-	-	-	-
Fund Balance - End of Year	<u>\$578</u>	<u>\$578</u>	<u>\$578</u>	<u>\$ -</u>

Bedford City School District
Schedule of Revenues, Expenses and Changes in Fund Balance
Budget and Actual (Budget Basis) - Private Purpose Trust
Internal Service Fund - For the Fiscal Year Ended June 30, 2002

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Operating Revenues:				
Interest	\$ -	\$ -	\$1,302	\$1,302
Total Operating Revenues	-	-	1,302	1,302
Operating Expenses:				
Other	-	4,800	4,800	-
Total Operating Expenses	-	4,800	4,800	-
(Deficiency) of Operating Revenues Over Operating Expenses	-	(4,800)	(3,498)	1,302
Fund Balance - Beginning of Year	52,532	52,532	52,532	-
Encumbrances - End of Year	-	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>(\$4,800)</u>	<u>\$49,034</u>	<u>\$1,302</u>



Bedford City School District
 General Governmental
 Revenues by Source (1)
 Last Ten Fiscal Years (2)

	2000	1999	1998	1997	1996	1995	1994	1993
Program Revenues								
Charges for Services and Sales	NA	NA	NA	NA	NA	NA	NA	NA
Operating Grants and Contributions	NA	NA	NA	NA	NA	NA	NA	NA
Capital Grants and Contributions	NA	NA	NA	NA	NA	NA	NA	NA
General Revenues	\$28,332,126	\$28,360,841	\$28,009,547	\$28,050,790	\$26,099,983	\$25,485,115	\$24,029,886	\$21,704,812
Taxes	-	-	-	-	-	-	-	-
Payment in Lieu of Taxes	249,045	89,245	92	2,370	714	10,063	8,902	-
Tuition and Fees	528,651	426,787	482,063	496,937	448,473	449,072	690,936	418,100
Interest	7,895,103	7,739,499	7,574,958	6,431,250	6,808,674	5,909,603	5,277,575	4,841,954
Intergovernmental	148,635	143,243	163,428	152,215	105,023	143,298	138,224	104,662
Extracurricular Activities	-	-	-	-	-	-	-	-
Gain on Sale of Capital Assets	-	-	-	-	-	-	-	-
Transfer to Business-type Activities	NA	NA	NA	NA	NA	NA	NA	NA
Miscellaneous	673,701	441,532	994,821	206,955	388,280	188,556	141,964	173,225
Total	\$37,827,261	\$37,200,947	\$37,224,707	\$35,340,517	\$33,949,147	\$32,165,707	\$30,285,287	\$27,242,753

Source: District Financial Records

(1) Fiscal years 1993-2000 include general, special revenue, capital projects and debt service funds. Fiscal years 2001 and 2002 include general, special revenue, capital projects and debt service funds for modified accrual, and all governmental activities for full accrual.

(2) Fiscal years 1993-2000 are reported on the modified accrual basis. Fiscal years 2001 and 2002 are reported on both the modified accrual and the full accrual basis.

**Bedford City School District
General Governmental
Expenditures by Function (1)
Last Ten Fiscal Years (2)**

	2000	1999	1998	1997	1996	1995	1994	1993
Current:								
Instruction	\$18,429,224	\$18,678,546	\$18,298,923	\$17,673,431	\$15,703,033	\$15,892,561	\$16,344,022	\$15,666,696
Support Services:								
Pupil	2,037,451	2,220,545	2,216,485	1,800,680	1,625,183	1,530,159	1,539,640	1,525,393
Instructional Staff	1,257,482	1,418,112	1,488,894	1,467,072	1,071,721	1,264,008	1,207,398	990,492
Board of Education	277,402	238,036	189,634	92,548	198,301	80,003	106,659	79,811
Administration	2,483,284	2,581,044	2,575,316	2,270,019	2,026,590	2,030,526	2,042,884	1,771,840
Fiscal	1,141,137	1,040,304	1,006,996	841,393	870,565	806,318	819,509	950,173
Business	349,599	320,302	349,725	595,680	321,652	338,216	397,225	244,791
Operation and Maintenance of Plant	5,076,352	5,081,737	5,430,177	5,887,984	5,396,949	4,351,478	4,610,668	4,026,248
Pupil Transportation	2,428,571	2,343,340	2,425,413	2,442,491	1,923,646	1,933,845	2,742,520	1,991,278
Central	188,711	197,415	271,693	176,742	182,139	153,193	154,001	142,764
Operation of Non-Instructional Services	434,129	452,998	474,206	471,628	371,100	63,440	66,903	60,705
Extracurricular Activities	579,345	527,393	533,195	479,498	369,051	406,932	367,968	360,799
Capital Outlay	43,643	30,684	255,918	247,578	819,696	6,026,627	8,185,218	2,066,184
Debt Service	1,427,011	1,402,421	1,384,362	1,338,081	1,329,150	1,317,233	13,551,118	3,635,634
Total	\$38,151,341	\$38,532,877	\$38,900,937	\$35,764,803	\$32,207,776	\$36,194,539	\$52,135,711	\$33,512,608

