

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

**AUDIT REPORT**

**FOR THE FISCAL YEAR  
ENDED JUNE 30, 2017**

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





# Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the Bedford City School District, Cuyahoga County, prepared by James G. Zupka, CPA, Inc., for the audit period July 1, 2016 through June 30, 2017. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost  
Auditor of State

January 23, 2018

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**BEDFORD CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO  
AUDIT REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

*Certified Public Accountants  
5240 East 98<sup>th</sup> Street  
Garfield Hts., Ohio 44125*

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Ohio Society of Certified Public Accountants

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

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

The Honorable Dave Yost  
Auditor of State  
State of Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Bedford City School District, Cuyahoga County, Ohio, (the District) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 18, 2017, wherein we noted the District restated its net position at June 30, 2016 for governmental activities due to an error in compensated absences.

***Internal Control Over Financial Reporting***

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

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

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

### ***Compliance and Other Matters***

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

### ***Purpose of This Report***

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



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

December 18, 2017



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

*Certified Public Accountants  
5240 East 98<sup>th</sup> Street  
Garfield Hts., Ohio 44125*

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Member American Institute of Certified Public Accountants

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

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

The Honorable Dave Yost  
Auditor of State  
State of Ohio

***Report on Compliance for Each Major Federal Program***

We have audited the Bedford City School District, Cuyahoga County, Ohio's (the District) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on the District's major federal program for the year ended June 30, 2017. The District's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

### ***Opinion on Each Major Federal Program***

In our opinion, the Bedford City School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2017.

### ***Report on Internal Control over Compliance***

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

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

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

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

We have also audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated December 18, 2017, which contained unmodified opinions on those financial statements, wherein we noted the District restated its net position at June 30, 2016 for governmental activities due to an error in compensated absences. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for the purpose of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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



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

December 18, 2017

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**BEDFORD CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

<b>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Receipts</b>	<b>Non-Cash Receipts</b>	<b>Expenditures</b>	<b>Non-Cash Expenditures</b>
<b><u>U.S. Department of Agriculture</u></b>					
<i>Passed through Ohio Department of Education</i>					
Child Nutrition Cluster:					
School Breakfast Program	10.553	\$ 414,980	\$ 0	\$ 414,980	\$ 0
National School Lunch Program	10.555	<u>863,388</u>	<u>119,736</u>	<u>863,388</u>	<u>119,736</u>
Total Child Nutrition Cluster		<u>1,278,368</u>	<u>119,736</u>	<u>1,278,368</u>	<u>119,736</u>
<b>Total U.S. Department of Agriculture</b>		<u>1,278,368</u>	<u>119,736</u>	<u>1,278,368</u>	<u>119,736</u>
<b><u>U.S. Department of Education</u></b>					
<i>Passed through Ohio Department of Education</i>					
Title I - Grants to Local Educational Agencies	84.010	<u>878,170</u>	<u>0</u>	<u>874,407</u>	<u>0</u>
Special Education Cluster (IDEA):					
Special Education - Grants to States	84.027	813,408	0	801,932	0
Special Education - Preschool Grants	84.173	<u>20,087</u>	<u>0</u>	<u>25,669</u>	<u>0</u>
Total Special Education Cluster		<u>833,495</u>	<u>0</u>	<u>827,601</u>	<u>0</u>
Career and Technical Education - Basic Grants to States	84.048	<u>242,670</u>	<u>0</u>	<u>172,235</u>	<u>0</u>
English Language Acquisition State Grants	84.365	<u>8,794</u>	<u>0</u>	<u>9,107</u>	<u>0</u>
Improving Teacher Quality States Grants	84.367	<u>63,963</u>	<u>0</u>	<u>61,561</u>	<u>0</u>
<b>Total U.S. Department of Education</b>		<u>2,027,092</u>	<u>0</u>	<u>1,944,911</u>	<u>0</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>		<u>\$ 3,305,460</u>	<u>\$ 119,736</u>	<u>\$ 3,223,279</u>	<u>\$ 119,736</u>

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

**BEDFORD CITY SCHOOL DISTRICT**  
**CUYAHOGA COUNTY, OHIO**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**JUNE 30, 2017**

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**NOTE 1: BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Bedford City School District under programs of the federal government for the year ended June 30, 2017. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Bedford City School District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Bedford City School District.

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

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

**NOTE 3: INDIRECT COST RATE**

The Bedford City School District has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**NOTE 4: CHILD NUTRITION CLUSTER**

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

**NOTE 5: FOOD DONATION PROGRAM**

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

**BEDFORD CITY SCHOOL DISTRICT  
 CUYAHOGA COUNTY, OHIO  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 UNIFORM GUIDANCE  
 JUNE 30, 2017**

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**1. SUMMARY OF AUDITOR’S RESULTS**

2017(i)	Type of Financial Statement Opinion	Unmodified
2017(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
2017(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
2017(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2017(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
2017(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
2017(v)	Type of Major Program’s Compliance Opinion	Unmodified
2017(vi)	Are there any reportable findings under 2 CFR 200.516(a)?	No
2017(vii)	Major Programs (list):  Special Education Cluster - CFDA #84.027 and CFDA #84.173	
2017(viii)	Dollar Threshold: Type A\B Program	Type A: \$750,000 or more Type B: All others
2017(ix)	Low Risk Auditee?	Yes

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

None.

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

None.

**BEDFORD CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO  
SCHEDULE OF PRIOR AUDIT FINDINGS AND RECOMMENDATIONS  
JUNE 30, 2017**

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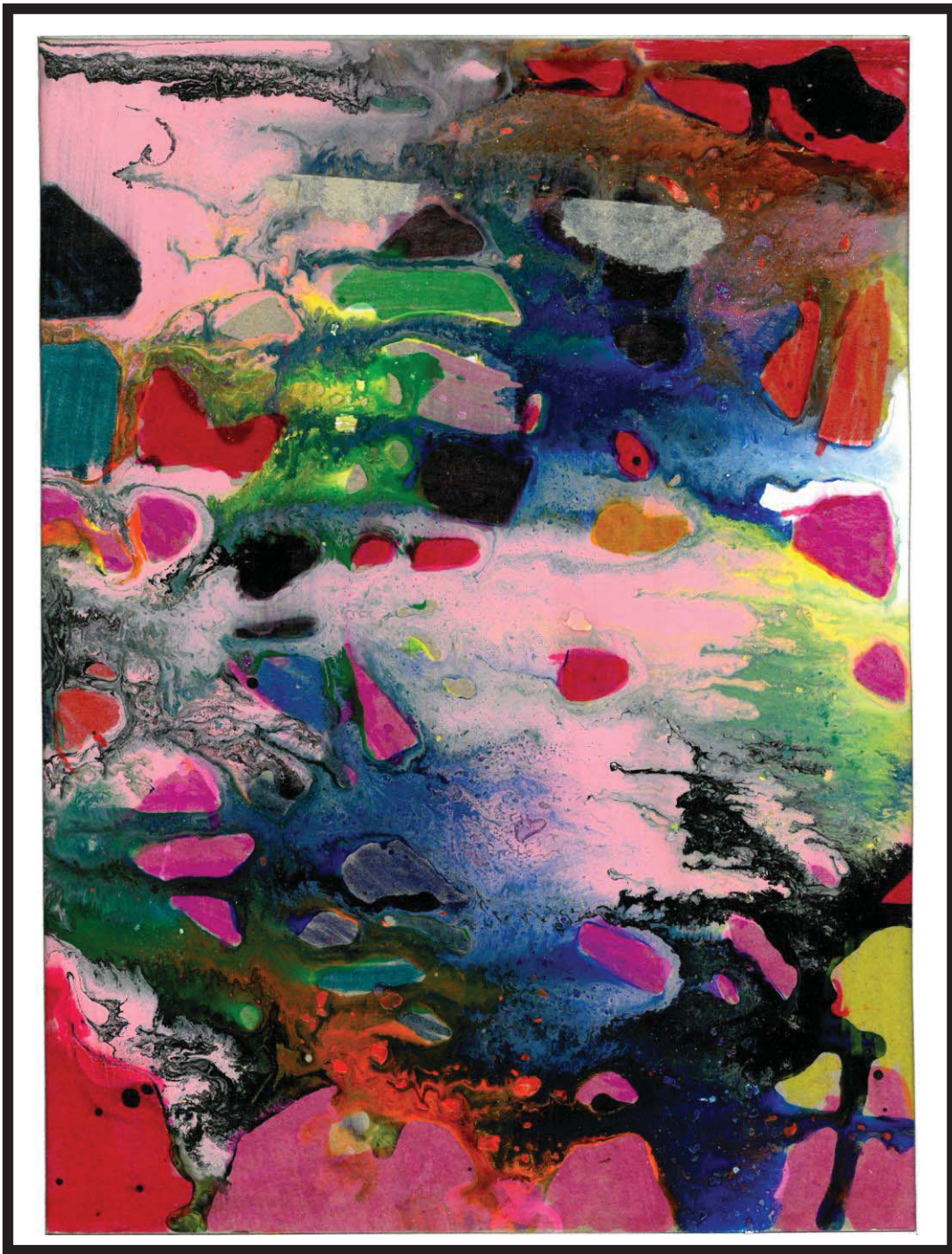
The prior audit report, as of June 30, 2016, included no findings or management letter recommendations.



**BEDFORD CITY SCHOOL DISTRICT**  
**Bedford, Ohio**

**Comprehensive Annual**  
**FINANCIAL REPORT**  
**For the Fiscal Year Ended**  
**June 30, 2017**





**Artwork by: Franco Harris**

Grade 5

Columbus Intermediate School

Art Teacher: Victoria Watkins

# **Bedford City School District**

Bedford, Ohio

## **Comprehensive Annual Financial Report**

*For the Fiscal Year Ended June 30, 2017*

Prepared by:

Janet M. Pavlic, CPA  
Treasurer

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# Introductory Section



**Artwork by: Mikeia Little**

Grade: 3

Central Primary School

Art Teacher: Kenan Gabriel



**Artwork by: Ava Montgomery**

Grade 5

Carylwood Intermediate School

Art Teacher: Beverly Brow

**Bedford City School District**  
*Comprehensive Annual Financial Report*  
*For the Fiscal Year Ended June 30, 2017*

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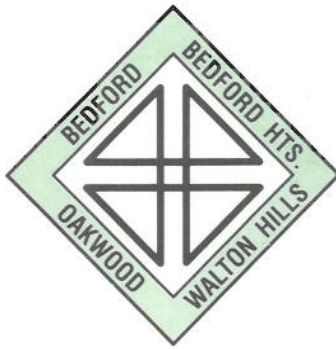
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# BEDFORD CITY SCHOOL DISTRICT

Office of the Treasurer • 475 Northfield Road • Bedford, OH 44146-2201  
Phone: 440-439-4670 • FAX: 440-439-4327 • Website: [www.bedford.k12.oh.us](http://www.bedford.k12.oh.us)

December 18, 2017

Board of Education Members and Residents of  
Bedford City School District

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Bedford City School District for the fiscal year ended June 30, 2017. This report enables the School District to comply with Ohio Administrative Code Section 117-2-03 (B), which requires reporting on a GAAP (Generally Accepted Accounting Principles) basis, and Ohio Revised Code Section 117.38 which requires the School Districts reporting on a GAAP basis to file an annual unaudited report with the Auditor of State within 150 days of fiscal year end.

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

Ohio law requires independent audits to be performed on all financial operations of the School District either by the Auditor of State or an independent public accounting firm, if permitted by the Auditor of State. James G. Zupka, CPA, Inc. rendered an opinion on the School District's financial statements for the fiscal year ending June 30, 2017, and the Independent Auditors' Report on the basic financial statements is included in the financial section of this report.

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

## **The School District**

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

Formed as Township 6 in Range 11 of the Western Reserve of Ohio in 1823, Bedford Township consisted of what today is known as the five communities of Bedford, Bedford Heights, Oakwood, Walton Hills and Maple Heights. In 1837, the Village of Bedford was formed from the center of the Township and for the next 70-plus years, the two communities – Village of Bedford and Bedford Township – coexisted. In 1915, residents of the northwest corner of Bedford Township formed a separate municipality, to be called the Village of Maple Heights, with its own separate school district. In 1951, Bedford Township as a government ceased to exist when the Villages of Bedford Heights, Oakwood and Walton Hills were formed from the remaining areas. Today, the School District serves as a common bond, linking the four communities of Bedford, Bedford Heights, Oakwood and Walton Hills.

Bedford City School District is one of the 611 school districts in the State of Ohio and one of 31 in Cuyahoga County. The School District provided education to 3,161 students in grades K-12, and 89 students in Pre-Kindergarten programs. Statutorily, the School District operates under standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 of the Ohio Revised Code, to provide services mandated by State and Federal agencies.

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

### **Reporting Entity**

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

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

The School District participates in an insurance purchasing pool and two jointly governed organizations. These organizations are the Ohio School Boards Association Workers' Compensation Group Retrospective Rating Program, the Connect and Ohio Schools Council Association. These organizations are presented in Notes 17 and 21 of the notes to the basic financial statements.

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

### **Economic Condition and Outlook**

The School District is well-located at the conjunction of Interstate Highways 480 and 271. Downtown Cleveland is 20 minutes away, and all the major metropolitan areas of Ohio are directly accessible via the interstate system. Residential property is middle class and properties are well kept. The tax base of \$670,375,380 is divided among the four municipalities making up the School District in the following manner: Bedford 35 percent, Bedford Heights 31 percent, Oakwood Village 18 percent and Walton Hills 16 percent. Approximately 52 percent of the tax base is residential real property, 9 percent is public utility tangible property and 39 percent is commercial/industrial property. Each of the four municipalities actively encourages the maintenance and growth of the tax base.

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

Art of Beauty, located in the Tinkers Creek Commerce Park Development, added \$6.1 million in real estate improvements to the property, and transferred 45 employees to the site. It is expected to create 50 more jobs within 6 years per their CRA agreement.

The Hemisphere Corporation and Hull & Associates have completed building a new headquarters on their site at a cost of \$3.2 million.

Beginning in 1996 Ben Venue and the City participated in various abatements in the Community Reinvestment area allowing numerous expansion projects. The company stopped production of all products within the 1 million square foot of manufacturing area at the end of 2013.

The facility was purchased by West-Ward Pharmaceuticals who is utilizing the Lab Office Building complex for the research and development. At the year-end 2016, West-Ward pharmaceuticals had 61 employees on site. West-Ward pharmaceuticals sold four of the buildings to Xellia Pharmaceuticals late in 2015, with the assistance from the State of Ohio offering business incentives. In 2016, Xellia has completed some construction on the facilities to allow distribution of products. Distribution is expected to begin soon, resulting in the additional hiring of up to 170 employees by year-end.

The City of Bedford is home to the Historic Automile, which has enjoyed significant growth and construction in the past several years.

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

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

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

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

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

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

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

The Village of Walton Hills has been home to the Ford Motor Company Stamping plant for many years. The plant closed in early 2015. The Village has been working with State and Federal officials to find a suitable owner for the property. Arhaus Furniture (Pagoda Properties) has recently discontinued its operations in Walton Hills as well.

## **General Information**

3,161 students were enrolled in the School District's six schools (two primary, two intermediate schools, one middle school, and one high school). The District also offers various pre-school programs which have 89 students enrolled. In addition to its six schools, the Bedford City School District operates a variety of facilities to complement the educational program. These include athletic facilities, a central administration building, a maintenance facility, and a transportation garage. As of June 30, 2017, the School District employed 284 professional staff members (including 257 teachers and 27 administrators) and 240 non-teaching and support staff employees.

## **Instructional Program**

### **Academic Program Highlights**

The Bedford City School District's academic program includes the following highlights from the 2016-2017 school year:

- The School District expanded preschool programming in Fall 2016 by offering a full-day general education preschool class in addition to the current integrated half-day classes for children with developmental delays and peer models. The School District's preschool program received a Step Up To Quality (SUTQ) 5 star rating from the Ohio Department of Education, which is the highest rating possible.
- As a result of a yearlong audit of the School District's Gifted and Talented Education (GATE) program in 2015-2016, several changes to this program were implemented in the 2016-2017 school year, including expansion of services. This included the addition of an intervention specialist who travels to both intermediate school buildings to serve students in grades 4-5. A second intervention specialist is teaching a 7<sup>th</sup> grade ELA class at the middle school to the 6<sup>th</sup> grade gifted/accelerated students. That teacher is also traveling to the elementary and intermediate buildings to work with teachers and creative-thinking students. All students in 2<sup>nd</sup> grade will be given a gifted/talented assessment, and planning is being done for future testing at the 3<sup>rd</sup> to 6<sup>th</sup> grade level.
- The STEPS for Success (**S**tudents **T**rying **E**very **P**ossible **S**trategy for Success) program continued into its second year with great success. This program incorporates the use of Leveled Literacy Intervention (LLI) in order to close reading gaps in grades 1-6. Retired teachers work as part-time tutors in the four elementary schools. Approximately 500 students were serviced in one year alone with a joint effort from the STEPS for Success tutors, Americorp tutors, special education teachers, and classroom teachers. Combining this with quality instruction in the classroom greatly enhances the district's early literacy initiative.
- Bedford High School offered approximately 180 courses to meet a wide range of students' needs. These include Honors and Advanced Placement, college preparatory, career and technical education, world languages (Spanish, French, Chinese and Individual Investigation World Language), music and fine and cultural arts.
- Middle school students had the opportunity to earn high school credit for six different eighth-grade courses.

- Bedford High School offered eight dual credit (high school and college) courses on campus, through an arrangement with Lorain Community College. Students also have the opportunity to earn dual credit by participating in the College Credit Plus program or by enrolling in one of the 14 Career and Technical Education (CTE) programs offered through our partnership with Maple Heights, eight of which are housed at Bedford High School. Dual credit may also be earned for some CTE courses through Cuyahoga Community College.
- A new alternative high school program called COMPASS Academy opened in Bedford High School in the fall of 2016. This credit recovery program is designed to assist students in achieving on-time graduation and uses a blended online learning platform to provide them with necessary content. This Blended Learning Model allows students 24/7 access to learning.
- In 2017, three students were named AP Scholars and one student was named AP Scholar with Distinction. *AP Scholar* is granted to students who receive an average score of at least 3.25 on all AP Exams taken, and scores of 3 or higher on four or more of these exams. *AP Scholar with Distinction* is granted to students who receive an average score of at least 3.5 on all AP Exams taken, and scores of 3 or higher on five or more of these exams.
- A Bedford High School senior completed his senior project in Neurology at the Cleveland Clinic and also participated in the Clinic's Charles R. Drew Saturday Academy where he explored medicine. With plans to become a neurologist, he was accepted into one of the top neuroscience programs in the country at Ohio State University, earning nearly \$90,000 in scholarship monies.
- A Bedford High School senior achieved the level of Master Technician in the Bedford High School Automotive Technology Career and Technology Education Program. He is the first Bedford High School student to pass the nine Automotive Service Excellence (ASE) tests necessary to earn this certification.
- Seven Heskett Middle School students were inducted into the National Junior Honor Society (NJHS) during a ceremony on December 21, 2016.
- Eighteen Bedford High School students were inducted into the National Honor Society (NHS) during a ceremony on April 6, 2017 for having demonstrated excellence in the areas of Scholarship, Leadership, Service, and Character.
- A team of five Bedford High School seniors finished second, earning the Silver Medal at the 10th Annual Biotech Olympics at Cuyahoga Community College – Corporate College East in April. This is the second consecutive year that Bedford High School has earned the Silver Medal. A second Bedford High School team also finished in the top 10. More than 100 biotechnology students from 25 teams competed in the Biotech Olympics.
- Bedford High School University Bound Scholars (UBS) inducted 37 new members, including one junior, 20 sophomores and 11 freshmen from Bedford High School, as well as five Heskett 8<sup>th</sup> graders. UBS provides students and their families with a network of support during the college preparation and exploration period. Students must maintain at least a 3.4 GPA and be enrolled in at least one honors-level class. Additionally, UBS students have the opportunity to take a bus trip to visit Ivy League Colleges and other highly selective universities to help inspire them to set greater goals in their college admissions aspirations.
- Three Bedford High School Marketing Education students attended the International Career Development Conference in April in Anaheim, California, sponsored by the Distributive Education Clubs of America (DECA). They participated in the Conference's Thrive Academy, which is dedicated to shaping future leaders. This is the first time any Bedford High School marketing students have competed at the international level.

- Bedford High School Educators Rising students attended the Ohio Educators Rising State Conference in March, where they had the opportunity to network with peers statewide who aspire to become teachers. One Bedford High School junior placed in the top five in the state competition, qualifying her to advance to the national competition in Phoenix, Arizona in June.
- A Columbus Intermediate School 6<sup>th</sup> grader took the top spot in his grade level in the 2017 “Happy Birthday Dr. King” Birthday Card contest. The 12 winners were honored at the 17<sup>th</sup> Annual Dr. Martin Luther King Jr. Holiday Breakfast Celebration in Downtown Cleveland. Luke won a \$500 scholarship and other prizes for his first place win.
- A Glendale Primary School 2<sup>nd</sup> grader was the First Place winner and a Glendale kindergartner was the 2<sup>nd</sup> place winner in the Primary Division of the 18<sup>th</sup> Annual Statewide Dr. Martin Luther King, Jr. Oratorical Contest. Twenty-four regional contest winners from grades K-12 spoke before judges and others at the King Arts Complex in Columbus, Ohio in April. Students presented original speeches on Dr. King’s teachings and were judged on performance, originality and composition.
- Two Bedford High School seniors were accepted into the 2017 Cleveland Orchestra Youth Chorus Honor Choir, composed of the top choral students from all over Northeast Ohio. The chorus performed in March at historic Severance Hall.

**Parent and Community Engagement:**

- Parents and community members were invited to attend 20 different musical and dramatic arts performances over the school year and most were free of charge.
- The Bedford City School District launched into a three-year strategic plan for 2016-2019. The goal of the strategic plan is to help guide the direction of the School District and focus priorities on achieving its mission and vision. Parents, students, staff members and community members were given the opportunity to offer input used to formulate goals and action steps for the strategic plan.
- A specific target area of the Strategic Plan, Goal #5—Communications is: Encourage and foster a strong level of parent and community engagement to support the success of students and the overall district.
- The School District maintained a strong partnership with The Mentoring Network. The group oversees several programs at the high school and middle school that focus on instilling character, leadership, and positive relationships. The Mentoring Network received a grant, which enabled them to add staff and expand their programs.
- The Literacy Cooperative of Greater Cleveland included Bedford Schools in a grant they received that funds the Dolly Parton Imagination Library, a unique book-gifting program that mails a brand new book to enrolled children every month from birth until five years of age.
- Other volunteer mentoring/tutoring programs included a character development program with the high school football and basketball teams; the Kids Hope program at Central and Glendale Primary Schools; the Homework Club and WATCH D.O.G.S. (Dads of Great Students) at Carylwood Intermediate School; a long-standing tutoring partnership program at Glendale Primary School with U.S. Bank Home Mortgage employees; and a long-standing Reading Dog program at Glendale, in which therapy dogs are brought into the school so children can practice their reading skills by “reading to the dogs.” AmeriCorps tutors are also working with Glendale students. The School District also has the V.I.P. program (Volunteering Is Powerful). This program encourages volunteers to contribute their time to assist with the advancement of the students, whether it is in academic, athletic, or fine arts programs.



- In October, as they have for several years, Heskett Middle School teachers and students participated in *Make a Difference Day*, the largest national day of community service, by tackling projects which make a difference for their school and community.
- Bedford High School Student Senate members assisted members of the Bedford Community Garden in designing and constructing three additional raised garden beds. The Bedford Community Garden is located behind Central and houses 42 plots which include a Giving Garden that donates all produce to local soup kitchens and a Diabetic Support Group from UH Bedford Medical Center.
- Superintendent Dr. Andrea Celico met with the following parent and community groups on a regular basis throughout the school year: monthly meetings with the Parent Ambassadors; quarterly meetings with the mayors of the district's four communities; quarterly meetings with the Superintendent's Advisory Council, a committee consisting of parents, elected officials, students, clergy and community members; quarterly meetings with the local Clergy; and monthly meetings with a group of Bedford High School seniors named the Supe's Troops.
- The District reached out to senior citizens in its four communities by offering a quarterly ElderClass program. ElderClass is an intergenerational program that is in its 13<sup>th</sup> year and was designed to build a positive relationship between the Bedford Schools, its students, and senior citizens. The Annual Senior Citizens Valentine's Day Dance, sponsored by the Bedford High School Varsity B Club, continued to turn out quite a crowd in its 26th year in 2017.
- Members of the Bedford Board of Education conducted Community Engagement Walk-in Sessions at a local coffee shop one Saturday morning a month to interact with their constituents and to gain feedback and answer questions about the School District.
- Other community engagement activities in the schools included: Muffins for Moms and Donuts for Dads at Carylwood, Central and Columbus; PTA Family Fun Nights at Central, Glendale and Columbus; a Science Fair at Carylwood and Heskett; a Study Island/Accelerated Reader Night at Carylwood; Grandparents' Day at Central; and volunteer recognition programs at most schools.
- The School District, in partnership with the Bedford Rotary Club and the Bedford Schools Foundation, held its annual *Sunday Funday* in April, offering a 5-mile run or 2-mile run/walk, a Pancake Breakfast, and a District Art Show.
- The Bedford Rotary Club honored selected students of the month and National Honor Society students by inviting them to luncheon meetings. The Rotary also honored outstanding Bedford High School Career and Technical Education students at its 59<sup>th</sup> Annual Career-Tech Recognition Banquet in May.
- The Columbus Intermediate School (CIS) News Team partnered with WKYC, Channel 3. Bedford High School alumna Danielle Wiggins, who supported the students' broadcast journalism efforts all year, invited the students down for a visit to the studio for the second consecutive year. The CIS News Team was also featured on the WKYC Channel 3's Rising Moment segment on the 6:00 evening news in September. This segment can be seen at:  
<https://www.youtube.com/watch?v=IOW40HzXn6k&authuser=0>
- Danielle Wiggins also narrated an informational video that the School District produced last year. The idea for this video came from a request by the local clergy at one of their quarterly meetings with the superintendent. That video can be seen at the following web address:  
<http://www.bedford.k12.oh.us/Content2/about-bedford-city-schools>

- Students at every grade level engaged with the community on a regular basis. Some examples are: Elementary school students sent cards to veterans on Veterans Day. Students from various grade levels visited with senior citizens at local senior care facilities, and different school musical groups performed for the residents of these facilities. Schools had holiday food drives and donated the collected food to the local hunger center. The Bedford High School Madrigal Singers performed at many community events, including Christmas in Bedford Falls, Bedford Rotary Club meetings and Board of Education events. The Bedford High School Teens who Listen and Care (TLC) members raked leaves at senior citizens' homes. The Bedford High School Class of 2017 had 83 seniors who volunteered a minimum of 30 hours of community service to earn community service honor cords. Students raised money in various ways for victims of hurricanes.

