

**BEDFORD CITY
SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

AUDIT REPORT

**FOR THE FISCAL YEAR
ENDED JUNE 30, 2016**

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



Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the Bedford City School District, Cuyahoga County, prepared by James G. Zupka, CPA, Inc., for the audit period July 1, 2015 through June 30, 2016. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost
Auditor of State

May 10, 2017

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**BEDFORD CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
AUDIT REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

TABLE OF CONTENTS

| | <u>Page</u> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | 1-2 |
| Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance | 3-5 |
| Schedule of Expenditures of Federal Awards | 6 |
| Notes to the Schedule of Expenditures of Federal Awards | 7 |
| Schedule of Findings and Questioned Costs | 8 |
| Schedule of Prior Audit Findings and Recommendations | 9 |

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

To the Members of Board of Education
Bedford City School District
Bedford , Ohio

The Honorable Dave Yost
Auditor of State
State of Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Bedford City School District, Cuyahoga County, Ohio, (the District) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 17, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Bedford City School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Bedford City School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Bedford City School District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Bedford City School District's financial statements will not be prevented, or detected and corrected on a timely basis. 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 deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Bedford City School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Bedford City School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Bedford City School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



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

February 17, 2017

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

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**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM; REPORT
ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON
THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE**

To the Members of Board of Education
Bedford City School District
Bedford , Ohio

The Honorable Dave Yost
Auditor of State
State of Ohio

Report on Compliance for Each Major Federal Program

We have audited the Bedford City School District, Cuyahoga County, Ohio's (the District) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on the Bedford City School District's major federal program for the year ended June 30, 2016. The Bedford City School District's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Bedford City School District's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Bedford City School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Bedford City School District's compliance.

Opinion on Each Major Federal Program

In our opinion, the Bedford City School District, Cuyahoga County, Ohio, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2016.

Report on Internal Control over Compliance

Management of the Bedford City School District, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Bedford City School District's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Bedford City School District's internal control over compliance.

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have also audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Bedford City School District, Cuyahoga County, Ohio, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Bedford City School District's basic financial statements. We issued our report thereon dated February 17, 2017, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for the purpose of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates to directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



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

February 17, 2017

**BEDFORD CITY SCHOOL DISTRICT
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

| Federal Grantor/ <i>Pass-Through Grantor/</i> Program or Cluster Title | Federal CFDA Number | Receipts | Non-Cash Receipts | Expenditures | Non-Cash Expenditures |
|---------------------------------------------------------------------------------------------------|----------------------------------------------------------|---------------------|-----------------------------------------|---------------------|---------------------------------------------|
| <u>U.S. Department of Agriculture</u> | | | | | |
| <i>Passed through Ohio Department of Education</i> | | | | | |
| Child Nutrition Cluster: | | | | | |
| National School Lunch Program | 10.555 | \$1,407,672 | \$ 116,702 | \$ 1,407,672 | \$ 116,702 |
| Total Child Nutrition Cluster | | <u>1,407,672</u> | <u>116,702</u> | <u>1,407,672</u> | <u>116,702</u> |
| Total U.S. Department of Agriculture | | <u>1,407,672</u> | <u>116,702</u> | <u>1,407,672</u> | <u>116,702</u> |
| <u>U.S. Department of Education</u> | | | | | |
| <i>Passed through Ohio Department of Education</i> | | | | | |
| Title I - Grants to Local Educational Agencies | 84.010 | <u>1,013,143</u> | <u>0</u> | <u>1,043,367</u> | <u>0</u> |
| Special Education Cluster (IDEA): | | | | | |
| Special Education _Grants to States (IDEA, Part B) | 84.027 | 715,062 | 0 | 848,325 | 0 |
| Special Education _Preschool Grants (IDEA Preschool) | 84.173 | <u>25,413</u> | <u>0</u> | <u>27,754</u> | <u>0</u> |
| Total Special Education Cluster | | <u>740,475</u> | <u>0</u> | <u>876,079</u> | <u>0</u> |
| English Language Acquisition State Grants | 84.367 | <u>117,768</u> | <u>0</u> | <u>121,491</u> | <u>0</u> |
| Title III - Lep/Immigrant | 84.365 | <u>15,702</u> | <u>0</u> | <u>6,870</u> | <u>0</u> |
| Career and Technica Education - Basic Grants to States | 84.048 | <u>75,316</u> | <u>0</u> | <u>138,404</u> | <u>0</u> |
| Total U.S. Department of Education | | <u>1,962,404</u> | <u>0</u> | <u>2,186,211</u> | <u>0</u> |
| TOTAL EXPENDITURES OF FEDERAL AWARDS | | <u>\$ 3,370,076</u> | <u>\$ 116,702</u> | <u>\$ 3,593,883</u> | <u>\$ 116,702</u> |

See accompanying notes to the Schedule of Expenditures of Federal Awards.

BEDFORD CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2016

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

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

The District has elected not to use the 10% de minimus indirect cost rate as allowed under the Uniform Guidance.

NOTE 2: CHILD NUTRITION CLUSTER

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

NOTE 3: FOOD DONATION PROGRAM

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

**BEDFORD CITY SCHOOL DISTRICT
 CUYAHOGA COUNTY, OHIO
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 UNIFORM GUIDANCE
 JUNE 30, 2016**

1. SUMMARY OF AUDITOR’S RESULTS

| | | |
|------------|----------------------------------------------------------------------------------------------------------------|-------------------------------------------------|
| 2016(i) | Type of Financial Statement Opinion | Unmodified |
| 2016(ii) | Were there any material control weaknesses reported at the financial statement level (GAGAS)? | No |
| 2016(ii) | Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)? | No |
| 2016(iii) | Was there any reported material noncompliance at the financial statement level (GAGAS)? | No |
| 2016(iv) | Were there any material internal control weaknesses reported for major federal programs? | No |
| 2016(iv) | Were there any significant deficiencies in internal control reported for major federal programs? | No |
| 2016(v) | Type of Major Program’s Compliance Opinion | Unmodified |
| 2016(vi) | Are there any reportable findings under 2 CFR 200.516(a)? | No |
| 2016(vii) | Major Programs (list): Title I Grants to Local Educational Agencies - CFDA #84.010 | |
| 2016(viii) | Dollar Threshold: Type A\B Program | Type A: \$750,000 or more Type B: All others |
| 2016(ix) | Low Risk Auditee? | Yes |

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

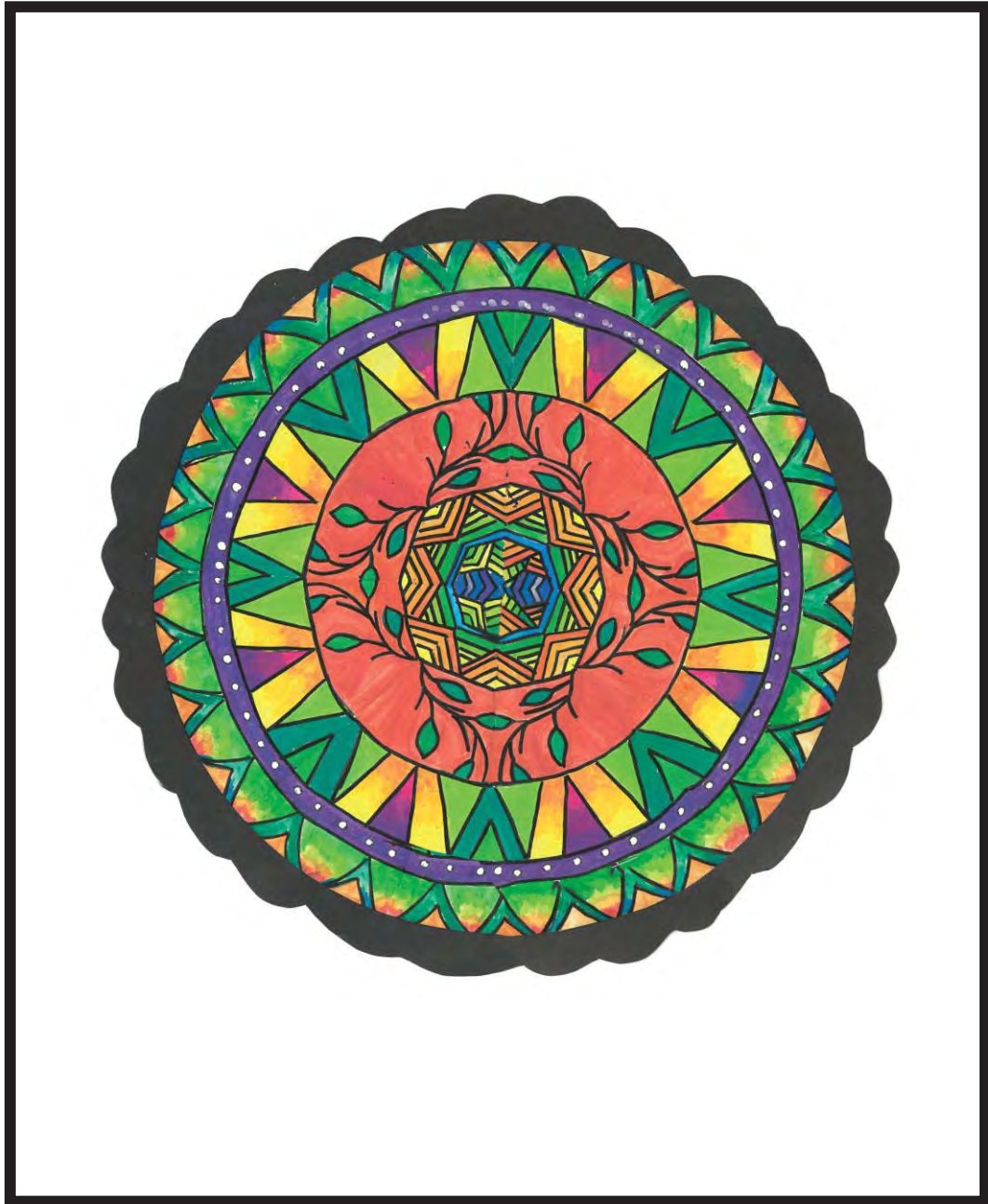
**BEDFORD CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF PRIOR AUDIT FINDINGS AND RECOMMENDATIONS
JUNE 30, 2016**

The prior audit report, as of June 30, 2015, included no citations or instances of noncompliance. Management letter recommendations were corrected, repeated, or procedures instituted to prevent occurrences in this audit period.

BEDFORD CITY SCHOOL DISTRICT
Bedford, Ohio

Comprehensive Annual
FINANCIAL REPORT
For the Fiscal Year Ended
June 30, 2016





Artwork by: A'Shontay Montgomery-Reaves

Grade 10

Bedford High School

Art Teacher: Rebecca Genao

Bedford City School District

Bedford, Ohio

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2016

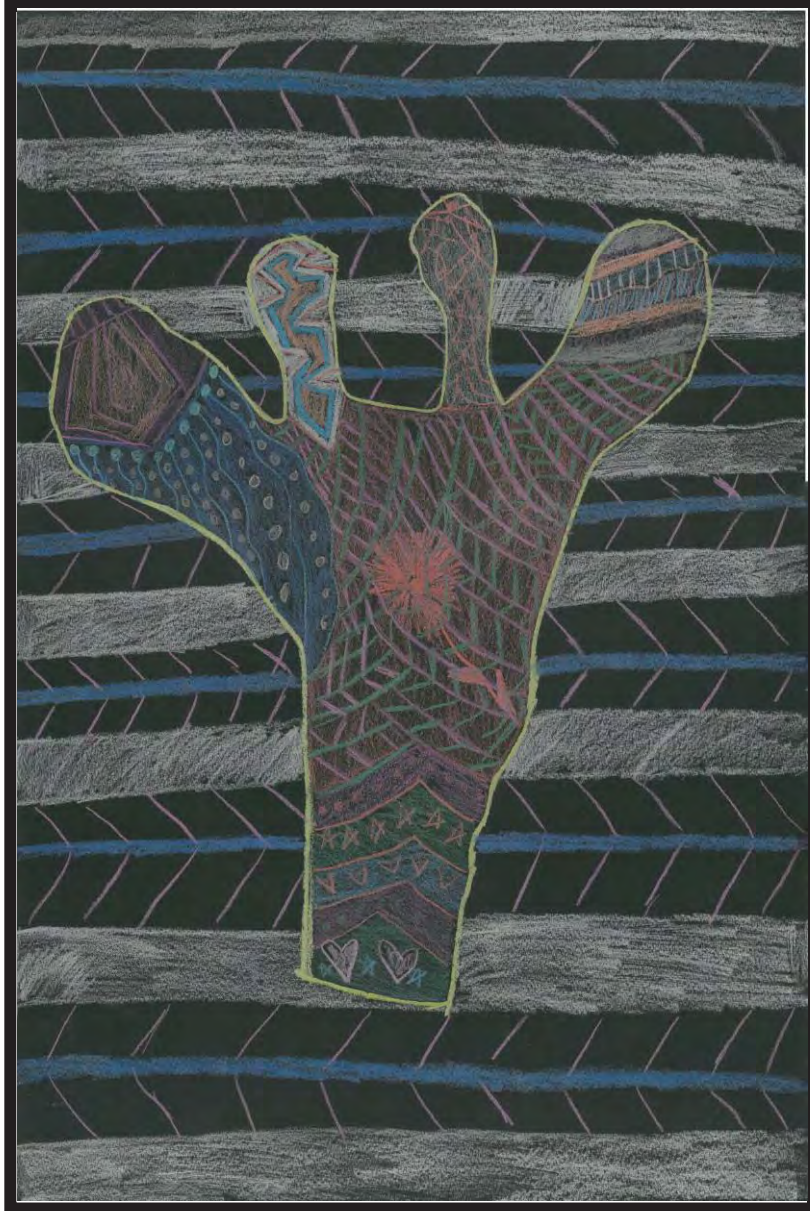
Prepared by:

Janet M. Pavlic, CPA
Treasurer

Donald E. Houghton, Jr.
Assistant Treasurer

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Introductory Section



Artwork by: Gidget Begg

Grade 4

Carylwood Intermediate School

Art Teacher: Beverly Brown



Artwork by: Ja'Tai Trotty

Grade 3

Central Primary School

Art Teacher: Kenan Gabriel

Bedford City School District
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2016

Table of Contents

| | <u>Page</u> |
|------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| I. Introductory Section | |
| Table of Contents | i |
| Letter of Transmittal | v |
| Principal Officials | xv |
| Organizational Chart | xvi |
| GFOA Certificate of Achievement | xvii |
| II. Financial Section | |
| Independent Auditor’s Report..... | 1 |
| Management’s Discussion and Analysis..... | 5 |
| Basic Financial Statements: | |
| Government-wide Financial Statements: | |
| Statement of Net Position | 16 |
| Statement of Activities | 17 |
| Fund Financial Statements: | |
| Balance Sheet – Governmental Funds..... | 18 |
| Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities..... | 19 |
| Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds..... | 20 |
| Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities | 21 |
| Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual - General Fund..... | 22 |
| Statement of Net Position – Internal Service Funds | 23 |
| Statement of Revenues, Expenses and Changes in Net Position - Internal Service Funds | 24 |
| Statement of Cash Flows – Internal Service Funds | 25 |
| Statement of Fiduciary Net Position – Fiduciary Funds..... | 26 |
| Statement of Changes in Fiduciary Net Position – Private Purpose Trust Fund | 27 |
| Notes to the Basic Financial Statements | 28 |

Required Supplementary Information

Schedule of the School District’s Proportionate Share of the Net Pension Liability -
School Employees Retirement System of Ohio – Last Three Fiscal Years62

Schedule of the School District’s Proportionate Share of the Net Pension Liability -
State Teachers Retirement System of Ohio – Last Three Fiscal Years63

Schedule of the School District’s Contributions -
School Employees Retirement System of Ohio – Last Ten Fiscal Years64

Schedule of the School District’s Contributions -
State Teachers Retirement System of Ohio – Last Ten Fiscal Years66

Combining and Individual Fund Statements and Schedules:

Combining Statements – Nonmajor Governmental Funds:

Fund Descriptions 68

Combining Balance Sheet – Nonmajor Governmental Funds 71

Combining Statement of Revenues, Expenditures and Changes in
Fund Balances – Nonmajor Governmental Funds 72

Combining Balance Sheet – Nonmajor Special Revenue Funds 73

Combining Statement of Revenues, Expenditures and Changes in
Fund Balances – Nonmajor Special Revenue Funds 76

Combining Balance Sheet – Nonmajor Capital Projects Funds..... 79

Combining Statement of Revenues, Expenditures and Changes in
Fund Balances – Nonmajor Capital Projects Funds..... 80

Agency Fund Descriptions and Statement of Changes in Assets and Liabilities – Agency Funds..... 81

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

Major Fund:

General Fund..... 83

Nonmajor Funds:

Food Service Fund 88

Local Grants Fund 89

District Managed Student Activities Fund..... 91

Auxiliary Services Fund 93

Data Communications Fund 94

Title VI-B Fund..... 95

Vocational Education Fund 97

Title III Fund..... 99

Title I Fund 100

Preschool Handicapped Fund 102

Title VI-R Fund 104

Recreation Fund..... 105

| | |
|------------------------------------------|-----|
| Public School Support Fund | 106 |
| Special Enterprise Fund | 108 |
| Summer School Fund..... | 109 |
| Adult and Community Education Fund | 110 |
| Bond Retirement Fund..... | 111 |
| Permanent Improvement Fund..... | 112 |
| Building Fund | 113 |
| Capital Replacement Fund..... | 114 |
| Self Insurance Fund | 115 |
| Scholarship Fund | 116 |

III. Statistical Section

| | |
|-------------------------------------------------------------------------------------------------------------------|-----|
| Statistical Section Description | S1 |
| Net Position by Component – Last Ten Fiscal Years | S2 |
| Changes in Net Position – Last Ten Fiscal Years | S4 |
| Program Revenues by Function – Last Ten Fiscal Years | S8 |
| Fund Balances, Governmental Funds – Last Ten Fiscal Years..... | S10 |
| Changes in Fund Balances – Last Ten Fiscal Years | S12 |
| Assessed and Estimated Actual Value of Taxable Property – Last Ten Years | S14 |
| Property Tax Rates – Direct and Overlapping Governments (per \$1,000 of Assessed Value) – Last Ten Years | S16 |
| Property Tax Levies and Collections – Last Ten Years..... | S20 |
| Principal Taxpayers – 2016 and 2007 | |
| Real Estate Tax | S21 |
| Public Utilities Tax | S22 |
| Computation of Legal Debt Margin..... | S24 |
| Ratio of Debt to Assessed Value And Debt per Capita – Last Ten Fiscal Years..... | S26 |
| Computation of Direct and Overlapping Governmental Activities Debt..... | S28 |
| Principal Employers – 2016 and 2008 | S29 |
| Demographic and Economic Statistics – Last Ten Years | S30 |
| Building Statistics – Last Ten Fiscal Years | S32 |
| Per Pupil Cost – Last Ten Fiscal Years..... | S36 |
| School District Employees by Function/Program – Last Ten Fiscal Years | S38 |

Full-Time Equivalent Certificated School District Employees
By Education – Last Ten Fiscal Years S40

Enrollment Statistics – Last Ten Fiscal Years S42



BEDFORD CITY SCHOOL DISTRICT

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February 17, 2017

Board of Education Members and Residents of
Bedford City School District

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Bedford City School District for the fiscal year ended June 30, 2016. This report enables the School District to comply with Ohio Administrative Code Section 117-2-03 (B), which requires reporting on a GAAP (Generally Accepted Accounting Principles) basis, and Ohio Revised Code Section 117.38 which requires the School Districts reporting on a GAAP basis to file an annual unaudited report with the Auditor of State within 150 days of fiscal year end.

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

Ohio law requires independent audits to be performed on all financial operations of the School District either by the Auditor of State or an independent public accounting firm, if permitted by the Auditor of State. James G. Zupka, CPA, Inc. rendered an opinion on the School District's financial statements for the fiscal year ending June 30, 2016, and the Independent Auditors' Report on the basic financial statements is included in the financial section of this report.

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

The School District

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

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

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

Bedford City School District is one of the 611 school districts in the State of Ohio and one of 31 in Cuyahoga County. The School District provided education to 3,188 students in grades K-12. Statutorily, the School District operates under standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 of the Ohio Revised Code, to provide services mandated by State and Federal agencies.

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

Reporting Entity

The Bedford City School District has reviewed its reporting entity definition in order to insure conformance with the Governmental Accounting Standards Board Statement (GASB) No. 14, "The Financial Reporting Entity" and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus; an amendment of GASB Statements No. 14 and No. 34". In evaluating how to define the School District for financial reporting purposes, management has considered its relationship with all departments, boards, and agencies that make up the Bedford City School District. For Bedford City School District, this includes general operations, food service and student related activities of the School District.

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

The School District participates in an insurance purchasing pool and two jointly governed organizations. These organizations are the Ohio School Boards Association Workers' Compensation Group Retrospective Rating Program, the Connect and Ohio Schools Council Association. These organizations are presented in Notes 16 and 20 of the notes to the basic financial statements.

A complete discussion of the School District's reporting entity is provided in Note 1 to the basic financial statements.

Economic Condition and Outlook

The School District is well-located at the conjunction of Interstate Highways 480 and 271. Downtown Cleveland is 20 minutes away, and all the major metropolitan areas of Ohio are directly accessible via the interstate system. Residential property is middle class and properties are well kept. The tax base of \$662,797,460 is divided among the four municipalities making up the School District in the following manner: Bedford 35 percent, Bedford Heights 31 percent, Oakwood Village 18 percent and Walton Hills 16 percent. Approximately 53 percent of the tax base is residential real property, 7 percent is public utility tangible property and 40 percent is commercial/industrial property. Each of the four municipalities actively encourages the maintenance and growth of the tax base.

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

The City is in the process of completing a new industrial development in cooperation with the Hemisphere Corporation on the site designated as the Tinkers Creek Commerce Park. Taylor Chair Corporation completed the construction of their headquarters building, left the facility and is now occupied by the company Art of Beauty. Art of Beauty/Harwood Contract Packaging Inc. added \$6.1 million in real estate improvements to the property, and transferred 40 employees immediately to the site and created 5 new jobs, The Company agreed to create 45 more jobs within 6 years per their community reinvestment area agreement (CRA).

The Hemisphere Corporation and Hull & Associates have completed building a new headquarters on this site at a cost of \$3.2 million. This was constructed on a Brownfield site and the site was developed with grants from the Cuyahoga County Brownfield Fund, Brush Wellman, prior owners of the site, the State of Ohio 629 Fund and the Federal Housing and Urban Development Fund (Brownfield Economic Development Initiative Grant, BEDI).

Ben Venue Laboratories, Inc. was acquired by Boehringer Ingelheim Corporation on December 1, 1997. Ben Venue has a long-standing reputation as the premier contract manufacturer of injectable pharmaceuticals. Ben Venue is the largest and oldest manufacturer of lyophilized (freeze-dried) injectable drugs in the United States. In 2010, headcount had increased to 1,289 and they were operating within 1 million square feet of manufacturing area. Unfortunately, on October 3, 2013, Ben Venue Laboratories (BVL) informed Bedford City officials of its intention to cease operations by the end of 2013. Working with various governmental officials, a buyer was found for this property. In May of 2014, Hikma Pharmaceuticals purchased the property under the name of West-Ward Injectables, Inc. West-Ward Pharmaceuticals did not start manufacturing at the site. They, instead, sold four of the buildings to Xellia Pharmaceuticals late in 2015 with the assistance from the State of Ohio offering business incentives. Xellia Pharmaceuticals, in 2016, started construction on the facilities to allow distribution of current products from this facility and is expected to start manufacturing within one to two years and to hire up to 200 employees.

The City of Bedford is home to the Historic Automile. Expansion of the Automile is continuing with projects by The Ganley Auto Group.

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

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

The State of Ohio and the Cleveland Water Department invested approximately \$5,000,000 in Aurora Road's infrastructure. Cleveland Water installed a much larger water line from the intersection of Aurora and Northfield Roads to the Bedford Heights/Solon corporate line. Upon completion of the water line installation, the State of Ohio repaired and reconstructed the road and curbs.

The Village of Oakwood continues to experience upscale commercial development moving from a community which was reliant on smokestack industries, landfills and truck terminals for its revenue to one predicated upon knowledge and technology.

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

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

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

The Village of Walton Hills has been home to the Ford Motor Company Stamping plant for many years. The plant closed in early 2015. The Village has been working with State and Federal officials to find a suitable owner for the property. Arhaus Furniture (Pagoda Properties) has expanded their world headquarters to include manufacturing and shipping of their fine furniture and accessories.

General Information

3,188 students were enrolled in the School District's six schools (two primary, two intermediate schools, one middle school, and one high school). In addition to its six schools, the Bedford City School District operates a variety of facilities to complement the educational program. These include athletic facilities, a central administration building, a maintenance facility, and a transportation garage. As of June 30, 2016, the School District employed 279 professional staff members (including 252 teachers and 27 administrators) and 234 non-teaching and support staff employees.

Instructional Program

Academic Program Highlights

The Bedford City School District's academic program includes the following highlights from the 2015-2016 school year:

- The School District continued to offer a full-day kindergarten program to ensure students' academic, social and emotional success. The School District also laid the groundwork and grants were written to be able to expand preschool programming in the 2016-17 school year by offering

a full-day general education preschool class in addition to the current integrated half-day class for children with developmental delays and peer models.

- Bedford High School's graduation rate has increased every year since 2011. The high school also received an A in the value-added measure of the Ohio Report Card in the first year that these ratings have been assigned to high schools.
- Four teachers completed the yearlong rigorous portfolio of the Ohio Department of Education's Master Teacher Program and were approved to receive the Master Teacher Designation.
- A committee was formed to conduct a yearlong audit of the School District's GATE program. They met monthly to reevaluate current practices and to study best practices in current research relative to gifted education. As a result of this committee's findings, several changes to this program will be implemented in the 2016-2017 school year, including expansion of services.
- The STEPS for Success (Students Trying Every Possible Strategy for Success) program was implemented in January. This program incorporated the use of Leveled Literacy Intervention (LLI) in order to close reading gaps in grades 1-6. Retired teachers were hired to work as part-time tutors in the four elementary schools. Approximately 500 students were serviced with a joint effort from the STEPS for Success tutors, Americorp tutors, special education teachers, and classroom teachers. Combining this with quality instruction in the classroom should have a large impact on the district's early literacy initiative.
- The School District offered accelerated and/or honors classes for every grade K-12, as well as a strong Special Education program to ensure that students at every level of learning are given the opportunity to reach their maximum potential.
- Middle school students had the opportunity to earn high school credit for six different eighth-grade courses.
- Bedford High School offered nearly 200 courses to meet a wide range of students' needs. These included Honors and Advanced Placement, college preparatory, world languages (Spanish, French and Chinese and Individual Investigation World Language), music and fine and cultural arts. Ten AP courses were offered at Bedford High School.
- Bedford High School offered eight dual credit (high school and college) courses on campus, through an arrangement with Lorain Community College. Students also had the opportunity to earn dual credit by participating in the College Credit Plus program or by enrolling in one of the 14 Career and Technical Education (CTE) programs offered through the district's partnership with Maple Heights, eight of which are housed at Bedford High School. Dual credit could also be earned for some CTE courses through Cuyahoga Community College. An online alternative high school program was offered for students at risk of not graduating.
- A Bedford High School senior earned over 40 college credits from Cuyahoga Community College while in high school. She was awarded \$15,000 a year, and then granted an additional \$12,000 year (for a total of \$108,000) from John Carroll University to study Molecular Biology in the university's pre-med program.

- A Bedford High School senior took six AP courses simultaneously and earned over 21 college credits while in high school. He earned a 4.3 GPA and received a full academic scholarship and other local scholarships totaling over \$100,000 to attend Mount Vernon Nazarene University to study mechanical engineering.
- A team of five Bedford High School seniors finished second, earning the Silver Medal at the 9th Annual Biotech Olympics at Cuyahoga Community College – Corporate College East in March. More than 100 biotechnology students from 25 teams competed in the Biotech Olympics.
- Bedford High School University Bound Scholars (UBS) inducted 22 new students, including two seniors, two juniors, four sophomores and nine freshmen. Also inducted were five Heskett 8th graders. UBS provides students and their families with a network of support during the college preparation and exploration period. Students must maintain at least a 3.4 GPA and be enrolled in at least one honors-level class. Additionally, UBS students have the opportunity to take a bus trip during spring break to visit Ivy League Colleges and other highly selective universities, to help inspire them to set greater goals in their college admissions aspirations.
- Heskett inducted 11 students in the National Junior Honor Society during a ceremony in December.
- Thanks to the success of the UBS initiative, one of the Bedford High School UBS students was awarded a full academic scholarship worth over \$70,000 to Loyola University Chicago, one of the colleges the students visited in the spring.
- Students in the Bedford High School Automotive Technology Program won the Pedal Car Challenge at the 2016 Summit Racing Piston Powered Auto-Rama. There were eight schools in the competition. Students were asked to redesign a pedal car that was provided to them. They added four feet to the total design. In the end the redesigned pedal car was auctioned off for nearly \$300, which was given to the automotive technology program.
- Twelve Bedford High School Marketing Education students competed in the DECA State Competition in Columbus in March, three of them placing in the top ten in Ohio. They competed against 2,700 marketing students from across the State.
- All Bedford High School band students who competed at the Ohio Musical Education Association's (OMEA) Solo & Ensemble competition received the top rating of "I". Four students participated in the OMEA District & Honors Band and two students participated in The Ohio State Honors Band.
- The Bedford High School Madrigal Singers earned the top rating of Gold at the WorldStrides Onstage Heritage Festival in New York City in March. The chamber choir competed with 27 other choirs from around the country. One Bedford High School student was one of only 14 students in the competition who was chosen for a Maestro Award for her solo performance. The Madrigal Singers also received three Superior ratings at the OMEA District 7 Solo and Ensemble competition.
- One Columbus fifth grader and one 6th grader were honored as MLK Holiday Scholars in January for winning the "Happy Birthday Dr. King!" Birthday Card Contest in their respective grade categories.

- A Glendale first grader took first place in the primary division at the regional Martin Luther King, Jr. Oratorical Contest in February. She then placed second in the 2016 state level competition in Columbus, Ohio in April.
- The Bedford High School Girls Track Team captured the Lake Erie League championship title.
- A Bedford High School senior, became only the third girls' basketball player in Bedford history to score over 1,000 career points.

Parent and Community Engagement:

- The School District's new superintendent, Dr. Andrea Celico, made parent and community involvement one of her four major goals for the School District. Among the initiatives that she spearheaded to help achieve that goal were: Parent Ambassadors; quarterly meetings with the mayors of the School District's four communities; quarterly meetings of the Superintendent's Advisory Council (a committee consisting of parents, elected officials, students, clergy and community members); quarterly Clergy Breakfasts; and monthly meetings with a group of Bedford High School seniors named the Supe's Troops. She also formed a working partnership with Cleveland Ballet and University Hospitals Bedford Medical Center.
- Cleveland Ballet and Heskett Middle School formed an educational partnership in March. Sixteen students travelled to the School of the Cleveland Ballet in Downtown Bedford twice a week for lessons. In May, the students presented "A Dance Showcase", a performance spotlighting the work they had done in their classes. The program is intended not only to teach ballet, but to enhance the students' athleticism, understanding of dance history, and music appreciation. Experiencing dance also means learning about many arts and many cultures. Two students were awarded scholarships from Cleveland Ballet to continue their dance lessons.
- Volunteer mentoring/tutoring programs in the School District included a partnership with The Mentoring Network, which oversees Heskett Middle School's UbUr3 program; a character development program with the high school football and basketball teams; the Kids Hope program at Central and Glendale Primary Schools; the Homework Club and WATCH D.O.G.S. (Dads of Great Students) at Carylwood Intermediate School; a long-standing tutoring partnership program at Glendale Primary School with U.S. Bank Home Mortgage employees; and a long-standing Reading Dog program at Glendale, in which therapy dogs are brought into the school so children can practice their reading skills by "reading to the dogs." AmeriCorps tutors are also working with Glendale students. The School District developed a program last year called the V.I.P. Initiative (Volunteering Is Powerful). This program encourages volunteers to contribute their time to assist with the advancement of the students, whether it is in academic, athletic, or fine arts programs.
- In October, as they have for several years, Heskett Middle School teachers and students participated in *Make a Difference Day*, the largest national day of community service, by tackling projects which make a difference for their school and community.
- The School District honored military personnel, veterans and local safety forces at Bearcat Stadium during a home football game to commemorate Patriot Day. Any local police officer, firefighter, or anyone with a military ID was offered free admission to the game.
- A committee of parents representing all schools was started at the beginning of the 2015-16 school year. The name of the group is Parent Ambassadors. They met monthly to brainstorm

about their vision and mission for the group and how they could most effectively serve as liaisons to help the School District to reach out and engage other parents. They met often at the end of the school year and throughout the summer to plan a Parent Palooza for August, bringing together parents, district staff and community members in a celebratory kickoff of the school year.

- The School District reached out to senior citizens in its four communities by continuing to offer a quarterly ElderClass program. ElderClass is an intergenerational program designed to build a positive relationship between the Bedford Schools, its students, and senior citizens. The Annual Senior Citizens Valentine's Day Dance, sponsored by the Bedford High School Varsity B Club, continued to turn out quite a crowd in its 25th year in 2016.
- Members of the Bedford Board of Education continued to conduct Community Engagement Walk-in Sessions at a local coffee shop one Saturday morning a month to interact with their constituents and to gain feedback on and answer questions about the School District.
- Other community engagement activities in the schools included: Muffins for Moms and Donuts for Dads at Carylwood, Central and Columbus; PTA Family Fun Nights at Central, Glendale and Columbus; a Science Fair at Carylwood and Heskett, a Study Island/Accelerated Reader Night at Carylwood; Grandparents' Day at Central; and volunteer recognition programs at most schools.
- The School District, in partnership with the Bedford Rotary Club and the Bedford Schools Foundation, held its annual Sunday Funday in April, offering a 5-mile run or 2-mile run/walk, a Pancake Breakfast, and a District Art Show.
- The Bedford Rotary Club honored selected students of the month and National Honor Society students by inviting them to luncheon meetings. The Rotary also honored outstanding BHS Career and Technical Education students at its 58th Annual Career-Tech Recognition Banquet in May.
- The Columbus Intermediate School (CIS) News Team partnered with WKYC, Channel 3. BHS alumna Danielle Wiggins, who supported the students' broadcast journalism efforts all year, visited the school in May. Earlier in the year, the station had also invited the CIS News Team downtown to tour their facilities and to see how a green screen is used in live broadcasts.
- For the 4th consecutive year, Bedford hosted the Regional Special Olympics track and field qualifying meet in which 400 athletes from 14 schools/facilities competed in 24 track and field events, plus a volleyball game and four cycling races. Many staff members and community members volunteered at this event.
- The School District inducted six individuals into the Bedford High School Distinguished Alumni and Athletic Halls of Fame in April. Inducted into the Distinguished Alumni Hall of Fame were Dr. DoJuana Hairston (Jones), Class of 1986, Clinical Therapist in a Private Practice and on staff at a large medical center; David Kennedy, Class of 2000, CEO and Founder of two information security companies; and Alan J. Sutton, Class of 1974, President of a multi-faceted business serving the entire United States. Inducted into the Athletic Hall of Fame were Erica N. Burks, Class of 2000, BHS Track State Champion; James A. Green, Class of 1989, Head Men's Golf Coach at Duke University; and Erica L. Harper, Class of 1999, Track Standout at BHS and Miami University.

- Students at every grade level engaged with the community on a regular basis. Some examples are: Elementary school students sent cards to veterans on Veterans Day. Students from various grade levels visited with senior citizens at local senior care facilities. Different school musical groups also performed for the residents of these facilities. The Bedford High School Madrigal Singers performed at many community events, including Christmas in Bedford Falls, Bedford Rotary Club meetings and Board of Education events. The Bedford High School Teens who Listen and Care (TLC) members raked leaves at senior citizens' homes. The Bedford High School Class of 2016 had 108 seniors who volunteered a minimum of 30 hours of community service, totaling 10,569 hours, to earn community service honor cards. Schools had holiday food drives and donated the collected food to the local hunger center.

Employees

As of June 30, 2016, the School District had 521 employees. A Statewide public employee collective bargaining law applies generally to public employee relations and collective bargaining.

As of June 30, 2016, 282 of the School District's employees were professionals (certified or licensed by the State Department of Education) serving as treasurer, assistant treasurer, business manager, classroom teachers, education specialists and certificated administrators, of whom all had at least a bachelor's degree and 67 percent or 190 held advanced degrees. The 2015-2016 starting salary for a teacher with a bachelor's degree was \$39,047; the maximum teacher salary (for a teacher with a master's degree plus 45 semester hours and 18 years' experience) was \$81,086. The average current base salary of a School District teacher for 2015-2016 was \$64,421, compared to a State average of (fiscal year 2014 last year available) \$57,154.

All of the School District's teachers and educational specialists (excluding 19 administrators) are represented by the Bedford Education Association (the "Association") which is a labor organization affiliated with the Ohio Education Association. The present contract between the Board of Education and the Association became effective on July 1, 2013 and was in effect through June 30, 2016.

All of the School District's classified support staff (secretarial-clerical, custodial, maintenance, transportation and cafeteria staff) members are represented for bargaining purposes by the Ohio Association of Public School Employees ("OAPSE"), with the exception of 8 administrators and 3 confidential secretaries, the Coordinator of Communications and Public Relations, and the EMIS Coordinator. The School District continued to operate on the contract that expired on December 31, 2015 while negotiations were ongoing on the new labor agreement. There have been no work stoppages in the last 20 years. In the judgment of the Board of Education, labor relations with all of its employees are excellent.