Source: District Financial Records

- (1) Fiscal years 1993-2000 include general, special revenue, capital projects and debt service funds. Fiscal year 2001 includes general, special revenue, capital projects and debt service funds for modified accrual, and all governmental activities for full accrual.
 (2) Fiscal years 1993-2000 are reported on the modified accrual basis. Fiscal years 2001 and 2002 are reported on both the modified accrual and the full accrual basis.

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

Year (2)	Current Levy	Delinquent Levy (3)	Total Levy	Current Collection	% of Current Levy Collected	Delinquent Collection	Total Collection	Total Collection as a Percent of Current Levy
2001	\$34,608,563	\$1,741,814	\$36,350,377	\$32,642,761	94.32 %	\$1,894,258	\$34,537,020	99.79 %
2000	34,019,081	1,732,109	35,751,190	32,225,384	94.73	762,654	32,988,038	96.97
1999	30,031,043	2,115,625	32,146,668	28,714,883	95.62	1,314,860	30,029,743	100.00
1998	29,930,844	1,771,468	31,702,312	28,289,144	94.51	1,229,508	29,518,652	98.62
1997	29,985,540	1,970,692	31,956,232	28,571,049	95.30	1,554,914	30,125,963	100.50
1996	30,037,572	1,874,069	31,911,641	29,285,617	97.50	588,670	29,874,287	99.46
1995	26,359,127	3,108,884	29,468,011	25,592,605	97.09	1,427,734	27,020,339	102.51
1994	26,204,253	2,833,289	29,037,542	25,160,201	96.02	527,992	25,688,193	98.03
1993	25,892,821	2,462,614	28,355,435	25,052,444	96.75	723,442	25,775,886	99.55
1992	24,425,540	2,472,427	26,897,967	23,883,660	97.70	941,308	24,824,968	101.63

Source: Cuyahoga County Auditor - Data is presented on a calendar year basis because this 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 the collection year. The 2002 information cannot be presented because all collections have not been made by June 30.
- (3) This amount cannot be calculated based on other information in this statistical table because of retroactive additions and reductions which are brought on in one lump sum.

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

Collection Year	Real Property		Public Utility Personal Property		Tangible Personal Property		Total		Ratio
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value (1)	
2002	\$587,344,730	\$1,678,127,800	\$41,718,240	\$47,407,091	\$176,119,963	\$733,833,179	\$805,182,933	\$2,459,368,070	32.74 %
2001	582,510,700	1,664,316,286	51,899,041	58,976,183	171,559,370	714,830,708	805,969,111	2,438,123,177	33.06
2000	512,354,242	1,463,869,263	53,750,330	61,078,920	163,417,945	680,908,104	729,522,517	2,205,857,287	33.07
1999	508,628,070	1,453,223,057	57,620,420	65,477,750	162,002,170	675,009,042	728,250,660	2,193,709,849	33.20
1998	500,692,510	1,430,550,000	58,651,190	66,649,100	168,251,180	673,004,700	727,594,880	2,170,203,800	33.54
1997	462,475,340	1,321,358,114	60,347,010	68,576,148	175,425,395	701,701,580	698,247,745	2,091,635,842	33.38
1996	463,433,170	1,324,094,771	61,033,350	69,356,080	163,125,326	652,501,304	687,591,846	2,045,952,155	33.61
1995	458,816,500	1,310,904,286	64,345,590	73,119,989	160,520,899	642,083,596	683,682,989	2,026,107,871	33.74
1994	418,786,220	1,196,537,771	63,739,540	72,431,295	155,264,796	621,059,184	637,792,556	1,890,028,250	33.74
1993	415,423,200	1,186,923,429	64,922,860	73,775,977	144,530,943	578,123,772	624,877,003	1,838,623,178	33.98

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

(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.

