



Dave Yost • Auditor of State



**BRIDGEPORT EXEMPTED VILLAGE SCHOOL DISTRICT  
BELMONT COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Auditor's Report .....	1
Management's Discussion and Analysis.....	5
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position .....	15
Statement of Activities.....	16
Fund Financial Statements:	
Balance Sheet - Governmental Funds.....	17
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities .....	18
Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds.....	19
Reconciliation of the Statement of Revenues, Expenditures and Changes In Fund Balances of Governmental Funds to the Statement of Activities .....	20
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - General Fund.....	21
Statement of Net Position – Proprietary Fund .....	22
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Fund .....	23
Statement of Cash Flows – Proprietary Fund .....	24
Statement of Fiduciary Net Position – Fiduciary Funds.....	25
Statement of Changes in Fiduciary Net Position – Fiduciary Fund .....	26
Notes to the Basic Financial Statements.....	27
Schedule of Federal Awards Receipts and Expenditures.....	59
Notes to the Schedule of Federal Awards Receipts and Expenditures .....	60
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	61
Independent Auditor's Report on Compliance with Requirements Applicable to the Major Federal Program and on Internal Control over Compliance Required by OMB Circular A-133 .....	63
Schedule of Findings - OMB Circular A-133 Section .505 .....	65

**This page intentionally left blank.**



# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

Bridgeport Exempted Village School District  
Belmont County  
55781 National Road  
Bridgeport, Ohio 43912

To the Board of Education:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Bridgeport Exempted Village School District, Belmont County, Ohio (the District), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the District's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Bridgeport Exempted Village School District, Belmont County, Ohio, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

***Other Matters***

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require this presentation to include *Management's Discussion and Analysis*, listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

*Supplementary Information*

Our audit was conducted to opine on the District's basic financial statements taken as a whole.

The Schedule of Federal Awards Receipts and Expenditures (the Schedule) presents additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and is not a required part of the financial statements.

The Schedule is management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this Schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this Schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this Schedule is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 13, 2015, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "Y" and "O".

**Dave Yost**  
Auditor of State

Columbus, Ohio

March 13, 2015

**This page intentionally left blank.**



**BRIDGEPORT EXEMPTED VILLAGE SCHOOL DISTRICT  
BELMONT COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
(UNAUDITED)

The management's discussion and analysis of the Bridgeport Exempted Village School District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2014. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the District's financial performance.

**Financial Highlights**

Key financial highlights for fiscal year 2014 are as follows:

- In total, net position of governmental activities increased \$122,082 which represents a 0.77% increase from 2013.
- General revenues accounted for \$6,571,747 in revenue or 71.70% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$2,593,864 or 28.30% of total revenues of \$9,165,611.
- The District had \$9,043,529 in expenses related to governmental activities; \$2,593,864 of these expenses were offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$6,571,747 were adequate to provide for these programs.
- The District has two major governmental funds: the general fund and debt service fund. The general fund had \$7,550,430 in revenues and \$7,186,019 in expenditures. During fiscal year 2014, the general fund's fund balance increased \$364,411 from \$955,741 to \$1,320,152.
- The debt service fund had \$386,865 in revenues and \$335,365 in expenditures. During fiscal year 2014, the debt service fund's fund balance increased \$51,500 from \$318,392 to \$369,892.

**Using the Basic Financial Statements**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The statement of net position 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 nonmajor funds presented in total in one column. In the case of the District, the general fund and debt service fund are the only governmental funds reported as major funds.

**BRIDGEPORT EXEMPTED VILLAGE SCHOOL DISTRICT  
BELMONT COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
(UNAUDITED)

**Reporting the District as a Whole**

*Statement of Net Position 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 during 2014?" The statement of net position and statement of activities answer this question. These statements include all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net position and changes in that position. This change in net position is important because it tells the reader that, for the District as a whole, the financial position of the District has improved or 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 position and statement of activities, the governmental activities include the District's programs and services, including instruction, support services, operation and maintenance of plant, pupil transportation, extracurricular activities, and food service operations.

The District's statement of net position and statement of activities can be found on pages 15-16 of this report.

**Reporting the District's Most Significant Funds**

*Fund Financial Statements*

The analysis of the District's major governmental funds begins on page 12. 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. The District's major governmental funds are the general fund and debt service fund.

*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 than can readily be converted to cash. The governmental fund financial statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the statement of net position and statement of activities) and governmental funds is reconciled in the basic financial statements. The basic governmental fund financial statements can be found on pages 17-21 of this report.

*Proprietary Funds*

The District maintains one proprietary fund; an internal service fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District's internal service fund accounts for prescription self-insurance. The basic proprietary fund financial statements can be found on pages 22-24 of this report.

**BRIDGEPORT EXEMPTED VILLAGE SCHOOL DISTRICT  
BELMONT COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
(UNAUDITED)

***Reporting the District's Fiduciary Responsibilities***

The District is the trustee, or fiduciary, for its scholarship programs. This activity is presented as a private-purpose trust fund. The District also acts in a trustee capacity as an agent for individuals or other entities. These activities are reported in agency funds. All of the District's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position on pages 25 and 26. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

***Notes to the Basic Financial Statements***

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 27-57 of this report.

**The District as a Whole**

The table below provides a summary of the District's net position at June 30, 2014 and June 30, 2013.

	<b>Net Position</b>	
	Governmental Activities 2014	Governmental Activities 2013
<b><u>Assets</u></b>		
Current and other assets	\$ 5,189,523	\$ 4,923,413
Capital assets, net	<u>17,786,797</u>	<u>18,032,190</u>
Total assets	<u>22,976,320</u>	<u>22,955,603</u>
<b><u>Deferred outflows of resources</u></b>	<u>439,618</u>	<u>464,740</u>
<b><u>Liabilities</u></b>		
Current liabilities	815,221	794,499
Long-term liabilities	<u>4,977,182</u>	<u>5,142,990</u>
Total liabilities	<u>5,792,403</u>	<u>5,937,489</u>
<b><u>Deferred inflows of resources</u></b>	<u>1,584,897</u>	<u>1,566,298</u>
<b><u>Net position</u></b>		
Net investment in capital assets	13,726,029	13,919,443
Restricted	839,186	914,616
Unrestricted	<u>1,473,423</u>	<u>1,082,497</u>
Total net position	<u>\$ 16,038,638</u>	<u>\$ 15,916,556</u>

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2014, the District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$16,038,638. Of this total, \$1,473,423 is unrestricted in use.

**BRIDGEPORT EXEMPTED VILLAGE SCHOOL DISTRICT  
BELMONT COUNTY, OHIO**

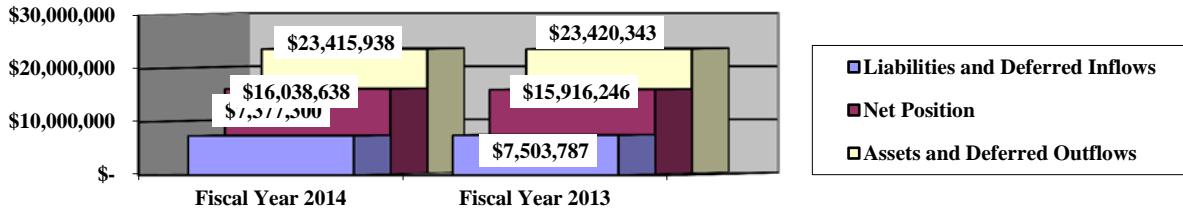
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
(UNAUDITED)

At year-end, capital assets represented 75.96% of total assets. Capital assets include land, land improvements, buildings and improvements, furniture and equipment and vehicles. The net investment in capital assets at June 30, 2014, was \$13,726,029. These capital assets are used to provide services to the students and are not available for future spending.

A portion of the District's net position, \$839,186, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position is \$1,473,423.

The graph below illustrates the governmental activities assets and deferred inflows, liabilities and deferred outflows and net position at June 30, 2014 and 2013.

**Governmental Activities**



The following table shows the change in net position for fiscal years 2014 and 2013.

**Change in Net Position**

	Governmental Activities 2014	Governmental Activities 2013
<b>Revenues</b>		
Program revenues:		
Charges for services and sales	\$ 956,785	\$ 819,345
Operating grants and contributions	1,637,079	1,571,279
General revenues:		
Property taxes	2,056,277	1,968,674
Grants and entitlements	4,351,731	4,001,750
Investment earnings	2,692	4,036
Miscellaneous	161,047	83,270
<b>Total revenues</b>	<b>9,165,611</b>	<b>8,448,354</b>

(continued)

**BRIDGEPORT EXEMPTED VILLAGE SCHOOL DISTRICT  
BELMONT COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
(UNAUDITED)

	<b>Change in Net Position (Continued)</b>	
	Governmental Activities 2014	Governmental Activities 2013
<b><u>Expenses</u></b>		
Program expenses:		
Instruction:		
Regular	3,951,112	3,810,864
Special	1,206,669	1,125,259
Vocational	80,383	33,488
Other	211,515	132,947
Support services:		
Pupil	330,462	322,007
Instructional staff	312,713	255,763
Board of education	42,674	45,596
Administration	684,440	686,341
Fiscal	306,763	263,067
Business	40,941	39,774
Operations and maintenance	800,154	763,740
Pupil transportation	322,858	320,903
Central	2,220	8,057
Operation of non-instructional services:		
Food service operations	367,488	367,407
Other non-instructional services	10,511	-
Extracurricular activities	185,150	168,595
Interest and fiscal charges	187,476	261,629
<b>Total expenses</b>	<b><u>9,043,529</u></b>	<b><u>8,605,437</u></b>
Change in net position	122,082	(157,083)
Net position at beginning of year	<u>15,916,556</u>	<u>16,073,639</u>
Net position at end of year	<b><u>\$ 16,038,638</u></b>	<b><u>\$ 15,916,556</u></b>

**Governmental Activities**

Net position of the District's governmental activities increased \$122,082. Total governmental expenses of \$9,043,529 were offset by program revenues of \$2,593,864 and general revenues of \$6,571,747. Program revenues supported 28.68% of the total governmental expenses.

Total revenues increased \$717,257 or 8.49%. The primary sources of revenue for governmental activities are derived from property taxes and unrestricted grants and entitlements. These revenue sources represent 69.91% of total governmental revenue. Unrestricted grants and entitlements increased as a result of additional State Foundation revenue allocated to the District under the new funding formula. Also contributing to the overall increase in revenues was an increase in charges for services and sales, which is primarily related to an increase in open enrollment tuition revenue for the District.