Long Term Planning

The Bedford City School District prepares a five-year forecast annually. This forecast serves as the primary planning tool for all financial decisions the School District makes during the school year. The forecast presents actual activity of the operations of the Bedford City School District for the past three years and forecasts the financial activity for the current fiscal year, followed by four subsequent years. This document assists the Board of Education and Administration in identifying future financial challenges and helps them to meet them by being proactive whenever possible. The School District's most recent forecast confirms prudent use of their funds, but confirms a trend of Expenditures and Other Financing Uses exceeding Revenues and Other Financing Sources for the entire forecast period. The School District Board of Education and Administration are in discussions to formulate plans to assure that they remain fiscally sound.

Awards

The Governmental Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Bedford City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2015. The Certificate is the highest form of recognition in the area of governmental financial reporting. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

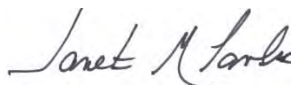
Acknowledgements

The publication of this report continues the School District's commitment to professionalism in financial reporting. Appreciation is extended to the staff of the treasurer's department: Mrs. Loretta Dunkel, Payroll Specialist, Mr. Joseph Shelton, Accounts Receivable/Leave Accounting Specialist, and Mrs. Sonya Jackson, Accounts Payable Specialist. A school district cannot produce a CAFR without an efficient Treasurer's department. The dedication and accurate work of these employees ensures a smooth day-to-day operation and the accurate maintenance of records. It is their work that makes a timely audit possible. These employees have made a major contribution toward the School District's fiscal year 2016 CAFR. The fiscal year 2016 CAFR is also the work of Assistant Treasurer, Donald E. Houghton, Jr., whose name appears on the title page.

Ms. Beth Russell, Coordinator of Communications and Public Relations is credited with providing content to the fiscal year 2016 CAFR. The digital 2016 CAFR was produced by the Information Technology Department of the Bedford City School District.

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

Respectfully submitted,



Janet M. Pavlic, CPA
Treasurer/CFO



Andrea Celico, Ph.D.
Superintendent of Schools

**Bedford City School District
Principal Officials
June 30, 2016**

Board of Education

| | |
|---------------------------|----------------|
| Mr. Phil Stevens | President |
| Mrs. Debora J. Kozak | Vice President |
| Mrs. Barbara A. Patterson | Member |
| Mr. Tim Tench | Member |
| Mr. Joseph V. Mestnik | Member |

Treasurer

Mrs. Janet M. Pavlic, CPA

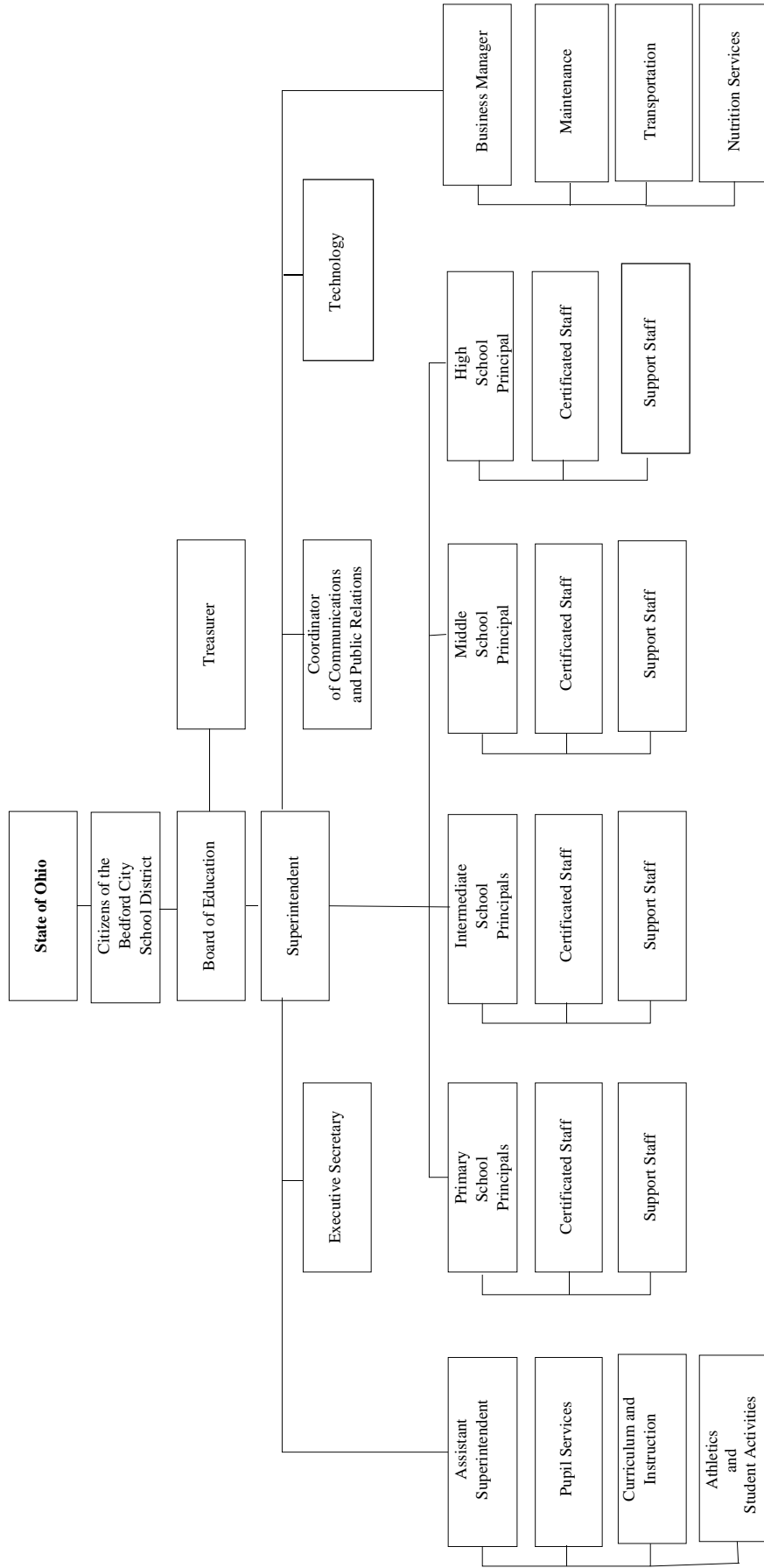
Assistant Treasurer

Mr. Donald E. Houghton, Jr.

Administration

| | |
|-------------------------|--------------------------|
| Ms. Andrea Celico, Ph.D | Superintendent, 8-1-15 |
| Mrs. Linda A. O'Neill | Assistant Superintendent |
| Mr. Jerry Zgrabik | Business Manager |

Organizational Chart of the Bedford City School District





Government Finance Officers Association

**Certificate of
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Presented to

**Bedford City School District
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO

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Financial Section



Henry Woodard IV

Artwork by: Henry Woodard IV

Grade 7

Heskett Middle School

Art Teacher: Leah McKeen



Artwork by: Kayla Bohanon

Grade 4

Columbus Intermediate School

Art Teacher: Victoria Watkins

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

Certified Public Accountants

5240 East 98th Street

Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of Board of Education
Bedford City School District
Bedford , Ohio

The Honorable Dave Yost
Auditor of State
State of Ohio

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 Bedford City School District, Cuyahoga County, Ohio, (the District) as of and for the year ended June 30, 2016, 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 the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers 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 for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Bedford City School District, Cuyahoga County, Ohio, as of June 30, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with 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 that the Management's Discussion and Analysis and Schedules of Net Pension Liabilities and Pension Contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Bedford City School District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 17, 2017, on our consideration of the Bedford City School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Bedford City School District's internal control over financial reporting and compliance.



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

February 17, 2017

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Bedford City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
Unaudited

The discussion and analysis of the Bedford City School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2016. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the transmittal letter, the basic financial statements as well as the notes to the basic financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2016 are as follows:

- The School District provided educational services to 3,188 students during fiscal year 2016. This is a decrease from the prior fiscal year.
- Outstanding debt obligations for the School District decreased from the prior fiscal year due to an additional year of debt obligation payments.
- Capital assets in the School District are being carried with a relatively old physical plant and bus fleet. The buildings of the School District are well maintained and in good repair. The School District consistently makes improvements when and where needed in order to ensure sustainability.
- Capital assets decreased from the prior year due to an additional year of depreciation outpacing current year additions. Capital asset additions included a new scoreboard at the high school football stadium, a total refurbishing of the Heskett running track, five new busses and several musical instruments, among other items.
- The School District had higher expenses than in the previous fiscal year, primarily due to an increase in instructional expenses as staff moves through the step scales, raises and increases in healthcare.

Using This Comprehensive Annual Financial Report ("CAFR")

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

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

Bedford City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
Unaudited

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

Statement of Net Position and the Statement of Activities

The analysis of the School District as a whole begins on page 6. The view of the School District as a whole looks at all financial transactions and asks the questions, "Are we in a better financial position this year than last?" and "Why" or "Why not". The Statement of Net Position and the Statement of Activities provide the basis for answering these questions. The statements include *all assets and deferred outflows of resources* and *liabilities and deferred inflows of resources* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting recognizes all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

Reporting the School District's Most Significant Funds (Fund Financials)

The analysis of the School District's major fund begins on page 12. Fund financial reports provide detailed information about the School District's major fund. The School District uses many funds to account for a multitude of financial transactions. However, the fund financial statements focus on the School District's most significant fund. The School District's only major fund is the general fund.

Governmental Funds - The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial assets* that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the School District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental *funds* is reconciled in the financial statements of the *Governmental Funds*.

Proprietary Funds - Proprietary funds have historically operated as *enterprise* and *internal service funds* using the same basis of accounting as business-type activities. The internal service self insurance fund accounts for health insurance, prescription drugs and dental coverage and is reported as the School District's only proprietary fund.

Bedford City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
Unaudited

The School District as a Whole

Recall that the *Statement of Net Position* provides the perspective of the School District as a whole, showing assets, liabilities, deferred outflows and inflows and the difference between them (net position). Table 1 provides a summary of the School District's governmental activities net position for fiscal year 2016 compared to fiscal year 2015:

Table 1
 Net Position

| | 2016 | 2015 | Change |
|--------------------------------------------|------------------------------|------------------------------|---------------------------|
| Assets | | | |
| Current and Other Assets | \$52,490,079 | \$52,514,492 | (\$24,413) |
| Capital Assets, Net | 19,164,714 | 19,969,156 | (804,442) |
| <i>Total Assets</i> | <u>71,654,793</u> | <u>72,483,648</u> | <u>(828,855)</u> |
| Deferred Outflows of Resources | <u>6,785,488</u> | <u>4,375,944</u> | <u>2,409,544</u> |
| Liabilities | | | |
| Current and Other Liabilities | 6,986,881 | 7,149,928 | 163,047 |
| Long-Term Liabilities: | | | |
| Due Within One Year | 1,778,598 | 1,659,652 | (118,946) |
| Due in More than One Year | | | |
| Net Pension Liability | 67,204,086 | 59,259,853 | (7,944,233) |
| Other Amounts | 3,746,188 | 4,184,776 | 438,588 |
| <i>Total Liabilities</i> | <u>79,715,753</u> | <u>72,254,209</u> | <u>(7,461,544)</u> |
| Deferred Inflows of Resources | | | |
| Property Taxes | 20,675,884 | 23,204,072 | 2,528,188 |
| Pension | 4,501,467 | 10,644,449 | 6,142,982 |
| <i>Total Deferred Inflows of Resources</i> | <u>25,177,351</u> | <u>33,848,521</u> | <u>8,671,170</u> |
| Net Position | | | |
| Net Investment in Capital Assets | 16,997,654 | 18,124,171 | (1,126,517) |
| Restricted: | | | |
| Capital Projects | 357,564 | 155,448 | 202,116 |
| Debt Service | 26,481 | 13,714 | 12,767 |
| Other Purposes | 1,008,802 | 1,027,366 | (18,564) |
| Unrestricted (Deficit) | <u>(44,843,324)</u> | <u>(48,563,837)</u> | <u>3,720,513</u> |
| <i>Total</i> | <u><u>(\$26,452,823)</u></u> | <u><u>(\$29,243,138)</u></u> | <u><u>\$2,790,315</u></u> |

Bedford City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
Unaudited

The net pension liability (NPL) is the largest single liability reported by the School District at June 30, 2016 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the School District's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability*. GASB 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 requires the net pension liability to equal the School District's proportionate share of each plan's collective:

1. Present value of estimated future pension benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the School District is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

Bedford City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
Unaudited

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68, the School District's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's *change* in net pension liability not accounted for as deferred inflows/outflows.

There was an increase in deferred outflows of resources and a decrease in deferred inflows of resources related to the net pension liability from the prior fiscal year. This resulted in an overall increase in net position for the School District. Total liabilities increased from the prior fiscal year primarily due to an increase in the net pension liability which was slightly offset by a decrease in outstanding debt due to the continued pay down of the debt issuances.

Bedford City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
Unaudited

Table 2 shows changes in governmental net position for fiscal years 2016 and 2015.

Table 2
Changes in Net Position

| | 2016 | 2015 | Change |
|----------------------------------------------|-----------------------|-----------------------|--------------------|
| Revenues | | | |
| <i>Program Revenues:</i> | | | |
| Charges for Services and Sales | \$2,019,232 | \$2,189,359 | (\$170,127) |
| Operating Grants, Contributions and Interest | 5,724,601 | 5,543,923 | 180,678 |
| Capital Grants | 81,738 | 124,050 | (42,312) |
| <i>Total Program Revenues</i> | <u>7,825,571</u> | <u>7,857,332</u> | <u>(31,761)</u> |
| <i>General Revenue:</i> | | | |
| Property Taxes | 32,417,045 | 32,480,330 | (63,285) |
| Grants and Entitlements | 15,460,746 | 14,514,981 | 945,765 |
| Unrestricted Contributions | 18,939 | 0 | 18,939 |
| Investments | 57,378 | 9,135 | 48,243 |
| Payments in Lieu of Taxes | 280,741 | 0 | 280,741 |
| Miscellaneous | 411,280 | 361,853 | 49,427 |
| <i>Total General Revenues</i> | <u>48,646,129</u> | <u>47,366,299</u> | <u>1,279,830</u> |
| Total Revenues | <u>56,471,700</u> | <u>55,223,631</u> | <u>1,248,069</u> |
| Program Expenses | | | |
| Instruction | 27,642,091 | 26,532,855 | (1,109,236) |
| Support Services: | | | |
| Pupil | 3,536,861 | 3,290,160 | (246,701) |
| Instructional Staff | 2,194,517 | 1,923,812 | (270,705) |
| Board of Education | 233,401 | 114,703 | (118,698) |
| Administration | 4,032,622 | 3,980,365 | (52,257) |
| Fiscal | 1,265,455 | 1,154,870 | (110,585) |
| Business | 1,186,654 | 1,008,331 | (178,323) |
| Operation and Maintenance of Plant | 6,625,222 | 6,875,154 | 249,932 |
| Pupil Transportation | 3,628,375 | 4,083,284 | 454,909 |
| Central | 117,901 | 112,684 | (5,217) |
| Operation of Non-Instructional Services: | | | |
| Food Service Operations | 1,989,023 | 1,842,879 | (146,144) |
| Other Non-Instructional Services | 68,135 | 54,194 | (13,941) |
| Extracurricular Activities | 1,087,388 | 1,084,015 | (3,373) |
| Interest and Fiscal Charges | 73,740 | 78,576 | 4,836 |
| <i>Total Program Expenses</i> | <u>53,681,385</u> | <u>52,135,882</u> | <u>(1,545,503)</u> |
| <i>Net Change in Net Position</i> | 2,790,315 | 3,087,749 | (297,434) |
| <i>Net Position Beginning of Year</i> | <u>(29,243,138)</u> | <u>(32,330,887)</u> | <u>3,087,749</u> |
| <i>Net Position End of Year</i> | <u>(\$26,452,823)</u> | <u>(\$29,243,138)</u> | <u>\$2,790,315</u> |

Bedford City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
Unaudited

As can be seen from Table 2, the School District relies heavily upon property taxes and foundation monies to support its operations. The School District also receives additional grant and entitlement funds to help offset operating costs.

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

The School District is heavily dependent on property taxes and is hampered by a lack of revenue growth. Thus, the School District must regularly return to the voters to maintain a constant level of service. Property taxes made up over half of total revenues in the School District for fiscal year 2016, followed by grants, entitlements and contributions and then charges for services, investments, unrestricted contributions and other revenue made up the remaining revenues.

General revenues increased from 2015. In 2016, the School District experienced increased levels of grant and entitlement revenues. The School District continues to seek out new grant monies available through various federal programs.

Program revenues slightly decreased from 2015 as a result of the School District collecting decreased amounts of tuition due to a change in collection timelines and a slight decrease in enrollment.

Instructional expenses account for the largest portion of total program expenses. The increase in program expenses is primarily due to an increase in instructional expenses as staff moves through the step scales, raises and increases in healthcare. Building maintenance and pupil transportation cost made up the second largest portion of current year expenses, while board of education, administrative, fiscal and business costs made up the remaining amount. These expenses account primarily for employee costs of salaries and health benefits.

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

Bedford City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
Unaudited

Table 3
 Net Cost of Governmental Activities

| | Total Cost of Services 2016 | Net Cost of Services 2016 | Total Cost of Services 2015 | Net Cost of Services 2015 |
|------------------------------------------|-----------------------------------|---------------------------------|-----------------------------------|---------------------------------|
| Instruction | \$27,642,091 | \$23,566,640 | \$26,532,855 | \$22,556,034 |
| Support Services: | | | | |
| Pupil | 3,536,861 | 2,861,943 | 3,290,160 | 2,612,128 |
| Instructional Staff | 2,194,517 | 1,707,283 | 1,923,812 | 1,300,310 |
| Board of Education | 233,401 | 233,401 | 114,703 | 114,703 |
| Administration | 4,032,622 | 3,896,564 | 3,980,365 | 3,823,201 |
| Fiscal | 1,265,455 | 1,265,455 | 1,154,870 | 1,154,870 |
| Business | 1,186,654 | 1,109,973 | 1,008,331 | 926,781 |
| Operation and Maintenance of Plant | 6,625,222 | 6,541,673 | 6,875,154 | 6,744,406 |
| Pupil Transportation | 3,628,375 | 3,628,375 | 4,083,284 | 4,083,284 |
| Central | 117,901 | 116,584 | 112,684 | 108,457 |
| Operation of Non-Instructional Services: | | | | |
| Food Service Operations | 1,989,023 | (636) | 1,842,879 | (104,832) |
| Other Non-Instructional Services | 68,135 | 35,483 | 54,194 | 39,565 |
| Extracurricular Activities | 1,087,388 | 819,336 | 1,084,015 | 841,067 |
| Interest and Fiscal Charges | 73,740 | 73,740 | 78,576 | 78,576 |
| <i>Total</i> | <u>\$53,681,385</u> | <u>\$45,855,814</u> | <u>\$52,135,882</u> | <u>\$44,278,550</u> |

The dependence on tax revenues and State subsidies for governmental activities is apparent. The majority of instructional activities are supported through taxes and other general revenues.

The School District's Funds

Information about the School District's major funds begins with the balance sheet. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$56,448,786 and expenditures of \$53,533,426. The increase in fund balance for the general fund was primarily due to increases in tax and intergovernmental revenues which was offset by increases in regular instruction, instructional staff and business expenses. The School District continues to seek out additional sources of funding. The decrease in fund balance for all other governmental funds was primarily due to expenditures exceeding revenues and other financing sources during fiscal year 2016.

General Fund Budgeting Highlights

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

Bedford City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
Unaudited

During the course of fiscal year 2016, the School District amended its general fund budget several times, but no change was significant. The general fund final budget revenue amount was higher than the original budget amount. The increase was due to the greater than anticipated collection of tax and intergovernmental revenues. Actual revenues were higher than the final budget amount due in large part to greater tax, intergovernmental and tuition and fee revenues than anticipated. Actual expenditures were less than the final budget amount. The School District made a conscious effort to keep expenditures below budgeted amounts. Savings were the greatest in regular instruction, operation and maintenance of plant, fiscal, and administration due to management taking cost cutting measures. The School District ended the fiscal year with an unencumbered fund balance of \$12,934,328, an increase from fiscal year 2015 and higher than what was estimated.

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

Capital Assets and Debt Obligations

Capital Assets

At the end of fiscal year 2016, the School District had, at cost, \$56,178,824 invested in land, buildings and improvements, furniture and equipment, and vehicles. That total carries an accumulated depreciation of \$37,014,110. Table 4 shows fiscal year 2016 balances compared to fiscal year 2015.

Table 4
 Capital Assets at June 30
 Governmental Activities

| | 2016 | 2015 |
|----------------------------|--------------|--------------|
| Land | \$1,525,500 | \$1,525,500 |
| Construction in Progress | 0 | 253,631 |
| Buildings and Improvements | 13,673,998 | 14,127,545 |
| Furniture and Equipment | 1,942,588 | 2,102,231 |
| Vehicles | 2,022,628 | 1,960,249 |
| | \$19,164,714 | \$19,969,156 |

In November of 2010, voters in the School District approved the renewal of a continuing one mill permanent improvement levy. This levy generates approximately \$475,000 a year, and coupled with reimbursements for lost levy proceeds in the amount of \$42,230, provides funds which are used exclusively for capital purchases. These funds are currently being used to finance several construction projects in 2016. The School District carries a relatively old physical plant and bus fleet. The buildings of the School District are well maintained and in good repair. In addition, approximately \$208,000 is transferred to the Capital Replacement Fund to be used for technology and furniture in the schools. For additional information on capital assets, see Note 10 of the notes to the basic financial statements.

Bedford City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
Unaudited

Debt

At June 30, 2016, the School District had \$1,480,333 in outstanding debt, \$328,723 of which was due within one year. Table 5 summarizes the outstanding debt for fiscal year 2016 compared with fiscal year 2015.

Table 5
Outstanding Debt Obligations at June 30
Governmental Activities

| | 2016 | 2015 |
|--------------------------------------------|-------------|-------------|
| 2012 Radio Equipment Acquisition Bonds | \$68,634 | \$137,290 |
| 2006 Energy Conservation Improvement Bonds | 1,411,699 | 1,661,531 |
| Capital Leases | 0 | 46,164 |
| Totals | \$1,480,333 | \$1,844,985 |

During 2012, the School District issued radio equipment acquisition bonds having an original face value of \$274,578, for the purpose of purchasing radio equipment to be used in the schools. These bonds will be paid from the general fund.

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

During 2011, the School District entered into a network upgrade lease and a Dell computer lease (retired in 2013). These were paid from the capital replacement fund. The network upgrade lease was retired in 2016.

The School District's overall debt margin was \$58,218,015 with an unvoted debt margin of \$662,554. For additional information on long-term obligations, see Note 19 of the notes to the basic financial statements.

Current Financial Related Activities

As the preceding information shows, the School District is heavily dependent on property taxes. Property tax revenue does not increase solely as a result of inflation. Therefore, the School District must continue to monitor its revenues and expenses to ensure the public's confidence and support.

School Funding

The State funding formula for K-12 education in Ohio has changed several times in recent years. The current formula utilizes a different weighting formula taking into account both property and income wealth of school districts. The formula results in a large increase in State funding for the School District, however the State of Ohio is unable to fund the formula as designed. Therefore, the School District received a small increase over the previous years' funding. Changes continue to be made to the formula for reimbursing the School District for losses suffered due to the elimination of the Tangible Personal Property Tax. As a result the School District has experienced a measured decline in this source of funding. Consequently, all of the School District's financial abilities will be called upon to meet the

Bedford City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
Unaudited

challenges the future will bring. The School District's Board and management team continue to carefully and prudently plan in order to provide the resources required to meet the future needs of its students. The Bedford City School District has committed itself to the highest standards of financial excellence for many years. The School District has received the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting each year since 1997.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Treasurer of Bedford City School District, 475 Northfield Road, Bedford, OH 44146.

Bedford City School District

Statement of Net Position

June 30, 2016

| | Governmental Activities |
|--------------------------------------------|------------------------------|
| Assets | |
| Equity in Pooled Cash and Cash Equivalents | \$18,278,438 |
| Accounts Receivable | 8,477 |
| Intergovernmental Receivable | 801,078 |
| Inventory Held for Resale | 25,127 |
| Materials and Supplies Inventory | 433,776 |
| Revenue in Lieu of Taxes Receivable | 94,868 |
| Taxes Receivable | 32,848,315 |
| Nondepreciable Capital Assets | 1,525,500 |
| Depreciable Capital Assets | 17,639,214 |
| <i>Total Assets</i> | <u>71,654,793</u> |
| Deferred Outflows of Resources | |
| Pension | <u>6,785,488</u> |
| Liabilities | |
| Accounts Payable | 725,478 |
| Contracts Payable | 1,259 |
| Accrued Wages and Benefits Payable | 4,219,584 |
| Intergovernmental Payable | 953,818 |
| Notes Payable | 686,727 |
| Matured Compensated Absences Payable | 127,529 |
| Accrued Interest Payable | 43,186 |
| Claims Payable | 229,300 |
| Long-Term Liabilities: | |
| Due Within One Year | 1,778,598 |
| Due in More Than One Year: | |
| Net Pension Liability (See Note 14) | 67,204,086 |
| Other Amounts | 3,746,188 |
| <i>Total Liabilities</i> | <u>79,715,753</u> |
| Deferred Inflows of Resources | |
| Property Taxes | 20,675,884 |
| Pension | <u>4,501,467</u> |
| <i>Total Deferred Inflows of Resources</i> | <u>25,177,351</u> |
| Net Position | |
| Net Investment in Capital Assets | 16,997,654 |
| Restricted for: | |
| Capital Projects | 357,564 |
| Debt Service | 26,481 |
| Food Service | 878,789 |
| Athletic Facilities | 31,838 |
| Other Purposes | 98,175 |
| Unrestricted (Deficit) | <u>(44,843,324)</u> |
| <i>Total Net Position</i> | <u><u>(\$26,452,823)</u></u> |

See accompanying notes to the basic financial statements

Bedford City School District
Statement of Activities
For the Fiscal Year Ended June 30, 2016

| | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | |
|-------------------------------------------------------------|---------------------|-----------------------------------|---------------------------------------------------|------------------------------------------------------------|------------------------------|
| | Expenses | Charges for Services and Sales | Operating Grants Contributions and Interest | | Capital Grants |
| Governmental Activities | | | | | |
| Instruction: | | | | | |
| Regular | \$20,497,636 | \$1,166,244 | \$88,702 | \$0 | (\$19,242,690) |
| Special | 6,419,312 | 0 | 2,545,813 | 0 | (3,873,499) |
| Vocational | 707,562 | 0 | 274,692 | 0 | (432,870) |
| Student Intervention Services | 17,581 | 0 | 0 | 0 | (17,581) |
| Support Services: | | | | | |
| Pupil | 3,536,861 | 0 | 674,918 | 0 | (2,861,943) |
| Instructional Staff | 2,194,517 | 0 | 487,234 | 0 | (1,707,283) |
| Board of Education | 233,401 | 0 | 0 | 0 | (233,401) |
| Administration | 4,032,622 | 0 | 136,058 | 0 | (3,896,564) |
| Fiscal | 1,265,455 | 0 | 0 | 0 | (1,265,455) |
| Business | 1,186,654 | 65,427 | 11,254 | 0 | (1,109,973) |
| Operation and Maintenance of Plant | 6,625,222 | 0 | 1,811 | 81,738 | (6,541,673) |
| Pupil Transportation | 3,628,375 | 0 | 0 | 0 | (3,628,375) |
| Central | 117,901 | 0 | 1,317 | 0 | (116,584) |
| Operation of Non-Instructional Services: | | | | | |
| Food Service Operations | 1,989,023 | 525,439 | 1,464,220 | 0 | 636 |
| Other Non-Instructional Services | 68,135 | 0 | 32,652 | 0 | (35,483) |
| Extracurricular Activities | 1,087,388 | 262,122 | 5,930 | 0 | (819,336) |
| Interest and Fiscal Charges | 73,740 | 0 | 0 | 0 | (73,740) |
| <i>Total Governmental Activities</i> | <u>\$53,681,385</u> | <u>\$2,019,232</u> | <u>\$5,724,601</u> | <u>\$81,738</u> | <u>(45,855,814)</u> |
| General Revenues | | | | | |
| Property Taxes Levied for: | | | | | |
| General Purposes | | | | | 32,123,159 |
| Debt Service | | | | | 6,867 |
| Capital Outlay | | | | | 287,019 |
| Grants and Entitlements not Restricted to Specific Programs | | | | | 15,460,746 |
| Unrestricted Contributions | | | | | 18,939 |
| Investment Earnings | | | | | 57,378 |
| Payments in Lieu of Taxes | | | | | 280,741 |
| Miscellaneous | | | | | 411,280 |
| <i>Total General Revenues</i> | | | | | <u>48,646,129</u> |
| Change in Net Position | | | | | 2,790,315 |
| <i>Net Position Beginning of Year</i> | | | | | <u>(29,243,138)</u> |
| <i>Net Position End of Year</i> | | | | | <u><u>(\$26,452,823)</u></u> |

See accompanying notes to the basic financial statements

Bedford City School District*Balance Sheet**Governmental Funds**June 30, 2016*

| | <u>General</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|-------------------------------------------------------------------------------|---------------------|-----------------------------------------|-----------------------------------------|
| Assets | | | |
| Equity in Pooled Cash and Cash Equivalents | \$15,203,054 | \$2,626,048 | \$17,829,102 |
| Accounts Receivable | 8,477 | 0 | 8,477 |
| Intergovernmental Receivable | 204,245 | 596,833 | 801,078 |
| Inventory Held for Resale | 0 | 25,127 | 25,127 |
| Materials and Supplies Inventory | 426,569 | 7,207 | 433,776 |
| Interfund Receivable | 1,152,000 | 0 | 1,152,000 |
| Revenue in Lieu of Taxes Receivable | 94,868 | 0 | 94,868 |
| Taxes Receivable | 32,381,593 | 466,722 | 32,848,315 |
| <i>Total Assets</i> | <u>\$49,470,806</u> | <u>\$3,721,937</u> | <u>\$53,192,743</u> |
| Liabilities | | | |
| Accounts Payable | \$597,147 | \$128,331 | \$725,478 |
| Contracts Payable | 0 | 1,259 | 1,259 |
| Accrued Wages and Benefits Payable | 3,980,005 | 239,579 | 4,219,584 |
| Intergovernmental Payable | 863,442 | 90,376 | 953,818 |
| Accrued Interest Payable | 694 | 451 | 1,145 |
| Interfund Payable | 0 | 1,152,000 | 1,152,000 |
| Notes Payable | 416,404 | 270,323 | 686,727 |
| Matured Compensated Absences Payable | 127,529 | 0 | 127,529 |
| <i>Total Liabilities</i> | <u>5,985,221</u> | <u>1,882,319</u> | <u>7,867,540</u> |
| Deferred Inflows of Resources | | | |
| Property Taxes | 20,383,016 | 292,868 | 20,675,884 |
| Unavailable Revenue | 4,248,920 | 565,782 | 4,814,702 |
| <i>Total Deferred Inflows of Resources</i> | <u>24,631,936</u> | <u>858,650</u> | <u>25,490,586</u> |
| Fund Balances | | | |
| Nonspendable | 426,569 | 7,207 | 433,776 |
| Restricted | 20,494 | 1,267,270 | 1,287,764 |
| Committed | 379,692 | 188,908 | 568,600 |
| Assigned | 1,269,145 | 0 | 1,269,145 |
| Unassigned (Deficit) | 16,757,749 | (482,417) | 16,275,332 |
| <i>Total Fund Balances</i> | <u>18,853,649</u> | <u>980,968</u> | <u>19,834,617</u> |
| <i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i> | <u>\$49,470,806</u> | <u>\$3,721,937</u> | <u>\$53,192,743</u> |

See accompanying notes to the basic financial statements

Bedford City School District
*Reconciliation of Total Governmental Fund Balances to
 Net Position of Governmental Activities
 June 30, 2016*

| | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|-----------------------|
| Total Governmental Funds Balances | | \$19,834,617 |
| <i>Amounts reported for governmental activities in 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. | | 19,164,714 |
| Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the funds: | | |
| Delinquent Property Taxes | 4,104,924 | |
| Payments in Lieu of Taxes | 44,477 | |
| Intergovernmental | 665,301 | |
| Total | 4,814,702 | 4,814,702 |
| In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. | | (42,041) |
| The internal service funds are used by management to charge the costs of insurance and goods warehoused and distributed to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. | | 220,036 |
| The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds: | | |
| Deferred Outflows - Pension | 6,785,488 | |
| Deferred Inflows - Pension | (4,501,467) | |
| Net Pension Liability | (67,204,086) | |
| Total | | (64,920,065) |
| Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds: | | |
| General Obligation Bonds | (1,480,333) | |
| Compensated Absences | (4,044,453) | |
| Total | (5,524,786) | (5,524,786) |
| <i>Net Position of Governmental Activities</i> | | (\$26,452,823) |

See accompanying notes to the basic financial statements

Bedford City School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2016

| | General | Other Governmental Funds | Total Governmental Funds |
|-----------------------------------------------------|---------------------|--------------------------------|--------------------------------|
| Revenues | | | |
| Taxes | \$32,482,986 | \$302,417 | \$32,785,403 |
| Intergovernmental | 17,562,054 | 3,340,697 | 20,902,751 |
| Interest | 57,378 | 4 | 57,382 |
| Charges for Services | 1,697 | 525,754 | 527,451 |
| Tuition and Fees | 1,166,244 | 0 | 1,166,244 |
| Rentals | 65,427 | 0 | 65,427 |
| Extracurricular Activities | 125,434 | 134,676 | 260,110 |
| Contributions and Donations | 18,939 | 17,535 | 36,474 |
| Payments in Lieu of Taxes | 236,264 | 0 | 236,264 |
| Miscellaneous | 265,127 | 146,153 | 411,280 |
| <i>Total Revenues</i> | <u>51,981,550</u> | <u>4,467,236</u> | <u>56,448,786</u> |
| Expenditures | | | |
| Current: | | | |
| Instruction: | | | |
| Regular | 19,864,511 | 88,034 | 19,952,545 |
| Special | 5,886,261 | 587,012 | 6,473,273 |
| Vocational | 557,438 | 139,931 | 697,369 |
| Student Intervention Services | 17,581 | 0 | 17,581 |
| Support Services: | | | |
| Pupil | 2,878,507 | 688,555 | 3,567,062 |
| Instructional Staff | 1,693,640 | 506,054 | 2,199,694 |
| Board of Education | 233,591 | 0 | 233,591 |
| Administration | 4,084,247 | 137,423 | 4,221,670 |
| Fiscal | 1,279,596 | 0 | 1,279,596 |
| Business | 1,007,461 | 11,000 | 1,018,461 |
| Operation and Maintenance of Plant | 6,026,909 | 1,770 | 6,028,679 |
| Pupil Transportation | 3,438,418 | 0 | 3,438,418 |
| Central | 106,753 | 1,284 | 108,037 |
| Operation of Non-Instructional Services: | | | |
| Food Service Operations | 0 | 1,987,297 | 1,987,297 |
| Other Non-Instructional Services | 0 | 28,132 | 28,132 |
| Extracurricular Activities | 715,383 | 256,505 | 971,888 |
| Capital Outlay | 4,511 | 861,727 | 866,238 |
| Debt Service: | | | |
| Principal Retirement | 318,488 | 46,164 | 364,652 |
| Interest and Fiscal Charges | 73,399 | 5,844 | 79,243 |
| <i>Total Expenditures</i> | <u>48,186,694</u> | <u>5,346,732</u> | <u>53,533,426</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>3,794,856</u> | <u>(879,496)</u> | <u>2,915,360</u> |
| Other Financing Sources (Uses) | | | |
| Sale of Capital Assets | 33,000 | 0 | 33,000 |
| Transfers In | 0 | 485,875 | 485,875 |
| Transfers Out | (485,875) | 0 | (485,875) |
| <i>Total Other Financing Sources (Uses)</i> | <u>(452,875)</u> | <u>485,875</u> | <u>33,000</u> |
| <i>Net Change in Fund Balances</i> | 3,341,981 | (393,621) | 2,948,360 |
| <i>Fund Balances Beginning of Year</i> | <u>15,511,668</u> | <u>1,374,589</u> | <u>16,886,257</u> |
| <i>Fund Balances End of Year</i> | <u>\$18,853,649</u> | <u>\$980,968</u> | <u>\$19,834,617</u> |

See accompanying notes to the basic financial statements

Bedford City School District
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2016*

Net Change in Fund Balances -Total Governmental Funds \$2,948,360

*Amounts reported for governmental activities in the
statement of activities are different because*

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

This is the amount by which depreciation exceeded capital outlay in the current period:

| | | |
|---------------------------|--------------------|-----------|
| Capital Asset Additions | 887,303 | |
| Current Year Depreciation | <u>(1,613,225)</u> | |
| Total | | (725,922) |

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (78,520)

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

| | | |
|---------------------------|----------------|--------|
| Delinquent Property Taxes | (368,358) | |
| Payments in Lieu of Taxes | 44,477 | |
| Grants | <u>346,795</u> | |
| Total | | 22,914 |

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds an interest expenditure is reported when due. 5,503

Repayment of bond, loan and lease principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 364,652

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows. 3,920,316

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities. (3,312,023)

Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (45,010)

The internal service funds used by management to charge the costs of insurance to individual funds are not reported in the district-wide statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund are allocated among the governmental activities. (309,955)

Change in Net Position of Governmental Activities \$2,790,315

See accompanying notes to the basic financial statements

Bedford City School District
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2016