Tangible personal property is assessed at 25 percent of actual value.

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

Year	Debt Service Included in Total Levy										Total			
	Bedford					Bedford								
	School Levy	Library	County Levy	Bedford City	Bedford Heights City	Oakwood Village	Walton Hills Village	School Levy	County Levy	Bedford City		Bedford Heights City	Oakwood Village	Walton Hills Village
2002	\$62.50	\$1.40	\$16.20	\$12.80	\$12.00	\$3.80	\$0.30	\$1.48	\$0.86	\$0.00	\$1.70	\$0.60	\$0.00	\$4.64
2001	62.60	1.40	16.20	12.80	12.00	3.80	0.30	1.48	0.79	0.00	1.70	0.60	0.00	4.57
2000	62.60	1.40	15.30	12.80	12.00	3.80	0.30	1.58	0.85	0.00	1.70	0.60	0.00	4.73
1999	57.70	1.40	15.30	12.58	12.00	3.80	0.30	1.58	0.72	0.00	1.70	0.50	0.00	4.50
1998	57.60	1.40	16.60	12.80	12.00	3.80	0.30	1.48	0.60	0.00	1.70	0.50	0.00	4.28
1997	57.60	1.40	16.60	12.80	12.00	3.80	0.30	1.48	0.90	0.00	1.70	0.50	0.00	4.58
1996	57.60	1.40	16.60	12.80	12.00	3.80	0.30	1.48	0.87	0.00	2.00	1.16	0.00	5.51
1995	53.10	1.40	16.80	12.80	12.00	3.80	0.30	1.58	0.76	0.00	1.80	1.20	0.00	5.34
1994	53.40	1.00	16.80	10.00	10.00	4.30	0.30	1.88	0.68	0.00	0.95	1.64	0.00	5.15
1993	53.40	1.00	16.80	10.00	10.00	4.30	0.30	1.88	0.71	0.00	0.96	1.64	0.00	5.19

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

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

<u>Year</u>	<u>Net General Obligation Bonded Debt</u>	<u>Assessed Value</u>	<u>Population (1)</u>	<u>Ratio of Net Debt to Assessed Value</u>	<u>Net Debt Per Capita</u>
2002	\$10,535,505	\$805,182,933	31,656	1.31 %	332.81
2001	11,135,000	805,969,111	31,656	1.38	351.75
2000	11,615,000	729,522,517	32,716	1.59	355.03
1999	12,050,000	728,250,660	32,716	1.65	368.32
1998	12,440,000	727,594,880	32,716	1.71	380.24
1997	12,800,000	698,247,745	32,716	1.83	391.25
1996	13,090,000	687,591,846	32,716	1.90	400.11
1995	13,450,000	683,682,989	32,716	1.97	411.11
1994	13,480,000	637,792,556	32,716	2.11	412.03
1993	13,815,000	624,877,003	32,716	2.21	422.27

Source: Cuyahoga County Auditor and District Financial Records.

(1) Information through 2000 obtained from the Cleveland Plain Dealer Municipality Profile.
 Data for 2001 and 2002 from the U.S. Census Bureau, Census 2000.

Bedford City School District
Computation of Legal Debt Margin
 June 30, 2002

Assessed Valuation	\$805,182,933
Debt Limit - 9% of Assessed Value (1)	\$72,466,464
Amount of Debt Applicable to Debt Limit:	
General Obligation Bonds	10,535,505
Less: Amount Available in the Debt Service Fund	<u>1,503,513</u>
Amount of Debt Subject to the Limit	<u>9,031,992</u>
Voted Debt Margin	<u><u>\$63,434,472</u></u>
Debt Limit - 0.9% of Assessed Value (1)	\$7,246,646
Amount of Debt Applicable	<u>525,000</u>
Unvoted Energy Conservation Debt Margin	<u><u>\$6,721,646</u></u>
Debt Limit - 0.1% of Assessed Value (1)	\$805,183
Amount of Debt Applicable	<u>210,000</u>
All Other Unvoted Debt Margin	<u><u>\$595,183</u></u>

Source: Cuyahoga County Auditor and District Financial Records.