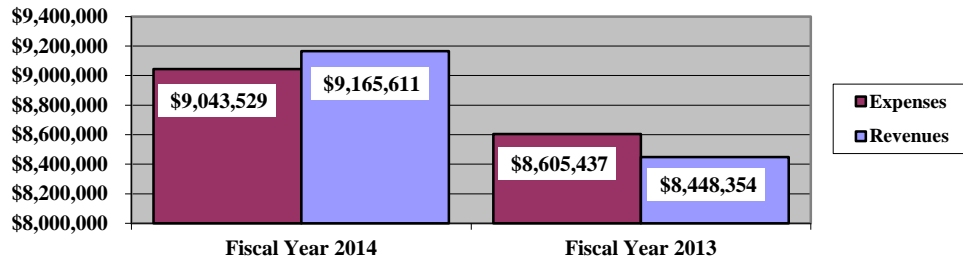
**BRIDGEPORT EXEMPTED VILLAGE SCHOOL DISTRICT  
BELMONT COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
(UNAUDITED)**

The largest expense of the District is for instructional programs. Instruction expenses totaled \$5,449,679 or 60.26% of total governmental expenses for fiscal year 2014. The overall increase in expenses is primarily due to an increase in employee salaries and wages for the District's certified teaching personnel.

The graph below presents the governmental activities revenue and expenses for fiscal years 2014 and 2013.

**Governmental Activities - Revenues and Expenses**



The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table 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 grants and entitlements.

**BRIDGEPORT EXEMPTED VILLAGE SCHOOL DISTRICT  
BELMONT COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
(UNAUDITED)**

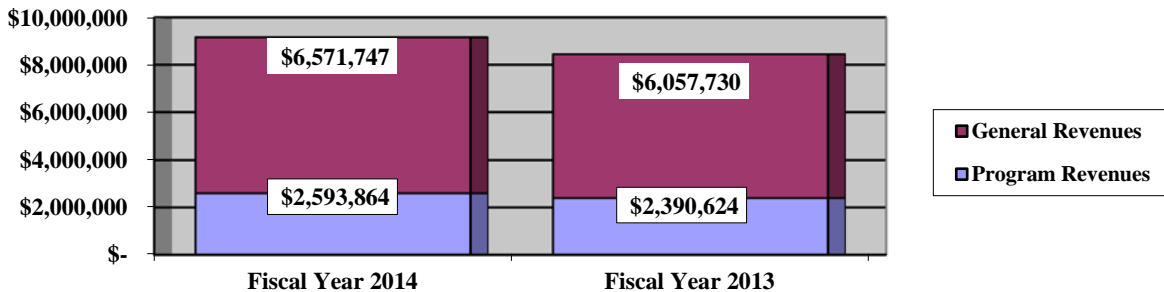
**Governmental Activities**

	Total Cost of Services 2014	Net Cost of Services 2014	Total Cost of Services 2013	Net Cost of Services 2013
<b>Program expenses</b>				
Instruction:				
Regular	\$ 3,951,112	\$ 3,022,076	\$ 3,810,864	\$ 3,002,670
Special	1,206,669	18,034	1,125,259	23,428
Vocational	80,383	55,034	33,488	(22,028)
Other	211,515	195,959	132,947	132,695
Support services:				
Pupil	330,462	317,850	322,007	308,884
Instructional staff	312,713	304,760	255,763	253,161
Board of education	42,674	42,674	45,596	45,596
Administration	684,440	684,440	686,341	686,341
Fiscal	306,763	306,763	263,067	263,067
Business	40,941	40,941	39,774	39,774
Operations and maintenance	800,154	794,481	763,740	750,694
Pupil transportation	322,858	322,858	320,903	291,826
Central	2,220	2,220	8,057	8,057
Operation of non-instructional services:				
Food service operations	367,488	18,592	367,407	51,604
Other non-instructional services	10,511	(10)	-	-
Extracurricular activities	185,150	135,517	168,595	117,415
Interest and fiscal charges	187,476	187,476	261,629	261,629
<b>Total expenses</b>	<b>\$ 9,043,529</b>	<b>\$ 6,449,665</b>	<b>\$ 8,605,437</b>	<b>\$ 6,214,813</b>

The dependence upon tax and other general revenues for governmental activities is apparent; 60.39% of instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 71.32%.

The graph below presents the District's governmental activities revenue for fiscal years 2014 and 2013.

**Governmental Activities - General and Program Revenues**



**BRIDGEPORT EXEMPTED VILLAGE SCHOOL DISTRICT  
BELMONT COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
(UNAUDITED)

**The District's Funds**

The District's governmental funds reported a combined fund balance of \$2,226,125, which is higher than last year's total of \$1,996,817. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2014 and 2013.

	<u>Fund Balance June 30, 2014</u>	<u>Fund Balance June 30, 2013</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
General	\$ 1,320,152	\$ 955,741	\$ 364,411	38.13 %
Debt Service	369,892	318,392	51,500	16.18 %
Nonmajor Governmental	<u>536,081</u>	<u>722,684</u>	<u>(186,603)</u>	(25.82) %
Total	<u>\$ 2,226,125</u>	<u>\$ 1,996,817</u>	<u>\$ 229,308</u>	11.48 %

**General Fund**

The District's general fund balance increased \$364,411. The table on the following page assists in illustrating the financial activities and change in fund balance of the general fund.

	<u>2014 Amount</u>	<u>2013 Amount</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
<b><u>Revenues</u></b>				
Property taxes	\$ 1,674,985	\$ 1,657,221	\$ 17,764	1.07 %
Tuition	820,812	682,864	137,948	20.20 %
Earnings on investments	1,833	3,630	(1,797)	(49.50) %
Intergovernmental	4,879,905	4,532,773	347,132	7.66 %
Other revenues	<u>172,895</u>	<u>90,933</u>	<u>81,962</u>	90.13 %
Total	<u>\$ 7,550,430</u>	<u>\$ 6,967,421</u>	<u>\$ 583,009</u>	8.37 %
<b><u>Expenditures</u></b>				
Instruction	\$ 4,462,662	\$ 4,053,529	\$ 409,133	10.09 %
Support services	2,615,464	2,516,164	99,300	3.95 %
Extracurricular activities	<u>107,893</u>	<u>110,004</u>	<u>(2,111)</u>	(1.92) %
Total	<u>\$ 7,186,019</u>	<u>\$ 6,679,697</u>	<u>\$ 506,322</u>	7.58 %

The largest source of revenue for the general fund is intergovernmental revenue which is primarily the District's share of State Foundation revenue. The increase in State Foundation funding for the District was \$290,821 or 6.93%. Tuition revenue from open enrollment in fiscal year 2014 was \$786,922 compared to \$657,056 in the prior year. The increase in other revenues for the general fund is the result of a payment received under an agreement with a private company to lease the rights to oil and gas on the District's land.

The increase in general fund expenditures is primarily due to an increase in employee salaries and wages, particularly for the District's certified teaching personnel. In addition, the District purchased additional professional services in fiscal year 2014 for the preschool special education programs.



**BRIDGEPORT EXEMPTED VILLAGE SCHOOL DISTRICT  
BELMONT COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
(UNAUDITED)

***Debt Service Fund***

The debt service fund is a major fund of the District and accounts for the accumulation of resources (primarily property taxes revenue) for the payment of principal and interest on the District's bond obligations. The debt service fund had \$386,865 in revenues and \$335,365 in expenditures. During fiscal year 2014, the debt service fund's fund balance increased \$51,500 from \$318,392 to \$369,892.

***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.

Original budgeted revenues and other financing sources of \$6,908,228 were increased to \$7,485,176 in the final budget. Most of the increase came from budgeting for the additional State Foundation revenue to be received. Actual revenues for fiscal year 2014 were \$7,553,644. This represents a \$68,468 or 0.91% increase from final budgeted revenues. General fund original appropriations (appropriated expenditures including other financing uses) of \$7,073,131 were increased to \$7,273,131 in the final budget. The actual budget basis expenditures for fiscal year 2014 totaled \$7,277,162, which is \$4,031 more than the final budget appropriations/

**Capital Assets and Debt Administration**

***Capital Assets***

At the end of fiscal year 2014, the District had \$17,786,797 invested in land, land improvements, buildings and improvements, furniture and equipment and vehicles. This entire amount is reported in governmental activities. The following table shows June 30, 2014 balances compared to June 30, 2013:

**Capital Assets at June 30  
(Net of Depreciation)**

	Governmental Activities	
	2014	2013
Land	\$ 819,583	\$ 819,583
Land improvements	480,302	213,062
Building and improvements	16,027,122	16,399,722
Furniture and equipment	329,299	358,581
Vehicles	130,491	120,547
Construction in progress	-	120,695
Total	\$ 17,786,797	\$ 18,032,190

The overall decrease in capital assets of \$245,393 is due to depreciation expense of \$478,814 exceeding capital outlays of \$233,421 in the fiscal year.

See Note 8 in the notes to the basic financial statements for additional information on the District's capital assets.

**BRIDGEPORT EXEMPTED VILLAGE SCHOOL DISTRICT  
BELMONT COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
(UNAUDITED)

***Debt Administration***

At June 30, 2014, the District had \$4,111,667 in general obligation bonds, loans and lease-purchase obligations outstanding. Of this total, \$250,184 is due within one year and \$3,861,483 is due in greater than one year. Total additions to these long-term obligations were \$128,207 and total reductions (payments of principal) were \$245,594. The District obtained the loan during fiscal year 2014 in order to finance a van purchase.

The following table summarizes the debt outstanding.

**Outstanding Debt, at Year End**

	Governmental Activities 2014	Governmental Activities 2013
	<u>2014</u>	<u>2013</u>
Loan payable	\$ 29,323	\$ -
Lease-purchase obligation	261,731	294,850
General obligation bonds	<u>3,820,613</u>	<u>3,934,204</u>
Total	<u>\$ 4,111,667</u>	<u>\$ 4,229,054</u>

See Note 10 in the notes to the basic financial statements for additional information on the District's debt administration.

**Current Financial Related Activities**

The vision of the District, in recognizing that it takes a community to raise a child, is to develop a collaboration with parents, school and community that will help students achieve their fullest potential. The Board of Education and Administration work diligently to provide the educational resources and personnel needed to provide excellent educational opportunities.

As the preceding information shows, the District relies heavily on State Foundation funding. Intergovernmental revenue from the State accounted for approximately 63% of all general fund receipts in fiscal year 2014. The State budget for fiscal years 2014-2015 proposes a new formula to fund school districts. Under the new funding plan, the District saw an increase in revenue from the State in fiscal year 2014, and will see another slight increase in fiscal year 2015.

**Contacting the 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: Ms. Cheryl Pritts, Treasurer/CFO, Bridgeport Exempted Village School District, 55781 National Road, Bridgeport, Ohio 43912.

