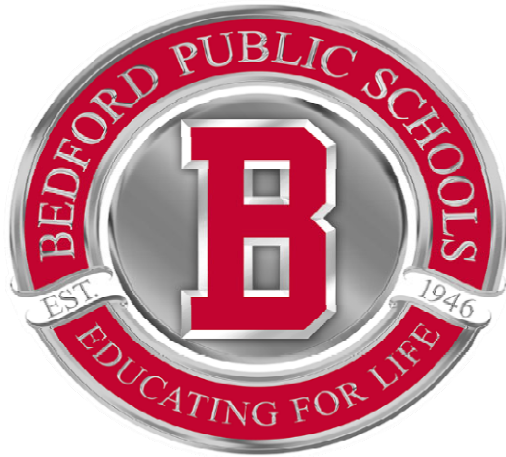


Bedford Public
Schools



Year Ended
June 30, 2025

Financial
Statements and
Supplementary
Information

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BEDFORD PUBLIC SCHOOLS

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INDEPENDENT AUDITORS' REPORT

October 31, 2025

Board of Education
Bedford Public Schools
Temperance, Michigan

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of **Bedford Public Schools** (the "District"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2025, and the respective changes in financial position 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.

Implementation of GASB Statement No. 101

As described in Note 17, the District implemented the provisions of GASB Statement No. 101, *Compensated Absences*, in the current year. Accordingly, beginning net position of the governmental activities was restated. Our opinion is not modified with respect to this matter.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Independent Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Independent Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the schedules for the pension and other postemployment benefit plans, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is 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. The 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 fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued, under separate cover, our report dated October 31, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Lehmann Lobson LLC". The signature is written in a cursive, flowing style.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

BEDFORD PUBLIC SCHOOLS

Management's Discussion and Analysis

As management of Bedford Public Schools (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2025.

Financial Highlights

· Total net position	\$ (16,101,505)
· Change in total net position	14,979,506
· Fund balances, governmental funds	34,624,177
· Change in fund balances, governmental funds	6,223,366
· Unassigned fund balance, general fund	18,217,960
· Change in fund balance, general fund	3,617,711
· Installment debt outstanding	25,955,000
· Change in installment debt	(1,245,000)

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private sector business.

The statement of net position presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the District include instruction, support services, community services, athletics, and food service. The District had no business-type activities during the year.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the District are considered to be governmental funds.

BEDFORD PUBLIC SCHOOLS

Management's Discussion and Analysis

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains several individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund, Thomas George Trust permanent fund, and capital maintenance capital projects fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The District adopts an annual appropriated budget for its general and special revenue funds. Budgetary comparison statements or schedules have been provided for the general fund and special revenue funds herein to demonstrate compliance with those budgets.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. This is limited to this management's discussion and analysis and the schedules for the Michigan Public Schools Employees' Retirement System pension and other postemployment benefit plan immediately following the notes to the financial statements. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the above required supplementary information.

BEDFORD PUBLIC SCHOOLS

Management's Discussion and Analysis

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a District's financial position. In the case of the District, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$16,101,505 at the close of the most recent fiscal year.

	Net Position	
	Governmental Activities	
	2025	2024
Assets		
Current and other assets	\$ 51,349,543	\$ 37,494,592
Capital assets, net	43,844,171	46,802,281
Total assets	<u>95,193,714</u>	<u>84,296,873</u>
Deferred outflows of resources	<u>19,053,760</u>	<u>26,822,388</u>
Liabilities		
Long-term liabilities	90,880,971	109,302,141
Other liabilities	6,993,534	7,874,795
Total liabilities	<u>97,874,505</u>	<u>117,176,936</u>
Deferred inflows of resources	<u>32,474,474</u>	<u>21,376,470</u>
Net position		
Net investment in capital assets	14,420,000	16,049,209
Restricted	19,230,309	10,039,950
Unrestricted (deficit)	<u>(49,751,814)</u>	<u>(53,523,304)</u>
Total net position	<u>\$ (16,101,505)</u>	<u>\$ (27,434,145)</u>

A portion of the District's net position, \$14,420,000, reflects its investment in capital assets (e.g., land improvements, buildings and improvements, machinery and equipment, vehicles, lease equipment, and subscription assets); less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to the students it serves; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The deficit of \$49,751,814 in unrestricted net position of governmental activities represents the accumulated results of all past years' operations including the impact of implementing GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. More detailed information on this can be seen in the notes to the financial statements. This number represents the amount that would remain if the District had to pay all bills today, including all noncurrent liabilities. This figure is comparable to a business' "net worth" or "owners' equity". This balance is directly affected each year by the District's operating results.

BEDFORD PUBLIC SCHOOLS

Management's Discussion and Analysis

The results of this year's operations for the District as a whole are reported in the statement of activities, which shows the changes in net position for the fiscal year 2025.

	Changes in Net Position	
	Governmental Activities	
	2025	2024
Revenues		
Program revenues:		
Charges for services	\$ 3,153,803	\$ 3,368,418
Operating grants and contributions	17,889,731	17,839,447
General revenues:		
Property taxes	7,553,208	7,311,525
State school aid	32,594,041	33,306,262
Grants and contributions not restricted to specific programs	2,615,836	2,484,407
Other	412,768	267,839
Total revenues	64,219,387	64,577,898
Expenses		
Instruction	22,492,050	26,915,919
Support services	16,820,991	17,811,654
Community services	1,137,413	979,086
Athletics	1,073,989	1,127,874
Food service	1,699,824	1,668,066
Unallocated depreciation/amortization	4,816,887	4,633,642
Interest on long-term debt	1,198,727	1,133,770
Total expenses	49,239,881	54,270,011
Change in net position	14,979,506	10,307,887
Net position, beginning of year	(27,434,145)	(37,742,032)
Restatement - GASB 101 Implementation	(3,646,866)	-
Net position, end of year	\$ (16,101,505)	\$ (27,434,145)

Governmental activities. Net position increased by \$14,979,506.

The key elements of this increase include grants and contributions, property tax revenues, and management of District resources on staffing and student needs.

BEDFORD PUBLIC SCHOOLS

Management's Discussion and Analysis

Financial Analysis of the Government's Funds

Governmental funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$34,624,117, an increase of \$6,223,366 in comparison with the prior year. Approximately 53% of this total amount, \$18,217,960, constitutes unassigned fund balance, which is available for spending at the District's discretion. The District reports nonspendable fund balances to indicate those amounts not available for new spending because the underlying assets are included in inventory, prepaid items, or endowments, restricted fund balances to indicate those amounts that are for a specific purpose, and reports committed fund balances to indicate amounts that are constrained for specific purposes by the formal action of the District's Board of Education.

The general fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the general fund was \$18,217,960. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures and transfers out. Unassigned fund balance represents approximately 35%, while total fund balance represents approximately 36% percent, of total general fund expenditures and transfers out.

The unassigned fund balance of the District's general fund increased by \$3,479,174 during the current fiscal year and the total fund balance of the District's general fund increased by \$3,617,711. This increase is primarily attributable to increased property tax revenues, increased earnings on investments, sales of capital assets, and decreased capital outlay expenditures.

The Thomas George Trust permanent fund reported nonspendable fund balance of \$6,040,040 during the current fiscal year. The Thomas George Trust was bequeathed to the District to spend interest earnings on math and science programs. There was an unrealized gain on the investments this year causing the increase in fund balance.

The capital maintenance capital projects fund balance increased by \$1,876,302 during the current fiscal year. The capital maintenance capital projects fund is supported by transfers from the District's general fund, and these funds are committed to district-wide capital improvement projects.

General Fund Budgetary Highlights

Over the course of the year, the District revises its budget as it attempts to deal with changes in revenues and expenditures. State law requires that the budget be amended to ensure that expenditures do not exceed appropriations. The final amendment to the budget was actually adopted just before year end. A statement showing the District's original and final budget amounts compared with amounts actually earned and expended is provided in these financial statements.

Differences between the original (\$52,288,201) and final (\$55,870,648) amended revenue budgets were related to various factors. The District's original budget reflected an estimated per pupil foundation allowance increase, an estimated decline in student enrollment and estimated categorical funds. After the State budget was finalized, the District's final revenue budget was increased to \$46,628,772 from the original budget amount of \$44,880,396. Actual expenditures of \$49,418,309 were less than the final budget of \$53,391,193 due to decreases in retirement and FICA benefits, capital outlay, and grant expenditures.

BEDFORD PUBLIC SCHOOLS

Management's Discussion and Analysis

Capital Asset and Debt Administration

Capital assets. The District's investment in capital assets for its governmental activities as of June 30, 2025, amounted to \$43,844,171 (net of accumulated depreciation/amortization). This investment in capital assets includes land improvements, buildings and improvements, machinery and equipment, vehicles, lease equipment, and subscription assets. Depreciation/amortization expense was \$4,816,887 for the year ended June 30, 2025. The major capital asset purchases during the current fiscal year included the following:

- Chromebooks and computers
- Food service equipment
- Athletic equipment
- Facility operations equipment

Additional information on the District's capital assets can be found in the notes to the financial statements section of this report.

Long-term debt. At the end of the current fiscal year, the District had total installment debt outstanding of \$25,955,000 and premiums of \$3,257,480. This amount represents the general obligations of the District that do constitute an indebtedness of the District within any constitutional or statutory limitations.

The District's bonds and related premiums decreased by \$1,495,575 during the current fiscal year, primarily due to debt retirement payments on the 2019 bond issue. Additional information on the District's long-term debt can be found in the notes to the financial statements section of this report.

Factors Bearing on the District's Future

The budget for the year ending June 30, 2026 was adopted in June 2025. At that time there was uncertainty related to State per pupil foundation allowance as well as district enrollment numbers for the year ending June 30, 2026. Subsequently, the State determined there would be a \$442 increase to the per pupil foundation allowance. When the Fall 2025 student count is validated and state categorical levels are determined, the District will amend the revenue and expenditure budgets to reflect these updates.

The current state government has been supportive of Public Education funding and has resulted in districts receiving annual increases in school funding. However, districts should be careful not to assume this is a permanent trend. If the current government is replaced by a more conservative group, education funding could possibly be cut, as it had been in the past with a conservative government. Therefore, the District must use caution in future planning and continue to meet increased contractual obligations, increasing health care costs, and State mandated retirement rates through continued budget management.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Bedford Public Schools Business Office, 1135 Smith Road, Temperance, MI 48182.

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BASIC FINANCIAL STATEMENTS

BEDFORD PUBLIC SCHOOLS

Statement of Net Position

June 30, 2025

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 27,013,650
Investments	5,572,734
Receivables	8,546,287
Other assets	272,273
Net other postemployment benefit asset	9,944,599
Capital assets being depreciated/amortized, net	43,844,171
Total assets	95,193,714
Deferred outflows of resources	
Deferred pension amounts	16,670,446
Deferred other postemployment benefit amounts	2,383,314
Total deferred outflows of resources	19,053,760
Liabilities	
Accounts payable and accrued liabilities	5,811,208
Unearned revenue	1,182,326
Bonds and other long-term liabilities:	
Due within one year	5,463,445
Due in more than one year	28,359,657
Net pension liability (due in more than one year)	57,057,869
Total liabilities	97,874,505
Deferred inflows of resources	
Deferred pension amounts	19,090,778
Deferred other postemployment benefit amounts	13,383,696
Total deferred inflows of resources	32,474,474
Net position	
Net investment in capital assets	14,420,000
Restricted for:	
Food service	1,629,236
Technology millage	510,148
Debt service	1,106,286
Other postemployment benefits	9,944,599
Thomas George Trust (nonexpendable)	6,040,040
Unrestricted (deficit)	(49,751,814)
Total net position	\$ (16,101,505)

The accompanying notes are an integral part of these financial statements.