(1) Ohio Bond Law sets a limit of 9% for voted debt, 9/10 of 1% for unvoted energy conservation projects and 1/10 of 1% for all other unvoted debt.

Bedford City School District
Computation of Direct and Overlapping General Obligation Bonded Debt
 December 31, 2002

<u>Jurisdiction</u>	<u>General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to School District (1)</u>	<u>Amount Applicable to School District</u>
Bedford City School District	\$10,535,505	100.00 %	\$10,535,505
Cuyahoga County	216,544,636	2.81	6,084,904
Bedford City	12,425,400	34.18	4,247,002
Bedford Heights City	9,617,000	39.40	3,789,098
Oakwood Village	2,180,000	14.34	312,612
Walton Hills Village	120,000	21.01	25,212
Regional Transit Authority	<u>123,915,000</u>	2.81	<u>3,482,012</u>
	<u>\$375,337,541</u>		<u>\$28,476,345</u>

Source:

District: district records. Other: Cuyahoga County Auditor. Data is presented on a calendar year basis (including District data) because that is the manner in which information is maintained by the County Auditor.

- (1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the 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 General Governmental Expenditures
 Last Ten Fiscal Years*

<u>Year</u>	<u>Principal (1)</u>	<u>Interest (1)(2)</u>	<u>Total Debt Service</u>	<u>Total Governmental Fund Expenditures (3)(4)</u>	<u>Ratio Of Debt Service to Governmental Fund Expenditures (Percentages)</u>
2002	\$820,000	\$465,930	1,285,930	\$40,505,986	3.17 %
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	36,532,877	3.84
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
1993	3,505,000	130,634	3,635,634	33,512,808	10.85

Source: District Financial Records

- (1) Includes general obligation bonds and energy conservation bonds.
- (2) Includes Bond Issuance costs of \$144,116 in 2002.
- (3) Includes, general, special revenue, capital projects and debt service funds.
- (4) Data are reported on the US GAAP modified accrual basis.

Bedford City School District
Demographic Statistics
Last Ten Years

Year	Cuyahoga County Population	Bedford City Population	Bedford Heights City Population	Walton Hills Village Population	Oakwood Village Population	School Enrollment (1)	Unemployment Rate (2)
2002	1,393,978	14,214	11,375	2,400	3,667	3,730	6.4 %
2001	1,393,978	14,214	11,375	2,400	3,667	3,844	4.5
2000	1,412,140	14,822	12,131	2,371	3,392	3,867	4.5
1999	1,412,140	14,822	12,131	2,371	3,392	3,888	4.6
1998	1,412,140	14,822	12,131	2,371	3,392	3,873	4.5
1997	1,412,140	14,822	12,131	2,371	3,392	4,004	4.1
1996	1,412,140	14,822	12,131	2,371	3,392	3,977	4.7
1995	1,412,140	14,822	12,131	2,371	3,392	4,003	4.9
1994	1,412,140	14,822	12,131	2,371	3,392	3,921	5.3
1993	1,412,140	14,822	12,131	2,371	3,392	3,786	7.6

Sources: Population data in this table through 2000 was provided by the Cleveland Plain Dealer Municipality Profile (1990 Federal Census). Population data for 2001 and 2002 was provided by the U. S. Census Bureau, Census 2000. Other data in this table was provided by the State Employment Bureau and from District records.

- (1) June Educational Management Information System data.
- (2) Represents Cuyahoga County; Data from Ohio State Employment Bureau.