## **Employees**

As of June 30, 2017, the School District had 524 employees. A Statewide public employee collective bargaining law applies generally to public employee relations and collective bargaining.

As of June 30, 2017, 277 of the School District's employees were professionals (certified or licensed by the State Department of Education) serving as treasurer, business manager, classroom teachers, education specialists and certificated administrators, of whom all had at least a bachelor's degree and 69 percent or 190 held advanced degrees. The 2016-2017 starting salary for a teacher with a bachelor's degree was \$40,329; the maximum teacher salary (for a teacher with a master's degree plus 45 semester hours and 18 years' experience) was \$83,674. The average current base salary of a School District teacher for 2016-2017 was \$66,114, compared to a State classroom teachers' average salary of (fiscal year 2016 last year available) \$58,690.

All of the School District's teachers and educational specialists (excluding 19 administrators) are represented by the Bedford Education Association (the "Association") which is a labor organization affiliated with the Ohio Education Association. The present contract between the Board of Education and the Association became effective on July 1, 2016 and will be in effect through June 30, 2019.

All of the School District's classified support staff (secretarial-clerical, custodial, maintenance, transportation and cafeteria staff) members are represented for bargaining purposes by the Ohio Association of Public School Employees ("OAPSE"), with the exception of 8 administrators and 3 confidential secretaries, the Communications and Public Relations Specialist, Accounting Manager, Data Entry Manager, Transportation Specialist and the EMIS Specialist. The present contract between the Board of Education and the Association became effective on January 1, 2016 and will be in effect through December 31, 2018. There have been no work stoppages in the last 20 years. In the judgment of the Board of Education, labor relations with all of its employees are excellent.

## **Long Term Planning**

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

## **Awards**

The Governmental Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Bedford City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2016. The Certificate is the highest form of recognition in the area of governmental financial reporting. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

## **Acknowledgements**

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

Ms. Beth Russell, Coordinator of Communications and Public Relations is credited with providing content to the fiscal year 2017 CAFR. The digital 2017 CAFR was produced by the Information Technology Department of the Bedford City School District.

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

Respectfully submitted,



Janet M. Pavlic, CPA  
Treasurer/CFO



Andrea Celico, Ph.D.  
Superintendent of Schools

**Bedford City School District  
Principal Officials  
June 30, 2017**

**Board of Education**

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

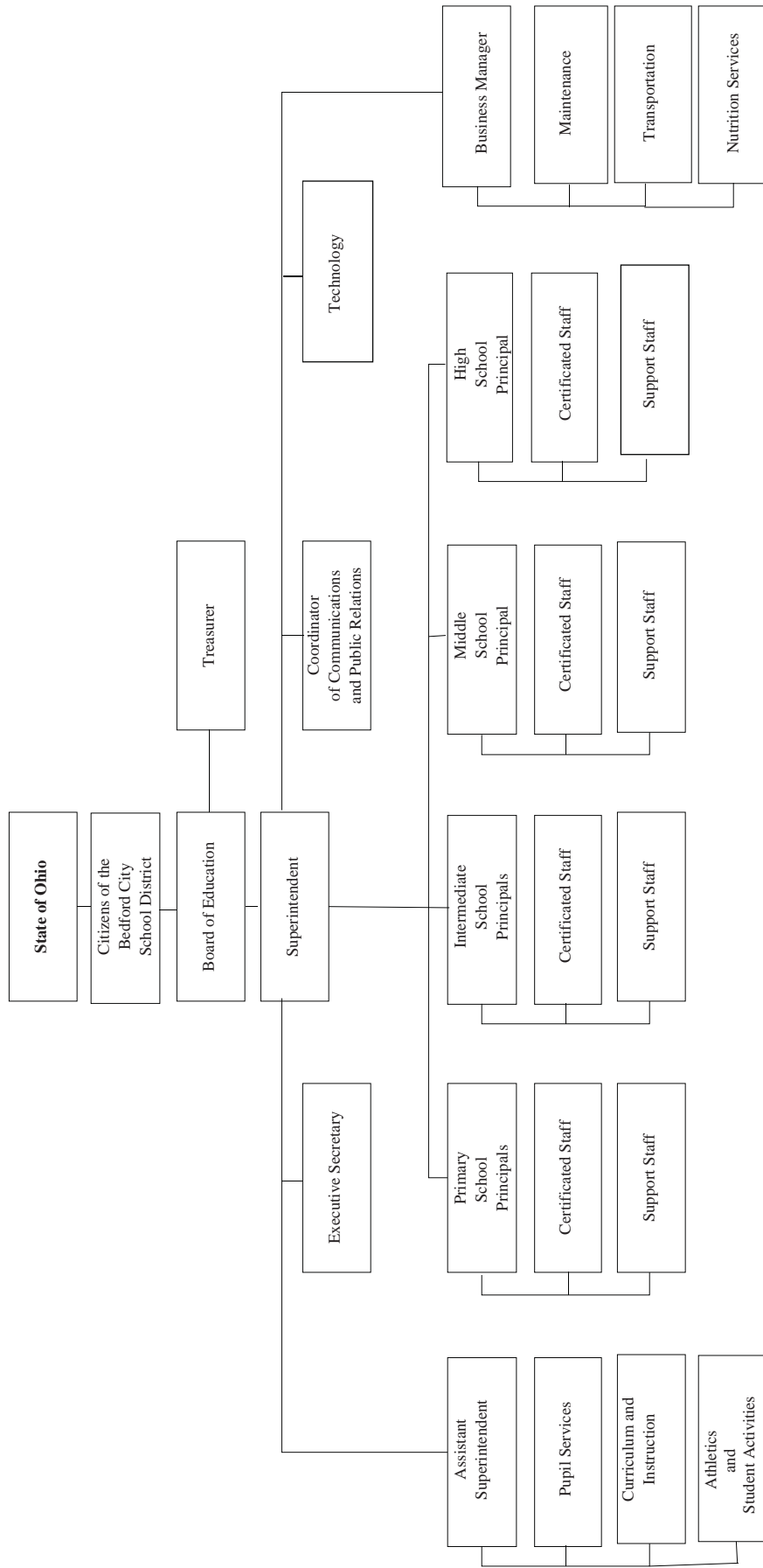
**Treasurer**

Mrs. Janet M. Pavlic, CPA

**Administration**

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

# Organizational Chart of the Bedford City School District





Government Finance Officers Association

**Certificate of  
Achievement  
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Presented to

**Bedford City School District  
Ohio**

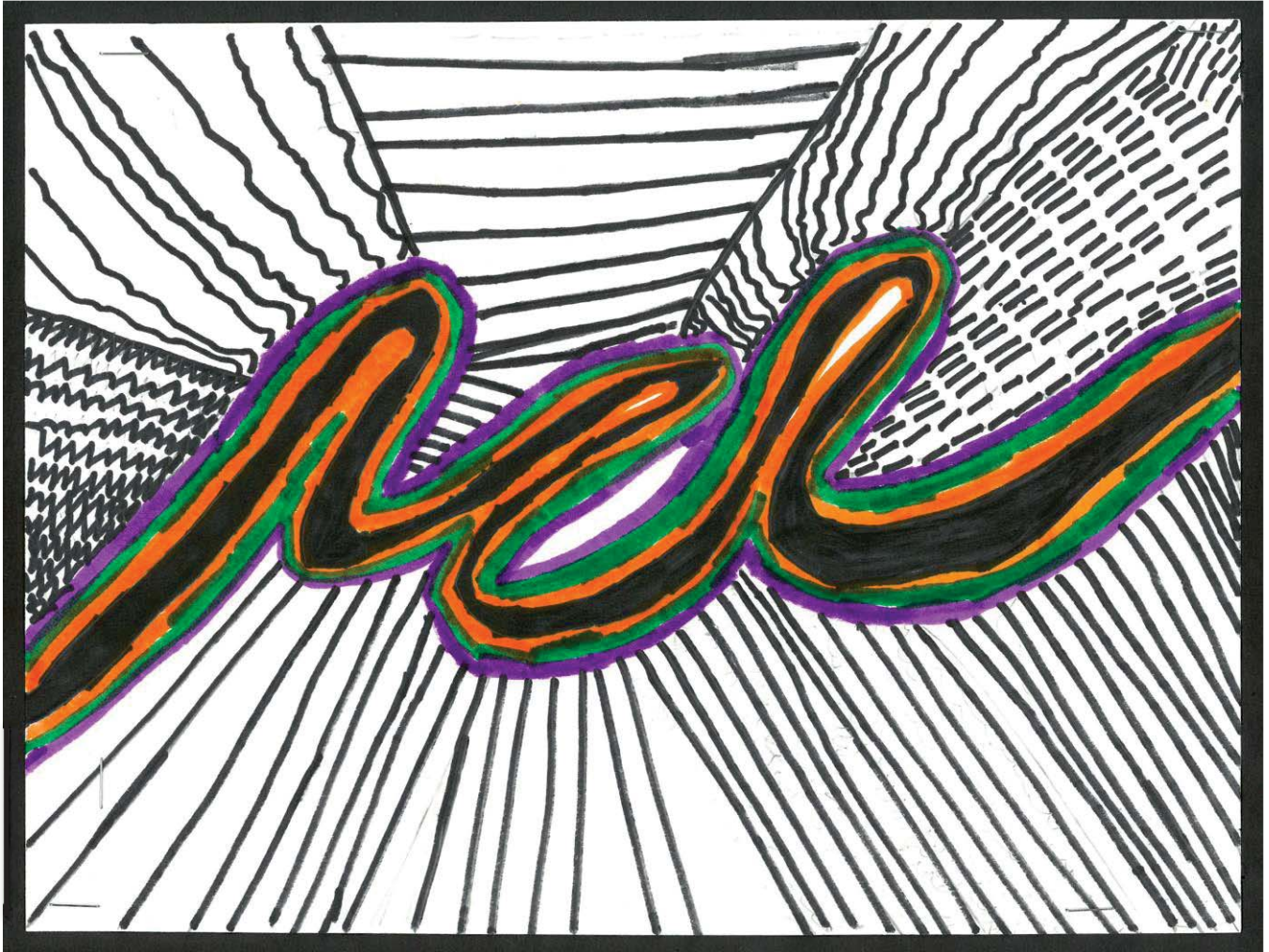
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2016**

*Christopher P. Morrill*

Executive Director/CEO

# Financial Section

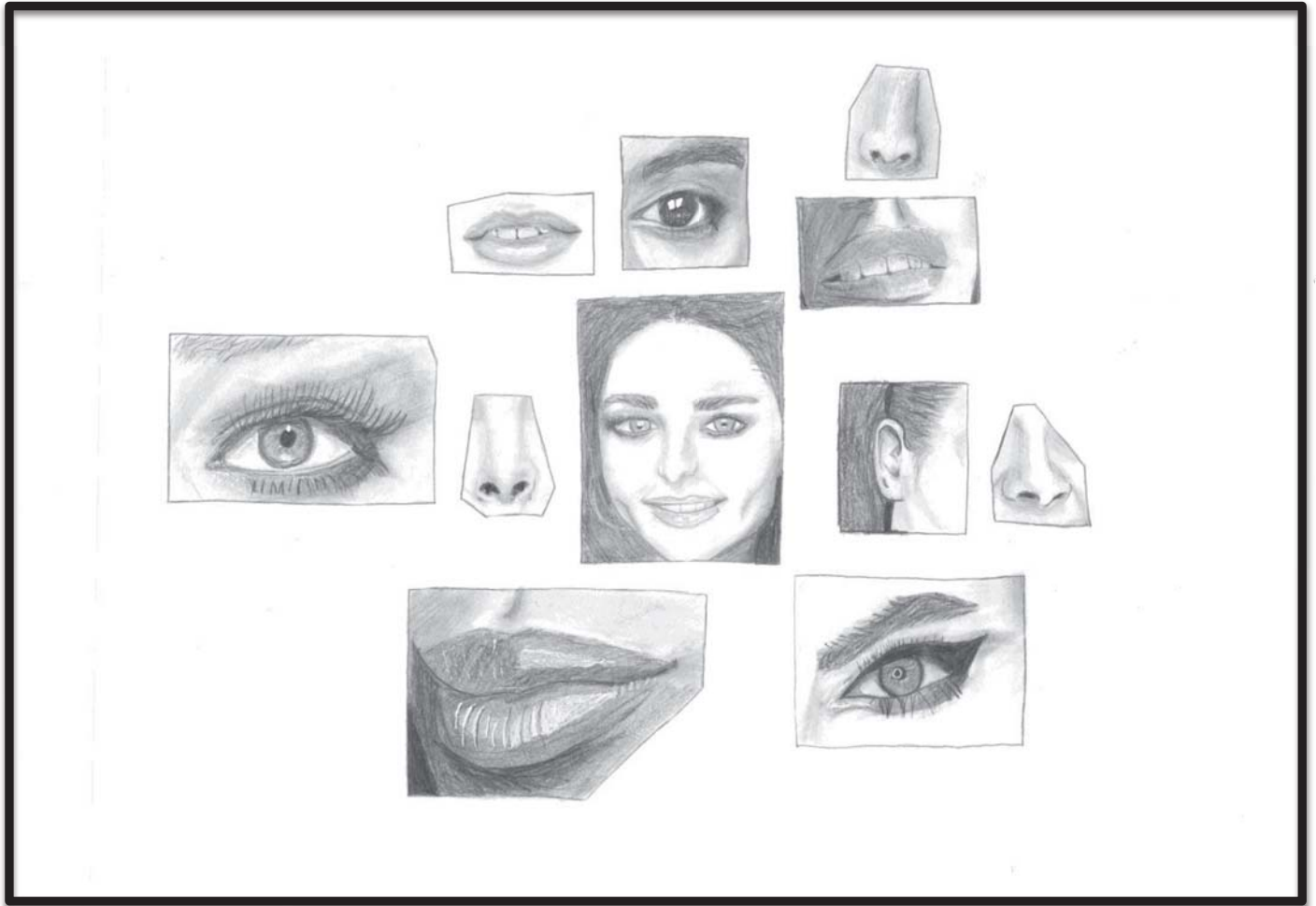


**Artwork by: Lavelle Borum**

Grade 3

Glendale Primary School

Art Teacher: Raylene Talpas



**Artwork by: Paige Parnell**

Grade 11

Bedford High School

Art Teacher: Sarah Holt



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

*Certified Public Accountants  
5240 East 98<sup>th</sup> Street  
Garfield Hts., Ohio 44125*

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Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT**

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

The Honorable Dave Yost  
Auditor of State  
State of Ohio

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Bedford City School District, Cuyahoga County, Ohio, (the District) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Bedford City School District as of June 30, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As described in Note 23 to the basic financial statements, the District restated its net position at June 30, 2016 for governmental activities due to an error in compensated absences. Our opinion is not modified with respect to these matters.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Schedules of Net Pension Liabilities and Pension Contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2017, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



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

December 18, 2017

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**Bedford City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2017*  
*Unaudited*

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The discussion and analysis of the Bedford City School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2017. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the transmittal letter, the basic financial statements as well as the notes to the basic financial statements to enhance their understanding of the School District's financial performance.

### **Financial Highlights**

Key financial highlights for fiscal year 2017 are as follows:

- The School District provided educational services to 3,161 students during fiscal year 2017. This is a decrease from the prior fiscal year.
- Outstanding long-term obligations for the School District increased from the prior fiscal year due to an increase in the net pension liability which was offset by an additional year of debt payments.
- Capital assets in the School District are being carried with a relatively old physical plant and bus fleet. The buildings of the School District are well maintained and in good repair. The School District consistently makes improvements when and where needed in order to ensure sustainability.
- Capital assets decreased from the prior fiscal year due to an additional year of depreciation outpacing current year additions. Capital asset additions included a new maintenance truck, three new busses and several refrigerators, among other items.
- The School District had higher expenses than in the previous fiscal year, primarily due to an increase in instructional expenses as staff moves through the step scales, raises and increases in healthcare coupled with an increase in the pension expense related to the net pension liability.

### **Using This Comprehensive Annual Financial Report ("CAFR")**

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

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

**Bedford City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2017*  
*Unaudited*

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

*Statement of Net Position and the Statement of Activities*

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

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

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

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

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

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

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

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**The School District as a Whole**

Recall that the *Statement of Net Position* provides the perspective of the School District as a whole, showing assets, liabilities, deferred outflows and inflows and the difference between them (net position). Table 1 provides a summary of the School District's governmental activities net position for fiscal year 2017 compared to fiscal year 2016:

**Table 1**  
 Net Position

	2017	2016	Change
<b>Assets</b>			
Current and Other Assets	\$56,841,651	\$52,490,079	\$4,351,572
Capital Assets, Net	18,184,902	19,164,714	(979,812)
<i>Total Assets</i>	<u>75,026,553</u>	<u>71,654,793</u>	<u>3,371,760</u>
<b>Deferred Outflows of Resources</b>	<u>15,146,333</u>	<u>6,785,488</u>	<u>8,360,845</u>
<b>Liabilities</b>			
Current and Other Liabilities	6,815,629	6,986,881	171,252
Long-Term Liabilities:			
Due Within One Year	1,966,297	2,027,063	60,766
Due in More than One Year			
Net Pension Liability	82,441,957	67,204,086	(15,237,871)
Other Amounts	3,582,671	3,746,188	163,517
<i>Total Liabilities</i>	<u>94,806,554</u>	<u>79,964,218</u>	<u>(14,842,336)</u>
<b>Deferred Inflows of Resources</b>			
Property Taxes	26,666,892	20,675,884	(5,991,008)
Pension	269,791	4,501,467	4,231,676
<i>Total Deferred Inflows of Resources</i>	<u>26,936,683</u>	<u>25,177,351</u>	<u>(1,759,332)</u>
<b>Net Position</b>			
Net Investment in Capital Assets	16,507,065	16,997,654	(490,589)
Restricted:			
Capital Projects	672,773	357,564	315,209
Debt Service	33,428	26,481	6,947
Other Purposes	1,050,858	991,799	59,059
Unrestricted (Deficit)	<u>(49,834,475)</u>	<u>(45,074,786)</u>	<u>(4,759,689)</u>
<i>Total</i>	<u><u>(\$31,570,351)</u></u>	<u><u>(\$26,701,288)</u></u>	<u><u>(\$4,869,063)</u></u>

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The net pension liability (NPL) is the largest single liability reported by the School District at June 30, 2017 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the School District's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

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

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

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

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



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

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

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

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Table 2 shows changes in governmental net position for fiscal years 2017 and 2016.

**Table 2**  
Changes in Net Position

	2017	2016	Change
<b>Revenues</b>			
<i>Program Revenues:</i>			
Charges for Services and Sales	\$3,125,045	\$2,019,232	\$1,105,813
Operating Grants, Contributions and Interest	5,509,502	5,724,601	(215,099)
Capital Grants	39,293	81,738	(42,445)
<i>Total Program Revenues</i>	<u>8,673,840</u>	<u>7,825,571</u>	<u>848,269</u>
<i>General Revenue:</i>			
Property Taxes	29,305,451	32,417,045	(3,111,594)
Grants and Entitlements	14,153,589	15,460,746	(1,307,157)
Unrestricted Contributions	6,008	18,939	(12,931)
Investments	132,124	57,378	74,746
Payments in Lieu of Taxes	199,431	280,741	(81,310)
Gain on Sale of Capital Assets	1,239	0	1,239
Miscellaneous	291,939	411,280	(119,341)
<i>Total General Revenues</i>	<u>44,089,781</u>	<u>48,646,129</u>	<u>(4,556,348)</u>
<b>Total Revenues</b>	<u>52,763,621</u>	<u>56,471,700</u>	<u>(3,708,079)</u>
<b>Program Expenses</b>			
Instruction	29,781,153	27,642,091	(2,139,062)
Support Services:			
Pupil	4,108,605	3,536,861	(571,744)
Instructional Staff	2,617,368	2,194,517	(422,851)
Board of Education	213,177	233,401	20,224
Administration	4,297,333	4,032,622	(264,711)
Fiscal	1,279,440	1,265,455	(13,985)
Business	776,122	1,186,654	410,532
Operation and Maintenance of Plant	7,057,531	6,625,222	(432,309)
Pupil Transportation	4,085,397	3,628,375	(457,022)
Central	143,369	117,901	(25,468)
Operation of Non-Instructional Services:			
Food Service Operations	1,904,457	1,989,023	84,566
Other Non-Instructional Services	200,868	68,135	(132,733)
Extracurricular Activities	1,103,957	1,087,388	(16,569)
Interest and Fiscal Charges	63,907	73,740	9,833
<i>Total Program Expenses</i>	<u>57,632,684</u>	<u>53,681,385</u>	<u>(3,951,299)</u>
<i>Net Change in Net Position</i>	(4,869,063)	2,790,315	(7,659,378)
<i>Net Position Beginning of Year</i>	<u>(26,701,288)</u>	<u>(29,491,603)</u>	<u>2,790,315</u>
<i>Net Position End of Year</i>	<u>(\$31,570,351)</u>	<u>(\$26,701,288)</u>	<u>(\$4,869,063)</u>

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

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

The School District is heavily dependent on property taxes and is hampered by a lack of revenue growth. Thus, the School District must regularly return to the voters to maintain a constant level of service. Property taxes made up over half of total revenues in the School District for fiscal year 2017, followed by grants, entitlements and contributions and then charges for services, investments, unrestricted contributions and other revenue made up the remaining revenues.

General revenues decreased from 2016. In 2017, the School District experienced decreased levels of grant and entitlement revenues and lower property tax revenues. The decrease in property tax revenues is due to the timing of advance settlements. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. At June 30, 2017, the amount available to advance was much lower than in the previous fiscal year due to the fact that many taxpayers paid after the June 30 advance date but before the end of the second half property tax collections. The School District continues to seek out new grant monies available through various federal programs.

Program revenues increased from 2016 as a result of the School District collecting increased amounts of tuition due to the timing of fiscal year 2017 foundation adjustments.

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

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

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**Table 3**  
 Net Cost of Governmental Activities

	Total Cost of Services 2017	Net Cost of Services 2017	Total Cost of Services 2016	Net Cost of Services 2016
Instruction	\$29,781,153	\$25,048,978	\$27,642,091	\$23,566,640
Support Services:				
Pupil	4,108,605	3,327,772	3,536,861	2,861,943
Instructional Staff	2,617,368	2,030,144	2,194,517	1,707,283
Board of Education	213,177	213,177	233,401	233,401
Administration	4,297,333	4,163,231	4,032,622	3,896,564
Fiscal	1,279,440	1,279,440	1,265,455	1,265,455
Business	776,122	693,928	1,186,654	1,109,973
Operation and Maintenance of Plant	7,057,531	7,018,238	6,625,222	6,541,673
Pupil Transportation	4,085,397	4,085,397	3,628,375	3,628,375
Central	143,369	141,351	117,901	116,584
Operation of Non-Instructional Services:				
Food Service Operations	1,904,457	(5,409)	1,989,023	(636)
Other Non-Instructional Services	200,868	60,506	68,135	35,483
Extracurricular Activities	1,103,957	838,184	1,087,388	819,336
Interest and Fiscal Charges	63,907	63,907	73,740	73,740
<i>Total</i>	<u>\$57,632,684</u>	<u>\$48,958,844</u>	<u>\$53,681,385</u>	<u>\$45,855,814</u>

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

**The School District's Funds**

Information about the School District's major funds begins with the balance sheet. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$52,730,042 and expenditures of \$53,614,291. The decrease in fund balance for the general fund was primarily due to increases in regular and special instruction and instructional staff expenses which was offset by increases in tuition and fees revenues. The School District continues to seek out additional sources of funding. The increase in fund balance for all other governmental funds was primarily due to revenues and other financing sources exceeding expenditures during fiscal year 2017.

***General Fund Budgeting Highlights***

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

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During the course of fiscal year 2017, the School District amended its general fund budget several times, but no change was significant. The general fund final budget revenue amount was higher than the original budget amount. The increase was due to the greater than anticipated collection of tax and intergovernmental revenues. Actual revenues were higher than the final budget amount due in large part to greater intergovernmental, rental and interest revenues than anticipated. Actual expenditures were less than the final budget amount. The School District made a conscious effort to keep expenditures below budgeted amounts. Savings were the greatest in regular instruction, operation and maintenance of plant, fiscal, and administration due to management taking cost cutting measures. The School District ended the fiscal year with an unencumbered fund balance of \$12,409,565, a decrease from fiscal year 2016 but higher than what was estimated.

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

**Capital Assets and Long-Term Obligations**

*Capital Assets*

At the end of fiscal year 2017, the School District had, at cost, \$56,591,817 invested in land, buildings and improvements, furniture and equipment, and vehicles. That total carries an accumulated depreciation of \$38,406,915. Table 4 shows fiscal year 2017 balances compared to fiscal year 2016.

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

	2017	2016
Land	\$1,525,500	\$1,525,500
Buildings and Improvements	12,688,020	13,673,998
Furniture and Equipment	1,830,017	1,942,588
Vehicles	2,141,365	2,022,628
	\$18,184,902	\$19,164,714

In November of 2010, voters in the School District approved the renewal of a continuing one mill permanent improvement levy. This levy generates approximately \$475,000 a year, and coupled with reimbursements for lost levy proceeds in the amount of \$42,230, provides funds which are used exclusively for capital purchases. These funds are currently being used to finance several construction projects in 2017. The School District carries a relatively old physical plant and bus fleet. The buildings of the School District are well maintained and in good repair. In addition, approximately \$162,000 is transferred to the Capital Replacement Fund to be used for technology and furniture in the schools. For additional information on capital assets, see Note 12 of the notes to the basic financial statements.

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***Long-Term Obligations***

Table 5 summarizes the outstanding long-term obligations for fiscal year 2017 compared with fiscal year 2016.

**Table 5**  
**Outstanding Long-Term Obligations at June 30**  
**Governmental Activities**

	2017	2016
2012 Radio Equipment Acquisition Bonds	\$0	\$68,634
2006 Energy Conservation Improvement Bonds	1,151,610	1,411,699
Net Pension Liability	82,441,957	67,204,086
Compensated Absences	4,397,358	4,292,918
Totals	\$87,990,925	\$72,977,337

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

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

The School District's overall debt margin was \$59,202,880 with an unvoted debt margin of \$669,862. For additional information on long-term obligations, see Note 20 of the notes to the basic financial statements.

***Current Financial Related Activities***

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

**School Funding**

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

The Bedford City School District has committed itself to the highest standards of financial excellence for many years. The School District has received the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting each year since 1997.