BEDFORD PUBLIC SCHOOLS

Statement of Activities

For the Year Ended June 30, 2025

Functions / Programs	Expenses	Program Revenues		Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	
Governmental activities				
Instruction	\$ 22,492,050	\$ 1,430,548	\$ 14,557,487	\$ (6,504,015)
Support services	16,820,991	-	1,070,151	(15,750,840)
Community services	1,137,413	1,237,317	-	99,904
Athletics	1,073,989	272,907	-	(801,082)
Food service	1,699,824	213,031	2,262,093	775,300
Unallocated depreciation/amortization	4,816,887	-	-	(4,816,887)
Interest on long-term debt	1,198,727	-	-	(1,198,727)
Total governmental activities	<u>\$ 49,239,881</u>	<u>\$ 3,153,803</u>	<u>\$ 17,889,731</u>	<u>(28,196,347)</u>
General revenues				
Property taxes				7,553,208
State school aid				32,594,041
Grants and contributions not restricted to specific programs				2,615,836
Unrestricted investment earnings				<u>412,768</u>
Total general revenues				<u>43,175,853</u>
Change in net position				<u>14,979,506</u>
Net position, beginning of year, as previously reported				(27,434,145)
Restatement - GASB 101 Implementation				<u>(3,646,866)</u>
Net position, beginning of year, as restated				<u>(31,081,011)</u>
Net position, end of year				<u>\$ (16,101,505)</u>

The accompanying notes are an integral part of these financial statements.

BEDFORD PUBLIC SCHOOLS

Balance Sheet

Governmental Funds
June 30, 2025

	General	Thomas George Trust	Capital Maintenance	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 16,596,875	\$ 285,425	\$ 4,495,194	\$ 5,636,156	\$ 27,013,650
Investments	-	5,491,134	-	81,600	5,572,734
Accounts receivable	119,876	249,006	-	72,722	441,604
Due from other governments	8,070,478	-	-	34,205	8,104,683
Inventories	23,967	-	-	24,668	48,635
Prepaid items	3,823	15,607	-	70,186	89,616
Land held for resale	134,022	-	-	-	134,022
Total assets	<u>\$ 24,949,041</u>	<u>\$ 6,041,172</u>	<u>\$ 4,495,194</u>	<u>\$ 5,919,537</u>	<u>\$ 41,404,944</u>
Liabilities					
Accounts payable	\$ 1,446,848	\$ 1,132	\$ -	\$ 78,650	\$ 1,526,630
Salaries and benefits payable	4,040,673	-	-	31,138	4,071,811
Unearned revenue	1,081,748	-	-	100,578	1,182,326
Total liabilities	<u>6,569,269</u>	<u>1,132</u>	<u>-</u>	<u>210,366</u>	<u>6,780,767</u>
Fund balances					
Nonspendable:					
Inventories, prepaid items, and land held for sale	161,812	15,607	-	94,854	272,273
Thomas George Trust	-	6,024,433	-	-	6,024,433
Restricted for:					
Food service	-	-	-	1,545,707	1,545,707
Technology millage	-	-	-	499,607	499,607
Debt service	-	-	-	1,319,053	1,319,053
Capital projects	-	-	-	81,600	81,600
Committed for:					
Student/school activity	-	-	-	762,296	762,296
Health van	-	-	-	209,007	209,007
Recreation	-	-	-	210,793	210,793
Latchkey	-	-	-	986,254	986,254
Capital projects	-	-	4,495,194	-	4,495,194
Unassigned	18,217,960	-	-	-	18,217,960
Total fund balances	<u>18,379,772</u>	<u>6,040,040</u>	<u>4,495,194</u>	<u>5,709,171</u>	<u>34,624,177</u>
Total liabilities and fund balances	<u>\$ 24,949,041</u>	<u>\$ 6,041,172</u>	<u>\$ 4,495,194</u>	<u>\$ 5,919,537</u>	<u>\$ 41,404,944</u>

The accompanying notes are an integral part of these financial statements.

BEDFORD PUBLIC SCHOOLS

Reconciliation

Fund Balances of Governmental Funds
to Net Position of Governmental Activities
June 30, 2025

Fund balances - total governmental funds	\$ 34,624,177
---	----------------------

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

Capital assets used in governmental activities are not financial resources and
therefore are not reported in the funds.

Capital assets	89,224,323
Accumulated depreciation/amortization	(45,380,152)

Certain liabilities, such as bonds payable and other long-term liabilities, are not due
and payable in the current period and therefore are not reported in the funds.

Bonds and other long-term liabilities	(26,248,291)
Unamortized bond premium	(3,257,480)
Accrued interest payable	(212,767)
Compensated absences	(4,317,331)

Certain pension and other postemployment benefit-related amounts, such as the net pension
liability, the net other postemployment benefit asset and deferred amounts are not due and
payable in the current period or do not represent current financial resources and therefore
are not reported in the funds.

Net pension liability	(57,057,869)
Deferred outflows of resources related to the net pension liability	16,670,446
Deferred inflows of resources related to the net pension liability	(19,090,778)
Net other postemployment benefit asset	9,944,599
Deferred outflows of resources related to the net other postemployment benefit asset	2,383,314
Deferred inflows of resources related to the net other postemployment benefit asset	(13,383,696)

Net position of governmental activities	<u>\$ (16,101,505)</u>
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The accompanying notes are an integral part of these financial statements.

BEDFORD PUBLIC SCHOOLS

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Year Ended June 30, 2025

	General	Thomas George Trust	Capital Maintenance	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Local sources:					
Property taxes	\$ 4,915,173	\$ -	\$ -	\$ 2,638,035	\$ 7,553,208
Other local sources	2,743,379	559,870	-	3,860,461	7,163,710
State sources	45,760,763	-	-	1,425,542	47,186,305
Federal sources	1,385,115	-	-	931,049	2,316,164
Total revenues	54,804,430	559,870	-	8,855,087	64,219,387
Expenditures					
Current:					
Instruction	29,038,484	-	-	-	29,038,484
Support services	18,564,542	82,018	-	2,518,087	21,164,647
Community services	3,324	-	-	1,245,062	1,248,386
Athletics	1,340,730	-	-	-	1,340,730
Food service	-	-	-	1,836,739	1,836,739
Debt service:					
Principal	115,585	-	-	1,245,000	1,360,585
Interest and fiscal charges	7,756	-	-	1,340,350	1,348,106
Capital outlay	347,888	20,065	246,912	320,825	935,690
Total expenditures	49,418,309	102,083	246,912	8,506,063	58,273,367
Revenues over expenditures	5,386,121	457,787	(246,912)	349,024	5,946,020
Other financing sources (uses)					
Proceeds from sale of capital assets	3,350	-	-	887	4,237
Issuance of other long-term liabilities	273,109	-	-	-	273,109
Transfers in	78,345	-	2,123,214	14,297	2,215,856
Transfers out	(2,123,214)	-	-	(92,642)	(2,215,856)
Total other financing sources (uses)	(1,768,410)	-	2,123,214	(77,458)	277,346
Net change in fund balances	3,617,711	457,787	1,876,302	271,566	6,223,366
Fund balances, beginning of year, as previously reported	14,762,061	5,582,253	-	8,056,497	28,400,811
Change within financial reporting entity	-	-	2,618,892	(2,618,892)	-
Fund balances, beginning of year, as adjusted	14,762,061	5,582,253	2,618,892	5,437,605	28,400,811
Fund balances, end of year	\$ 18,379,772	\$ 6,040,040	\$ 4,495,194	\$ 5,709,171	\$ 34,624,177

The accompanying notes are an integral part of these financial statements.

BEDFORD PUBLIC SCHOOLS

Reconciliation

Net Change in Fund Balances of Governmental Funds
to Change in Net Position of Governmental Activities
For the Year Ended June 30, 2025

Net change in fund balances - total governmental funds \$ 6,223,366

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 and reported as depreciation/amortization expense.

Capital assets purchased/constructed	1,858,777
Depreciation/amortization expense	(4,816,887)
Proceeds from sale of capital assets	(4,237)
Gain on sale of capital assets	4,237

Bond proceeds provide current financial resources to governmental funds in the
period issued, but issuing bonds increases bonds and other long-term liabilities in the
statements of net position. Repayment of bond principal is an expenditure in the
governmental funds, but the repayment reduces bonds and other long-term liabilities
in the statement of net position.

Issuance of other long-term liabilities	(273,109)
Amortization of bond premium	250,575
Principal payments on bonds and other long-term liabilities	1,360,585

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

Change in net pension liability and related deferred amounts	6,436,174
Change in net other postemployment benefit asset/liability and related deferred amounts	4,136,570
Change in accrued interest payable on bonds	(101,196)
Change in the accrual for compensated absences	(95,349)

Change in net position of governmental activities \$ 14,979,506

The accompanying notes are an integral part of these financial statements.

BEDFORD PUBLIC SCHOOLS

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual - General Fund

For the Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Local sources:				
Property taxes	\$ 4,291,293	\$ 4,905,800	\$ 4,915,173	\$ 9,373
Other local sources	2,207,942	2,674,472	2,743,379	68,907
State sources	44,880,396	46,628,772	45,760,763	(868,009)
Federal sources	908,570	1,661,604	1,385,115	(276,489)
Total revenues	<u>52,288,201</u>	<u>55,870,648</u>	<u>54,804,430</u>	<u>(1,066,218)</u>
Expenditures				
Current:				
Instruction:				
Basic programs	25,547,792	23,263,788	22,347,268	(916,520)
Added needs	5,683,626	7,250,260	6,520,646	(729,614)
Adult and continuing education	119,461	140,049	140,595	546
Other	12,000	35,000	29,975	(5,025)
Total instruction	<u>31,362,879</u>	<u>30,689,097</u>	<u>29,038,484</u>	<u>(1,650,613)</u>
Support services:				
Pupil	3,370,164	2,989,217	2,538,826	(450,391)
Instructional services	1,617,474	2,237,183	1,899,066	(338,117)
General administration	1,381,231	1,441,933	1,145,392	(296,541)
School administration	3,978,220	3,768,896	3,645,295	(123,601)
Business	531,310	559,322	552,336	(6,986)
Maintenance	4,306,186	4,731,730	4,430,689	(301,041)
Transportation	3,514,902	3,610,192	3,400,448	(209,744)
Other support services	952,629	1,329,481	952,490	(376,991)
Total support services	<u>19,652,116</u>	<u>20,667,954</u>	<u>18,564,542</u>	<u>(2,103,412)</u>
Community services	<u>3,675</u>	<u>12,475</u>	<u>3,324</u>	<u>(9,151)</u>
Athletics	<u>1,346,727</u>	<u>1,419,717</u>	<u>1,340,730</u>	<u>(78,987)</u>
Debt service:				
Principal	-	158,000	115,585	(42,415)
Interest and fiscal charges	-	2,850	7,756	4,906
Total debt service	<u>-</u>	<u>160,850</u>	<u>123,341</u>	<u>(37,509)</u>
Capital outlay	<u>762,441</u>	<u>441,100</u>	<u>347,888</u>	<u>(93,212)</u>
Total expenditures	<u>53,127,838</u>	<u>53,391,193</u>	<u>49,418,309</u>	<u>(3,972,884)</u>
Revenues over (under) expenditures	<u>(839,637)</u>	<u>2,479,455</u>	<u>5,386,121</u>	<u>2,906,666</u>

continued...