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|-----------------------------------------------------|--------------------|--------------------|---------------------|---------------------------------------------------------|
| | Original | Final | Actual | |
| Revenues | | | | |
| Taxes | \$29,405,356 | \$30,870,045 | \$30,914,770 | \$44,725 |
| Intergovernmental | 15,891,612 | 16,388,549 | 17,497,800 | 1,109,251 |
| Interest | 8,000 | 48,000 | 57,378 | 9,378 |
| Charges for Services | 0 | 0 | 529 | 529 |
| Tuition and Fees | 1,370,600 | 1,115,600 | 1,150,151 | 34,551 |
| Rentals | 30,000 | 45,015 | 50,581 | 5,566 |
| Miscellaneous | 337,188 | 251,206 | 233,499 | (17,707) |
| <i>Total Revenues</i> | <u>47,042,756</u> | <u>48,718,415</u> | <u>49,904,708</u> | <u>1,186,293</u> |
| Expenditures | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 21,351,886 | 21,233,492 | 20,729,209 | 504,283 |
| Special | 5,977,481 | 6,029,945 | 5,939,162 | 90,783 |
| Vocational | 608,855 | 653,361 | 624,792 | 28,569 |
| Student Intervention Services | 0 | 183 | 183 | 0 |
| Support Services: | | | | |
| Pupil | 3,004,389 | 3,000,362 | 2,897,853 | 102,509 |
| Instructional Staff | 1,777,525 | 1,778,006 | 1,689,465 | 88,541 |
| Board of Education | 336,498 | 334,146 | 272,671 | 61,475 |
| Administration | 4,606,484 | 4,645,723 | 4,326,581 | 319,142 |
| Fiscal | 1,692,851 | 1,695,261 | 1,456,583 | 238,678 |
| Business | 963,914 | 1,077,273 | 1,038,699 | 38,574 |
| Operation and Maintenance of Plant | 7,249,722 | 6,829,392 | 6,386,525 | 442,867 |
| Pupil Transportation | 4,084,940 | 4,158,379 | 4,009,120 | 149,259 |
| Central | 162,928 | 173,797 | 130,153 | 43,644 |
| Extracurricular Activities | 755,561 | 797,904 | 707,428 | 90,476 |
| Capital Outlay | 5,000 | 5,000 | 4,511 | 489 |
| Debt Service: | | | | |
| Principal Retirement | 439,153 | 379,664 | 379,652 | 12 |
| Interest and Fiscal Charges | 75,563 | 70,792 | 70,791 | 1 |
| <i>Total Expenditures</i> | <u>53,092,750</u> | <u>52,862,680</u> | <u>50,663,378</u> | <u>2,199,302</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>(6,049,994)</u> | <u>(4,144,265)</u> | <u>(758,670)</u> | <u>3,385,595</u> |
| Other Financing Sources (Uses) | | | | |
| Sale of Capital Assets | 2,000 | 2,000 | 33,000 | 31,000 |
| Tax Anticipation Notes Issued | 0 | 0 | 499,149 | 499,149 |
| Advances In | 1,492,000 | 1,306,000 | 1,306,000 | 0 |
| Advances Out | (1,236,605) | (1,275,000) | (1,275,000) | 0 |
| Transfers Out | (299,200) | (490,875) | (490,875) | 0 |
| <i>Total Other Financing Sources (Uses)</i> | <u>(41,805)</u> | <u>(457,875)</u> | <u>72,274</u> | <u>530,149</u> |
| <i>Net Change in Fund Balance</i> | <u>(6,091,799)</u> | <u>(4,602,140)</u> | <u>(686,396)</u> | <u>3,915,744</u> |
| <i>Fund Balance Beginning of Year</i> | 11,496,273 | 11,496,273 | 11,496,273 | 0 |
| Prior Year Encumbrances Appropriated | 2,124,451 | 2,124,451 | 2,124,451 | 0 |
| <i>Fund Balance End of Year</i> | <u>\$7,528,925</u> | <u>\$9,018,584</u> | <u>\$12,934,328</u> | <u>\$3,915,744</u> |

See accompanying notes to the basic financial statements

Bedford City School District

Statement of Net Position

Internal Service Funds

June 30, 2016

| | |
|--------------------------------------------|-------------------------|
| Assets | |
| Equity in Pooled Cash and Cash Equivalents | \$449,336 |
| Liabilities | |
| Claims Payable | <u>229,300</u> |
| Net Position | |
| Unrestricted | <u><u>\$220,036</u></u> |

See accompanying notes to the basic financial statements

Bedford City School District
*Statement of Revenues, Expenses and
Changes in Net Position
Internal Service Funds
For the Fiscal Year Ended June 30, 2016*

| | |
|---------------------------------------|-------------------------|
| Operating Revenues | |
| Charges for Services | <u>\$4,915,328</u> |
| Operating Expenses | |
| Purchased Services | 803,096 |
| Claims | <u>4,422,187</u> |
| <i>Total Operating Expenses</i> | <u>5,225,283</u> |
| <i>Change in Net Position</i> | (309,955) |
| <i>Net Position Beginning of Year</i> | <u>529,991</u> |
| <i>Net Position End of Year</i> | <u><u>\$220,036</u></u> |

See accompanying notes to the basic financial statements

Bedford City School District
Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2016

Increase (Decrease) in Cash and Cash Equivalents

Cash Flows from Operating Activities

| | |
|---------------------------------------|--------------------|
| Cash Received from Interfund Services | \$4,915,328 |
| Cash Payments for Purchased Services | (803,096) |
| Cash Payments for Claims | <u>(4,478,587)</u> |

Net Increase (Decrease) in Cash and Cash Equivalents (366,355)

Cash and Cash Equivalents Beginning of Year 815,691

Cash and Cash Equivalents End of Year \$449,336

***Reconciliation of Operating Income (Loss) to Net
Cash Provided by (Used for) Operating Activities***

Operating Income (Loss) (\$309,955)

Adjustments

Increase (Decrease) in Claims Payable (56,400)

Net Cash Provided by (Used for) Operating Activities (\$366,355)

See accompanying notes to the basic financial statements

Bedford City School District
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2016

| | Private Purpose Trust | |
|--------------------------------------------|--------------------------|----------|
| | Scholarship | Agency |
| Assets | | |
| Equity in Pooled Cash and Cash Equivalents | \$81,909 | \$41,572 |
| Liabilities | | |
| Due to Students | 0 | \$41,572 |
| Net Position | | |
| Held in Trust for Scholarships | \$81,909 | |

See accompanying notes to the basic financial statements

Bedford City School District
Statement of Changes in Fiduciary Net Position
Private Purpose Trust Fund
For the Fiscal Year Ended June 30, 2016

| | <u>Scholarship</u> |
|---------------------------------------|--------------------|
| Additions | |
| Interest | \$143 |
| Deductions | |
| | 0 |
| <i>Change in Net Position</i> | 143 |
| <i>Net Position Beginning of Year</i> | 81,766 |
| <i>Net Position End of Year</i> | \$81,909 |

See accompanying notes to the basic financial statements

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

Note 1 - Description of the School District and Reporting Entity

Bedford City School District (the School District) is a city school district as defined by Section 3311.02 of the Ohio Revised Code. The School District provides education to 3,188 students in grades K through 12. The School District also provides preschool education to 38 handicapped and 26 regular education students. The School District is located in northeast Ohio, covers approximately 25 square miles and includes the City of Bedford, most of the City of Bedford Heights, and the Villages of Walton Hills and Oakwood. The operation of the School District is governed by an elected five-member Board of Education.

Reporting Entity

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

Nonpublic Schools - Within the School District boundaries, there is one nonpublic school, Safely Home. Current State legislation provides funding to this non-public school. These monies are received and disbursed by the School District on behalf of the non-public school by the Treasurer of the School District, as directed by the non-public school. These transactions are reported in a special revenue fund and as a governmental activity of the School District.

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

The School District participates in an insurance purchasing pool and two jointly governed organizations. These organizations are the Ohio School Boards Association Workers' Compensation Group Retrospective Rating Program, Connect and Ohio Schools Council Association. These organizations are presented in Notes 16 and 20 of the notes to the basic financial statements.

Note 2 - Summary of Significant Accounting Policies

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

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

Basis of Presentation

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

Government-wide Financial Statements The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service funds is eliminated to avoid "doubling up" revenues and expenses. These statements usually distinguish between those activities of the School District that are governmental and those that are considered business-type. The School District, however has no business-type activities.

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

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

Fund Accounting

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

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

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

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

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

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

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

Fiduciary Fund Type 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 School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. The School District's only trust fund is a private purpose trust which accounts for a college scholarship donations for students. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District has two agency funds, the student activities fund that reports resources belonging to the student bodies of the various schools and the district agency fund that reports Ohio High School Athletic Association tournament monies.

Measurement Focus

Government-wide Financial Statements 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 School District are included on the statement of net position. The statement of activities presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

Fund Financial Statements All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and 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 funds are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the funds are included on the statement of net position. The statement of revenues, expenses and changes in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total position. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its internal service funds activity.

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

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

Basis of Accounting

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

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

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. (See Note 8). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources are reported on the government-wide statement of net position for pension. The deferred outflows of resources related to pension are explained in Note 14.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the School District, deferred inflows of resources include property taxes, pension and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2016, but which were levied to finance fiscal year 2017 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the School District, unavailable revenue includes delinquent property taxes, delinquent payments in lieu of taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities found on page 19. Deferred inflows of resources related to pension are reported on the government-wide statement of net position (See Note 14).

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

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

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

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

Budgetary Data

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

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

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

Cash and Cash Equivalents

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

During fiscal year 2016, the School District's investments were limited to STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

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 has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The School District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For the fiscal year 2016, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

Following Ohio statutes, the Board of Education has, by resolution, identified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2016 amounted to \$57,378, which includes \$8,663 assigned from other School District funds.

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

Inventory

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

Capital Assets

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

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

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

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

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

Interfund Balances

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

Compensated Absences

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

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

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

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

Accrued Liabilities and Long-Term Obligations

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

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

Internal Activity

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

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

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

Fund Balance Classifications

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

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

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

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

Assigned Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by the School District Board of Education. In the general fund, assigned amounts represent intended uses established by the School District Board of Education, delegated that authority by State statute. State statute authorizes the Treasurer to assign fund balance purchases on order provided such amounts have been lawfully appropriated. The Board of Education assigned fund balance for recreation, public school support, special enterprise projects and summer school.

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

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

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for auxiliary services, vocational education and support services.

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

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

Operating Revenues and Expenses

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

Estimates

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

Note 3 –Accountability

At June 30, 2016, the following funds had deficit fund balances:

| | <u>Amount</u> |
|-------------------------------|---------------|
| Special Revenue Funds: | |
| Title VI-B | \$220,268 |
| Vocational Education | 34,241 |
| Title III | 1,171 |
| Title I | 198,583 |
| Preschool Handicapped | 6,901 |
| Title VI-R | 21,253 |

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

Note 4 – Fund Balances

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

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

| Fund Balances | General | Other Governmental Funds | Total |
|------------------------------------|---------------------|--------------------------------|---------------------|
| <i>Nonspendable</i> | | | |
| Inventory | \$426,569 | \$7,207 | \$433,776 |
| <i>Restricted for</i> | | | |
| Food Service | 0 | 957,290 | 957,290 |
| Technology Improvements | 0 | 75,854 | 75,854 |
| Athletics | 0 | 31,838 | 31,838 |
| Community Involvement | 20,494 | 0 | 20,494 |
| Non-Public Schools | 0 | 12,697 | 12,697 |
| Debt Service Payments | 0 | 68,522 | 68,522 |
| Capital Improvements | 0 | 121,069 | 121,069 |
| <i>Total Restricted</i> | 20,494 | 1,267,270 | 1,287,764 |
| <i>Committed to</i> | | | |
| Educational Services | 379,692 | 0 | 379,692 |
| Capital Improvements | 0 | 188,908 | 188,908 |
| <i>Total Committed</i> | 379,692 | 188,908 | 568,600 |
| <i>Assigned to</i> | | | |
| Recreation | 8,482 | 0 | 8,482 |
| Public School Support | 124,013 | 0 | 124,013 |
| Special Enterprise | 63,300 | 0 | 63,300 |
| Summer School | 15,664 | 0 | 15,664 |
| Purchases on Order | | | |
| Instruction | 145,393 | 0 | 145,393 |
| Support Services | 912,293 | 0 | 912,293 |
| <i>Total Assigned</i> | 1,269,145 | 0 | 1,269,145 |
| <i>Unassigned (Deficit)</i> | 16,757,749 | (482,417) | 16,275,332 |
| <i>Total Fund Balances</i> | \$18,853,649 | \$980,968 | \$19,834,617 |

Note 5 - Budgetary Basis of Accounting

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

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

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

4. Unrecorded cash represents amounts received but not reported by the School District on the operating statements (budget), but which is reported on the GAAP basis operating statements.
5. Advances in and advances out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis)
6. Budgetary revenues and expenditures of the public school support, special enterprise and summer school funds are classified to the general fund for GAAP Reporting.

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

| Net Change in Fund Balance | |
|-----------------------------------------|---------------------------|
| GAAP Basis | \$3,341,981 |
| Net Adjustment for Revenue Accruals | (1,389,550) |
| Advances In | 1,306,000 |
| Net Adjustment for Expenditure Accruals | (625,330) |
| Advances Out | (1,275,000) |
| Beginning Unrecorded Cash | (4,083) |
| Ending Unrecorded Cash | 3,650 |
| Perspective Difference: | |
| Public School Support | (5,625) |
| Special Enterprise | (14,500) |
| Summer School | 8,357 |
| Adjustment for Encumbrances | <u>(2,032,296)</u> |
| Budget Basis | <u><u>(\$686,396)</u></u> |

Note 6 - Deposits and Investments

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

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

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

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

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

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

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

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. Investments may only be made through specified dealers and institutions.

Deposits

Custodial Credit Risk Custodial credit risk for deposits is the risk that in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in possession of an outside party. At fiscal year-end, \$832,010 of the School District's bank balance of \$1,129,526 was uninsured and uncollateralized. Although the securities were held by the pledging financial institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the School District to a successful claim by the FDIC.

The School District has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the School District or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Investments

As of June 30, 2016, the School District's only investment was in STAR Ohio, which is measured at net asset value per share.

Interest Rate Risk. As a means of limiting its exposure to fair value losses caused by rising interest rates, the School District's investment policy requires that operating funds be invested primarily in short-term investments maturing within five years from the date of purchase and that the School District's investment

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

portfolio be structured so that the securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity. To date, no investments have been purchased with a life greater than two years.

Credit Risk. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The School District has no investment policy that addresses credit risk.

Note 7 - Receivables

Receivables at June 30, 2016, consisted of taxes, accounts (student fees and tuition), interfund, School Employees Retirement System overpayment and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. All receivables except for delinquent property taxes are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

A summary of principal items of intergovernmental receivables follows:

| Governmental Activities | Amount |
|--------------------------------------------|-----------|
| Title VI-B Grants and Subsidies | \$236,917 |
| Title I Grants and Subsidies | 197,921 |
| School Employees Retirement System | 157,560 |
| Vocational Education Grants and Subsidies | 128,529 |
| Medicaid Reimbursement | 33,863 |
| Title VI-R Grants and Subsidies | 20,966 |
| State Foundation | 12,038 |
| Preschool Handicapped Grants and Subsidies | 11,329 |
| Title III | 1,171 |
| Village of Oakwood | 784 |
| Total | \$801,078 |

Note 8 - Property Taxes

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

Property taxes include amounts levied against all real property and public utility property located in the School District. Real property tax revenues received in calendar year 2016 represents collections of calendar year 2015 taxes. Real property taxes received in calendar year 2016 were levied after April 1, 2015, on the assessed value listed as of January 1, 2015, the lien date. Assessed values for real property are established by State law at thirty-five percent of appraised market value. Real property are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

Public utility property tax revenues received in calendar year 2016 represents collections of calendar year 2015 taxes. Public utility real and tangible personal property taxes received in calendar year 2016 become a lien December 31, 2014, were levied after April 1, 2015 and are collected in 2016 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The School District receives property taxes from Cuyahoga County. The County Fiscal Officer periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2016, are available to finance fiscal year 2016 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property and public utility property taxes which are measurable as of June 30, 2016 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 were levied to finance current fiscal year operations are reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources – property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

The amount available as an advance at June 30, 2016 was \$7,951,694 in the general fund and \$115,813 in the permanent improvement capital projects fund. The amount available as an advance at June 30, 2015, was \$6,197,605 in the general fund and \$89,624 in the permanent improvement capital projects fund. The difference was in timing and collection by the County Fiscal Officer.

The assessed values upon which the fiscal year 2016 taxes were collected are:

| | 2015 Second Half Collections | | 2016 First Half Collections | |
|-----------------------------------------------|---------------------------------|-----------------|--------------------------------|-----------------|
| | Amount | Percent | Amount | Percent |
| Residential/Agricultural | \$355,263,290 | 52.33 % | \$349,512,680 | 52.73 % |
| Other Real Estate | 277,672,580 | 40.90 | 262,252,180 | 39.57 |
| Public Utility Personal | 45,977,350 | 6.77 | 51,032,600 | 7.70 |
| Total | \$678,913,220 | 100.00 % | \$662,797,460 | 100.00 % |
| Tax rate per \$1,000 of assessed valuation | \$75.72 | | \$75.72 | |

Payments in Lieu of Taxes

According to State law, the School District is affected by tax incremental financing districts under which the participating Cities have granted property tax exemptions and agreed to construct certain infrastructure improvements. The property owners have agreed to make payments to the School District to help pay the costs of the infrastructure improvements. The amount of those payments generally reflects all or a portion of the property taxes which the property owners would have paid if the property had not been declared exempt. The property owners' contractual promise to make these payments in lieu of taxes generally continues until the costs of the improvement have been paid or the agreement expires, whichever occurs first. Future development by these owners or others may result in subsequent agreements to make payments in lieu of taxes and may therefore spread the costs of the improvements to a larger number of property owners.

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

Note 9 - Interfund Transfers and Balances

Interfund Transfers

The general fund transferred \$109,900 to the district managed student activities special revenue fund to provide financial support for the School District's athletics, \$168,200 to the permanent improvement capital projects fund to help fund capital improvements and \$207,775 to the capital replacement capital projects fund for bus purchases.

Interfund Balances

Interfund balances at June 30, 2016, consist of the following individual fund receivables and payables:

| | Interfund Receivable |
|---------------------------------------|-------------------------|
| Interfund Payable | General |
| Other Governmental Funds | |
| Title VI-B | \$400,000 |
| Vocational Education | 150,000 |
| Title III | 12,000 |
| Title I | 500,000 |
| Preschool Handicapped | 45,000 |
| Title VI-R | 45,000 |
| <i>Total Other Governmental Funds</i> | \$1,152,000 |

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

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

Note 10 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2016, was as follows:

| | Balance 6/30/15 | Additions | Deletions | Balance 6/30/16 |
|-----------------------------------------------------|---------------------|----------------------|--------------------|---------------------|
| Governmental Activities | | | | |
| <i>Capital Assets, not being depreciated:</i> | | | | |
| Land | \$1,525,500 | \$0 | \$0 | \$1,525,500 |
| Construction in Progress | 253,631 | 27,094 | (280,725) | 0 |
| Total Capital Assets, not being depreciated | 1,779,131 | 27,094 | (280,725) | 1,525,500 |
| <i>Capital Assets, being depreciated:</i> | | | | |
| Buildings and Improvements | 42,675,530 | 612,065 | (391,081) | 42,896,514 |
| Furniture and Equipment | 6,361,111 | 107,408 | (3,220) | 6,465,299 |
| Vehicles | 5,121,001 | 421,461 | (250,951) | 5,291,511 |
| Total Capital Assets, being depreciated | 54,157,642 | 1,140,934 | (645,252) | 54,653,324 |
| <i>Less Accumulated Depreciation:</i> | | | | |
| Buildings and Improvements | (28,547,985) | (1,051,257) | 376,726 | (29,222,516) |
| Furniture and Equipment | (4,258,880) | (266,987) | 3,156 | (4,522,711) |
| Vehicles | (3,160,752) | (294,981) | 186,850 | (3,268,883) |
| Total Accumulated Depreciation | (35,967,617) | (1,613,225) * | 566,732 | (37,014,110) |
| Total Capital Assets, being depreciated, net | 18,190,025 | (472,291) | (78,520) | 17,639,214 |
| Governmental Activities Capital Assets, Net | \$19,969,156 | (\$445,197) | (\$359,245) | \$19,164,714 |

* Depreciation expense was charged to governmental functions as follows:

| | |
|------------------------------------------|--------------------|
| Instruction | |
| Regular | \$301,280 |
| Special | 1,504 |
| Vocational | 13,029 |
| Support Services | |
| Pupil | 1,709 |
| Instructional Staff | 11,534 |
| Administration | 2,212 |
| Fiscal | 142 |
| Business | 166,424 |
| Operation and Maintenance of Plant | 685,338 |
| Pupil Transportation | 270,851 |
| Central | 470 |
| Operation of Non-Instructional Services: | |
| Food Service Operations | 15,852 |
| Other Non-Instructional Services | 40,015 |
| Extracurricular Activities | 102,865 |
| Total Depreciation Expense | \$1,613,225 |

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

Note 11 - Contingencies

Grants

The School 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 is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2016, if applicable, cannot be determined at this time.

School Foundation

School District Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Effective for fiscal year 2015, traditional school districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the School District, which can extend past the fiscal year-end. As of the date of this report, ODE has not finalized the impact of enrollment adjustments to the June 30, 2016 Foundation funding for the school district; therefore, the financial statement impact is not determinable at this time. ODE and management believe this may result in either a receivable to or a liability of the School District.

Litigation

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

Note 12 - Risk Management

Property and Liability

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2016, the School District contracted for property and general liability insurance, and boiler and machinery coverage through the Ohio Schools Council Association Group Purchasing Consortium. The Netherlands Insurance Company (member of Liberty Mutual Group) is the carrier for the School District's insurance.

Aggregate property coverage is \$151,829,766 with a \$5,000 deductible. Aggregate boiler and machinery coverage is approximately \$50 million with a \$1,000 deductible. The policy is renewable on July 1, 2016, for each coverage. Casualty and fleet insurance coverage was provided with a combined single limit of \$1 million and \$1,000 deductible. Education and umbrella liability insurance coverage was provided with a combined single limit of \$9 million each occurrence and combined aggregate of \$9 million. The Treasurer is covered by a \$100,000 surety bond and the Superintendent, Board of Education President, and Business Manager are covered by \$50,000 position bonds.

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

Worker's Compensation

For fiscal year 2016, the School District participated in the Ohio School Boards Association Workers' Compensation Group Retrospective Rating Program, an insurance purchasing pool (Note 16). The intent of

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

the Group Rating Program, (GRP) is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of CompManagement, Inc. provides administrative, cost control and actuarial services to the GRP.

Employee Benefits

The School District has elected to provide employee hospitalization/medical benefits and prescription drug benefits to full time employees through a self-insurance program as of January 1, 2013. Full time is defined as the full 186 day academic year, or 1,700 hours for non-certificated employees. Employees working shorter calendars pay a prorated portion of the health care premiums. The School District maintains a self-insurance internal service fund to account for and finance its uninsured risk of loss in the hospitalization and drug programs. There is no limitation on prescription drug benefits as this type of coverage is not subject to catastrophic loss.

A third party administrator, Cigna, reviews and pays all claims. The School District pays the following monthly premium into the self-funded benefits fund, which represents 88 percent of the premium required. In 2016 three different plans were offered through Cigna. The premiums charged were different for each plan. The School District rates for the most popular plan design were as follows: Hospitalization - \$499 (single), \$1,373 (family). These premiums are paid by the fund that pays the salary for each employee and is based on historical cost information. Stop-loss coverage has been purchased for medical claims at \$100,000 per individual employee, and in aggregate of 125 percent of expected claims for the School District.

Dental benefits are provided with a fully-insured program and claims are limited to \$2,500 per covered individual per year, with a lifetime limit of \$1,000 on orthodontia. Healthspan is also available as a fully-insured health and prescription option. Beginning in June, a Medical Mutual plan replaced the Healthspan option at the same cost. The premiums were \$453.38 (single) and \$1,105.27 (family).

The claims liability of \$229,300 reported in the self insurance fund at June 30, 2016, is based on an estimate provided by the Treasurer and the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

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

| | Balance at Beginning of Year | Current Year Claims | Claim Payments | Balance at End of Year |
|------|---------------------------------|------------------------|-------------------|---------------------------|
| 2015 | \$422,900 | \$4,730,968 | \$4,868,168 | \$285,700 |
| 2016 | 285,700 | 4,422,187 | 4,478,587 | 229,300 |

Note 13 - Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees and Administrators earn ten to twenty days of vacation per year, depending upon length of service and hours worked. Accumulated unused vacation time is paid to classified employees

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

upon termination of employment. Teachers do not earn vacation time. Each employee earns sick leave at a rate of one and one-fourth days per month. Sick leave may be accumulated to a maximum of 275 days for non-certificated, 260 days for certificated employees (unless in their final year of employment before retirement) and 370 days for administrators. Upon retirement or termination after 25 years of consecutive service (or attaining age 52 and 20 years of consecutive service), payment is made for up to 40 days for certificated employees, 30 days for administrators, plus one-tenth of the days remaining. The maximum number of days to be paid out is 63.5 days for certificated staff and 86.5 days for administrators. The non-certificated employees' payment is calculated using one-fourth of the days unless the employee has accumulated 90 percent or more of their maximum number of days in which case the calculation is made at 30 percent for a maximum of 82.5 days. For purposes of retirement, the employee receiving such payment must meet the eligibility requirement provisions set by STRS or SERS.

Note 14 – Defined Benefit Pension Plans

Net Pension Liability

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the School District's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the School District's obligation for this liability to annually required payments. The School District cannot control benefit terms or the manner in which pensions are financed; however, the School District does receive the benefit of employees' services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

| | Eligible to Retire on or before August 1, 2017 * | Eligible to Retire on or after August 1, 2017 |
|------------------------------|---------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|
| Full Benefits | Any age with 30 years of service credit | Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit |
| Actuarially Reduced Benefits | Age 60 with 5 years of service credit Age 55 with 25 years of service credit | Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit |

* Members with 25 years of service credit as of August 1, 2017, will be included in this plan.

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on year of service; 2.2 percent for the first thirty years of service and 2.5 percent for years of service credit over 30. Final average salary is the average of the highest three years of salary.

One year after an effective benefit date, a benefit recipient is entitled to a three percent cost-of-living adjustment (COLA). This same COLA is added each year to the base benefit amount on the anniversary date of the benefit.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS’ Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System’s funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2016, the allocation to pension, death benefits, and Medicare B was 14 percent. No allocation was made to the Health Care Fund.

The School District’s contractually required contribution to SERS was \$1,235,580 for fiscal year 2016. Of this amount \$91,100 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – School District licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information, and detailed information about STRS’ fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at www.strsoh.org.

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan, and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307.

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. With certain exceptions, the basic benefit is increased each year by two percent of the original base benefit. For members retiring August 1, 2013, or later, the first two percent is paid on the fifth anniversary of the retirement benefit. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 25 years of service, or 30 years of service regardless of age. Age and service requirements for retirement will increase effective August 1, 2015, and will continue to increase periodically until they reach age 60 with 35 years of service or age 65 with five year of service on August 1, 2026.

The DC Plan allows members to place all their member contributions and 9.5 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.5 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 11 percent of the 12 percent member rate goes to the DC Plan and 1 percent goes to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of services. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50.

New members who choose the DC plan or Combined Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's Combined Plan account to a lifetime benefit results in STRS bearing the risk of investment gain or loss on the account. STRS has therefore included all three plan options as one defined benefit plan for GASB 68 reporting purposes.

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least ten years of qualifying service credit that apply for disability 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 – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the fiscal year ended June 30, 2016, plan members were required to contribute 13 percent of their annual covered salary. Effective July 1, 2016, the statutory maximum employee contribution rate was increased one percent to 14 percent. The School District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2016 contribution rates were equal to the statutory maximum rates.

The School District's contractually required contribution to STRS was \$2,684,736 for fiscal year 2016. Of this amount \$414,452 is reported as an intergovernmental payable.

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on the School District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

| | <u>SERS</u> | <u>STRS</u> | <u>Total</u> |
|---------------------------------------------------------------------|---------------------|--------------------|--------------|
| Proportion of the Net Pension Liability Prior Measurement Date | 0.27752900% | 0.18588748% | |
| Proportion of the Net Pension Liability Current Measurement Date | <u>0.27142040%</u> | <u>0.18712752%</u> | |
| Change in Proportionate Share | <u>-0.00610860%</u> | <u>0.00124004%</u> | |
| Proportionate Share of the Net Pension Liability | \$15,487,511 | \$51,716,575 | \$67,204,086 |
| Pension Expense | \$895,770 | \$2,416,253 | \$3,312,023 |

At June 30, 2016, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>SERS</u> | <u>STRS</u> | <u>Total</u> |
|------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|--------------------|
| Deferred Outflows of Resources | | | |
| Differences between expected and actual experience | \$249,378 | \$2,357,624 | \$2,607,002 |
| Changes in proportionate Share and difference between School District contributions and proportionate share of contributions | 0 | 258,170 | 258,170 |
| School District contributions subsequent to the measurement date | <u>1,235,580</u> | <u>2,684,736</u> | <u>3,920,316</u> |
| Total Deferred Outflows of Resources | <u>\$1,484,958</u> | <u>\$5,300,530</u> | <u>\$6,785,488</u> |
| Deferred Inflows of Resources | | | |
| Net difference between projected and actual earnings on pension plan investments | \$513,152 | \$3,719,399 | \$4,232,551 |
| Changes in Proportionate Share and Difference between School District contributions and proportionate share of contributions | <u>268,916</u> | <u>0</u> | <u>268,916</u> |
| Total Deferred Inflows of Resources | <u>\$782,068</u> | <u>\$3,719,399</u> | <u>\$4,501,467</u> |

\$3,920,316 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

| | SERS | STRS | Total |
|-----------------------------|-------------|---------------|---------------|
| Fiscal Year Ending June 30: | | | |
| 2017 | (\$272,268) | (\$774,802) | (\$1,047,070) |
| 2018 | (272,268) | (774,802) | (1,047,070) |
| 2019 | (273,449) | (774,802) | (1,048,251) |
| 2020 | 285,295 | 1,220,801 | 1,506,096 |
| Total | (\$532,690) | (\$1,103,605) | (\$1,636,295) |

Actuarial Assumptions - SERS

SERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment termination). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2015, are presented below:

| | |
|----------------------------------------------|--------------------------------------------------------------|
| Wage Inflation | 3.25 percent |
| Future Salary Increases, including inflation | 4.00 percent to 22 percent |
| COLA or Ad Hoc COLA | 3 percent |
| Investment Rate of Return | 7.75 percent net of investments expense, including inflation |
| Actuarial Cost Method | Entry Age Normal |

For post-retirement mortality, the table used in evaluating allowances to be paid is the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables are used for the period after disability retirement.

The most recent experience study was completed June 30, 2010.

The long-term return expectation for the Pension Plan Investments has been determined using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

rate of return has been determined by calculating an arithmetic weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalanced uncorrelated asset classes.

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|------------------------|--------------------------|-----------------------------------------------|
| Cash | 1.00 % | 0.00 % |
| US Stocks | 22.50 | 5.00 |
| Non-US Stocks | 22.50 | 5.50 |
| Fixed Income | 19.00 | 1.50 |
| Private Equity | 10.00 | 10.00 |
| Real Assets | 10.00 | 5.00 |
| Multi-Asset Strategies | 15.00 | 7.50 |
| | | |
| Total | <u>100.00 %</u> | |

Discount Rate The total pension liability was calculated using the discount rate of 7.75 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.75 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.75 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.75 percent), or one percentage point higher (8.75 percent) than the current rate.

| | 1% Decrease (6.75%) | Current Discount Rate (7.75%) | 1% Increase (8.75%) |
|--------------------------------------------------------------------|------------------------|-------------------------------------|------------------------|
| School District's proportionate share of the net pension liability | \$21,475,613 | \$15,487,511 | \$10,445,036 |

In April 2016, the SERS Board adopted certain assumption changes which impacted their annual actuarial valuation prepared as of June 30, 2016. The most significant change is a reduction in the discount rate from 7.75 percent to 7.5 percent. Although the exact amount of these changes is not known, the impact to the School District's net pension liability is expected to be significant.

Actuarial Assumptions - STRS

The total pension liability in the June 30, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

| | |
|-----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Inflation | 2.75 percent |
| Projected salary increases | 12.25 percent at age 20 to 2.75 percent at age 70 |
| Investment Rate of Return | 7.75 percent, net of investment expenses |
| Cost-of-Living Adjustments (COLA) | 2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013, or later, 2 percent COLA commences on fifth anniversary of retirement date. |

Mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males’ ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89, and no set back from age 90 and above.

Actuarial assumptions used in the June 30, 2015, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

STRS’ investment consultant develops best estimates for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>10 Year Expected Nominal Rate of Return *</u> |
|----------------------|------------------------------|----------------------------------------------------------|
| Domestic Equity | 31.00 % | 8.00 % |
| International Equity | 26.00 | 7.85 |
| Alternatives | 14.00 | 8.00 |
| Fixed Income | 18.00 | 3.75 |
| Real Estate | 10.00 | 6.75 |
| Liquidity Reserves | 1.00 | 3.00 |
| Total | <u>100.00 %</u> | |

* 10 year annualized geometric nominal returns include the real rate of return and inflation of 2.5 percent.

Discount Rate The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2015. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS’ fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2015. Therefore, the long-term expected rate of return on pension plan investments of 7.75 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2015.

Sensitivity of the School District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the School District’s proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.75 percent, as well as what the School District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.75 percent) or one-percentage-point higher (8.75 percent) than the current rate:

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

| | 1% Decrease (6.75%) | Current Discount Rate (7.75%) | 1% Increase (8.75%) |
|-----------------------------------------------------------------------|------------------------|-------------------------------------|------------------------|
| School District's proportionate share of the net pension liability | \$71,838,221 | \$51,716,575 | \$34,700,720 |

Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Employees Retirement System. As of June 30, 2016, two members of the Board of Education have elected Social Security. The Board's liability is 6.2 percent of wages.

Note 15 - Postemployment Benefits

School Employees Retirement System

Health Care Plan Description - The School District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 45 purposes, this plan is considered a cost-sharing, multiple-employer, defined benefit other postemployment benefit (OPEB) 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 as well as a prescription drug program. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Health care is financed through a combination of employer contributions and retiree premiums, copays and deductibles on covered health care expenses, investment returns, and any funds received as a result of SERS' participation in Medicare programs. Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required basic benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. For fiscal year 2016, no allocation of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined minimum compensation amount, prorated according to service credit earned. For fiscal year 2016, this amount was \$23,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2016, the School District's surcharge obligation was \$121,391.

The School District's contributions for health care for the fiscal years ended June 30, 2016, 2015 and 2014 were \$121,391, \$178,291 and \$101,587, respectively. The full amount has been contributed for fiscal years 2016, 2015 and 2014.

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

State Teachers Retirement System

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

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS Ohio to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For the fiscal years ended June 30, 2016 and June 30, 2015, STRS Ohio did not allocate any employer contributions to post-employment health care. For the fiscal year ended June 30, 2014, one percent of covered payroll was allocated to post-employment health care. The School District's contributions for health care for the fiscal years ended June 30, 2016, 2015 and 2014 were \$0, \$0 and \$192,243, respectively. The full amount has been contributed for 2016, 2015 and 2014.

Note 16 - Insurance Purchasing Pool

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

Note 17 - Set Asides

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

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

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

| | Capital Improvement |
|----------------------------------------------------------|------------------------|
| Set-aside Balances as of June 30, 2015 | \$0 |
| Current Year Set-aside Requirement | 585,809 |
| Current Year Offsets | (295,283) |
| Qualifying Disbursements | (2,726,189) |
| Totals | (\$2,435,663) |
| Set-aside Balance Carried Forward to Future Fiscal Years | \$0 |
| Set-aside Balances as of June 30, 2016 | \$0 |

While the current year offsets and qualifying disbursements during the fiscal year reduced the capital improvement set-aside amount to below zero, this amount may not be used to reduce the set-aside requirements of future fiscal years.

Note 18 – Notes Payable

The School’s note activity, including amounts outstanding and interest rates is as follows:

| | Outstanding 6/30/2015 | Issued | Retired | Outstanding 6/30/2016 |
|-------------------------------------|--------------------------|-----------|-------------|--------------------------|
| Governmental Activities | | | | |
| Tax Anticipation Notes, Series 2014 | \$237,954 | \$0 | (\$59,500) | \$178,454 |
| Tax Anticipation Notes, Series 2016 | 0 | 609,273 | (101,000) | 508,273 |
| Total Governmental Activities | \$237,954 | \$609,273 | (\$160,500) | \$686,727 |

In fiscal year 2014, the School District issued \$297,454 in tax anticipation notes for capital projects. The notes will be paid from the permanent improvement capital projects fund.

In fiscal year 2016, the School District issued \$609,273 in tax anticipation notes for capital projects. The notes will be paid from the general fund and the capital replacement capital projects fund. Principal and interest payments to retire the tax anticipation notes are as follows:

| | Principal | Interest | Total |
|-------|-----------|----------|-----------|
| 2017 | \$160,500 | \$13,735 | \$174,235 |
| 2018 | 160,500 | 10,526 | 171,026 |
| 2019 | 161,454 | 7,315 | 168,769 |
| 2020 | 102,000 | 4,086 | 106,086 |
| 2021 | 102,273 | 2,045 | 104,318 |
| Total | \$686,727 | \$37,707 | \$724,434 |

All notes are backed by the full faith and credit of the School. The note liability is reflected in the fund which received the proceeds and will repay the debt.