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**Contacting the School District's Financial Management**

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

**Bedford City School District**

*Statement of Net Position*

*June 30, 2017*

	Governmental Activities
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$18,175,614
Accounts Receivable	7,547
Intergovernmental Receivable	2,066,041
Inventory Held for Resale	22,384
Materials and Supplies Inventory	456,285
Revenue in Lieu of Taxes Receivable	149,041
Taxes Receivable	35,964,739
Nondepreciable Capital Assets	1,525,500
Depreciable Capital Assets	16,659,402
<i>Total Assets</i>	<u>75,026,553</u>
<b>Deferred Outflows of Resources</b>	
Pension	<u>15,146,333</u>
<b>Liabilities</b>	
Accounts Payable	561,963
Contracts Payable	25,615
Accrued Wages and Benefits Payable	4,198,872
Intergovernmental Payable	944,786
Notes Payable	526,227
Matured Compensated Absences Payable	247,299
Accrued Interest Payable	34,367
Claims Payable	276,500
Long-Term Liabilities:	
Due Within One Year	1,966,297
Due in More Than One Year:	
Net Pension Liability (See Note 15)	82,441,957
Other Amounts	3,582,671
<i>Total Liabilities</i>	<u>94,806,554</u>
<b>Deferred Inflows of Resources</b>	
Property Taxes	26,666,892
Pension	<u>269,791</u>
<i>Total Deferred Inflows of Resources</i>	<u>26,936,683</u>
<b>Net Position</b>	
Net Investment in Capital Assets	16,507,065
Restricted for:	
Capital Projects	672,773
Debt Service	33,428
Food Service	924,794
Athletic Facilities	45,883
Other Purposes	80,181
Unrestricted (Deficit)	<u>(49,834,475)</u>
<i>Total Net Position</i>	<u><u>(\$31,570,351)</u></u>

See accompanying notes to the basic financial statements



**Bedford City School District**  
*Statement of Activities*  
For the Fiscal Year Ended June 30, 2017

	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants Contributions and Interest	Capital Grants	Governmental Activities
<b>Governmental Activities</b>					
Instruction:					
Regular	\$21,928,310	\$1,727,450	\$10,059	\$0	(\$20,190,801)
Special	6,960,256	520,542	2,120,291	0	(4,319,423)
Vocational	878,619	58,476	295,357	0	(524,786)
Student Intervention Services	13,968	0	0	0	(13,968)
Support Services:					
Pupil	4,108,605	0	780,833	0	(3,327,772)
Instructional Staff	2,617,368	0	587,224	0	(2,030,144)
Board of Education	213,177	0	0	0	(213,177)
Administration	4,297,333	0	134,102	0	(4,163,231)
Fiscal	1,279,440	0	0	0	(1,279,440)
Business	776,122	74,749	7,445	0	(693,928)
Operation and Maintenance of Plant	7,057,531	0	0	39,293	(7,018,238)
Pupil Transportation	4,085,397	0	0	0	(4,085,397)
Central	143,369	0	2,018	0	(141,351)
Operation of Non-Instructional Services:					
Food Service Operations	1,904,457	488,531	1,421,335	0	5,409
Other Non-Instructional Services	200,868	0	140,362	0	(60,506)
Extracurricular Activities	1,103,957	255,297	10,476	0	(838,184)
Interest and Fiscal Charges	63,907	0	0	0	(63,907)
<i>Total Governmental Activities</i>	<u>\$57,632,684</u>	<u>\$3,125,045</u>	<u>\$5,509,502</u>	<u>\$39,293</u>	<u>(48,958,844)</u>
<b>General Revenues</b>					
Property Taxes Levied for:					
General Purposes					28,979,775
Capital Outlay					325,676
Grants and Entitlements not Restricted to Specific Programs					14,153,589
Unrestricted Contributions					6,008
Investment Earnings					132,124
Payments in Lieu of Taxes					199,431
Gain on Sale of Capital Assets					1,239
Miscellaneous					291,939
<i>Total General Revenues</i>					<u>44,089,781</u>
Change in Net Position					(4,869,063)
<i>Net Position Beginning of Year (Restated - See Note 23)</i>					<u>(26,701,288)</u>
<i>Net Position End of Year</i>					<u><u>(\$31,570,351)</u></u>

See accompanying notes to the basic financial statements

**Bedford City School District**

*Balance Sheet*

*Governmental Funds*

*June 30, 2017*

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$14,452,263	\$3,723,351	\$18,175,614
Accounts Receivable	7,547	0	7,547
Intergovernmental Receivable	1,515,542	550,499	2,066,041
Inventory Held for Resale	0	22,384	22,384
Materials and Supplies Inventory	451,190	5,095	456,285
Interfund Receivable	1,866,920	0	1,866,920
Revenue in Lieu of Taxes Receivable	149,041	0	149,041
Taxes Receivable	35,440,704	524,035	35,964,739
<i>Total Assets</i>	<u>\$53,883,207</u>	<u>\$4,825,364</u>	<u>\$58,708,571</u>
<b>Liabilities</b>			
Accounts Payable	\$409,828	\$152,135	\$561,963
Contracts Payable	21,381	4,234	25,615
Accrued Wages and Benefits Payable	4,000,608	198,264	4,198,872
Intergovernmental Payable	878,829	65,957	944,786
Accrued Interest Payable	556	321	877
Interfund Payable	0	1,855,000	1,855,000
Notes Payable	333,659	192,568	526,227
Matured Compensated Absences Payable	203,619	43,680	247,299
<i>Total Liabilities</i>	<u>5,848,480</u>	<u>2,512,159</u>	<u>8,360,639</u>
<b>Deferred Inflows of Resources</b>			
Property Taxes	26,275,704	391,188	26,666,892
Unavailable Revenue	4,668,271	178,771	4,847,042
<i>Total Deferred Inflows of Resources</i>	<u>30,943,975</u>	<u>569,959</u>	<u>31,513,934</u>
<b>Fund Balances</b>			
Nonspendable	451,190	5,095	456,285
Restricted	21,631	1,664,313	1,685,944
Committed	237,619	150,806	388,425
Assigned	4,978,383	0	4,978,383
Unassigned (Deficit)	11,401,929	(76,968)	11,324,961
<i>Total Fund Balances</i>	<u>17,090,752</u>	<u>1,743,246</u>	<u>18,833,998</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$53,883,207</u>	<u>\$4,825,364</u>	<u>\$58,708,571</u>

See accompanying notes to the basic financial statements

**Bedford City School District**  
*Reconciliation of Total Governmental Fund Balances to  
 Net Position of Governmental Activities  
 June 30, 2017*

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<b>Total Governmental Funds Balances</b>	\$18,833,998
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*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.	18,184,902
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Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the funds:

Delinquent Property Taxes	4,352,209	
Tuition and Fees	14,059	
Payments in Lieu of Taxes	101,479	
Intergovernmental	379,295	
<b>Total</b>	<b>4,847,042</b>	4,847,042

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(33,490)
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The internal service funds are used by management to charge the costs of insurance and goods warehoused and distributed to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	(288,420)
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The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:

Deferred Outflows - Pension	15,146,333	
Deferred Inflows - Pension	(269,791)	
Net Pension Liability	(82,441,957)	
<b>Total</b>		(67,565,415)

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:

General Obligation Bonds	(1,151,610)	
Compensated Absences	(4,397,358)	
<b>Total</b>	<b>(5,548,968)</b>	(5,548,968)

<i>Net Position of Governmental Activities</i>	<b>(\$31,570,351)</b>
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See accompanying notes to the basic financial statements

**Bedford City School District**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Fiscal Year Ended June 30, 2017*

	General	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>			
Taxes	\$28,736,253	\$321,913	\$29,058,166
Intergovernmental	16,051,961	3,914,504	19,966,465
Interest	132,124	19	132,143
Charges for Services	340	489,506	489,846
Tuition and Fees	2,292,409	0	2,292,409
Rentals	74,749	0	74,749
Extracurricular Activities	141,428	112,554	253,982
Contributions and Donations	6,008	21,906	27,914
Payments in Lieu of Taxes	142,429	0	142,429
Miscellaneous	290,931	1,008	291,939
<i>Total Revenues</i>	<u>47,868,632</u>	<u>4,861,410</u>	<u>52,730,042</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	20,177,000	9,953	20,186,953
Special	6,136,651	271,261	6,407,912
Vocational	686,777	133,356	820,133
Student Intervention Services	13,968	0	13,968
Support Services:			
Pupil	2,994,755	777,035	3,771,790
Instructional Staff	1,927,966	584,774	2,512,740
Board of Education	209,505	0	209,505
Administration	3,880,093	136,249	4,016,342
Fiscal	1,263,340	0	1,263,340
Business	604,130	10,000	614,130
Operation and Maintenance of Plant	6,123,975	0	6,123,975
Pupil Transportation	3,764,490	0	3,764,490
Central	191,069	1,990	193,059
Operation of Non-Instructional Services:			
Food Service Operations	0	1,881,488	1,881,488
Other Non-Instructional Services	6,553	151,867	158,420
Extracurricular Activities	720,779	230,093	950,872
Capital Outlay	4,511	319,482	323,993
Debt Service:			
Principal Retirement	328,723	0	328,723
Interest and Fiscal Charges	67,182	5,276	72,458
<i>Total Expenditures</i>	<u>49,101,467</u>	<u>4,512,824</u>	<u>53,614,291</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,232,835)</u>	<u>348,586</u>	<u>(884,249)</u>
<b>Other Financing Sources (Uses)</b>			
Sale of Capital Assets	13,630	0	13,630
Transfers In	838	415,296	416,134
Transfers Out	(544,530)	(1,604)	(546,134)
<i>Total Other Financing Sources (Uses)</i>	<u>(530,062)</u>	<u>413,692</u>	<u>(116,370)</u>
<i>Net Change in Fund Balances</i>	(1,762,897)	762,278	(1,000,619)
<i>Fund Balances Beginning of Year</i>	<u>18,853,649</u>	<u>980,968</u>	<u>19,834,617</u>
<i>Fund Balances End of Year</i>	<u>\$17,090,752</u>	<u>\$1,743,246</u>	<u>\$18,833,998</u>

See accompanying notes to the basic financial statements

**Bedford City School District**  
*Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
For the Fiscal Year Ended June 30, 2017*

**Net Change in Fund Balances -Total Governmental Funds** (\$1,000,619)

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

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

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

Capital Asset Additions	586,045	
Current Year Depreciation	<u>(1,553,466)</u>	
Total		(967,421)

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (12,391)

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

Delinquent Property Taxes	247,285	
Tuition and Fees	14,059	
Payments in Lieu of Taxes	57,002	
Grants	<u>(286,006)</u>	
Total		32,340

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds an interest expenditure is reported when due. 8,551

Repayment of bond, loan and lease principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 328,723

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows. 4,001,402

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities. (6,646,752)

Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (104,440)

The internal service funds used by management to charge the costs of insurance to individual funds are not reported in the district-wide statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund are allocated among the governmental activities. (508,456)

*Change in Net Position of Governmental Activities* (\$4,869,063)

See accompanying notes to the basic financial statements

**Bedford City School District**  
*Statement of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Fiscal Year Ended June 30, 2017*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Taxes	\$29,120,412	\$31,741,802	\$31,723,117	(\$18,685)
Intergovernmental	14,928,552	15,972,342	16,086,954	114,612
Interest	42,728	100,000	132,124	32,124
Charges for Services	0	0	728	728
Tuition and Fees	1,505,557	1,212,588	1,217,941	5,353
Rentals	28,586	32,000	62,029	30,029
Payments in Lieu of Taxes	94,867	94,867	94,867	0
Miscellaneous	119,953	133,810	138,336	4,526
<i>Total Revenues</i>	<u>45,840,655</u>	<u>49,287,409</u>	<u>49,456,096</u>	<u>168,687</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	21,953,933	21,238,688	20,895,667	343,021
Special	6,040,215	6,133,215	6,066,389	66,826
Vocational	664,573	715,562	687,128	28,434
Support Services:				
Pupil	3,221,844	3,162,111	3,082,902	79,209
Instructional Staff	1,933,585	2,032,912	1,908,921	123,991
Board of Education	271,788	306,843	239,432	67,411
Administration	4,550,674	4,532,291	4,164,529	367,762
Fiscal	1,837,261	1,740,375	1,338,896	401,479
Business	679,324	677,953	616,233	61,720
Operation and Maintenance of Plant	6,991,256	6,743,219	6,410,203	333,016
Pupil Transportation	3,803,315	4,224,502	4,089,686	134,816
Central	157,606	216,834	163,663	53,171
Extracurricular Activities	710,252	726,721	718,180	8,541
Capital Outlay	5,000	5,000	4,511	489
Debt Service:				
Principal Retirement	328,734	328,734	328,723	11
Interest and Fiscal Charges	59,036	59,036	58,992	44
<i>Total Expenditures</i>	<u>53,208,396</u>	<u>52,843,996</u>	<u>50,774,055</u>	<u>2,069,941</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(7,367,741)</u>	<u>(3,556,587)</u>	<u>(1,317,959)</u>	<u>2,238,628</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	0	0	13,630	13,630
Advances In	1,236,605	1,286,605	1,287,000	395
Advances Out	(1,242,000)	(1,990,000)	(1,990,000)	0
Transfers Out	(434,730)	(551,130)	(549,730)	1,400
<i>Total Other Financing Sources (Uses)</i>	<u>(440,125)</u>	<u>(1,254,525)</u>	<u>(1,239,100)</u>	<u>15,425</u>
<i>Net Change in Fund Balance</i>	<u>(7,807,866)</u>	<u>(4,811,112)</u>	<u>(2,557,059)</u>	<u>2,254,053</u>
<i>Fund Balance Beginning of Year</i>	12,934,328	12,934,328	12,934,328	0
Prior Year Encumbrances Appropriated	2,032,296	2,032,296	2,032,296	0
<i>Fund Balance End of Year</i>	<u>\$7,158,758</u>	<u>\$10,155,512</u>	<u>\$12,409,565</u>	<u>\$2,254,053</u>

See accompanying notes to the basic financial statements

**Bedford City School District**

*Statement of Net Position*

*Internal Service Funds*

*June 30, 2017*

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<b>Assets</b>	<u>\$0</u>
<b>Liabilities</b>	
<i>Current Liabilities:</i>	
Interfund Payable	11,920
Claims Payable	<u>276,500</u>
<i>Total Liabilities</i>	<u>288,420</u>
<b>Net Position</b>	
Unrestricted	<u><u>(\$288,420)</u></u>

See accompanying notes to the basic financial statements

**Bedford City School District**  
*Statement of Revenues, Expenses and  
Changes in Net Position  
Internal Service Funds  
For the Fiscal Year Ended June 30, 2017*

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<b>Operating Revenues</b>	
Charges for Services	<u>\$4,846,572</u>
<b>Operating Expenses</b>	
Purchased Services	841,246
Claims	<u>4,643,782</u>
<i>Total Operating Expenses</i>	<u>5,485,028</u>
<i>Income (Loss) before Transfers</i>	(638,456)
Transfers In	<u>130,000</u>
<i>Change in Net Position</i>	(508,456)
<i>Net Position Beginning of Year</i>	<u>220,036</u>
<i>Net Position End of Year</i>	<u><u>(\$288,420)</u></u>

See accompanying notes to the basic financial statements



**Bedford City School District**  
*Statement of Cash Flows*  
*Internal Service Funds*  
For the Fiscal Year Ended June 30, 2017

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

**Cash Flows from Operating Activities**

Cash Received from Interfund Services	\$4,846,572
Cash Payments for Purchased Services	(841,246)
Cash Payments for Claims	<u>(4,596,582)</u>

<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>(591,256)</u>
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**Cash Flows from Noncapital and  
Related Financing Activities**

Advances In	11,920
Transfers In	<u>130,000</u>

<i>Net Cash Provided by (Used for)  Noncapital and Related Financing Activities</i>	<u>141,920</u>
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<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	(449,336)
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<i>Cash and Cash Equivalents Beginning of Year</i>	<u>449,336</u>
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<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$0</u></u>
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***Reconciliation of Operating Income (Loss) to Net  
Cash Provided by (Used for) Operating Activities***

Operating Income (Loss)	(\$638,456)
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*Adjustments*

Increase (Decrease) in Claims Payable	<u>47,200</u>
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<i>Net Cash Provided by (Used for) Operating Activities</i>	<u><u>(\$591,256)</u></u>
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See accompanying notes to the basic financial statements

**Bedford City School District**  
*Statement of Fiduciary Net Position*  
*Fiduciary Funds*  
*June 30, 2017*

	Private Purpose Trust	
	Scholarship	Agency
<b>Assets</b>		
Equity in Pooled Cash and Cash Equivalents	\$61,168	\$49,635
<b>Liabilities</b>		
Due to Students	0	\$49,635
<b>Net Position</b>		
Held in Trust for Scholarships	\$61,168	

See accompanying notes to the basic financial statements

**Bedford City School District**  
*Statement of Changes in Fiduciary Net Position*  
*Private Purpose Trust Fund*  
*For the Fiscal Year Ended June 30, 2017*

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	<u>Scholarship</u>
<b>Additions</b>	
Interest	\$369
Miscellaneous	<u>12,820</u>
<i>Total Additions</i>	13,189
<b>Deductions</b>	
Scholarships Awarded	<u>33,930</u>
<i>Change in Net Position</i>	(20,741)
<i>Net Position Beginning of Year</i>	<u>81,909</u>
<i>Net Position End of Year</i>	<u><u>\$61,168</u></u>

See accompanying notes to the basic financial statements

**Bedford City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2017*

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**Note 1 - Description of the School District and Reporting Entity**

Bedford City School District (the School District) is a city school district as defined by Section 3311.02 of the Ohio Revised Code. The School District provides education to 3,161 students in grades K through 12. The School District also provides preschool education to 47 handicapped and 42 regular education students. The School District is located in northeast Ohio, covers approximately 25 square miles and includes the City of Bedford, most of the City of Bedford Heights, and the Villages of Walton Hills and Oakwood. The operation of the School District is governed by an elected five-member Board of Education.

*Reporting Entity*

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

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

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

The School District participates in an insurance purchasing pool and two jointly governed organizations. These organizations are the Ohio School Boards Association Workers' Compensation Group Retrospective Rating Program, Connect and Ohio Schools Council Association. These organizations are presented in Notes 17 and 21 of the notes to the basic financial statements.

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

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

**Bedford City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2017*

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***Basis of Presentation***

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

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

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

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

***Fund Accounting***

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

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

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

**Bedford City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2017*

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

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

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

***Fiduciary Fund Type*** Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. The School District's only trust fund is a private purpose trust which accounts for a college scholarship donations for students. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District has two agency funds, the student activities fund that reports resources belonging to the student bodies of the various schools and the district agency fund that reports Ohio High School Athletic Association tournament monies.

***Measurement Focus***

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

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

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

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

**Bedford City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2017*

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***Basis of Accounting***

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

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

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

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

***Deferred Outflows/Inflows of Resources*** In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources are reported on the government-wide statement of net position for pension. The deferred outflows of resources related to pension are explained in Note 15.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the School District, deferred inflows of resources include property taxes, pension and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2017, but which were levied to finance fiscal year 2018 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the School District, unavailable revenue includes delinquent property taxes, delinquent payments in lieu of taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities found on page 19. Deferred inflows of resources related to pension are reported on the government-wide statement of net position (See Note 15).

**Bedford City School District**  
*Notes to the Basic Financial Statements*  
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***Expenses/Expenditures*** On the accrual basis of accounting, expenses are recognized at the time they are incurred.

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

***Pensions***

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

***Budgetary Data***

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

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

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

***Cash and Cash Equivalents***

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

During fiscal year 2017, the School District's investments were limited to STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which



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allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The School District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2017, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

Following Ohio statutes, the Board of Education has, by resolution, identified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2017 amounted to \$132,124, which includes \$27,396 assigned from other School District funds.

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

***Inventory***

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

***Capital Assets***

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

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

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

Description	Governmental Activities Estimated Lives
Buildings and Improvements	10 - 30 years
Furniture and Equipment	10 - 20 years
Vehicles	12 years

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***Interfund Balances***

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

***Compensated Absences***

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

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

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

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

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

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

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

***Internal Activity***

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

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

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***Fund Balance Classifications***

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

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

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

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

***Assigned*** Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by the School District Board of Education. In the general fund, assigned amounts represent intended uses established by the School District Board of Education, delegated that authority by State statute. State statute authorizes the Treasurer to assign fund balance purchases on order provided such amounts have been lawfully appropriated. The Board of Education assigned fund balance for recreation, public school support, special enterprise projects, summer school and fiscal year 2018 operations.

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

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

***Net Position***

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

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

***Operating Revenues and Expenses***

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

***Estimates***

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

**Note 3 –Accountability**

At June 30, 2017, the following funds had deficit fund balances:

	<u>Amount</u>
<b>Special Revenue Funds:</b>	
Public School Preschool	\$2,911
Title VI-B	4,890
Vocational Education	1,860
Title III	615
Title I	54,340
Preschool Handicapped	2,134
Title VI-R	10,218

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

**Note 4 – Fund Balances**

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

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Fund Balances	General	Other Governmental Funds	Total
<b><i>Nonspendable</i></b>			
Inventory	\$451,190	\$5,095	\$456,285
<b><i>Restricted for</i></b>			
Food Service	0	987,780	987,780
Technology Improvements	0	69,631	69,631
Athletics	0	45,883	45,883
Community Involvement	21,631	0	21,631
Non-Public Schools	0	2,086	2,086
Debt Service Payments	0	66,918	66,918
Capital Improvements	0	492,015	492,015
<b><i>Total Restricted</i></b>	<b>21,631</b>	<b>1,664,313</b>	<b>1,685,944</b>
<b><i>Committed to</i></b>			
Educational Services	231,155	0	231,155
Health Services	6,464	0	6,464
Capital Improvements	0	150,806	150,806
<b><i>Total Committed</i></b>	<b>237,619</b>	<b>150,806</b>	<b>388,425</b>
<b><i>Assigned to</i></b>			
Recreation	8,482	0	8,482
Public School Support	144,473	0	144,473
Special Enterprise	76,100	0	76,100
Summer School	9,156	0	9,156
Fiscal Year 2018 Operations	3,497,617	0	3,497,617
Purchases on Order			
Instruction	360,362	0	360,362
Support Services	882,193	0	882,193
<b><i>Total Assigned</i></b>	<b>4,978,383</b>	<b>0</b>	<b>4,978,383</b>
<b><i>Unassigned (Deficit)</i></b>	<b>11,401,929</b>	<b>(76,968)</b>	<b>11,324,961</b>
<b><i>Total Fund Balances</i></b>	<b>\$17,090,752</b>	<b>\$1,743,246</b>	<b>\$18,833,998</b>

**Note 5 - Budgetary Basis of Accounting**

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).

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

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

Net Change in Fund Balance	
GAAP Basis	(\$1,762,897)
Net Adjustment for Revenue Accruals	1,770,615
Advances In	1,287,000
Net Adjustment for Expenditure Accruals	(39,272)
Advances Out	(1,990,000)
Beginning Unrecorded Cash	(3,650)
Ending Unrecorded Cash	1,713
Perspective Difference:	
Public School Support	(20,460)
Special Enterprise	(12,800)
Summer School	6,508
Adjustment for Encumbrances	(1,793,816)
Budget Basis	<u><u>(\$2,557,059)</u></u>

**Note 6 - Deposits and Investments**

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

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

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

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

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

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

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

### **Deposits**

***Custodial Credit Risk*** Custodial credit risk for deposits is the risk that in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in possession of an outside party. At fiscal year-end, \$576,075 of the School District's bank balance of \$929,782 was uninsured and uncollateralized. Although the securities were held by the pledging financial institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the School District to a successful claim by the FDIC.

The School District has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the School District or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured. Effective July 1, 2017, the Ohio Pooled Collateral System (OPCS) was implemented by the Office of the Ohio Treasurer of State. Financial institutions can elect to participate in the OPCS and will collateralize at one hundred two percent or a rate set by the Treasurer of State. Financial institution opting not to participate in OPCS will collateralize utilizing the specific pledge method at one hundred five percent.

### **Investments**

As of June 30, 2017, the School District's only investment was in STAR Ohio, which is measured at net asset value per share. STAR Ohio's weighted average maturity based on the stated final maturity for each security is 65 days.

**Bedford City School District**  
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**Interest Rate Risk** As a means of limiting its exposure to fair value losses caused by rising interest rates, the School District’s investment policy requires that operating funds be invested primarily in short-term investments maturing within five years from the date of purchase and that the School District’s investment portfolio be structured so that the securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity. To date, no investments have been purchased with a life greater than two years.

**Credit Risk** Standard & Poor’s has assigned an AAAM money market rating, its highest rating, to STAR Ohio. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The School District has no investment policy that addresses credit risk.

**Note 7 - Receivables**

Receivables at June 30, 2017, consisted of taxes, accounts (student fees and tuition), payments in lieu of taxes, interfund, School Employees Retirement System overpayment and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. All receivables except for delinquent property taxes are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

A summary of principal items of intergovernmental receivables follows:

Governmental Activities	Amount
Foundation Adjustments	\$1,100,304
School Employees Retirement System	257,213
Title I Grants and Subsidies	245,983
Title VI-B Grants and Subsidies	202,333
Bureau of Workers' Compensation Refund	147,566
Vocational Education Grants and Subsidies	40,272
Public School Preschool Grants and Subsidies	24,349
Title VI-R Grants and Subsidies	21,883
Preschool Handicapped Grants and Subsidies	11,831
Motor Fuel Tax Refund	5,045
Title III Grants and Subsidies	3,498
Orange City Schools	2,822
Village of Oakwood	2,592
Garfield Heights City School District	350
Total	\$2,066,041

**Note 8 - Property Taxes**

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



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Property taxes include amounts levied against all real property and public utility property located in the School District. Real property tax revenues received in calendar year 2017 represents collections of calendar year 2016 taxes. Real property taxes received in calendar year 2017 were levied after April 1, 2016, on the assessed value listed as of January 1, 2016, the lien date. Assessed values for real property are established by State law at thirty-five percent of appraised market value. Real property are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenues received in calendar year 2017 represents collections of calendar year 2016 taxes. Public utility real and tangible personal property taxes received in calendar year 2017 become a lien December 31, 2015, were levied after April 1, 2016 and are collected in 2017 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The School District receives property taxes from Cuyahoga County. The County Fiscal Officer periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2017, are available to finance fiscal year 2017 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property and public utility property taxes which are measurable as of June 30, 2017 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 were levied to finance current fiscal year operations are reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources – property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

The amount available as an advance at June 30, 2017 was \$4,874,595 in the general fund and \$71,043 in the permanent improvement capital projects fund. The amount available as an advance at June 30, 2016, was \$7,951,694 in the general fund and \$115,813 in the permanent improvement capital projects fund. The difference was in timing and collection by the County Fiscal Officer.