BEDFORD PUBLIC SCHOOLS

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual - General Fund

For the Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Other financing sources (uses)				
Proceeds from sale of capital assets	\$ 4,000	\$ 3,350	\$ 3,350	\$ -
Issuance of other long-term liabilities	-	205,000	273,109	68,109
Transfers in	73,173	73,106	78,345	5,239
Transfers out	(1,062,577)	(2,123,214)	(2,123,214)	-
Total other financing uses	<u>(985,404)</u>	<u>(1,841,758)</u>	<u>(1,768,410)</u>	<u>73,348</u>
Net change in fund balance	(1,825,041)	637,697	3,617,711	2,980,014
Fund balance, beginning of year	<u>14,762,061</u>	<u>14,762,061</u>	<u>14,762,061</u>	<u>-</u>
Fund balance, end of year	<u>\$ 12,937,020</u>	<u>\$ 15,399,758</u>	<u>\$ 18,379,772</u>	<u>\$ 2,980,014</u>

concluded

The accompanying notes are an integral part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS

BEDFORD PUBLIC SCHOOLS

Notes to the Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Bedford Public Schools (the “District”) has followed the guidelines of the Governmental Accounting Standards Board and has determined that no entities should be included in its basic financial statements as component units. Therefore, the reporting entity consists of the primary government financial statements only.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The District had no business-type activities during the year.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for reimbursement-based grants that use one year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, intergovernmental revenues, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

BEDFORD PUBLIC SCHOOLS

Notes to the Financial Statements

The District reports the following major governmental funds:

The *general fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those accounted for and reported in another fund.

The *Thomas George Trust permanent fund* accounts for monies provided by a private bequest to fund high school math and science programs of the District. The principal amount of the bequest is to remain intact and invested. Investment earnings are used for the above stated purposes.

The *capital maintenance capital projects fund* is used to account for all financial resources restricted or committed to expenditure for the acquisition or construction of capital assets.

Additionally, the District reports the following fund types:

The *special revenue funds* are used to account and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects.

The *debt service fund* is used to account for financial resources restricted to expenditure for principal and interest.

The *capital projects fund* is used to account for all financial resources restricted or committed to expenditure for the acquisition or construction of capital assets.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, and then unrestricted resources as they are needed.

The effect of interfund activity has been eliminated from the government-wide financial statements.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Equity

Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The District's investments are reported at fair value, except for its investment in the Michigan Liquid Asset Fund (MILAF), which is recorded at amortized cost.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans).

Accounts payable and other payables reflected in the financial statements are based on when the liability is incurred.

BEDFORD PUBLIC SCHOOLS

Notes to the Financial Statements

Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets

Capital assets, which include property and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition cost at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets of the primary government are depreciated using the straight-line method over the following estimated useful lives:

	Years
Land improvements	10-20
Buildings and improvements	5-50
Machinery and equipment	5-20
Vehicles	5-8

Deferred Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District also reports deferred outflows of resources related to the net pension liability and the net other postemployment benefit asset. A portion of these costs represent contributions to the plan subsequent to the plan measurement date.

BEDFORD PUBLIC SCHOOLS

Notes to the Financial Statements

Compensated Absences

The District recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. Based on the criteria listed, one type of leave qualifies for liability recognition for compensated absences - sick. The liability for compensated absences is reported as incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Deferred Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to one or more future periods and so will not be recognized as an inflow of resources (revenue) until that time. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The District reports deferred inflows of resources related to pension and other postemployment benefit costs in the government-wide statement of net position.

Long-term Obligations

In the government-wide financial statements, long-term obligations are reported as liabilities in the governmental activities statement of net position. Where applicable, bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received in debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

Leases

Lessee. The District is a lessee for noncancellable leases of equipment. The District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The District recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

BEDFORD PUBLIC SCHOOLS

Notes to the Financial Statements

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price (if applicable) that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Subscription-based Information Technology Arrangements (SBITA)

The District has noncancellable subscription-based information technology arrangements. The District recognizes a subscription liability and an intangible right-to-use subscription asset in the government-wide financial statements. The District recognizes subscription liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a subscription, the District initially measures the subscription liability at the present value of payments expected to be made during the SBITA term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to subscriptions include how the District determines (1) the discount rate it uses to discount the expected SBITA payments to present value, (2) subscription term, and (3) subscription payments. The District uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for SBITAs. The subscription term includes the noncancellable period of the subscription. Subscription payments included in the measurement of the subscription liability are composed of fixed payments and purchase option price (if applicable) that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its subscription and will remeasure the subscription asset and subscription liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

BEDFORD PUBLIC SCHOOLS

Notes to the Financial Statements

Fund Equity

Governmental funds report *nonspendable fund balance* for amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. *Restricted fund balance* is reported when externally imposed constraints are placed on the use of the resources by grantors, contributors, or laws or regulations of other governments. *Committed fund balance*, if any, is reported for amounts that can be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority, the Board of Education. A formal resolution of the Board of Education is required to establish, modify or rescind a fund balance commitment. The District reports *assigned fund balance* for amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The Board of Education has delegated the authority to assign fund balance to the Superintendent or his/her designee. *Unassigned fund balance* is the residual classification for the general fund.

When the District incurs an expenditure for purposes for which various fund balance classifications can be used, it is the District's policy to use restricted fund balance first, then committed fund balance, assigned fund balance, and finally unassigned fund balance.

Pensions and Other Postemployment Benefits

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

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. BUDGETARY INFORMATION

The general and special revenue funds are under formal budgetary control. Budgets shown in the financial statements are adopted annually on a basis consistent with GAAP, are not significantly different from the modified accrual basis used to reflect actual results, and consist only of those amounts contained in the formal budget as originally adopted or as amended by the Board of Education. The budgets for the general and special revenue funds are adopted on a functional basis.

BEDFORD PUBLIC SCHOOLS

Notes to the Financial Statements

3. EXCESS OF EXPENDITURES OVER BUDGET

P.A. 621 of 1978, as amended, provides that a government shall not incur expenditures in excess of the amount appropriated. The approved budgets of the District were adopted on a detailed functional level basis.

During the year ended June 30, 2025, the District incurred expenditures in excess of the amounts appropriated at the legal level of budgetary control as follows:

	Final Budget	Actual	Over Budget
General fund			
Instruction -			
Adult and continuing education	\$ 140,049	\$ 140,595	\$ 546
Debt service -			
Interest and fiscal charges	2,850	7,756	4,906
Food service fund			
Transfers out	30,000	30,992	992
Student/school activity fund			
Support services	800,000	811,800	11,800
Latchkey fund			
Community services	454,885	479,106	24,221
Transfers out	27,748	29,225	1,477

4. DEPOSITS AND INVESTMENTS

A reconciliation of cash and investments as shown on the Statement of Net Position follows:

Statement of Net Position	
Cash and cash equivalents	\$ 27,013,650
Investments	<u>5,572,734</u>
Total	<u><u>\$ 32,586,384</u></u>
Deposits and investments:	
Bank deposits (checking/savings accounts)	\$ 27,011,893
Certificates of deposit	1,257
Investments	5,572,734
Cash on hand	<u>500</u>
Total	<u><u>\$ 32,586,384</u></u>

BEDFORD PUBLIC SCHOOLS

Notes to the Financial Statements

Statutory Authority

State statutes authorize the District to deposit and invest in:

- a. Bonds, bills, or notes of the United States; obligations, the principal and interest of which are fully guaranteed by the United States; or obligations of the State. In a primary or fourth class school district, the bonds, bills, or notes shall be payable at the option of the holder upon not more than 90 days notice or, if not so payable, shall have maturity dates not more than five years after the purchase dates.
- b. Certificates of deposit insured by a State or national bank, savings accounts of a state or federal savings and loan association, or certificates of deposit or share certificates of a state or federal credit union organized and authorized to operate in this State.
- c. Commercial paper rated prime at the time of purchase and maturing not more than 270 days after the date of purchase.
- d. Securities issued or guaranteed by agencies or instrumentalities of the United States government or federal agency obligation repurchase agreements, and bankers' acceptance issued by a bank that is a member of the federal deposit insurance corporation.
- e. Mutual funds composed entirely of investment vehicles that are legal for direct investment by a school district.
- f. Investment pools, as authorized by the surplus funds investment pool act, composed entirely of instruments that are legal for direct investment by a school district.

The District's investment policy allows for all of these types of investments.

The District's investments listed below, other than the investment in the MILAF, are held in trust by a third party. The investment decisions are outside of the control of the District, and therefore, are not subject to the criteria listed above.

BEDFORD PUBLIC SCHOOLS

Notes to the Financial Statements

As of year end, the District had the following investments:

Investment	Maturity	Fair Value / Amortized Cost	Rating
Michigan Liquid Asset Fund (MILAF)	n/a	\$ 81,600	S&P AAAM
Equity mutual funds	n/a	3,561,118	Not rated
Fixed income mutual funds	n/a	1,589,918	Not rated
Money market cash management funds	n/a	340,098	Not rated
		<u>\$ 5,572,734</u>	

Investment and Deposit Risk

Interest Rate Risk. State law limits the allowable investments and the maturities of some of the allowable investments as identified in list of authorized investments above. The District's investment policy does not have specific limits in excess of state law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The maturities for each investment are identified above for investments held at year end.

Credit Risk. State law limits investments to specific government securities, certificates of deposits and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers acceptances of specific financial institutions, qualified mutual funds and qualified external investment pools as identified in the list of authorized investments above. The District's investment policy does not have specific limits in excess of state law on investment credit risk. The ratings for each investment are identified above for investments held at year end.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned. State law does not require and the District does not have a policy for deposit custodial credit risk. As of year end, \$27,596,317, of the District's bank balance of \$28,319,794 (book balance was \$27,013,150) was exposed to custodial credit risk because it was uninsured and uncollateralized.

Custodial Credit Risk – Investments. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State law does not require and the District does not have a policy for investment custodial credit risk. The investments of the District in mutual funds and money market funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book form.

Concentration of Credit Risk. State law limits allowable investments but does not limit concentration of credit risk as identified in the list of authorized investments above. The District's investment policy does not have specific limits in excess of state law on concentration of credit risk.

Fair Value Measurement. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

BEDFORD PUBLIC SCHOOLS

Notes to the Financial Statements

The District's recurring fair value measurements as of June 30, 2025 are related to its investments in mutual funds and money market cash management funds. The money market cash management funds are valued using quoted prices in active markets for identical assets (Level 1 inputs). The investments in mutual funds are valued using significant other observable inputs (Level 2 inputs).

5. RECEIVABLES

Receivables as of year end for the District's major funds and nonmajor funds in the aggregate, are as follows:

	General	Thomas George Trust	Nonmajor Governmental Funds	Total
Accounts receivable	\$ 119,876	\$ 249,006	\$ 72,722	\$ 441,604
Due from other governments	8,070,478	-	34,205	8,104,683
	<u>\$ 8,190,354</u>	<u>\$ 249,006</u>	<u>\$ 106,927</u>	<u>\$ 8,546,287</u>

6. CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2025 was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Governmental activities				
Capital assets being depreciated/amortized:				
Land improvements	\$ 5,165,910	\$ 31,122	\$ -	\$ 5,197,032
Buildings and improvements	72,803,939	12,555	-	72,816,494
Machinery and equipment	4,937,399	969,674	-	5,907,073
Vehicles	4,002,912	572,317	(93,496)	4,481,733
Lease equipment (Note 10)	130,115	209,639	-	339,754
Subscription assets (Note 11)	515,559	63,470	(96,792)	482,237
Total capital assets being depreciated/amortized	<u>87,555,834</u>	<u>1,858,777</u>	<u>(190,288)</u>	<u>89,224,323</u>
Less accumulated depreciation/amortization for:				
Land improvements	(1,750,535)	(245,480)	-	(1,996,015)
Buildings and improvements	(33,215,497)	(3,555,451)	-	(36,770,948)
Machinery and equipment	(2,154,998)	(638,564)	-	(2,793,562)
Vehicles	(3,429,419)	(181,819)	93,496	(3,517,742)
Lease equipment (Note 10)	(26,023)	(67,951)	-	(93,974)
Subscription assets (Note 11)	(177,081)	(127,622)	96,792	(207,911)
Total accumulated depreciation/amortization	<u>(40,753,553)</u>	<u>(4,816,887)</u>	<u>190,288</u>	<u>(45,380,152)</u>
Capital assets, net	<u>\$ 46,802,281</u>	<u>\$ (2,958,110)</u>	<u>\$ -</u>	<u>\$ 43,844,171</u>

Depreciation/amortization expense of \$4,816,887 was reported as "unallocated depreciation/amortization" and was not allocated to specific functions.