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

Note 19 - Long Term Obligations

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

| Debt Issue | Original Issue Date | Original Issue Amount | Interest Rate | Date of Maturity |
|---------------------------------------|---------------------|-----------------------|---------------|------------------|
| General Obligation Bonds: | | | | |
| Radio Equipment Acquisition Bond | 2013 | \$274,578 | 1.50% | July 15, 2016 |
| Energy Conservation Improvement Bonds | 2006 | 3,562,114 | 4.11% | October 15, 2020 |

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

| | Principal Outstanding 6/30/15 | Additions | (Reductions) | Principal Outstanding 6/30/16 | Amount Due in One Year |
|-----------------------------------------|----------------------------------|--------------------|----------------------|----------------------------------|---------------------------|
| Governmental Activities: | | | | | |
| General Obligations Bonds: | | | | | |
| Radio Equipment Acquisition Bonds | \$137,290 | \$0 | (\$68,656) | \$68,634 | \$68,634 |
| Energy Conservation Improvement Bonds | 1,661,531 | 0 | (249,832) | 1,411,699 | 260,089 |
| <i>Total General Obligation Bonds</i> | <u>1,798,821</u> | <u>0</u> | <u>(318,488)</u> | <u>1,480,333</u> | <u>328,723</u> |
| Other Long Term Obligations: | | | | | |
| Net Pension Liability: | | | | | |
| STRS | 45,214,269 | 6,502,306 | 0 | 51,716,575 | 0 |
| SERS | 14,045,584 | 1,441,927 | 0 | 15,487,511 | 0 |
| Total Net Pension Liability | 59,259,853 | 7,944,233 | 0 | 67,204,086 | 0 |
| Capital Leases | 46,164 | 0 | (46,164) | 0 | 0 |
| Compensated Absences | 3,999,443 | 1,340,022 | (1,295,012) | 4,044,453 | 1,449,875 |
| <i>Total Other Long Term Obligation</i> | <u>63,305,460</u> | <u>9,284,255</u> | <u>(1,341,176)</u> | <u>71,248,539</u> | <u>1,449,875</u> |
| Total Governmental Activities | <u>\$65,104,281</u> | <u>\$9,284,255</u> | <u>(\$1,659,664)</u> | <u>\$72,728,872</u> | <u>\$1,778,598</u> |

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

The capital leases were paid from the capital replacement capital projects fund. The lease was retired during fiscal year 2016. The School District pays obligations related to employee compensation from the fund benefitting from their service. Compensated absences are paid from the general fund, the food service, auxiliary services, title VI-B, title I and title VI-R special revenue funds. The School District pays obligations related to employee compensation from the fund benefitting from their service. See Note 14 for additional information related to the net pension liability.

In October 2012, the School District issued radio equipment acquisition bonds having an original face value of \$274,578, for the purpose of acquiring radio communications equipment. These bonds will be paid from the building capital projects fund. The School District pays obligations related to employee compensation from the fund benefitting from their service.

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

The overall debt margin of the School District as of June 30, 2016, was \$58,218,015 with an unvoted debt margin of \$662,554. Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2016, are as follows:

| | Radio Equipment Acquisition Bonds | | Energy Conservation Improvement Bonds | | Total | |
|-------|--------------------------------------|----------|------------------------------------------|-----------|-------------|-----------|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2017 | \$68,634 | \$1,035 | \$260,089 | \$57,958 | \$328,723 | \$58,993 |
| 2018 | 0 | 0 | 270,767 | 47,280 | 270,767 | 47,280 |
| 2019 | 0 | 0 | 281,883 | 36,164 | 281,883 | 36,164 |
| 2020 | 0 | 0 | 293,456 | 24,591 | 293,456 | 24,591 |
| 2021 | 0 | 0 | 305,504 | 12,543 | 305,504 | 12,543 |
| Total | \$68,634 | \$1,035 | \$1,411,699 | \$178,536 | \$1,480,333 | \$179,571 |

Note 20 - Jointly Governed Organizations

Connect

North Coast Council, which became Connect effective April 1, 2016, is a jointly governed organization comprised of twenty-four member school districts, three educational service centers and the Ohio Schools Council. The jointly governed organization was formed for the purpose of providing support and leadership which enables organizations to achieve their objectives through innovative and cost effective shared technology solutions. Connect is governed by a four member Board of Directors consisting of the Superintendent of the Educational Service Center of Cuyahoga County, the Superintendent of the Educational Service Center of Lorain County, the Superintendent of the Educational Service Center of Medina County and the Executive Director of the Ohio Schools Council. Each participating entity's contribution to Connect is dependent upon student enrollment and/or software packages and services utilized. Financial information for Connect can be obtained by contacting the Treasurer at the Cuyahoga County Educational Service Center, which serves as fiscal agent. During fiscal year 2016, the School District contributed \$71,878 to Connect.

Ohio Schools Council Association

The Ohio Schools Council Association (Council) is a jointly governed organization among 199 school districts. The jointly governed organization was created by school districts for the purpose of saving money through volume purchases. Each district supports the Council by paying an annual participation fee. Each school district member's superintendent serves as a representative of the Assembly. The Assembly elects five of the Council's Board members and the remaining four are representatives of the Greater Cleveland School Superintendents' Association. The Council operates under a nine-member Board of Directors (the Board). The Board is the policy making authority of the Council. The Board meets monthly from September through June. The Board appoints an Executive Director who is responsible for receiving and disbursing funds, investing available funds, preparing financial reports for the Board and Assembly and carrying out such other responsibilities as designated by the Board. The degree of control exercised by any participant is limited to its representation on the Governing Board. The Board exercises total control over the operations of the Council including budgeting, appropriating, contracting and designating management. In fiscal year 2016, the School District paid \$1,962 to the Council. Financial information can be obtained by contacting William J. Zelei, the Executive Director of the Ohio Schools' Council at 6393 Oak Tree Blvd, Suite 377, Independence, Ohio 44131.

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

The School District participates in the natural gas purchase program. This program allows the School District to purchase natural gas at reduced rates. Compass Energy serves as the new supplier and program manager for the period from April 1, 2016 through March 31, 2019. There are currently 154 participants in the program. The participants make monthly payments based on estimated usage. Each September, these estimated payments are compared to their actual usage for the year (July to June). Districts that paid more in estimated billings than their actual billings are issued credits on future billings in September until the credits are exhausted and districts that did not pay enough on estimated billings are invoiced for the difference on the September monthly estimated billing.

The School District also participates in the Council's current electric purchase program. The Power 4 Schools Program provides a fixed price rate for electricity supplied by First Energy Solutions of \$0.0602 per kwh for the generation of electricity. There are currently 256 participants in the program including the School District. School districts are not charged a fee by OSC to participate in this program. School districts pay the utility (Ohio Edison, Toledo Edison or Cleveland Electric Illuminating Co.) directly and receive a discount for the fixed price of generation.

Note 21 – Significant Commitments

Contractual Commitments

As of June 30, 2016, the School District had the following contractual construction commitments outstanding:

| Vendor Name | Contract Amount | Amount Paid To Date | Remaining Contract |
|---------------------------------------------------------|-----------------|------------------------|-----------------------|
| Capital Aluminum and Glass - Carylwood Windows Phase II | \$515,000 | \$431,000 | \$84,000 |

Remaining commitment amounts were encumbered at year end.

Encumbrances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At fiscal year end the amount of encumbrances expected to be honored upon performance by the vendor in the next fiscal year were as follows:

| | |
|--------------------------|--------------------|
| General | \$2,032,296 |
| Other Governmental Funds | 349,856 |
| Internal Service | 8,623 |
| Total | \$2,390,775 |

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

Note 22 – Change in Accounting Principle

For fiscal year 2016, the School District implemented Governmental Accounting Standards Board (GASB) Statement No. 72, “Fair Value Measurement and Application,” GASB Statement No. 76, “The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments,” GASB Statement No. 79, “Certain External Investment Pools and Pool Participants,” and GASB Statement No. 82, “Pension Issues an Amendment of GASB Statements No. 67, No. 68 and No. 73.”

GASB Statement No. 72 addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes for applying fair value to certain investments and disclosures related to all fair value measurements. These changes were incorporated in the School District’s fiscal year 2016 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 76 identifies-in the context of the current governmental financial reporting environment-the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with generally accepted accounting principles (GAAP) and the framework for selecting those principles. The implementation of this GASB pronouncement did not result in any changes to the School District’s financial statements.

GASB Statement No. 79 establishes accounting and financial reporting standards for qualifying external investment pools that elect to measure for financial reporting purposes all of their investments at amortized cost. This Statement provides accounting and financial reporting guidance also establishes additional note disclosure requirements for governments that participate in those pools. The School District participates in STAR Ohio which implemented GASB Statement No. 79 for fiscal year 2016. The School District incorporated the corresponding GASB 79 guidance into their fiscal year 2016 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 82 improves consistency in the application of pension accounting. These changes were incorporated in the School District’s fiscal year 2016 financial statements; however, there was no effect on beginning net position/fund balance.

Bedford City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2016

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Required Supplementary Information

Bedford City School District, Ohio
Required Supplementary Information
Schedule of the School District's Proportionate Share of the
Net Pension Liability
School Employees Retirement System of Ohio
*Last Three Fiscal Years (1) **

| | 2016 | 2015 | 2014 |
|-----------------------------------------------------------------------------------------------------------|--------------|--------------|--------------|
| School District's Proportion of the Net Pension Liability | 0.27142040% | 0.27752900% | 0.27752900% |
| School District's Proportionate Share of the Net Pension Liability | \$15,487,511 | \$14,045,584 | \$16,503,759 |
| School District's Covered Payroll | \$8,203,703 | \$8,159,191 | \$7,988,321 |
| School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 188.79% | 172.14% | 206.60% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 69.16% | 71.70% | 65.52% |

(1) Information prior to 2014 is not available.

* Amounts presented for each fiscal year were determined as of the School District's measurement date which is the prior fiscal year end.

Bedford City School District, Ohio
Required Supplementary Information
Schedule of the School District's Proportionate Share of the
Net Pension Liability
State Teachers Retirement System of Ohio
*Last Three Fiscal Years (1) **

| | 2016 | 2015 | 2014 |
|-----------------------------------------------------------------------------------------------------------|--------------|--------------|--------------|
| School District's Proportion of the Net Pension Liability | 0.18712752% | 0.18588748% | 0.18588748% |
| School District's Proportionate Share of the Net Pension Liability | \$51,716,575 | \$45,214,269 | \$53,858,941 |
| School District's Covered Payroll | \$19,570,471 | \$19,579,221 | \$19,212,138 |
| School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 264.26% | 230.93% | 280.34% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 72.10% | 74.70% | 69.30% |

(1) Information prior to 2014 is not available.

* Amounts presented for each fiscal year were determined as of the School District's measurement date which is the prior fiscal year end.

Bedford City School District, Ohio
Required Supplementary Information
Schedule of the School District's Contributions
School Employees Retirement System of Ohio
Last Ten Fiscal Years

| | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|-------------------------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|
| Contractually Required Contribution | \$1,235,580 | \$1,081,248 | \$1,130,864 | \$1,105,584 |
| Contributions in Relation to the Contractually Required Contribution | <u>(1,235,580)</u> | <u>(1,081,248)</u> | <u>(1,130,864)</u> | <u>(1,105,584)</u> |
| Contribution Deficiency (Excess) | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| School District Covered Payroll | \$8,825,571 | \$8,203,703 | \$8,159,191 | \$7,988,321 |
| Contributions as a Percentage of Covered Payroll | 14.00% | 13.18% | 13.86% | 13.84% |

| <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> |
|--------------------|--------------------|------------------|------------------|------------------|------------------|
| \$1,083,749 | \$1,014,939 | \$764,140 | \$844,270 | \$830,814 | \$874,045 |
| <u>(1,083,749)</u> | <u>(1,014,939)</u> | <u>(764,140)</u> | <u>(844,270)</u> | <u>(830,814)</u> | <u>(874,045)</u> |
| <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| \$8,057,614 | \$8,074,293 | \$5,643,576 | \$8,579,978 | \$8,460,426 | \$8,183,942 |
| 13.45% | 12.57% | 13.54% | 9.84% | 9.82% | 10.68% |

Bedford City School District, Ohio
Required Supplementary Information
Schedule of the School District's Contributions
State Teachers Retirement System of Ohio
Last Ten Fiscal Years

| | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|-------------------------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|
| Contractually Required Contribution | \$2,684,736 | \$2,739,866 | \$2,545,299 | \$2,497,578 |
| Contributions in Relation to the Contractually Required Contribution | <u>(2,684,736)</u> | <u>(2,739,866)</u> | <u>(2,545,299)</u> | <u>(2,497,578)</u> |
| Contribution Deficiency (Excess) | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| School District Covered Payroll | \$19,176,686 | \$19,570,471 | \$19,579,223 | \$19,212,138 |
| Contributions as a Percentage of Covered Payroll | 14.00% | 14.00% | 13.00% | 13.00% |

| <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> |
|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| \$2,460,983 | \$2,469,571 | \$2,518,241 | \$2,621,381 | \$2,438,865 | \$2,367,875 |
| <u>(2,460,983)</u> | <u>(2,469,571)</u> | <u>(2,518,241)</u> | <u>(2,621,381)</u> | <u>(2,438,865)</u> | <u>(2,367,875)</u> |
| <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| \$18,930,638 | \$18,996,700 | \$19,371,085 | \$20,164,469 | \$18,760,500 | \$18,214,423 |
| 13.00% | 13.00% | 13.00% | 13.00% | 13.00% | 13.00% |

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

Combining Statements – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

(continued)

Combining Statements – Nonmajor Governmental Funds (continued)

Nonmajor Special Revenue Funds (continued)

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

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

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

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

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

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

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

Nonmajor Debt Service Fund

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

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

Nonmajor Capital Projects Funds

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

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

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

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

Bedford City School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2016

| | Nonmajor Special Revenue Funds | Nonmajor Debt Service Fund | Nonmajor Capital Projects Funds | Total Nonmajor Governmental Funds |
|-------------------------------------------------------------------------------|-----------------------------------------|----------------------------------|---------------------------------------|--------------------------------------------|
| Assets | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$2,084,693 | \$68,522 | \$472,833 | \$2,626,048 |
| Intergovernmental Receivable | 596,833 | 0 | 0 | 596,833 |
| Inventory Held for Resale | 25,127 | 0 | 0 | 25,127 |
| Materials and Supplies Inventory | 7,207 | 0 | 0 | 7,207 |
| Taxes Receivable | 0 | 0 | 466,722 | 466,722 |
| <i>Total Assets</i> | <u>\$2,713,860</u> | <u>\$68,522</u> | <u>\$939,555</u> | <u>\$3,721,937</u> |
| Liabilities | | | | |
| Accounts Payable | \$121,695 | \$0 | \$6,636 | \$128,331 |
| Contracts Payable | 0 | 0 | 1,259 | 1,259 |
| Accrued Wages and Benefits Payable | 239,579 | 0 | 0 | 239,579 |
| Intergovernmental Payable | 90,376 | 0 | 0 | 90,376 |
| Accrued Interest Payable | 0 | 0 | 451 | 451 |
| Interfund Payable | 1,152,000 | 0 | 0 | 1,152,000 |
| Notes Payable | 0 | 0 | 270,323 | 270,323 |
| <i>Total Liabilities</i> | <u>1,603,650</u> | <u>0</u> | <u>278,669</u> | <u>1,882,319</u> |
| Deferred Inflows of Resources | | | | |
| Property Taxes | 0 | 0 | 292,868 | 292,868 |
| Unavailable Revenue | 507,741 | 0 | 58,041 | 565,782 |
| <i>Total Deferred Inflows of Resources</i> | <u>507,741</u> | <u>0</u> | <u>350,909</u> | <u>858,650</u> |
| Fund Balances | | | | |
| Nonspendable | 7,207 | 0 | 0 | 7,207 |
| Restricted | 1,077,679 | 68,522 | 121,069 | 1,267,270 |
| Committed | 0 | 0 | 188,908 | 188,908 |
| Unassigned (Deficit) | (482,417) | 0 | 0 | (482,417) |
| <i>Total Fund Balances</i> | <u>602,469</u> | <u>68,522</u> | <u>309,977</u> | <u>980,968</u> |
| <i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i> | <u>\$2,713,860</u> | <u>\$68,522</u> | <u>\$939,555</u> | <u>\$3,721,937</u> |

Bedford City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2016

| | Nonmajor Special Revenue Funds | Nonmajor Debt Service Fund | Nonmajor Capital Projects Funds | Total Nonmajor Governmental Funds |
|-----------------------------------------------------|-----------------------------------------|----------------------------------|---------------------------------------|--------------------------------------------|
| Revenues | | | | |
| Taxes | \$0 | \$6,867 | \$295,550 | \$302,417 |
| Intergovernmental | 3,258,959 | 0 | 81,738 | 3,340,697 |
| Interest | 4 | 0 | 0 | 4 |
| Charges for Services | 525,754 | 0 | 0 | 525,754 |
| Extracurricular Activities | 134,676 | 0 | 0 | 134,676 |
| Contributions and Donations | 17,535 | 0 | 0 | 17,535 |
| Miscellaneous | 1,444 | 0 | 144,709 | 146,153 |
| <i>Total Revenues</i> | <u>3,938,372</u> | <u>6,867</u> | <u>521,997</u> | <u>4,467,236</u> |
| Expenditures | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 88,034 | 0 | 0 | 88,034 |
| Special | 587,012 | 0 | 0 | 587,012 |
| Vocational | 139,931 | 0 | 0 | 139,931 |
| Support Services: | | | | |
| Pupil | 688,555 | 0 | 0 | 688,555 |
| Instructional Staff | 506,054 | 0 | 0 | 506,054 |
| Administration | 137,423 | 0 | 0 | 137,423 |
| Business | 11,000 | 0 | 0 | 11,000 |
| Operation and Maintenance of Plant | 1,770 | 0 | 0 | 1,770 |
| Central | 1,284 | 0 | 0 | 1,284 |
| Operation of Non-Instructional Services: | | | | |
| Food Service Operations | 1,987,297 | 0 | 0 | 1,987,297 |
| Other Non-Instructional Services | 28,132 | 0 | 0 | 28,132 |
| Extracurricular Activities | 256,505 | 0 | 0 | 256,505 |
| Capital Outlay | 0 | 0 | 861,727 | 861,727 |
| Debt Service: | | | | |
| Principal Retirement | 0 | 0 | 46,164 | 46,164 |
| Interest and Fiscal Charges | 0 | 0 | 5,844 | 5,844 |
| <i>Total Expenditures</i> | <u>4,432,997</u> | <u>0</u> | <u>913,735</u> | <u>5,346,732</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | (494,625) | 6,867 | (391,738) | (879,496) |
| Other Financing Sources (Uses) | | | | |
| Transfers In | 109,900 | 0 | 375,975 | 485,875 |
| <i>Net Change in Fund Balances</i> | (384,725) | 6,867 | (15,763) | (393,621) |
| <i>Fund Balances Beginning of Year</i> | <u>987,194</u> | <u>61,655</u> | <u>325,740</u> | <u>1,374,589</u> |
| <i>Fund Balances End of Year</i> | <u>\$602,469</u> | <u>\$68,522</u> | <u>\$309,977</u> | <u>\$980,968</u> |

Bedford City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2016

| | Food Service | Local Grants | District Managed Student Activities | Auxiliary Services |
|-------------------------------------------------------------------------------|--------------------|-----------------|----------------------------------------------|-----------------------|
| Assets | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$1,138,059 | \$76,152 | \$36,859 | \$12,697 |
| Intergovernmental Receivable | 0 | 0 | 0 | 0 |
| Inventory Held for Resale | 25,127 | 0 | 0 | 0 |
| Materials and Supplies Inventory | 7,207 | 0 | 0 | 0 |
| <i>Total Assets</i> | <u>\$1,170,393</u> | <u>\$76,152</u> | <u>\$36,859</u> | <u>\$12,697</u> |
| Liabilities | | | | |
| Accounts Payable | \$53,853 | \$298 | \$5,021 | \$0 |
| Accrued Wages and Benefits Payable | 90,921 | 0 | 0 | 0 |
| Intergovernmental Payable | 61,122 | 0 | 0 | 0 |
| Interfund Payable | 0 | 0 | 0 | 0 |
| <i>Total Liabilities</i> | <u>205,896</u> | <u>298</u> | <u>5,021</u> | <u>0</u> |
| Deferred Inflows of Resources | | | | |
| Unavailable Revenue | 0 | 0 | 0 | 0 |
| Fund Balances | | | | |
| Nonspendable | 7,207 | 0 | 0 | 0 |
| Restricted | 957,290 | 75,854 | 31,838 | 12,697 |
| Unassigned (Deficit) | 0 | 0 | 0 | 0 |
| <i>Total Fund Balances (Deficit)</i> | <u>964,497</u> | <u>75,854</u> | <u>31,838</u> | <u>12,697</u> |
| <i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i> | <u>\$1,170,393</u> | <u>\$76,152</u> | <u>\$36,859</u> | <u>\$12,697</u> |

(continued)

Bedford City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
June 30, 2016

| | Title VI-B | Vocational Education | Title III |
|-------------------------------------------------------------------------------|------------------|-------------------------|-----------------|
| Assets | | | |
| Equity in Pooled Cash and Cash Equivalents | \$227,977 | \$55,558 | \$11,832 |
| Intergovernmental Receivable | 236,917 | 128,529 | 1,171 |
| Inventory Held for Resale | 0 | 0 | 0 |
| Materials and Supplies Inventory | 0 | 0 | 0 |
| <i>Total Assets</i> | <u>\$464,894</u> | <u>\$184,087</u> | <u>\$13,003</u> |
| Liabilities | | | |
| Accounts Payable | \$17,303 | \$28,891 | \$1,003 |
| Accrued Wages and Benefits Payable | 20,127 | 0 | 0 |
| Intergovernmental Payable | 10,815 | 0 | 0 |
| Interfund Payable | 400,000 | 150,000 | 12,000 |
| <i>Total Liabilities</i> | <u>448,245</u> | <u>178,891</u> | <u>13,003</u> |
| Deferred Inflows of Resources | | | |
| Unavailable Revenue | 236,917 | 39,437 | 1,171 |
| Fund Balances | | | |
| Nonspendable | 0 | 0 | 0 |
| Restricted | 0 | 0 | 0 |
| Unassigned (Deficit) | (220,268) | (34,241) | (1,171) |
| <i>Total Fund Balances (Deficit)</i> | <u>(220,268)</u> | <u>(34,241)</u> | <u>(1,171)</u> |
| <i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i> | <u>\$464,894</u> | <u>\$184,087</u> | <u>\$13,003</u> |

| Title I | Preschool Handicapped | Title VI-R | Total Nonmajor Special Revenue Funds |
|-----------|--------------------------|------------|-----------------------------------------------|
| \$441,806 | \$42,659 | \$41,094 | \$2,084,693 |
| 197,921 | 11,329 | 20,966 | 596,833 |
| 0 | 0 | 0 | 25,127 |
| 0 | 0 | 0 | 7,207 |
| \$639,727 | \$53,988 | \$62,060 | \$2,713,860 |
| \$13,048 | \$2,023 | \$255 | \$121,695 |
| 111,515 | 2,063 | 14,953 | 239,579 |
| 15,826 | 474 | 2,139 | 90,376 |
| 500,000 | 45,000 | 45,000 | 1,152,000 |
| 640,389 | 49,560 | 62,347 | 1,603,650 |
| 197,921 | 11,329 | 20,966 | 507,741 |
| 0 | 0 | 0 | 7,207 |
| 0 | 0 | 0 | 1,077,679 |
| (198,583) | (6,901) | (21,253) | (482,417) |
| (198,583) | (6,901) | (21,253) | 602,469 |
| \$639,727 | \$53,988 | \$62,060 | \$2,713,860 |

Bedford City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2016

| | Food Service | Local Grants | District Managed Student Activities | Auxiliary Services |
|---------------------------------------------------------|------------------|-----------------|----------------------------------------------|-----------------------|
| Revenues | | | | |
| Intergovernmental | \$1,464,220 | \$23,588 | \$0 | \$12,299 |
| Interest | 0 | 0 | 0 | 4 |
| Charges for Services | 525,439 | 0 | 315 | 0 |
| Extracurricular Activities | 0 | 0 | 134,676 | 0 |
| Contributions and Donations | 0 | 11,605 | 5,930 | 0 |
| Miscellaneous | 0 | 0 | 1,444 | 0 |
| <i>Total Revenues</i> | <u>1,989,659</u> | <u>35,193</u> | <u>142,365</u> | <u>12,303</u> |
| Expenditures | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 0 | 17,579 | 0 | 0 |
| Special | 0 | 0 | 0 | 0 |
| Vocational | 0 | 3,000 | 0 | 0 |
| Support Services: | | | | |
| Pupil | 0 | 0 | 0 | 0 |
| Instructional Staff | 0 | 0 | 0 | 0 |
| Administration | 0 | 0 | 0 | 0 |
| Business | 0 | 11,000 | 0 | 0 |
| Operation and Maintenance of Plant | 0 | 1,770 | 0 | 0 |
| Central | 0 | 0 | 0 | 0 |
| Operation of Non-Instructional Services: | | | | |
| Food Service Operations | 1,987,297 | 0 | 0 | 0 |
| Other Non-Instructional Services | 0 | 1,048 | 0 | 7,357 |
| Extracurricular Activities | 0 | 0 | 256,505 | 0 |
| <i>Total Expenditures</i> | <u>1,987,297</u> | <u>34,397</u> | <u>256,505</u> | <u>7,357</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | 2,362 | 796 | (114,140) | 4,946 |
| Other Financing Sources (Uses) | | | | |
| Transfers In | 0 | 0 | 109,900 | 0 |
| <i>Net Change in Fund Balances</i> | 2,362 | 796 | (4,240) | 4,946 |
| <i>Fund Balances (Deficit) Beginning of Year</i> | <u>962,135</u> | <u>75,058</u> | <u>36,078</u> | <u>7,751</u> |
| <i>Fund Balances (Deficit) End of Year</i> | <u>\$964,497</u> | <u>\$75,854</u> | <u>\$31,838</u> | <u>\$12,697</u> |

| Data Communications | Title VI-B | Vocational Education | Title III | Title I |
|------------------------|-------------|-------------------------|-----------|-------------|
| \$10,800 | \$591,725 | \$128,036 | \$6,157 | \$889,851 |
| 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 |
| 10,800 | 591,725 | 128,036 | 6,157 | 889,851 |
| 0 | 0 | 0 | 0 | 70,455 |
| 0 | 133,955 | 0 | 7,328 | 423,913 |
| 0 | 0 | 136,931 | 0 | 0 |
| 0 | 497,133 | 0 | 0 | 186,239 |
| 10,800 | 22,128 | 14,545 | 0 | 335,281 |
| 0 | 128,944 | 8,479 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 1,284 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 |
| 0 | 10,098 | 0 | 0 | 9,629 |
| 0 | 0 | 0 | 0 | 0 |
| 10,800 | 792,258 | 161,239 | 7,328 | 1,025,517 |
| 0 | (200,533) | (33,203) | (1,171) | (135,666) |
| 0 | 0 | 0 | 0 | 0 |
| 0 | (200,533) | (33,203) | (1,171) | (135,666) |
| 0 | (19,735) | (1,038) | 0 | (62,917) |
| \$0 | (\$220,268) | (\$34,241) | (\$1,171) | (\$198,583) |

(continued)

Bedford City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Fiscal Year Ended June 30, 2016

| | Preschool Handicapped | Title VI-R | Total Nonmajor Special Revenue Funds |
|---------------------------------------------------------|--------------------------|-------------------|-----------------------------------------------|
| Revenues | | | |
| Intergovernmental | \$25,413 | \$106,870 | \$3,258,959 |
| Interest | 0 | 0 | 4 |
| Charges for Services | 0 | 0 | 525,754 |
| Extracurricular Activities | 0 | 0 | 134,676 |
| Contributions and Donations | 0 | 0 | 17,535 |
| Miscellaneous | 0 | 0 | 1,444 |
| <i>Total Revenues</i> | <u>25,413</u> | <u>106,870</u> | <u>3,938,372</u> |
| Expenditures | | | |
| Current: | | | |
| Instruction: | | | |
| Regular | 0 | 0 | 88,034 |
| Special | 21,816 | 0 | 587,012 |
| Vocational | 0 | 0 | 139,931 |
| Support Services: | | | |
| Pupil | 5,183 | 0 | 688,555 |
| Instructional Staff | 3,871 | 119,429 | 506,054 |
| Administration | 0 | 0 | 137,423 |
| Business | 0 | 0 | 11,000 |
| Operation and Maintenance of Plant | 0 | 0 | 1,770 |
| Central | 0 | 0 | 1,284 |
| Operation of Non-Instructional Services: | | | |
| Food Service Operations | 0 | 0 | 1,987,297 |
| Other Non-Instructional Services | 0 | 0 | 28,132 |
| Extracurricular Activities | 0 | 0 | 256,505 |
| <i>Total Expenditures</i> | <u>30,870</u> | <u>119,429</u> | <u>4,432,997</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | (5,457) | (12,559) | (494,625) |
| Other Financing Sources (Uses) | | | |
| Transfers In | 0 | 0 | 109,900 |
| <i>Net Change in Fund Balances</i> | (5,457) | (12,559) | (384,725) |
| <i>Fund Balances (Deficit) Beginning of Year</i> | <u>(1,444)</u> | <u>(8,694)</u> | <u>987,194</u> |
| <i>Fund Balances (Deficit) End of Year</i> | <u>(\$6,901)</u> | <u>(\$21,253)</u> | <u>\$602,469</u> |

Bedford City School District
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2016

| | <u>Permanent Improvement</u> | <u>Building</u> | <u>Capital Replacement</u> | <u>Total Nonmajor Capital Projects Funds</u> |
|-------------------------------------------------------------------------------|----------------------------------|-----------------|--------------------------------|----------------------------------------------------------|
| Assets | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$154,222 | \$31,045 | \$287,566 | \$472,833 |
| Taxes Receivable | 466,722 | 0 | 0 | 466,722 |
| <i>Total Assets</i> | <u>\$620,944</u> | <u>\$31,045</u> | <u>\$287,566</u> | <u>\$939,555</u> |
| Liabilities | | | | |
| Accounts Payable | \$0 | \$0 | \$6,636 | \$6,636 |
| Contracts Payable | 1,259 | 0 | 0 | 1,259 |
| Accrued Interest Payable | 298 | 0 | 153 | 451 |
| Notes Payable | 178,454 | 0 | 91,869 | 270,323 |
| <i>Total Liabilities</i> | <u>180,011</u> | <u>0</u> | <u>98,658</u> | <u>278,669</u> |
| Deferred Inflows of Resources | | | | |
| Property Taxes | 292,868 | 0 | 0 | 292,868 |
| Unavailable Revenue | 58,041 | 0 | 0 | 58,041 |
| <i>Total Deferred Inflows of Resources</i> | <u>350,909</u> | <u>0</u> | <u>0</u> | <u>350,909</u> |
| Fund Balances | | | | |
| Restricted | 90,024 | 31,045 | 0 | 121,069 |
| Committed | 0 | 0 | 188,908 | 188,908 |
| <i>Total Fund Balances</i> | <u>90,024</u> | <u>31,045</u> | <u>188,908</u> | <u>309,977</u> |
| <i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i> | <u>\$620,944</u> | <u>\$31,045</u> | <u>\$287,566</u> | <u>\$939,555</u> |

Bedford City School District*Combining Statement of Revenues, Expenditures and Changes in Fund Balances**Nonmajor Capital Projects Funds**For the Fiscal Year Ended June 30, 2016*

| | <u>Permanent Improvement</u> | <u>Building</u> | <u>Capital Replacement</u> | <u>Total Nonmajor Capital Projects Funds</u> |
|---------------------------------------------------------|----------------------------------|-----------------|--------------------------------|----------------------------------------------------------|
| Revenues | | | | |
| Taxes | \$295,550 | \$0 | \$0 | \$295,550 |
| Intergovernmental | 81,738 | 0 | 0 | 81,738 |
| Miscellaneous | 79,259 | 0 | 65,450 | 144,709 |
| <i>Total Revenues</i> | <u>456,547</u> | <u>0</u> | <u>65,450</u> | <u>521,997</u> |
| Expenditures | | | | |
| Capital Outlay | 587,497 | 0 | 274,230 | 861,727 |
| Debt Service: | | | | |
| Principal Retirement | 0 | 0 | 46,164 | 46,164 |
| Interest and Fiscal Charges | 4,660 | 0 | 1,184 | 5,844 |
| <i>Total Expenditures</i> | <u>592,157</u> | <u>0</u> | <u>321,578</u> | <u>913,735</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | (135,610) | 0 | (256,128) | (391,738) |
| Other Financing Sources (Uses) | | | | |
| Transfers In | 168,200 | 0 | 207,775 | 375,975 |
| <i>Net Change in Fund Balances</i> | 32,590 | 0 | (48,353) | (15,763) |
| <i>Fund Balances Beginning of Year</i> | <u>57,434</u> | <u>31,045</u> | <u>237,261</u> | <u>325,740</u> |
| <i>Fund Balances End of Year</i> | <u>\$90,024</u> | <u>\$31,045</u> | <u>\$188,908</u> | <u>\$309,977</u> |

Agency Funds

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

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

District Agency Fund To account for Ohio High School Athletic Association tournament monies.