**BRIDGEPORT EXEMPTED VILLAGE SCHOOL DISTRICT  
BELMONT COUNTY, OHIO**

STATEMENT OF NET POSITION  
JUNE 30, 2014

	<b>Governmental Activities</b>
<b>Assets:</b>	
Equity in pooled cash and cash equivalents. . . . .	\$ 2,607,954
Cash with fiscal agent . . . . .	117,381
Receivables:	
Property taxes . . . . .	2,280,334
Accrued interest . . . . .	500
Intergovernmental . . . . .	165,844
Loans. . . . .	3
Prepayments . . . . .	13,214
Materials and supplies inventory. . . . .	4,293
Capital assets:	
Nondepreciable capital assets. . . . .	819,583
Depreciable capital assets, net. . . . .	16,967,214
Capital assets, net . . . . .	17,786,797
Total assets. . . . .	22,976,320
 <b>Deferred outflows of resources:</b>	
Unamortized deferred charges on debt refunding . . . . .	439,618
Total deferred outflows of resources . . . . .	439,618
 <b>Liabilities:</b>	
Accounts payable. . . . .	88,034
Accrued wages and benefits payable . . . . .	537,479
Pension obligation payable. . . . .	120,012
Intergovernmental payable . . . . .	48,502
Accrued interest payable . . . . .	11,725
Claims payable . . . . .	9,469
Long-term liabilities:	
Due within one year. . . . .	277,755
Due in more than one year . . . . .	4,699,427
Total liabilities . . . . .	5,792,403
 <b>Deferred inflows of resources:</b>	
Property taxes levied for the next fiscal year . . . . .	1,584,897
Total deferred inflows of resources. . . . .	1,584,897
 <b>Net position:</b>	
Net investment in capital assets. . . . .	13,726,029
Restricted for:	
Capital projects . . . . .	276,424
Debt service. . . . .	259,923
Classroom facilities maintenance . . . . .	236,406
Locally funded programs . . . . .	5
State funded programs. . . . .	10,852
Student activities . . . . .	4,569
Food service operations. . . . .	51,007
Unrestricted. . . . .	1,473,423
Total net position. . . . .	\$ 16,038,638

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**BRIDGEPORT EXEMPTED VILLAGE SCHOOL DISTRICT  
BELMONT COUNTY, OHIO**

STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position Governmental Activities</u>
		<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	
<b>Governmental activities:</b>				
Instruction:				
Regular . . . . .	\$ 3,951,112	\$ 827,149	\$ 101,887	\$ (3,022,076)
Special . . . . .	1,206,669	-	1,188,635	(18,034)
Vocational . . . . .	80,383	-	25,349	(55,034)
Other . . . . .	211,515	-	15,556	(195,959)
Support services:				
Pupil . . . . .	330,462	-	12,612	(317,850)
Instructional staff . . . . .	312,713	-	7,953	(304,760)
Board of education . . . . .	42,674	-	-	(42,674)
Administration . . . . .	684,440	-	-	(684,440)
Fiscal . . . . .	306,763	-	-	(306,763)
Business . . . . .	40,941	-	-	(40,941)
Operations and maintenance . . . . .	800,154	5,673	-	(794,481)
Pupil transportation . . . . .	322,858	-	-	(322,858)
Central . . . . .	2,220	-	-	(2,220)
Operation of non-instructional services:				
Other non-instructional services . . . . .	10,511	-	10,521	10
Food service operations . . . . .	367,488	74,330	274,566	(18,592)
Extracurricular activities . . . . .	185,150	49,633	-	(135,517)
Interest and fiscal charges . . . . .	187,476	-	-	(187,476)
<b>Total governmental activities . . . . .</b>	<b>\$ 9,043,529</b>	<b>\$ 956,785</b>	<b>\$ 1,637,079</b>	<b>(6,449,665)</b>

**General revenues:**

Property taxes levied for:	
General purposes . . . . .	1,637,689
Special revenue . . . . .	28,000
Debt service . . . . .	331,055
Capital outlay . . . . .	59,533
Grants and entitlements not restricted	
to specific programs . . . . .	4,351,731
Investment earnings . . . . .	2,692
Miscellaneous . . . . .	161,047
<b>Total general revenues . . . . .</b>	<b>6,571,747</b>
Change in net position . . . . .	122,082
<b>Net position at beginning of year . . . . .</b>	<b>15,916,556</b>
<b>Net position at end of year . . . . .</b>	<b>\$ 16,038,638</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**BRIDGEPORT EXEMPTED VILLAGE SCHOOL DISTRICT  
BELMONT COUNTY, OHIO**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2014

	General	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets:</b>				
Equity in pooled cash and cash equivalents. . . . .	\$ 1,662,351	\$ 319,206	\$ 626,397	\$ 2,607,954
Receivables:				
Property taxes. . . . .	1,836,909	354,607	88,818	2,280,334
Accrued interest. . . . .	500	-	-	500
Interfund loans . . . . .	25,000	-	-	25,000
Intergovernmental. . . . .	65,782	-	100,062	165,844
Loans . . . . .	3	-	-	3
Prepayments . . . . .	13,214	-	-	13,214
Materials and supplies inventory. . . . .	-	-	4,293	4,293
Due from other funds . . . . .	5,882	-	-	5,882
Total assets. . . . .	<u>\$ 3,609,641</u>	<u>\$ 673,813</u>	<u>\$ 819,570</u>	<u>\$ 5,103,024</u>
<b>Liabilities:</b>				
Accounts payable. . . . .	\$ 61,467	\$ -	\$ 26,567	\$ 88,034
Accrued wages and benefits payable . . . . .	443,272	-	94,207	537,479
Pension obligation payable . . . . .	106,290	-	13,722	120,012
Intergovernmental payable . . . . .	43,927	-	4,575	48,502
Interfund loans payable . . . . .	-	-	25,000	25,000
Due to other funds. . . . .	-	-	5,882	5,882
Total liabilities. . . . .	<u>654,956</u>	<u>-</u>	<u>169,953</u>	<u>824,909</u>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year . . . . .	1,283,623	240,206	61,068	1,584,897
Delinquent property tax revenue not available . . . . .	309,461	63,715	15,536	388,712
Accrued interest not available . . . . .	500	-	-	500
Intergovernmental revenue not available . . . . .	40,949	-	36,932	77,881
Total deferred inflows of resources . . . . .	<u>1,634,533</u>	<u>303,921</u>	<u>113,536</u>	<u>2,051,990</u>
<b>Fund balances:</b>				
Nonspendable:				
Materials and supplies inventory . . . . .	-	-	4,293	4,293
Prepayments . . . . .	13,214	-	-	13,214
Long-term loans . . . . .	25,003	-	-	25,003
Restricted:				
Debt service . . . . .	-	369,892	-	369,892
Capital improvements . . . . .	-	-	264,549	264,549
Classroom facilities maintenance . . . . .	-	-	236,406	236,406
Food service operations . . . . .	-	-	60,380	60,380
Non-public schools . . . . .	-	-	1,165	1,165
Other purposes. . . . .	-	-	5,813	5,813
Extracurricular. . . . .	-	-	4,569	4,569
Assigned:				
Student instruction. . . . .	68,807	-	-	68,807
Student and staff support. . . . .	11,479	-	-	11,479
Subsequent year's appropriations . . . . .	194,153	-	-	194,153
Other purposes . . . . .	12,876	-	-	12,876
Unassigned (deficit). . . . .	994,620	-	(41,094)	953,526
Total fund balances . . . . .	<u>1,320,152</u>	<u>369,892</u>	<u>536,081</u>	<u>2,226,125</u>
Total liabilities, deferred inflows of resources and fund balances. . . . .	<u>\$ 3,609,641</u>	<u>\$ 673,813</u>	<u>\$ 819,570</u>	<u>\$ 5,103,024</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**BRIDGEPORT EXEMPTED VILLAGE SCHOOL DISTRICT  
BELMONT COUNTY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET POSITION OF GOVERNMENTAL ACTIVITIES  
JUNE 30, 2014

<b>Total governmental fund balances</b>		\$	2,226,125
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			17,786,797
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.			
Property taxes receivable	\$	388,712	
Accrued interest receivable		500	
Intergovernmental receivable		77,881	
Total		77,881	467,093
Unamortized premiums on bonds issued are not recognized in the funds.			(554,338)
Unamortized deferred amounts on refundings are not recognized in the funds.			439,618
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.			(11,725)
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the statement of net position.			107,912
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.			
Compensated absences		(311,177)	
General obligation bonds		(3,820,613)	
Loan payable		(29,323)	
Lease-purchase obligation		(261,731)	
Total		(4,422,844)	(4,422,844)
<b>Net position of governmental activities</b>		\$	16,038,638

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**BRIDGEPORT EXEMPTED VILLAGE SCHOOL DISTRICT  
BELMONT COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>General</u>	<u>Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>				
From local sources:				
Property taxes . . . . .	\$ 1,674,985	\$ 331,598	\$ 82,657	\$ 2,089,240
Tuition . . . . .	820,812	-	-	820,812
Charges for services . . . . .	-	-	74,330	74,330
Earnings on investments . . . . .	1,833	359	3	2,195
Extracurricular . . . . .	1,747	-	49,633	51,380
Classroom materials and fees . . . . .	4,590	-	-	4,590
Other local revenues . . . . .	166,558	-	162	166,720
Intergovernmental - intermediate . . . . .	100,000	-	-	100,000
Intergovernmental - state . . . . .	4,752,603	54,908	172,146	4,979,657
Intergovernmental - federal . . . . .	27,302	-	882,215	909,517
Total revenues . . . . .	<u>7,550,430</u>	<u>386,865</u>	<u>1,261,146</u>	<u>9,198,441</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular . . . . .	3,603,000	-	102,392	3,705,392
Special . . . . .	591,642	-	592,672	1,184,314
Vocational . . . . .	74,409	-	-	74,409
Other . . . . .	193,611	-	15,257	208,868
Support services:				
Pupil . . . . .	312,265	-	14,955	327,220
Instructional staff . . . . .	306,315	-	7,495	313,810
Board of education . . . . .	40,752	-	-	40,752
Administration . . . . .	667,325	-	-	667,325
Fiscal . . . . .	291,586	9,625	2,378	303,589
Business . . . . .	41,306	-	-	41,306
Operations and maintenance . . . . .	655,418	-	109,599	765,017
Pupil transportation . . . . .	298,277	-	31,798	330,075
Central . . . . .	2,220	-	-	2,220
Operation of non-instructional services:				
Other non-instructional services . . . . .	-	-	10,511	10,511
Food service operations . . . . .	-	-	333,860	333,860
Extracurricular activities . . . . .	107,893	-	60,746	168,639
Facilities acquisition and construction . . . . .	-	-	174,155	174,155
Debt service:				
Principal retirement . . . . .	-	226,436	19,158	245,594
Interest and fiscal charges . . . . .	-	99,304	4,571	103,875
Total expenditures . . . . .	<u>7,186,019</u>	<u>335,365</u>	<u>1,479,547</u>	<u>9,000,931</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>364,411</u>	<u>51,500</u>	<u>(218,401)</u>	<u>197,510</u>
<b>Other financing sources:</b>				
Loan issuance . . . . .	-	-	31,798	31,798
Total other financing sources . . . . .	<u>-</u>	<u>-</u>	<u>31,798</u>	<u>31,798</u>
Net change in fund balances . . . . .	364,411	51,500	(186,603)	229,308
<b>Fund balances at beginning of year . . . . .</b>	<u>955,741</u>	<u>318,392</u>	<u>722,684</u>	<u>1,996,817</u>
<b>Fund balances at end of year . . . . .</b>	<u>\$ 1,320,152</u>	<u>\$ 369,892</u>	<u>\$ 536,081</u>	<u>\$ 2,226,125</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**BRIDGEPORT EXEMPTED VILLAGE SCHOOL DISTRICT  
BELMONT COUNTY, OHIO**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