BEDFORD PUBLIC SCHOOLS

Notes to the Financial Statements

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities as of year end for the District's individual major funds and nonmajor funds in the aggregate, are as follows:

	General	Thomas George Trust	Nonmajor Governmental Funds	Total
Accounts payable	\$ 1,446,848	\$ 1,132	\$ 78,650	\$ 1,526,630
Salaries and benefits payable	4,040,673	-	31,138	4,071,811
	<u>\$ 5,487,521</u>	<u>\$ 1,132</u>	<u>\$ 109,788</u>	5,598,441
Government-wide financial statements -				
Accrued interest on bonds				<u>212,767</u>
				<u>\$ 5,811,208</u>

8. INTERFUND TRANSFERS

For the year ending June 30, 2025, interfund transfers consisted of the following:

	Transfers out	Transfers in
General	\$ 2,123,214	\$ 78,345
Capital maintenance	-	2,123,214
Nonmajor governmental funds	<u>92,642</u>	<u>14,297</u>
	<u>\$ 2,215,856</u>	<u>\$ 2,215,856</u>

Transfers are used to: (1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; (2) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due; (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; and (4) move funds from ancillary programs into general or other parent funds to offset the overhead, or indirect costs, of operation.

BEDFORD PUBLIC SCHOOLS

Notes to the Financial Statements

9. BONDS AND OTHER LONG-TERM LIABILITIES

The following is a summary of long-term liability transactions of the District for the year ended June 30, 2025:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General obligation bonds	\$ 27,200,000	\$ -	\$ (1,245,000)	\$ 25,955,000	\$ 1,375,000
Unamortized premiums	3,508,055	-	(250,575)	3,257,480	250,575
Compensated absences*	4,221,982	95,349	-	4,317,331	3,764,957
Lease liabilities (Note 10)	111,818	209,639	(47,540)	273,917	63,369
Subscription liabilities (Note 11)	23,949	63,470	(68,045)	19,374	9,544
Total long-term debt	\$ 35,065,804	\$ 368,458	\$ (1,611,160)	\$ 33,823,102	\$ 5,463,445

* The change in compensated absences liability is presented as a net change.

The District's debt consists of the following item -

\$31,690,000 2019 School Building and Site Bonds due in annual installments ranging from \$580,000 to \$2,535,000 through 2038; interest payable at 4.00% to 5.00%.

\$ 25,955,000

Annual debt service requirements to maturity on general obligation bonds are as follows:

Year Ended June 30,	Principal	Interest	Total
2026	\$ 1,375,000	\$ 1,242,225	\$ 2,617,225
2027	1,510,000	1,170,100	2,680,100
2028	1,655,000	1,090,975	2,745,975
2029	1,810,000	1,004,350	2,814,350
2030	1,975,000	909,725	2,884,725
2031-2035	10,800,000	2,906,750	13,706,750
2036-2038	6,830,000	631,200	7,461,200
	<u>\$ 25,955,000</u>	<u>\$ 8,955,325</u>	<u>\$ 34,910,325</u>

10. LEASES

Lessee - The District is involved in three agreements as a lessee that qualify as long-term lease agreements. Below is a summary of the nature of these agreements. These agreements qualify as intangible, right-to-use assets and not financed purchases, as the District will not own the assets at the end of the contract term and the noncancelable term of the agreements surpass one year.

The right-to-use assets and the related activity are included in Note 6, Capital Assets. The lease liability and related activity are presented in Note 9, Bonds and Other Long-term Liabilities.

BEDFORD PUBLIC SCHOOLS

Notes to the Financial Statements

	Remaining Term of Agreement
Asset Type	
Equipment	4 - 6 years

The net present value of future minimum payments as of June 30, 2025, were as follows:

Year Ended June 30,	Principal	Interest
2026	\$ 63,369	\$ 8,967
2027	65,665	6,671
2028	68,045	4,291
2029	49,258	2,035
2030	24,922	517
2031	2,658	13
	<u>\$ 273,917</u>	<u>\$ 22,494</u>

11. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The District is involved in ten arrangements that qualify as long-term subscription-based information technology arrangements ("SBITA"). Below is a summary of the nature of these arrangements. These arrangements qualify as intangible, right-to-use subscription assets as the District has the control of the right to use another party's IT software and the noncancelable term of the arrangement surpasses one year. The present values are discounted using an interest rate of 3.0 percent based on the District's incremental borrowing rate.

The right-to-use assets and the related activity are included in Note 6, Capital Assets. The subscription liability and related activity are presented in Note 9, Bonds and Other Long-term Liabilities.

	Remaining Term of Arrangements
Asset Type	
Subscription assets	2 years

The net present value of future minimum payments as of June 30, 2025, were as follows:

Year Ended June 30,	Principal	Interest
2026	\$ 9,544	\$ 581
2027	9,830	295
	<u>\$ 19,374</u>	<u>\$ 876</u>

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Notes to the Financial Statements

12. RISK MANAGEMENT

The District is exposed to various risks of loss related to property loss, torts, errors, and omissions, employee injuries (workers' compensation), as well as medical benefits provided to employees. The District has purchased commercial insurance for general liability, employee injuries/workers' compensation, property and casualty, and health claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage during the last fiscal year.

13. CONTINGENCIES

Under the terms of various Federal and State grants and regulatory requirements, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants and requirements. Such audits could lead to reimbursement of the grantor or regulatory agencies. However, management does not believe such disallowances, if any, would be material to the financial position of the District.

14. PROPERTY TAXES

Property taxes levied by the District are collected by various municipalities and periodically remitted to the District. The taxes are levied as of July 1 and December 1, and are due upon receipt of the billing by the taxpayer. The actual due dates are September 14 and February 14, after which time the bills become delinquent and penalties and interest may be assessed by the collecting entity. District property tax revenues are recognized when levied to the extent that they result in current receivables (collected within 60 days after year end). Amounts received subsequent to August 29 are recognized as revenue when collected.

15. PENSION AND OTHER POSTEMPLOYMENT BENEFITS PLANS

Plan Description

The Michigan Public School Employees' Retirement System (the "System" or MPSERS) is a cost-sharing, multiple employer, state-wide, defined benefit public employee retirement plan governed by the State of Michigan (the "State") originally created under Public Act 136 of 1945, recodified and currently operating under the provisions of Public Act 300 of 1980, as amended. Section 25 of this act establishes the board's authority to promulgate or amend the provisions of the System. The board consists of twelve members - eleven appointed by the Governor and the State Superintendent of Instruction, who serves as an ex-officio member.

The System's pension plan was established by the State to provide retirement, survivor and disability benefits to public school employees. In addition, the System's health plan provides all retirees with the option of receiving health, prescription drug, dental and vision coverage under the Michigan Public School Employees' Retirement Act (1980 PA 300 as amended).

The System is administered by the Office of Retirement Services (ORS) within the Michigan Department of Technology, Management & Budget. The Department Director appoints the Office Director, with whom the general oversight of the System resides. The State Treasurer serves as the investment officer and custodian for the System.

The System's financial statements are available at the ORS website at www.michigan.gov/orsschools.

BEDFORD PUBLIC SCHOOLS

Notes to the Financial Statements

Pension Benefits Provided

Benefit provisions of the defined benefit pension plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions for the defined benefit (DB) pension plan. Depending on the plan option selected, member retirement benefits are determined by final average compensation, years of service, and a pension factor ranging from 1.25% to 1.50%. DB members are eligible to receive a monthly benefit when they meet certain age and service requirements. The System also provides disability and survivor benefits to DB plan members.

A DB member plan member who leaves Michigan public school employment may request a refund of his or her member contributions to the retirement system account if applicable. A refund cancels a former member's rights to future benefits. However, returning members who previously received a refund of their contributions may reinstate their service through repayment of the refund upon satisfaction of certain requirements.

Participants in the defined contribution plan consist of one of the following: (1) members who worked for a Michigan public school on or after September 4, 2012 and elected to be enrolled in the defined contribution plan; (2) members who elected to transfer from the defined benefit plan to the defined contribution plan under the reform (P.A. 300) of 2012; or (3) members who worked for a Michigan public school on or after February 1, 2018 and did not elect participation in the Pension Plus 2 plan. Members who worked for a Michigan public school on or after September 4, 2012 and elected to be enrolled in the defined contribution plan receive a 100% match of the member contribution rate up to a maximum of 3% based on the member's gross earnings. Additionally, there is a mandatory employer contribution of 4% of the member's gross earnings for MPSERS members who elected to convert from a Basic or MIP benefit plan to the defined contribution benefit plan. Members electing the Pension Plus or Pension Plus 2 benefit plan receive a 50% match of the member's contribution percent up to a maximum of 1% based on the member's gross earnings. Effective October 1, 2017, there is a mandatory employer contribution of 4% of the member's gross earnings for members who elect the Defined Contribution benefit plan. The employer must match 100% of the employee contribution for any member who elected the Personal Healthcare Fund up to a maximum of 2% of the member's gross earnings. For all members with a Personal Health Care Fund (PHF), the first 2% of DC contributions must go into the PHF and must be matched 100% by the employer.

Other Postemployment Benefits Provided

Benefit provisions of the postemployment healthcare plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions. Retirees have the option of health coverage, which, through 2012, was funded on a cash disbursement basis. Beginning fiscal year 2013, it is funded on a prefunded basis. The System has contracted to provide the comprehensive group medical, prescription drug, dental and vision coverage for retirees and beneficiaries. A subsidized portion of the premium is paid by the System with the balance deducted from the monthly pension of each retiree healthcare recipient. For members who first worked before July 1, 2008, (Basic, MIP-Fixed, and MIP Graded plan members) the subsidy is the maximum allowed by statute. To limit future liabilities of Other Postemployment Benefits, members who first worked on or after July 1, 2008 (MIP-Plus plan members) have a graded premium subsidy based on career length where they accrue credit towards their insurance premiums in retirement, not to exceed the maximum allowable by statute. Public Act 300 of 2012 sets the maximum subsidy at 80% beginning January 1, 2013; 90% for those Medicare eligible and enrolled in the insurances as of that date. Dependents are eligible for healthcare coverage if they meet the dependency requirements set forth in Public Act 300 of 1980, as amended.

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Notes to the Financial Statements

Public Act 300 of 2012 granted all active members of the Michigan Public School Employees Retirement System, who earned service credit in the 12 months ending September 3, 2012 or were on an approved professional services or military leave of absence on September 3, 2012, a voluntary election regarding their retirement healthcare. Any changes to a member's healthcare benefit are effective as of the member's transition date, which is defined as the first day of the pay period that begins on or after February 1, 2013.

Under Public Act 300 of 2012, members were given the choice between continuing the 3% contribution to retiree healthcare and keeping the premium subsidy benefit described above, or choosing not to pay the 3% contribution and instead opting out of the subsidy benefit and becoming a participant in the Personal Healthcare Fund (PHF), a portable, tax-deferred fund that can be used to pay healthcare expenses in retirement. Participants in the PHF are automatically enrolled in a 2% employee contribution into their 457 account as of their transition date, earning them a 2% employer match into a 401(k) account. Members who selected this option stop paying the 3% contribution to retiree healthcare as of the day before their transition date, and their prior contributions were deposited into their 401(k) account.

Contributions

Employers are required by Public Act 300 of 1980, as amended, to contribute amounts necessary to finance the coverage of active and retired members. Contribution provisions are specified by State statute and may be amended only by action of the State Legislature.

Employer contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The portion of this cost allocated to the current valuation year is called the normal cost. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis. The unfunded (overfunded) actuarial accrued liability as of the September 30, 2023 valuation will be amortized over a 15-year period beginning October 1, 2023 and ending September 30, 2038.