The assessed values upon which the fiscal year 2017 taxes were collected are:

	2016 Second Half Collections		2017 First Half Collections	
	Amount	Percent	Amount	Percent
Residential/Agricultural	\$349,512,680	52.73 %	\$349,003,880	52.06 %
Other Real Estate	262,252,180	39.57	258,758,450	38.60
Public Utility Personal	51,032,600	7.70	62,613,050	9.34
<b>Total</b>	<b>\$662,797,460</b>	<b>100.00 %</b>	<b>\$670,375,380</b>	<b>100.00 %</b>
Tax rate per \$1,000 of assessed valuation	\$75.72		\$75.72	

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**Note 9 – Tax Abatements**

School District property taxes were reduced as follows under Community Reinvestment Area (CRA) agreements entered into by overlapping governments:

Overlapping Government	Amount of Fiscal Year 2017 Taxes Abated
<i>Community Reinvestment Areas:</i>	
City of Bedford	\$185,488
City of Bedford Heights	13,151
Village of Oakwood	430,733

Pursuant to Section 5709.82 of the Ohio Revised Code, the overlapping governments and the Bedford City School District created various CRA compensation agreements. The following are the required amounts of income tax dollars received by the School District in fiscal year 2017:

Overlapping Government	Fiscal Year 2017 Income Tax Dollars Received
City of Bedford	\$33,514
Village of Oakwood	101,479
Total	\$134,993

**Note 10 - Compensated Absences**

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees and administrators earn ten to twenty days of vacation per year, depending upon length of service and hours worked. Accumulated unused vacation time is paid to classified employees upon termination of employment. Teachers do not earn vacation time. Each employee earns sick leave at a rate of one and one-fourth days per month. Sick leave may be accumulated to a maximum of 275 days for non-certificated, 260 days for certificated employees (unless in their final year of employment before retirement), 370 days for administrators and administrative assistants hired before July 1, 2016 and 340 days for administrative assistants hired after July 1, 2016. Upon retirement or termination after 25 years of consecutive service (or attaining age 52 and 20 years of consecutive service), payment is made for up to 40 days for certificated employees, 55 days for administrators and 30 days for administrative assistants, plus one-tenth of the days remaining. The maximum number of days to be paid out is 63.5 days for certificated staff, 86.5 days for administrators, 64 days for administrative assistants hired before July 1, 2016 and 61 days for administrative assistants hired after July 1, 2016. The non-certificated employees' payment is calculated using one-fourth of the days unless the employee has accumulated 90 percent or more of their maximum number of days in which case the calculation is made at 30 percent for a maximum of 82.5 days. For purposes of retirement, the employee receiving such payment must meet the eligibility requirement provisions set by STRS or SERS.

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**Note 11 - Interfund Transfers and Balances**

***Interfund Transfers***

The general fund transferred \$118,900 to the district managed student activities special revenue fund to provide financial support for the School District's athletics, \$133,430 to the permanent improvement capital projects fund to help fund capital improvements, \$162,200 to the capital replacement capital projects fund for bus purchases and \$130,000 to the self-insurance internal service fund to provide financial support for the School District's insurance expenses. The bond retirement debt service fund transferred \$838 to the general fund, \$581 to the permanent improvement capital projects fund and \$185 to the capital replacement fund to pay for the respective funds' portions of the tax anticipation note payments.

***Interfund Balances***

Interfund balances at June 30, 2017, consist of the following individual fund receivables and payables:

Interfund Payable	Interfund Receivable
Other Governmental Funds	General
Auxiliary Services	\$500
Public School Preschool	25,000
Title VI-B	350,000
Vocational Education	66,000
Title III	15,500
Title I	850,000
Preschool Handicapped	51,000
Title VI-R	77,000
Building	420,000
<i>Total Other Governmental Funds</i>	1,855,000
<b>Internal Service Fund</b>	11,920
<b>Grand Total</b>	\$1,866,920

The interfund receivables and payables are advances due to the timing of the receipt of grant monies and other monies collected for some programs received by various funds. The general fund provides money to operate the programs until grants and other monies are received and the advances can be repaid. These advances are expected to be repaid within the next fiscal year.

**Bedford City School District**  
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**Note 12 - Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2017, was as follows:

	Balance 6/30/16	Additions	Deletions	Balance 6/30/17
<b>Governmental Activities</b>				
<i>Capital Assets, not being depreciated:</i>				
Land	\$1,525,500	\$0	\$0	\$1,525,500
Construction in Progress	0	0	0	0
<b>Total Capital Assets, not being depreciated</b>	<b>1,525,500</b>	<b>0</b>	<b>0</b>	<b>1,525,500</b>
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	42,896,514	47,210	0	42,943,724
Furniture and Equipment	6,465,299	153,960	(46,203)	6,573,056
Vehicles	5,291,511	384,875	(126,849)	5,549,537
<b>Total Capital Assets, being depreciated</b>	<b>54,653,324</b>	<b>586,045</b>	<b>(173,052)</b>	<b>55,066,317</b>
<i>Less Accumulated Depreciation:</i>				
Buildings and Improvements	(29,222,516)	(1,033,188)	0	(30,255,704)
Furniture and Equipment	(4,522,711)	(258,163)	37,835	(4,743,039)
Vehicles	(3,268,883)	(262,115)	122,826	(3,408,172)
<b>Total Accumulated Depreciation</b>	<b>(37,014,110)</b>	<b>(1,553,466) *</b>	<b>160,661</b>	<b>(38,406,915)</b>
<b>Total Capital Assets, being depreciated, net</b>	<b>17,639,214</b>	<b>(967,421)</b>	<b>(12,391)</b>	<b>16,659,402</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$19,164,714</b>	<b>(\$967,421)</b>	<b>(\$12,391)</b>	<b>\$18,184,902</b>

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

Instruction	
Regular	\$268,046
Special	1,504
Vocational	12,611
Support Services	
Pupil	1,709
Instructional Staff	9,950
Administration	500
Business	149,027
Operation and Maintenance of Plant	683,867
Pupil Transportation	234,672
Central	470
Operation of Non-Instructional Services:	
Food Service Operations	17,849
Other Non-Instructional Services	40,015
Extracurricular Activities	133,246
<b>Total Depreciation Expense</b>	<b>\$1,553,466</b>

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**Note 13 - Contingencies**

***Grants***

The School District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2017, if applicable, cannot be determined at this time.

***School Foundation***

School District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, additional ODE adjustments for fiscal year 2017 are not finalized. As a result, the impact of future FTE adjustments on the fiscal year 2017 financial statements is not determinable, at this time. Management believes this may result in either an additional receivable to, or a liability of, the School District.

***Litigation***

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

**Note 14 - Risk Management**

***Property and Liability***

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2017, the School District contracted for property and general liability insurance, and boiler and machinery coverage through the Ohio Schools Council Association Group Purchasing Consortium. The Netherlands Insurance Company (member of Liberty Mutual Group) is the carrier for the School District's insurance.

Aggregate property coverage is \$151,829,766 with a \$5,000 deductible. Aggregate boiler and machinery coverage is approximately \$100 million with a \$1,000 deductible. The policy is renewable on July 1, 2018, for each coverage. Casualty and fleet insurance coverage was provided with a combined single limit of \$1 million. Education and umbrella liability insurance coverage was provided with a combined single limit of \$9 million each occurrence and combined aggregate of \$9 million. The Treasurer is covered by a \$100,000 surety bond and the Superintendent, Board of Education President, and Business Manager are covered by \$50,000 position bonds.

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

***Worker's Compensation***

For fiscal year 2017, the School District participated in the Ohio School Boards Association Workers' Compensation Group Retrospective Rating Program, an insurance purchasing pool (Note 17). The intent of the Group Rating Program, (GRP) is to achieve the benefit of a reduced premium for the School District by

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

***Employee Benefits***

The School District has elected to provide employee hospitalization/medical benefits and prescription drug benefits to full time employees through a self-insurance program as of January 1, 2013. Full time is defined as the full 186 day academic year, or 1,700 hours for non-certificated employees. Employees working shorter calendars pay a prorated portion of the health care premiums. The School District maintains a self-insurance internal service fund to account for and finance its uninsured risk of loss in the hospitalization and drug programs. There is no limitation on prescription drug benefits.

A third party administrator, Cigna, reviews and pays all claims. The School District pays the following monthly premium into the self-funded benefits fund, which represents 88 percent of the premium required. In 2017 three different plans were offered through Cigna. The premiums charged were different for each plan. The School District rates for the most popular plan design were as follows: Hospitalization - \$487 (single), \$1,339 (family). These premiums are paid by the fund that pays the salary for each employee and is based on historical cost information. Stop-loss coverage has been purchased for medical claims at \$100,000 per individual employee, and in aggregate of 125 percent of expected claims for the School District.

Dental benefits are provided with a fully-insured program and claims are limited to \$2,500 per covered individual per year, with a lifetime limit of \$1,000 on orthodontia. Medical Mutual is also available as a fully-insured health and prescription option. The premiums were \$443.80 (single) and \$1,221.20 (family).

The claims liability of \$276,500 reported in the self insurance fund at June 30, 2017, is based on an estimate provided by the Treasurer and the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

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

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2016	\$285,700	\$4,422,187	\$4,478,587	\$229,300
2017	229,300	4,643,782	4,596,582	276,500

## **Note 15 – Defined Benefit Pension Plans**

### ***Net Pension Liability***

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

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

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

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

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

### ***Plan Description - School Employees Retirement System (SERS)***

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

Age and service requirements for retirement are as follows:

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

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

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

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

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2017, the allocation to pension, death benefits, and Medicare B was 14 percent. No allocation was made to the Health Care Fund.

The School District's contractually required contribution to SERS was \$1,197,574 for fiscal year 2017. Of this amount \$68,817 is reported as an intergovernmental payable.

***Plan Description - State Teachers Retirement System (STRS)***

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

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. With certain exceptions, the basic benefit is increased each year by two percent of the original base benefit. For members retiring August 1, 2013, or later, the first two percent is paid on the fifth anniversary of the retirement benefit. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 26 years of service, or 31 years of service regardless of age. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.



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

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12 percent of the 14 percent member rate goes to the DC Plan and the remaining 2 percent is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity after termination of employment at age 50 or later.

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

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least ten years of qualifying service credit to apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the fiscal year ended June 30, 2017, the employer rate was 14 percent and the plan members were also required to contribute 14 percent of covered salary. The statutory member contribution rate was increased one percent to 14 percent on July 1, 2016. The fiscal year 2017 contribution rates were equal to the statutory maximum rates.

The School District's contractually required contribution to STRS was \$2,803,828 for fiscal year 2017. Of this amount \$442,339 is reported as an intergovernmental payable.

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

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on the School District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

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	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the Net Pension Liability Prior Measurement Date	0.27142040%	0.18712752%	
Proportion of the Net Pension Liability Current Measurement Date	<u>0.26957880%</u>	<u>0.18734875%</u>	
Change in Proportionate Share	<u>-0.00184160%</u>	<u>0.00022123%</u>	
Proportionate Share of the Net Pension Liability	\$19,730,682	\$62,711,275	\$82,441,957
Pension Expense	\$1,953,258	\$4,693,494	\$6,646,752

At June 30, 2017, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$266,121	\$2,533,837	\$2,799,958
Changes of assumptions	1,317,131	0	1,317,131
Net difference between projected and actual earnings on pension plan investments	1,627,495	5,206,720	6,834,215
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	0	193,627	193,627
School District contributions subsequent to the measurement date	<u>1,197,574</u>	<u>2,803,828</u>	<u>4,001,402</u>
Total Deferred Outflows of Resources	<u>\$4,408,321</u>	<u>\$10,738,012</u>	<u>\$15,146,333</u>
<b>Deferred Inflows of Resources</b>			
Changes in proportionate share and Difference between School District contributions and proportionate share of contributions	<u>\$217,945</u>	<u>\$51,846</u>	<u>\$269,791</u>

\$4,001,402 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending June 30:	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
2018	\$704,681	\$1,277,144	\$1,981,825
2019	703,509	1,277,145	1,980,654
2020	1,116,774	3,275,108	4,391,882
2021	<u>467,838</u>	<u>2,052,941</u>	<u>2,520,779</u>
Total	<u>\$2,992,802</u>	<u>\$7,882,338</u>	<u>\$10,875,140</u>

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**Actuarial Assumptions - SERS**

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

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

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2016, compared with June 30, 2015, are presented below:

	June 30, 2016	June 30, 2015
Wage Inflation	3.00 percent	3.25 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent	4.00 percent to 22.00 percent
COLA or Ad Hoc COLA	3 percent	3 percent
Investment Rate of Return	7.50 percent net of investments expense, including inflation	7.75 percent net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal	Entry Age Normal

For 2016, the mortality assumptions are that mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. For 2015, the mortality assumptions were based on the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables were used for the period after disability retirement.

The most recent experience study was completed for the five year period ended June 30, 2015.

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

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Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	1.00 %	0.50 %
US Stocks	22.50	4.75
Non-US Stocks	22.50	7.00
Fixed Income	19.00	1.50
Private Equity	10.00	8.00
Real Assets	15.00	5.00
Multi-Asset Strategies	10.00	3.00
Total	100.00 %	

**Discount Rate** The total pension liability was calculated using the discount rate of 7.50 percent. A discount rate of 7.75 percent was used in the prior measurement period. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.50 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

**Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.50 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
School District's proportionate share of the net pension liability	\$26,122,192	\$19,730,682	\$14,380,720

**Actuarial Assumptions - STRS**

The total pension liability in the June 30, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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Actuarial assumptions used in the June 30, 2016, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return *</u>
Domestic Equity	31.00 %	8.00 %
International Equity	26.00	7.85
Alternatives	14.00	8.00
Fixed Income	18.00	3.75
Real Estate	10.00	6.75
Liquidity Reserves	1.00	3.00
<b>Total</b>	<b>100.00 %</b>	<b>7.61 %</b>

\* 10 year annualized geometric nominal returns include the real rate of return and inflation of 2.5 percent, and does not include investment expenses. The total fund long-term expected return reflects diversification among the asset classes and therefore is not a weighted average return of the individual asset classes.

**Discount Rate** The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2016. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions of future plan members, are excluded. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2016. Therefore, the long-term expected rate of return on pension plan investments of 7.75 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2016.

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

	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
School District's proportionate share of the net pension liability	\$83,338,187	\$62,711,275	\$45,311,257

**Bedford City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2017*

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***Changes between Measurement Date and Report Date***

In March 2017, the STRS Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of June 30, 2017. The most significant change is a reduction in the discount rate from 7.75 percent to 7.45 percent. In April 2017, the STRS Board voted to suspend cost of living adjustments granted on or after July 1, 2017. Although the exact amount of these changes is not known, the overall decrease to School District's NPL is expected to be significant.

***Social Security System***

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Employees Retirement System. As of June 30, 2017, two members of the Board of Education have elected Social Security. The Board's liability is 6.2 percent of wages.

**Note 16 - Postemployment Benefits**

***School Employees Retirement System***

Health Care Plan Description - The School District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 45 purposes, this plan is considered a cost-sharing, multiple-employer, defined benefit other postemployment benefit (OPEB) plan. SERS offers several types of health plans from various vendors, including HMO's, PPO's, Medicare Advantage, and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrator and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Active employee members do not contribute to the Health Care Plan. The SERS Retirement Board established the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2017, no allocation of covered payroll was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2017, this amount was \$23,500. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2017, the School District's surcharge obligation was \$118,334.

**Bedford City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2017*

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The surcharge, added to the unallocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contributions for health care for the fiscal years ended June 30, 2017, 2016 and 2015 were \$118,334, \$121,391 and \$178,291, respectively. The full amount has been contributed for fiscal years 2016 and 2015.

***State Teachers Retirement System***

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

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS Ohio to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For the fiscal years ended June 30, 2017, June 30, 2016 and June 30, 2015, STRS Ohio did not allocate any employer contributions to post-employment health care.

**Note 17 - Insurance Purchasing Pool**

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

**Note 18 - Set Asides**

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

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

**Bedford City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2017*

	Capital Improvement
Set-aside Balances as of June 30, 2016	\$0
Current Year Set-aside Requirement	572,324
Current Year Offsets	(310,712)
Qualifying Disbursements	(1,352,712)
Totals	(\$1,091,100)
Set-aside Balance Carried Forward to Future Fiscal Years	\$0
Set-aside Balances as of June 30, 2017	\$0

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

**Note 19 – Notes Payable**

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

	Outstanding 6/30/2016	Issued	Retired	Outstanding 6/30/2017
<b>Governmental Activities</b>				
Tax Anticipation Notes, Series 2014	\$178,454	\$0	(\$59,500)	\$118,954
Tax Anticipation Notes, Series 2016	508,273	0	(101,000)	407,273
Total Governmental Activities	\$686,727	\$0	(\$160,500)	\$526,227

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

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

	Principal	Interest	Total
2018	\$160,500	\$10,526	\$171,026
2019	161,454	7,315	168,769
2020	102,000	4,086	106,086
2021	102,273	2,045	104,318
Total	\$526,227	\$23,972	\$550,199

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



**Bedford City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2017*

**Note 20 - Long Term Obligations**

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

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

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

	Principal Outstanding 6/30/16	Additions	(Reductions)	Principal Outstanding 6/30/17	Amount Due in One Year
<b>Governmental Activities:</b>					
General Obligation Bonds:					
Radio Equipment Acquisition Bonds	\$68,634	\$0	(\$68,634)	\$0	\$0
Energy Conservation Improvement Bonds	1,411,699	0	(260,089)	1,151,610	270,767
<i>Total General Obligation Bonds</i>	1,480,333	0	(328,723)	1,151,610	270,767
<b>Other Long Term Obligations:</b>					
Net Pension Liability:					
STRS	51,716,575	10,994,700	0	62,711,275	0
SERS	15,487,511	4,243,171	0	19,730,682	0
Total Net Pension Liability	67,204,086	15,237,871	0	82,441,957	0
Compensated Absences	4,292,918	1,802,780	(1,698,340)	4,397,358	1,695,530
<i>Total Other Long Term Obligation</i>	71,497,004	17,040,651	(1,698,340)	86,839,315	1,695,530
Total Governmental Activities	\$72,977,337	\$17,040,651	(\$2,027,063)	\$87,990,925	\$1,966,297

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

The School District pays obligations related to employee compensation from the fund benefitting from their service. Compensated absences are paid from the general fund, the food service, title VI-B, title I and title VI-R special revenue funds. There is no repayment schedule for the net pension liability. However, employer pension contributions are made from the general fund and the food service, district managed student activities, public school preschool, title VI-B and title I special revenue funds. See Note 15 for additional information related to the net pension liability.

In October 2012, the School District issued radio equipment acquisition bonds having an original face value of \$274,578, for the purpose of acquiring radio communications equipment. These bonds were paid from the building capital projects fund.

**Bedford City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2017*

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The overall debt margin of the School District as of June 30, 2017, was \$59,202,880 with an unvoted debt margin of \$669,862. Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2017, are as follows:

	Energy Conservation Improvement Bonds	
	Principal	Interest
2018	\$270,767	\$47,280
2019	281,883	36,164
2020	293,456	24,591
2021	305,504	12,543
Total	<u>\$1,151,610</u>	<u>\$120,578</u>

**Note 21 - Jointly Governed Organizations**

***Connect***

North Coast Council, which became Connect effective April 1, 2016, is a jointly governed organization comprised of twenty-four member school districts, three educational service centers and the Ohio Schools Council. The jointly governed organization was formed for the purpose of providing support and leadership which enables organizations to achieve their objectives through innovative and cost effective shared technology solutions. Connect is governed by a four member Board of Directors consisting of the Superintendent of the Educational Service Center of Cuyahoga County, the Superintendent of the Educational Service Center of Lorain County, the Superintendent of the Educational Service Center of Medina County and the Executive Director of the Ohio Schools Council. Each participating entity's contribution to Connect is dependent upon student enrollment and/or software packages and services utilized. Financial information for Connect can be obtained by contacting the Treasurer at the Cuyahoga County Educational Service Center, which serves as fiscal agent. During fiscal year 2017, the School District contributed \$99,748 to Connect.

***Ohio Schools Council Association***

The Ohio Schools Council Association (Council) is a jointly governed organization among 231 school districts. The jointly governed organization was created by school districts for the purpose of saving money through volume purchases. Each district supports the Council by paying an annual participation fee. Each school district member's superintendent serves as a representative of the Assembly. The Assembly elects five of the Council's Board members and the remaining four are representatives of the Greater Cleveland School Superintendents' Association. The Council operates under a nine-member Board of Directors (the Board). The Board is the policy making authority of the Council. The Board meets monthly from September through June. The Board appoints an Executive Director who is responsible for receiving and disbursing funds, investing available funds, preparing financial reports for the Board and Assembly and carrying out such other responsibilities as designated by the Board. The degree of control exercised by any participant is limited to its representation on the Governing Board. The Board exercises total control over the operations of the Council including budgeting, appropriating, contracting and designating management. In fiscal year 2017, the School District paid \$788 to the Council. Financial information can be obtained by contacting William J. Zelei, the Executive Director of the Ohio Schools' Council at 6393 Oak Tree Blvd, Suite 377, Independence, Ohio 44131.

**Bedford City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2017*

The School District participates in the natural gas purchase program. This program allows the School District to purchase natural gas at reduced rates. Constellation New Energy, formerly known as Compass Energy, serves as the new supplier and program manager for the period from April 1, 2016 through March 31, 2019. There are currently 157 participants in the program. The participants make monthly payments based on estimated usage. Each September, these estimated payments are compared to their actual usage for the year (July to June). Districts that paid more in estimated billings than their actual billings are issued credits on future billings in September until the credits are exhausted and districts that did not pay enough on estimated billings are invoiced for the difference on the September monthly estimated billing.

The School District also participates in the Council’s current electric purchase program. The Power 4 Schools Program provides a fixed price rate for electricity supplied by First Energy Solutions of \$0.0518 per kwh for the generation of electricity. There are currently 267 participants in the program including the School District. School districts are not charged a fee by OSC to participate in this program. School districts pay the utility (Ohio Edison, Toledo Edison or Cleveland Electric Illuminating Co.) directly and receive a discount for the fixed price of generation.

**Note 22 – Significant Commitments**

***Contractual Commitments***

As of June 30, 2017, the School District had the following contractual construction commitments outstanding:

Vendor Name	Contract Amount	Amount Paid To Date	Remaining Contract
FieldTurf - High School Stadium Turf	\$416,867	\$0	\$416,867
Partners Environmental - Administration Air Conditioning	5,745	0	5,745
Pioneer Environmental - Administration Air Conditioning	7,350	0	7,350
Smith & Oby Service - Administration Air Conditioning	72,755	0	72,755
Laketec Communications, Inc. - Network Infrastructure Equipment	75,000	0	75,000
Total	<u>\$577,717</u>	<u>\$0</u>	<u>\$577,717</u>

Remaining commitment amounts were encumbered at year end.

***Encumbrances***

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

General	\$1,793,816
Other Governmental Funds	856,699
Internal Service	583
Total	<u>\$2,651,098</u>

**Bedford City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2017*

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**Note 23 – Change in Accounting Principle and Restatement of Net Position**

***Change in Accounting Principle***

For fiscal year 2017, the School District implemented Governmental Accounting Standards Board (GASB) Statement No. 77, *Tax Abatement Disclosures*. GASB Statement No. 77 requires disclosure of information about the nature and magnitude of tax abatements. These changes were incorporated in the School District's 2017 financial statements; however, there was no effect on beginning net position/fund balance.

The School District also implemented GASB's *Implementation Guide No. 2016-1*. These changes were incorporated in the School District's fiscal year 2017 financial statements; however, there was no effect on beginning net position/fund balance.

***Restatement of Prior Year's Net Position***

During fiscal year 2016, the School District's compensated absences liability was understated. The restatement of compensated absences payable had the following effect on net position as reported at June 30, 2016:

	<u>Governmental Activities</u>
Net Position June 30, 2016	(\$26,452,823)
Adjustment:	
Compensated Absences Payable	<u>(248,465)</u>
Restated Net Position June 30, 2016	<u><u>(\$26,701,288)</u></u>

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## Required Supplementary Information

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

	2017	2016	2015	2014
School District's Proportion of the Net Pension Liability	0.26957880%	0.27142040%	0.27752900%	0.27752900%
School District's Proportionate Share of the Net Pension Liability	\$19,730,682	\$15,487,511	\$14,045,584	\$16,503,759
School District's Covered Payroll	\$8,825,571	\$8,203,703	\$8,159,191	\$7,988,321
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	223.56%	188.79%	172.14%	206.60%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.98%	69.16%	71.70%	65.52%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2014 is not available. An additional column will be added each year.

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

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

	2017	2016	2015	2014
School District's Proportion of the Net Pension Liability	0.18734875%	0.18712752%	0.18588748%	0.18588748%
School District's Proportionate Share of the Net Pension Liability	\$62,711,275	\$51,716,575	\$45,214,269	\$53,858,941
School District's Covered Payroll	\$19,176,686	\$19,570,471	\$19,579,221	\$19,212,138
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	327.02%	264.26%	230.93%	280.34%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.80%	72.10%	74.70%	69.30%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2014 is not available. An additional column will be added each year.

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

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$1,197,574	\$1,235,580	\$1,081,248	\$1,130,864
Contributions in Relation to the Contractually Required Contribution	<u>(1,197,574)</u>	<u>(1,235,580)</u>	<u>(1,081,248)</u>	<u>(1,130,864)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll	\$8,554,100	\$8,825,571	\$8,203,703	\$8,159,191
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	13.18%	13.86%



2013	2012	2011	2010	2009	2008
\$1,105,584	\$1,083,749	\$1,014,939	\$764,140	\$844,270	\$830,814
<u>(1,105,584)</u>	<u>(1,083,749)</u>	<u>(1,014,939)</u>	<u>(764,140)</u>	<u>(844,270)</u>	<u>(830,814)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$7,988,321	\$8,057,614	\$8,074,293	\$5,643,576	\$8,579,978	\$8,460,426
13.84%	13.45%	12.57%	13.54%	9.84%	9.82%

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$2,803,828	\$2,684,736	\$2,739,866	\$2,545,299
Contributions in Relation to the Contractually Required Contribution	<u>(2,803,828)</u>	<u>(2,684,736)</u>	<u>(2,739,866)</u>	<u>(2,545,299)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll	\$20,027,343	\$19,176,686	\$19,570,471	\$19,579,223
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	13.00%

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$2,497,578	\$2,460,983	\$2,469,571	\$2,518,241	\$2,621,381	\$2,438,865
<u>(2,497,578)</u>	<u>(2,460,983)</u>	<u>(2,469,571)</u>	<u>(2,518,241)</u>	<u>(2,621,381)</u>	<u>(2,438,865)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$19,212,138	\$18,930,638	\$18,996,700	\$19,371,085	\$20,164,469	\$18,760,500
13.00%	13.00%	13.00%	13.00%	13.00%	13.00%

**Bedford City School District, Ohio**  
*Notes to Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2017*

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**Changes in Assumptions - SERS**

Amounts reported for fiscal year 2017 incorporate changes in assumptions used by SERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal year 2016 and prior are presented below:

	Fiscal Year 2017	Fiscal Year 2016 and Prior
Wage Inflation	3.00 percent	3.25 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent	4.00 percent to 22.00 percent
Investment Rate of Return	7.50 percent net of investments expense, including inflation	7.75 percent net of investments expense, including inflation

Amounts reported for fiscal year 2017 use mortality assumptions with mortality rates that are based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. Amounts reported for fiscal year 2016 and prior, use mortality assumptions that are based on the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables were used for the period after disability retirement.

**COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND  
SCHEDULES**

***Combining Statements – Nonmajor Governmental Funds***

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***Nonmajor Special Revenue Funds***

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

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

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

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

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

***Public School Preschool Fund*** To account for and report restricted monies from the State of Ohio to assist in paying the cost of the preschool program run by the School District.

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

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

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

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

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

(continued)

*Combining Statements – Nonmajor Governmental Funds (continued)*

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*Nonmajor Special Revenue Funds (continued)*

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

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

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

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

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

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

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

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***Nonmajor Debt Service Fund***

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

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

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***Nonmajor Capital Projects Funds***

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

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

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

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



**Bedford City School District**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*June 30, 2017*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$2,467,532	\$66,918	\$1,188,901	\$3,723,351
Intergovernmental Receivable	550,499	0	0	550,499
Inventory Held for Resale	22,384	0	0	22,384
Materials and Supplies Inventory	5,095	0	0	5,095
Taxes Receivable	0	171,025	353,010	524,035
<i>Total Assets</i>	<u>\$3,045,510</u>	<u>\$237,943</u>	<u>\$1,541,911</u>	<u>\$4,825,364</u>
<b>Liabilities</b>				
Accounts Payable	\$152,135	\$0	\$0	\$152,135
Contracts Payable	0	0	4,234	4,234
Accrued Wages and Benefits Payable	198,264	0	0	198,264
Intergovernmental Payable	65,957	0	0	65,957
Accrued Interest Payable	0	0	321	321
Interfund Payable	1,435,000	0	420,000	1,855,000
Notes Payable	0	0	192,568	192,568
Matured Compensated Absences Payable	43,680	0	0	43,680
<i>Total Liabilities</i>	<u>1,895,036</u>	<u>0</u>	<u>617,123</u>	<u>2,512,159</u>
<b>Deferred Inflows of Resources</b>				
Property Taxes	0	171,025	220,163	391,188
Unavailable Revenue	116,967	0	61,804	178,771
<i>Total Deferred Inflows of Resources</i>	<u>116,967</u>	<u>171,025</u>	<u>281,967</u>	<u>569,959</u>
<b>Fund Balances</b>				
Nonspendable	5,095	0	0	5,095
Restricted	1,105,380	66,918	492,015	1,664,313
Committed	0	0	150,806	150,806
Unassigned (Deficit)	(76,968)	0	0	(76,968)
<i>Total Fund Balances</i>	<u>1,033,507</u>	<u>66,918</u>	<u>642,821</u>	<u>1,743,246</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$3,045,510</u>	<u>\$237,943</u>	<u>\$1,541,911</u>	<u>\$4,825,364</u>

**Bedford City School District**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*For the Fiscal Year Ended June 30, 2017*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>				
Taxes	\$0	\$0	\$321,913	\$321,913
Intergovernmental	3,875,211	0	39,293	3,914,504
Interest	19	0	0	19
Charges for Services	489,506	0	0	489,506
Extracurricular Activities	112,554	0	0	112,554
Contributions and Donations	21,906	0	0	21,906
Miscellaneous	1,008	0	0	1,008
<i>Total Revenues</i>	<u>4,500,204</u>	<u>0</u>	<u>361,206</u>	<u>4,861,410</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	9,953	0	0	9,953
Special	271,261	0	0	271,261
Vocational	133,356	0	0	133,356
Support Services:				
Pupil	777,035	0	0	777,035
Instructional Staff	584,774	0	0	584,774
Administration	136,249	0	0	136,249
Business	10,000	0	0	10,000
Central	1,990	0	0	1,990
Operation of Non-Instructional Services:				
Food Service Operations	1,881,488	0	0	1,881,488
Other Non-Instructional Services	151,867	0	0	151,867
Extracurricular Activities	230,093	0	0	230,093
Capital Outlay	0	0	319,482	319,482
Debt Service:				
Interest and Fiscal Charges	0	0	5,276	5,276
<i>Total Expenditures</i>	<u>4,188,066</u>	<u>0</u>	<u>324,758</u>	<u>4,512,824</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>312,138</u>	<u>0</u>	<u>36,448</u>	<u>348,586</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	118,900	0	296,396	415,296
Transfers Out	0	(1,604)	0	(1,604)
<i>Total Other Financing Sources (Uses)</i>	<u>118,900</u>	<u>(1,604)</u>	<u>296,396</u>	<u>413,692</u>
<i>Net Change in Fund Balances</i>	431,038	(1,604)	332,844	762,278
<i>Fund Balances Beginning of Year</i>	<u>602,469</u>	<u>68,522</u>	<u>309,977</u>	<u>980,968</u>
<i>Fund Balances End of Year</i>	<u><u>\$1,033,507</u></u>	<u><u>\$66,918</u></u>	<u><u>\$642,821</u></u>	<u><u>\$1,743,246</u></u>

**Bedford City School District**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*June 30, 2017*

	Food Service	Local Grants	District Managed Student Activities	Auxiliary Services
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$1,143,051	\$70,028	\$48,259	\$24,341
Intergovernmental Receivable	0	0	350	0
Inventory Held for Resale	22,384	0	0	0
Materials and Supplies Inventory	5,095	0	0	0
<i>Total Assets</i>	<u>\$1,170,530</u>	<u>\$70,028</u>	<u>\$48,609</u>	<u>\$24,341</u>
<b>Liabilities</b>				
Accounts Payable	\$4,315	\$397	\$2,726	\$21,755
Accrued Wages and Benefits Payable	84,963	0	0	0
Intergovernmental Payable	44,697	0	0	0
Interfund Payable	0	0	0	500
Matured Compensated Absences Payable	43,680	0	0	0
<i>Total Liabilities</i>	<u>177,655</u>	<u>397</u>	<u>2,726</u>	<u>22,255</u>
<b>Deferred Inflows of Resources</b>				
Unavailable Revenue	0	0	0	0
<b>Fund Balances</b>				
Nonspendable	5,095	0	0	0
Restricted	987,780	69,631	45,883	2,086
Unassigned (Deficit)	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>992,875</u>	<u>69,631</u>	<u>45,883</u>	<u>2,086</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$1,170,530</u>	<u>\$70,028</u>	<u>\$48,609</u>	<u>\$24,341</u>

(continued)

**Bedford City School District**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds (continued)*  
*June 30, 2017*

	Public School Preschool	Title VI-B	Vocational Education	Title III
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$21,246	\$189,452	\$41,993	\$15,020
Intergovernmental Receivable	24,349	202,333	40,272	3,498
Inventory Held for Resale	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
<i>Total Assets</i>	<u>\$45,595</u>	<u>\$391,785</u>	<u>\$82,265</u>	<u>\$18,518</u>
<b>Liabilities</b>				
Accounts Payable	\$13,201	\$6,597	\$8,954	\$3,019
Accrued Wages and Benefits Payable	4,947	20,420	0	0
Intergovernmental Payable	1,294	7,786	0	0
Interfund Payable	25,000	350,000	66,000	15,500
Matured Compensated Absences Payable	0	0	0	0
<i>Total Liabilities</i>	<u>44,442</u>	<u>384,803</u>	<u>74,954</u>	<u>18,519</u>
<b>Deferred Inflows of Resources</b>				
Unavailable Revenue	4,064	11,872	9,171	614
<b>Fund Balances</b>				
Nonspendable	0	0	0	0
Restricted	0	0	0	0
Unassigned (Deficit)	(2,911)	(4,890)	(1,860)	(615)
<i>Total Fund Balances (Deficit)</i>	<u>(2,911)</u>	<u>(4,890)</u>	<u>(1,860)</u>	<u>(615)</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$45,595</u>	<u>\$391,785</u>	<u>\$82,265</u>	<u>\$18,518</u>

Title I	Preschool Handicapped	Title VI-R	Total Nonmajor Special Revenue Funds
\$795,569	\$43,077	\$75,496	\$2,467,532
245,983	11,831	21,883	550,499
0	0	0	22,384
0	0	0	5,095
<u>\$1,041,552</u>	<u>\$54,908</u>	<u>\$97,379</u>	<u>\$3,045,510</u>
\$68,028	\$3,908	\$19,235	\$152,135
87,934	0	0	198,264
11,784	0	396	65,957
850,000	51,000	77,000	1,435,000
0	0	0	43,680
<u>1,017,746</u>	<u>54,908</u>	<u>96,631</u>	<u>1,895,036</u>
<u>78,146</u>	<u>2,134</u>	<u>10,966</u>	<u>116,967</u>
0	0	0	5,095
0	0	0	1,105,380
<u>(54,340)</u>	<u>(2,134)</u>	<u>(10,218)</u>	<u>(76,968)</u>
<u>(54,340)</u>	<u>(2,134)</u>	<u>(10,218)</u>	<u>1,033,507</u>
<u>\$1,041,552</u>	<u>\$54,908</u>	<u>\$97,379</u>	<u>\$3,045,510</u>

**Bedford City School District**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds*  
*For the Fiscal Year Ended June 30, 2017*

	Food Service	Local Grants	District Managed Student Activities	Auxiliary Services
<b>Revenues</b>				
Intergovernmental	\$1,421,335	\$6,044	\$0	\$18,199
Interest	0	0	0	19
Charges for Services	488,531	0	975	0
Extracurricular Activities	0	0	112,554	0
Contributions and Donations	0	11,430	10,476	0
Miscellaneous	0	0	1,008	0
<i>Total Revenues</i>	<u>1,909,866</u>	<u>17,474</u>	<u>125,013</u>	<u>18,218</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	0	9,953	0	0
Special	0	1,857	0	0
Vocational	0	662	0	0
Support Services:				
Pupil	0	0	0	0
Instructional Staff	0	0	0	0
Administration	0	0	0	0
Business	0	10,000	0	0
Central	0	0	0	0
Operation of Non-Instructional Services:				
Food Service Operations	1,881,488	0	0	0
Other Non-Instructional Services	0	1,000	0	28,829
Extracurricular Activities	0	225	229,868	0
<i>Total Expenditures</i>	<u>1,881,488</u>	<u>23,697</u>	<u>229,868</u>	<u>28,829</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	28,378	(6,223)	(104,855)	(10,611)
<b>Other Financing Sources (Uses)</b>				
Transfers In	0	0	118,900	0
<i>Net Change in Fund Balances</i>	28,378	(6,223)	14,045	(10,611)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>964,497</u>	<u>75,854</u>	<u>31,838</u>	<u>12,697</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$992,875</u></u>	<u><u>\$69,631</u></u>	<u><u>\$45,883</u></u>	<u><u>\$2,086</u></u>

Public School Preschool	Data Communications	Title VI-B	Vocational Education	Title III
\$67,936	\$10,800	\$1,003,868	\$184,679	\$11,679
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
67,936	10,800	1,003,868	184,679	11,679
0	0	0	0	0
0	0	56,098	0	10,508
0	0	0	132,694	0
0	0	544,471	0	0
0	10,800	18,241	9,881	615
0	0	128,516	7,733	0
0	0	0	0	0
0	0	0	1,990	0
0	0	0	0	0
70,847	0	41,164	0	0
0	0	0	0	0
70,847	10,800	788,490	152,298	11,123
(2,911)	0	215,378	32,381	556
0	0	0	0	0
(2,911)	0	215,378	32,381	556
0	0	(220,268)	(34,241)	(1,171)
(\$2,911)	\$0	(\$4,890)	(\$1,860)	(\$615)

(continued)

**Bedford City School District**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds (continued)*  
*For the Fiscal Year Ended June 30, 2017*

	Title I	Preschool Handicapped	Title VI-R	Total Nonmajor Special Revenue Funds
<b>Revenues</b>				
Intergovernmental	\$1,046,007	\$29,784	\$74,880	\$3,875,211
Interest	0	0	0	19
Charges for Services	0	0	0	489,506
Extracurricular Activities	0	0	0	112,554
Contributions and Donations	0	0	0	21,906
Miscellaneous	0	0	0	1,008
<i>Total Revenues</i>	<u>1,046,007</u>	<u>29,784</u>	<u>74,880</u>	<u>4,500,204</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	0	0	0	9,953
Special	190,476	12,322	0	271,261
Vocational	0	0	0	133,356
Support Services:				
Pupil	222,539	10,025	0	777,035
Instructional Staff	479,339	2,670	63,228	584,774
Administration	0	0	0	136,249
Business	0	0	0	10,000
Central	0	0	0	1,990
Operation of Non-Instructional Services:				
Food Service Operations	0	0	0	1,881,488
Other Non-Instructional Services	9,410	0	617	151,867
Extracurricular Activities	0	0	0	230,093
<i>Total Expenditures</i>	<u>901,764</u>	<u>25,017</u>	<u>63,845</u>	<u>4,188,066</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	144,243	4,767	11,035	312,138
<b>Other Financing Sources (Uses)</b>				
Transfers In	0	0	0	118,900
<i>Net Change in Fund Balances</i>	144,243	4,767	11,035	431,038
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>(198,583)</u>	<u>(6,901)</u>	<u>(21,253)</u>	<u>602,469</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>(\$54,340)</u></u>	<u><u>(\$2,134)</u></u>	<u><u>(\$10,218)</u></u>	<u><u>\$1,033,507</u></u>



**Bedford City School District**  
*Combining Balance Sheet*  
*Nonmajor Capital Projects Funds*  
*June 30, 2017*

	<u>Permanent Improvement</u>	<u>Building</u>	<u>Capital Replacement</u>	<u>Total Nonmajor Capital Projects Funds</u>
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$513,313	\$451,045	\$224,543	\$1,188,901
Taxes Receivable	353,010	0	0	353,010
<i>Total Assets</i>	<u>\$866,323</u>	<u>\$451,045</u>	<u>\$224,543</u>	<u>\$1,541,911</u>
<b>Liabilities</b>				
Contracts Payable	\$4,234	\$0	\$0	\$4,234
Accrued Interest Payable	198	0	123	321
Interfund Payable	0	420,000	0	420,000
Notes Payable	118,954	0	73,614	192,568
<i>Total Liabilities</i>	<u>123,386</u>	<u>420,000</u>	<u>73,737</u>	<u>617,123</u>
<b>Deferred Inflows of Resources</b>				
Property Taxes	220,163	0	0	220,163
Unavailable Revenue	61,804	0	0	61,804
<i>Total Deferred Inflows of Resources</i>	<u>281,967</u>	<u>0</u>	<u>0</u>	<u>281,967</u>
<b>Fund Balances</b>				
Restricted	460,970	31,045	0	492,015
Committed	0	0	150,806	150,806
<i>Total Fund Balances</i>	<u>460,970</u>	<u>31,045</u>	<u>150,806</u>	<u>642,821</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$866,323</u>	<u>\$451,045</u>	<u>\$224,543</u>	<u>\$1,541,911</u>

**Bedford City School District**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Capital Projects Funds*  
*For the Fiscal Year Ended June 30, 2017*

	<u>Permanent Improvement</u>	<u>Building</u>	<u>Capital Replacement</u>	<u>Total Nonmajor Capital Projects Funds</u>
<b>Revenues</b>				
Taxes	\$302,006	\$0	\$19,907	\$321,913
Intergovernmental	39,293	0	0	39,293
<i>Total Revenues</i>	<u>341,299</u>	<u>0</u>	<u>19,907</u>	<u>361,206</u>
<b>Expenditures</b>				
Capital Outlay	100,895	0	218,587	319,482
Debt Service:				
Interest and Fiscal Charges	3,469	0	1,807	5,276
<i>Total Expenditures</i>	<u>104,364</u>	<u>0</u>	<u>220,394</u>	<u>324,758</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	236,935	0	(200,487)	36,448
<b>Other Financing Sources (Uses)</b>				
Transfers In	134,011	0	162,385	296,396
<i>Net Change in Fund Balances</i>	370,946	0	(38,102)	332,844
<i>Fund Balances Beginning of Year</i>	<u>90,024</u>	<u>31,045</u>	<u>188,908</u>	<u>309,977</u>
<i>Fund Balances End of Year</i>	<u><u>\$460,970</u></u>	<u><u>\$31,045</u></u>	<u><u>\$150,806</u></u>	<u><u>\$642,821</u></u>

**Agency Funds**

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

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

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

**Bedford City School District**  
*Statement of Changes in Assets and Liabilities*  
*Agency Funds*  
*For the Fiscal Year Ended June 30, 2017*

	Beginning Balance June 30, 2016	Additions	Reductions	Ending Balance June 30, 2017
<b>Student Activities Fund</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$41,569	\$61,393	\$53,327	\$49,635
<b>Liabilities</b>				
Due to Students	\$41,569	\$61,393	\$53,327	\$49,635
<b>District Agency Fund</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$3	\$70,714	\$70,717	\$0
<b>Liabilities</b>				
Due to Students	\$3	\$70,714	\$70,717	\$0
<b>All Agency Funds</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$41,572	\$132,107	\$124,044	\$49,635
<b>Liabilities</b>				
Due to Students	\$41,572	\$132,107	\$124,044	\$49,635

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

**Bedford City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Fiscal Year Ended June 30, 2017*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Taxes	\$29,120,412	\$31,741,802	\$31,723,117	(\$18,685)
Intergovernmental	14,928,552	15,972,342	16,086,954	114,612
Interest	42,728	100,000	132,124	32,124
Charges for Services	0	0	728	728
Tuition and Fees	1,505,557	1,212,588	1,217,941	5,353
Rentals	28,586	32,000	62,029	30,029
Payments in Lieu of Taxes	94,867	94,867	94,867	0
Miscellaneous	119,953	133,810	138,336	4,526
<i>Total Revenues</i>	<u>45,840,655</u>	<u>49,287,409</u>	<u>49,456,096</u>	<u>168,687</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	12,893,970	11,218,018	11,177,831	40,187
Fringe Benefits	3,936,904	3,955,687	3,915,576	40,111
Purchased Services	4,362,821	4,774,509	4,698,651	75,858
Materials and Supplies	692,485	1,186,486	1,024,223	162,263
Capital Outlay	54,821	87,269	63,868	23,401
Other	12,932	16,719	15,518	1,201
Total Regular	<u>21,953,933</u>	<u>21,238,688</u>	<u>20,895,667</u>	<u>343,021</u>
Special:				
Salaries and Wages	4,279,500	4,372,130	4,356,969	15,161
Fringe Benefits	1,509,765	1,495,895	1,448,380	47,515
Purchased Services	250,000	264,000	260,560	3,440
Materials and Supplies	950	1,190	480	710
Total Special	<u>6,040,215</u>	<u>6,133,215</u>	<u>6,066,389</u>	<u>66,826</u>
Vocational:				
Salaries and Wages	451,000	448,460	445,446	3,014
Fringe Benefits	130,228	142,763	136,094	6,669
Purchased Services	25,345	31,968	21,024	10,944
Materials and Supplies	8,000	23,951	21,246	2,705
Capital Outlay	50,000	68,420	63,318	5,102
Total Vocational	<u>664,573</u>	<u>715,562</u>	<u>687,128</u>	<u>28,434</u>
Total Instruction	<u>\$28,658,721</u>	<u>\$28,087,465</u>	<u>\$27,649,184</u>	<u>\$438,281</u>

(continued)

**Bedford City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Fiscal Year Ended June 30, 2017*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Support Services:</b>				
<b>Pupil:</b>				
Salaries and Wages	\$2,024,854	\$1,996,085	\$1,990,591	\$5,494
Fringe Benefits	715,104	687,355	638,666	48,689
Purchased Services	429,071	425,912	411,760	14,152
Materials and Supplies	47,305	46,463	37,054	9,409
Capital Outlay	5,510	6,196	4,731	1,465
Other	0	100	100	0
<b>Total Pupil</b>	<b>3,221,844</b>	<b>3,162,111</b>	<b>3,082,902</b>	<b>79,209</b>
<b>Instructional Staff:</b>				
Salaries and Wages	1,068,519	1,122,635	1,117,465	5,170
Fringe Benefits	433,003	431,687	400,484	31,203
Purchased Services	328,887	321,389	282,954	38,435
Materials and Supplies	65,065	116,529	75,936	40,593
Capital Outlay	38,111	40,617	32,082	8,535
Other	0	55	0	55
<b>Total Instructional Staff</b>	<b>1,933,585</b>	<b>2,032,912</b>	<b>1,908,921</b>	<b>123,991</b>
<b>Board of Education:</b>				
Salaries and Wages	5,768	16,750	16,750	0
Fringe Benefits	1,740	2,710	2,316	394
Purchased Services	222,120	247,103	202,550	44,553
Materials and Supplies	780	780	325	455
Capital Outlay	4,000	4,000	0	4,000
Other	37,380	35,500	17,491	18,009
<b>Total Board of Education</b>	<b>271,788</b>	<b>306,843</b>	<b>239,432</b>	<b>67,411</b>
<b>Administration:</b>				
Salaries and Wages	2,295,121	2,264,605	2,264,150	455
Fringe Benefits	1,173,920	1,126,724	1,076,655	50,069
Purchased Services	927,468	947,868	661,611	286,257
Materials and Supplies	44,924	72,704	59,089	13,615
Capital Outlay	18,101	24,344	16,541	7,803
Other	91,140	96,046	86,483	9,563
<b>Total Administration</b>	<b>\$4,550,674</b>	<b>\$4,532,291</b>	<b>\$4,164,529</b>	<b>\$367,762</b>

(continued)

**Bedford City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Fiscal Year Ended June 30, 2017*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Fiscal:				
Salaries and Wages	\$434,800	\$347,290	\$345,273	\$2,017
Fringe Benefits	194,000	155,590	135,665	19,925
Purchased Services	224,229	257,183	157,680	99,503
Materials and Supplies	8,120	8,773	6,066	2,707
Capital Outlay	55,000	53,104	7,568	45,536
Other	921,112	918,435	686,644	231,791
<b>Total Fiscal</b>	<b>1,837,261</b>	<b>1,740,375</b>	<b>1,338,896</b>	<b>401,479</b>
Business:				
Salaries and Wages	323,462	322,270	319,948	2,322
Fringe Benefits	176,726	178,776	168,784	9,992
Purchased Services	116,185	118,192	93,883	24,309
Materials and Supplies	32,651	30,243	11,903	18,340
Capital Outlay	26,000	24,117	19,092	5,025
Other	4,300	4,355	2,623	1,732
<b>Total Business</b>	<b>679,324</b>	<b>677,953</b>	<b>616,233</b>	<b>61,720</b>
Operation and Maintenance of Plant:				
Salaries and Wages	2,516,725	2,497,005	2,484,997	12,008
Fringe Benefits	1,339,222	1,126,574	1,075,981	50,593
Purchased Services	2,217,602	2,205,209	1,953,187	252,022
Materials and Supplies	438,724	436,951	435,346	1,605
Capital Outlay	474,483	473,580	456,867	16,713
Other	4,500	3,900	3,825	75
<b>Total Operation and Maintenance of Plant</b>	<b>6,991,256</b>	<b>6,743,219</b>	<b>6,410,203</b>	<b>333,016</b>
Pupil Transportation:				
Salaries and Wages	1,926,273	2,052,396	2,046,349	6,047
Fringe Benefits	734,100	687,254	648,612	38,642
Purchased Services	382,149	546,100	520,929	25,171
Materials and Supplies	492,614	547,992	509,246	38,746
Capital Outlay	264,679	387,260	363,981	23,279
Other	3,500	3,500	569	2,931
<b>Total Pupil Transportation</b>	<b>\$3,803,315</b>	<b>\$4,224,502</b>	<b>\$4,089,686</b>	<b>\$134,816</b>

(continued)

**Bedford City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Fiscal Year Ended June 30, 2017*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Central:				
Salaries and Wages	\$66,771	\$66,588	\$65,588	\$1,000
Fringe Benefits	41,800	35,835	26,183	9,652
Purchased Services	34,242	97,933	64,864	33,069
Materials and Supplies	9,293	10,978	4,757	6,221
Capital Outlay	3,000	3,000	1,281	1,719
Other	2,500	2,500	990	1,510
Total Central	157,606	216,834	163,663	53,171
Total Support Services	23,446,653	23,637,040	22,014,465	1,622,575
Extracurricular Activities:				
Academic and Subject Oriented:				
Salaries and Wages	42,745	60,100	60,061	39
Fringe Benefits	8,900	8,900	5,963	2,937
Total Academic and Subject Oriented	51,645	69,000	66,024	2,976
Occupation Oriented:				
Salaries and Wages	3,237	4,545	4,536	9
Fringe Benefits	550	570	558	12
Total Occupation Oriented	3,787	5,115	5,094	21
Sports Oriented:				
Salaries and Wages	483,253	492,145	491,074	1,071
Fringe Benefits	125,200	99,250	95,998	3,252
Total Sports Oriented	608,453	591,395	587,072	4,323
School and Public Service Oriented:				
Salaries and Wages	38,113	52,957	52,950	7
Fringe Benefits	8,254	8,254	7,040	1,214
Total School and Public Service Oriented	46,367	61,211	59,990	1,221
Total Extracurricular Activities	\$710,252	\$726,721	\$718,180	\$8,541

(continued)



**Bedford City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Fiscal Year Ended June 30, 2017*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Capital Outlay:				
Architecture and Engineering Services				
Capital Outlay	\$5,000	\$5,000	\$4,511	\$489
Debt Service:				
Principal Retirement	328,734	328,734	328,723	11
Interest and Fiscal Charges	59,036	59,036	58,992	44
Total Debt Service	387,770	387,770	387,715	55
<i>Total Expenditures</i>	53,208,396	52,843,996	50,774,055	2,069,941
<i>Excess of Revenues Over (Under) Expenditures</i>	(7,367,741)	(3,556,587)	(1,317,959)	2,238,628
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	0	0	13,630	13,630
Advances In	1,236,605	1,286,605	1,287,000	395
Advances Out	(1,242,000)	(1,990,000)	(1,990,000)	0
Transfers Out	(434,730)	(551,130)	(549,730)	1,400
<i>Total Other Financing Sources (Uses)</i>	(440,125)	(1,254,525)	(1,239,100)	15,425
<i>Net Change in Fund Balance</i>	(7,807,866)	(4,811,112)	(2,557,059)	2,254,053
<i>Fund Balance Beginning of Year</i>	12,934,328	12,934,328	12,934,328	0
Prior Year Encumbrances Appropriated	2,032,296	2,032,296	2,032,296	0
<i>Fund Balance End of Year</i>	\$7,158,758	\$10,155,512	\$12,409,565	\$2,254,053