<b>Net change in fund balances - total governmental funds</b>	\$	229,308
 <i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
 Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital asset additions	\$ 233,421	
Current year depreciation	(478,814)	
Total		(245,393)
 Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	(32,963)	
Earnings on investments	500	
Intergovernmental	(367)	
Total		(32,830)
 Repayment of bond, loan and lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		
		245,594
 The loan issuance is recorded as an other financing source in the funds; however, in the statement of activities, it is not reported as an other financing source as it increases liabilities on the statement of net position.		
		(31,798)
 In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in additional interest being reported in the statement of activities:		
Decrease in accrued interest payable	470	
Accreted interest on capital appreciation bonds	(96,409)	
Amortization of bond premiums	37,460	
Amortization of deferred charges on refunding	(25,122)	
Total		(83,601)
 Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in the funds.		
		7,041
 The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue of the internal service fund is allocated amount the governmental activities.		
		33,761
<b>Change in net position of governmental activities</b>	<b>\$</b>	<b>122,082</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



**BRIDGEPORT EXEMPTED VILLAGE SCHOOL DISTRICT  
BELMONT COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
<b>Revenues:</b>				
From local sources:				
Property taxes . . . . .	\$ 1,621,981	\$ 1,757,470	\$ 1,679,701	\$ (77,769)
Tuition. . . . .	683,806	740,926	820,811	79,885
Earnings on investments . . . . .	3,635	3,939	1,833	(2,106)
Classroom materials and fees . . . . .	-	-	4,590	4,590
Other local revenues . . . . .	86,565	93,795	163,493	69,698
Intergovernmental - intermediate . . . . .	-	-	100,000	100,000
Intergovernmental - state . . . . .	4,504,425	4,880,694	4,752,604	(128,090)
Intergovernmental - federal . . . . .	6,417	6,953	30,612	23,659
Total revenues . . . . .	<u>6,906,829</u>	<u>7,483,777</u>	<u>7,553,644</u>	<u>69,867</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular . . . . .	3,345,670	3,448,451	3,653,264	(204,813)
Special. . . . .	661,089	676,813	604,331	72,482
Vocational. . . . .	82,350	84,539	80,257	4,282
Other. . . . .	261,372	268,319	202,267	66,052
Support services:				
Pupil. . . . .	349,442	358,729	294,196	64,533
Instructional staff . . . . .	293,931	301,743	304,151	(2,408)
Board of education . . . . .	22,402	22,997	41,780	(18,783)
Administration. . . . .	826,495	848,461	683,416	165,045
Fiscal . . . . .	200,831	206,168	293,458	(87,290)
Operations and maintenance. . . . .	552,238	566,915	663,093	(96,178)
Pupil transportation . . . . .	326,845	335,531	301,662	33,869
Central. . . . .	10,818	11,106	2,220	8,886
Extracurricular activities. . . . .	139,648	143,359	108,067	35,292
Total expenditures . . . . .	<u>7,073,131</u>	<u>7,273,131</u>	<u>7,232,162</u>	<u>40,969</u>
Excess (deficiency) of revenues over (under) expenditures. . . . .	(166,302)	210,646	321,482	110,836
<b>Other financing sources (uses):</b>				
Refund of prior year's expenditures . . . . .	981	981	-	(981)
Transfers in . . . . .	418	418	-	(418)
Transfers (out). . . . .	-	-	(45,000)	(45,000)
Total other financing sources (uses) . . . . .	<u>1,399</u>	<u>1,399</u>	<u>(45,000)</u>	<u>(46,399)</u>
Net change in fund balance . . . . .	(164,903)	212,045	276,482	64,437
<b>Fund balance at beginning of year . . . . .</b>	1,176,948	1,176,948	1,176,948	-
<b>Prior year encumbrances appropriated . . . . .</b>	97,162	97,162	97,162	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 1,109,207</u>	<u>\$ 1,486,155</u>	<u>\$ 1,550,592</u>	<u>\$ 64,437</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**BRIDGEPORT EXEMPTED VILLAGE SCHOOL DISTRICT  
BELMONT COUNTY, OHIO**

STATEMENT OF NET POSITION  
PROPRIETARY FUND  
JUNE 30, 2014

	<u>Governmental Activities - Internal Service Fund</u>
<b>Assets:</b>	
Cash with fiscal agent . . . . .	\$ 117,381
Total assets. . . . .	<u>117,381</u>
<b>Liabilities:</b>	
Claims payable . . . . .	<u>9,469</u>
Total liabilities . . . . .	<u>9,469</u>
<b>Net position:</b>	
Unrestricted. . . . .	<u>107,912</u>
Total net position . . . . .	<u>\$ 107,912</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**BRIDGEPORT EXEMPTED VILLAGE SCHOOL DISTRICT  
BELMONT COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
PROPRIETARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<b>Governmental Activities - Internal Service Fund</b>
<b>Operating revenues:</b>	
Charges for services . . . . .	\$ 283,104
Total operating revenues . . . . .	<u>283,104</u>
 <b>Operating expenses:</b>	
Purchased services . . . . .	5,847
Claims . . . . .	<u>243,496</u>
Total operating expenses . . . . .	<u>249,343</u>
 Operating income and change in net position .	 <u>33,761</u>
 <b>Net position at beginning of year . . . . .</b>	 <u>74,151</u>
<b>Net position at end of year . . . . .</b>	<b><u>\$ 107,912</u></b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**BRIDGEPORT EXEMPTED VILLAGE SCHOOL DISTRICT  
BELMONT COUNTY, OHIO**

STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<b>Governmental Activities - Internal Service Fund</b>
<b>Cash flows from operating activities:</b>	
Cash received from charges for services . . . . .	\$ 283,104
Cash payments for purchased services . . . . .	(5,847)
Cash payments for claims . . . . .	(245,515)
	31,742
Net cash provided by operating activities and net increase in cash and cash equivalents . . . . .	31,742
<b>Cash and cash equivalents at beginning of year . . .</b>	<b>85,639</b>
<b>Cash and cash equivalents at end of year . . . . .</b>	<b>\$ 117,381</b>
 <b>Reconciliation of operating income to net cash provided by operating activities:</b>	
Operating income . . . . .	\$ 33,761
Changes in assets and liabilities:	
Decrease in claims payable . . . . .	(2,019)
	31,742
Net cash provided by operating activities. . . . .	\$ 31,742

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**BRIDGEPORT EXEMPTED VILLAGE SCHOOL DISTRICT  
BELMONT COUNTY, OHIO**

STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2014

	<b>Private Purpose Trust</b>	
	<b>Scholarship</b>	<b>Agency</b>
<b>Assets:</b>		
Equity in pooled cash and cash equivalents . . . . .	\$ 318,791	\$ 39,296
Total assets. . . . .	318,791	\$ 39,296
<b>Liabilities:</b>		
Accounts payable. . . . .	84	\$ 76
Loans payable . . . . .	-	3
Due to students. . . . .	-	39,217
Total liabilities . . . . .	84	\$ 39,296
<b>Net position:</b>		
Held in trust for scholarships . . . . .	318,707	
Total net position . . . . .	\$ 318,707	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**BRIDGEPORT EXEMPTED VILLAGE SCHOOL DISTRICT  
BELMONT COUNTY, OHIO**

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Private Purpose Trust</u>
	<u>Scholarship</u>
<b>Additions:</b>	
Interest . . . . .	\$ 535
Gifts and contributions . . . . .	7,595
	<hr/>
Total additions. . . . .	8,130
	<hr/>
<b>Deductions:</b>	
Scholarships awarded . . . . .	19,488
	<hr/>
Change in net position . . . . .	(11,358)
<b>Net position at beginning of year. . . . .</b>	<b>330,065</b>
	<hr/>
<b>Net position at end of year . . . . .</b>	<b>\$ 318,707</b>
	<hr/> <hr/>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**BRIDGEPORT EXEMPTED VILLAGE SCHOOL DISTRICT  
BELMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

**NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT**

The Bridgeport Exempted Village School District (the "District") is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The District operates under a locally-elected Board form of government consisting of five members elected at-large for staggered four year terms. The District provides educational services as authorized by State statute and/or federal guidelines.

The District was established in 1856 through the consolidation of existing land areas and school districts. The District is staffed by 7 administrative, 38 non-certified employees and 59 certified full-time teaching personnel who provide services to approximately 781 students and other community members.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

The reporting entity has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units" and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34". The reporting entity is composed of the primary government and component units. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food service, and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's Governing Board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; or (3) the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary government's financial statements incomplete or misleading. Based upon the application of these criteria, the District has no component units. The basic financial statements of the reporting entity include only those of the District (the primary government).

**BRIDGEPORT EXEMPTED VILLAGE SCHOOL DISTRICT  
BELMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

The following organizations are described due to their relationship to the District:

*JOINTLY GOVERNED ORGANIZATIONS*

Belmont Harrison Vocational School District

The Belmont Harrison Vocational School District (the "District") is a separate body politic and corporate, established by the Ohio Revised Code to provide for the vocational and special education needs of the students. The Board is comprised of representatives from the Boards of each participating school district. The Board is responsible for approving its own budgets, appointing personnel, and accounting and finance related activities. The District's students may attend the District. Each participating school district's control is limited to its representation on the District's Board. To obtain financial information write to Belmont Harrison Vocational School District, Mark Lucas, Treasurer, at 110 Fox Shannon Place, St. Clairsville, Ohio 43950.

Ohio Mid-Eastern Regional Education Service Agency Information Technology Center Regional Council of Governments

The School District participates in the Ohio Mid-Eastern Regional Educational Service Agency Information Technology Center Regional Council of Governments (Council). The Council was created as a separate regional council of governments pursuant to State Statutes. The Council operates under the direction of a Board comprised of a representative from each participating school district. The Board exercises total control over the operations of the Council including budgeting, appropriating, contracting, and designating management. Each participant's control is limited to its representation on the Board. The Council provides information technology and internet access to member districts, as well as cooperative purchasing programs. During fiscal year 2014, the total amount paid to the Council from the School District was \$33,296. The Jefferson County Educational Service Center serves as the fiscal agent. To obtain financial information write to Ohio Mid-Eastern Regional Educational Service Agency, Treasurer, at 2023 Sunset Blvd., Steubenville, Ohio 43952.