The table below summarizes pension contribution rates in effect for fiscal year 2025:

Benefit Structure	Member Rates	Employer Rates
Basic	0.00% - 4.00%	23.03% - 30.11%
Member Investment Plan (MIP)	3.00% - 7.00%	23.03% - 30.11%
Pension Plus	3.00% - 6.40%	19.17% - 26.27%
Pension Plus 2	6.20%	20.10% - 27.16%
Defined Contribution	0.00%	13.90% - 20.96%

For the year ended June 30, 2025, required and actual contributions from the District to the pension plan were \$9,266,481, which included \$2,561,048, the amount received from the State and remitted to the System to fund the MPSERS unfunded actuarial accrued liability ("UAAL") stabilization rate. In addition, the District had additional contributions of \$582,136, which was a one-time, state payment toward the MPSERS unfunded liability.

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Notes to the Financial Statements

The table below summarizes OPEB contribution rates in effect for fiscal year 2025:

Benefit Structure	Member Rates	Employer Rates
Premium Subsidy	3.00%	1.25% - 8.31%
Personal Healthcare Fund (PHF)	0.00%	0.00% - 7.06%

For the year ended June 30, 2025, required and actual contributions from the District to the OPEB plan were \$435,883.

The table below summarizes defined contribution rates in effect for fiscal year 2025:

Benefit Structure	Member Rates	Employer Rates
Defined Contribution	0.00% - 3.00%	0.00% - 7.00%
Personal Healthcare Fund (PHF)	0.00% - 2.00%	0.00% - 2.00%

For the year ended June 30, 2025, required and actual contributions from the District for those members with a defined contribution benefit were \$644,139.

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

At June 30, 2025, the District reported a liability of \$57,057,869 for its proportionate share of the MPSERS net pension liability. The net pension liability was measured as of September 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation rolled forward from September 2023. The District's proportion of the net pension liability was determined by dividing each employer's statutorily required pension contributions to the system during the measurement period by the percent of pension contributions required from all applicable employers during the measurement period. At September 30, 2024, the District's proportion was 0.23306%, which was a decrease of 0.00757% from its proportion measured as of September 30, 2023.

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Notes to the Financial Statements

For the year ended June 30, 2025, the District recognized pension expense of \$3,205,598. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Differences between expected and actual experience	\$ 1,548,020	\$ 619,942	\$ 928,078
Changes in assumptions	5,948,621	4,180,537	1,768,084
Net difference between projected and actual earnings on pension plan investments	-	10,889,060	(10,889,060)
Changes in proportion and differences between employer contributions and proportionate share of contributions	13,004	3,401,239	(3,388,235)
	<u>7,509,645</u>	<u>19,090,778</u>	<u>(11,581,133)</u>
District contributions subsequent to the measurement date	<u>9,160,801</u>	<u>-</u>	<u>9,160,801</u>
Total	<u><u>\$ 16,670,446</u></u>	<u><u>\$ 19,090,778</u></u>	<u><u>\$ (2,420,332)</u></u>

The amount reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Amount
2026	\$ (3,016,734)
2027	(680,468)
2028	(4,790,909)
2029	<u>(3,093,022)</u>
Total	<u><u>\$ (11,581,133)</u></u>

BEDFORD PUBLIC SCHOOLS

Notes to the Financial Statements

OPEB Assets/Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2025, the District reported an asset of \$9,944,599 for its proportionate share of the MPSERS net OPEB asset. The net OPEB asset was measured as of September 30, 2024, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation rolled forward from September 2023. The District's proportion of the net OPEB asset was determined by dividing each employer's statutorily required OPEB contributions to the system during the measurement period by the percent of OPEB contributions required from all applicable employers during the measurement period. At September 30, 2024, the District's proportion was 0.23103% which was a decrease of 0.00418% from its proportion measured as of September 30, 2023.

For the year ended June 30, 2025, the District recognized OPEB benefit of \$3,780,768. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Differences between expected and actual experience	\$ -	\$ 10,538,238	\$ (10,538,238)
Changes in assumptions	2,172,044	249,658	1,922,386
Net difference between projected and actual earnings on OPEB plan investments	-	1,882,627	(1,882,627)
Changes in proportion and differences between employer contributions and proportionate share of contributions	48,656	713,173	(664,517)
	<u>2,220,700</u>	<u>13,383,696</u>	<u>(11,162,996)</u>
District contributions subsequent to the measurement date	162,614	-	162,614
Total	<u><u>\$ 2,383,314</u></u>	<u><u>\$ 13,383,696</u></u>	<u><u>\$ (11,000,382)</u></u>

BEDFORD PUBLIC SCHOOLS

Notes to the Financial Statements

The amount reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as an adjustment to the net OPEB asset in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	Amount
2026	\$ (3,647,510)
2027	(2,228,400)
2028	(2,119,515)
2029	(1,919,228)
2030	(1,053,894)
Thereafter	<u>(194,449)</u>
Total	<u>\$ (11,162,996)</u>

Actuarial Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The total pension and OPEB liabilities in the September 30, 2023 actuarial valuation were determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry age, normal
Wage inflation rate	2.75%
Investment rate of return:	
MIP and Basic plans (non-hybrid)	6.00%
Pension Plus plan (hybrid)	6.00%
Pension Plus 2 plan (hybrid)	6.00%
OPEB plans	6.00%
Projected salary increases	2.75% - 11.55%, including wage inflation at 2.75%
Cost of living adjustments	3% annual non-compounded for MIP members
Healthcare cost trend rate	Pre-65: 7.25% Year 1 graded to 3.5% Year 15 Post-65: 6.50% Year 1 graded to 3.5% Year 15
Mortality	Retirees: PubT-2010 Male and Female Retiree Mortality Tables scaled by 116% for males and 116% for females and adjusted for mortality improvements using projection scale MP-2021 from 2010. Active: PubT-2010 Male and Female Employee Mortality Tables scaled 100% and adjusted for mortality improvements using projection scale MP-2021 from 2010.

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Notes to the Financial Statements

Other OPEB assumptions:

Opt-out assumptions	21% of eligible participants hired before July 1, 2008 and 30% of those hired after June 30, 2008 are assumed to opt-out of the retiree health plan.
Survivor coverage	80% of male retirees and 67% of female retirees are assumed to have coverages continuing after the retiree's death.
Coverage election at retirement	75% of male and 60% of female future retirees are assumed to elect coverage for 1 or more dependents.

Assumption changes as a result of an experience study for the period 2017 through 2022 have been adopted by the System for use in the annual pension and OPEB valuations beginning with the September 30, 2023 valuation. The total pension and OPEB liabilities as of September 30, 2024, are based on the results of an actuarial valuation date of September 30, 2023, and rolled forward using generally accepted actuarial procedures, including the experience study. The recognition period for pension liabilities is 4.4612 years which is the average of the expected remaining service lives of all employees. The recognition period for OPEB liabilities is 6.2834 years which is the average of the expected remaining service lives of all employees. The recognition period for assets is 5 years.

Changes in assumptions. The method for amortizing UAAL transitioned from the level percent of payroll to the level dollar method. In addition, healthcare cost trend rates for pre-65 decreased from 7.50% to 7.25% and post-65 increased from 6.25% to 6.50%.

Long-term Expected Return on Pension and OPEB Plan Assets

The long-term expected rate of return on pension and OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension/OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension and OPEB plans' target asset allocation as of September 30, 2024, are summarized in the following table:

BEDFORD PUBLIC SCHOOLS

Notes to the Financial Statements

Pension

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Domestic equity pools	25.00%	5.02%	1.26%
Private equity pools	16.00%	8.53%	1.36%
International equity pools	15.00%	6.16%	0.92%
Fixed income pools	13.00%	2.08%	0.27%
Real estate and infrastructure pools	10.00%	6.73%	0.67%
Absolute return pools	9.00%	4.93%	0.44%
Real return/opportunistic pools	10.00%	6.54%	0.65%
Short-term investment pools	2.00%	1.33%	0.03%
	<u>100.00%</u>		5.60%
Inflation			2.30%
Risk adjustment			<u>-1.90%</u>
Investment rate of return			<u>6.00%</u>

OPEB

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Domestic equity pools	25.00%	5.02%	1.26%
Private equity pools	16.00%	8.53%	1.36%
International equity pools	15.00%	6.16%	0.92%
Fixed income pools	13.00%	1.88%	0.24%
Real estate and infrastructure pools	10.00%	6.73%	0.67%
Absolute return pools	9.00%	4.93%	0.44%
Real return/opportunistic pools	10.00%	6.54%	0.65%
Short-term investment pools	2.00%	1.33%	0.03%
	<u>100.00%</u>		5.57%
Inflation			2.30%
Risk adjustment			<u>-1.87%</u>
Investment rate of return			<u>6.00%</u>

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Notes to the Financial Statements

Rate of Return

For the fiscal year ended September 30, 2024, the annual money-weighted rate of return on pension and OPEB plan investments, net of pension and OPEB plan investment expense, was 15.47% and 15.45%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate

A discount rate of 6.00% was used to measure the total pension and OPEB liabilities. This discount rate was based on the long-term expected rate of return on pension and OPEB plan investments of 6.00%. The projection of cash flows used to determine these discount rates assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension and OPEB plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension and OPEB plan investments was applied to all periods of projected benefit payments to determine the total pension and OPEB liabilities.

Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 6.00%, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher:

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
District's proportionate share of the net pension liability	\$ 83,647,449	\$ 57,057,869	\$ 34,916,928

Sensitivity of the District’s Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate

The following presents the District’s proportionate share of the net OPEB asset calculated using the discount rate of 6.00%, as well as what the District’s proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher:

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
District's proportionate share of the net OPEB asset	\$ (7,685,268)	\$ (9,944,599)	\$ (11,898,030)

BEDFORD PUBLIC SCHOOLS

Notes to the Financial Statements

Sensitivity of the District's Proportionate Share of the Net OPEB Asset to Healthcare Cost Trend Rate

The following presents the District's proportionate share of the net OPEB asset calculated using the assumed trend rates, as well as what the District's proportionate share of the net OPEB asset would be if it were calculated using a trend rate that is 1 percentage point lower or 1 percentage point higher:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
District's proportionate share of the net OPEB asset	\$ (11,898,051)	\$ (9,944,599)	\$ (7,849,533)

Pension and OPEB Plans Fiduciary Net Position

Detailed information about the pension and OPEB plan's fiduciary net position is available in the separately issued MPSERS financial statements available on the State of Michigan Office of Retirement Services website at www.michigan.gov/orsschools.

Payable to the Pension Plan

At June 30, 2025, the District reported a payable of \$1,307,165 for the outstanding amount of pension contributions to the Plan required for the year ended June 30, 2025.

Payable to the OPEB Plan

At June 30, 2025, the District reported a payable of \$30,531 for the outstanding amount of OPEB contributions to the Plan required for the year ended June 30, 2025.

16. NET INVESTMENT IN CAPITAL ASSETS

As of June 30, 2025, net investment in capital assets was comprised of the following:

Capital assets being depreciated/amortized, net	\$ 43,844,171
General obligation bonds	(25,955,000)
Unamortized premiums	(3,257,480)
Lease liabilities	(273,917)
Subscription liabilities	(19,374)
Unexpended bond proceeds	81,600
Net investment in capital assets	\$ 14,420,000

BEDFORD PUBLIC SCHOOLS

Notes to the Financial Statements

17. RESTATEMENT/ADJUSTMENTS TO BEGINNING NET POSITION/FUND BALANCE

For the year ended June 30, 2025, the District had the following restatement/adjustments to beginning net position/fund balance.

	Governmental Activities	Capital Maintenance	Nonmajor Governmental Funds
Net position/fund balances, beginning of year, as previously reported	\$ (27,434,145)	\$ -	\$ 8,056,497
Change in accounting principle - GASB 101 Implementation	(3,646,866)	-	-
Change within the financial reporting entity - Change from major to nonmajor fund	-	2,618,892	(2,618,892)
Net position/fund balances, beginning of year, as restated/adjusted	<u>\$ (31,081,011)</u>	<u>\$ 2,618,892</u>	<u>\$ 5,437,605</u>

The District previously reported the capital maintenance capital projects fund as nonmajor. This fund now meets the quantitative threshold for major funds in accordance with GAAP for the year ended June 30, 2025.