**Bedford City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Food Service Fund*  
*For the Fiscal Year Ended June 30, 2017*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$1,325,000	\$1,301,599	(\$23,401)
Charges for Services	525,000	488,531	(36,469)
<i>Total Revenues</i>	<u>1,850,000</u>	<u>1,790,130</u>	<u>(59,870)</u>
<b>Expenditures</b>			
Current:			
Operation of Non-Instructional Services:			
Food Services Operations:			
Salaries and Wages	756,067	755,857	210
Fringe Benefits	205,740	205,431	309
Purchased Services	15,803	13,094	2,709
Materials and Supplies	785,061	778,764	6,297
Capital Outlay	82,855	78,830	4,025
Other	3,265	3,145	120
<i>Total Expenditures</i>	<u>1,848,791</u>	<u>1,835,121</u>	<u>13,670</u>
<i>Net Change in Fund Balance</i>	1,209	(44,991)	(46,200)
<i>Fund Balance Beginning of Year</i>	1,125,268	1,125,268	0
Prior Year Encumbrances Appropriated	<u>12,791</u>	<u>12,791</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,139,268</u></u>	<u><u>\$1,093,068</u></u>	<u><u>(\$46,200)</u></u>

**Bedford City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Local Grants Fund*  
*For the Fiscal Year Ended June 30, 2017*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$5,900	\$6,044	\$144
Contributions and Donations	11,500	11,430	(70)
<i>Total Revenues</i>	<u>17,400</u>	<u>17,474</u>	<u>74</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Purchased Services	1,298	1,298	0
Materials and Supplies	4,440	3,638	802
Capital Outlay	4,485	2,709	1,776
Other	2,740	2,577	163
Total Regular	<u>12,963</u>	<u>10,222</u>	<u>2,741</u>
Special:			
Purchased Services	668	468	200
Materials and Supplies	1,555	1,389	166
Total Special	<u>2,223</u>	<u>1,857</u>	<u>366</u>
Vocational:			
Materials and Supplies	735	662	73
Total Instruction	<u>15,921</u>	<u>12,741</u>	<u>3,180</u>
Support Services:			
Business:			
Other	12,462	10,000	2,462
Operation and Maintenance of Plant:			
Purchased Services	3,974	0	3,974
Total Support Services	<u>\$16,436</u>	<u>\$10,000</u>	<u>\$6,436</u>

(continued)

**Bedford City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Local Grants Fund (continued)*  
*For the Fiscal Year Ended June 30, 2017*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<i>Operation of Non-Instructional Services:</i>			
<i>Other Non-Instructional Services:</i>			
<i>Community Services</i>			
Materials and Supplies	\$112	\$0	\$112
Other	59,701	1,000	58,701
<i>Total Operation of Non-Instructional Services</i>	59,813	1,000	58,813
<i>Extracurricular Activities:</i>			
<i>Academic and Subject Oriented:</i>			
Other	225	225	0
<i>Total Expenditures</i>	92,395	23,966	68,429
<i>Net Change in Fund Balance</i>	(74,995)	(6,492)	68,503
<i>Fund Balance Beginning of Year</i>	73,757	73,757	0
<i>Prior Year Encumbrances Appropriated</i>	2,395	2,395	0
<i>Fund Balance End of Year</i>	\$1,157	\$69,660	\$68,503

**Bedford City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*District Managed Student Activities Fund*  
*For the Fiscal Year Ended June 30, 2017*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Charges for Services	\$0	\$975	\$975
Extracurricular Activities	112,700	112,204	(496)
Contributions and Donations	11,400	10,476	(924)
Miscellaneous	0	1,008	1,008
<i>Total Revenues</i>	<u>124,100</u>	<u>124,663</u>	<u>563</u>
<b>Expenditures</b>			
Current:			
Extracurricular Activities:			
Academic and Subject Oriented:			
Materials and Supplies	<u>6,977</u>	<u>5,866</u>	<u>1,111</u>
Occupational Oriented:			
Materials and Supplies	<u>1,014</u>	<u>0</u>	<u>1,014</u>
Sport Oriented Activities:			
Salaries and Wages	14,003	13,993	10
Fringe Benefits	822	819	3
Purchased Services	88,450	85,178	3,272
Materials and Supplies	<u>126,140</u>	<u>115,143</u>	<u>10,997</u>
Total Sport Oriented Activities	<u>\$229,415</u>	<u>\$215,133</u>	<u>\$14,282</u>

(continued)

**Bedford City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*District Managed Student Activities Fund (continued)*  
*For the Fiscal Year Ended June 30, 2017*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>School and Public Service Oriented:</b>			
Purchased Services	\$35,893	\$18,321	\$17,572
Materials and Supplies	3,476	2,004	1,472
Other	13	0	13
<b>Total School and Public Service Oriented</b>	<b>39,382</b>	<b>20,325</b>	<b>19,057</b>
<i>Total Expenditures</i>	<i>276,788</i>	<i>241,324</i>	<i>35,464</i>
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>(152,688)</i>	<i>(116,661)</i>	<i>36,027</i>
<b>Other Financing Sources (Uses)</b>			
Advances In	63,000	63,000	0
Advances Out	(63,000)	(63,000)	0
Transfers In	118,900	118,900	0
<i>Total Other Financing Sources (Uses)</i>	<i>118,900</i>	<i>118,900</i>	<i>0</i>
<i>Net Change in Fund Balance</i>	<i>(33,788)</i>	<i>2,239</i>	<i>36,027</i>
<i>Fund Balance Beginning of Year</i>	<i>34,071</i>	<i>34,071</i>	<i>0</i>
Prior Year Encumbrances Appropriated	2,788	2,788	0
<i>Fund Balance End of Year</i>	<i>\$3,071</i>	<i>\$39,098</i>	<i>\$36,027</i>

**Bedford City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Auxiliary Services Fund*  
*For the Fiscal Year Ended June 30, 2017*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$18,500	\$18,199	(\$301)
Interest	0	19	19
<i>Total Revenues</i>	<u>18,500</u>	<u>18,218</u>	<u>(282)</u>
<b>Expenditures</b>			
Current:			
Operation of Non-Instructional Services:			
Other Non-Instructional Services:			
Community Services:			
Salaries and Wages	390	0	390
Purchased Services	7,074	7,074	0
Materials and Supplies	14,636	14,612	24
Capital Outlay	9,200	9,197	3
<i>Total Expenditures</i>	<u>31,300</u>	<u>30,883</u>	<u>417</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(12,800)	(12,665)	135
<b>Other Financing Sources (Uses)</b>			
Advances In	1,000	500	(500)
<i>Net Change in Fund Balance</i>	(11,800)	(12,165)	(365)
<i>Fund Balance Beginning of Year</i>	<u>12,697</u>	<u>12,697</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$897</u></u>	<u><u>\$532</u></u>	<u><u>(\$365)</u></u>

**Bedford City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Public School Preschool Fund*  
*For the Fiscal Year Ended June 30, 2017*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$48,000	\$47,651	(\$349)
<b>Expenditures</b>			
Current:			
Operation of Non-Instructional Services:			
Other Non-Instructional Services:			
Community Services:			
Salaries and Wages	26,965	23,061	3,904
Fringe Benefits	8,916	7,570	1,346
Purchased Services	1,006	1,002	4
Materials and Supplies	14,301	14,263	38
Capital Outlay	20,812	20,810	2
<i>Total Expenditures</i>	72,000	66,706	5,294
<i>Excess of Revenues Over (Under) Expenditures</i>	(24,000)	(19,055)	4,945
<b>Other Financing Sources (Uses)</b>			
Advances In	96,000	97,000	1,000
Advances Out	(72,000)	(72,000)	0
<i>Total Other Financing Sources (Uses)</i>	24,000	25,000	1,000
<i>Net Change in Fund Balance</i>	0	5,945	5,945
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$5,945	\$5,945



**Bedford City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Data Communications Fund*  
*For the Fiscal Year Ended June 30, 2017*

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

**Bedford City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Title VI-B Fund*  
*For the Fiscal Year Ended June 30, 2017*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$813,501	\$813,407	(\$94)
<b>Expenditures</b>			
Current:			
Instruction:			
Special:			
Salaries and Wages	27,914	17,619	10,295
Fringe Benefits	11,719	3,737	7,982
Purchased Services	54,087	27,014	27,073
Materials and Supplies	20,022	13,158	6,864
Capital Outlay	8,250	8,250	0
Total Instruction	121,992	69,778	52,214
Support Services:			
Pupil:			
Salaries and Wages	55,638	47,069	8,569
Fringe Benefits	16,961	14,714	2,247
Purchased Services	493,862	493,844	18
Materials and Supplies	25,152	11,687	13,465
Capital Outlay	7,500	7,391	109
Total Pupil	599,113	574,705	24,408
Instructional Staff:			
Salaries and Wages	5,820	3,927	1,893
Fringe Benefits	951	600	351
Purchased Services	37,431	14,645	22,786
Materials and Supplies	5,000	2,547	2,453
Total Instructional Staff	\$49,202	\$21,719	\$27,483

(continued)

**Bedford City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Title VI-B Fund (continued)*  
*For the Fiscal Year Ended June 30, 2017*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Administration:			
Salaries and Wages	\$100,756	\$92,531	\$8,225
Fringe Benefits	49,689	36,485	13,204
Total Administration	150,445	129,016	21,429
Total Support Services	798,760	725,440	73,320
Operation of Non-Instructional Services:			
Other Non-Instructional Services:			
Community Services:			
Purchased Services	45,298	45,298	0
<i>Total Expenditures</i>	966,050	840,516	125,534
<i>Excess of Revenues Over (Under) Expenditures</i>	(152,549)	(27,109)	125,440
<b>Other Financing Sources (Uses)</b>			
Advances In	346,499	350,000	3,501
Advances Out	(400,000)	(400,000)	0
<i>Total Other Financing Sources (Uses)</i>	(53,501)	(50,000)	3,501
<i>Net Change in Fund Balance</i>	(206,050)	(77,109)	128,941
<i>Fund Balance Beginning of Year</i>	159,163	159,163	0
Prior Year Encumbrances Appropriated	68,814	68,814	0
<i>Fund Balance End of Year</i>	\$21,927	\$150,868	\$128,941

**Bedford City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Vocational Education Fund*  
*For the Fiscal Year Ended June 30, 2017*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$242,000	\$242,670	\$670
<b>Expenditures</b>			
Current:			
Instruction:			
Vocational:			
Salaries	2,500	1,020	1,480
Fringe Benefits	410	0	410
Purchased Services	18,201	15,870	2,331
Materials and Supplies	32,140	22,638	9,502
Capital Outlay	54,739	54,441	298
Other	80,461	79,439	1,022
<b>Total Instruction</b>	<b>188,451</b>	<b>173,408</b>	<b>15,043</b>
Support Services:			
Instructional Staff:			
Salaries and Wages	6,100	3,860	2,240
Fringe Benefits	966	743	223
Purchased Services	6,050	5,597	453
Other	1,424	1,424	0
<b>Total Instructional Staff</b>	<b>14,540</b>	<b>11,624</b>	<b>2,916</b>
Administration:			
Materials and Supplies	5,735	5,456	279
Capital Outlay	2,500	2,485	15
<b>Total Administration</b>	<b>8,235</b>	<b>7,941</b>	<b>294</b>
Central:			
Purchased Services	1,000	1,000	0
Other	990	990	0
<b>Total Central</b>	<b>1,990</b>	<b>1,990</b>	<b>0</b>
<b>Total Support Services</b>	<b>24,765</b>	<b>21,555</b>	<b>3,210</b>
<b>Total Expenditures</b>	<b>\$213,216</b>	<b>\$194,963</b>	<b>\$18,253</b>

(continued)

**Bedford City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Vocational Education Fund (continued)*  
*For the Fiscal Year Ended June 30, 2017*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<i>Excess of Revenues Over (Under) Expenditures</i>	\$28,784	\$47,707	\$18,923
<b>Other Financing Sources (Uses)</b>			
Advances In	66,000	66,000	0
Advances Out	(150,000)	(150,000)	0
<i>Total Other Financing Sources (Uses)</i>	(84,000)	(84,000)	0
<i>Net Change in Fund Balance</i>	(55,216)	(36,293)	18,923
<i>Fund Balance Beginning of Year</i>	24,117	24,117	0
Prior Year Encumbrances Appropriated	31,441	31,441	0
<i>Fund Balance End of Year</i>	\$342	\$19,265	\$18,923

**Bedford City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Title III Fund*  
*For the Fiscal Year Ended June 30, 2017*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$8,795	\$8,795	\$0
<b>Expenditures</b>			
Current:			
Instruction:			
Special:			
Purchased Services	15,342	12,008	3,334
Materials and Supplies	6,348	5,278	1,070
Total Instruction	21,690	17,286	4,404
Support Services:			
Instructional Staff:			
Purchased Services	2,000	615	1,385
Materials and Supplies	250	0	250
Total Support Services	2,250	615	1,635
<i>Total Expenditures</i>	23,940	17,901	6,039
<i>Excess of Revenues Over (Under) Expenditures</i>	(15,145)	(9,106)	6,039
<b>Other Financing Sources (Uses)</b>			
Advances In	15,330	15,500	170
Advances Out	(12,000)	(12,000)	0
<i>Total Other Financing Sources (Uses)</i>	3,330	3,500	170
<i>Net Change in Fund Balance</i>	(11,815)	(5,606)	6,209
<i>Fund Balance Beginning of Year</i>	9,917	9,917	0
Prior Year Encumbrances Appropriated	1,915	1,915	0
<i>Fund Balance End of Year</i>	\$17	\$6,226	\$6,209

**Bedford City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Title I Fund*  
*For the Fiscal Year Ended June 30, 2017*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$912,375	\$878,170	(\$34,205)
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Purchased Services	40,844	40,506	338
Materials and Supplies	4,000	997	3,003
Capital Outlay	7,000	6,424	576
Total Regular	51,844	47,927	3,917
Special:			
Salaries and Wages	348,918	79,737	269,181
Fringe Benefits	68,055	25,417	42,638
Purchased Services	34,000	33,621	379
Materials and Supplies	73,237	48,973	24,264
Capital Outlay	45,102	44,935	167
Total Special	569,312	232,683	336,629
Total Instruction	621,156	280,610	340,546
Support Services:			
Pupil:			
Salaries and Wages	164,709	132,108	32,601
Fringe Benefits	70,399	55,548	14,851
Purchased Services	45,750	33,504	12,246
Materials and Supplies	5,945	3,242	2,703
Capital Outlay	4,800	0	4,800
Total Pupil	\$291,603	\$224,402	\$67,201

(continued)

**Bedford City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Title I Fund (continued)*  
*For the Fiscal Year Ended June 30, 2017*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Instructional Staff:			
Salaries and Wages	\$508,642	\$316,256	\$192,386
Fringe Benefits	150,956	108,800	42,156
Purchased Services	54,375	43,066	11,309
Materials and Supplies	12,112	5,948	6,164
Capital Outlay	9,408	4,000	5,408
<b>Total Instructional Staff</b>	<b>735,493</b>	<b>478,070</b>	<b>257,423</b>
<b>Total Support Services</b>	<b>1,027,096</b>	<b>702,472</b>	<b>324,624</b>
Operation of Non-Instructional Services:			
Other Non-Instructional Services:			
Community Services:			
Purchased Services	16,238	11,220	5,018
Materials and Supplies	4,478	2,288	2,190
<b>Total Operation of Non-Instructional Services</b>	<b>20,716</b>	<b>13,508</b>	<b>7,208</b>
<b>Total Expenditures</b>	<b>1,668,968</b>	<b>996,590</b>	<b>672,378</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(756,593)</b>	<b>(118,420)</b>	<b>638,173</b>
<b>Other Financing Sources (Uses)</b>			
Advances In	850,000	850,000	0
Advances Out	(500,000)	(500,000)	0
<b>Total Other Financing Sources (Uses)</b>	<b>350,000</b>	<b>350,000</b>	<b>0</b>
<b>Net Change in Fund Balance</b>	<b>(406,593)</b>	<b>231,580</b>	<b>638,173</b>
<b>Fund Balance Beginning of Year</b>	<b>426,513</b>	<b>426,513</b>	<b>0</b>
<b>Prior Year Encumbrances Appropriated</b>	<b>15,293</b>	<b>15,293</b>	<b>0</b>
<b>Fund Balance End of Year</b>	<b>\$35,213</b>	<b>\$673,386</b>	<b>\$638,173</b>



**Bedford City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Preschool Handicapped Fund*  
*For the Fiscal Year Ended June 30, 2017*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$25,080	\$20,087	(\$4,993)
<b>Expenditures</b>			
Current:			
Instruction:			
Special:			
Salaries and Wages	6,439	6,439	0
Fringe Benefits	526	526	0
Purchased Services	3,000	1,500	1,500
Materials and Supplies	10,000	5,178	4,822
Capital Outlay	4,770	4,739	31
Total Instruction	24,735	18,382	6,353
Support Services:			
Pupil:			
Purchased Services	12,023	8,252	3,771
Materials and Supplies	4,000	1,750	2,250
Capital Outlay	4,500	0	4,500
Total Pupil	20,523	10,002	10,521
Instructional Staff:			
Salaries and Wages	16,919	561	16,358
Fringe Benefits	3,211	7	3,204
Purchased Services	3,119	2,102	1,017
Total Instructional Staff	23,249	2,670	20,579
Total Support Services	43,772	12,672	31,100
<i>Total Expenditures</i>	\$68,507	\$31,054	\$37,453

(continued)

**Bedford City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Preschool Handicapped Fund (continued)*  
*For the Fiscal Year Ended June 30, 2017*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<i>Excess of Revenues Over (Under) Expenditures</i>	(\$43,427)	(\$10,967)	\$32,460
<b>Other Financing Sources (Uses)</b>			
Advances In	51,000	51,000	0
Advances Out	(45,000)	(45,000)	0
<i>Total Other Financing Sources (Uses)</i>	6,000	6,000	0
<i>Net Change in Fund Balance</i>	(37,427)	(4,967)	32,460
<i>Fund Balance Beginning of Year</i>	40,232	40,232	0
Prior Year Encumbrances Appropriated	2,427	2,427	0
<i>Fund Balance End of Year</i>	\$5,232	\$37,692	\$32,460

**Bedford City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Title VI-R Fund*  
*For the Fiscal Year Ended June 30, 2017*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$68,670	\$63,963	(\$4,707)
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	834	0	834
Support Services:			
Instructional Staff:			
Salaries and Wages	52,879	18,079	34,800
Fringe Benefits	11,065	5,665	5,400
Purchased Services	60,975	59,479	1,496
Materials and Supplies	10,255	10,104	151
Total Support Services	135,174	93,327	41,847
Operation of Non-Instructional Services:			
Community Services:			
Purchased Services	617	617	0
<i>Total Expenditures</i>	136,625	93,944	42,681
<i>Excess of Revenues Over (Under) Expenditures</i>	(67,955)	(29,981)	37,974
<b>Other Financing Sources (Uses)</b>			
Advances In	77,000	77,000	0
Advances Out	(45,000)	(45,000)	0
<i>Total Other Financing Sources (Uses)</i>	32,000	32,000	0
<i>Net Change in Fund Balance</i>	(35,955)	2,019	37,974
<i>Fund Balance Beginning of Year</i>	40,839	40,839	0
Prior Year Encumbrances Appropriated	255	255	0
<i>Fund Balance End of Year</i>	\$5,139	\$43,113	\$37,974

**Bedford City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Recreation Fund*  
*For the Fiscal Year Ended June 30, 2017*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Rentals	\$2,000	\$0	(\$2,000)
<b>Expenditures</b>			
Current:			
Operation of Non-Instructional Services:			
Other Non-Instructional Services:			
Community Services:			
Salaries and Wages	3,650	0	3,650
Fringe Benefits	1,350	0	1,350
<i>Total Expenditures</i>	5,000	0	5,000
<i>Net Change in Fund Balance</i>	(3,000)	0	3,000
<i>Fund Balance Beginning of Year</i>	8,482	8,482	0
<i>Fund Balance End of Year</i>	\$5,482	\$8,482	\$3,000

**Bedford City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Public School Support Fund*  
*For the Fiscal Year Ended June 30, 2017*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Tuition and Fees	\$1,300	\$2,079	\$779
Extracurricular Activities	130,780	141,428	10,648
Contributions and Donations	12,420	7,108	(5,312)
Miscellaneous	5,500	5,304	(196)
<i>Total Revenues</i>	<u>150,000</u>	<u>155,919</u>	<u>5,919</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Purchased Services	137,787	84,947	52,840
Materials and Supplies	38,656	16,891	21,765
Capital Outlay	1,353	327	1,026
Other	43,896	31,574	12,322
Total Regular	221,692	133,739	87,953
Vocational:			
Materials and Supplies	3	0	3
Total Instruction	<u>221,695</u>	<u>133,739</u>	<u>87,956</u>
Support Services:			
Pupil:			
Materials and Supplies	620	0	620
Instructional Staff:			
Fringe Benefits	1,968	349	1,619
Purchased Services	540	0	540
Materials and Supplies	19,474	4,101	15,373
Capital Outlay	75	0	75
Total Instructional Staff	<u>22,057</u>	<u>4,450</u>	<u>17,607</u>
Administration:			
Purchased Services	1,177	0	1,177
Materials and Supplies	2,504	821	1,683
Total Administration	<u>\$3,681</u>	<u>\$821</u>	<u>\$2,860</u>
Business:			
Materials and Supplies	9,750	1,200	8,550
Capital Outlay	123	0	123
Total Business	<u>\$9,873</u>	<u>\$1,200</u>	<u>\$8,673</u>

(continued)

**Bedford City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Public School Support Fund (continued)*  
*For the Fiscal Year Ended June 30, 2017*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Central:			
Purchased Services	\$206	\$0	\$206
Materials and Supplies	604	0	604
Other	863	350	513
Total Central	1,673	350	1,323
Total Support Services	37,904	6,821	31,083
Operation of Non-Instructional Services:			
Other Non-Instructional Services:			
Community Services:			
Purchased Services	2,208	0	2,208
Other	6,556	6,553	3
Total Operation of Non-Instructional Services	8,764	6,553	2,211
Extracurricular Activities:			
Academic Oriented Activities:			
Purchased Services	349	331	18
Other	12	0	12
Total Academic Oriented Activities	361	331	30
School and Public Service Oriented:			
Purchased Services	1,334	607	727
Materials and Supplies	1,176	629	547
Other	6,447	3,544	2,903
Total School and Public Service Oriented	8,957	4,780	4,177
Total Extracurricular Activities	9,318	5,111	4,207
<i>Total Expenditures</i>	277,681	152,224	125,457
<i>Net Change in Fund Balance</i>	(127,681)	3,695	131,376
<i>Fund Balance Beginning of Year</i>	118,936	118,936	0
Prior Year Encumbrances Appropriated	10,681	10,681	0
<i>Fund Balance End of Year</i>	\$1,936	\$133,312	\$131,376

**Bedford City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Special Enterprise Fund*  
*For the Fiscal Year Ended June 30, 2017*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Rentals	\$12,300	\$12,800	\$500
<b>Expenditures</b>			
Current:			
Instruction:			
Special:			
Purchased Services	50,000	0	50,000
<i>Net Change in Fund Balance</i>	(37,700)	12,800	50,500
<i>Fund Balance Beginning of Year</i>	63,300	63,300	0
<i>Fund Balance End of Year</i>	\$25,600	\$76,100	\$50,500

**Bedford City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Summer School Fund*  
*For the Fiscal Year Ended June 30, 2017*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Tuition and Fees	\$11,300	\$11,670	\$370
<b>Expenditures</b>			
Current:			
Instruction:			
Regular:			
Purchased Services	100	0	100
Materials and Supplies	300	0	300
Total Regular	400	0	400
Student Intervention Services:			
Salaries and Wages	17,870	12,101	5,769
Fringe Benefits	2,230	1,867	363
Total Student Intervention Services	20,100	13,968	6,132
Total Instruction	20,500	13,968	6,532
Support Services:			
Administration:			
Salaries and Wages	9,600	8,188	1,412
Fringe Benefits	1,900	1,222	678
Total Support Services	11,500	9,410	2,090
<i>Total Expenditures</i>	32,000	23,378	8,622
<i>Excess of Revenues Over (Under) Expenditures</i>	(20,700)	(11,708)	8,992
<b>Other Financing Sources (Uses)</b>			
Transfers In	5,200	5,200	0
<i>Net Change in Fund Balance</i>	(15,500)	(6,508)	8,992
<i>Fund Balance Beginning of Year</i>	15,664	15,664	0
<i>Fund Balance End of Year</i>	\$164	\$9,156	\$8,992



**Bedford City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Adult and Community Education Fund*  
*For the Fiscal Year Ended June 30, 2017*

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

**Bedford City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Bond Retirement Fund*  
*For the Fiscal Year Ended June 30, 2017*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Taxes	\$172,630	\$172,630	\$0
<b>Expenditures</b>			
Debt Service:			
Principal Retirement	160,500	160,500	0
Interest and Fiscal Charges	13,738	13,734	4
<i>Total Expenditures</i>	174,238	174,234	4
<i>Net Change in Fund Balance</i>	(1,608)	(1,604)	4
<i>Fund Balance Beginning of Year</i>	68,522	68,522	0
<i>Fund Balance End of Year</i>	\$66,914	\$66,918	\$4

**Bedford City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Permanent Improvement Fund*  
*For the Fiscal Year Ended June 30, 2017*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Taxes	\$265,331	\$284,288	\$18,957
Intergovernmental	39,600	39,293	(307)
<i>Total Revenues</i>	<u>304,931</u>	<u>323,581</u>	<u>18,650</u>
<b>Expenditures</b>			
Current:			
Support Services:			
Business:			
Purchased Services	345,530	0	345,530
Operation and Maintenance of Plant:			
Capital Outlay	88,370	77,970	10,400
Total Support Services	<u>433,900</u>	<u>77,970</u>	<u>355,930</u>
Capital Outlay:			
Architecture and Engineering Services:			
Capital Outlay	19,950	19,950	0
Building Improvement Services:			
Capital Outlay	85,850	85,850	0
Total Capital Outlay	<u>105,800</u>	<u>105,800</u>	<u>0</u>
<i>Total Expenditures</i>	<u>539,700</u>	<u>183,770</u>	<u>345,530</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(234,769)	139,811	364,180
<b>Other Financing Sources (Uses)</b>			
Transfers In	133,430	133,430	0
<i>Net Change in Fund Balance</i>	(101,339)	273,241	364,180
<i>Fund Balance Beginning of Year</i>	64,522	64,522	0
Prior Year Encumbrances Appropriated	89,700	89,700	0
<i>Fund Balance End of Year</i>	<u><u>\$52,883</u></u>	<u><u>\$427,463</u></u>	<u><u>\$374,580</u></u>