Coalition of Rural and Appalachian Schools

The Coalition of Rural and Appalachian Schools (the "Coalition") is a jointly governed organization including over 100 school districts in southeastern Ohio. The Coalition is operated by a Board which is comprised of fourteen members. The board members are comprised of one superintendent from each county elected by the school districts within that county. The Coalition provides various in-service training for school district administrative personnel; gathers data regarding conditions of education in the region; cooperates with other professional groups to assess and develop programs designed to meet the needs of member districts; and provides staff development programs for school district personnel. The Coalition is not dependent on the continued participation of the District and the District does not maintain an equity interest in or financial responsibility for the Coalition. The District's membership fee was \$325 for fiscal year 2014.



**BRIDGEPORT EXEMPTED VILLAGE SCHOOL DISTRICT  
BELMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

Educational Regional Service System Region 12

The District participates in the Educational Regional Service System Region 12 (the “ERSS”), a jointly governed organization consisting of educational entities within Belmont, Carroll, Coshocton, Guernsey, Harrison, Holmes, Jefferson, Monroe, Muskingum, Noble, and Tuscarawas counties. The purpose of ERSS is to provide support services to school districts, community schools and chartered nonpublic schools within the region by supporting State and school initiatives and efforts to improve school effectiveness and student achievement with a specific reference to the provision of special education and related services. The ERSS is governed by an Advisory Council, which is the policymaking body for the educational entities within the region, who identifies regional need and priorities for educational services and develops corresponding policies to coordinate the delivery of services. They are also charged with the responsibility of monitoring the implementation of State and regional initiatives and school improvement efforts. The Advisory Council is made up of the director of the ERSS, the superintendent of each educational service center within the region, the superintendent of the region’s largest and smallest school district, the director and an employee from each education technology center and one representative of a four-year institution of higher education who is appointed by the Ohio Board of Regents, one representative of a two-year institution of higher education who is appointed by the Ohio Association of Community Colleges, three board of education members (one each from a city, exempted village and local school district within the region) and one business representative. The degree of control exercised by any participating educational entity is limited to its representation on the Advisory Council. Financial information can be obtained from the Muskingum Valley Educational Service Center, 205 N Seventh Street, Zanesville, Ohio 43701.

*PUBLIC ENTITY RISK POOL*

Ohio Association of School Business Officials Workers’ Compensation Group Rating Program

The District participates in a group rating program for worker’s compensation as established under Section 4123.29 of the Ohio Revised Code. The Ohio Association of School Business Officials Workers’ Compensation Group Rating Program (the “Program”) was established through the Ohio Association of School Business Officials (OASBO) as a group purchasing pool.

The Executive Director of the OASBO, or his designee, serves as coordinator of the Program. Each year, the participating school districts pay an enrollment fee to the Program to cover the costs of administering the Program. Refer to Note 12.B. for further information on this group rating program.

**B. Fund Accounting**

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

*GOVERNMENTAL FUNDS*

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

**BRIDGEPORT EXEMPTED VILLAGE SCHOOL DISTRICT  
BELMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

The following are the District's major governmental funds:

*General fund* - The general fund is used to account for and report all financial resources not accounted for and reported in another fund. The general fund balance is available 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 and payment of general obligation bond principal and interest from governmental resources when the government is obligated in some manner for payment.

Other governmental funds of the District are used to account for (a) financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets and (b) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects.

**PROPRIETARY FUND**

Proprietary funds are used to account for the District's ongoing activities which are similar to those often found in the private sector. The District has no enterprise funds. The following is a description of the District's internal service fund:

*Internal service fund* - The internal service fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the district, or to other governments, on a cost-reimbursement basis. The only internal service fund of the District accounts for a self-insurance program which provides prescription insurance benefits to employees.

**FIDUCIARY FUNDS**

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

**C. Basis of Presentation and Measurement Focus**

*Government-wide Financial Statements* - The statement of net position 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 operating activity is eliminated to avoid overstatement of revenues and expenses.

**BRIDGEPORT EXEMPTED VILLAGE SCHOOL DISTRICT  
BELMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the governmental activities of the District. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include amounts paid by the recipient of 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 not classified as program revenues are presented as general revenues of the District.

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the District are included on the statement of net position.

*Fund Financial Statements* - Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column, and all nonmajor funds are aggregated into one column. The internal service fund is presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by fund type.

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenue of the District's internal service fund is charges for services. Operating expenses for internal service funds include claims and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The private-purpose trust fund is reported using the economic resources measurement focus. Agency funds do not report a measurement focus as they do not report operations.

**BRIDGEPORT EXEMPTED VILLAGE SCHOOL DISTRICT  
BELMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**D. Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting.

*Revenues - Exchange and Nonexchange 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.

Nonexchange 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 (See Note 6).

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 nonexchange transactions must also be available before it can be recognized.

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

*Deferred Inflows of Resources and Deferred Outflows of Resources* - A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period.

Property taxes for which there is an enforceable legal claim as of June 30, 2014, but which were levied to finance fiscal year 2015 operations, and other revenues received in advance of the fiscal year for which they were intended to finance, have been recorded as deferred inflows of resources. Grants not received within the available period, grants and entitlements received before the timing requirements are met, and delinquent property taxes due at June 30, 2014, are recorded as deferred inflows of resources on the governmental fund financial statements.

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

**BRIDGEPORT EXEMPTED VILLAGE SCHOOL DISTRICT  
BELMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

*Expenses/Expenditures* - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The entitlement value of donated commodities used during the year is reported in the statement of revenues, expenditures and changes in fund balances as an expenditure with a like amount reported as intergovernmental 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.

**E. 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 resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified.

All funds, other than agency funds, are legally required to be budgeted and appropriated. The primary level of budgetary control is at the fund level for all funds. Any budgetary modifications at these levels 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 operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The purpose of this budget document is to reflect the need for existing (or increased) tax rates.

By no later than January 20, the Board-adopted budget is filed with the Belmont County Budget Commission for rate determination.

*ESTIMATED RESOURCES*

By April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the County Budget Commission and receives the Commission's certificate of estimated resources which states the projected revenue of each fund. By July 1, 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 of estimated resources is amended to include any unencumbered cash balances from the preceding year. The certificate of estimated resources may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported in the budgetary statement reflect the amounts in the original and final certificate of estimated resources issued during fiscal year 2014.

**BRIDGEPORT EXEMPTED VILLAGE SCHOOL DISTRICT  
BELMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

*APPROPRIATIONS*

Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution must be legally enacted by the Board of Education at the fund level of expenditures for all funds, which is the legal level of budgetary control. Prior to the passage of the annual appropriation resolution, the Board of Education 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 County 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 for all funds must be approved by the Board of Education.

The Board of Education may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent certificate of estimated resources. Supplemental appropriations were legally enacted by the Board during fiscal year 2014.

The budget figures which appear in the statement of budgetary comparisons represent the original and final appropriation amounts that were approved by the Board prior to June 30, 2014. Formal budgetary integration is employed as a management control device during the year for all funds other than agency funds, consistent with statutory provisions.

*ENCUMBRANCES*

As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. Expenditures plus encumbrances may not legally exceed appropriations.

*LAPSING OF APPROPRIATIONS*

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriation. Encumbered appropriations are carried forward to the succeeding fiscal year and are not reappropriated.

**F. Cash and Investments**

To improve cash management, cash received by the District is pooled in a central bank account. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the District's records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents" on the basic financial statements.

During fiscal year 2014, investments were limited to non-negotiable certificates of deposit and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio). Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts such as non-negotiable certificates of deposit are reported at cost. Negotiable certificates of deposit are reported at fair market value.

**BRIDGEPORT EXEMPTED VILLAGE SCHOOL DISTRICT  
BELMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

The District has invested funds in STAR Ohio during fiscal year 2014. 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 shares price which is the price the investment could be sold for on June 30, 2014.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. By policy of the Board of Education, investment earnings are assigned to the general fund, the auxiliary services special revenue fund, and the private-purpose trust funds. The food service fund receives interest earnings based upon Federal mandate and the self-insurance internal service fund receives interest earnings as the amount is held by a fiscal agent in an interest bearing account separate from the District's internal investment pool. Interest revenue credited to the general fund during fiscal year 2014 amounted to \$1,833, which includes \$576 assigned from other District funds.

For presentation on the basic 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 which are not purchased from the cash management pool are reported as investments.

An analysis of the District's investment account at year end is provided in Note 4.

**G. Inventory**

On government-wide and fund financial statements, purchased inventories are presented at the lower of cost or market and donated commodities are presented at their entitlement value. Inventories are recorded on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the consumption method.

Inventory consists of expendable supplies held for consumption, donated food and purchased food.

**H. Capital Assets**

General capital assets are those assets not specifically related to activities reported in the proprietary fund. 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 position, but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of \$5,000. 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. The District does not possess infrastructure.

**BRIDGEPORT EXEMPTED VILLAGE SCHOOL DISTRICT  
BELMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

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

<u>Description</u>	Governmental Activities <u>Estimated Lives</u>
Land improvements	20 - 50 years
Buildings and improvements	20 - 50 years
Furniture and equipment	5 - 50 years
Vehicles	10 years

**I. Interfund Balances**

On fund financial statements, receivables and payables resulting from short-term interfund loans to cover fund cash deficits are classified as “due to/from other funds”. Long-term interfund loans that will not be repaid within the next fiscal year are classified as “loans to/from other funds” and are shown as nonspendable fund balances on the balance sheet because they are not spendable, available resources. These interfund loans are eliminated in the governmental activities column on the statement of net position.

Interfund loans between governmental funds and fiduciary funds are classified as “loans receivable/payable.” These amounts are presented on the statement of net position.

**J. Compensated Absences**

Compensated absences of the District consist of vacation leave and sick leave liability to the extent that payments to the employee for these absences are attributable to services already rendered and are not contingent on a specific event that is outside the control of the District and the employee.

In accordance with the provisions of GASB Statement No. 16, “Accounting for Compensated Absences”, a liability for vacation leave is accrued if a) the employees’ rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination (severance) payments. A liability for sick leave is accrued using the vesting method; i.e., the liability is based on the sick leave accumulated at June 30, 2014, by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future. For purposes of establishing a liability for severance on employees expected to become eligible to retire in the future, all employees age fifty or greater with at least ten years of service and all employees with at least twenty years of service at any age were considered expected to become eligible to retire in accordance with GASB Statement No. 16.

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at June 30, 2014 and reduced to the maximum payment allowed by labor contract and/or statute, plus any applicable additional salary related payments.

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



**BRIDGEPORT EXEMPTED VILLAGE SCHOOL DISTRICT  
BELMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

For governmental fund financial statements compensated absences are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements.

**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 the internal service fund are reported on the proprietary fund financial statements.

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

**L. Unamortized Bond Premiums and Deferred Charges on Refunding**

Bond premiums are deferred and amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. On the governmental fund financial statements, bond premiums are recognized in the current period. Bond premiums are presented as an addition to the face amount of the bonds. A reconciliation between the bonds face value and the amount reported on the statement of net position is presented in Note 10.A.

For advance refundings resulting in the defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as component of interest expense. This accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter and is presented as a deferred inflow or outflow of resources on the statement of net position.