Bedford City School District
Statement of Changes in Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2016

| | <u>Beginning Balance June 30, 2015</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending Balance June 30, 2016</u> |
|--------------------------------------------|------------------------------------------------|------------------|-------------------|---------------------------------------------|
| Student Activities Fund | | | | |
| Assets | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$41,098 | \$69,101 | \$68,630 | \$41,569 |
| Liabilities | | | | |
| Due to Students | \$41,098 | \$69,101 | \$68,630 | \$41,569 |
| District Agency Fund | | | | |
| Assets | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$0 | \$30,673 | \$30,670 | \$3 |
| Liabilities | | | | |
| Due to Students | \$0 | \$30,673 | \$30,670 | \$3 |
| All Agency Funds | | | | |
| Assets | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$41,098 | \$99,774 | \$99,300 | \$41,572 |
| Liabilities | | | | |
| Due to Students | \$41,098 | \$99,774 | \$99,300 | \$41,572 |

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

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2016

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|--------------------------------|------------------|--------------|--------------|---------------------------------------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Taxes | \$29,405,356 | \$30,870,045 | \$30,914,770 | \$44,725 |
| Intergovernmental | 15,891,612 | 16,388,549 | 17,497,800 | 1,109,251 |
| Interest | 8,000 | 48,000 | 57,378 | 9,378 |
| Charges for Services | 0 | 0 | 529 | 529 |
| Tuition and Fees | 1,370,600 | 1,115,600 | 1,150,151 | 34,551 |
| Rentals | 30,000 | 45,015 | 50,581 | 5,566 |
| Miscellaneous | 337,188 | 251,206 | 233,499 | (17,707) |
| <i>Total Revenues</i> | 47,042,756 | 48,718,415 | 49,904,708 | 1,186,293 |
| Expenditures | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular: | | | | |
| Salaries and Wages | 11,166,332 | 11,256,800 | 11,138,559 | 118,241 |
| Fringe Benefits | 4,533,735 | 4,051,673 | 3,964,531 | 87,142 |
| Purchased Services | 4,984,525 | 4,775,792 | 4,596,332 | 179,460 |
| Materials and Supplies | 454,968 | 914,216 | 833,354 | 80,862 |
| Capital Outlay | 22,220 | 22,276 | 21,250 | 1,026 |
| Other | 190,106 | 212,735 | 175,183 | 37,552 |
| Total Regular | 21,351,886 | 21,233,492 | 20,729,209 | 504,283 |
| Special: | | | | |
| Salaries and Wages | 4,250,822 | 4,260,913 | 4,248,537 | 12,376 |
| Fringe Benefits | 1,509,159 | 1,503,136 | 1,475,398 | 27,738 |
| Purchased Services | 215,000 | 263,696 | 214,929 | 48,767 |
| Materials and Supplies | 2,500 | 2,200 | 298 | 1,902 |
| Total Special | 5,977,481 | 6,029,945 | 5,939,162 | 90,783 |
| Vocational: | | | | |
| Salaries and Wages | 384,662 | 398,724 | 396,775 | 1,949 |
| Fringe Benefits | 137,673 | 160,443 | 142,900 | 17,543 |
| Purchased Services | 41,520 | 23,042 | 16,390 | 6,652 |
| Materials and Supplies | 16,700 | 21,852 | 19,427 | 2,425 |
| Capital Outlay | 28,300 | 49,300 | 49,300 | 0 |
| Total Vocational | 608,855 | 653,361 | 624,792 | 28,569 |
| Student Intervention Services: | | | | |
| Salaries and Wages | 0 | 183 | 183 | 0 |
| Total Instruction | \$27,938,222 | \$27,916,981 | \$27,293,346 | \$623,635 |

(continued)

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2016

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|----------------------------------|--------------------|--------------------|--------------------|---------------------------------------------------------|
| | Original | Final | Actual | |
| Support Services: | | | | |
| Pupil: | | | | |
| Salaries and Wages | \$1,938,606 | \$1,936,997 | \$1,915,569 | \$21,428 |
| Fringe Benefits | 639,953 | 675,777 | 640,825 | 34,952 |
| Purchased Services | 349,185 | 343,704 | 309,554 | 34,150 |
| Materials and Supplies | 68,645 | 34,975 | 28,677 | 6,298 |
| Capital Outlay | 8,000 | 8,869 | 3,188 | 5,681 |
| Other | 0 | 40 | 40 | 0 |
| Total Pupil | 3,004,389 | 3,000,362 | 2,897,853 | 102,509 |
| Instructional Staff: | | | | |
| Salaries and Wages | 918,702 | 910,386 | 897,441 | 12,945 |
| Fringe Benefits | 377,870 | 376,844 | 375,818 | 1,026 |
| Purchased Services | 321,072 | 323,100 | 276,674 | 46,426 |
| Materials and Supplies | 56,728 | 64,299 | 42,312 | 21,987 |
| Capital Outlay | 103,053 | 102,827 | 96,723 | 6,104 |
| Other | 100 | 550 | 497 | 53 |
| Total Instructional Staff | 1,777,525 | 1,778,006 | 1,689,465 | 88,541 |
| Board of Education: | | | | |
| Salaries and Wages | 20,000 | 20,000 | 19,625 | 375 |
| Fringe Benefits | 1,150 | 2,786 | 2,780 | 6 |
| Purchased Services | 275,068 | 270,755 | 231,777 | 38,978 |
| Materials and Supplies | 780 | 780 | 338 | 442 |
| Capital Outlay | 4,000 | 4,000 | 176 | 3,824 |
| Other | 35,500 | 35,825 | 17,975 | 17,850 |
| Total Board of Education | 336,498 | 334,146 | 272,671 | 61,475 |
| Administration: | | | | |
| Salaries and Wages | 2,290,509 | 2,302,902 | 2,300,005 | 2,897 |
| Fringe Benefits | 1,230,891 | 1,246,076 | 1,217,973 | 28,103 |
| Purchased Services | 916,295 | 914,275 | 654,277 | 259,998 |
| Materials and Supplies | 71,058 | 74,755 | 60,118 | 14,637 |
| Capital Outlay | 15,575 | 20,575 | 12,613 | 7,962 |
| Other | 82,156 | 87,140 | 81,595 | 5,545 |
| Total Administration | \$4,606,484 | \$4,645,723 | \$4,326,581 | \$319,142 |

(continued)

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2016

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|-------------------------------------------------|--------------------|--------------------|--------------------|---------------------------------------------------------|
| | Original | Final | | |
| Fiscal: | | | | |
| Salaries and Wages | \$392,886 | \$394,601 | \$391,014 | \$3,587 |
| Fringe Benefits | 174,217 | 172,161 | 172,080 | 81 |
| Purchased Services | 226,748 | 223,305 | 198,665 | 24,640 |
| Materials and Supplies | 7,400 | 8,182 | 6,304 | 1,878 |
| Capital Outlay | 4,500 | 4,500 | 1,682 | 2,818 |
| Other | 887,100 | 892,512 | 686,838 | 205,674 |
| Total Fiscal | 1,692,851 | 1,695,261 | 1,456,583 | 238,678 |
| Business: | | | | |
| Salaries and Wages | 273,331 | 315,559 | 314,595 | 964 |
| Fringe Benefits | 153,771 | 180,181 | 180,160 | 21 |
| Purchased Services | 212,200 | 246,474 | 238,111 | 8,363 |
| Materials and Supplies | 22,000 | 23,009 | 18,916 | 4,093 |
| Capital Outlay | 298,612 | 307,614 | 282,487 | 25,127 |
| Other | 4,000 | 4,436 | 4,430 | 6 |
| Total Business | 963,914 | 1,077,273 | 1,038,699 | 38,574 |
| Operation and Maintenance of Plant: | | | | |
| Salaries and Wages | 3,266,828 | 2,641,278 | 2,444,830 | 196,448 |
| Fringe Benefits | 1,152,294 | 1,150,066 | 1,150,051 | 15 |
| Purchased Services | 2,096,500 | 2,034,389 | 1,804,179 | 230,210 |
| Materials and Supplies | 320,200 | 431,212 | 430,719 | 493 |
| Capital Outlay | 409,200 | 568,499 | 552,807 | 15,692 |
| Other | 4,700 | 3,948 | 3,939 | 9 |
| Total Operation and Maintenance of Plant | 7,249,722 | 6,829,392 | 6,386,525 | 442,867 |
| Pupil Transportation: | | | | |
| Salaries and Wages | 2,039,894 | 2,069,579 | 1,986,727 | 82,852 |
| Fringe Benefits | 706,957 | 709,454 | 688,146 | 21,308 |
| Purchased Services | 305,500 | 379,470 | 345,244 | 34,226 |
| Materials and Supplies | 529,500 | 446,058 | 439,354 | 6,704 |
| Capital Outlay | 500,589 | 551,318 | 549,334 | 1,984 |
| Other | 2,500 | 2,500 | 315 | 2,185 |
| Total Pupil Transportation | \$4,084,940 | \$4,158,379 | \$4,009,120 | \$149,259 |

(continued)

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2016

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|------------------------------------------|------------------|------------|------------|---------------------------------------------------------|
| | Original | Final | | |
| Central: | | | | |
| Salaries and Wages | \$46,893 | \$47,573 | \$47,540 | \$33 |
| Fringe Benefits | 25,202 | 25,252 | 21,297 | 3,955 |
| Purchased Services | 77,383 | 78,895 | 50,713 | 28,182 |
| Materials and Supplies | 7,950 | 13,677 | 7,555 | 6,122 |
| Capital Outlay | 3,000 | 5,900 | 2,638 | 3,262 |
| Other | 2,500 | 2,500 | 410 | 2,090 |
| Total Central | 162,928 | 173,797 | 130,153 | 43,644 |
| Total Support Services | 23,879,251 | 23,692,339 | 22,207,650 | 1,484,689 |
| Extracurricular Activities: | | | | |
| Academic and Subject Oriented: | | | | |
| Salaries and Wages | 45,900 | 59,750 | 56,220 | 3,530 |
| Fringe Benefits | 2,600 | 8,311 | 8,248 | 63 |
| Total Academic and Subject Oriented | 48,500 | 68,061 | 64,468 | 3,593 |
| Occupation Oriented: | | | | |
| Salaries and Wages | 3,050 | 4,510 | 4,500 | 10 |
| Fringe Benefits | 0 | 670 | 661 | 9 |
| Total Occupation Oriented | 3,050 | 5,180 | 5,161 | 19 |
| Sports Oriented: | | | | |
| Salaries and Wages | 516,639 | 528,370 | 469,219 | 59,151 |
| Fringe Benefits | 120,024 | 125,513 | 104,457 | 21,056 |
| Total Sports Oriented | 636,663 | 653,883 | 573,676 | 80,207 |
| School and Public Service Oriented: | | | | |
| Salaries and Wages | 60,348 | 62,650 | 57,001 | 5,649 |
| Fringe Benefits | 7,000 | 8,130 | 7,122 | 1,008 |
| Total School and Public Service Oriented | 67,348 | 70,780 | 64,123 | 6,657 |
| Total Extracurricular Activities | \$755,561 | \$797,904 | \$707,428 | \$90,476 |

(continued)

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2016

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------------------------|---------------------------|---------------------------|----------------------------|---------------------------------------------------------|
| | Original | Final | | |
| Capital Outlay: | | | | |
| Architecture and Engineering Services | | | | |
| Capital Outlay | \$5,000 | \$5,000 | \$4,511 | \$489 |
| Debt Service: | | | | |
| Principal Retirement | 439,153 | 379,664 | 379,652 | 12 |
| Interest and Fiscal Charges | 75,563 | 70,792 | 70,791 | 1 |
| Total Debt Service | 514,716 | 450,456 | 450,443 | 13 |
| <i>Total Expenditures</i> | <u>53,092,750</u> | <u>52,862,680</u> | <u>50,663,378</u> | <u>2,199,302</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>(6,049,994)</u> | <u>(4,144,265)</u> | <u>(758,670)</u> | <u>3,385,595</u> |
| Other Financing Sources (Uses) | | | | |
| Sale of Capital Assets | 2,000 | 2,000 | 33,000 | 31,000 |
| Tax Anticipation Notes Issued | 0 | 0 | 499,149 | 499,149 |
| Advances In | 1,492,000 | 1,306,000 | 1,306,000 | 0 |
| Advances Out | (1,236,605) | (1,275,000) | (1,275,000) | 0 |
| Transfers Out | (299,200) | (490,875) | (490,875) | 0 |
| <i>Total Other Financing Sources (Uses)</i> | <u>(41,805)</u> | <u>(457,875)</u> | <u>72,274</u> | <u>530,149</u> |
| <i>Net Change in Fund Balance</i> | <u>(6,091,799)</u> | <u>(4,602,140)</u> | <u>(686,396)</u> | <u>3,915,744</u> |
| <i>Fund Balance Beginning of Year</i> | 11,496,273 | 11,496,273 | 11,496,273 | 0 |
| Prior Year Encumbrances Appropriated | 2,124,451 | 2,124,451 | 2,124,451 | 0 |
| <i>Fund Balance End of Year</i> | <u><u>\$7,528,925</u></u> | <u><u>\$9,018,584</u></u> | <u><u>\$12,934,328</u></u> | <u><u>\$3,915,744</u></u> |

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Food Service Fund
For the Fiscal Year Ended June 30, 2016

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|------------------------------------------|-------------------------|---------------------------|---------------------------------------------------------|
| Revenues | | | |
| Intergovernmental | \$1,405,000 | \$1,407,670 | \$2,670 |
| Charges for Services | 505,000 | 525,439 | 20,439 |
| <i>Total Revenues</i> | <u>1,910,000</u> | <u>1,933,109</u> | <u>23,109</u> |
| Expenditures | | | |
| Current: | | | |
| Operation of Non-Instructional Services: | | | |
| Food Services Operations: | | | |
| Salaries and Wages | 748,400 | 703,024 | 45,376 |
| Fringe Benefits | 222,534 | 191,345 | 31,189 |
| Purchased Services | 57,538 | 20,676 | 36,862 |
| Materials and Supplies | 1,008,893 | 848,113 | 160,780 |
| Capital Outlay | 33,677 | 31,771 | 1,906 |
| Other | 100 | 100 | 0 |
| <i>Total Expenditures</i> | <u>2,071,142</u> | <u>1,795,029</u> | <u>276,113</u> |
| <i>Net Change in Fund Balance</i> | (161,142) | 138,080 | 299,222 |
| <i>Fund Balance Beginning of Year</i> | 976,046 | 976,046 | 0 |
| Prior Year Encumbrances Appropriated | <u>11,142</u> | <u>11,142</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u><u>\$826,046</u></u> | <u><u>\$1,125,268</u></u> | <u><u>\$299,222</u></u> |

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Local Grants Fund
For the Fiscal Year Ended June 30, 2016

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|-------------------------------------|-----------------|-----------------|---------------------------------------------------------|
| Revenues | | | |
| Intergovernmental | \$23,395 | \$23,588 | \$193 |
| Contributions and Donations | 11,605 | 11,605 | 0 |
| <i>Total Revenues</i> | <u>35,000</u> | <u>35,193</u> | <u>193</u> |
| Expenditures | | | |
| Current: | | | |
| Instruction: | | | |
| Regular: | | | |
| Salaries and Wages | 39 | 39 | 0 |
| Purchased Services | 1,216 | 645 | 571 |
| Materials and Supplies | 9,827 | 7,447 | 2,380 |
| Capital Outlay | 11,968 | 11,500 | 468 |
| Other | 2,477 | 650 | 1,827 |
| Total Regular | <u>25,527</u> | <u>20,281</u> | <u>5,246</u> |
| Special: | | | |
| Materials and Supplies | 1 | 0 | 1 |
| Vocational: | | | |
| Purchased Services | 3,130 | 3,000 | 130 |
| Materials and Supplies | 605 | 0 | 605 |
| Total Vocational | <u>3,735</u> | <u>3,000</u> | <u>735</u> |
| Total Instruction | <u>29,263</u> | <u>23,281</u> | <u>5,982</u> |
| Support Services: | | | |
| Business: | | | |
| Other | 13,462 | 11,000 | 2,462 |
| Operation and Maintenance of Plant: | | | |
| Purchased Services | 5,744 | 1,770 | 3,974 |
| Total Support Services | <u>\$19,206</u> | <u>\$12,770</u> | <u>\$6,436</u> |

(continued)

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Local Grants Fund (continued)
For the Fiscal Year Ended June 30, 2016

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------------------|-----------------|----------|---------------------------------------------------------|
| Operation of Non-Instructional Services: | | | |
| Other Non-Instructional Services: | | | |
| Community Services | | | |
| Materials and Supplies | \$112 | \$0 | \$112 |
| Other | 59,819 | 1,548 | 58,271 |
| Total Operation of Non-Instructional Services | 59,931 | 1,548 | 58,383 |
| <i>Total Expenditures</i> | 108,400 | 37,599 | 70,801 |
| <i>Net Change in Fund Balance</i> | (73,400) | (2,406) | 70,994 |
| <i>Fund Balance Beginning of Year</i> | 73,763 | 73,763 | 0 |
| Prior Year Encumbrances Appropriated | 2,400 | 2,400 | 0 |
| <i>Fund Balance End of Year</i> | \$2,763 | \$73,757 | \$70,994 |

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
District Managed Student Activities Fund
For the Fiscal Year Ended June 30, 2016

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------------|------------------|------------------|---------------------------------------------------------|
| Revenues | | | |
| Charges for Services | \$2,000 | \$315 | (\$1,685) |
| Extracurricular Activities | 128,700 | 134,676 | 5,976 |
| Contributions and Donations | 0 | 5,930 | 5,930 |
| Miscellaneous | 5,400 | 1,444 | (3,956) |
| <i>Total Revenues</i> | <u>136,100</u> | <u>142,365</u> | <u>6,265</u> |
| Expenditures | | | |
| Current: | | | |
| Extracurricular Activities: | | | |
| Academic and Subject Oriented: | | | |
| Materials and Supplies | 23,764 | 22,853 | 911 |
| Occupational Oriented: | | | |
| Materials and Supplies | 1,014 | 0 | 1,014 |
| Sport Oriented Activities: | | | |
| Salaries and Wages | 15,684 | 15,684 | 0 |
| Fringe Benefits | 2,079 | 2,079 | 0 |
| Purchased Services | 79,342 | 78,937 | 405 |
| Materials and Supplies | 120,904 | 112,197 | 8,707 |
| Total Sport Oriented Activities | <u>\$218,009</u> | <u>\$208,897</u> | <u>\$9,112</u> |

(continued)

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
District Managed Student Activities Fund (continued)
For the Fiscal Year Ended June 30, 2016

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------------------------|------------------|------------------|---------------------------------------------------------|
| School and Public Service Oriented: | | | |
| Purchased Services | \$37,521 | \$22,267 | \$15,254 |
| Materials and Supplies | 2,661 | 1,189 | 1,472 |
| Other | 88 | 75 | 13 |
| Total School and Public Service Oriented | 40,270 | 23,531 | 16,739 |
| <i>Total Expenditures</i> | <i>283,057</i> | <i>255,281</i> | <i>27,776</i> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <i>(146,957)</i> | <i>(112,916)</i> | <i>34,041</i> |
| Other Financing Sources (Uses) | | | |
| Advances In | 63,000 | 63,000 | 0 |
| Advances Out | (63,000) | (63,000) | 0 |
| Transfers In | 109,900 | 109,900 | 0 |
| <i>Total Other Financing Sources (Uses)</i> | <i>109,900</i> | <i>109,900</i> | <i>0</i> |
| <i>Net Change in Fund Balance</i> | <i>(37,057)</i> | <i>(3,016)</i> | <i>34,041</i> |
| <i>Fund Balance Beginning of Year</i> | <i>35,280</i> | <i>35,280</i> | <i>0</i> |
| Prior Year Encumbrances Appropriated | 1,807 | 1,807 | 0 |
| <i>Fund Balance End of Year</i> | <i>\$30</i> | <i>\$34,071</i> | <i>\$34,041</i> |

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Auxiliary Services Fund
For the Fiscal Year Ended June 30, 2016

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|------------------------------------------|---------------------|------------------------|---------------------------------------------------------|
| Revenues | | | |
| Intergovernmental | \$12,277 | \$12,299 | \$22 |
| Interest | 0 | 4 | 4 |
| <i>Total Revenues</i> | <u>12,277</u> | <u>12,303</u> | <u>26</u> |
| Expenditures | | | |
| Current: | | | |
| Operation of Non-Instructional Services: | | | |
| Other Non-Instructional Services: | | | |
| Community Services: | | | |
| Purchased Services | 8,714 | 4,278 | 4,436 |
| Materials and Supplies | 4,675 | 2,173 | 2,502 |
| Capital Outlay | 13,613 | 8,418 | 5,195 |
| <i>Total Expenditures</i> | <u>27,002</u> | <u>14,869</u> | <u>12,133</u> |
| <i>Net Change in Fund Balance</i> | (14,725) | (2,566) | 12,159 |
| <i>Fund Balance Beginning of Year</i> | 838 | 838 | 0 |
| Prior Year Encumbrances Appropriated | <u>14,425</u> | <u>14,425</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u><u>\$538</u></u> | <u><u>\$12,697</u></u> | <u><u>\$12,159</u></u> |

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Data Communications Fund
For the Fiscal Year Ended June 30, 2016

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------------------|-----------------|----------|---------------------------------------------------------|
| Revenues | | | |
| Intergovernmental | \$10,800 | \$10,800 | \$0 |
| Expenditures | | | |
| Current: | | | |
| Support Services: | | | |
| Instructional Staff: | | | |
| Purchased Services | 10,800 | 10,800 | 0 |
| <i>Net Change in Fund Balance</i> | 0 | 0 | 0 |
| <i>Fund Balance Beginning of Year</i> | 0 | 0 | 0 |
| <i>Fund Balance End of Year</i> | \$0 | \$0 | \$0 |

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Title VI-B Fund
For the Fiscal Year Ended June 30, 2016

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------|-----------------|-----------|---------------------------------------------------------|
| Revenues | | | |
| Intergovernmental | \$715,000 | \$715,062 | \$62 |
| Expenditures | | | |
| Current: | | | |
| Instruction: | | | |
| Special: | | | |
| Salaries and Wages | 9,920 | 1,720 | 8,200 |
| Fringe Benefits | 8,173 | 173 | 8,000 |
| Purchased Services | 100,503 | 98,595 | 1,908 |
| Materials and Supplies | 19,839 | 19,838 | 1 |
| Capital Outlay | 28,718 | 25,144 | 3,574 |
| Total Instruction | 167,153 | 145,470 | 21,683 |
| Support Services: | | | |
| Pupil: | | | |
| Salaries and Wages | 80,450 | 56,201 | 24,249 |
| Fringe Benefits | 31,569 | 26,468 | 5,101 |
| Purchased Services | 478,231 | 478,151 | 80 |
| Materials and Supplies | 31,102 | 21,511 | 9,591 |
| Capital Outlay | 10,436 | 3,087 | 7,349 |
| Total Pupil | 631,788 | 585,418 | 46,370 |
| Instructional Staff: | | | |
| Salaries and Wages | 14,360 | 8,572 | 5,788 |
| Fringe Benefits | 2,729 | 1,366 | 1,363 |
| Purchased Services | 21,600 | 21,260 | 340 |
| Materials and Supplies | 1,616 | 1,105 | 511 |
| Total Instructional Staff | \$40,305 | \$32,303 | \$8,002 |

(continued)

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Title VI-B Fund (continued)
For the Fiscal Year Ended June 30, 2016

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------------------------|-----------------|-----------|---------------------------------------------------------|
| Administration: | | | |
| Salaries and Wages | \$106,339 | \$90,749 | \$15,590 |
| Fringe Benefits | 51,325 | 39,399 | 11,926 |
| Total Administration | 157,664 | 130,148 | 27,516 |
| Total Support Services | 829,757 | 747,869 | 81,888 |
| Operation of Non-Instructional Services: | | | |
| Other Non-Instructional Services: | | | |
| Community Services: | | | |
| Purchased Services | 27,546 | 23,800 | 3,746 |
| <i>Total Expenditures</i> | 1,024,456 | 917,139 | 107,317 |
| <i>Excess of Revenues Over (Under) Expenditures</i> | (309,456) | (202,077) | 107,379 |
| Other Financing Sources (Uses) | | | |
| Advances In | 350,000 | 400,000 | 50,000 |
| Advances Out | (500,000) | (500,000) | 0 |
| <i>Total Other Financing Sources (Uses)</i> | (150,000) | (100,000) | 50,000 |
| <i>Net Change in Fund Balance</i> | (459,456) | (302,077) | 157,379 |
| <i>Fund Balance Beginning of Year</i> | 312,384 | 312,384 | 0 |
| Prior Year Encumbrances Appropriated | 148,856 | 148,856 | 0 |
| <i>Fund Balance End of Year</i> | \$1,784 | \$159,163 | \$157,379 |

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Vocational Education Fund
For the Fiscal Year Ended June 30, 2016

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------|------------------|------------------|---------------------------------------------------------|
| Revenues | | | |
| Intergovernmental | \$75,500 | \$75,316 | (\$184) |
| Expenditures | | | |
| Current: | | | |
| Instruction: | | | |
| Vocational: | | | |
| Salaries | 2,975 | 2,975 | 0 |
| Fringe Benefits | 322 | 158 | 164 |
| Purchased Services | 11,523 | 11,523 | 0 |
| Materials and Supplies | 16,070 | 14,536 | 1,534 |
| Capital Outlay | 42,738 | 41,881 | 857 |
| Other | 76,960 | 73,128 | 3,832 |
| Total Instruction | 150,588 | 144,201 | 6,387 |
| Support Services: | | | |
| Instructional Staff: | | | |
| Salaries and Wages | 4,760 | 920 | 3,840 |
| Fringe Benefits | 647 | 22 | 625 |
| Purchased Services | 5,000 | 4,471 | 529 |
| Other | 9,362 | 9,362 | 0 |
| Total Instructional Staff | 19,769 | 14,775 | 4,994 |
| Administration: | | | |
| Materials and Supplies | 6,575 | 6,498 | 77 |
| Capital Outlay | 3,143 | 3,088 | 55 |
| Total Administration | 9,718 | 9,586 | 132 |
| Central: | | | |
| Purchased Services | 1,000 | 1,000 | 0 |
| Other | 284 | 284 | 0 |
| Total Central | 1,284 | 1,284 | 0 |
| Total Support Services | 30,771 | 25,645 | 5,126 |
| <i>Total Expenditures</i> | <i>\$181,359</i> | <i>\$169,846</i> | <i>\$11,513</i> |

(continued)

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Vocational Education Fund (continued)
For the Fiscal Year Ended June 30, 2016

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------------------------|-----------------|------------|---------------------------------------------------------|
| <i>Excess of Revenues Over (Under) Expenditures</i> | (\$105,859) | (\$94,530) | \$11,329 |
| Other Financing Sources (Uses) | | | |
| Advances In | 137,500 | 150,000 | 12,500 |
| Advances Out | (90,000) | (90,000) | 0 |
| <i>Total Other Financing Sources (Uses)</i> | 47,500 | 60,000 | 12,500 |
| <i>Net Change in Fund Balance</i> | (58,359) | (34,530) | 23,829 |
| <i>Fund Balance Beginning of Year</i> | 50,688 | 50,688 | 0 |
| Prior Year Encumbrances Appropriated | 7,959 | 7,959 | 0 |
| <i>Fund Balance End of Year</i> | \$288 | \$24,117 | \$23,829 |

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Title III Fund
For the Fiscal Year Ended June 30, 2016

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------------------------|-----------------|----------|---------------------------------------------------------|
| Revenues | | | |
| Intergovernmental | \$13,700 | \$15,702 | \$2,002 |
| Expenditures | | | |
| Current: | | | |
| Instruction: | | | |
| Special: | | | |
| Purchased Services | 7,545 | 2,725 | 4,820 |
| Materials and Supplies | 7,000 | 6,060 | 940 |
| Total Instruction | 14,545 | 8,785 | 5,760 |
| Support Services: | | | |
| Instructional Staff: | | | |
| Purchased Services | 600 | 0 | 600 |
| Materials and Supplies | 1,300 | 0 | 1,300 |
| Total Support Services | 1,900 | 0 | 1,900 |
| <i>Total Expenditures</i> | 16,445 | 8,785 | 7,660 |
| <i>Excess of Revenues Over (Under) Expenditures</i> | (2,745) | 6,917 | 9,662 |
| Other Financing Sources (Uses) | | | |
| Advances In | 11,800 | 12,000 | 200 |
| Advances Out | (12,000) | (12,000) | 0 |
| <i>Total Other Financing Sources (Uses)</i> | (200) | 0 | 200 |
| <i>Net Change in Fund Balance</i> | (2,945) | 6,917 | 9,862 |
| <i>Fund Balance Beginning of Year</i> | 1,455 | 1,455 | 0 |
| Prior Year Encumbrances Appropriated | 1,545 | 1,545 | 0 |
| <i>Fund Balance End of Year</i> | \$55 | \$9,917 | \$9,862 |

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Title I Fund
For the Fiscal Year Ended June 30, 2016

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------|-----------------|-------------|---------------------------------------------------------|
| Revenues | | | |
| Intergovernmental | \$1,012,000 | \$1,013,143 | \$1,143 |
| Expenditures | | | |
| Current: | | | |
| Instruction: | | | |
| Regular: | | | |
| Purchased Services | 33,522 | 12,000 | 21,522 |
| Materials and Supplies | 4,031 | 0 | 4,031 |
| Total Regular | 37,553 | 12,000 | 25,553 |
| Special: | | | |
| Salaries and Wages | 379,748 | 271,828 | 107,920 |
| Fringe Benefits | 125,688 | 108,875 | 16,813 |
| Purchased Services | 21,000 | 20,615 | 385 |
| Materials and Supplies | 88,948 | 83,036 | 5,912 |
| Capital Outlay | 10,000 | 4,102 | 5,898 |
| Total Special | 625,384 | 488,456 | 136,928 |
| Total Instruction | 662,937 | 500,456 | 162,481 |
| Support Services: | | | |
| Pupil: | | | |
| Salaries and Wages | 157,786 | 123,490 | 34,296 |
| Fringe Benefits | 63,734 | 54,291 | 9,443 |
| Purchased Services | 16,000 | 11,750 | 4,250 |
| Materials and Supplies | 2,478 | 1,827 | 651 |
| Total Pupil | 239,998 | 191,358 | 48,640 |
| Instructional Staff: | | | |
| Salaries and Wages | 363,763 | 250,094 | 113,669 |
| Fringe Benefits | 122,128 | 83,031 | 39,097 |
| Purchased Services | 22,800 | 19,918 | 2,882 |
| Materials and Supplies | 7,000 | 3,277 | 3,723 |
| Total Instructional Staff | 515,691 | 356,320 | 159,371 |
| Total Support Services | \$755,689 | \$547,678 | \$208,011 |

(continued)

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Title I Fund (continued)
For the Fiscal Year Ended June 30, 2016

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------------------------|-----------------|-----------|---------------------------------------------------------|
| Operation of Non-Instructional Services: | | | |
| Other Non-Instructional Services: | | | |
| Community Services: | | | |
| Purchased Services | \$9,667 | \$6,098 | \$3,569 |
| Materials and Supplies | 5,533 | 4,428 | 1,105 |
| Total Operation of Non-Instructional Services | 15,200 | 10,526 | 4,674 |
| <i>Total Expenditures</i> | 1,433,826 | 1,058,660 | 375,166 |
| <i>Excess of Revenues Over (Under) Expenditures</i> | (421,826) | (45,517) | 376,309 |
| Other Financing Sources (Uses) | | | |
| Advances In | 453,000 | 500,000 | 47,000 |
| Advances Out | (500,000) | (500,000) | 0 |
| <i>Total Other Financing Sources (Uses)</i> | (47,000) | 0 | 47,000 |
| <i>Net Change in Fund Balance</i> | (468,826) | (45,517) | 423,309 |
| <i>Fund Balance Beginning of Year</i> | 450,904 | 450,904 | 0 |
| Prior Year Encumbrances Appropriated | 21,126 | 21,126 | 0 |
| <i>Fund Balance End of Year</i> | \$3,204 | \$426,513 | \$423,309 |

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Preschool Handicapped Fund
For the Fiscal Year Ended June 30, 2016

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------|-----------------|----------|---------------------------------------------------------|
| Revenues | | | |
| Intergovernmental | \$26,000 | \$25,413 | (\$587) |
| Expenditures | | | |
| Current: | | | |
| Instruction: | | | |
| Special: | | | |
| Salaries and Wages | 18,897 | 7,605 | 11,292 |
| Fringe Benefits | 3,926 | 1,336 | 2,590 |
| Purchased Services | 0 | 0 | 0 |
| Materials and Supplies | 3,690 | 1,704 | 1,986 |
| Capital Outlay | 12,000 | 8,055 | 3,945 |
| Total Instruction | 38,513 | 18,700 | 19,813 |
| Support Services: | | | |
| Pupil: | | | |
| Purchased Services | 5,500 | 2,742 | 2,758 |
| Materials and Supplies | 1,000 | 718 | 282 |
| Capital Outlay | 8,401 | 4,150 | 4,251 |
| Total Pupil | 14,901 | 7,610 | 7,291 |
| Instructional Staff: | | | |
| Salaries and Wages | 5,000 | 800 | 4,200 |
| Fringe Benefits | 1,211 | 24 | 1,187 |
| Purchased Services | 6,000 | 3,047 | 2,953 |
| Total Instructional Staff | 12,211 | 3,871 | 8,340 |
| Total Support Services | 27,112 | 11,481 | 15,631 |
| <i>Total Expenditures</i> | \$65,625 | \$30,181 | \$35,444 |

(continued)

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Preschool Handicapped Fund (continued)
For the Fiscal Year Ended June 30, 2016

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------------------------|-----------------|-----------|---------------------------------------------------------|
| <i>Excess of Revenues Over (Under) Expenditures</i> | (\$39,625) | (\$4,768) | \$34,857 |
| Other Financing Sources (Uses) | | | |
| Advances In | 40,000 | 45,000 | 5,000 |
| Advances Out | (35,000) | (35,000) | 0 |
| <i>Total Other Financing Sources (Uses)</i> | 5,000 | 10,000 | 5,000 |
| <i>Net Change in Fund Balance</i> | (34,625) | 5,232 | 39,857 |
| <i>Fund Balance Beginning of Year</i> | 34,575 | 34,575 | 0 |
| Prior Year Encumbrances Appropriated | 425 | 425 | 0 |
| <i>Fund Balance End of Year</i> | \$375 | \$40,232 | \$39,857 |

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Title VI-R Fund
For the Fiscal Year Ended June 30, 2016

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------------------------|-----------------|-----------|---------------------------------------------------------|
| Revenues | | | |
| Intergovernmental | \$121,000 | \$117,768 | (\$3,232) |
| Expenditures | | | |
| Current: | | | |
| Instruction: | | | |
| Regular: | | | |
| Salaries and Wages | 227 | 0 | 227 |
| Support Services: | | | |
| Instructional Staff: | | | |
| Salaries and Wages | 111,070 | 90,131 | 20,939 |
| Fringe Benefits | 38,355 | 31,337 | 7,018 |
| Materials and Supplies | 357 | 278 | 79 |
| Total Support Services | 149,782 | 121,746 | 28,036 |
| Operation of Non-Instructional Services: | | | |
| Community Services: | | | |
| Purchased Services | 111 | 0 | 111 |
| <i>Total Expenditures</i> | 150,120 | 121,746 | 28,374 |
| <i>Excess of Revenues Over (Under) Expenditures</i> | (29,120) | (3,978) | 25,142 |
| Other Financing Sources (Uses) | | | |
| Advances In | 30,000 | 45,000 | 15,000 |
| Advances Out | (46,000) | (46,000) | 0 |
| <i>Total Other Financing Sources (Uses)</i> | (16,000) | (1,000) | 15,000 |
| <i>Net Change in Fund Balance</i> | (45,120) | (4,978) | 40,142 |
| <i>Fund Balance Beginning of Year</i> | 45,797 | 45,797 | 0 |
| Prior Year Encumbrances Appropriated | 20 | 20 | 0 |
| <i>Fund Balance End of Year</i> | \$697 | \$40,839 | \$40,142 |

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Recreation Fund
For the Fiscal Year Ended June 30, 2016

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|------------------------------------------|-----------------------|-----------------------|---------------------------------------------------------|
| Revenues | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| Expenditures | | | |
| Current: | | | |
| Operation of Non-Instructional Services: | | | |
| Other Non-Instructional Services: | | | |
| Community Services: | | | |
| Salaries and Wages | 3,650 | 0 | 3,650 |
| Fringe Benefits | <u>1,350</u> | <u>0</u> | <u>1,350</u> |
| <i>Total Expenditures</i> | <u>5,000</u> | <u>0</u> | <u>5,000</u> |
| <i>Net Change in Fund Balance</i> | (5,000) | 0 | 5,000 |
| <i>Fund Balance Beginning of Year</i> | <u>8,482</u> | <u>8,482</u> | <u>0</u> |
| <i>Fund Balance End of Year</i> | <u><u>\$3,482</u></u> | <u><u>\$8,482</u></u> | <u><u>\$5,000</u></u> |

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Public School Support Fund
For the Fiscal Year Ended June 30, 2016

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------|-----------------|----------------|---------------------------------------------------------|
| Revenues | | | |
| Tuition and Fees | \$1,300 | \$1,282 | (\$18) |
| Extracurricular Activities | 122,900 | 125,434 | 2,534 |
| Contributions and Donations | 15,100 | 18,060 | 2,960 |
| Miscellaneous | 5,700 | 7,858 | 2,158 |
| <i>Total Revenues</i> | <u>145,000</u> | <u>152,634</u> | <u>7,634</u> |
| Expenditures | | | |
| Current: | | | |
| Instruction: | | | |
| Regular: | | | |
| Purchased Services | 123,158 | 80,572 | 42,586 |
| Materials and Supplies | 36,594 | 14,505 | 22,089 |
| Capital Outlay | 3,711 | 2,685 | 1,026 |
| Other | 46,429 | 37,316 | 9,113 |
| Total Instruction | <u>209,892</u> | <u>135,078</u> | <u>74,814</u> |
| Support Services: | | | |
| Pupil: | | | |
| Materials and Supplies | 620 | 0 | 620 |
| Instructional Staff: | | | |
| Fringe Benefits | 2,258 | 993 | 1,265 |
| Materials and Supplies | 16,254 | 3,259 | 12,995 |
| Capital Outlay | 900 | 825 | 75 |
| Total Instructional Staff | <u>19,412</u> | <u>5,077</u> | <u>14,335</u> |
| Administration: | | | |
| Purchased Services | 1,177 | 0 | 1,177 |
| Materials and Supplies | 2,063 | 399 | 1,664 |
| Total Administration | <u>\$3,240</u> | <u>\$399</u> | <u>\$2,841</u> |
| Business: | | | |
| Materials and Supplies | 9,787 | 757 | 9,030 |
| Capital Outlay | 123 | 0 | 123 |
| Total Business | <u>\$9,910</u> | <u>\$757</u> | <u>\$9,153</u> |

(continued)

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Public School Support Fund (continued)
For the Fiscal Year Ended June 30, 2016

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------------------|-----------------|-----------|---------------------------------------------------------|
| Central: | | | |
| Purchased Services | \$1,336 | \$1,130 | \$206 |
| Materials and Supplies | 604 | 0 | 604 |
| Other | 2,607 | 1,860 | 747 |
| Total Central | 4,547 | 2,990 | 1,557 |
| Total Support Services | 37,729 | 9,223 | 28,506 |
| Operation of Non-Instructional Services: | | | |
| Other Non-Instructional Services: | | | |
| Community Services: | | | |
| Purchased Services | 1,125 | 0 | 1,125 |
| Other | 3,531 | 0 | 3,531 |
| Total Operation of Non-Instructional Services | 4,656 | 0 | 4,656 |
| Extracurricular Activities: | | | |
| Academic Oriented Activities: | | | |
| Purchased Services | 842 | 494 | 348 |
| Other | 12 | 0 | 12 |
| Total Academic Oriented Activities | 854 | 494 | 360 |
| School and Public Service Oriented: | | | |
| Purchased Services | 3,129 | 2,389 | 740 |
| Materials and Supplies | 707 | 485 | 222 |
| Other | 7,817 | 6,636 | 1,181 |
| Total School and Public Service Oriented | 11,653 | 9,510 | 2,143 |
| Total Extracurricular Activities | 12,507 | 10,004 | 2,503 |
| <i>Total Expenditures</i> | 264,784 | 154,305 | 110,479 |
| <i>Net Change in Fund Balance</i> | (119,784) | (1,671) | 118,113 |
| <i>Fund Balance Beginning of Year</i> | 111,823 | 111,823 | 0 |
| Prior Year Encumbrances Appropriated | 8,784 | 8,784 | 0 |
| <i>Fund Balance End of Year</i> | \$823 | \$118,936 | \$118,113 |

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Special Enterprise Fund
For the Fiscal Year Ended June 30, 2016

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------------------|-----------------|----------|---------------------------------------------------------|
| Revenues | | | |
| Rentals | \$12,000 | \$14,500 | \$2,500 |
| Expenditures | | | |
| Current: | | | |
| Instruction: | | | |
| Special: | | | |
| Purchased Services | 15,000 | 0 | 15,000 |
| <i>Net Change in Fund Balance</i> | (3,000) | 14,500 | 17,500 |
| <i>Fund Balance Beginning of Year</i> | 48,800 | 48,800 | 0 |
| <i>Fund Balance End of Year</i> | \$45,800 | \$63,300 | \$17,500 |

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Summer School Fund
For the Fiscal Year Ended June 30, 2016

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|----------------------------------------------|-----------------|----------|---------------------------------------------------------|
| Revenues | | | |
| Tuition and Fees | \$15,000 | \$15,080 | \$80 |
| Expenditures | | | |
| Current: | | | |
| Instruction: | | | |
| Regular: | | | |
| Salaries and Wages | 1,200 | 0 | 1,200 |
| Fringe Benefits | 72 | 0 | 72 |
| Purchased Services | 56 | 55 | 1 |
| Materials and Supplies | 199 | 199 | 0 |
| Total Regular | 1,527 | 254 | 1,273 |
| Student Intervention Services: | | | |
| Salaries and Wages | 21,488 | 15,892 | 5,596 |
| Fringe Benefits | 3,691 | 1,506 | 2,185 |
| Total Student Intervention Services | 25,179 | 17,398 | 7,781 |
| Total Instruction | 26,706 | 17,652 | 9,054 |
| Support Services: | | | |
| Administration: | | | |
| Salaries and Wages | 11,400 | 9,427 | 1,973 |
| Fringe Benefits | 2,294 | 1,358 | 936 |
| Materials and Supplies | 2,000 | 0 | 2,000 |
| Total Support Services | 15,694 | 10,785 | 4,909 |
| Total Expenditures | 42,400 | 28,437 | 13,963 |
| Excess of Revenues Over (Under) Expenditures | (27,400) | (13,357) | 14,043 |
| Other Financing Sources (Uses) | | | |
| Transfers In | 5,000 | 5,000 | 0 |
| Net Change in Fund Balance | (22,400) | (8,357) | 14,043 |
| Fund Balance Beginning of Year | 24,021 | 24,021 | 0 |
| Fund Balance End of Year | \$1,621 | \$15,664 | \$14,043 |