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REQUIRED SUPPLEMENTARY INFORMATION

BEDFORD PUBLIC SCHOOLS

Required Supplementary Information

MPSERS Cost-Sharing Multiple-Employer Plan

Schedule of the District's Proportionate Share of the Net Pension Liability

	Year Ended June 30,			
	2025	2024	2023	2022
District's proportionate share of the net pension liability	\$ 57,057,869	\$ 77,883,203	\$ 92,985,806	\$ 58,661,363
District's proportion of the net pension liability	0.23306%	0.24063%	0.24725%	0.24777%
District's covered payroll	\$ 24,611,733	\$ 23,618,494	\$ 23,969,057	\$ 22,155,741
District's proportionate share of the net pension liability as a percentage of its covered payroll	231.83%	329.76%	387.94%	264.77%
Plan fiduciary net position as a percentage of the total pension liability	74.44%	65.91%	60.77%	72.60%

See notes to required supplementary information.



Year Ended June 30,					
2021	2020	2019	2018	2017	2016
\$ 86,989,238	\$ 84,031,859	\$ 77,311,559	\$ 69,131,627	\$ 68,306,880	\$ 66,306,598
0.25324%	0.25375%	0.25718%	0.26677%	0.27378%	0.27147%
\$ 22,320,849	\$ 22,397,196	\$ 21,411,273	\$ 22,037,320	\$ 23,220,386	\$ 22,823,373
389.72%	375.19%	361.08%	313.70%	294.17%	290.52%
59.72%	60.31%	62.36%	64.21%	63.27%	63.17%

BEDFORD PUBLIC SCHOOLS

Required Supplementary Information

MPSERS Cost-Sharing Multiple-Employer Plan Schedule of the District's Pension Contributions

	Year Ended June 30,			
	2025	2024	2023	2022
Statutorily required contributions	\$ 9,266,481	\$ 9,686,609	\$ 8,853,917	\$ 8,218,449
Contributions in relation to the statutorily required contributions	(9,266,481)	(9,686,609)	(8,853,917)	(8,218,449)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 25,742,920	\$ 24,780,023	\$ 23,517,310	\$ 22,977,502
Contributions as a percentage of covered payroll	36.00%	39.09%	37.65%	35.77%

See notes to required supplementary information.



Year Ended June 30,					
2021	2020	2019	2018	2017	2016
\$ 7,405,248	\$ 6,981,461	\$ 6,744,987	\$ 7,181,504	\$ 6,231,118	\$ 6,101,948
(7,405,248)	(6,981,461)	(6,744,987)	(7,181,504)	(6,231,118)	(6,101,948)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 22,051,194	\$ 22,632,508	\$ 22,471,175	\$ 22,188,828	\$ 22,133,786	\$ 22,607,610
33.58%	30.85%	30.02%	32.37%	28.15%	26.99%

BEDFORD PUBLIC SCHOOLS

Required Supplementary Information

MPSERS Cost-Sharing Multiple-Employer Plan

Schedule of the District's Proportionate Share of the Net Other Postemployment Benefit (Asset) Liability

	Year Ended June 30,			
	2025	2024	2023	2022
District's proportionate share of the net OPEB (asset) liability	\$ (9,944,599)	\$ (1,330,557)	\$ 5,208,661	\$ 3,734,194
District's proportion of the net OPEB asset/liability	0.23103%	0.23521%	0.24592%	0.24464%
District's covered payroll	\$ 24,611,733	\$ 23,618,494	\$ 23,969,057	\$ 22,155,741
District's proportionate share of the net OPEB (asset) liability as a percentage of its covered payroll	-40.41%	-5.63%	21.73%	16.85%
Plan fiduciary net position as a percentage of the total OPEB liability	143.08%	105.04%	83.09%	87.33%

See notes to required supplementary information.

Year Ended June 30,			
2021	2020	2019	2018
\$ 13,475,352	\$ 18,382,455	\$ 19,983,159	\$ 23,680,266
0.25153%	0.25610%	0.25139%	0.26741%
\$ 22,320,849	\$ 22,397,196	\$ 21,411,273	\$ 22,037,320
60.37%	82.07%	93.33%	107.46%
59.44%	48.46%	42.95%	36.39%

BEDFORD PUBLIC SCHOOLS

Required Supplementary Information

MPERS Cost-Sharing Multiple-Employer Plan

Schedule of the District's Other Postemployment Benefit Contributions

	Year Ended June 30,			
	2025	2024	2023	2022
Statutorily required contributions	\$ 435,883	\$ 1,913,307	\$ 1,904,424	\$ 1,799,989
Contributions in relation to the statutorily required contributions	<u>(435,883)</u>	<u>(1,913,307)</u>	<u>(1,904,424)</u>	<u>(1,799,989)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 25,742,920	\$ 24,780,023	\$ 23,517,310	\$ 22,977,502
Contributions as a percentage of covered payroll	1.69%	7.72%	8.10%	7.83%

See notes to required supplementary information.



Year Ended June 30,			
2021	2020	2019	2018
\$ 1,798,703	\$ 1,795,863	\$ 1,728,859	\$ 1,629,361
<u>(1,798,703)</u>	<u>(1,795,863)</u>	<u>(1,728,859)</u>	<u>(1,629,361)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 22,051,194	\$ 22,632,508	\$ 22,471,175	\$ 22,188,828
8.16%	7.93%	7.69%	7.34%

BEDFORD PUBLIC SCHOOLS

Notes to Required Supplementary Information

Pension Information

The amounts presented in the schedule of the District's Proportionate Share of the Net Pension Liability were determined as of September 30 of the preceding year (the plan year).

The significant changes in assumptions for each of the fiscal years ended June 30 were as follows:

- 2025 - The method for amortizing UAAL transitioned from the level percent of payroll to the level dollar method.
- 2024 - The payroll growth assumption for amortization purposes used in determining the fiscal year 2025 and 2026 employer contributions decreased from 2.00% to 1.50% and 1.50% to 0.75%, respectively. In addition, the PubT-2010 mortality tables were used in the September 2022 valuation compared to the RP-2014 mortality tables used in the September 2021 valuation.
- 2023 - The payroll growth assumption for amortization purposes used in determining the fiscal year 2024 employer contributions decreased from 2.5% to 2.0%. Additionally, the discount rate used in the September 30, 2021 actuarial valuation decreased to 6.00% for the MIP and Basic plans, and 6.00% for the Pension Plus Plan.
- 2022 - The payroll growth assumption for amortization purposes used in determining the fiscal year 2023 employer contributions decreased from 3.0% to 2.5%.
- 2021 - The payroll growth assumption for amortization purposes used in determining the fiscal year 2022 employer contributions decreased from 3.5% to 3.0%.
- 2020 - The discount rate used in the September 30, 2018 actuarial valuation decreased to 6.80% for the MIP and Basic plans, 6.80% for the Pension Plus Plan, and 6.00% for the Pension Plus 2 Plan.
- 2019 - The discount rate used in the September 30, 2017 actuarial valuation decreased to 7.05% for the MIP and Basic plans, 7.00% for the Pension Plus plan, and 6.00% for the Pension Plus 2 plan.
- 2018 - The discount rate used in the September 30, 2016 actuarial valuation decreased to 7.50% for the MIP and Basic plans and 7.00% for the Pension Plus plan.

BEDFORD PUBLIC SCHOOLS

Notes to Required Supplementary Information

OPEB Information

GASB 75 was implemented in fiscal year 2018. The OPEB plan schedules are being built prospectively. Ultimately, 10 years of data will be presented.

The amounts presented in the schedule of the District's Proportionate Share of the Net OPEB (Asset) Liability were determined as of September 30 of the preceding year (the plan year).

The significant changes in assumptions for each of the fiscal years ended June 30 were as follows:

- 2025 - The method for amortizing UAAL transitioned from the level percent of payroll to the level dollar method. In addition, healthcare cost trend rates for pre-65 decreased from 7.50% to 7.25% and post-65 increased from 6.25% to 6.50%.
- 2024 - The payroll growth assumption for amortization purposes used in determining the fiscal year 2025 and 2026 employer contributions decreased from 2.00% to 1.50% and 1.50% to 0.75%, respectively. In addition, the PubT-2010 mortality tables were used in the September 2022 valuation compared to the RP-2014 mortality tables used in the September 2021 valuation. Finally, healthcare cost trend rates for pre-65 decreased from 7.75% to 7.50% and post-65 increased from 5.25% to 6.25%.
- 2023 - The payroll growth assumption for amortization purposes used in determining the fiscal year 2024 employer contributions decreased from 2.5% to 2.0%. Additionally, the discount rate used in the September 30, 2021 actuarial valuation decreased to 6.00%.
- 2022 - The payroll growth assumption for amortization purposes used in determining the fiscal year 2023 employer contributions decreased from 3.0% to 2.5%. The healthcare cost trend rate used in the September 30, 2020 actuarial valuation increased to 7.75%.
- 2021 - The payroll growth assumption for amortization purposes used in determining the fiscal year 2022 employer contributions decreased from 3.5% to 3.0%. The healthcare cost trend rate used in the September 30, 2019 actuarial valuation decreased to 7.0%.
- 2020 - The discount rate used in the September 30, 2018 actuarial valuation decreased to 6.95%.
- 2019 - The discount rate used in the September 30, 2017 actuarial valuation decreased to 7.15%.

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COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

BEDFORD PUBLIC SCHOOLS

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2025

	Special Revenue			
	Food Service	Technology Enhancement	Student/School Activity	Health Van
Assets				
Cash and cash equivalents	\$ 1,549,798	\$ 502,254	\$ 802,771	\$ 192,324
Investments	-	-	-	-
Accounts receivable	1,766	570	87	24,670
Due from other governments	34,205	-	-	-
Inventories	24,668	-	-	-
Prepaid items	58,861	10,541	784	-
Total assets	<u>\$ 1,669,298</u>	<u>\$ 513,365</u>	<u>\$ 803,642</u>	<u>\$ 216,994</u>
Liabilities				
Accounts payable	\$ 13,121	\$ 712	\$ 33,082	\$ 581
Salaries and benefits payable	2,119	2,505	-	7,406
Unearned revenue	24,822	-	7,480	-
Total liabilities	<u>40,062</u>	<u>3,217</u>	<u>40,562</u>	<u>7,987</u>
Fund balances				
Nonspendable	83,529	10,541	784	-
Restricted	1,545,707	499,607	-	-
Committed	-	-	762,296	209,007
Total fund balances	<u>1,629,236</u>	<u>510,148</u>	<u>763,080</u>	<u>209,007</u>
Total liabilities and fund balances	<u>\$ 1,669,298</u>	<u>\$ 513,365</u>	<u>\$ 803,642</u>	<u>\$ 216,994</u>

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Special Revenue		Debt Service	Capital Projects	
Recreation	Latchkey	2019	2019 Bond	Total
\$ 300,209	\$ 969,747	\$ 1,319,053	\$ -	\$ 5,636,156
-	-	-	81,600	81,600
2,930	42,699	-	-	72,722
-	-	-	-	34,205
-	-	-	-	24,668
-	-	-	-	70,186
<u>\$ 303,139</u>	<u>\$ 1,012,446</u>	<u>\$ 1,319,053</u>	<u>\$ 81,600</u>	<u>\$ 5,919,537</u>
\$ 7,437	\$ 23,717	\$ -	\$ -	\$ 78,650
16,633	2,475	-	-	31,138
68,276	-	-	-	100,578
<u>92,346</u>	<u>26,192</u>	<u>-</u>	<u>-</u>	<u>210,366</u>
-	-	-	-	94,854
-	-	1,319,053	81,600	3,445,967
210,793	986,254	-	-	2,168,350
<u>210,793</u>	<u>986,254</u>	<u>1,319,053</u>	<u>81,600</u>	<u>5,709,171</u>
<u>\$ 303,139</u>	<u>\$ 1,012,446</u>	<u>\$ 1,319,053</u>	<u>\$ 81,600</u>	<u>\$ 5,919,537</u>