**M. Fund Balance**

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

*Nonspendable* - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable.

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

**BRIDGEPORT EXEMPTED VILLAGE SCHOOL DISTRICT  
BELMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

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

Assigned - Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted nor committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the District Board of Education, which includes giving the Treasurer the authority to constrain monies for intended purposes.

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

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

**N. Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the District, these revenues are charges for services for the employee self-insurance program. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of the fund.

**O. Net Position**

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. The net position component "net investment in capital assets," consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on its 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 purposes for which both restricted and unrestricted net position is available.

**BRIDGEPORT EXEMPTED VILLAGE SCHOOL DISTRICT  
BELMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**P. Prepayments**

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These items are reported as assets on the balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of the purchase and the expenditure/expense is reported in the year in which services are consumed.

**Q. Estimates**

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

**R. Interfund Activity**

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

**S. 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 year 2014.

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**A. Change in Accounting Principles**

For fiscal year 2014, the District has implemented GASB Statement No. 70, "Accounting and Financial Reporting for Nonexchange Financial Guarantees".

GASB Statement No. 70 improves the recognition, measurement, and disclosures for state and local governments that have extended or received financial guarantees that are nonexchange transactions. The implementation of GASB Statement No. 70 did not have an effect on the financial statements of the District.

**BRIDGEPORT EXEMPTED VILLAGE SCHOOL DISTRICT  
BELMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)**

**B. Deficit Fund Balances**

Fund balances at June 30, 2014 included the following individual fund deficits:

<u>Nonmajor funds</u>	<u>Deficit</u>
Public school preschool	\$ 9,248
IDEA - Part B	16,427
Title I	11,773
Improving teacher quality	3,621
Miscellaneous federal grants	25

The general fund is liable for any deficits in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities.

**NOTE 4 - DEPOSITS AND INVESTMENTS**

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

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

Inactive deposits are public deposits that the Board of Education has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;

**BRIDGEPORT EXEMPTED VILLAGE SCHOOL DISTRICT  
BELMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in items (1) and (2) above 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 banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

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.

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, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

**A. Cash With Fiscal Agent**

The District is self-insured through a fiscal agent. The money held by the fiscal agent cannot be identified as an investment or deposit, since it is held in a pool made up of numerous participants. The amount held by the fiscal agent at June 30, 2014, was \$117,381.

**B. Deposits with Financial Institutions**

At June 30, 2014, the carrying amount of all District deposits was \$2,960,115. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2014, \$1,576,038 of the District's bank balance of \$3,016,717 was exposed to custodial risk as discussed below, while \$1,440,679 was covered by the FDIC.

**BRIDGEPORT EXEMPTED VILLAGE SCHOOL DISTRICT  
BELMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

Custodial risk is the risk that, in the event of bank failure, the District's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the District. The District has no deposit policy for custodial credit risk beyond the requirements of State statute. Although the securities were held by the pledging institutions' trust department and all 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.

**D. Investments**

As of June 30, 2014, the District had the following investments and maturities:

<u>Investment type</u>	<u>Fair Value</u>	<u>Investment Maturities</u> 6 months or less
STAR Ohio	\$ <u>5,926</u>	\$ <u>5,926</u>

*Interest Rate Risk:* As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the District's investment policy limits investment portfolio maturities to five years or less.

*Credit Risk:* STAR Ohio carries a rating of AAAm by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service.

*Custodial Credit Risk:* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

*Concentration of Credit Risk:* The District places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the District at June 30, 2014:

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>
STAR Ohio	\$ <u>5,926</u>	<u>100.00</u>

**BRIDGEPORT EXEMPTED VILLAGE SCHOOL DISTRICT  
BELMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

**D. Reconciliation of Cash and Investments to the Statement of Net Position**

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of June 30, 2014:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 2,960,115
Investments	5,926
Cash with fiscal agent	<u>117,381</u>
Total	<u>\$ 3,083,422</u>
 <u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 2,725,335
Private-purpose trust funds	318,791
Agency funds	<u>39,296</u>
Total	<u>\$ 3,083,422</u>

**NOTE 5 - INTERFUND TRANSACTIONS**

- A.** Interfund balances at June 30, 2014 as reported on the fund statements, consist of the following individual interfund loans receivable and payable:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General fund	Nonmajor governmental funds	\$ 25,000

The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not received by June 30. These interfund balances will be repaid once the anticipated revenues are received. The interfund balances are not expected to be repaid within one year.

Interfund balances between governmental funds are eliminated on the government-wide financial statements.

- B.** Interfund balances at June 30, 2014 as reported on the fund statements, consist of the following amounts due to/from other funds:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General fund	Nonmajor governmental funds	\$ 5,882

The primary purpose of the due to/from other funds is to cover negative cash in various nonmajor governmental funds. These interfund balances will be repaid once the anticipated revenues are received.

Interfund balances between governmental funds are eliminated on the government-wide financial statements.

**BRIDGEPORT EXEMPTED VILLAGE SCHOOL DISTRICT  
BELMONT COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**NOTE 5 - INTERFUND TRANSACTIONS - (Continued)**

- C. Loans between governmental funds and fiduciary funds are reported as a “loans receivable/payable” on the financial statements. The District had a \$3 loan outstanding at fiscal year-end, due from the District’s agency fund to the general fund. This loan is not expected to be repaid in the subsequent year.

**NOTE 6 - PROPERTY TAXES**

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

Property taxes include amounts levied against all real property and public utility property. Real property tax revenues received in calendar year 2014 represent the collection of calendar year 2013 taxes. Real property taxes received in calendar year 2014 were levied after April 1, 2013, on the assessed values as of January 1, 2013, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Public utility property tax revenues received in calendar year 2014 represent the collection of calendar year 2013 taxes. Public utility real and personal property taxes received in calendar year 2014 became a lien on December 31, 2012, were levied after April 1, 2013, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The District receives property taxes from Belmont 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, 2014, are available to finance fiscal year 2014 operations. The amount available as an advance at June 30, 2014 was \$243,825 in the general fund, \$50,686 in the debt service fund and \$12,214 in the permanent improvement fund (a nonmajor governmental fund). This amount is recorded as revenue. The amount available for advance at June 30, 2013 was \$248,541 in the general fund, \$46,058 in the debt service fund and \$7,640 in the permanent improvement fund (a nonmajor governmental fund). The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2014 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources.

On the accrual basis of accounting, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis of accounting the revenue has been reported as a deferred inflow of resources.



**BRIDGEPORT EXEMPTED VILLAGE SCHOOL DISTRICT  
BELMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

**NOTE 6 - PROPERTY TAXES - (Continued)**

The assessed values upon which the fiscal year 2014 taxes were collected are:

	2013 Second Half Collections		2014 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 69,615,720	93.76	\$ 69,823,130	93.64
Public utility personal	<u>4,629,420</u>	<u>6.24</u>	<u>4,744,100</u>	<u>6.36</u>
Total	<u>\$ 74,245,140</u>	<u>100.00</u>	<u>\$ 74,567,230</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation	\$ 46.30		\$ 46.30	

**NOTE 7 - RECEIVABLES**

Receivables at June 30, 2014 consisted of property taxes, accrued interest, intergovernmental grants and entitlements, and loans. 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. Receivables have been disaggregated on the face of the basic financial statements. All receivables except the loans are expected to be collected in the subsequent year.

**BRIDGEPORT EXEMPTED VILLAGE SCHOOL DISTRICT  
BELMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

**NOTE 8 - CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2014, was as follows:

	Balance			Balance
	<u>06/30/13</u>	<u>Additions</u>	<u>Deductions</u>	<u>06/30/14</u>
<b>Governmental activities:</b>				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 819,583	\$ -	\$ -	\$ 819,583
Construction in progress	120,695	174,155	(294,850)	-
Total capital assets, not being depreciated	<u>940,278</u>	<u>174,155</u>	<u>(294,850)</u>	<u>819,583</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	416,536	294,850	-	711,386
Buildings and improvements	18,978,416	10,210	-	18,988,626
Furniture and equipment	600,451	14,817	-	615,268
Vehicles	634,731	34,239	-	668,970
Total capital assets, being depreciated	<u>20,630,134</u>	<u>354,116</u>	<u>-</u>	<u>20,984,250</u>
<i>Less: accumulated depreciation</i>				
Land improvements	(203,474)	(27,610)	-	(231,084)
Buildings and improvements	(2,578,694)	(382,810)	-	(2,961,504)
Furniture and equipment	(241,870)	(44,099)	-	(285,969)
Vehicles	(514,184)	(24,295)	-	(538,479)
Total accumulated depreciation	<u>(3,538,222)</u>	<u>(478,814)</u>	<u>-</u>	<u>(4,017,036)</u>
Governmental activities capital assets, net	<u>\$ 18,032,190</u>	<u>\$ 49,457</u>	<u>\$ (294,850)</u>	<u>\$ 17,786,797</u>

Depreciation expense was charged to governmental functions as follows:

<u>Instruction:</u>	
Regular	\$ 298,217
Special	23,854
Vocational	5,974
Other	4,771
<u>Support services:</u>	
Pupil	4,771
Instructional staff	1,085
Board of education	1,936
Administration	16,308
Fiscal	1,937
Operations and maintenance	44,822
Pupil transportation	26,465
Food service operations	31,819
Extracurricular activities	16,855
Total depreciation expense	<u>\$ 478,814</u>

**BRIDGEPORT EXEMPTED VILLAGE SCHOOL DISTRICT  
BELMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

**NOTE 9 - CAPITAL LEASES - LESSEE DISCLOSURE**

During fiscal year 2013, the District entered into a lease-purchase agreement to finance a lighting project at the District's athletic field. The lease agreement meets the criteria of a capital lease as defined by generally accepted accounting principles, which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee.

Capital assets consisting of land improvements have been capitalized in the amount of \$294,850. At June 30, 2014, accumulated depreciation was \$11,395, leaving a book value of \$283,455. A liability is recorded in the government-wide financial statements for the present value of the future minimum lease payments. Principal payments on the lease-purchase agreement were \$33,119 and were paid from the debt service fund.

The following is a schedule of the future long-term minimum lease payments required under the capital lease and the present value of the future minimum lease payments as of June 30, 2014:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2015	\$ 41,747
2016	41,747
2017	41,747
2018	41,747
2019	41,747
2020 - 2021	<u>83,494</u>
Total minimum lease payments	292,229
Less: amount representing interest	<u>(30,498)</u>
Total	<u>\$ 261,731</u>

**BRIDGEPORT EXEMPTED VILLAGE SCHOOL DISTRICT  
BELMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

**-NOTE 10 - LONG-TERM OBLIGATIONS**

- A. During fiscal year 2014, the following activity occurred in governmental activities long-term obligations:

	Balance 06/30/13	Additions	Reductions	Balance 06/30/14	Amount Due in One Year
<b>Governmental activities:</b>					
Compensated absences payable	\$ 322,138	\$ 80,787	\$ (91,748)	\$ 311,177	\$ 27,571
General obligation bonds payable, Series 2004 Issue	270,000	-	(135,000)	135,000	135,000
Series 2012 Issue:					
Current interest bonds	3,435,000	-	(75,000)	3,360,000	75,000
Capital appreciation bonds	159,994	-	-	159,994	-
Accreted interest	69,210	96,409	-	165,619	-
Loan payable	-	31,798	(2,475)	29,323	6,060
Lease-purchase obligation	294,850	-	(33,119)	261,731	34,124
Total governmental activities long-term liabilities	\$ 4,551,192	\$ 208,994	\$ (337,342)	4,422,844	\$ 277,755
Add: Unamortized premium on bonds				554,338	
Total on statement of net position				\$ 4,977,182	

Compensated absences: Compensated absences will be paid from the fund from which the employees' salaries are paid, which primarily consist of the general fund and the following non-major governmental funds: food service, IDEA part B and Title I.