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Adult and Community Education Fund
For the Fiscal Year Ended June 30, 2016

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

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Bond Retirement Fund
For the Fiscal Year Ended June 30, 2016

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------------------|-----------------|-----------|---------------------------------------------------------|
| Revenues | | | |
| Taxes | \$175,071 | \$175,071 | \$0 |
| Expenditures | | | |
| Current: | | | |
| Support Services: | | | |
| Fiscal: | | | |
| Purchased Services | 4,488 | 0 | 4,488 |
| Debt Service: | | | |
| Principal Retirement | 160,500 | 160,500 | 0 |
| Interest and Fiscal Charges | 7,704 | 7,704 | 0 |
| Total Debt Service | 168,204 | 168,204 | 0 |
| <i>Total Expenditures</i> | 172,692 | 168,204 | 4,488 |
| <i>Net Change in Fund Balance</i> | 2,379 | 6,867 | 4,488 |
| <i>Fund Balance Beginning of Year</i> | 61,655 | 61,655 | 0 |
| <i>Fund Balance End of Year</i> | \$64,034 | \$68,522 | \$4,488 |

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Permanent Improvement Fund
For the Fiscal Year Ended June 30, 2016

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------------------------|------------------------|------------------------|---------------------------------------------------------|
| Revenues | | | |
| Taxes | \$265,589 | \$269,361 | \$3,772 |
| Intergovernmental | 81,300 | 81,738 | 438 |
| <i>Total Revenues</i> | <u>346,889</u> | <u>351,099</u> | <u>4,210</u> |
| Expenditures | | | |
| Current: | | | |
| Support Services: | | | |
| Business: | | | |
| Purchased Services | 100 | 0 | 100 |
| Pupil Transportation: | | | |
| Capital Outlay | 939,100 | 939,100 | 0 |
| Total Support Services | 939,200 | 939,100 | 100 |
| Capital Outlay: | | | |
| Architecture and Engineering Services: | | | |
| Capital Outlay | 44,650 | 44,650 | 0 |
| <i>Total Expenditures</i> | <u>983,850</u> | <u>983,750</u> | <u>100</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>(636,961)</u> | <u>(632,651)</u> | <u>4,310</u> |
| Other Financing Sources (Uses) | | | |
| Advances In | 60,000 | 60,000 | 0 |
| Advances Out | (60,000) | (60,000) | 0 |
| Transfers In | 168,200 | 168,200 | 0 |
| <i>Total Other Financing Sources (Uses)</i> | <u>168,200</u> | <u>168,200</u> | <u>0</u> |
| <i>Net Change in Fund Balance</i> | (468,761) | (464,451) | 4,310 |
| <i>Fund Balance Beginning of Year</i> | 128,123 | 128,123 | 0 |
| Prior Year Encumbrances Appropriated | 400,850 | 400,850 | 0 |
| <i>Fund Balance End of Year</i> | <u><u>\$60,212</u></u> | <u><u>\$64,522</u></u> | <u><u>\$4,310</u></u> |

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Building Fund
For the Fiscal Year Ended June 30, 2016

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------------------|-----------------|----------|---------------------------------------------------------|
| Revenues | \$0 | \$0 | \$0 |
| Expenditures | | | |
| Current: | | | |
| Support Services: | | | |
| Fiscal: | | | |
| Other | 30,000 | 0 | 30,000 |
| <i>Net Change in Fund Balance</i> | (30,000) | 0 | 30,000 |
| <i>Fund Balance Beginning of Year</i> | 31,045 | 31,045 | 0 |
| <i>Fund Balance End of Year</i> | \$1,045 | \$31,045 | \$30,000 |

Bedford City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Capital Replacement Fund
For the Fiscal Year Ended June 30, 2016

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------------------------|------------------|------------------|---------------------------------------------------------|
| Revenues | \$0 | \$0 | \$0 |
| Expenditures | | | |
| Current: | | | |
| Support Services: | | | |
| Business: | | | |
| Capital Outlay | 440,145 | 386,215 | 53,930 |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>(440,145)</u> | <u>(386,215)</u> | <u>53,930</u> |
| Other Financing Sources (Uses) | | | |
| Tax Anticipation Notes Issued | 110,000 | 110,124 | 124 |
| Transfers In | 200,000 | 207,775 | 7,775 |
| <i>Total Other Financing Sources (Uses)</i> | <u>310,000</u> | <u>317,899</u> | <u>7,899</u> |
| <i>Net Change in Fund Balance</i> | (130,145) | (68,316) | 61,829 |
| <i>Fund Balance Beginning of Year</i> | 234,381 | 234,381 | 0 |
| Prior Year Encumbrances Appropriated | 10,145 | 10,145 | 0 |
| <i>Fund Balance End of Year</i> | <u>\$114,381</u> | <u>\$176,210</u> | <u>\$61,829</u> |

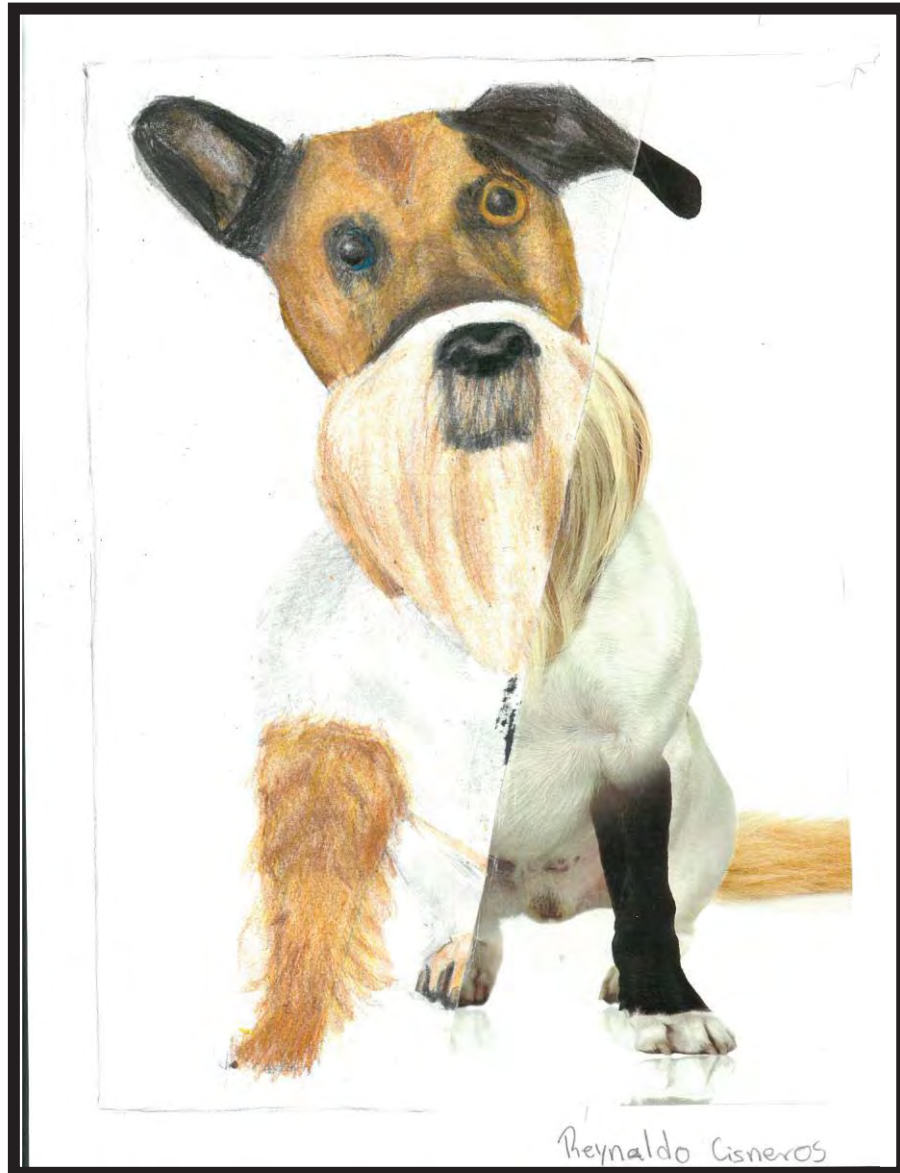
Bedford City School District
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Self Insurance Fund
For the Fiscal Year Ended June 30, 2016

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--------------------------------------|------------------|------------------|---------------------------------------------------------|
| Revenues | | | |
| Charges for Services | \$4,900,000 | \$4,915,328 | \$15,328 |
| Expenses | | | |
| Purchased Services | 915,802 | 810,831 | 104,971 |
| Claims | 4,785,701 | 4,435,167 | 350,534 |
| <i>Total Expenses</i> | <u>5,701,503</u> | <u>5,245,998</u> | <u>455,505</u> |
| <i>Net Change in Fund Equity</i> | (801,503) | (330,670) | 470,833 |
| <i>Fund Equity Beginning of Year</i> | 856,664 | 856,664 | 0 |
| Prior Year Encumbrances Appropriated | <u>1,503</u> | <u>1,503</u> | <u>0</u> |
| <i>Fund Equity End of Year</i> | <u>\$56,664</u> | <u>\$527,497</u> | <u>\$470,833</u> |

Bedford City School District
Schedule of Revenues, Expenses and Changes
in Fund Equity - Budget (Non-GAAP Basis) and Actual
Scholarship Fund
For the Fiscal Year Ended June 30, 2016

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--------------------------------------|-----------------|-----------------|---------------------------------------------------------|
| Revenues | | | |
| Interest | \$1,000 | \$143 | (\$857) |
| Expenses | | | |
| Other | 42,000 | 0 | 42,000 |
| <i>Net Change in Fund Equity</i> | (41,000) | 143 | 41,143 |
| <i>Fund Equity Beginning of Year</i> | 81,766 | 81,766 | 0 |
| <i>Fund Equity End of Year</i> | <u>\$40,766</u> | <u>\$81,909</u> | <u>\$41,143</u> |

Statistical Section



Artwork by: Reynaldo Cisneros

Grade 10

Bedford High School

Art Teacher: Sarah Holt



Artwork by: Kaitlyn Walker

Grade 10

Bedford High School

Art Teacher: Jennifer Pozz

Statistical Section

This part of the Bedford City School District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the School District's overall financial health.

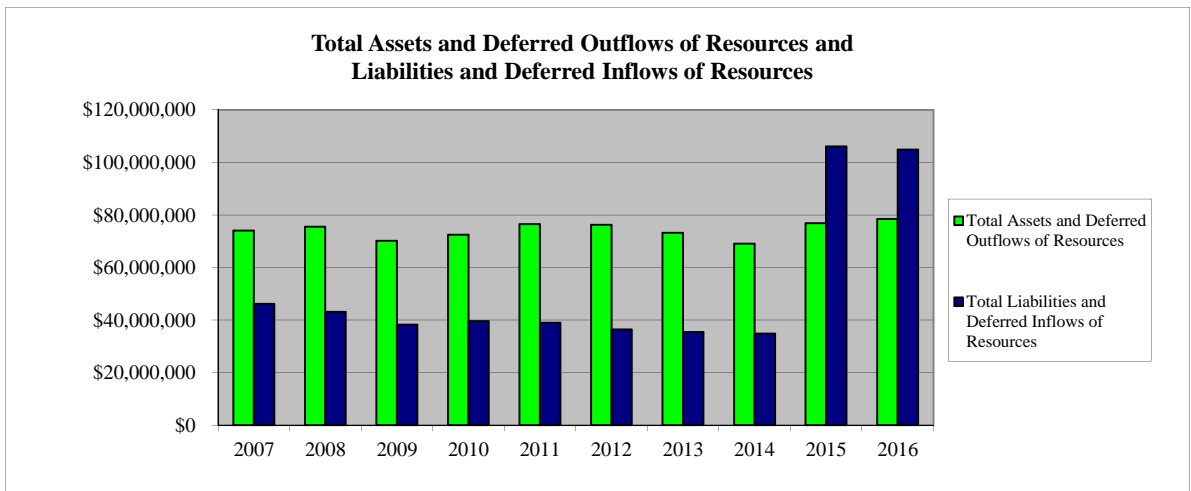
| <u>Contents</u> | <u>Page(s)</u> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| Financial Trends These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time. | S2 - S13 |
| Revenue Capacity These schedules contain information to help the reader assess the School District's most significant local revenue source, the property tax. | S14 - S22 |
| Debt Capacity These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future. | S24 - S28 |
| Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place. | S29 - S31 |
| Operating Information These schedules contain service data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs. | S32 - S42 |

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant fiscal year.

Bedford City School District
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

| | 2007 | 2008 | 2009 | 2010 |
|----------------------------------|---------------------|---------------------|---------------------|---------------------|
| Net Investment in Capital Assets | \$12,218,017 | \$13,434,685 | \$13,531,705 | \$13,534,897 |
| Restricted for: | | | | |
| Capital Projects | 805,810 | 173,255 | 557,011 | 1,400,209 |
| Debt Service | 1,772,547 | 2,278,168 | 2,264,251 | 2,148,734 |
| Other Purposes | 1,106,057 | 1,025,781 | 1,337,606 | 557,401 |
| Unrestricted* | 15,595,855 | 15,502,858 | 14,189,965 | 14,996,566 |
| Total Net Position | \$31,498,286 | \$32,414,747 | \$31,880,538 | \$32,637,807 |

*Note: The School District implemented GASB 68 in 2015.



Source: School District Financial Records

| 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---------------------|---------------------|---------------------|-----------------------|-----------------------|-----------------------|
| \$15,853,913 | \$16,816,971 | \$17,309,870 | \$17,784,600 | \$18,124,171 | \$16,997,654 |
| 229,779 | 303,671 | 855,811 | 622,695 | 155,448 | 357,564 |
| 2,086,003 | 1,342,336 | 411,780 | 9,869 | 13,714 | 26,481 |
| 650,968 | 694,518 | 789,177 | 918,821 | 1,027,366 | 1,008,802 |
| 18,642,545 | 20,565,803 | 18,373,016 | (51,666,872) | (48,563,837) | (44,843,324) |
| <u>\$37,463,208</u> | <u>\$39,723,299</u> | <u>\$37,739,654</u> | <u>(\$32,330,887)</u> | <u>(\$29,243,138)</u> | <u>(\$26,452,823)</u> |

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

| | 2007 | 2008 | 2009 | 2010 |
|-----------------------------------------------|-------------------|-------------------|-------------------|-------------------|
| Expenses | | | | |
| Governmental Activities: | | | | |
| Instruction | \$24,029,388 | \$27,576,746 | \$25,229,256 | \$26,802,708 |
| Pupil Support | 2,764,302 | 2,997,511 | 3,025,366 | 3,015,745 |
| Instructional Staff Support | 1,651,433 | 1,834,242 | 2,074,281 | 2,544,377 |
| Board of Education | 310,042 | 235,547 | 220,840 | 243,585 |
| Administration | 3,501,283 | 3,438,272 | 4,408,025 | 3,079,356 |
| Fiscal | 1,290,060 | 1,330,855 | 1,213,939 | 1,381,083 |
| Business | 779,116 | 847,097 | 728,529 | 667,683 |
| Operation and Maintenance of Plant | 6,357,050 | 6,724,899 | 6,937,228 | 7,070,172 |
| Pupil Transportation | 3,792,614 | 3,875,037 | 3,615,129 | 3,578,892 |
| Central | 299,502 | 337,904 | 338,807 | 321,466 |
| Food Service Operations | 1,629,821 | 1,651,021 | 1,682,513 | 1,697,599 |
| Operation of Non-Instructional Services | 539,445 | 484,150 | 427,311 | 340,054 |
| Extracurricular Activities | 826,657 | 867,928 | 875,259 | 804,712 |
| Interest and Fiscal Charges | 520,086 | 524,154 | 479,677 | 437,058 |
| <i>Total Governmental Activities Expenses</i> | <i>48,290,799</i> | <i>52,725,363</i> | <i>51,256,160</i> | <i>51,984,490</i> |
| Program Revenues | | | | |
| Governmental Activities: | | | | |
| Charges for Services and Sales: | | | | |
| Instruction | 1,686,260 | 1,705,852 | 1,974,620 | 1,688,961 |
| Instructional Staff Support | 94 | 1,215 | 926 | 1,454 |
| Administration | 7,765 | 9,966 | 691 | 0 |
| Business | 38,356 | 44,661 | 27,281 | 31,312 |
| Operation and Maintenance of Plant | 0 | 0 | 0 | 0 |
| Pupil Transportation | 0 | 0 | 0 | 0 |
| Central | 0 | 4,541 | 1,988 | 4,470 |
| Food Service Operations | 792,684 | 750,540 | 682,879 | 620,301 |
| Operation of Non-Instructional Services | 4,191 | 4,782 | 3,714 | 3,207 |
| Extracurricular Activities | 131,618 | 133,483 | 133,794 | 141,446 |
| Operating Grants and Contributions | | | | |
| Instruction | 2,543,592 | 2,248,787 | 2,424,680 | 1,571,907 |
| Pupil Support | 206,957 | 233,872 | 403,482 | 325,493 |
| Instructional Staff Support | 209,937 | 278,710 | 388,009 | 556,001 |
| Administration | 116,658 | 142,926 | 272,640 | 48,225 |
| Fiscal | 0 | 0 | 0 | 0 |
| Business | 30,114 | 106,436 | 481 | 725 |
| Operation and Maintenance of Plant | 35,955 | 2,132 | 1,645 | 469,365 |
| Pupil Transportation | 0 | 0 | 0 | 0 |
| Central | 5,150 | 3,860 | 5,429 | 5,347 |
| Food Service Operations | 755,707 | 867,048 | 1,091,798 | 1,199,794 |
| Operation of Non-Instructional Services | 443,358 | 454,033 | 396,029 | 298,087 |
| Extracurricular Activities | 5,542 | 11,463 | 10,887 | 1,613 |

| 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|--------------|--------------|--------------|--------------|--------------|--------------|
| \$25,022,834 | \$25,716,544 | \$26,152,704 | \$27,081,004 | \$26,532,855 | \$27,642,091 |
| 3,034,339 | 3,049,560 | 3,110,210 | 3,263,687 | 3,290,160 | 3,536,861 |
| 2,735,600 | 2,687,012 | 2,759,639 | 2,003,829 | 1,923,812 | 2,194,517 |
| 85,953 | 98,729 | 112,719 | 83,190 | 114,703 | 233,401 |
| 3,969,440 | 3,963,083 | 4,084,593 | 4,062,197 | 3,980,365 | 4,032,622 |
| 1,309,344 | 1,480,370 | 1,322,883 | 1,313,648 | 1,154,870 | 1,265,455 |
| 877,396 | 721,405 | 627,177 | 818,885 | 1,008,331 | 1,186,654 |
| 6,645,111 | 6,237,787 | 5,446,227 | 6,107,562 | 6,875,154 | 6,625,222 |
| 3,513,967 | 3,609,183 | 3,752,999 | 4,032,774 | 4,083,284 | 3,628,375 |
| 335,344 | 199,941 | 196,277 | 127,195 | 112,684 | 117,901 |
| 1,705,905 | 1,775,328 | 1,843,501 | 1,732,185 | 1,842,879 | 1,989,023 |
| 394,207 | 351,270 | 353,879 | 160,160 | 54,194 | 68,135 |
| 838,622 | 848,288 | 903,193 | 1,030,314 | 1,084,015 | 1,087,388 |
| 357,696 | 305,102 | 209,525 | 155,265 | 78,576 | 73,740 |
| 50,825,758 | 51,043,602 | 50,875,526 | 51,971,895 | 52,135,882 | 53,681,385 |
| 1,472,019 | 1,724,635 | 1,517,077 | 1,390,958 | 1,352,934 | 1,166,244 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 23,328 | 33,300 | 38,204 | 47,920 | 58,751 | 65,427 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 601,725 | 569,496 | 565,787 | 531,101 | 538,862 | 525,439 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 249,721 | 273,208 | 263,637 | 288,819 | 238,812 | 262,122 |
| 1,507,787 | 1,204,769 | 1,932,314 | 2,578,667 | 2,623,887 | 2,909,207 |
| 577,014 | 977,853 | 665,691 | 588,498 | 678,032 | 674,918 |
| 661,300 | 750,623 | 656,491 | 666,804 | 623,502 | 487,234 |
| 143,050 | 142,787 | 150,000 | 152,914 | 157,164 | 136,058 |
| 0 | 0 | 31,118 | 0 | 0 | 0 |
| 5,000 | 5,900 | 7,800 | 6,163 | 22,799 | 11,254 |
| 900,022 | 0 | 0 | 0 | 6,698 | 1,811 |
| 0 | 75,118 | 0 | 0 | 0 | 0 |
| 5,888 | 5,735 | 5,085 | 2,794 | 4,227 | 1,317 |
| 1,250,202 | 1,396,657 | 1,381,881 | 1,377,293 | 1,408,849 | 1,464,220 |
| 314,959 | 337,926 | 311,477 | 117,091 | 14,629 | 32,652 |
| 791 | 2,912 | 497 | 10,936 | 4,136 | 5,930 |

(continued)

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

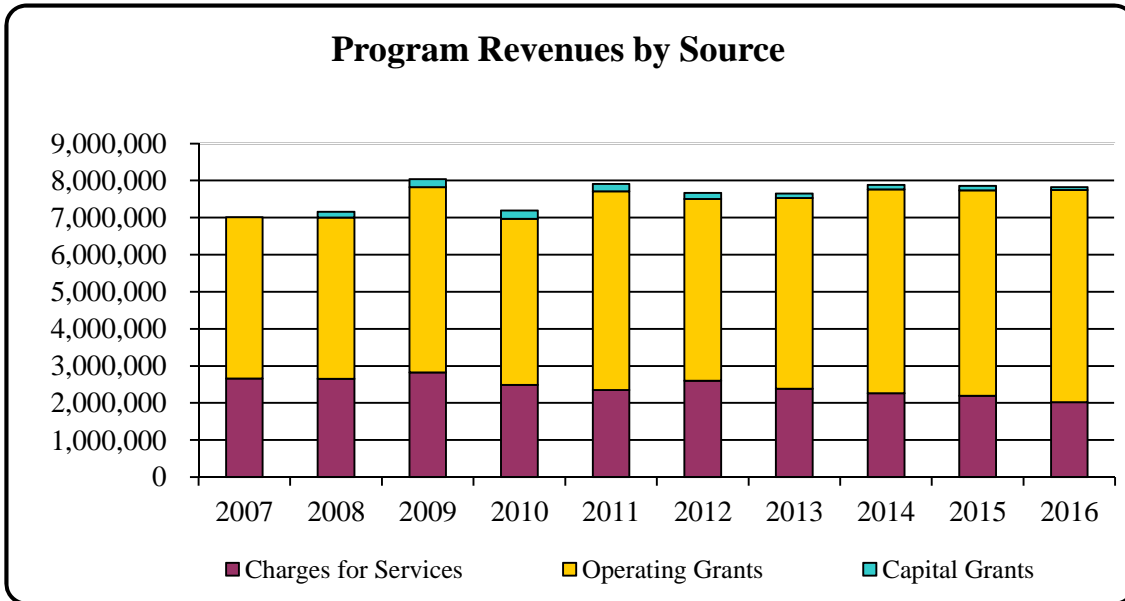
| | 2007 | 2008 | 2009 | 2010 |
|-------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|
| Capital Grants and Contributions | | | | |
| Operation and Maintenance of Plant | \$0 | \$156,053 | \$219,516 | \$226,177 |
| <i>Total Governmental Activities Program Revenues</i> | <u>7,013,938</u> | <u>7,160,360</u> | <u>8,040,489</u> | <u>7,193,885</u> |
| Net (Expense)/Revenue | | | | |
| Governmental Activities | <u>(41,276,861)</u> | <u>(45,565,003)</u> | <u>(43,215,671)</u> | <u>(44,790,605)</u> |
| General Revenues and Other Changes in Net Position | | | | |
| Governmental Activities: | | | | |
| Property Taxes Levied For: | | | | |
| General Purposes | 36,899,607 | 31,323,005 | 24,728,995 | 26,041,020 |
| Debt Service | 1,456,398 | 1,372,001 | 1,146,612 | 1,071,389 |
| Capital Outlay | 702,373 | 530,429 | 427,167 | 410,979 |
| Grants and Entitlements not Restricted to Specific Programs | 10,081,905 | 11,817,104 | 15,598,148 | 17,563,453 |
| Gain on Sale of Capital Assets | 0 | 1,726 | 0 | 0 |
| Unrestricted Contributions | 0 | 0 | 0 | 0 |
| Investment Earnings | 1,126,745 | 890,620 | 288,540 | 27,574 |
| Payments in Lieu of Taxes | 0 | 0 | 0 | 0 |
| Miscellaneous | 458,559 | 546,579 | 492,000 | 433,459 |
| <i>Total Governmental Activities</i> | <u>50,725,587</u> | <u>46,481,464</u> | <u>42,681,462</u> | <u>45,547,874</u> |
| Change in Net Position | <u>\$9,448,726</u> | <u>\$916,461</u> | <u>(\$534,209)</u> | <u>\$757,269</u> |

Source: School District Financial Records

| 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|--------------|--------------|---------------|---------------|--------------|--------------|
| \$196,417 | \$164,911 | \$123,363 | \$123,999 | \$124,050 | \$81,738 |
| 7,909,223 | 7,665,830 | 7,650,422 | 7,883,957 | 7,857,332 | 7,825,571 |
| (42,916,535) | (43,377,772) | (43,225,104) | (44,087,938) | (44,278,550) | (45,855,814) |
| 28,733,772 | 28,614,838 | 25,978,460 | 25,942,420 | 32,013,999 | 32,123,159 |
| 1,141,941 | 415,891 | 271,534 | 55,185 | 0 | 6,867 |
| 445,659 | 443,720 | 410,456 | 412,345 | 466,331 | 287,019 |
| 17,019,801 | 15,758,170 | 14,339,855 | 13,684,383 | 14,514,981 | 15,460,746 |
| 1,371 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 11,303 | 0 | 18,939 |
| 27,479 | 11,040 | 17,847 | 4,762 | 9,135 | 57,378 |
| 0 | 0 | 0 | 0 | 0 | 280,741 |
| 371,913 | 394,204 | 223,307 | 606,613 | 361,853 | 411,280 |
| 47,741,936 | 45,637,863 | 41,241,459 | 40,717,011 | 47,366,299 | 48,646,129 |
| \$4,825,401 | \$2,260,091 | (\$1,983,645) | (\$3,370,927) | \$3,087,749 | \$2,790,315 |

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

| | 2007 | 2008 | 2009 | 2010 |
|-------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|
| Governmental Activities | | | | |
| Instruction | \$4,229,852 | \$3,954,639 | \$4,399,300 | \$3,260,868 |
| Pupil Support | 206,957 | 233,872 | 403,482 | 325,493 |
| Instructional Staff Support | 210,031 | 279,925 | 388,935 | 557,455 |
| Administration | 124,423 | 152,892 | 273,331 | 48,225 |
| Fiscal | 0 | 0 | 0 | 0 |
| Business | 68,470 | 151,097 | 27,762 | 32,037 |
| Operation and Maintenance of Plant | 35,955 | 158,185 | 221,161 | 695,542 |
| Pupil Transportation | 0 | 0 | 0 | 0 |
| Central | 5,150 | 8,401 | 7,417 | 9,817 |
| Food Service Operations | 1,548,391 | 1,617,588 | 1,774,677 | 1,820,095 |
| Operation of Non-Instructional Services | 447,549 | 458,815 | 399,743 | 301,294 |
| Extracurricular Activities | 137,160 | 144,946 | 144,681 | 143,059 |
| Total Governmental Activities Program Revenues | \$7,013,938 | \$7,160,360 | \$8,040,489 | \$7,193,885 |

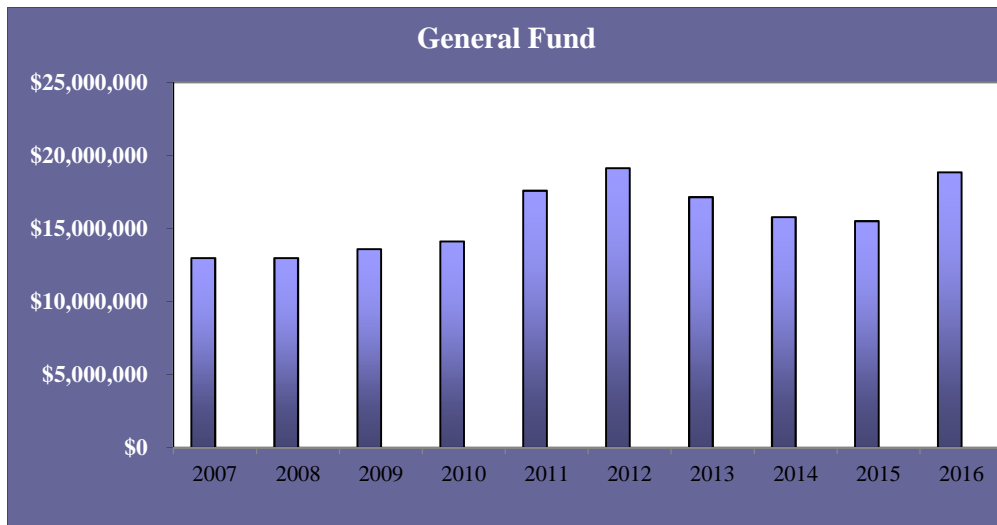


| 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| \$2,979,806 | \$2,929,404 | \$3,449,391 | \$3,969,625 | \$3,976,821 | \$4,075,451 |
| 577,014 | 977,853 | 665,691 | 588,498 | 678,032 | 674,918 |
| 661,300 | 750,623 | 656,491 | 666,804 | 623,502 | 487,234 |
| 143,050 | 142,787 | 150,000 | 152,914 | 157,164 | 136,058 |
| 0 | 0 | 31,118 | 0 | 0 | 0 |
| 28,328 | 39,200 | 46,004 | 54,083 | 81,550 | 76,681 |
| 1,096,439 | 164,911 | 123,363 | 123,999 | 130,748 | 83,549 |
| 0 | 75,118 | 0 | 0 | 0 | 0 |
| 5,888 | 5,735 | 5,085 | 2,794 | 4,227 | 1,317 |
| 1,851,927 | 1,966,153 | 1,947,668 | 1,908,394 | 1,947,711 | 1,989,659 |
| 314,959 | 337,926 | 311,477 | 117,091 | 14,629 | 32,652 |
| 250,512 | 276,120 | 264,134 | 299,755 | 242,948 | 268,052 |
| <u>\$7,909,223</u> | <u>\$7,665,830</u> | <u>\$7,650,422</u> | <u>\$7,883,957</u> | <u>\$7,857,332</u> | <u>\$7,825,571</u> |

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

| | 2007 | 2008 | 2009 | 2010 |
|-------------------------------------------|---------------------|---------------------|---------------------|---------------------|
| General Fund | | | | |
| Nonspendable | \$0 | \$0 | \$0 | \$364,235 |
| Restricted | 0 | 0 | 0 | 127,115 |
| Committed | 0 | 0 | 0 | 0 |
| Assigned | 0 | 0 | 0 | 648,703 |
| Unassigned | 0 | 0 | 0 | 12,983,706 |
| Reserved | 3,666,990 | 4,182,334 | 4,388,316 | 0 |
| Unreserved | <u>9,322,692</u> | <u>8,804,371</u> | <u>9,200,375</u> | <u>0</u> |
| Total General Fund | <u>12,989,682</u> | <u>12,986,705</u> | <u>13,588,691</u> | <u>14,123,759</u> |
| All Other Governmental Funds | | | | |
| Nonspendable | 0 | 0 | 0 | 7,739 |
| Restricted | 0 | 0 | 0 | 3,388,085 |
| Committed | 0 | 0 | 0 | 292,344 |
| Unassigned (Deficit) | 0 | 0 | 0 | (164,492) |
| Reserved | 1,768,180 | 522,929 | 498,702 | 0 |
| Unreserved, Undesignated, Reported in: | | | | |
| Special Revenue funds | 740,804 | 587,229 | 528,073 | 0 |
| Debt Service funds | 1,746,847 | 1,898,375 | 1,933,159 | 0 |
| Capital Projects funds (Deficit) | <u>(553,176)</u> | <u>(81,771)</u> | <u>315,706</u> | <u>0</u> |
| Total All Other Governmental Funds | <u>3,702,655</u> | <u>2,926,762</u> | <u>3,275,640</u> | <u>3,523,676</u> |
| Total Governmental Funds | <u>\$16,692,337</u> | <u>\$15,913,467</u> | <u>\$16,864,331</u> | <u>\$17,647,435</u> |

Note: The School District implemented GASB 54 in 2010.



| 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|--------------|--------------|--------------|--------------|--------------|--------------|
| \$381,025 | \$438,142 | \$449,469 | \$349,108 | \$112,005 | \$426,569 |
| 24,172 | 75,118 | 20,379 | 22,111 | 21,692 | 20,494 |
| 263,940 | 10,475 | 17,157 | 27,964 | 163,399 | 379,692 |
| 254,886 | 574,438 | 807,488 | 960,842 | 1,590,751 | 1,269,145 |
| 16,669,230 | 18,031,928 | 15,861,977 | 14,425,907 | 13,623,821 | 16,757,749 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 17,593,253 | 19,130,101 | 17,156,470 | 15,785,932 | 15,511,668 | 18,853,649 |
| 6,275 | 8,986 | 7,657 | 8,049 | 8,044 | 7,207 |
| 2,646,554 | 2,293,997 | 1,522,221 | 1,121,060 | 1,223,112 | 1,267,270 |
| 276,279 | 333,159 | 338,636 | 324,171 | 237,261 | 188,908 |
| (126,044) | (141,019) | (585,439) | (371,296) | (93,828) | (482,417) |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 2,803,064 | 2,495,123 | 1,283,075 | 1,081,984 | 1,374,589 | 980,968 |
| \$20,396,317 | \$21,625,224 | \$18,439,545 | \$16,867,916 | \$16,886,257 | \$19,834,617 |