**Bedford City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Building Fund*  
*For the Fiscal Year Ended June 30, 2017*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
	\$0	\$0	\$0
<b>Revenues</b>			
<b>Expenditures</b>			
Current:			
Support Services:			
Fiscal:			
Other	30,000	0	30,000
Capital Outlay:			
Building Improvement Services:			
Capital Outlay	420,000	416,867	3,133
<i>Total Expenditures</i>	450,000	416,867	33,133
<i>Excess of Revenues Over (Under) Expenditures</i>	(450,000)	(416,867)	33,133
<b>Other Financing Sources (Uses)</b>			
Advances In	420,000	420,000	0
<i>Net Change in Fund Balance</i>	(30,000)	3,133	33,133
<i>Fund Balance Beginning of Year</i>	31,045	31,045	0
<i>Fund Balance End of Year</i>	\$1,045	\$34,178	\$33,133

**Bedford City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Capital Replacement Fund*  
*For the Fiscal Year Ended June 30, 2017*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
	\$0	\$0	\$0
<b>Revenues</b>			
<b>Expenditures</b>			
Current:			
Support Services:			
Business:			
Materials and Supplies	10,901	5,563	5,338
Capital Outlay	377,261	192,516	184,745
Total Business	388,162	198,079	190,083
Operation and Maintenance of Plant:			
Capital Outlay	53,194	39,999	13,195
<i>Total Expenditures</i>	441,356	238,078	203,278
<i>Excess of Revenues Over (Under) Expenditures</i>	(441,356)	(238,078)	203,278
<b>Other Financing Sources (Uses)</b>			
Transfers In	162,200	162,200	0
<i>Net Change in Fund Balance</i>	(279,156)	(75,878)	203,278
<i>Fund Balance Beginning of Year</i>	176,210	176,210	0
Prior Year Encumbrances Appropriated	111,356	111,356	0
<i>Fund Balance End of Year</i>	\$8,410	\$211,688	\$203,278

**Bedford City School District**  
*Schedule of Revenues, Expenses and Changes*  
*in Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*Self Insurance Fund*  
*For the Fiscal Year Ended June 30, 2017*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Charges for Services	\$4,975,000	\$4,846,572	(\$128,428)
<b>Expenses</b>			
Purchased Services	868,835	841,596	27,239
Claims	4,639,788	4,639,262	526
<i>Total Expenses</i>	<u>5,508,623</u>	<u>5,480,858</u>	<u>27,765</u>
<i>Income (Loss) Before Transfers</i>	(533,623)	(634,286)	(100,663)
Transfers In	<u>0</u>	<u>130,000</u>	<u>130,000</u>
<i>Net Change in Fund Equity</i>	(533,623)	(504,286)	29,337
<i>Fund Equity Beginning of Year</i>	527,497	527,497	0
Prior Year Encumbrances Appropriated	<u>8,623</u>	<u>8,623</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$2,497</u></u>	<u><u>\$31,834</u></u>	<u><u>\$29,337</u></u>

**Bedford City School District**  
*Schedule of Revenues, Expenses and Changes*  
*in Fund Equity - Budget (Non-GAAP Basis) and Actual*  
*Scholarship Fund*  
*For the Fiscal Year Ended June 30, 2017*

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Interest	\$1,000	\$369	(\$631)
Miscellaneous	5,000	12,820	7,820
<i>Total Revenues</i>	6,000	13,189	7,189
<b>Expenses</b>			
Other	45,000	33,930	11,070
<i>Net Change in Fund Equity</i>	(39,000)	(20,741)	18,259
<i>Fund Equity Beginning of Year</i>	81,909	81,909	0
<i>Fund Equity End of Year</i>	\$42,909	\$61,168	\$18,259

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# Statistical Section

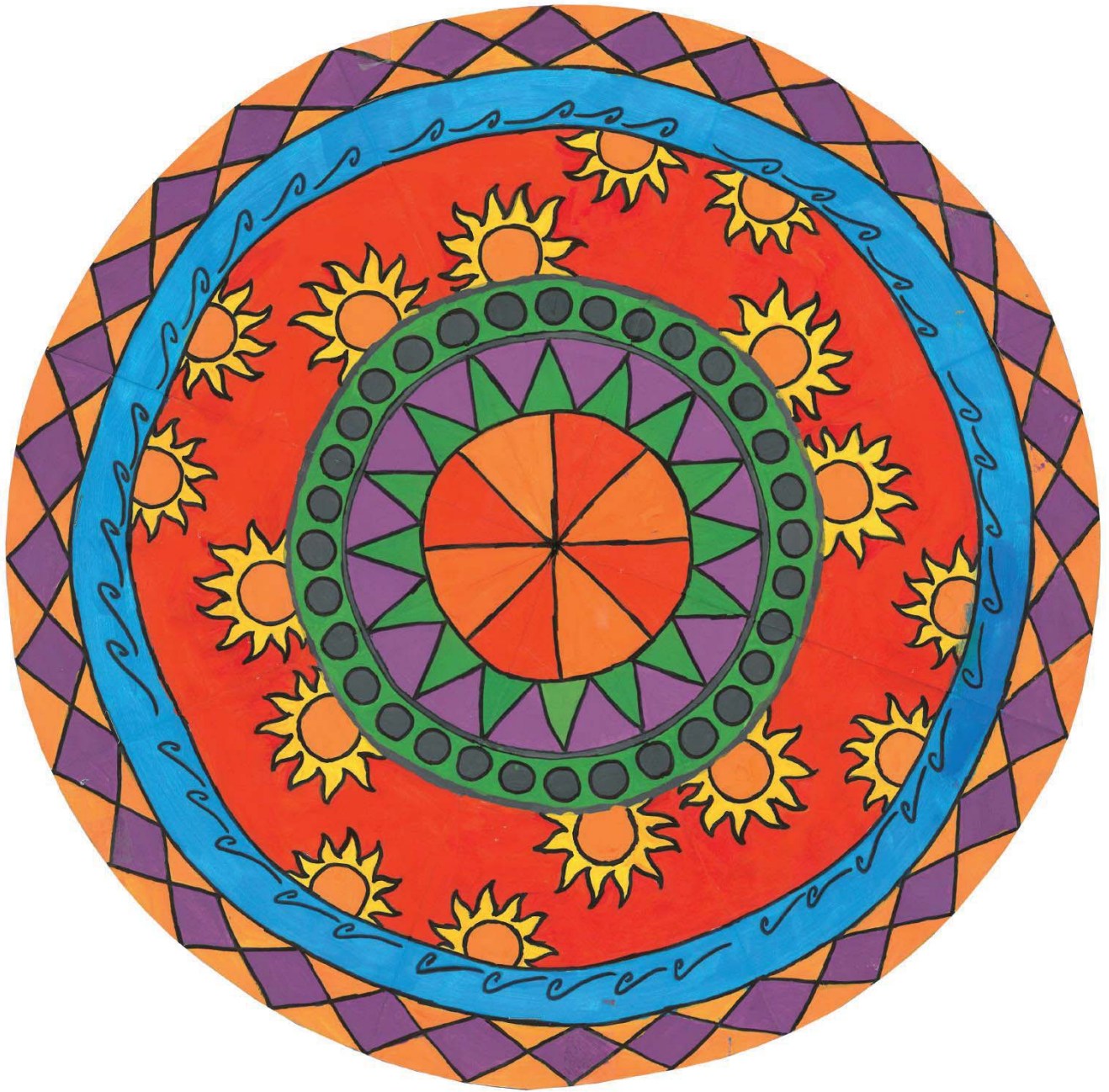


**Artwork by: Reynaldo Cisneros**

Grade 10

Bedford High School

Art Teacher: Sarah Holt



**Artwork by: Jordan Leverett**

Grade 11

Bedford High School

Art Teacher: Rebecca Genao

## Statistical Section

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

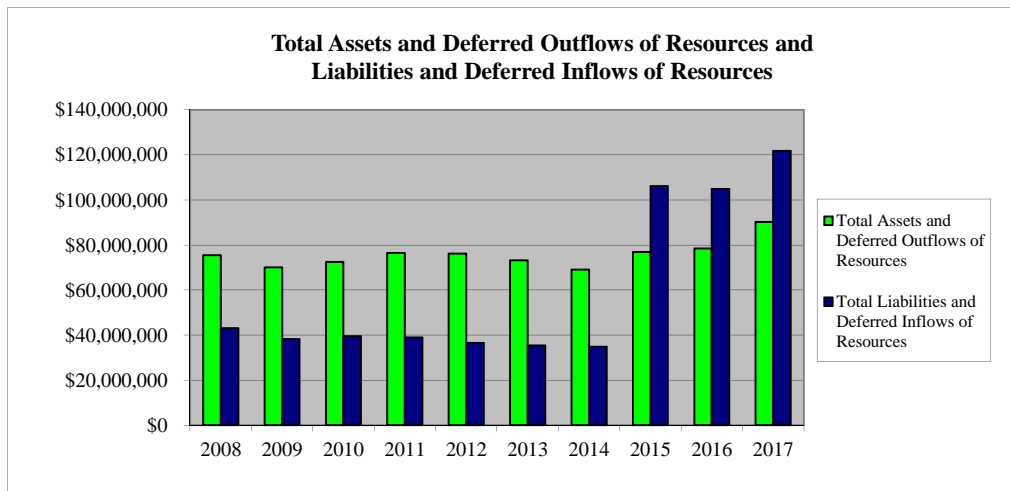
<b><u>Contents</u></b>	<b><u>Page(s)</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time.	S2 - S13
<b>Revenue Capacity</b> These schedules contain information to help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

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

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

	2008	2009	2010
Net Investment in Capital Assets	\$13,434,685	\$13,531,705	\$13,534,897
Restricted for:			
Capital Projects	173,255	557,011	1,400,209
Debt Service	2,278,168	2,264,251	2,148,734
Other Purposes	1,025,781	1,337,606	557,401
Unrestricted*	15,502,858	14,189,965	14,996,566
<b>Total Net Position</b>	<b>\$32,414,747</b>	<b>\$31,880,538</b>	<b>\$32,637,807</b>

(1) The School District reported the impact of GASB Statement No. 68 beginning in fiscal year 2014.



**Source:** School District Financial Records

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$15,853,913	\$16,816,971	\$17,309,870	\$17,784,600	\$18,124,171	\$16,997,654	\$16,507,065
229,779	303,671	855,811	622,695	155,448	357,564	672,773
2,086,003	1,342,336	411,780	9,869	13,714	26,481	33,428
650,968	694,518	789,177	918,821	1,010,363	991,799	1,050,858
<u>18,642,545</u>	<u>20,565,803</u>	<u>18,373,016</u>	<u>(51,666,872)</u>	<u>(48,795,299)</u>	<u>(45,074,786)</u>	<u>(49,834,475)</u>
<u>\$37,463,208</u>	<u>\$39,723,299</u>	<u>\$37,739,654</u>	<u>(\$32,330,887)</u>	<u>(\$29,491,603)</u>	<u>(\$26,701,288)</u>	<u>(\$31,570,351)</u>

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

	2008	2009	2010	2011
<b>Expenses</b>				
Governmental Activities:				
Instruction	\$27,576,746	\$25,229,256	\$26,802,708	\$25,022,834
Pupil Support	2,997,511	3,025,366	3,015,745	3,034,339
Instructional Staff Support	1,834,242	2,074,281	2,544,377	2,735,600
Board of Education	235,547	220,840	243,585	85,953
Administration	3,438,272	4,408,025	3,079,356	3,969,440
Fiscal	1,330,855	1,213,939	1,381,083	1,309,344
Business	847,097	728,529	667,683	877,396
Operation and Maintenance of Plant	6,724,899	6,937,228	7,070,172	6,645,111
Pupil Transportation	3,875,037	3,615,129	3,578,892	3,513,967
Central	337,904	338,807	321,466	335,344
Food Service Operations	1,651,021	1,682,513	1,697,599	1,705,905
Operation of Non-Instructional Services	484,150	427,311	340,054	394,207
Extracurricular Activities	867,928	875,259	804,712	838,622
Interest and Fiscal Charges	524,154	479,677	437,058	357,696
<i>Total Governmental Activities Expenses</i>	<i>52,725,363</i>	<i>51,256,160</i>	<i>51,984,490</i>	<i>50,825,758</i>
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services and Sales:				
Instruction	1,705,852	1,974,620	1,688,961	1,472,019
Instructional Staff Support	1,215	926	1,454	0
Administration	9,966	691	0	0
Business	44,661	27,281	31,312	23,328
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	0	0	0	0
Central	4,541	1,988	4,470	0
Food Service Operations	750,540	682,879	620,301	601,725
Operation of Non-Instructional Services	4,782	3,714	3,207	0
Extracurricular Activities	133,483	133,794	141,446	249,721
Operating Grants and Contributions				
Instruction	2,248,787	2,424,680	1,571,907	1,507,787
Pupil Support	233,872	403,482	325,493	577,014
Instructional Staff Support	278,710	388,009	556,001	661,300
Administration	142,926	272,640	48,225	143,050
Fiscal	0	0	0	0
Business	106,436	481	725	5,000
Operation and Maintenance of Plant	2,132	1,645	469,365	900,022
Pupil Transportation	0	0	0	0
Central	3,860	5,429	5,347	5,888
Food Service Operations	867,048	1,091,798	1,199,794	1,250,202
Operation of Non-Instructional Services	454,033	396,029	298,087	314,959
Extracurricular Activities	11,463	10,887	1,613	791

2012	2013	2014	2015	2016	2017
\$25,716,544	\$26,152,704	\$27,081,004	\$26,532,855	\$27,642,091	\$29,781,153
3,049,560	3,110,210	3,263,687	3,290,160	3,536,861	4,108,605
2,687,012	2,759,639	2,003,829	1,923,812	2,194,517	2,617,368
98,729	112,719	83,190	114,703	233,401	213,177
3,963,083	4,084,593	4,062,197	3,980,365	4,032,622	4,297,333
1,480,370	1,322,883	1,313,648	1,154,870	1,265,455	1,279,440
721,405	627,177	818,885	1,008,331	1,186,654	776,122
6,237,787	5,446,227	6,107,562	6,875,154	6,625,222	7,057,531
3,609,183	3,752,999	4,032,774	4,083,284	3,628,375	4,085,397
199,941	196,277	127,195	112,684	117,901	143,369
1,775,328	1,843,501	1,732,185	1,842,879	1,989,023	1,904,457
351,270	353,879	160,160	54,194	68,135	200,868
848,288	903,193	1,030,314	1,084,015	1,087,388	1,103,957
305,102	209,525	155,265	78,576	73,740	63,907
51,043,602	50,875,526	51,971,895	52,135,882	53,681,385	57,632,684
1,724,635	1,517,077	1,390,958	1,352,934	1,166,244	2,306,468
0	0	0	0	0	0
0	0	0	0	0	0
33,300	38,204	47,920	58,751	65,427	74,749
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
569,496	565,787	531,101	538,862	525,439	488,531
0	0	0	0	0	0
273,208	263,637	288,819	238,812	262,122	255,297
1,204,769	1,932,314	2,578,667	2,623,887	2,909,207	2,425,707
977,853	665,691	588,498	678,032	674,918	780,833
750,623	656,491	666,804	623,502	487,234	587,224
142,787	150,000	152,914	157,164	136,058	134,102
0	31,118	0	0	0	0
5,900	7,800	6,163	22,799	11,254	7,445
0	0	0	6,698	1,811	0
75,118	0	0	0	0	0
5,735	5,085	2,794	4,227	1,317	2,018
1,396,657	1,381,881	1,377,293	1,408,849	1,464,220	1,421,335
337,926	311,477	117,091	14,629	32,652	140,362
2,912	497	10,936	4,136	5,930	10,476

(continued)

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

	2008	2009	2010	2011
Capital Grants and Contributions				
Operation and Maintenance of Plant	\$156,053	\$219,516	\$226,177	\$196,417
<i>Total Governmental Activities Program Revenues</i>	<u>7,160,360</u>	<u>8,040,489</u>	<u>7,193,885</u>	<u>7,909,223</u>
<b>Net (Expense)/Revenue</b>				
Governmental Activities	<u>(45,565,003)</u>	<u>(43,215,671)</u>	<u>(44,790,605)</u>	<u>(42,916,535)</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities:				
Property Taxes Levied For:				
General Purposes	31,323,005	24,728,995	26,041,020	28,733,772
Debt Service	1,372,001	1,146,612	1,071,389	1,141,941
Capital Outlay	530,429	427,167	410,979	445,659
Grants and Entitlements not Restricted to Specific Programs	11,817,104	15,598,148	17,563,453	17,019,801
Gain on Sale of Capital Assets	1,726	0	0	1,371
Unrestricted Contributions	0	0	0	0
Investment Earnings	890,620	288,540	27,574	27,479
Payments in Lieu of Taxes	0	0	0	0
Miscellaneous	546,579	492,000	433,459	371,913
<i>Total Governmental Activities</i>	<u>46,481,464</u>	<u>42,681,462</u>	<u>45,547,874</u>	<u>47,741,936</u>
<b>Change in Net Position</b>	<u>\$916,461</u>	<u>(\$534,209)</u>	<u>\$757,269</u>	<u>\$4,825,401</u>

(1) Expenses are first impacted by the implementation of GASB Statement No. 68 beginning in fiscal year 2015.

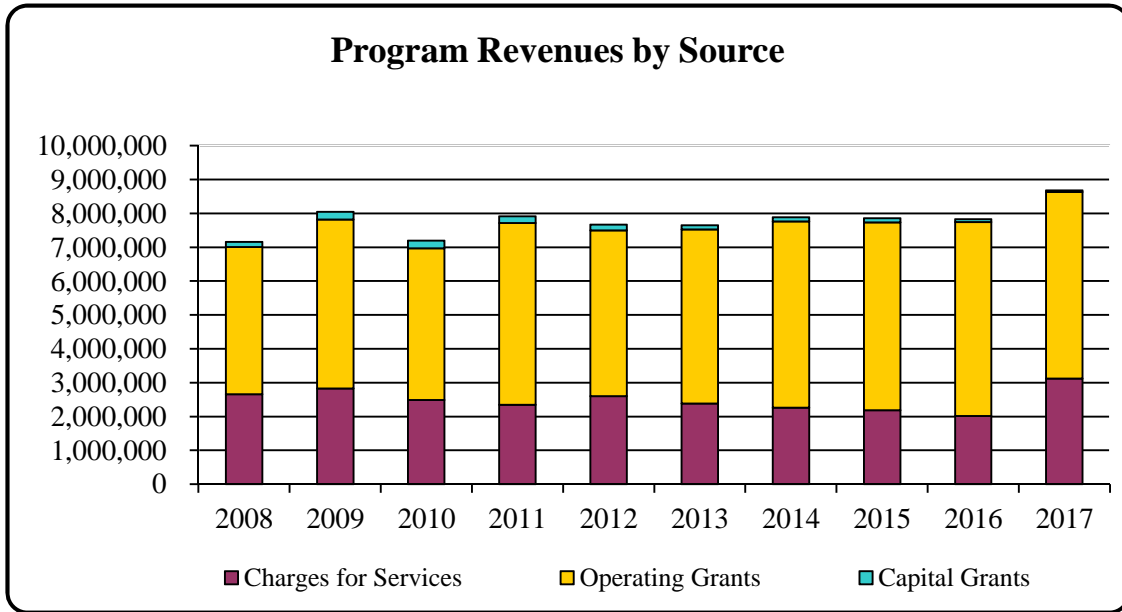
**Source:** School District Financial Records



2012	2013	2014	2015	2016	2017
\$164,911	\$123,363	\$123,999	\$124,050	\$81,738	\$39,293
7,665,830	7,650,422	7,883,957	7,857,332	7,825,571	8,673,840
(43,377,772)	(43,225,104)	(44,087,938)	(44,278,550)	(45,855,814)	(48,958,844)
28,614,838	25,978,460	25,942,420	32,013,999	32,123,159	28,979,775
415,891	271,534	55,185	0	6,867	0
443,720	410,456	412,345	466,331	287,019	325,676
15,758,170	14,339,855	13,684,383	14,514,981	15,460,746	14,153,589
0	0	0	0	0	1,239
0	0	11,303	0	18,939	6,008
11,040	17,847	4,762	9,135	57,378	132,124
0	0	0	0	280,741	199,431
394,204	223,307	606,613	361,853	411,280	291,939
45,637,863	41,241,459	40,717,011	47,366,299	48,646,129	44,089,781
\$2,260,091	(\$1,983,645)	(\$3,370,927)	\$3,087,749	\$2,790,315	(\$4,869,063)

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

	2008	2009	2010	2011
<b>Governmental Activities</b>				
Instruction	\$3,954,639	\$4,399,300	\$3,260,868	\$2,979,806
Pupil Support	233,872	403,482	325,493	577,014
Instructional Staff Support	279,925	388,935	557,455	661,300
Administration	152,892	273,331	48,225	143,050
Fiscal	0	0	0	0
Business	151,097	27,762	32,037	28,328
Operation and Maintenance of Plant	158,185	221,161	695,542	1,096,439
Pupil Transportation	0	0	0	0
Central	8,401	7,417	9,817	5,888
Food Service Operations	1,617,588	1,774,677	1,820,095	1,851,927
Operation of Non-Instructional Services	458,815	399,743	301,294	314,959
Extracurricular Activities	144,946	144,681	143,059	250,512
<b>Total Governmental Activities Program Revenues</b>	<b>\$7,160,360</b>	<b>\$8,040,489</b>	<b>\$7,193,885</b>	<b>\$7,909,223</b>

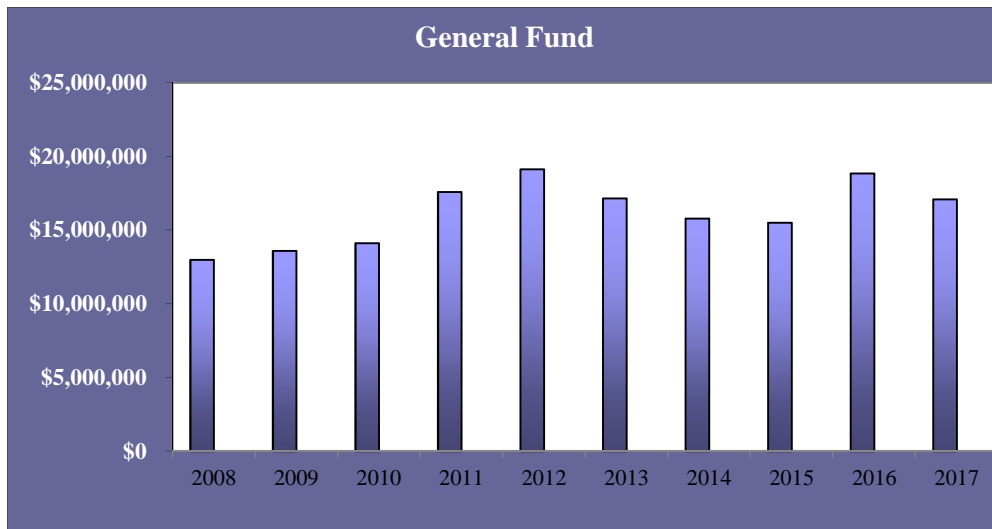


2012	2013	2014	2015	2016	2017
\$2,929,404	\$3,449,391	\$3,969,625	\$3,976,821	\$4,075,451	\$4,732,175
977,853	665,691	588,498	678,032	674,918	780,833
750,623	656,491	666,804	623,502	487,234	587,224
142,787	150,000	152,914	157,164	136,058	134,102
0	31,118	0	0	0	0
39,200	46,004	54,083	81,550	76,681	82,194
164,911	123,363	123,999	130,748	83,549	39,293
75,118	0	0	0	0	0
5,735	5,085	2,794	4,227	1,317	2,018
1,966,153	1,947,668	1,908,394	1,947,711	1,989,659	1,909,866
337,926	311,477	117,091	14,629	32,652	140,362
276,120	264,134	299,755	242,948	268,052	265,773
<u>\$7,665,830</u>	<u>\$7,650,422</u>	<u>\$7,883,957</u>	<u>\$7,857,332</u>	<u>\$7,825,571</u>	<u>\$8,673,840</u>

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

	2008	2009	2010	2011
<b>General Fund</b>				
Nonspendable	\$0	\$0	\$364,235	\$381,025
Restricted	0	0	127,115	24,172
Committed	0	0	0	263,940
Assigned	0	0	648,703	254,886
Unassigned	0	0	12,983,706	16,669,230
Reserved	4,182,334	4,388,316	0	0
Unreserved	8,804,371	9,200,375	0	0
<b>Total General Fund</b>	<b>12,986,705</b>	<b>13,588,691</b>	<b>14,123,759</b>	<b>17,593,253</b>
<b>All Other Governmental Funds</b>				
Nonspendable	0	0	7,739	6,275
Restricted	0	0	3,388,085	2,646,554
Committed	0	0	292,344	276,279
Unassigned (Deficit)	0	0	(164,492)	(126,044)
Reserved	522,929	498,702	0	0
Unreserved, Undesignated, Reported in:				
Special Revenue funds	587,229	528,073	0	0
Debt Service funds	1,898,375	1,933,159	0	0
Capital Projects funds (Deficit)	(81,771)	315,706	0	0
<b>Total All Other Governmental Funds</b>	<b>2,926,762</b>	<b>3,275,640</b>	<b>3,523,676</b>	<b>2,803,064</b>
<b>Total Governmental Funds</b>	<b>\$15,913,467</b>	<b>\$16,864,331</b>	<b>\$17,647,435</b>	<b>\$20,396,317</b>

Note: The School District implemented GASB 54 in 2010.