Lease-purchase obligation: Payments on the lease-purchase obligation are paid from the permanent improvement fund. See Note 9 for more detail.

Loan payable: During fiscal year 2014, the District obtained a loan of \$31,798 for the purpose of financing a van purchase. The loan bears an interest rate of 2.95% and matures January 9, 2019. Monthly payments are paid from the general fund.

- B. On November 9, 2004 the District issued general obligation bonds to provide funds for constructing and improving school facilities. A portion of this bond issue was refunded in fiscal year 2012 (see Note 10.C.). These bonds are general obligations of the District for which full faith and credit of the District is pledged for repayment. Accordingly, such unmatured obligations are accounted for on the statement of net position. Payments of principal and interest relating to this bond are recorded as an expenditure of the debt service fund. The source of payment is derived from a current 5.67 mil bonded tax levy for the construction project.
- C. On May 24, 2012 the District issued general obligation bonds to advance refund a portion of the Series 2004 bond issue. These bonds are general obligations of the District for which full faith and credit of the District is pledged for repayment. Accordingly, such unmatured obligations are accounted for on the statement of net position. Payments of principal and interest relating to this bond are recorded as an expenditure of the debt service fund. The source of payment is derived from a current 5.67 mil bonded tax levy for the construction project.

**BRIDGEPORT EXEMPTED VILLAGE SCHOOL DISTRICT  
BELMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

**NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)**

This issue is comprised of current interest bonds, par value \$3,360,000 at June 30, 2014, and capital appreciation bonds, par value \$159,994. The capital appreciation bonds mature each December 1, 2015 through 2018, (stated interest rate of approximately 38.422%) at a redemption price equal to 100% of the principal, plus accreted interest to the redemption date. The accreted value at maturity for the capital appreciation bonds is \$865,000. Total accreted interest of \$165,619 has been included on the statement of net position at June 30, 2014.

Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity date stated in the issue is December 1, 2031.

The reacquisition price exceeded the net carrying amount of the old debt by \$491,955. This amount is being amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued. The unamortized portion at June 30, 2014 is reported as a deferred outflow of resources on the statement of net position.

- D.** The following is a summary of the future debt service requirements to maturity for the general obligation bonds and loan:

Fiscal Year Year Ended	Current Interest Bonds			Capital Appreciation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2015	\$ 210,000	\$ 89,289	\$ 299,289	\$ -	\$ -	\$ -
2016	-	86,364	86,364	62,410	152,590	215,000
2017	-	86,364	86,364	44,937	175,063	220,000
2018	-	86,364	86,364	30,902	184,098	215,000
2019	-	86,364	86,364	21,745	193,255	215,000
2020 - 2024	1,145,000	373,473	1,518,473	-	-	-
2025 - 2029	1,280,000	224,867	1,504,867	-	-	-
2030 - 2032	860,000	40,316	900,316	-	-	-
<b>Total</b>	<b>\$ 3,495,000</b>	<b>\$ 1,073,401</b>	<b>\$ 4,568,401</b>	<b>\$ 159,994</b>	<b>\$ 705,006</b>	<b>\$ 865,000</b>

Fiscal Year Year Ended	Loan Payable		
	Principal	Interest	Total
2015	\$ 6,060	\$ 795	\$ 6,855
2016	6,243	612	6,855
2017	6,433	422	6,855
2018	6,628	227	6,855
2019	3,959	39	3,998
<b>Total</b>	<b>\$ 29,323</b>	<b>\$ 2,095</b>	<b>\$ 31,418</b>

**BRIDGEPORT EXEMPTED VILLAGE SCHOOL DISTRICT  
BELMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

**NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)**

- E. The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the District. The assessed valuation used in determining the District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2014, are a voted debt margin of \$3,425,949 (including available funds of \$369,892) and an unvoted debt margin of \$74,567.

**NOTE 11 - EMPLOYEE BENEFITS**

**Compensated Absences**

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn 5 to 15 days of vacation per year, depending upon length of service. The high school principal, director of maintenance and superintendent earn 20 days of vacation per year and the treasurer earns 20 days of vacation per year. Vacation days are to be used each year. Classified employees can not carry over days. Administrative staff can carry over a maximum of 10 days. Accumulated, unused vacation time is paid to administrators upon termination of employment. Teachers and the elementary and middle school principals do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of fifteen days per year for all personnel. The maximum sick leave accumulation for classified employees is 285 days. The maximum accumulation for certified employees is 300 days if hired before August 1, 2012 and 200 days if hired after that date. Upon retirement, payment is made for one-fourth of the accrued, but unused, sick leave balance to a maximum of 69 days for certified employees hired before August 1, 2012, and 60 days for classified employees. For certified employees hired after August 1, 2012 the maximum payout is 50 days. In addition, upon retirement, a certified employee is entitled to receive an additional severance payment of \$5.00 per day for 75% of the accrued but unused sick leave days not calculated in the severance payment. Classified employees are entitled to receive an additional payment of \$5.00 per day for the entire balance of the accrued but unused sick leave days not calculated in the severance payment.

**NOTE 12 - RISK MANAGEMENT**

**A. Comprehensive**

The District is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2014, the District contracted with Ohio School Plan for general liability, property, and fleet insurance. Liability coverage is limited to \$1,000,000 per claim and \$2,000,000 in the aggregate. Property insurance carries a limitation of \$22,945,895 in the aggregate with a \$1,000 deductible.

**BRIDGEPORT EXEMPTED VILLAGE SCHOOL DISTRICT  
BELMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

**NOTE 12 - RISK MANAGEMENT - (Continued)**

The Perkins athletic facility is exposed to flood risk. During fiscal year 2014, the District contracted with Selective Insurance Company of Southeast for flood insurance. The field house limitation on this insurance was \$187,200 for building damage and \$17,700 for contents damage with a \$1,000 deductible for both. The concession stand building and its contents are also covered under a separate policy with limitations of \$23,700 for building and \$2,800 for contents damage with a \$1,000 deductible. The fieldhouse and its contents are also covered under a separate policy with limitations of \$19,400 for building and \$13,200 for content damage with a \$1,000 deductible. The grandstand and its contents are also covered under a separate policy with limitations of \$187,200 for building and \$17,700 for content damage with a \$1,000 deductible.

Vehicles are covered by Ohio School Plan insurance and hold a \$500 deductible (\$1,000 for buses) for collision and a \$250 deductible (\$1,000 for buses) for comprehensive. Automobile liability coverage has a \$2,000,000 limit for bodily injury and a \$5,000 limit for medical payments.

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

**B. Workers' Compensation**

The District participates in the Ohio Association of School Business Official Workers' Compensation Group Rating Program (the "Program"), an insurance purchasing pool (Note 2.A.). The intent of the Program is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the Program. Participants in the Program are placed on tiers according to their loss history. Participants with low loss histories are rewarded with greater savings than participants with higher loss histories. Each participant pays its workers' compensation premium to the State based on the rate for the Program tier rather than its individual rate. Participation in the Program is limited to school districts that can meet the Program's selection criteria. The firm of Sheakley UniService, Inc. provides administrative, cost control and actuarial services to the Program.

**C. Medical and Ancillary, Dental, Vision and Life Insurance**

The District contracts with The Health Plan for hospitalization insurance for all employees. The District pays up to \$1,005 of the total monthly premiums for family and ancillary coverage and up to \$500 for individual and ancillary coverage for all certified and classified employees. The District has also contracted with various private companies to provide dental, vision and life insurance for its employees.

**D. Prescription Insurance**

Prescription insurance is offered to employees through a self-insurance internal service fund. The District is a member of a claims servicing pool, consisting of several school districts within the Eastern Region, in which monthly premiums are paid to the fiscal agent who in turn pays the claims on the District's behalf. The claims liability of \$9,469 reported in the internal service fund at June 30, 2014, is based on an estimate provided by Self Funded Plans, Inc. (the third party administrator) and the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by GASB Statement No. 30, "Risk Financing Omnibus", which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred, but not reported claims, be accrued at the estimated ultimate cost of settling the claims.

**BRIDGEPORT EXEMPTED VILLAGE SCHOOL DISTRICT  
BELMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

**NOTE 12 - RISK MANAGEMENT - (Continued)**

Changes in claims activity for the past two fiscal years are as follows:

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Claims</u>	<u>Payments</u>	<u>Ending Balance</u>
2014	\$ 11,488	\$ 243,496	\$ (245,515)	\$ 9,469
2013	13,921	294,040	(296,473)	11,488

**NOTE 13 - PENSION PLANS**

**A. School Employees Retirement System**

Plan Description - The District contributes to the School Employees Retirement System (SERS), a cost-sharing, multiple-employer defined benefit pension plan. SERS provides retirement, disability, survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746. It is also posted on the SERS' Ohio website, [www.ohsers.org](http://www.ohsers.org), under "Employers/Audit Resources".

Funding Policy - Plan members are required to contribute 10 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 obligations with the remainder being used to fund health care benefits. For fiscal year 2014, 13.05 percent and 0.05 percent of annual covered salary was the portion used to fund pension obligations and death benefits, respectively. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The District's required contributions for pension obligations and death benefits to SERS for the fiscal years ended June 30, 2014, 2013 and 2012 were \$120,895, \$114,785 and \$118,724, respectively; 78.44 percent has been contributed for fiscal year 2014 and 100 percent for fiscal years 2013 and 2012.

**B. State Teachers Retirement System of Ohio**

Plan Description - The District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement plan. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio website at [www.strsoh.org](http://www.strsoh.org), under "Publications".



**BRIDGEPORT EXEMPTED VILLAGE SCHOOL DISTRICT  
BELMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

**NOTE 13 - PENSION PLANS - (Continued)**

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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

Funding Policy - For fiscal year 2014, plan members were required to contribute 11 percent of their annual covered salaries. The District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 14 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2014, 2013 and 2012 were \$448,763, \$416,731 and \$426,252, respectively; 85.98 percent has been contributed for fiscal year 2014 and 100 percent for fiscal years 2013 and 2012. Contributions to the DC and Combined Plans for fiscal year 2014 were \$10,040 made by the District and \$7,889 made by the plan members.