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

Year	Property Value (Real Estate Only)	Financial Institution Deposits (000's) Banks	Value Of Building Permits Issued (1)
2001	\$582,510,700	\$63,893,769	\$28,924,713
2000	512,354,242	61,942,764	33,825,655
1999	508,628,070	57,816,942	26,575,569
1998	500,692,510	58,904,596	21,253,396
1997	462,475,340	53,941,971	9,623,626
1996	463,433,170	27,068,211	9,715,925
1995	458,816,500	22,458,573	14,760,742
1994	418,788,220	20,885,453	11,833,283
1993	415,423,200	21,009,421	5,005,201
1992	403,898,520	19,379,280	1,449,498

Source: Federal Reserve Bank of Cleveland, Cities of Bedford and Bedford Heights, and the Cuyahoga County Auditor.

(1) Includes the cities of Bedford and Bedford Heights for 1992 - 1997; the cities of Bedford, Bedford Heights, and village of Oakwood for 1998-1999; the cities of Bedford, Bedford Heights, and villages of Oakwood and Walton Hills for 2000 and 2001.

Bedford City School District
Principal Taxpayers
Real Estate Property Tax
December 31, 2001

<u>Name of the Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Total District Real Assessed Value</u>
1. Ford Motor Company	\$11,332,200	1.92 %
2. Riser Foods Company	7,417,410	1.26
3. Bear Creek Properties Company	6,981,350	1.19
4. Bear Creek Investment Company	5,661,950	0.96
5. Bedford Colony Club Apartments	3,850,560	0.66
6. Mayfred Company	3,617,990	0.62
7. Sysco Food Service	3,577,460	0.61
8. South Pointe Towers LTD	3,575,500	0.61
9. Southgate Towers LLC	3,325,210	0.57
10. Aspen Woodside Village LLC	<u>3,097,570</u>	<u>0.53</u>
Total	<u><u>\$52,437,200</u></u>	<u><u>8.93 %</u></u>
 Total District Real Estate Assessed Value	 <u><u>\$587,344,730</u></u>	

Source: Cuyahoga County Auditor

(1) Assessed values are for 2001

Bedford City School District
Principal Taxpayers
Tangible Personal Property Tax
December 31, 2001

<u>Name of the Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Total District Tangible Assessed Value</u>
1. Ford Motor Company	\$26,693,490	15.16 %
2. Riser Food Company	9,631,260	5.47
3. Ben Venue Laboratories, Inc.	9,133,430	5.19
4. Weyerhaeuser Company	3,527,790	2.00
5. Ferro Corporation	3,478,280	1.97
6. Lester Precision Die	3,123,610	1.77
7. Earle M. Jorgenson Company	2,952,300	1.68
8. Jay Pontiac, Inc.	2,917,845	1.66
9. Commonwealth Aluminum	2,613,100	1.48
10. Illinois Tool works, Inc.	<u>2,542,050</u>	<u>1.44</u>
Total	<u><u>\$66,613,155</u></u>	<u><u>37.82 %</u></u>
 Total District Tangible Personal Assessed Value	 <u><u>\$176,119,963</u></u>	

Source: Cuyahoga County Auditor

(1) Assessed values are for 2001

Bedford City School District
Principal Taxpayers
Public Utilities Tangible Property Tax
December 31, 2001

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

Source: Cuyahoga County Auditor

(1) Assessed values are for 2001

Bedford City School District
Per Pupil Cost
Last Ten Fiscal Years (1)

<u>Year</u>	<u>General Fund Expenditures(2)</u>	<u>Average Student Enrollment</u>	<u>Per Pupil Cost</u>
2002	\$35,595,725	3,730	\$9,543
2001	34,070,239	3,844	8,863
2000	32,651,127	3,867	8,444
1999	33,233,088	3,888	8,548
1998	32,697,087	3,873	8,442
1997	31,893,282	4,039	7,896
1996	28,153,278	3,977	7,079
1995	27,887,073	4,003	6,967
1994	29,607,298	3,921	7,551
1993	27,099,216	3,786	7,158
1992	24,854,891	3,790	6,558

Source: District Financial Records

- (1) Expenditure data are reported on the US GAAP (modified accrual) basis.
- (2) General Fund expenditures before other financing (uses).