BEDFORD PUBLIC SCHOOLS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds
For the Year Ended June 30, 2025

	Special Revenue			
	Food Service	Technology Enhancement	Student/School Activity	Health Van
Revenues				
Local sources:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other local sources	213,031	1,568,024	872,415	177,958
State sources	1,331,044	1,250	-	88,848
Federal sources	931,049	-	-	-
Total revenues	<u>2,475,124</u>	<u>1,569,274</u>	<u>872,415</u>	<u>266,806</u>
Expenditures				
Current:				
Support services	-	1,706,287	811,800	-
Community services	-	-	-	235,749
Food service	1,836,739	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	308,840	-	-	-
Total expenditures	<u>2,145,579</u>	<u>1,706,287</u>	<u>811,800</u>	<u>235,749</u>
Revenues over (under) expenditures	<u>329,545</u>	<u>(137,013)</u>	<u>60,615</u>	<u>31,057</u>
Other financing sources (uses)				
Proceeds from sale of capital assets	-	887	-	-
Transfers in	-	-	-	-
Transfers out	(30,992)	-	-	(14,381)
Total other financing sources (uses)	<u>(30,992)</u>	<u>887</u>	<u>-</u>	<u>(14,381)</u>
Net change in fund balances	<u>298,553</u>	<u>(136,126)</u>	<u>60,615</u>	<u>16,676</u>
Fund balances, beginning of year, as previously reported	1,330,683	646,274	702,465	192,331
Change within financial reporting entity	-	-	-	-
Fund balance, beginning of year, as adjusted	<u>1,330,683</u>	<u>646,274</u>	<u>702,465</u>	<u>192,331</u>
Fund balances, end of year	<u>\$ 1,629,236</u>	<u>\$ 510,148</u>	<u>\$ 763,080</u>	<u>\$ 209,007</u>



Special Revenue		Debt Service	Capital Projects		Total
Recreation	Latchkey	2019	2019 Bond	(Formerly Nonmajor Fund) Capital Maintenance	
\$ -	\$ -	\$ 2,638,035	\$ -		\$ 2,638,035
523,612	497,972	3,114	4,335		3,860,461
-	4,400	-	-		1,425,542
-	-	-	-		931,049
523,612	502,372	2,641,149	4,335		8,855,087
-	-	-	-		2,518,087
530,207	479,106	-	-		1,245,062
-	-	-	-		1,836,739
-	-	1,245,000	-		1,245,000
-	-	1,338,850	1,500		1,340,350
-	-	-	11,985		320,825
530,207	479,106	2,583,850	13,485		8,506,063
(6,595)	23,266	57,299	(9,150)		349,024
-	-	-	-		887
14,297	-	-	-		14,297
(18,044)	(29,225)	-	-		(92,642)
(3,747)	(29,225)	-	-		(77,458)
(10,342)	(5,959)	57,299	(9,150)		271,566
221,135	992,213	1,261,754	90,750	\$ 2,618,892	8,056,497
-	-	-	-	(2,618,892)	(2,618,892)
221,135	992,213	1,261,754	90,750	\$ -	5,437,605
\$ 210,793	\$ 986,254	\$ 1,319,053	\$ 81,600		\$ 5,709,171

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BEDFORD PUBLIC SCHOOLS

Schedule of Revenues and Other Financing Sources - By Source

Budget and Actual - General Fund

For the Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Local sources				
Property taxes	\$ 4,291,293	\$ 4,905,800	\$ 4,915,173	\$ 9,373
Rental income	30,000	34,440	34,440	-
Earnings on investments	200,000	350,000	412,768	62,768
Athletics	255,000	272,325	272,907	582
County special education tax	1,286,442	1,532,916	1,532,917	1
Other local revenue	436,500	484,791	490,347	5,556
Total local sources	<u>6,499,235</u>	<u>7,580,272</u>	<u>7,658,552</u>	<u>78,280</u>
State sources				
Unrestricted:				
Proposal A obligation	13,147,956	13,107,007	13,129,884	22,877
Discretionary payment	20,079,670	19,446,262	19,464,157	17,895
Other	12,664	56,876	56,876	-
Restricted:				
Adult education	201,000	278,732	274,898	(3,834)
Headlee - special education	1,638,958	2,303,830	2,303,831	1
Headlee - data collection	115,234	114,541	114,589	48
At-risk	1,150,000	2,075,998	1,837,912	(238,086)
MPSERS cost offset	1,215,754	1,219,829	1,106,286	(113,543)
MPSERS UAAL	4,973,217	4,155,966	4,164,402	8,436
Vocational education	492,667	223,160	223,486	326
Per pupil	876,510	1,690,277	1,370,558	(319,719)
Other	582,641	1,310,684	1,251,146	(59,538)
Transfer from intermediate school district -				
School readiness	394,125	645,610	462,738	(182,872)
Total state sources	<u>44,880,396</u>	<u>46,628,772</u>	<u>45,760,763</u>	<u>(868,009)</u>
Federal sources				
Title I	336,608	488,963	306,262	(182,701)
Title II - improving teacher quality	82,640	142,690	77,972	(64,718)
Title III - limited english proficiency	2,000	2,543	2,261	(282)
Title IV - student support and academic enrichment	36,228	35,531	28,280	(7,251)
Adult education - ABE instruction	42,486	40,000	40,000	-
ESSER	350,000	877,597	846,428	(31,169)
Transfer from intermediate school district:				
Medicaid outreach	15,000	20,000	29,044	9,044
Homeless	10,000	14,438	15,026	588
Career and technical education	33,608	39,842	39,842	-
Total federal sources	<u>908,570</u>	<u>1,661,604</u>	<u>1,385,115</u>	<u>(276,489)</u>
Total revenues	<u>52,288,201</u>	<u>55,870,648</u>	<u>54,804,430</u>	<u>(1,066,218)</u>
Other financing sources				
Proceeds from sale of capital assets	4,000	3,350	3,350	-
Issuance of other long-term liabilities	-	205,000	273,109	68,109
Transfers in	73,173	73,106	78,345	5,239
Total other financing sources	<u>77,173</u>	<u>281,456</u>	<u>354,804</u>	<u>73,348</u>
Total revenues and other financing sources	<u>\$ 52,365,374</u>	<u>\$ 56,152,104</u>	<u>\$ 55,159,234</u>	<u>\$ (992,870)</u>

BEDFORD PUBLIC SCHOOLS

Schedule of Expenditures and Other Financing Uses - By Activity

Budget and Actual - General Fund
For the Year Ended June 30, 2025

	Salaries	Employee Benefits	Purchased Services	Repair and Maintenance Services
Instruction				
Basic programs:				
Elementary	\$ 5,462,540	\$ 4,257,043	\$ 209,202	\$ 13,194
Middle school	2,738,909	2,192,817	62,880	21,198
High school	3,437,078	2,563,026	331,765	38,596
Other basic programs	257,889	134,930	4,826	-
	<u>11,896,416</u>	<u>9,147,816</u>	<u>608,673</u>	<u>72,988</u>
Added needs:				
Special education	2,413,875	1,474,724	134,479	-
Compensatory education	813,897	451,318	-	-
Vocational education	584,997	332,381	40,758	446
	<u>3,812,769</u>	<u>2,258,423</u>	<u>175,237</u>	<u>446</u>
Adult and continuing education:				
Basic	56,580	22,688	8,342	-
Secondary	29,180	11,108	1,528	-
	<u>85,760</u>	<u>33,796</u>	<u>9,870</u>	<u>-</u>
Other instructional services	<u>-</u>	<u>29,975</u>	<u>-</u>	<u>-</u>
Total instruction	<u>15,794,945</u>	<u>11,470,010</u>	<u>793,780</u>	<u>73,434</u>
Support services				
Pupil:				
Guidance	454,946	286,063	-	-
Health	113,204	61,472	182,366	-
Speech	455,834	345,673	-	-
Other	175,034	77,486	366,370	-
	<u>1,199,018</u>	<u>770,694</u>	<u>548,736</u>	<u>-</u>

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Supplies and Materials	Capital Outlay	Other	Totals	Final Budget	Actual Over (Under) Final Budget
\$ 172,135	\$ -	\$ -	\$ 10,114,114	\$ 10,473,416	\$ (359,302)
43,989	-	-	5,059,793	5,189,298	(129,505)
42,354	-	339,341	6,752,160	7,062,886	(310,726)
23,556	-	-	421,201	538,188	(116,987)
<u>282,034</u>	<u>-</u>	<u>339,341</u>	<u>22,347,268</u>	<u>23,263,788</u>	<u>(916,520)</u>
21,691	-	-	4,044,769	4,245,311	(200,542)
22,383	-	-	1,287,598	1,605,779	(318,181)
229,036	-	661	1,188,279	1,399,170	(210,891)
<u>273,110</u>	<u>-</u>	<u>661</u>	<u>6,520,646</u>	<u>7,250,260</u>	<u>(729,614)</u>
4,477	-	-	92,087	91,898	189
6,692	-	-	48,508	48,151	357
<u>11,169</u>	<u>-</u>	<u>-</u>	<u>140,595</u>	<u>140,049</u>	<u>546</u>
-	-	-	29,975	35,000	(5,025)
<u>566,313</u>	<u>-</u>	<u>340,002</u>	<u>29,038,484</u>	<u>30,689,097</u>	<u>(1,650,613)</u>
-	-	-	741,009	787,326	(46,317)
1,625	-	-	358,667	704,997	(346,330)
-	-	-	801,507	812,028	(10,521)
15,842	-	2,911	637,643	684,866	(47,223)
<u>17,467</u>	<u>-</u>	<u>2,911</u>	<u>2,538,826</u>	<u>2,989,217</u>	<u>(450,391)</u>

continued...

BEDFORD PUBLIC SCHOOLS

Schedule of Expenditures and Other Financing Uses - By Activity (Continued)

Budget and Actual - General Fund
For the Year Ended June 30, 2025

	Salaries	Employee Benefits	Purchased Services	Repair and Maintenance Services
Support services (concluded)				
Instructional services:				
Improvement	\$ 75,820	\$ 35,834	\$ 365,594	\$ -
Education media services	283,469	236,992	-	-
Instruction related technology	-	-	25,539	102
Supervision direction	58,433	15,483	4,990	-
Academic student assessment	-	69,956	750	-
Other	414,429	235,806	20,965	-
	<u>832,151</u>	<u>594,071</u>	<u>417,838</u>	<u>102</u>
General administration:				
Board of education	135,750	14,232	220,174	-
Executive administration	486,548	230,335	14,376	-
	<u>622,298</u>	<u>244,567</u>	<u>234,550</u>	<u>-</u>
School administration:				
Principals	76,306	51,900	12,716	-
Other	1,988,927	1,418,510	61,366	-
	<u>2,065,233</u>	<u>1,470,410</u>	<u>74,082</u>	<u>-</u>
Business:				
Fiscal services	258,385	186,490	60,983	279
Internal services	-	-	14,792	-
Other	-	-	(820)	-
	<u>258,385</u>	<u>186,490</u>	<u>74,955</u>	<u>279</u>
Maintenance	<u>1,406,006</u>	<u>984,211</u>	<u>667,314</u>	<u>123,713</u>
Transportation	<u>1,486,351</u>	<u>1,477,982</u>	<u>51,800</u>	<u>192,549</u>
Other support services:				
Planning, research and development	39,501	18,913	-	-
Information services	14,500	5,453	42,195	-
Staff services	365,924	271,262	111,130	-
Technology services	7,863	9,696	5,000	-
Other	-	-	28,238	15,546
	<u>427,788</u>	<u>305,324</u>	<u>186,563</u>	<u>15,546</u>
Total support services	<u>8,297,230</u>	<u>6,033,749</u>	<u>2,255,838</u>	<u>332,189</u>