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

| | 2007 | 2008 | 2009 | 2010 |
|----------------------------------------------------|--------------------|--------------------|--------------------|-------------------|
| Revenues | | | | |
| Taxes | \$35,140,155 | \$33,001,370 | \$28,115,325 | \$26,973,653 |
| Intergovernmental | 14,196,345 | 16,300,797 | 20,286,057 | 22,845,958 |
| Interest | 1,126,745 | 891,414 | 289,072 | 27,574 |
| Charges for Services | 809,373 | 767,700 | 695,664 | 633,791 |
| Tuition and Fees | 1,600,541 | 1,644,257 | 1,901,550 | 1,610,786 |
| Rentals | 39,582 | 46,235 | 27,107 | 31,425 |
| Extracurricular Activities | 211,472 | 196,848 | 201,572 | 215,149 |
| Contributions and Donations | 38,846 | 33,624 | 60,689 | 33,137 |
| Payments in Lieu of Taxes | 0 | 0 | 0 | 0 |
| Miscellaneous | 458,559 | 546,579 | 492,000 | 433,459 |
| <i>Total Revenues</i> | <u>53,621,618</u> | <u>53,428,824</u> | <u>52,069,036</u> | <u>52,804,932</u> |
| Expenditures | | | | |
| Current: | | | | |
| Instruction | 23,114,104 | 26,886,187 | 24,342,434 | 26,608,416 |
| Support Services: | | | | |
| Pupil | 2,715,900 | 3,027,291 | 3,018,391 | 3,044,855 |
| Instructional Staff | 1,601,990 | 1,848,397 | 2,017,649 | 2,501,589 |
| Board of Education | 310,042 | 235,547 | 220,840 | 243,585 |
| Administration | 3,360,610 | 3,404,060 | 4,406,969 | 2,831,149 |
| Fiscal | 1,258,900 | 1,324,697 | 1,197,973 | 1,358,705 |
| Business | 706,100 | 790,875 | 662,858 | 665,426 |
| Operation and Maintenance of Plant | 6,622,764 | 6,724,407 | 6,496,796 | 6,663,901 |
| Pupil Transportation | 3,659,119 | 3,579,251 | 3,418,883 | 3,313,997 |
| Central | 291,343 | 322,631 | 333,187 | 321,490 |
| Food Service Operations | 1,613,500 | 1,647,393 | 1,697,381 | 1,674,162 |
| Operation of Non-Instructional Services | 491,939 | 434,894 | 382,279 | 309,029 |
| Extracurricular Activities | 693,657 | 737,178 | 748,612 | 672,221 |
| Capital Outlay | 1,832,344 | 1,413,163 | 259,071 | 78,408 |
| Debt Service: | | | | |
| Principal Retirement | 1,402,204 | 1,428,306 | 1,436,113 | 1,448,248 |
| Interest and Fiscal Charges | 400,527 | 406,964 | 357,686 | 286,647 |
| Capital Appreciation Bond Accretion | 0 | 0 | 0 | 0 |
| <i>Total Expenditures</i> | <u>50,075,043</u> | <u>54,211,241</u> | <u>50,997,122</u> | <u>52,021,828</u> |
| <i>Excess of Revenue Over (Under) Expenditures</i> | <u>3,546,575</u> | <u>(782,417)</u> | <u>1,071,914</u> | <u>783,104</u> |
| Other Financing Sources (Uses): | | | | |
| Sale of Capital Assets | 0 | 3,547 | 0 | 0 |
| General Obligation Bonds Issued | 0 | 0 | 0 | 0 |
| Capital Lease Issued | 0 | 0 | 0 | 0 |
| Transfers In | 462,281 | 162,380 | 108,712 | 395,712 |
| Transfers Out | (462,281) | (162,380) | (108,712) | (395,712) |
| <i>Total Other Financing Sources (Uses)</i> | <u>0</u> | <u>3,547</u> | <u>0</u> | <u>0</u> |
| <i>Net Change in Fund Balances</i> | <u>\$3,546,575</u> | <u>(\$778,870)</u> | <u>\$1,071,914</u> | <u>\$783,104</u> |
| <i>Debt Service as a Percentage of</i> | | | | |
| <i>Noncapital Expenditures</i> | 3.79% | 3.50% | 3.54% | 3.35% |

| 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|--------------|--------------|---------------|---------------|--------------|--------------|
| \$30,111,839 | \$28,956,997 | \$27,447,886 | \$28,572,423 | \$29,517,762 | \$32,785,403 |
| 22,656,406 | 20,612,383 | 19,207,456 | 19,449,806 | 20,216,766 | 20,902,751 |
| 27,479 | 11,272 | 18,041 | 4,818 | 9,142 | 57,382 |
| 616,090 | 582,866 | 579,174 | 536,697 | 542,236 | 527,451 |
| 1,472,019 | 1,724,635 | 1,517,077 | 1,390,958 | 1,353,634 | 1,166,244 |
| 23,328 | 33,300 | 38,204 | 47,920 | 58,051 | 65,427 |
| 235,356 | 259,838 | 250,250 | 283,223 | 235,438 | 260,110 |
| 27,790 | 37,781 | 33,755 | 32,986 | 56,251 | 36,474 |
| 0 | 0 | 0 | 0 | 0 | 236,264 |
| 371,913 | 394,204 | 223,307 | 606,613 | 361,853 | 411,280 |
| 55,542,220 | 52,613,276 | 49,315,150 | 50,925,444 | 52,351,133 | 56,448,786 |
| 24,627,785 | 24,679,082 | 25,139,343 | 25,959,835 | 26,191,469 | 27,140,768 |
| 3,027,990 | 3,014,361 | 3,080,800 | 3,241,612 | 3,351,860 | 3,567,062 |
| 2,735,415 | 2,647,904 | 2,725,416 | 1,992,930 | 1,925,223 | 2,199,694 |
| 85,953 | 98,729 | 112,719 | 83,190 | 114,703 | 233,591 |
| 3,939,104 | 3,924,347 | 4,100,197 | 4,088,382 | 4,070,934 | 4,221,670 |
| 1,297,089 | 1,471,701 | 1,339,748 | 1,301,579 | 1,208,467 | 1,279,596 |
| 628,133 | 673,193 | 782,706 | 725,838 | 885,775 | 1,018,461 |
| 6,184,358 | 5,700,942 | 5,880,883 | 6,251,959 | 6,312,660 | 6,028,679 |
| 3,610,092 | 3,594,296 | 3,726,869 | 3,970,386 | 3,895,525 | 3,438,418 |
| 329,489 | 210,786 | 192,020 | 125,255 | 114,132 | 108,037 |
| 1,704,502 | 1,766,973 | 1,870,279 | 1,790,125 | 1,822,792 | 1,987,297 |
| 355,463 | 334,491 | 337,726 | 117,475 | 50,645 | 28,132 |
| 735,104 | 744,770 | 799,675 | 909,855 | 967,983 | 971,888 |
| 2,306,236 | 712,729 | 929,228 | 1,003,110 | 934,922 | 866,238 |
| 1,612,105 | 1,669,411 | 838,479 | 543,748 | 398,986 | 364,652 |
| 221,156 | 155,354 | 108,157 | 97,464 | 89,216 | 79,243 |
| 0 | 0 | 823,670 | 305,030 | 0 | 0 |
| 53,399,974 | 51,399,069 | 52,787,915 | 52,507,773 | 52,335,292 | 53,533,426 |
| 2,142,246 | 1,214,207 | (3,472,765) | (1,582,329) | 15,841 | 2,915,360 |
| 16,250 | 14,700 | 12,508 | 10,700 | 2,500 | 33,000 |
| 0 | 0 | 274,578 | 0 | 0 | 0 |
| 590,386 | 0 | 0 | 0 | 0 | 0 |
| 391,980 | 390,230 | 330,450 | 333,400 | 289,600 | 485,875 |
| (391,980) | (390,230) | (330,450) | (333,400) | (289,600) | (485,875) |
| 606,636 | 14,700 | 287,086 | 10,700 | 2,500 | 33,000 |
| \$2,748,882 | \$1,228,907 | (\$3,185,679) | (\$1,571,629) | \$18,341 | \$2,948,360 |
| 3.62% | 3.61% | 1.86% | 1.27% | 0.95% | 0.84% |

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

| Collection Year | Real Estate | | | Tangible Personal | | |
|--------------------|------------------------------|---------------------------|---------------|------------------------------|-------------------|------------------------------|
| | Assessed Value | | | Estimated Actual Value | Assessed Value | Estimated Actual Value |
| | Residential/ Agricultural | Commercial/ Industrial | Total | | | |
| 2007 | \$423,446,610 | \$290,875,660 | \$714,322,270 | \$2,040,920,771 | \$45,893,227 | \$367,145,816 |
| 2008 | 428,240,950 | 292,239,890 | 720,480,840 | 2,058,516,686 | 22,946,614 | 367,145,816 |
| 2009 | 432,422,870 | 298,786,290 | 731,209,160 | 2,089,169,029 | 22,970,064 | 367,521,024 |
| 2010 | 390,270,020 | 302,456,730 | 692,726,750 | 1,979,219,286 | 0 | 0 |
| 2011 | 392,377,120 | 297,270,960 | 689,648,080 | 1,970,423,086 | 0 | 0 |
| 2012 | 393,002,580 | 296,627,520 | 689,630,100 | 1,970,371,714 | 0 | 0 |
| 2013 | 354,654,020 | 276,995,450 | 631,649,470 | 1,804,712,771 | 0 | 0 |
| 2014 | 353,802,970 | 278,758,910 | 632,561,880 | 1,807,319,657 | 0 | 0 |
| 2015 | 355,263,290 | 277,672,580 | 632,935,870 | 1,808,388,200 | 0 | 0 |
| 2016 | 349,512,680 | 262,252,180 | 611,764,860 | 1,747,899,600 | 0 | 0 |

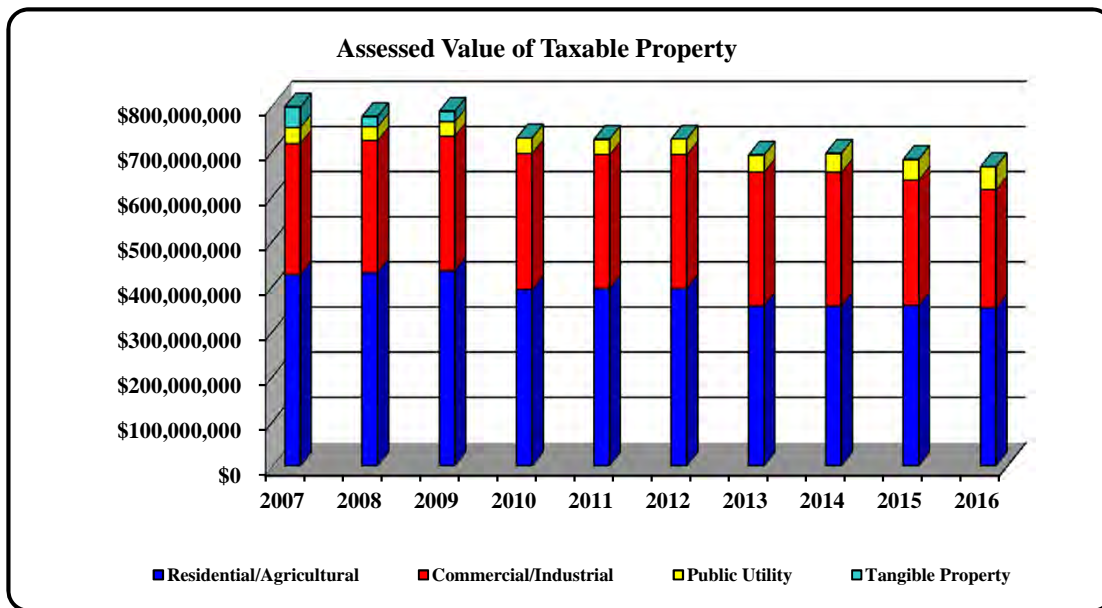
Source: Ohio Department of Taxation

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

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

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10 percent, 2 1/2 percent and homestead exemptions before being billed. Beginning in the 2006 collection year, the 10 percent rollback for commercial/industrial property has been eliminated.

| Public Utility Personal | | Total | | |
|-------------------------|------------------------|----------------|------------------------|---------------------------|
| Assessed Value | Estimated Actual Value | Assessed Value | Estimated Actual Value | Weighted Average Tax Rate |
| \$35,275,280 | \$40,085,545 | \$795,490,777 | \$2,448,152,133 | \$46.95413 |
| 30,823,860 | 35,027,114 | 774,251,314 | 2,460,689,615 | 38.04737 |
| 31,677,970 | 35,997,693 | 785,857,194 | 2,492,687,746 | 38.26589 |
| 33,898,290 | 38,520,784 | 726,625,040 | 2,017,740,070 | 44.22237 |
| 33,947,590 | 38,576,807 | 723,595,670 | 2,008,999,893 | 44.21174 |
| 34,725,840 | 39,461,182 | 724,355,940 | 2,009,832,896 | 43.13937 |
| 37,511,790 | 42,627,034 | 669,161,260 | 1,847,339,806 | 45.62376 |
| 42,060,940 | 47,796,523 | 674,622,820 | 1,855,116,180 | 45.82101 |
| 45,977,350 | 52,246,989 | 678,913,220 | 1,860,635,189 | 50.73634 |
| 51,032,600 | 57,991,591 | 662,797,460 | 1,805,891,191 | 50.75310 |



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

| | 2007 | 2008 | 2009 | 2010 | 2011 |
|----------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Unvoted Millage | | | | | |
| Operating | \$4.620000 | \$4.620000 | \$4.620000 | \$4.620000 | \$4.620000 |
| Voted Millage - by levy | | | | | |
| 1976 Operating - continuing | | | | | |
| Effective Millage Rates | | | | | |
| Residential/Agricultural | 6.012330 | 6.012653 | 6.008287 | 6.689483 | 6.690040 |
| Commercial/Industrial | 12.387131 | 12.323169 | 12.287716 | 12.446933 | 12.472072 |
| Tangible/Public Utility Personal | 29.300000 | 29.300000 | 29.300000 | 29.300000 | 29.300000 |
| 1983 Operating - continuing | | | | | |
| Effective Millage Rates | | | | | |
| Residential/Agricultural | 2.722704 | 2.722849 | 2.720869 | 3.029341 | 3.029591 |
| Commercial/Industrial | 4.161418 | 4.139929 | 4.128016 | 4.181509 | 4.189944 |
| Tangible/Public Utility Personal | 6.600000 | 6.600000 | 6.600000 | 6.600000 | 6.600000 |
| 1986 Operating - continuing | | | | | |
| Effective Millage Rates | | | | | |
| Residential/Agricultural | 2.177165 | 2.177285 | 2.175700 | 2.422365 | 2.422565 |
| Commercial/Industrial | 3.308895 | 3.291805 | 3.282335 | 3.324865 | 3.331585 |
| Tangible/Public Utility Personal | 5.000000 | 5.000000 | 5.000000 | 5.000000 | 5.000000 |
| 1988 Bond (\$2,000,000) | 0.270000 | 0.270000 | 0.270000 | 0.270000 | 0.270000 |
| 1991 Operating - continuing | | | | | |
| Effective Millage Rates | | | | | |
| Residential/Agricultural | 2.553800 | 2.553940 | 2.552085 | 2.841420 | 2.841655 |
| Commercial/Industrial | 3.558260 | 3.539885 | 3.529700 | 3.575435 | 3.582655 |
| Tangible/Public Utility Personal | 5.000000 | 5.000000 | 5.000000 | 5.000000 | 5.000000 |
| 2007 Permanent Improvement | | | | | |
| Effective Millage Rates | | | | | |
| Residential/Agricultural | 0.510760 | 0.510788 | 0.510417 | 0.568284 | 0.568331 |
| Commercial/Industrial | 0.711652 | 0.707977 | 0.705940 | 0.715087 | 0.716531 |
| Tangible/Public Utility Personal | 1.000000 | 1.000000 | 1.000000 | 1.000000 | 1.000000 |
| 1992 Bond (\$12,000,000) | 1.410000 | 1.410000 | 1.680000 | 1.410000 | 1.410000 |
| 1995 Operating - continuing | | | | | |
| Effective Millage Rates | | | | | |
| Residential/Agricultural | 2.937780 | 2.937937 | 2.935802 | 3.268645 | 3.268916 |
| Commercial/Industrial | 3.802590 | 3.782952 | 3.772069 | 3.820944 | 3.828663 |
| Tangible/Public Utility Personal | 4.600000 | 4.600000 | 4.600000 | 4.600000 | 4.600000 |
| 1999 Operating - continuing | | | | | |
| Effective Millage Rates | | | | | |
| Residential/Agricultural | 3.445317 | 3.445503 | 3.442999 | 3.833344 | 3.833662 |
| Commercial/Industrial | 4.197991 | 4.176309 | 4.164294 | 4.218253 | 4.226769 |
| Tangible/Public Utility Personal | 4.900000 | 4.900000 | 4.900000 | 4.900000 | 4.900000 |
| 2004 Operating - continuing | | | | | |
| Effective Millage Rates | | | | | |
| Residential/Agricultural | 4.353458 | 4.353694 | 4.350528 | 4.843758 | 4.844160 |
| Commercial/Industrial | 4.677554 | 4.653397 | 4.640009 | 4.700129 | 4.709615 |
| Tangible/Public Utility Personal | 4.900000 | 4.900000 | 4.900000 | 4.900000 | 4.900000 |
| 2010 Operating - continuing | | | | | |
| Effective Millage Rates | | | | | |
| Residential/Agricultural | 0.000000 | 0.000000 | 0.000000 | 4.900000 | 4.900000 |
| Commercial/Industrial | 0.000000 | 0.000000 | 0.000000 | 4.900000 | 4.900000 |
| Tangible/Public Utility Personal | 0.000000 | 0.000000 | 0.000000 | 4.900000 | 4.900000 |
| 2014 Operating - continuing | | | | | |
| Effective Millage Rates | | | | | |
| Residential/Agricultural | 0.000000 | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| Commercial/Industrial | 0.000000 | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| Tangible/Public Utility Personal | 0.000000 | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| Total Effective Voted Millage by type of property | | | | | |
| Residential/Agricultural | \$26.393314 | \$26.394649 | \$26.646687 | \$34.076640 | \$34.078920 |
| Commercial/Industrial | 38.485491 | 38.295423 | 38.460079 | 43.563155 | 43.637834 |
| Tangible/Public Utility Personal | 62.980000 | 62.980000 | 63.250000 | 67.880000 | 67.880000 |

| 2012 | 2013 | 2014 | 2015 | 2016 |
|-------------|-------------|-------------|-------------|-------------|
| \$4.620000 | \$4.620000 | \$4.620000 | \$4.620000 | \$4.620000 |
| 6.710345 | 7.447914 | 7.484392 | 7.508593 | 7.632239 |
| 12.521677 | 13.228833 | 13.363319 | 13.472579 | 14.319906 |
| 29.300000 | 29.300000 | 29.300000 | 29.300000 | 29.300000 |
| 3.038779 | 3.372778 | 3.389291 | 3.400247 | 3.456241 |
| 4.206609 | 4.444176 | 4.489353 | 4.526049 | 4.810700 |
| 6.600000 | 6.600000 | 6.600000 | 6.600000 | 6.600000 |
| 2.429910 | 2.696990 | 2.710195 | 2.718955 | 2.763730 |
| 3.344830 | 3.533730 | 3.569650 | 3.598830 | 3.825165 |
| 5.000000 | 5.000000 | 5.000000 | 5.000000 | 5.000000 |
| 0.270000 | 0.270000 | 0.000000 | 0.000000 | 0.000000 |
| 2.850270 | 3.163550 | 3.179040 | 3.189315 | 3.241835 |
| 3.596900 | 3.800035 | 3.838660 | 3.870040 | 4.113435 |
| 5.000000 | 5.000000 | 5.000000 | 5.000000 | 5.000000 |
| 0.570054 | 0.632710 | 0.635808 | 0.637863 | 0.648367 |
| 0.719380 | 0.760007 | 0.767732 | 0.774008 | 0.822687 |
| 1.000000 | 1.000000 | 1.000000 | 1.000000 | 1.000000 |
| 0.210000 | 0.210000 | 0.000000 | 0.000000 | 0.000000 |
| 3.278825 | 3.639207 | 3.657023 | 3.668845 | 3.729256 |
| 3.843884 | 4.060967 | 4.102243 | 4.135777 | 4.395884 |
| 4.600000 | 4.600000 | 4.600000 | 4.600000 | 4.600000 |
| 3.845285 | 4.267929 | 4.288823 | 4.302685 | 4.373534 |
| 4.243576 | 4.483231 | 4.528800 | 4.565820 | 4.852969 |
| 4.900000 | 4.900000 | 4.900000 | 4.900000 | 4.900000 |
| 4.858845 | 4.900000 | 4.900000 | 4.900000 | 4.900000 |
| 4.728343 | 4.900000 | 4.900000 | 4.900000 | 4.900000 |
| 4.900000 | 4.900000 | 4.900000 | 4.900000 | 4.900000 |
| 4.900000 | 4.900000 | 4.900000 | 4.900000 | 4.900000 |
| 4.900000 | 4.900000 | 4.900000 | 4.900000 | 4.900000 |
| 0.000000 | 0.000000 | 0.000000 | 4.900000 | 4.900000 |
| 0.000000 | 0.000000 | 0.000000 | 4.900000 | 4.900000 |
| 0.000000 | 0.000000 | 0.000000 | 4.900000 | 4.900000 |
| \$32.962313 | \$35.501078 | \$35.144572 | \$40.126503 | \$40.545202 |
| 42.585199 | 44.590979 | 44.459757 | 49.643103 | 51.840746 |
| 66.680000 | 66.680000 | 66.200000 | 71.100000 | 71.100000 |

(continued)

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

| | 2007 | 2008 | 2009 | 2010 | 2011 |
|-------------------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Total Direct Millage by Type of Property | | | | | |
| Residential/Agricultural | \$31.013314 | \$31.014649 | \$31.266687 | \$38.696640 | \$38.698920 |
| Commercial/Industrial | 43.105491 | 42.915423 | 43.080079 | 48.183155 | 48.257834 |
| Tangible/Public Utility Personal | 67.600000 | 67.600000 | 67.870000 | 72.500000 | 72.500000 |
| Total Weighted Average Tax Rate | | | | | |
| | \$46.954130 | \$38.047370 | \$38.265890 | \$44.222370 | \$44.211740 |
| Overlapping Rates by Taxing District | | | | | |
| City of Bedford Heights | | | | | |
| Effective Millage Rates | | | | | |
| Residential/Agricultural | \$13.000000 | \$13.000000 | \$13.000000 | \$13.000000 | \$21.900000 |
| Commercial/Industrial | 13.000000 | 13.000000 | 13.000000 | 13.000000 | 21.900000 |
| Tangible/Public Utility Personal | 13.000000 | 13.000000 | 13.000000 | 13.000000 | 21.900000 |
| City of Bedford | | | | | |
| Effective Millage Rates | | | | | |
| Residential/Agricultural | 12.800000 | 12.800000 | 12.800000 | 21.700000 | 21.700000 |
| Commercial/Industrial | 12.800000 | 12.800000 | 12.800000 | 21.700000 | 21.700000 |
| Tangible/Public Utility Personal | 12.800000 | 12.800000 | 12.800000 | 21.700000 | 21.700000 |
| Cuyahoga County | | | | | |
| Effective Millage Rates | | | | | |
| Residential/Agricultural | 18.690000 | 17.836490 | 19.320480 | 20.160000 | 20.676506 |
| Commercial/Industrial | 18.760000 | 18.705333 | 19.706536 | 19.740000 | 20.186219 |
| Tangible/Public Utility Personal | 20.200000 | 20.200000 | 20.600000 | 20.600000 | 20.900000 |
| Oakwood Village | | | | | |
| Effective Millage Rates | | | | | |
| Residential/Agricultural | 3.800000 | 3.800000 | 3.800000 | 3.800000 | 3.800000 |
| Commercial/Industrial | 3.800000 | 3.800000 | 3.800000 | 3.800000 | 3.800000 |
| Tangible/Public Utility Personal | 3.800000 | 3.800000 | 3.800000 | 3.800000 | 3.800000 |
| Walton Hills Village | | | | | |
| Effective Millage Rates | | | | | |
| Residential/Agricultural | 0.300000 | 0.300000 | 0.300000 | 0.300000 | 0.300000 |
| Commercial/Industrial | 0.300000 | 0.300000 | 0.300000 | 0.300000 | 0.300000 |
| Tangible/Public Utility Personal | 0.300000 | 0.300000 | 0.300000 | 0.300000 | 0.300000 |

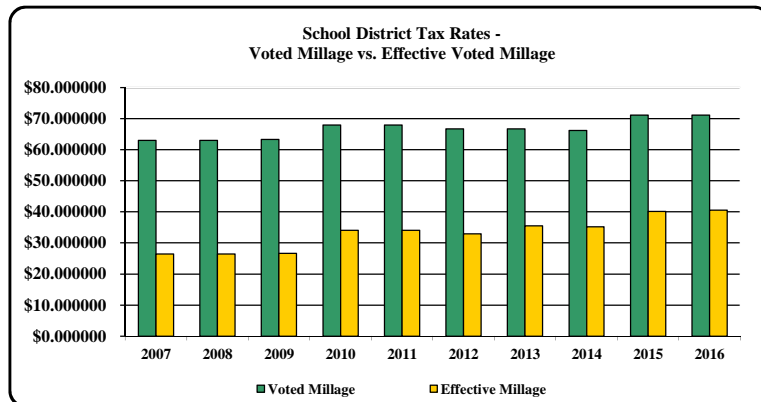
Source: Ohio Department of Taxation

(1) The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented on S14 and S15 generated the property tax revenue billed in that year.

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

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

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



| 2012 | 2013 | 2014 | 2015 | 2016 |
|--------------------|--------------------|--------------------|--------------------|--------------------|
| \$37.582313 | \$40.121078 | \$39.764572 | \$44.746503 | \$45.165202 |
| 47.205199 | 49.210979 | 49.079757 | 54.263103 | 56.460746 |
| <u>71.300000</u> | <u>71.300000</u> | <u>70.820000</u> | <u>75.720000</u> | <u>75.720000</u> |
| <u>\$43.139370</u> | <u>\$45.623760</u> | <u>\$45.821010</u> | <u>\$50.736340</u> | <u>\$50.753100</u> |
| | | | | |
| \$21.900000 | \$21.900000 | \$21.900000 | \$21.900000 | \$21.900000 |
| 21.900000 | 21.900000 | 21.900000 | 21.900000 | 21.900000 |
| 21.900000 | 21.900000 | 21.900000 | 21.900000 | 21.900000 |
| | | | | |
| 21.700000 | 21.700000 | 21.700000 | 21.700000 | 21.700000 |
| 21.700000 | 21.700000 | 21.700000 | 21.700000 | 21.700000 |
| 21.700000 | 21.700000 | 21.700000 | 21.700000 | 21.700000 |
| | | | | |
| 20.622370 | 20.783492 | 22.513900 | 23.414311 | 23.106609 |
| 20.149382 | 20.149382 | 22.333720 | 23.359565 | 23.417551 |
| 20.800000 | 20.800000 | 22.530000 | 23.430000 | 23.430000 |
| | | | | |
| 3.800000 | 3.800000 | 3.800000 | 3.800000 | 3.800000 |
| 3.800000 | 3.800000 | 3.800000 | 3.800000 | 3.800000 |
| 3.800000 | 3.800000 | 3.800000 | 3.800000 | 3.800000 |
| | | | | |
| 0.300000 | 0.300000 | 0.300000 | 0.300000 | 0.300000 |
| 0.300000 | 0.300000 | 0.300000 | 0.300000 | 0.300000 |
| 0.300000 | 0.300000 | 0.300000 | 0.300000 | 0.300000 |

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

| Collection Year (2) | Current Tax Levy | Current Tax Collections | Percent of Current Tax Collections to Current Tax Levy | Delinquent Tax Collections (3)(4) | Total Tax Collections | Percent of Total Tax Collections to Current Tax Levy |
|---------------------|------------------|-------------------------|--------------------------------------------------------|-----------------------------------|-----------------------|------------------------------------------------------|
| 2006 | \$36,749,231 | \$33,793,627 | 91.96% | \$2,740,642 | \$36,534,269 | 99.42% |
| 2007 | 34,246,236 | 31,140,843 | 90.93 | 1,899,471 | 33,040,314 | 96.48 |
| 2008 | 31,107,465 | 28,898,751 | 92.90 | 1,852,222 | 30,750,973 | 98.85 |
| 2009 | 28,510,791 | 26,395,684 | 92.58 | 2,273,648 | 28,669,332 | 100.56 |
| 2010 | 32,114,650 | 30,357,160 | 94.53 | 1,493,447 | 31,850,607 | 99.18 |
| 2011 | 32,156,135 | 29,816,395 | 92.72 | 1,629,813 | 31,446,208 | 97.79 |
| 2012 | 31,053,021 | 29,075,980 | 93.63 | 1,234,644 | 30,310,624 | 97.61 |
| 2013 | 30,883,691 | 27,708,967 | 89.72 | 1,539,724 | 29,248,691 | 94.71 |
| 2014 | 34,692,346 | 31,329,752 | 90.31 | 1,216,496 | 32,546,248 | 93.81 |
| 2015 | 34,836,192 | 32,918,429 | 94.49 | 1,070,565 | 33,988,994 | 97.57 |

Source: Office of the Fiscal Officer, Cuyahoga County, Ohio

- (1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental Revenue.
- (2) The 2016 information cannot be presented because all collections have not been made by June 30, 2016.
- (3) The County does not maintain delinquency information by tax year.
- (4) Penalties and interest are included, since by Ohio Law, they become part of the tax obligation as assessment occurs.

Note: The School District is aware of the requirement to report delinquent tax collections by levy year rather than by collection year. However, the County's current computer system tracks levy amounts by either current levy or delinquent levy. Once amounts become part of the delinquent levy, the ability to track information by levy year is lost. The School District is looking at options to improve the presentation.

Bedford City School District

Principal Taxpayers

Real Estate Tax

2016 and 2007 (1)

| <u>Name of Taxpayer</u> | <u>2016</u> | |
|----------------------------------------|-------------------------------|-----------------------------------------------|
| | <u>Assessed Valuation</u> | <u>Percent of Real Assessed Value</u> |
| West-Ward Injectables, Inc. | \$10,053,630 | 1.65 |
| Columbus Park Property Ownership | 5,279,900 | 0.86 |
| Riser Foods Company | 5,176,640 | 0.85 |
| Bedford Colony Club Apartments | 4,781,400 | 0.78 |
| Wal-Mart Stores East | 4,592,180 | 0.75 |
| South Point Towers Limited | 4,295,110 | 0.70 |
| Mayfred Company | 3,365,660 | 0.55 |
| First Interstate | 3,324,140 | 0.54 |
| Bedford Senior Living Real Estate, LLC | 3,185,010 | 0.52 |
| Ford Motor Company | 3,153,160 | 0.52 |
| Total | <u>\$47,206,830</u> | <u>7.72%</u> |
| Total Real Estate Valuation | <u>\$611,764,860</u> | |

| <u>Name of Taxpayer</u> | <u>2007</u> | |
|--------------------------------------|-------------------------------|-----------------------------------------------|
| | <u>Assessed Valuation</u> | <u>Percent of Real Assessed Value</u> |
| Ford Motor Company | \$8,369,830 | 1.17 |
| Bear Creek Properties | 7,175,520 | 1.01 |
| Riser Foods Company | 6,650,000 | 0.93 |
| First Interstate | 6,615,210 | 0.93 |
| 5977 Bear Creek Road, LLC | 5,864,340 | 0.82 |
| Ben Venue Laboratories, Incorporated | 5,780,320 | 0.81 |
| Bedford Colony Club Apartments | 4,571,110 | 0.64 |
| South Point Towers Limited | 4,221,790 | 0.59 |
| Mayfred Company | 3,512,480 | 0.49 |
| University Hospitals Health Systems | 3,498,580 | 0.49 |
| Total | <u>\$56,259,180</u> | <u>7.88%</u> |
| Total Real Estate Valuation | <u>\$714,322,270</u> | |

Source: Office of the Fiscal Officer, Cuyahoga County, Ohio

(1) The amounts presented represent the assessed values upon which 2016 and 2007 collections were based.

Bedford City School District

Principal Taxpayers

Public Utilities Tax

2016 and 2007 (1)

| Name of Taxpayer | 2016 | |
|-----------------------------------------|---------------------|------------------------------------------|
| | Assessed Valuation | Percent of Public Utility Assessed Value |
| Cleveland Electric Illuminating Company | \$29,087,840 | 57.00% |
| American Transmission System | 19,269,950 | 37.76 |
| The East Ohio Gas Company | 2,237,170 | 4.38 |
| Total | \$50,594,960 | 99.14% |
| Total Public Utility Valuation | \$51,032,600 | |
| Name of Taxpayer | 2007 | |
| | Assessed Valuation | Percent of Public Utility Assessed Value |
| Cleveland Electric Illuminating Company | \$19,598,440 | 55.56% |
| American Transmission System | 8,345,580 | 23.66 |
| Ohio Bell Telephone Company | 3,491,460 | 9.90 |
| The East Ohio Gas Company | 1,585,900 | 4.49 |
| Norfolk Southern Combined | 795,660 | 2.25 |
| New Cingular Wireless PCS, LLC | 422,860 | 1.20 |
| New Par | 421,220 | 1.19 |
| Ohio Edison | 386,910 | 1.10 |
| Alltel Ohio Limited Partner | 199,330 | 0.57 |
| Total | \$35,247,360 | 99.92% |
| Total Public Utility Valuation | \$35,275,280 | |

Source: Office of the Fiscal Officer, Cuyahoga County, Ohio

(1) The amounts presented represent the assessed values upon which 2016 and 2007 collections were based.

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

| | 2007 | 2008 | 2009 | 2010 |
|--------------------------------------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|
| Total Assessed Valuation | \$795,490,777 | \$774,251,314 | \$785,857,194 | \$726,625,040 |
| Less Railroad and Telephone Property Valuation | (5,624,070) | (21,638,265) | (315,340) | (145,790) |
| Less General Business Tangible Personal Property Valuation | <u>(45,893,227)</u> | <u>(22,946,614)</u> | <u>(22,970,064)</u> | <u>0</u> |
| Total Assessed Valuation Used to Calculate Legal Debt Margin (1) | 743,973,480 | 729,666,435 | 762,571,790 | 726,479,250 |
| Overall Debt Limitation - 9% of Assessed Valuation (2) | 66,957,613 | 65,669,979 | 68,631,461 | 65,383,133 |
| Gross Indebtedness Authorized by the School District | 10,067,582 | 8,677,507 | 7,346,998 | 5,946,750 |
| Less Exempt Debt: | | | | |
| Tax Anticipation Note | 0 | 0 | 0 | 0 |
| Energy Conservation | <u>(3,336,282)</u> | <u>(3,155,207)</u> | <u>(2,966,698)</u> | <u>(2,770,450)</u> |
| Debt within 9.0% limitation | 6,731,300 | 5,522,300 | 4,380,300 | 3,176,300 |
| Less Amount Available in Debt Service | <u>(1,916,465)</u> | <u>(2,103,486)</u> | <u>(2,154,602)</u> | <u>(2,025,391)</u> |
| Net Debt within 9.0% limitation | 4,814,835 | 3,418,814 | 2,225,698 | 1,150,909 |
| Legal debt margin within 9.0% limitation | <u>\$62,142,778</u> | <u>\$62,251,165</u> | <u>\$66,405,763</u> | <u>\$64,232,224</u> |
| Legal Debt Margin as a Percentage of Debt Limit | 92.81% | 94.79% | 96.76% | 98.24% |
| Energy Conservation Debt limitation 0.9% of assessed valuation | 6,695,761 | 6,566,998 | 6,863,146 | 6,538,313 |
| Net Debt within 0.9% limitation | <u>(3,336,282)</u> | <u>(3,155,207)</u> | <u>(2,966,698)</u> | <u>(2,770,450)</u> |
| Energy Conservation Debt Margin | <u>\$3,359,479</u> | <u>\$3,411,791</u> | <u>\$3,896,448</u> | <u>\$3,767,863</u> |
| Energy Conservation Debt Margin as a Percentage of the Energy Conservation Debt Limit | 50.17% | 51.95% | 56.77% | 57.63% |
| Unvoted Legal Debt Limit - .10% of Assessed Value (2) | \$743,973 | \$729,666 | \$762,572 | \$726,479 |
| Gross Indebtedness Authorized by the School District | 3,336,282 | 3,155,207 | 2,966,698 | 2,770,450 |
| Less Exempt Debt: | | | | |
| Tax Anticipation Note | 0 | 0 | 0 | 0 |
| Energy Conservation | <u>(3,336,282)</u> | <u>(3,155,207)</u> | <u>(2,966,698)</u> | <u>(2,770,450)</u> |
| Net Debt within .10% Limitation | 0 | 0 | 0 | 0 |
| Legal Debt Margin within .10% Limitation | <u>\$743,973</u> | <u>\$729,666</u> | <u>\$762,572</u> | <u>\$726,479</u> |
| Unvoted Legal Debt Margin as a Percentage of the Excess of Revenues Over (Under) Expenditures | 100.00% | 100.00% | 100.00% | 100.00% |

Source: Cuyahoga County Fiscal Officer and School District Financial Records

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

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

| 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$723,595,670 | \$724,355,940 | \$669,161,260 | \$674,622,820 | \$678,913,220 | \$662,797,460 |
| (226,900) | (227,020) | (237,950) | (240,430) | (252,120) | (243,700) |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 723,368,770 | 724,128,920 | 668,923,310 | 674,382,390 | 678,661,100 | 662,553,760 |
| 65,103,189 | 65,171,603 | 60,203,098 | 60,694,415 | 61,079,499 | 59,629,838 |
| 4,450,445 | 2,962,754 | 2,536,575 | 2,434,899 | 2,051,775 | 2,167,072 |
| 0 | 0 | 0 | 0 | 0 | (686,727) |
| (2,566,145) | (2,353,452) | (2,132,027) | (1,901,511) | (1,661,531) | 0 |
| 1,884,300 | 609,302 | 404,548 | 533,388 | 390,244 | 1,480,345 |
| (1,944,665) | (1,307,415) | (394,533) | (61,655) | (61,655) | (68,522) |
| (60,365) | (698,113) | 10,015 | 471,733 | 328,589 | 1,411,823 |
| <u>\$65,163,554</u> | <u>\$65,869,716</u> | <u>\$60,193,083</u> | <u>\$60,222,682</u> | <u>\$60,750,910</u> | <u>\$58,218,015</u> |
| 100.09% | 101.07% | 99.98% | 99.22% | 99.46% | 97.63% |
| 6,510,319 | 6,517,160 | 6,020,310 | 6,069,442 | 6,107,950 | 5,962,984 |
| (2,566,145) | (2,353,452) | (2,132,027) | (1,901,511) | (1,661,531) | (1,411,699) |
| <u>\$3,944,174</u> | <u>\$4,163,708</u> | <u>\$3,888,283</u> | <u>\$4,167,931</u> | <u>\$4,446,419</u> | <u>\$4,551,285</u> |
| 60.58% | 63.89% | 64.59% | 68.67% | 72.80% | 76.33% |
| \$723,369 | \$724,129 | \$668,923 | \$674,382 | \$678,661 | \$662,554 |
| 2,566,145 | 2,353,452 | 2,132,027 | 1,901,511 | 1,661,531 | 2,167,072 |
| 0 | 0 | 0 | 0 | 0 | (686,727) |
| (2,566,145) | (2,353,452) | (2,132,027) | (1,901,511) | (1,661,531) | (1,411,699) |
| 0 | 0 | 0 | 0 | 0 | 68,646 |
| <u>\$723,369</u> | <u>\$724,129</u> | <u>\$668,923</u> | <u>\$674,382</u> | <u>\$678,661</u> | <u>\$593,908</u> |
| 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 89.64% |

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

| Fiscal Year | Personal Income (1) | Population (2) | Estimated Actual Value of Taxable Property(3) | General Bonded Debt | | |
|-------------|---------------------|----------------|-----------------------------------------------|------------------------------------|------------------------------------------------|------------------------|
| | | | | General Bonded Debt Outstanding(4) | Ratio of Bonded Debt to Estimated Actual Value | Bonded Debt per Capita |
| 2007 | \$587,859,891 | 27,989 | \$2,448,152,133 | \$10,031,198 | 0.41 | \$358.40 |
| 2008 | 587,859,891 | 27,989 | 2,460,689,615 | 8,810,064 | 0.36 | 314.77 |
| 2009 | 587,859,891 | 27,989 | 2,492,687,746 | 7,660,171 | 0.31 | 273.69 |
| 2010 | 587,859,891 | 27,989 | 2,017,740,070 | 6,452,208 | 0.32 | 230.53 |
| 2011 | 606,094,428 | 26,307 | 2,008,999,893 | 5,161,954 | 0.26 | 196.22 |
| 2012 | 606,094,428 | 26,307 | 2,009,832,896 | 3,911,235 | 0.19 | 148.68 |
| 2013 | 606,094,428 | 26,307 | 1,847,339,806 | 2,822,588 | 0.15 | 107.29 |
| 2014 | 606,094,428 | 26,307 | 1,855,116,180 | 2,107,445 | 0.11 | 80.11 |
| 2015 | 606,094,428 | 26,307 | 1,860,635,189 | 1,798,821 | 0.10 | 68.38 |
| 2016 | 606,094,428 | 26,307 | 1,805,891,191 | 1,480,333 | 0.08 | 56.27 |

Sources: (1) The personal income can be found on S30-S31
(a) personal income is calculated by the following:
100% of the City of Bedford
100% of the Village of Oakwood
100% of the Village of Walton Hills
67.76% of the City of Bedford Heights

(2) The population can be found on S30-S31
(a) population is calculated by the following:
100% of the City of Bedford
100% of the Village of Oakwood
100% of the Village of Walton Hills
67.76% of the City of Bedford Heights

(3) Office of the Fiscal Officer, Cuyahoga County, Ohio

(4) Although the general obligation bond retirement fund is restricted for debt service, it is not specifically restricted to the payment of principal. Therefore, these resources are not shown as a deduction from general obligation bonded debt.