Bedford City School District
Licensed Staff Education and Experience
June 30, 2002

Degree	Number of Teachers and Administrators (1)		Percentage of 2002 Total
	2001	2002	
Bachelor's Degree	47	41	13.67 %
Bachelor Including 150 Hours	65	68	22.67
Bachelor Including 180 Hours	37	42	14.00
Master's Degree	54	51	17.00
Master's Degree + 9 Hours	43	40	13.33
Master's Degree + 18 Hours	12	17	5.67
Master's Degree + 27 Hours	11	10	3.33
Master's Degree + 36 Hours	9	9	3.00
Master's Degree + 45 Hours	17	16	5.33
Master's Degree + 54 Hours	<u>6</u>	<u>6</u>	<u>2.00</u>
Total	<u>301</u>	<u>300</u>	<u>100.00 %</u>

Years of Experience	Number of Teachers and Administrators		Percentage of 2002 Total
	2001	2002*	
0 - 5	101	106	35.32 %
6 - 10	57	50	16.67
11 - 15	41	44	14.67
16 - 20	21	23	7.67
21 - 25	20	15	5.00
26 and over	<u>61</u>	<u>62</u>	<u>20.67</u>
Total	<u>301</u>	<u>300</u>	<u>100.00 %</u>

Source: District Records

(1) Licensed administrators include the Business Manager, Treasurer and Assistant Treasurer

Single Audit Report

Bedford City School District

For the year ended June 30, 2002

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BEDFORD CITY SCHOOL DISTRICT

SINGLE AUDIT REPORT

For the year ended June 30, 2002

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**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, 2002, and have issued our report thereon dated October 11, 2002. 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance, which we have reported to management of the District in a separate letter dated October 11, 2002.

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 opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting, which we have reported to management of the District in a separate letter dated October 11, 2002.

This report is intended for the information 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
October 11, 2002

**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, 2002. 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 its major federal programs for the year ended June 30, 2002.

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, 2002, and have issued our report thereon dated October 11, 2002. 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 for the information 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
October 11, 2002

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SUPPLEMENTAL FINANCIAL INFORMATION

Bedford City School District
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2002

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Grant Number	Receipts	Expenditures
U.S. Department of Education via Ohio Department of Education				
Special Education - Grants to States	84.027	043562-6B-SF-02P	\$ 343,295	\$ 286,105
		043562-6B-SF-01P	220,267	20,237
		043562-6B-SF-98	(14,902)	-
		043562-6B-SF-97	-	54
			548,660	306,396
Vocational Education - Basic Grants to States	84.048	043562-20-C1-02	124,779	97,567
		043562-20-AO-02	19,720	-
		043562-20-C1-01	59,546	25,553
		043562-20-C1-00	(2,546)	-
		043562-20-C1-96	-	300
			201,499	123,420
Title I Grants to Local Educational Agencies	84.010	043562-C1-SD-02	2,301	348
		043562-C1-S1-02	278,159	259,166
		043562-C1-S1-01	100,372	38,154
		043562-C1-S1-01C	37,614	37,614
		043562-C1-SD-01C	9,785	-
		043562-C1-S1-00C	-	48,201
		043562-C1-SD-00C	(319)	12,332
		043562-C1-S1-99	-	2,758
		043562-C1-SD-98	-	497
			427,912	399,070
Innovative Education Program Strategies	84.298	043562-C2-S1-02	13,122	15,796
		043562-C2-S1-01	6,873	5,068
		043562-C2-S1-00	3,847	3,388
			23,842	24,252
Safe and Drug-Free Schools and Communities: State Grants	84.186	043562-DR-S1-02	10,960	6,954
		043562-DR-S1-01	11,782	12,591
		043562-DR-S1-00	5,868	6,570
		043562-DR-S1-99	(2,478)	-
			26,132	26,115
Goals 2000: State and Local Education Systemic Improvement Grants	84.276	043562-G2-S2-01	-	15,074
		043562-G2-S2-00	(44)	3,985
		043562-G2-S2-97	-	212
		043562-G2-S2-96	-	2,045
			(44)	21,316
Eisenhower Professional Development - State Grants	84.281	043562-MS-S1-02	16,128	2,599
		043562-MS-S1-01	-	11,249
		043562-MS-S1-00	1,142	980
			17,270	14,828
Special Education: Preschool Grants	84.173	043562-PG-SC-02	16,000	578
		043562-PG-S1-02P	18,495	27,038
		043562-PG-S1-01P	7,680	2,566
			42,175	30,182
Advanced Placement Program	84.330	043562-AV-S1-01	245	245
Class Size Reduction	84.340	043562-CR-S1-02	48,229	6,433
		043562-CR-S1-01	23,922	9,924
		043562-CR-S1-00	8,030	-
			80,181	16,357
School Renovation Grants	84.352A	043562-AT-S1-02	1,831	1,831
TOTAL U. S. DEPARTMENT OF EDUCATION			\$ 1,369,703	\$ 964,012