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Supplies and Materials	Capital Outlay	Other	Totals	Final Budget	Actual Over (Under) Final Budget
\$ -	\$ -	\$ 316	\$ 477,564	\$ 781,802	\$ (304,238)
14,805	-	-	535,266	550,792	(15,526)
25,857	-	-	51,498	54,103	(2,605)
67	-	1,915	80,888	85,266	(4,378)
580	-	-	71,286	73,373	(2,087)
10,599	-	765	682,564	691,847	(9,283)
<u>51,908</u>	<u>-</u>	<u>2,996</u>	<u>1,899,066</u>	<u>2,237,183</u>	<u>(338,117)</u>
74	-	16,090	386,320	449,165	(62,845)
4,751	-	23,062	759,072	992,768	(233,696)
<u>4,825</u>	<u>-</u>	<u>39,152</u>	<u>1,145,392</u>	<u>1,441,933</u>	<u>(296,541)</u>
8,299	-	2,475	151,696	155,295	(3,599)
9,713	-	15,083	3,493,599	3,613,601	(120,002)
<u>18,012</u>	<u>-</u>	<u>17,558</u>	<u>3,645,295</u>	<u>3,768,896</u>	<u>(123,601)</u>
19,728	-	12,499	538,364	543,322	(4,958)
-	-	-	14,792	16,000	(1,208)
-	-	-	(820)	-	(820)
<u>19,728</u>	<u>-</u>	<u>12,499</u>	<u>552,336</u>	<u>559,322</u>	<u>(6,986)</u>
1,245,034	-	4,411	4,430,689	4,731,730	(301,041)
<u>7,429</u>	<u>-</u>	<u>184,337</u>	<u>3,400,448</u>	<u>3,610,192</u>	<u>(209,744)</u>
-	-	-	58,414	57,778	636
8,388	-	1,081	71,617	79,834	(8,217)
2,113	-	1,813	752,242	820,358	(68,116)
-	-	-	22,559	121,783	(99,224)
3,888	-	(14)	47,658	249,728	(202,070)
<u>14,389</u>	<u>-</u>	<u>2,880</u>	<u>952,490</u>	<u>1,329,481</u>	<u>(376,991)</u>
<u>1,378,792</u>	<u>-</u>	<u>266,744</u>	<u>18,564,542</u>	<u>20,667,954</u>	<u>(2,103,412)</u>

continued...

BEDFORD PUBLIC SCHOOLS

Schedule of Expenditures and Other Financing Uses - By Activity (Concluded)

Budget and Actual - General Fund

For the Year Ended June 30, 2025

	Salaries	Employee Benefits	Purchased Services	Repair and Maintenance Services
Community services	\$ -	\$ -	\$ 2,474	\$ -
Athletics	613,809	360,242	200,957	87,038
Debt service	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	24,705,984	17,864,001	3,253,049	492,661
Other financing uses				
Transfers out	-	-	-	-
Total expenditures and other financing uses	\$ 24,705,984	\$ 17,864,001	\$ 3,253,049	\$ 492,661



Supplies and Materials	Capital Outlay	Other	Totals	Final Budget	Actual Over (Under) Final Budget
\$ 850	\$ -	\$ -	\$ 3,324	\$ 12,475	\$ (9,151)
57,274	-	21,410	1,340,730	1,419,717	(78,987)
-	-	123,341	123,341	160,850	(37,509)
-	347,888	-	347,888	441,100	(93,212)
2,003,229	347,888	751,497	49,418,309	53,391,193	(3,972,884)
-	-	2,123,214	2,123,214	2,123,214	-
<u>\$ 2,003,229</u>	<u>\$ 347,888</u>	<u>\$ 2,874,711</u>	<u>\$ 51,541,523</u>	<u>\$ 55,514,407</u>	<u>\$ (3,972,884)</u>

concluded

BEDFORD PUBLIC SCHOOLS

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual - Food Service Fund
For the Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Local sources -				
Food sales	\$ 195,000	\$ 198,000	\$ 213,031	\$ 15,031
State sources -				
Restricted grants	926,000	1,167,661	1,331,044	163,383
Federal sources:				
School nutrition program	732,000	740,750	780,959	40,209
Federal commodities	60,000	100,000	150,090	50,090
Total revenues	<u>1,913,000</u>	<u>2,206,411</u>	<u>2,475,124</u>	<u>268,713</u>
Expenditures				
Current -				
Food service:				
Salaries	467,404	479,850	473,385	(6,465)
Benefits	245,991	242,403	230,218	(12,185)
Purchased services	231,320	255,760	253,708	(2,052)
Repair and maintenance	9,790	9,292	8,787	(505)
Supplies and materials	905,500	967,970	859,063	(108,907)
Other	7,900	12,400	11,578	(822)
Capital outlay	300,000	584,960	308,840	(276,120)
Total expenditures	<u>2,167,905</u>	<u>2,552,635</u>	<u>2,145,579</u>	<u>(407,056)</u>
Revenues over (under) expenditures	<u>(254,905)</u>	<u>(346,224)</u>	<u>329,545</u>	<u>675,769</u>
Other financing sources (uses)				
Transfers in	100	-	-	-
Transfers out	(30,000)	(30,000)	(30,992)	992
Total other financing uses	<u>(29,900)</u>	<u>(30,000)</u>	<u>(30,992)</u>	<u>(992)</u>
Net change in fund balance	<u>(284,805)</u>	<u>(376,224)</u>	<u>298,553</u>	<u>674,777</u>
Fund balance, beginning of year	<u>1,330,683</u>	<u>1,330,683</u>	<u>1,330,683</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,045,878</u>	<u>\$ 954,459</u>	<u>\$ 1,629,236</u>	<u>\$ 674,777</u>

BEDFORD PUBLIC SCHOOLS

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual - Technology Enhancement Fund

For the Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Local sources -				
Other local sources	\$ 1,396,650	\$ 1,511,850	\$ 1,568,024	\$ 56,174
State sources -				
Restricted grants	313,234	313,234	1,250	(311,984)
Total revenues	<u>1,709,884</u>	<u>1,825,084</u>	<u>1,569,274</u>	<u>(255,810)</u>
Expenditures				
Current -				
Support services:				
Salaries	543,697	491,092	492,760	1,668
Benefits	328,369	296,490	295,170	(1,320)
Purchased services	223,118	329,428	324,202	(5,226)
Repair and maintenance	51,000	54,000	52,121	(1,879)
Supplies and materials	80,900	577,650	542,034	(35,616)
Capital outlay	331,234	331,234	-	(331,234)
Total expenditures	<u>1,558,318</u>	<u>2,079,894</u>	<u>1,706,287</u>	<u>(373,607)</u>
Revenues over (under) expenditures	151,566	(254,810)	(137,013)	117,797
Other financing sources				
Proceeds from sale of capital assets	-	887	887	-
Net change in fund balance	151,566	(253,923)	(136,126)	117,797
Fund balance, beginning of year	<u>646,274</u>	<u>646,274</u>	<u>646,274</u>	<u>-</u>
Fund balance, end of year	<u>\$ 797,840</u>	<u>\$ 392,351</u>	<u>\$ 510,148</u>	<u>\$ 117,797</u>

BEDFORD PUBLIC SCHOOLS

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual - Student/School Activity Fund
For the Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Local sources -				
Other local revenues	\$ 812,200	\$ 827,000	\$ 872,415	\$ 45,415
Expenditures				
Current -				
Support services -				
Other	800,000	800,000	811,800	11,800
Net change in fund balance	12,200	27,000	60,615	33,615
Fund balance, beginning of year	702,465	702,465	702,465	-
Fund balance, end of year	<u>\$ 714,665</u>	<u>\$ 729,465</u>	<u>\$ 763,080</u>	<u>\$ 33,615</u>

BEDFORD PUBLIC SCHOOLS

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual - Health Van Fund
For the Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Local sources:				
Local unit appropriations	\$ 64,650	\$ 63,000	\$ 70,410	\$ 7,410
Service fees	100,000	105,000	107,548	2,548
State sources -				
Other state grants	55,600	67,500	88,848	21,348
Total revenues	<u>220,250</u>	<u>235,500</u>	<u>266,806</u>	<u>31,306</u>
Expenditures				
Current -				
Community services:				
Salaries	134,691	142,630	138,630	(4,000)
Benefits	63,741	63,600	58,447	(5,153)
Purchased services	21,150	20,000	16,049	(3,951)
Supplies and materials	27,850	30,125	22,552	(7,573)
Other	150	180	71	(109)
Total expenditures	<u>247,582</u>	<u>256,535</u>	<u>235,749</u>	<u>(20,786)</u>
Revenues over (under) expenditures	(27,332)	(21,035)	31,057	52,092
Other financing uses				
Transfers out	(15,821)	(15,649)	(14,381)	(1,268)
Net change in fund balance	(43,153)	(36,684)	16,676	53,360
Fund balance, beginning of year	<u>192,331</u>	<u>192,331</u>	<u>192,331</u>	<u>-</u>
Fund balance, end of year	<u>\$ 149,178</u>	<u>\$ 155,647</u>	<u>\$ 209,007</u>	<u>\$ 53,360</u>

BEDFORD PUBLIC SCHOOLS

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual - Recreation Fund

For the Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Local sources:				
Local unit appropriations	\$ 25,000	\$ -	\$ -	\$ -
Service fees	453,600	503,500	510,192	6,692
Rental income	12,099	12,500	13,420	920
Total revenues	<u>490,699</u>	<u>516,000</u>	<u>523,612</u>	<u>7,612</u>
Expenditures				
Current -				
Community services:				
Salaries	200,067	211,769	208,342	(3,427)
Benefits	84,446	80,889	72,861	(8,028)
Purchased services	125,400	126,050	120,274	(5,776)
Supplies and materials	39,450	133,200	128,631	(4,569)
Other	250	200	99	(101)
Total expenditures	<u>449,613</u>	<u>552,108</u>	<u>530,207</u>	<u>(21,901)</u>
Revenues over expenditures	<u>41,086</u>	<u>(36,108)</u>	<u>(6,595)</u>	<u>29,513</u>
Other financing sources (uses)				
Transfers in	12,955	14,229	14,297	68
Transfers out	(19,738)	(18,938)	(18,044)	(894)
Total other financing sources (uses)	<u>(6,783)</u>	<u>(4,709)</u>	<u>(3,747)</u>	<u>962</u>
Net change in fund balance	<u>34,303</u>	<u>(40,817)</u>	<u>(10,342)</u>	<u>30,475</u>
Fund balance, beginning of year	<u>221,135</u>	<u>221,135</u>	<u>221,135</u>	<u>-</u>
Fund balance, end of year	<u>\$ 255,438</u>	<u>\$ 180,318</u>	<u>\$ 210,793</u>	<u>\$ 30,475</u>

BEDFORD PUBLIC SCHOOLS

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual - Latchkey Fund
For the Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Local sources -				
Tuition	\$ 435,000	\$ 455,000	\$ 497,972	\$ 42,972
State sources -				
Other state grants	-	-	4,400	4,400
Total revenues	<u>435,000</u>	<u>455,000</u>	<u>502,372</u>	<u>47,372</u>
Expenditures				
Current -				
Community services:				
Salaries	72,131	74,041	72,370	(1,671)
Benefits	30,291	30,694	29,446	(1,248)
Purchased services	282,225	332,400	359,991	27,591
Supplies and materials	15,500	17,750	17,299	(451)
Total expenditures	<u>400,147</u>	<u>454,885</u>	<u>479,106</u>	<u>24,221</u>
Revenues over expenditures	34,853	115	23,266	23,151
Other financing uses				
Transfers out	<u>(25,569)</u>	<u>(27,748)</u>	<u>(29,225)</u>	<u>1,477</u>
Net change in fund balance	9,284	(27,633)	(5,959)	21,674
Fund balance, beginning of year	<u>992,213</u>	<u>992,213</u>	<u>992,213</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,001,497</u>	<u>\$ 964,580</u>	<u>\$ 986,254</u>	<u>\$ 21,674</u>

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