General Debt

| Loans | Capital Leases | Total Debt | Ratio of General Debt to Estimated Actual Value | Ratio of General Debt to Personal Income (3) | General Debt Per Capita |
|-----------|-------------------|---------------|----------------------------------------------------------|-------------------------------------------------------|-------------------------------|
| \$395,000 | \$407,835 | \$10,834,033 | 0.44 | 1.84 | \$387.08 |
| 336,000 | 249,604 | 9,395,668 | 0.38 | 1.60 | 335.69 |
| 274,000 | 144,000 | 8,078,171 | 0.32 | 1.37 | 288.62 |
| 210,000 | 96,000 | 6,758,208 | 0.33 | 1.15 | 241.46 |
| 143,000 | 570,586 | 5,875,540 | 0.29 | 0.97 | 223.35 |
| 73,000 | 388,868 | 4,373,103 | 0.22 | 0.72 | 166.23 |
| 0 | 251,144 | 3,073,732 | 0.17 | 0.51 | 116.84 |
| 0 | 136,526 | 2,243,971 | 0.12 | 0.37 | 85.30 |
| 0 | 46,164 | 1,844,985 | 0.10 | 0.30 | 70.13 |
| 0 | 0 | 1,480,333 | 0.08 | 0.24 | 56.27 |

Bedford City School District
Computation of Direct and Overlapping
Governmental Activities Debt
June 30, 2016

| | General Debt Outstanding | Percentage Applicable to School District (1) | Amount of Direct and Overlapping Debt |
|------------------------------|--------------------------------|----------------------------------------------------|---------------------------------------------|
| Direct: | | | |
| Bedford City School District | | | |
| General Obligation Bonds | \$1,480,333 | 100.00% | \$1,480,333 |
| Overlapping: | | | |
| Cuyahoga County | | | |
| General Obligation Bonds | 265,325,306 | 2.45 | 6,500,470 |
| Revenue Bonds | 632,267,039 | 2.45 | 15,490,542 |
| Capital Lease Obligations | 454,910,836 | 2.45 | 11,145,315 |
| Loans Payable | 3,641,944 | 2.45 | 89,228 |
| Regional Transit Authority | | | |
| General Obligation Bonds | 156,082,969 | 2.45 | 3,824,033 |
| City of Bedford | | | |
| General Obligation Bonds | 9,673,174 | 34.93 | 3,378,840 |
| OPWC Loans | 544,325 | 34.93 | 190,133 |
| Capital Lease Obligation | 85,006 | 34.93 | 29,693 |
| City of Bedford Heights | | | |
| General Obligation Bonds | 512,800 | 28.97 | 148,558 |
| OPWC Loans | 697,585 | 28.97 | 202,090 |
| Capital Lease Obligation | 126,723 | 28.97 | 36,712 |
| Village of Walton Hills | | | |
| OPWC Loans | 588,317 | 18.72 | 110,133 |
| Village of Oakwood | | | |
| General Obligation Bonds | 4,335,000 | 17.37 | 752,990 |
| Special Assessment Bonds | 174,765 | 17.37 | 26,127 |
| Total Overlapping | 1,528,965,789 | | 41,924,863 |
| Total | \$1,530,446,122 | | \$43,405,196 |

Source: Office of the Fiscal Officer, Cuyahoga County, Ohio

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the School District by the total assessed valuation of the subdivision. The valuations used were for the 2015 collection year.

Bedford City School District

Principal Employers

2016 and 2008 (1)

2016

| Employer | City | Nature of Business or Activity | Number of Employees |
|---------------------------------------------|-----------------|--------------------------------|---------------------|
| University Hospital Health Systems | Bedford | Health Care | 841 |
| Riser Foods Company | Bedford Heights | Retail Grocery | 700 |
| Wal-Mart Stores East | Bedford | Retail | 544 |
| Bedford City School District | Bedford | Public Education | 521 |
| U.S. Bank Leader Mortgage | Bedford | Banking | 405 |
| City of Bedford | Bedford | Municipal Government | 367 |
| B & B Launch | Oakwood Village | In-Home Senior Care | 320 |
| HB Employee Services LLC | Bedford | Service | 236 |
| Cleveland Coca Cola Bottling | Bedford Heights | Carbonated Soft Drinks | 230 |
| Arhaus Furniture | Walton Hills | Retail | 230 |
| Total | | | <u>4,394</u> |
| Total Employment within the School District | | | <u>n/a</u> |

2008

| Employer | City | Nature of Business or Activity | Number of Employees |
|---------------------------------------------|-----------------|-------------------------------------|---------------------|
| Giant Eagle | Bedford Heights | Retail Grocery | 1,474 |
| Ben Venue Laboratories | Bedford | Sterile Pharmaceuticals | 1,138 |
| University Hospital Health Systems | Bedford | Health Care | 1,029 |
| Ford Motor Company | Walton Hills | Motor Vehicle Parts and Accessories | 929 |
| Labor Ready Mid-Atlantic | Bedford | Temporary Employment Service | 847 |
| Bedford Board of Education | Bedford | Public Education | 584 |
| City of Bedford | Bedford | Municipal Government | 361 |
| Target | Bedford | Retail | 319 |
| U.S. Bank Leader Mortgage | Bedford | Banking Service | 271 |
| New York Frozen Foods Inc. | Bedford Heights | Retail Grocery | 242 |
| Cleveland Coca-Cola Bottling | Bedford Heights | Carbonated Soft Drinks | 220 |
| Total | | | <u>7,414</u> |
| Total Employment within the School District | | | <u>n/a</u> |

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

(1) 2007 information not available

n/a -Total employment within the School District not available.

Bedford City School District
Demographic and Economic Statistics
Last Ten Years

| Year | City of Bedford | | | City of Bedford Heights | | |
|------|----------------------|-----------------------|----------------------------|-------------------------|-----------------------|----------------------------|
| | Estimated Population | Total Personal Income | Personal Income Per Capita | Estimated Population | Total Personal Income | Personal Income Per Capita |
| 2007 | 14,214 | \$285,360,264 | \$20,076 | 11,375 | \$247,872,625 | \$21,791 |
| 2008 | 14,214 | 285,360,264 | 20,076 | 11,375 | 247,872,625 | 21,791 |
| 2009 | 14,214 | 285,360,264 | 20,076 | 11,375 | 247,872,625 | 21,791 |
| 2010 | 14,214 | 285,360,264 | 20,076 | 11,375 | 247,872,625 | 21,791 |
| 2011 | 13,074 | 312,808,524 | 23,926 | 10,751 | 234,275,041 | 21,791 |
| 2012 | 13,074 | 312,808,524 | 23,926 | 10,751 | 234,275,041 | 21,791 |
| 2013 | 13,074 | 312,808,524 | 23,926 | 10,751 | 234,275,041 | 21,791 |
| 2014 | 13,074 | 312,808,524 | 23,926 | 10,751 | 234,275,041 | 21,791 |
| 2015 | 13,074 | 312,808,524 | 23,926 | 10,751 | 234,275,041 | 21,791 |
| 2016 | 13,074 | 312,808,524 | 23,926 | 10,751 | 234,275,041 | 21,791 |

Source 2000 U.S. Census Bureau and 2010 U.S. Census Bureau
Office of the Fiscal Officer, Cuyahoga County

- (1) Beginning in 2016, the unemployment rate comes from the most recent CAFR of the City of Bedford.

| Village of Oakwood | | | Village of Walton Hills | | | Unemployment Rate (1) | Total Assessed Property Value |
|-------------------------|--------------------------|----------------------------------|-------------------------|--------------------------|----------------------------------|--------------------------|----------------------------------------|
| Estimated Population | Total Personal Income | Personal Income Per Capita | Estimated Population | Total Personal Income | Personal Income Per Capita | | |
| 3,667 | \$71,169,136 | \$19,408 | 2,400 | \$63,372,000 | \$26,405 | 6.6% | \$795,490,777 |
| 3,667 | 71,169,136 | 19,408 | 2,400 | 63,372,000 | 26,405 | 5.7 | 774,251,314 |
| 3,667 | 71,169,136 | 19,408 | 2,400 | 63,372,000 | 26,405 | 10.2 | 785,857,194 |
| 3,667 | 71,169,136 | 19,408 | 2,400 | 63,372,000 | 26,405 | 9.0 | 726,625,040 |
| 3,667 | 71,169,136 | 19,408 | 2,281 | 63,372,000 | 27,783 | 8.9 | 723,595,670 |
| 3,667 | 71,169,136 | 19,408 | 2,281 | 63,372,000 | 27,783 | 8.9 | 724,355,940 |
| 3,667 | 71,169,136 | 19,408 | 2,281 | 63,372,000 | 27,783 | 7.7 | 669,161,260 |
| 3,667 | 71,169,136 | 19,408 | 2,281 | 63,372,000 | 27,783 | 6.1 | 674,622,820 |
| 3,667 | 71,169,136 | 19,408 | 2,281 | 63,372,000 | 27,783 | 6.1 | 678,913,220 |
| 3,667 | 71,169,136 | 19,408 | 2,281 | 63,372,000 | 27,783 | 4.0 | 662,797,450 |

Bedford City School District*Building Statistics
Last Ten Fiscal Years*

| | <u>2007</u> | <u>2008</u> | <u>2009</u> |
|---------------------------------------------|-------------|-------------|-------------|
| Bedford High School | | | |
| Constructed in 1954 | | | |
| Additions in 1955, 1958, 1971, 1994 | | | |
| Total Building Square Footage | 400,000 | 400,000 | 400,000 |
| Media Center Square Footage | 18,400 | 18,400 | 18,400 |
| Cafeteria and Kitchen Square Footage | 12,500 | 12,500 | 12,500 |
| Auditorium Square Footage | 15,000 | 15,000 | 15,000 |
| Gymnasium (3 each) Square Footage | 27,000 | 27,000 | 27,000 |
| Pool Square Footage | 10,000 | 10,000 | 10,000 |
| Enrollment Grades 9-12 | 1,371 | 1,322 | 1,268 |
| Student Capacity | 1,800 | 1,800 | 1,800 |
| Regular Instruction Classrooms | 93 | 94 | 93 |
| Regular Instruction Teachers | 59 | 58 | 59 |
| Special Instruction Classrooms | 12 | 12 | 13 |
| Special Instruction Teachers | 13 | 14 | 15 |
| Vocational Instruction Classrooms | 16 | 16 | 16 |
| Vocational Instruction Teachers | 17 | 14 | 14 |
| Heskett Middle School | | | |
| Constructed in 1968 | | | |
| Total Building Square Footage | 105,000 | 105,000 | 105,000 |
| Media Center Square Footage | 5,040 | 5,040 | 5,040 |
| Cafeteria and Kitchen Square Footage | 7,400 | 7,400 | 7,400 |
| Auditorium Square Footage | 4,500 | 4,500 | 4,500 |
| Gymnasium Square Footage | 8,000 | 8,000 | 8,000 |
| Enrollment Grades 7-8 | 654 | 603 | 587 |
| Student Capacity | 800 | 800 | 800 |
| Regular Instruction Classrooms | 37 | 37 | 37 |
| Regular Instruction Teachers | 35 | 35 | 33 |
| Special Instruction Classrooms | 12 | 12 | 9 |
| Special Instruction Teachers | 12 | 15 | 15 |
| Aurora Upper Intermediate School (1) | | | |
| Constructed in 1952 | | | |
| Additions in 1955, 1965 | | | |
| Building not utilized as a school in 2008 | | | |
| Total Building Square Footage | 65,000 | 65,000 | 65,000 |
| Media Center Square Footage | 1,700 | 1,700 | 1,700 |
| Cafeteria and Kitchen Square Footage | 3,400 | 3,400 | 3,400 |
| Gymnasium Square Footage | 2,500 | 2,500 | 2,500 |
| Enrollment Grade 6 Only | 274 | 0 | 0 |
| Student Capacity | 460 | 460 | 460 |
| Regular Instruction Classrooms | 19 | 19 | 19 |
| Regular Instruction Teachers | 17 | 0 | 0 |
| Special Instruction Classrooms | 4 | 4 | 4 |
| Special Instruction Teachers | 4 | 0 | 0 |

| 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---------|---------|---------|---------|---------|---------|---------|
| 400,000 | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 |
| 18,400 | 18,400 | 18,400 | 18,400 | 18,400 | 18,400 | 18,400 |
| 12,500 | 12,500 | 12,500 | 12,500 | 12,500 | 12,500 | 12,500 |
| 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 |
| 27,000 | 27,000 | 27,000 | 27,000 | 27,000 | 27,000 | 27,000 |
| 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| 1,215 | 1,177 | 1,174 | 1,129 | 1,101 | 1,020 | 1,020 |
| 1,800 | 1,800 | 1,800 | 1,800 | 1,800 | 1,800 | 1,800 |
| 93 | 93 | 93 | 93 | 93 | 93 | 93 |
| 50 | 47 | 49 | 48 | 48 | 52 | 51 |
| 13 | 13 | 13 | 13 | 13 | 13 | 13 |
| 12 | 12 | 13 | 15 | 15 | 15 | 14 |
| 16 | 16 | 16 | 16 | 16 | 16 | 16 |
| 11 | 9 | 7 | 7 | 7 | 7 | 7 |
| 105,000 | 105,000 | 105,000 | 105,000 | 105,000 | 105,000 | 105,000 |
| 5,040 | 5,040 | 5,040 | 5,040 | 5,040 | 5,040 | 5,040 |
| 7,400 | 7,400 | 7,400 | 7,400 | 7,400 | 7,400 | 7,400 |
| 4,500 | 4,500 | 4,500 | 4,500 | 4,500 | 4,500 | 4,500 |
| 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 |
| 576 | 603 | 524 | 516 | 537 | 521 | 521 |
| 800 | 800 | 800 | 800 | 800 | 800 | 800 |
| 37 | 37 | 37 | 37 | 37 | 37 | 37 |
| 31 | 30 | 30 | 30 | 28 | 28 | 28 |
| 9 | 9 | 9 | 9 | 9 | 9 | 9 |
| 11 | 13 | 12 | 12 | 11 | 12 | 13 |
| 65,000 | 65,000 | 65,000 | 65,000 | 65,000 | 65,000 | 65,000 |
| 1,700 | 1,700 | 1,700 | 1,700 | 1,700 | 1,700 | 1,700 |
| 3,400 | 3,400 | 3,400 | 3,400 | 3,400 | 3,400 | 3,400 |
| 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 460 | 460 | 460 | 460 | 460 | 460 | 460 |
| 19 | 19 | 19 | 19 | 19 | 19 | 19 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |

(continued)

Bedford City School District

Building Statistics (continued)

Last Ten Fiscal Years

| | <u>2007</u> | <u>2008</u> | <u>2009</u> |
|-------------------------------------------|-------------|-------------|-------------|
| Carylwood Intermediate School (2) | | | |
| Constructed in 1955 | | | |
| Additions in 1965 | | | |
| Total Building Square Footage | 44,285 | 44,285 | 44,285 |
| Media Center Square Footage | 1,200 | 1,200 | 1,200 |
| Gym, Cafeteria and Kitchen Square Footage | 3,200 | 3,200 | 3,200 |
| Enrollment Grades 4-6 | 423 | 423 | 433 |
| Student Capacity | 520 | 438 | 438 |
| Regular Instruction Classrooms | 27 | 27 | 19 |
| Regular Instruction Teachers | 21 | 24 | 21 |
| Special Instruction Classrooms | 3 | 3 | 5 |
| Special Instruction Teachers | 6 | 7 | 6 |
| Columbus Intermediate School (2) | | | |
| Constructed in 1962 | | | |
| Additions in 1978, 1965, 2002 | | | |
| Total Building Square Footage | 71,125 | 71,125 | 71,125 |
| Media Center Square Footage | 1,400 | 1,400 | 1,400 |
| Gym, Cafeteria and Kitchen Square Footage | 3,200 | 3,200 | 3,200 |
| Gym/Auditorium Square Footage | 12,000 | 12,000 | 12,000 |
| Enrollment Grades 4-6 | 438 | 423 | 415 |
| Student Capacity | 525 | 525 | 525 |
| Regular Instruction Classrooms | 32 | 32 | 32 |
| Regular Instruction Teachers | 23 | 26 | 23 |
| Special Instruction Classrooms | 4 | 4 | 5 |
| Special Instruction Teachers | 7 | 9 | 7 |
| Central Primary School (2) | | | |
| Constructed in 1955 | | | |
| Additions in 1965 | | | |
| Total Building Square Footage | 72,500 | 72,500 | 72,500 |
| Media Center Square Footage | 1,700 | 1,700 | 400 |
| Gym, Cafeteria and Kitchen Square Footage | 3,400 | 3,400 | 3,400 |
| Enrollment Grades K-3 | 396 | 525 | 539 |
| Student Capacity | 520 | 520 | 520 |
| Regular Instruction Classrooms | 27 | 27 | 26 |
| Regular Instruction Teachers | 21 | 21 | 21 |
| Special Instruction Classrooms | 3 | 3 | 2 |
| Special Instruction Teachers | 4 | 5 | 5 |
| Glendale Primary School (2) | | | |
| Constructed in 1953 | | | |
| Additions in 1959, 1966 | | | |
| Total Building Square Footage | 66,000 | 66,000 | 66,000 |
| Media Center Square Footage | 1,920 | 1,920 | 700 |
| Cafeteria and Kitchen Square Footage | 1,430 | 1,430 | 1,430 |
| Gymnasium Square Footage | 2,400 | 2,400 | 2,400 |
| Enrollment Grades K-3 | 369 | 481 | 493 |
| Student Capacity | 520 | 520 | 520 |
| Regular Instruction Classrooms | 26 | 26 | 25 |
| Regular Instruction Teachers | 17 | 17 | 18 |
| Special Instruction Classrooms | 5 | 5 | 5 |
| Special Instruction Teachers | 5 | 7 | 5 |

(1) Aurora Upper Intermediate School closed at the end of FY 2007. The 6th graders were moved to the remaining Intermediate Schools and the 3rd graders were moved to the Primary Schools.

(2) Source of Information - School District Records

| 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|--------|--------|--------|--------|--------|--------|--------|
| 44,285 | 44,285 | 44,285 | 44,285 | 44,285 | 44,285 | 44,285 |
| 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 |
| 3,200 | 3,200 | 3,200 | 3,200 | 3,200 | 3,200 | 3,200 |
| 433 | 401 | 407 | 396 | 395 | 389 | 389 |
| 438 | 438 | 438 | 438 | 438 | 438 | 438 |
| 19 | 19 | 19 | 19 | 19 | 19 | 19 |
| 19 | 18 | 18 | 18 | 18 | 19 | 19 |
| 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| 8 | 10 | 11 | 10 | 9 | 8 | 8 |
| 71,125 | 71,125 | 71,125 | 71,125 | 71,125 | 71,125 | 71,125 |
| 1,400 | 1,400 | 1,400 | 1,400 | 1,400 | 1,400 | 1,400 |
| 3,200 | 3,200 | 3,200 | 3,200 | 3,200 | 3,200 | 3,200 |
| 12,000 | 12,000 | 12,000 | 12,000 | 12,000 | 12,000 | 12,000 |
| 388 | 381 | 373 | 369 | 369 | 402 | 402 |
| 525 | 525 | 525 | 525 | 525 | 525 | 525 |
| 32 | 32 | 32 | 32 | 32 | 32 | 32 |
| 22 | 21 | 18 | 18 | 18 | 20 | 19 |
| 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| 8 | 9 | 8 | 8 | 7 | 7 | 8 |
| 72,500 | 72,500 | 72,500 | 72,500 | 72,500 | 72,500 | 72,500 |
| 400 | 400 | 400 | 400 | 400 | 400 | 400 |
| 3,400 | 3,400 | 3,400 | 3,400 | 3,400 | 3,400 | 3,400 |
| 568 | 524 | 542 | 543 | 548 | 554 | 554 |
| 520 | 520 | 520 | 520 | 520 | 520 | 520 |
| 26 | 26 | 26 | 26 | 26 | 26 | 26 |
| 29 | 28 | 27 | 27 | 26 | 27 | 27 |
| 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| 5 | 6 | 6 | 6 | 5 | 5 | 7 |
| 66,000 | 66,000 | 66,000 | 66,000 | 66,000 | 66,000 | 66,000 |
| 700 | 700 | 700 | 700 | 700 | 700 | 700 |
| 1,430 | 1,430 | 1,430 | 1,430 | 1,430 | 1,430 | 1,430 |
| 2,400 | 2,400 | 2,400 | 2,400 | 2,400 | 2,400 | 2,400 |
| 473 | 482 | 465 | 477 | 487 | 486 | 486 |
| 520 | 520 | 520 | 520 | 520 | 520 | 520 |
| 25 | 25 | 25 | 25 | 25 | 25 | 25 |
| 23 | 23 | 21 | 21 | 23 | 25 | 21 |
| 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| 7 | 9 | 9 | 8 | 9 | 10 | 9 |

Bedford City School District

Per Pupil Cost

Last Ten Fiscal Years

| Fiscal Year | Student Enrollment | | General Governmental | |
|----------------|-----------------------|-------------------------|---------------------------|-------------------|
| | Average Enrollment | Percentage of Change | Total Expenditures (1) | Per Pupil Cost |
| 2007 | 3,825 | (2.12) % | \$48,272,312 | \$12,620 |
| 2008 | 3,792 | (0.86) | 52,375,971 | 13,812 |
| 2009 | 3,735 | (1.50) | 49,203,323 | 13,174 |
| 2010 | 3,653 | (2.20) | 50,286,933 | 13,766 |
| 2011 | 3,568 | (2.33) | 51,566,713 | 14,453 |
| 2012 | 3,529 | (1.09) | 49,574,304 | 14,048 |
| 2013 | 3,430 | (2.81) | 51,017,609 | 14,874 |
| 2014 | 3,437 | 0.20 | 51,561,531 | 15,002 |
| 2015 | 3,372 | (1.69) | 51,847,090 | 15,376 |
| 2016 | 3,188 | (7.24) | 53,089,531 | 16,653 |

(1) Debt Service totals have been excluded.

Source of Information - School District Records

| Governmental Activities | | Students Receiving Free or Reduced Lunch | Percentage Of Enrollment |
|-------------------------|-------------------|---------------------------------------------------|-----------------------------|
| Total Expenses | Per Pupil Cost | | |
| \$48,290,799 | \$12,625 | 1,701 | 44.47% |
| 52,725,363 | 13,904 | 1,767 | 46.60 |
| 51,256,160 | 13,723 | 2,088 | 55.90 |
| 51,714,154 | 14,157 | 2,043 | 55.93 |
| 50,825,758 | 14,245 | 2,265 | 63.48 |
| 51,043,602 | 14,464 | 2,334 | 66.14 |
| 50,875,526 | 14,833 | 2,296 | 66.94 |
| 51,816,630 | 15,076 | 2,299 | 66.89 |
| 52,057,306 | 15,438 | 2,267 | 67.23 |
| 53,607,645 | 16,815 | 2,249 | 70.55 |

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

| Function/Program | 2007 | 2008 | 2009 | 2010 |
|----------------------------------|--------------|--------------|------------|------------|
| Regular Instruction | | | | |
| Elementary Classroom Teachers | 94 | 88 | 98 | 83 |
| Middle School Classroom Teachers | 35 | 36 | 33 | 31 |
| High School Classroom Teachers | 59 | 58 | 59 | 50 |
| Aides* | 0 | 0 | 0 | 0 |
| Special Instruction | | | | |
| Preschool Teachers | 2.5 | 2.5 | 2 | 2 |
| Elementary Classroom Teachers | 28 | 24 | 24 | 27 |
| Gifted Education Teachers | 1 | 1 | 1 | 1 |
| Middle School Classroom Teachers | 12 | 15 | 15 | 11 |
| High School Classroom Teachers | 13 | 15 | 15 | 12 |
| Paraprofessionals/Aides* | 0 | 0 | 0 | 0 |
| Vocational Instruction | | | | |
| High School Classroom Teachers | 17 | 14 | 14 | 11 |
| Pupil Support Services | | | | |
| Guidance Counselors | 11 | 10 | 10 | 10 |
| Librarians | 2 | 2 | 2 | 1 |
| Psychologists | 4 | 4 | 4 | 3 |
| Speech & Language Pathologists | 4 | 4 | 4 | 4 |
| Data and Technology Coach* | 0 | 0 | 0 | 0 |
| Administrators | | | | |
| Elementary | 5 | 4 | 4 | 5 |
| Middle School | 3 | 3 | 3 | 3 |
| High School | 5 | 5 | 5 | 5 |
| Districtwide | 16 | 16 | 16 | 15 |
| Clerical, Technology, Finance* | 0 | 0 | 0 | 0 |
| Operation of Plant | | | | |
| Custodians, Security* | 38 | 35 | 34 | 30 |
| Maintenance | 8 | 8 | 8 | 9 |
| Pupil Transportation | | | | |
| Bus Drivers | 62 | 66 | 65 | 63 |
| Bus Aides | 13 | 9 | 9 | 10 |
| Mechanics | 5 | 5 | 5 | 5 |
| Food Service Program* | | | | |
| Elementary Cooks | 11 | 8 | 8 | 10 |
| Middle School Cooks | 10 | 10 | 10 | 9 |
| High School Cooks | 18 | 18 | 18 | 15 |
| Total Employees | <u>476.5</u> | <u>460.5</u> | <u>466</u> | <u>425</u> |

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

* Beginning in 2012 all classified personnel are included in the calculation.

(1) Source of Information - School District Records

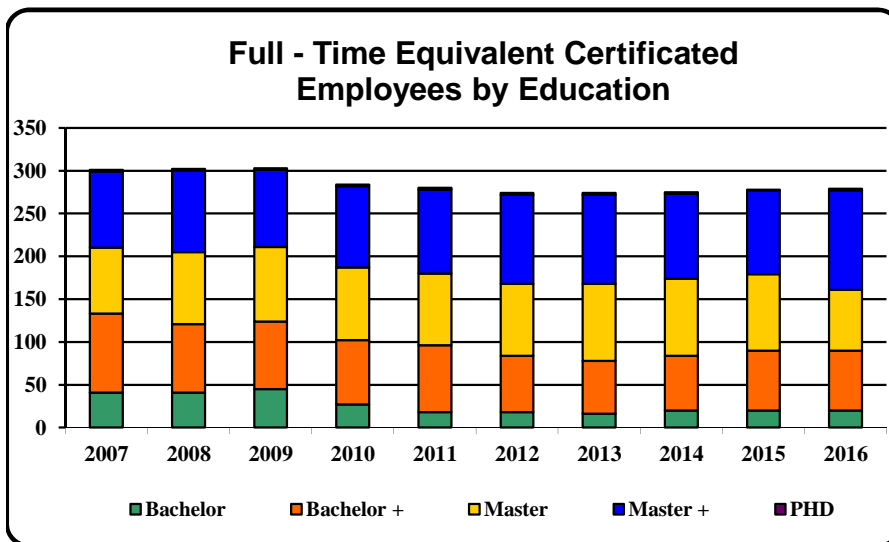
| 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|------|------|------|------|------|------|
| 90 | 84 | 87 | 87 | 91 | 86 |
| 30 | 30 | 30 | 28 | 28 | 27 |
| 47 | 49 | 48 | 49 | 52 | 51 |
| 0 | 17 | 19 | 18 | 21 | 21.5 |
| 2 | 2 | 2 | 2 | 3 | 4 |
| 32 | 31 | 30 | 28 | 27 | 28 |
| 1 | 1 | 1 | 1 | 1 | 1 |
| 14 | 12 | 12 | 11 | 11 | 13 |
| 12 | 13 | 15 | 15 | 15 | 14 |
| 0 | 20 | 22 | 23 | 26 | 21.5 |
| 9 | 7 | 7 | 7 | 7 | 6 |
| 10 | 10 | 10 | 10 | 10 | 10 |
| 1 | 6 | 6 | 4 | 3 | 5 |
| 4 | 4 | 4 | 4 | 4 | 5 |
| 4 | 3 | 4 | 5 | 5 | 5 |
| 0 | 5 | 5 | 5 | 5 | 5 |
| 4 | 4 | 4 | 4 | 4 | 5 |
| 3 | 3 | 3 | 3 | 3 | 3 |
| 5 | 5 | 5 | 5 | 5 | 4 |
| 16 | 16 | 16 | 16 | 15 | 15 |
| 0 | 40 | 38 | 36 | 35 | 33 |
| 29 | 38 | 34 | 36 | 38 | 37 |
| 8 | 8 | 8 | 8 | 8 | 10 |
| 59 | 60 | 54 | 55 | 53 | 56 |
| 12 | 12 | 10 | 10 | 10 | 10 |
| 5 | 5 | 5 | 5 | 5 | 5 |
| 8 | 12 | 12 | 12 | 12 | 15 |
| 9 | 10 | 10 | 10 | 10 | 8 |
| 14 | 15 | 14 | 14 | 17 | 17 |
| 428 | 522 | 515 | 511 | 524 | 521 |

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

| Degree | 2007 | 2008 | 2009 | 2010 | 2011 |
|------------------------------|------------|------------|------------|------------|------------|
| Bachelor | 41 | 41 | 45 | 27 | 18 |
| Bachelor Including 150 Hours | 51 | 44 | 46 | 48 | 46 |
| Bachelor Including 180 Hours | 41 | 36 | 33 | 27 | 32 |
| Master | 77 | 84 | 87 | 85 | 84 |
| Master +9 | 36 | 46 | 43 | 38 | 38 |
| Master +18 | 15 | 13 | 14 | 22 | 23 |
| Master +27 | 13 | 11 | 10 | 9 | 11 |
| Master +36 | 5 | 6 | 4 | 4 | 3 |
| Master + 45 | 13 | 13 | 12 | 12 | 13 |
| Master + 54 | 7 | 6 | 7 | 10 | 10 |
| PhD or JD | 2 | 2 | 2 | 2 | 2 |
| Total | 301 | 302 | 303 | 284 | 280 |

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

Source: School District Records



Source: School District Records

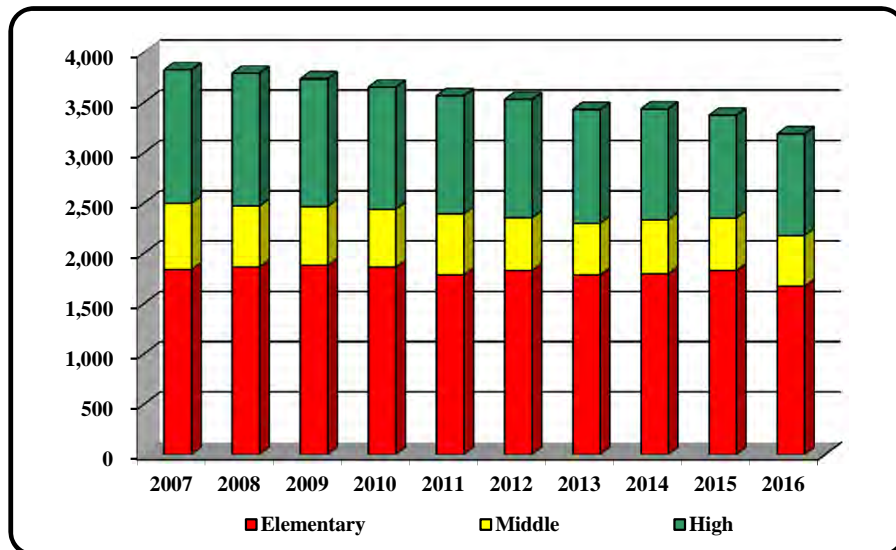
| <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
|-------------|-------------|-------------|-------------|-------------|
| 19 | 16 | 20 | 22 | 20 |
| 38 | 39 | 39 | 42 | 43 |
| 28 | 23 | 25 | 28 | 27 |
| 84 | 90 | 90 | 89 | 71 |
| 47 | 46 | 38 | 39 | 45 |
| 21 | 23 | 20 | 18 | 25 |
| 11 | 11 | 11 | 11 | 18 |
| 3 | 3 | 4 | 5 | 4 |
| 13 | 12 | 13 | 14 | 15 |
| 8 | 9 | 13 | 9 | 9 |
| <u>2</u> | <u>2</u> | <u>2</u> | <u>1</u> | <u>2</u> |
| <u>274</u> | <u>274</u> | <u>275</u> | <u>278</u> | <u>279</u> |

Bedford City School District

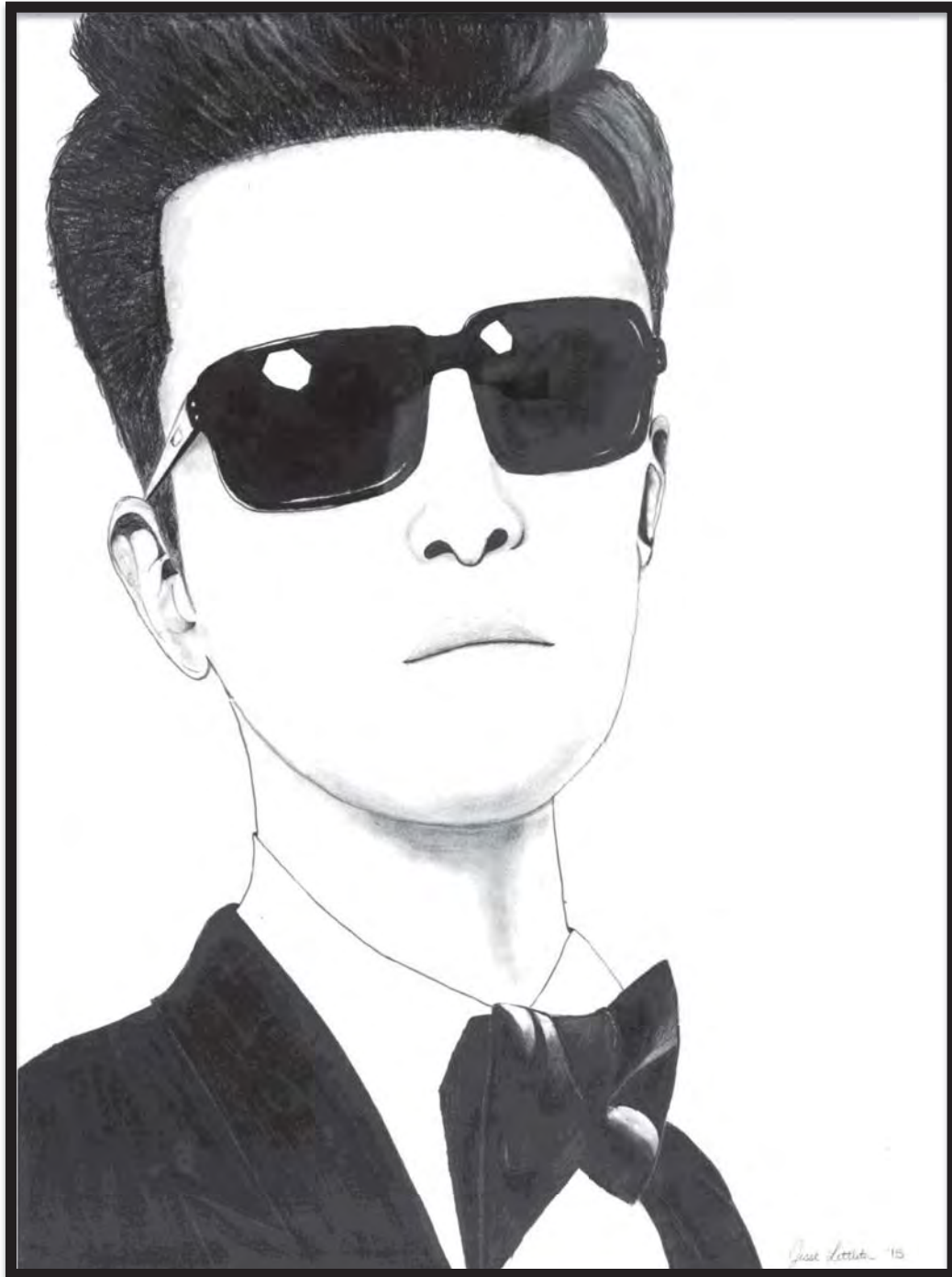
Enrollment Statistics

Last Ten Fiscal Years

| Fiscal Year | Elementary Schools | Middle School | High School | Total |
|----------------|-----------------------|------------------|----------------|-------|
| 2007 | 1,841 | 656 | 1,328 | 3,825 |
| 2008 | 1,867 | 603 | 1,322 | 3,792 |
| 2009 | 1,880 | 587 | 1,268 | 3,735 |
| 2010 | 1,862 | 576 | 1,215 | 3,653 |
| 2011 | 1,788 | 603 | 1,177 | 3,568 |
| 2012 | 1,831 | 524 | 1,174 | 3,529 |
| 2013 | 1,785 | 516 | 1,129 | 3,430 |
| 2014 | 1,799 | 537 | 1,101 | 3,437 |
| 2015 | 1,831 | 521 | 1,020 | 3,372 |
| 2016 | 1,674 | 506 | 1,008 | 3,188 |



Source: Bedford City School Records



Artwork by: Jesse Littleton

Grade 12

Bedford High School

Art Teacher: Rebecca Genao



Artwork by: Daviene Richardson

Grade K

Glendale Primary School

Art Teacher: April DeVincentis Jones

Bedford City School District
475 Northfield Road, Bedford, Ohio 44146
Phone: 440-786-3501 • Fax: 440-439-4327



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Dave Yost • Auditor of State

BEDFORD CITY SCHOOL DISTRICT

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MAY 23, 2017**