**C. Social Security System**

Effective July 1, 1991, all employees not otherwise covered by the SERS/STRS Ohio have an option to choose Social Security or the SERS/STRS Ohio. As of June 30, 2014 certain members of the Board of Education have elected Social Security. The District's liability is 6.2 percent of wages paid.

**BRIDGEPORT EXEMPTED VILLAGE SCHOOL DISTRICT  
BELMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

**NOTE 14 - POSTEMPLOYMENT BENEFITS**

**A. School Employees Retirement System**

Plan Description - The District participates in two cost-sharing, multiple employer postemployment benefit plans administered by the School Employees Retirement System (SERS) for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's, Medicare Advantage, and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Section 3309.69 of the Ohio Revised Code. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B monthly premium for calendar year 2014 was \$104.90 for most participants, but could be as high as \$335.70 per month depending on their income and the SERS' reimbursement to retirees was \$45.50. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746. It is also posted on the SERS' Ohio website, [www.ohsers.org](http://www.ohsers.org), under "Employers/Audit Resources".

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For 2014, 0.14 percent of covered payroll was allocated to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2.0 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the statewide SERS-covered payroll for the health care surcharge. For fiscal year 2014, the actuarially determined amount was \$20,250.

Active members do not contribute to the postemployment benefit plans. The Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility and retirement status.

The District's contributions for health care (including surcharge) for the fiscal years ended June 30, 2014, 2013 and 2012 were \$17,571, \$16,183 and \$19,486, respectively; 78.44 percent has been contributed for fiscal year 2014 and 100 percent for fiscal years 2013 and 2012.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2014, this actuarially required allocation was 0.76 percent of covered payroll. The District's contributions for Medicare Part B for the fiscal years ended June 30, 2014, 2013, and 2012 were \$7,041, \$6,509 and \$7,011, respectively; 78.44 percent has been contributed for fiscal year 2014 and 100 percent for fiscal years 2013 and 2012.

**BRIDGEPORT EXEMPTED VILLAGE SCHOOL DISTRICT  
BELMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

**NOTE 14 - POSTEMPLOYMENT BENEFITS - (Continued)**

**B. State Teachers Retirement System of Ohio**

Plan Description - The District contributes to the cost sharing, multiple employer defined benefit Health Plan (the "Plan") administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio which may be obtained by visiting [www.strsoh.org](http://www.strsoh.org), under "Publications" or by calling (888) 227-7877.

Funding Policy - Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2014, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The District's contributions for health care for the fiscal years ended June 30, 2014, 2013 and 2012 were \$34,520, \$32,056 and \$32,789, respectively; 85.98 percent has been contributed for fiscal year 2014 and 100 percent for fiscal years 2013 and 2012.

**NOTE 15 - BUDGETARY BASIS OF ACCOUNTING**

While reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

The statement of revenue, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis); and,
- (d) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

**BRIDGEPORT EXEMPTED VILLAGE SCHOOL DISTRICT  
BELMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

**NOTE 15 - BUDGETARY BASIS OF ACCOUNTING - (Continued)**

The adjustments necessary to convert the results of operations for the year on the budget basis to the GAAP basis for the general fund is as follows:

**Net Change in Fund Balance**

	<u>General fund</u>
Budget basis	\$ 276,482
Net adjustment for revenue accruals	(8,626)
Net adjustment for expenditure accruals	(48,805)
Net adjustment for other sources/uses	45,000
Funds budgeted elsewhere	689
Adjustment for encumbrances	99,671
GAAP basis	\$ 364,411

Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the public school support fund and management information system fund.

**NOTE 16 - CONTINGENCIES**

**A. Grants**

The District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the District at June 30, 2014, if applicable, cannot be determined at this time.

**B. Litigation**

Management believes there is no pending litigation that could have a material adverse effect on the financial position of the District.

**NOTE 17 - SET-ASIDES**

The District is required by State law to annually set-aside certain general fund revenue amounts, as defined by statutory formula, for the acquisition and construction 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 fiscal year-end. This amount must be carried forward to be used for the same purpose in future years. Expenditures exceeding the set-aside requirement may not be carried forward to the next fiscal year.

**BRIDGEPORT EXEMPTED VILLAGE SCHOOL DISTRICT  
BELMONT COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

**NOTE 17 - SET-ASIDES - (Continued)**

The following cash-basis information describes the change in the fiscal year-end set-aside amount for capital improvements. Disclosure of this information is required by State statute.

	<u>Capital Improvements</u>
Set-aside balance June 30, 2013	\$ -
Current year set-aside requirement	129,489
Current year qualifying expenditures	(62,042)
Current year offsets	<u>(121,383)</u>
Total	<u>\$ (53,936)</u>
Balance carried forward to fiscal year 2015	<u>\$ -</u>
Set-aside balance June 30, 2014	<u>\$ -</u>

During fiscal year 2005, the District issued \$4,907,000 in capital related school improvement bonds. These proceeds may be used to reduce the capital improvements set-aside amount to below zero for future years. The amount presented for prior year offset from bond proceeds is limited to an amount needed to reduce the capital improvements set-aside balance to \$0. The District is responsible for tracking the amount of bond proceeds that may be used as an offset in future periods, which was \$4,907,000 at June 30, 2014.

**NOTE 18 - COMMITMENTS**

The District utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the District's commitments for encumbrances in the governmental funds were as follows:

	<u>Year-End Encumbrances</u>
<u>Fund</u>	
General	\$ 77,548
Nonmajor governmental	<u>151,515</u>
Total	<u>\$ 229,063</u>

**NOTE 19 - OPERATING LEASE - LESSOR DISCLOSURES**

During fiscal year 2014 the District entered into a lease agreement with a private company assigning the rights to oil and gas on the District's land. The primary term of the lease is five years, which may be extended for one additional five year term at the lessee's discretion. The lease is a paid-up lease which required an up-front payment at the inception of the lease; the District received this payment from the lessee in the amount of \$132,720. The lease agreement also requires the lessee to make royalty payments to the District equal to 20% of the sales proceeds from oil and gas produced. These payments will be reported as revenue for the District when earned.

**This page intentionally left blank.**

**BRIDGEPORT EXEMPTED VILLAGE SCHOOL DISTRICT  
BELMONT COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

<b>FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title</b>	<b>Grant Year</b>	<b>Federal CFDA Number</b>	<b>Receipts</b>	<b>Expenditures</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>				
<b>Passed Through Ohio Department of Education:</b>				
Child Nutrition Cluster:				
Non-Cash Assistance (Food Distribution):				
National School Lunch Program	2013/2014	10.555	\$21,856	\$21,856
Cash Assistance:				
School Breakfast Program	2013/2014	10.553	70,253	70,253
National School Lunch Program	2013/2014	10.555	177,504	177,504
Cash Assistance Subtotal			<u>247,757</u>	<u>247,757</u>
Total Child Nutrition Cluster			<u>269,613</u>	<u>269,613</u>
State Administrative Expenses for Child Nutrition	2013	10.560	9,319	9,319
Total U.S. Department of Agriculture			278,932	278,932
<b>U.S. DEPARTMENT OF EDUCATION</b>				
<b>Passed Through Ohio Department of Education:</b>				
Title I Grants to Local Educational Agencies	2012	84.010		2,886
	2013		22,437	12,722
	2014		237,532	249,553
Total Title I Grants to Local Educational Agencies			<u>259,969</u>	<u>265,161</u>
Special Education Cluster (IDEA):				
Special Education, Grants to States (IDEA, Part B)	2013	84.027	75,177	60,211
	2014		188,746	189,655
			<u>263,923</u>	<u>249,866</u>
<i>Passed through East Central Ohio Educational Service Center:</i>				
Special Education - Preschool Grants (IDEA Preschool)	2014	84.173	1,367	1,367
Total Special Education Cluster (IDEA)			265,290	251,233
Rural Education	2014	84.358	13,184	13,184
Improving Teacher Quality State Grants	2013	84.367	9,472	8,670
	2014		55,220	56,437
Total Improving Teacher Quality State Grants			<u>64,692</u>	<u>65,107</u>
Total U.S. Department of Education			<u>603,135</u>	<u>594,685</u>
<b>Total Federal Awards Receipts and Expenditures</b>			<u><u>\$882,067</u></u>	<u><u>\$873,617</u></u>

*The Notes to the Schedule of Federal Awards Receipts and Expenditures is an integral part of this Schedule.*

**BRIDGEPORT EXEMPTED VILLAGE SCHOOL DISTRICT  
BELMONT COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE B - CHILD NUTRITION CLUSTER**

The District commingles cash receipts from the U.S. Department of Agriculture with similar State grants. When reporting expenditures on this Schedule, the District assumes it expends federal monies first.

**NOTE C - FOOD DONATION PROGRAM**

The District reports commodities consumed on the Schedule at the fair value. The District allocated donated food commodities to the respective program that benefitted from the use of those donated food commodities.





# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Bridgeport Exempted Village School District  
Belmont County  
55781 National Road  
Bridgeport, Ohio 43912

To the Board of Education:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Bridgeport Exempted Village School District, Belmont County, Ohio (the District), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 13, 2015.

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the District's internal control. Accordingly, we have not opined on it.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A material weakness is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the District's financial statements. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

***Compliance and Other Matters***

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State

Columbus, Ohio

March 13, 2015



# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Bridgeport Exempted Village School District  
Belmont County  
55781 National Road  
Bridgeport, Ohio 43912

To the Board of Education:

### ***Report on Compliance for the Major Federal Program***

We have audited the Bridgeport Exempted Village School District's, Belmont County, Ohio (the District), compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the District's major federal program for the year ended June 30, 2014. The *Summary of Auditor's Results* in the accompanying Schedule of Findings identifies the District's major federal program.

### ***Management's Responsibility***

The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal program.

### ***Auditor's Responsibility***

Our responsibility is to opine on the District's compliance the District's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect 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 our audit provides a reasonable basis for our compliance opinion on the District's major program. However, our audit does not provide a legal determination of the District's compliance.

***Opinion on the Major Federal Program***

In our opinion, the District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended June 30, 2014.

***Report on Internal Control Over Compliance***

The District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control compliance tests and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.



**Dave Yost**  
Auditor of State

Columbus, Ohio

March 13, 2015

**BRIDGEPORT EXEMPTED VILLAGE SCHOOL DISTRICT  
BELMONT COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A-133 § .505  
JUNE 30, 2014**

**1. SUMMARY OF AUDITOR'S RESULTS**

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material control weakness reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under Section .510(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list): <ul style="list-style-type: none"> <li>• Child Nutrition Cluster, CFDA #'s 10.553 and 10.555</li> </ul>	
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

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

None

**3. FINDINGS FOR FEDERAL AWARDS**

None

**This page intentionally left blank.**



# Dave Yost • Auditor of State

**BRIDGEPORT EXEMPTED VILLAGE SCHOOL DISTRICT**

**BELMONT 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 31, 2015**