Bedford City School District

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED

For the Fiscal Year Ended June 30, 2002

<u>U.S. Department of Labor via Ohio Department of Education</u>	<u>Federal CFDA Number</u>	<u>Grant Number</u>	<u>Receipts</u>	<u>Expenditures</u>
Employment Services and Job Training	17.249	043562-WK-BE-00	\$ 2,965	\$ 746
<i>TOTAL U.S. DEPARTMENT OF LABOR</i>			2,965	746
<u>U.S. Department of Agriculture via Ohio Department of Education</u>				
National School Lunch Program (NSLP)	10.555	043562-LL-P4-02	212,396	212,396
		043562-LL-P1-01	40,345	40,345
		043562-LL-P4-01	42,104	42,104
			<u>294,845</u>	<u>294,845</u>
School Breakfast Program	10.553	043562-05-PU-02	36,967	36,967
		043562-05-PU-01	4,802	4,802
			<u>41,769</u>	<u>41,769</u>
Food Distribution	10.550	N/A	45,999	45,753
<i>TOTAL U.S. DEPARTMENT OF AGRICULTURE</i>			\$ 382,613	\$ 382,367
<i>PASS-THROUGH FUNDS</i>				
<u>U.S. Department of Health and Human Services via Ohio Department of Mental Retardation and Developmental Disabilities</u>				
Medical Assistance Program	93.778	18-0080-01	\$ 70,646	\$ 70,646
<i>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</i>			\$ 70,646	\$ 70,646
<i>TOTAL U.S. DEPARTMENT OF EDUCATION</i>				
<i>(from previous page)</i>			1,369,703	964,012
GRAND TOTAL			\$ 1,825,927	\$ 1,417,771

BEDFORD CITY SCHOOL DISTRICT

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2002

(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, 2002

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)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(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):	Nutrition Cluster (CFDA #10.555, #10.553, #10.550)
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

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

NONE

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

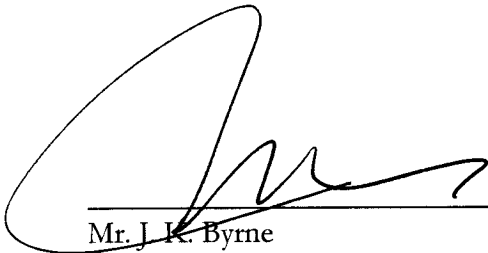
NONE

Bedford City School District

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

For the year ended June 30, 2002

The June 30, 2001 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.

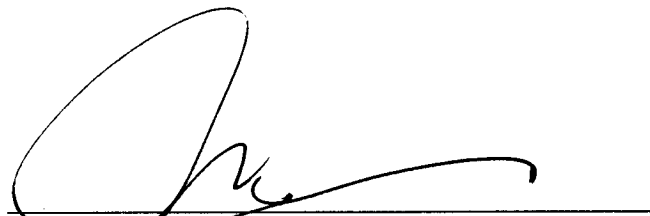


Mr. J. K. Byrne
Treasurer

Bedford City School District
CORRECTIVE ACTION PLAN
OMB CIRCULAR A-133 §.315(c)

For the year ended June 30, 2002

The June 30, 2002 audit reported no audit findings as defined in OMB Circular A-133 §.510. Therefore, preparation of a corrective action plan is not applicable.

A handwritten signature in black ink, appearing to read 'J. K. Byrne', is written over a solid horizontal line.

Mr. J. K. Byrne
Treasurer



**Auditor of State
Betty Montgomery**

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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
MARCH 11, 2003**