2012	2013	2014	2015	2016	2017
\$438,142	\$449,469	\$349,108	\$112,005	\$426,569	\$451,190
75,118	20,379	22,111	21,692	20,494	21,631
10,475	17,157	27,964	163,399	379,692	237,619
574,438	807,488	960,842	1,590,751	1,269,145	4,978,383
18,031,928	15,861,977	14,425,907	13,623,821	16,757,749	11,401,929
0	0	0	0	0	0
0	0	0	0	0	0
19,130,101	17,156,470	15,785,932	15,511,668	18,853,649	17,090,752
8,986	7,657	8,049	8,044	7,207	5,095
2,293,997	1,522,221	1,121,060	1,223,112	1,267,270	1,664,313
333,159	338,636	324,171	237,261	188,908	150,806
(141,019)	(585,439)	(371,296)	(93,828)	(482,417)	(76,968)
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
2,495,123	1,283,075	1,081,984	1,374,589	980,968	1,743,246
\$21,625,224	\$18,439,545	\$16,867,916	\$16,886,257	\$19,834,617	\$18,833,998

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

	2008	2009	2010	2011
<b>Revenues</b>				
Taxes	\$33,001,370	\$28,115,325	\$26,973,653	\$30,111,839
Intergovernmental	16,300,797	20,286,057	22,845,958	22,656,406
Interest	891,414	289,072	27,574	27,479
Charges for Services	767,700	695,664	633,791	616,090
Tuition and Fees	1,644,257	1,901,550	1,610,786	1,472,019
Rentals	46,235	27,107	31,425	23,328
Extracurricular Activities	196,848	201,572	215,149	235,356
Contributions and Donations	33,624	60,689	33,137	27,790
Payments in Lieu of Taxes	0	0	0	0
Miscellaneous	546,579	492,000	433,459	371,913
<i>Total Revenues</i>	<u>53,428,824</u>	<u>52,069,036</u>	<u>52,804,932</u>	<u>55,542,220</u>
<b>Expenditures</b>				
Current:				
Instruction	26,886,187	24,342,434	26,608,416	24,627,785
Support Services:				
Pupil	3,027,291	3,018,391	3,044,855	3,027,990
Instructional Staff	1,848,397	2,017,649	2,501,589	2,735,415
Board of Education	235,547	220,840	243,585	85,953
Administration	3,404,060	4,406,969	2,831,149	3,939,104
Fiscal	1,324,697	1,197,973	1,358,705	1,297,089
Business	790,875	662,858	665,426	628,133
Operation and Maintenance of Plant	6,724,407	6,496,796	6,663,901	6,184,358
Pupil Transportation	3,579,251	3,418,883	3,313,997	3,610,092
Central	322,631	333,187	321,490	329,489
Food Service Operations	1,647,393	1,697,381	1,674,162	1,704,502
Operation of Non-Instructional Services	434,894	382,279	309,029	355,463
Extracurricular Activities	737,178	748,612	672,221	735,104
Capital Outlay	1,413,163	259,071	78,408	2,306,236
Debt Service:				
Principal Retirement	1,428,306	1,436,113	1,448,248	1,612,105
Interest and Fiscal Charges	406,964	357,686	286,647	221,156
Capital Appreciation Bond Accretion	0	0	0	0
<i>Total Expenditures</i>	<u>54,211,241</u>	<u>50,997,122</u>	<u>52,021,828</u>	<u>53,399,974</u>
<i>Excess of Revenue Over (Under) Expenditures</i>	<u>(782,417)</u>	<u>1,071,914</u>	<u>783,104</u>	<u>2,142,246</u>
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	3,547	0	0	16,250
General Obligation Bonds Issued	0	0	0	0
Capital Lease Issued	0	0	0	590,386
Transfers In	162,380	108,712	395,712	391,980
Transfers Out	(162,380)	(108,712)	(395,712)	(391,980)
<i>Total Other Financing Sources (Uses)</i>	<u>3,547</u>	<u>0</u>	<u>0</u>	<u>606,636</u>
<i>Net Change in Fund Balances</i>	<u>(\$778,870)</u>	<u>\$1,071,914</u>	<u>\$783,104</u>	<u>\$2,748,882</u>
<i>Debt Service as a Percentage of Noncapital Expenditures</i>	3.50%	3.54%	3.35%	3.62%

2012	2013	2014	2015	2016	2017
\$28,956,997	\$27,447,886	\$28,572,423	\$29,517,762	\$32,785,403	\$29,058,166
20,612,383	19,207,456	19,449,806	20,216,766	20,902,751	19,966,465
11,272	18,041	4,818	9,142	57,382	132,143
582,866	579,174	536,697	542,236	527,451	489,846
1,724,635	1,517,077	1,390,958	1,353,634	1,166,244	2,292,409
33,300	38,204	47,920	58,051	65,427	74,749
259,838	250,250	283,223	235,438	260,110	253,982
37,781	33,755	32,986	56,251	36,474	27,914
0	0	0	0	236,264	142,429
394,204	223,307	606,613	361,853	411,280	291,939
52,613,276	49,315,150	50,925,444	52,351,133	56,448,786	52,730,042
24,679,082	25,139,343	25,959,835	26,191,469	27,140,768	27,428,966
3,014,361	3,080,800	3,241,612	3,351,860	3,567,062	3,771,790
2,647,904	2,725,416	1,992,930	1,925,223	2,199,694	2,512,740
98,729	112,719	83,190	114,703	233,591	209,505
3,924,347	4,100,197	4,088,382	4,070,934	4,221,670	4,016,342
1,471,701	1,339,748	1,301,579	1,208,467	1,279,596	1,263,340
673,193	782,706	725,838	885,775	1,018,461	614,130
5,700,942	5,880,883	6,251,959	6,312,660	6,028,679	6,123,975
3,594,296	3,726,869	3,970,386	3,895,525	3,438,418	3,764,490
210,786	192,020	125,255	114,132	108,037	193,059
1,766,973	1,870,279	1,790,125	1,822,792	1,987,297	1,881,488
334,491	337,726	117,475	50,645	28,132	158,420
744,770	799,675	909,855	967,983	971,888	950,872
712,729	929,228	1,003,110	934,922	866,238	323,993
1,669,411	838,479	543,748	398,986	364,652	328,723
155,354	108,157	97,464	89,216	79,243	72,458
0	823,670	305,030	0	0	0
51,399,069	52,787,915	52,507,773	52,335,292	53,533,426	53,614,291
1,214,207	(3,472,765)	(1,582,329)	15,841	2,915,360	(884,249)
14,700	12,508	10,700	2,500	33,000	13,630
0	274,578	0	0	0	0
0	0	0	0	0	0
390,230	330,450	333,400	289,600	485,875	416,134
(390,230)	(330,450)	(333,400)	(289,600)	(485,875)	(546,134)
14,700	287,086	10,700	2,500	33,000	(116,370)
\$1,228,907	(\$3,185,679)	(\$1,571,629)	\$18,341	\$2,948,360	(\$1,000,619)
3.61%	1.86%	1.27%	0.95%	0.84%	0.76%

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

Collection Year	Real Estate			Tangible Personal		
	Assessed Value			Estimated Actual Value	Assessed Value	Estimated Actual Value
	Residential/ Agricultural	Commercial/ Industrial	Total			
2008	\$428,240,950	\$292,239,890	\$720,480,840	\$2,058,516,686	\$22,946,614	\$367,145,816
2009	432,422,870	298,786,290	731,209,160	2,089,169,029	22,970,064	367,521,024
2010	390,270,020	302,456,730	692,726,750	1,979,219,286	0	0
2011	392,377,120	297,270,960	689,648,080	1,970,423,086	0	0
2012	393,002,580	296,627,520	689,630,100	1,970,371,714	0	0
2013	354,654,020	276,995,450	631,649,470	1,804,712,771	0	0
2014	353,802,970	278,758,910	632,561,880	1,807,319,657	0	0
2015	355,263,290	277,672,580	632,935,870	1,808,388,200	0	0
2016	349,512,680	262,252,180	611,764,860	1,747,899,600	0	0
2017	349,003,880	258,758,450	607,762,330	1,736,463,800	0	0

**Source:** Ohio Department of Taxation

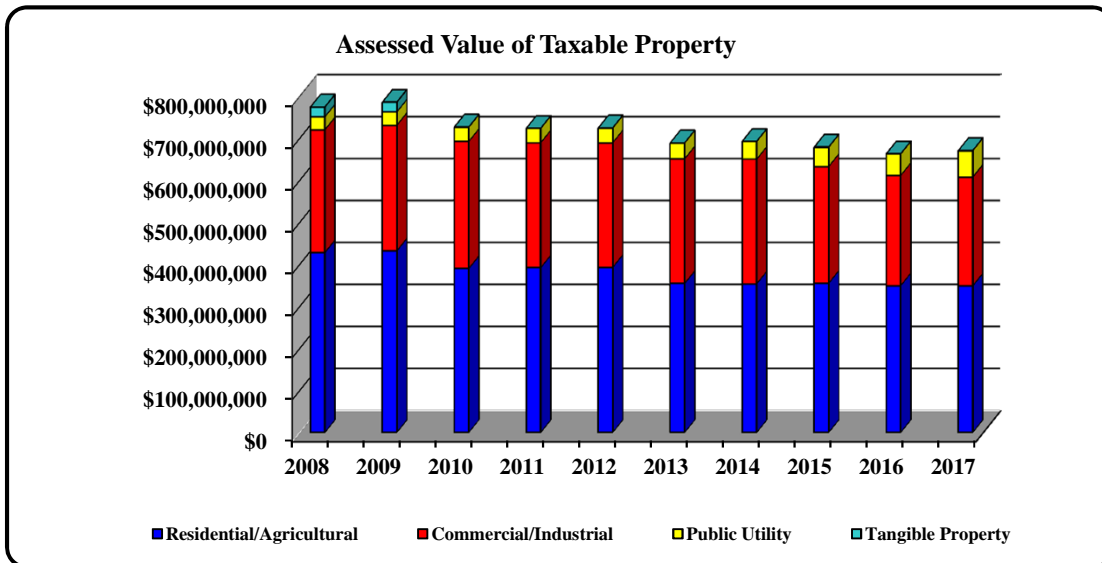
Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property tax has been phased out, and during the phase out period, all general business tangible personal property was assessed at 6.25 percent for 2008 and zero for 2009. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four year phase out of the tangible personal property tax on local and inter-exchange telephone companies, at 5 percent for 2010. No tangible personal property taxes were levied or collected in 2009 from general business taxpayers, (except telephone companies whose last year to pay tangible personal property tax was 2010).

The tangible personal property values associated with each year were the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by a 10 percent and a 2 1/2 percent rollback, and homestead exemptions before being billed.



Public Utility Personal		Total		
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Weighted Average Tax Rate
\$30,823,860	\$35,027,114	\$774,251,314	\$2,460,689,615	\$38.04737
31,677,970	35,997,693	785,857,194	2,492,687,746	38.26589
33,898,290	38,520,784	726,625,040	2,017,740,070	44.22237
33,947,590	38,576,807	723,595,670	2,008,999,893	44.21174
34,725,840	39,461,182	724,355,940	2,009,832,896	43.13937
37,511,790	42,627,034	669,161,260	1,847,339,806	45.62376
42,060,940	47,796,523	674,622,820	1,855,116,180	45.82101
45,977,350	52,246,989	678,913,220	1,860,635,189	50.73634
51,032,600	57,991,591	662,797,460	1,805,891,191	50.75310
62,613,050	71,151,193	670,375,380	1,807,614,993	51.71102



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

	2008	2009	2010	2011	2012
<b>Unvoted Millage</b>					
Operating	\$4.620000	\$4.620000	\$4.620000	\$4.620000	\$4.620000
<b>Voted Millage - by levy</b>					
1976 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural	6.012653	6.008287	6.689483	6.690040	6.710345
Commercial/Industrial	12.323169	12.287716	12.446933	12.472072	12.521677
Tangible/Public Utility Personal	29.300000	29.300000	29.300000	29.300000	29.300000
1983 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural	2.722849	2.720869	3.029341	3.029591	3.038779
Commercial/Industrial	4.139929	4.128016	4.181509	4.189944	4.206609
Tangible/Public Utility Personal	6.600000	6.600000	6.600000	6.600000	6.600000
1986 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural	2.177285	2.175700	2.422365	2.422565	2.429910
Commercial/Industrial	3.291805	3.282335	3.324865	3.331585	3.344830
Tangible/Public Utility Personal	5.000000	5.000000	5.000000	5.000000	5.000000
1988 Bond (\$2,000,000)	0.270000	0.270000	0.270000	0.270000	0.270000
1991 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural	2.553940	2.552085	2.841420	2.841655	2.850270
Commercial/Industrial	3.539885	3.529700	3.575435	3.582655	3.596900
Tangible/Public Utility Personal	5.000000	5.000000	5.000000	5.000000	5.000000
2007 Permanent Improvement					
Effective Millage Rates					
Residential/Agricultural	0.510788	0.510417	0.568284	0.568331	0.570054
Commercial/Industrial	0.707977	0.705940	0.715087	0.716531	0.719380
Tangible/Public Utility Personal	1.000000	1.000000	1.000000	1.000000	1.000000
1992 Bond (\$12,000,000)	1.410000	1.680000	1.410000	1.410000	0.210000
1995 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural	2.937937	2.935802	3.268645	3.268916	3.278825
Commercial/Industrial	3.782952	3.772069	3.820944	3.828663	3.843884
Tangible/Public Utility Personal	4.600000	4.600000	4.600000	4.600000	4.600000
1999 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural	3.445503	3.442999	3.833344	3.833662	3.845285
Commercial/Industrial	4.176309	4.164294	4.218253	4.226769	4.243576
Tangible/Public Utility Personal	4.900000	4.900000	4.900000	4.900000	4.900000
2004 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural	4.353694	4.350528	4.843758	4.844160	4.858845
Commercial/Industrial	4.653397	4.640009	4.700129	4.709615	4.728343
Tangible/Public Utility Personal	4.900000	4.900000	4.900000	4.900000	4.900000
2010 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural	0.000000	0.000000	4.900000	4.900000	4.900000
Commercial/Industrial	0.000000	0.000000	4.900000	4.900000	4.900000
Tangible/Public Utility Personal	0.000000	0.000000	4.900000	4.900000	4.900000
2014 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural	0.000000	0.000000	0.000000	0.000000	0.000000
Commercial/Industrial	0.000000	0.000000	0.000000	0.000000	0.000000
Tangible/Public Utility Personal	0.000000	0.000000	0.000000	0.000000	0.000000
<b>Total Effective Voted Millage by type of property</b>					
Residential/Agricultural	\$26.394649	\$26.646687	\$34.076640	\$34.078920	\$32.962313
Commercial/Industrial	38.295423	38.460079	43.563155	43.637834	42.585199
Tangible/Public Utility Personal	62.980000	63.250000	67.880000	67.880000	66.680000

2013	2014	2015	2016	2017
\$4.620000	\$4.620000	\$4.620000	\$4.620000	\$4.620000
7.447914	7.484392	7.508593	7.632239	7.643842
13.228833	13.363319	13.472579	14.319906	14.298575
29.300000	29.300000	29.300000	29.300000	29.300000
3.372778	3.389291	3.400247	3.456241	3.461488
4.444176	4.489353	4.526049	4.810700	4.803532
6.600000	6.600000	6.600000	6.600000	6.600000
2.696990	2.710195	2.718955	2.763730	2.767930
3.533730	3.569650	3.598830	3.825165	3.819465
5.000000	5.000000	5.000000	5.000000	5.000000
0.270000	0.000000	0.000000	0.000000	0.000000
3.163550	3.179040	3.189315	3.241835	3.246760
3.800035	3.838660	3.870040	4.113435	4.107305
5.000000	5.000000	5.000000	5.000000	5.000000
0.632710	0.635808	0.637863	0.648367	0.649352
0.760007	0.767732	0.774008	0.822687	0.821461
1.000000	1.000000	1.000000	1.000000	1.000000
0.210000	0.000000	0.000000	0.000000	0.000000
3.639207	3.657023	3.668845	3.729256	3.734919
4.060967	4.102243	4.135777	4.395884	4.389333
4.600000	4.600000	4.600000	4.600000	4.600000
4.267929	4.288823	4.302685	4.373534	4.380173
4.483231	4.528800	4.565820	4.852969	4.845737
4.900000	4.900000	4.900000	4.900000	4.900000
4.900000	4.900000	4.900000	4.900000	4.900000
4.900000	4.900000	4.900000	4.900000	4.892694
4.900000	4.900000	4.900000	4.900000	4.900000
4.900000	4.900000	4.900000	4.900000	4.900000
4.900000	4.900000	4.900000	4.900000	4.892694
4.900000	4.900000	4.900000	4.900000	4.900000
0.000000	0.000000	4.900000	4.900000	4.900000
0.000000	0.000000	4.900000	4.900000	4.892694
0.000000	0.000000	4.900000	4.900000	4.900000
\$35.501078	\$35.144572	\$40.126503	\$40.545202	\$40.584464
44.590979	44.459757	49.643103	51.840746	51.763490
66.680000	66.200000	71.100000	71.100000	71.100000

(continued)

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

	2008	2009	2010	2011	2012
<b>Total Direct Millage by Type of Property</b>					
Residential/Agricultural	\$31.014649	\$31.266687	\$38.696640	\$38.698920	\$37.582313
Commercial/Industrial	42.915423	43.080079	48.183155	48.257834	47.205199
Tangible/Public Utility Personal	67.600000	67.870000	72.500000	72.500000	71.300000
<b>Total Weighted Average Tax Rate</b>	<b>\$38.047370</b>	<b>\$38.265890</b>	<b>\$44.222370</b>	<b>\$44.211740</b>	<b>\$43.139370</b>
<b>Overlapping Rates by Taxing District</b>					
City of Bedford Heights					
Effective Millage Rates					
Residential/Agricultural	13.000000	13.000000	13.000000	21.900000	21.900000
Commercial/Industrial	13.000000	13.000000	13.000000	21.900000	21.900000
Tangible/Public Utility Personal	13.000000	13.000000	13.000000	21.900000	21.900000
City of Bedford					
Effective Millage Rates					
Residential/Agricultural	12.800000	12.800000	21.700000	21.700000	21.700000
Commercial/Industrial	12.800000	12.800000	21.700000	21.700000	21.700000
Tangible/Public Utility Personal	12.800000	12.800000	21.700000	21.700000	21.700000
Cuyahoga County					
Effective Millage Rates					
Residential/Agricultural	17.836490	19.320480	20.160000	20.676506	20.622370
Commercial/Industrial	18.705333	19.706536	19.740000	20.186219	20.149382
Tangible/Public Utility Personal	20.200000	20.600000	20.600000	20.900000	20.800000
Oakwood Village					
Effective Millage Rates					
Residential/Agricultural	3.800000	3.800000	3.800000	3.800000	3.800000
Commercial/Industrial	3.800000	3.800000	3.800000	3.800000	3.800000
Tangible/Public Utility Personal	3.800000	3.800000	3.800000	3.800000	3.800000
Walton Hills Village					
Effective Millage Rates					
Residential/Agricultural	0.300000	0.300000	0.300000	0.300000	0.300000
Commercial/Industrial	0.300000	0.300000	0.300000	0.300000	0.300000
Tangible/Public Utility Personal	0.300000	0.300000	0.300000	0.300000	0.300000

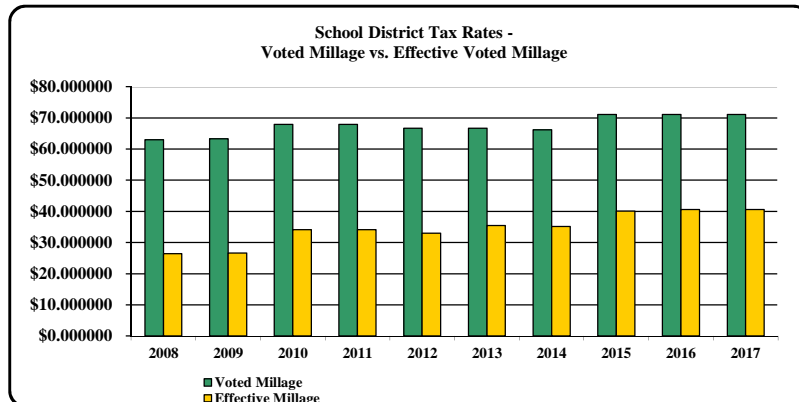
Source: Ohio Department of Taxation

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

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

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

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



2013	2014	2015	2016	2017
\$40.121078	\$39.764572	\$44.746503	\$45.165202	\$45.204464
49.210979	49.079757	54.263103	56.460746	56.383490
<u>71.300000</u>	<u>70.820000</u>	<u>75.720000</u>	<u>75.720000</u>	<u>75.720000</u>
<u>\$45.623760</u>	<u>\$45.821010</u>	<u>\$50.736340</u>	<u>\$50.753100</u>	<u>\$51.711020</u>
\$21.900000	\$21.900000	\$21.900000	\$21.900000	\$21.900000
21.900000	21.900000	21.900000	21.900000	21.900000
21.900000	21.900000	21.900000	21.900000	21.900000
21.700000	21.700000	21.700000	21.700000	21.700000
21.700000	21.700000	21.700000	21.700000	21.700000
21.700000	21.700000	21.700000	21.700000	21.700000
20.783492	22.513900	23.414311	23.106609	23.121031
20.149382	22.333720	23.359565	23.417551	23.356123
20.800000	22.530000	23.430000	23.430000	23.430000
3.800000	3.800000	3.800000	3.800000	3.800000
3.800000	3.800000	3.800000	3.800000	3.800000
3.800000	3.800000	3.800000	3.800000	3.800000
0.300000	0.300000	0.300000	0.300000	0.300000
0.300000	0.300000	0.300000	0.300000	0.300000
0.300000	0.300000	0.300000	0.300000	0.300000

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

Collection Year (2)	Current Tax Levy	Current Tax Collections	Percent of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections (3)(4)	Total Tax Collections	Percent of Total Tax Collections to Current Tax Levy
2007	\$34,246,236	\$31,140,843	90.93%	\$1,899,471	\$33,040,314	96.48%
2008	31,107,465	28,898,751	92.90	1,852,222	30,750,973	98.85
2009	28,510,791	26,395,684	92.58	2,273,648	28,669,332	100.56
2010	32,114,650	30,357,160	94.53	1,493,447	31,850,607	99.18
2011	32,156,135	29,816,395	92.72	1,629,813	31,446,208	97.79
2012	31,053,021	29,075,980	93.63	1,234,644	30,310,624	97.61
2013	30,883,691	27,708,967	89.72	1,539,724	29,248,691	94.71
2014	34,692,346	31,329,752	90.31	1,216,496	32,546,248	93.81
2015	34,836,192	32,918,429	94.49	1,070,565	33,988,994	97.57
2016	35,260,055	33,377,396	94.66	1,351,906	34,729,302	98.49

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

- (1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental Revenue.
- (2) The 2017 information cannot be presented because all collections have not been made by June 30, 2017.
- (3) The County does not maintain delinquency information by tax year.
- (4) Penalties and interest are included, since by Ohio Law, they become part of the tax obligation as assessment occurs.

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

**Bedford City School District**

*Principal Taxpayers*

*Real Estate Tax*

*2017 and 2008 (1)*

2017		
Name of Taxpayer	Assessed Valuation	Percent of Real Assessed Value
Xellia Pharmaceuticals USA, LLC	\$6,860,030	1.13
Columbus Park Property Ownership	5,279,900	0.87
Riser Foods Company	5,176,640	0.85
Bedford Colony Club Apartments	4,781,400	0.79
Wal-Mart Stores East	4,592,180	0.75
South Point Towers Limited	4,295,110	0.71
Mayfred Company	3,365,660	0.55
First Interstate	3,324,140	0.55
Bedford Senior Living Real Estate, LLC	3,185,010	0.52
Ford Motor Company	3,153,160	0.52
<b>Total</b>	<b>\$44,013,230</b>	<b>7.24%</b>
<b>Total Real Estate Valuation</b>	<b>\$607,762,330</b>	

2008		
Name of Taxpayer	Assessed Valuation	Percent of Real Assessed Value
Ben Venue Laboratories, Incorporated	\$8,508,040	1.18
Bear Creek Properties	8,470,840	1.18
Ford Motor Company	7,159,350	0.99
Riser Foods Company	6,650,000	0.92
Wal-Mart Stores East	6,389,290	0.89
5977 Bear Creek Road, LLC	5,962,160	0.83
Bedford Colony Club Apartments	4,571,110	0.63
South Point Towers Limited	4,221,790	0.59
Mayfred Company	3,512,480	0.49
Southgate Towers, LLC	3,246,260	0.45
<b>Total</b>	<b>\$58,691,320</b>	<b>8.15%</b>
<b>Total Real Estate Valuation</b>	<b>\$720,480,840</b>	

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

(1) The amounts presented represent the assessed values upon which 2017 and 2008 collections were based.

**Bedford City School District**

*Principal Taxpayers*

*Public Utilities Tax*

*2017 and 2008 (1)*

Name of Taxpayer	2017	
	Assessed Valuation	Percent of Public Utility Assessed Value
American Transmission System	\$30,896,650	49.35 %
Cleveland Electric Illuminating Company	29,003,330	46.32
The East Ohio Gas Company	2,274,030	3.63
Total	<u>\$62,174,010</u>	<u>99.30%</u>
Total Public Utility Valuation	<u>\$62,613,050</u>	

Name of Taxpayer	2008	
	Assessed Valuation	Percent of Public Utility Assessed Value
Cleveland Electric Illuminating Company	\$21,125,150	68.54 %
American Transmission System	8,470,840	27.48
Ohio Edison	467,760	1.52
Total	<u>\$30,063,750</u>	<u>97.53%</u>
Total Public Utility Valuation	<u>\$30,823,860</u>	

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

(1) The amounts presented represent the assessed values upon which 2017 and 2008 collections were based.



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

	2008	2009	2010	2011
Total Assessed Valuation	\$774,251,314	\$785,857,194	\$726,625,040	\$723,595,670
Less Railroad and Telephone Property Valuation	(21,638,265)	(315,340)	(145,790)	(226,900)
Less General Business Tangible Personal Property Valuation	(22,946,614)	(22,970,064)	0	0
Total Assessed Valuation Used to Calculate Legal Debt Margin (1)	729,666,435	762,571,790	726,479,250	723,368,770
Overall Debt Limitation - 9% of Assessed Valuation (2)	65,669,979	68,631,461	65,383,133	65,103,189
Gross Indebtedness Authorized by the School District	8,677,507	7,346,998	5,946,750	4,450,445
Less Exempt Debt:				
Tax Anticipation Note	0	0	0	0
Energy Conservation	(3,155,207)	(2,966,698)	(2,770,450)	(2,566,145)
Debt within 9.0% limitation	5,522,300	4,380,300	3,176,300	1,884,300
Less Amount Available in Debt Service	(2,103,486)	(2,154,602)	(2,025,391)	(1,944,665)
Net Debt within 9.0% limitation	3,418,814	2,225,698	1,150,909	(60,365)
Legal debt margin within 9.0% limitation	\$62,251,165	\$66,405,763	\$64,232,224	\$65,163,554
Legal Debt Margin as a Percentage of Debt Limit	94.79%	96.76%	98.24%	100.09%
Energy Conservation Debt limitation 0.9% of assessed valuation	6,566,998	6,863,146	6,538,313	6,510,319
Net Debt within 0.9% limitation	(3,155,207)	(2,966,698)	(2,770,450)	(2,566,145)
Energy Conservation Debt Margin	\$3,411,791	\$3,896,448	\$3,767,863	\$3,944,174
Energy Conservation Debt Margin as a Percentage of the Energy Conservation Debt Limit	51.95%	56.77%	57.63%	60.58%
Unvoted Legal Debt Limit - .10% of Assessed Value (2)	\$729,666	\$762,572	\$726,479	\$723,369
Gross Indebtedness Authorized by the School District	3,155,207	2,966,698	2,770,450	2,566,145
Less Exempt Debt:				
Tax Anticipation Note	0	0	0	0
Energy Conservation	(3,155,207)	(2,966,698)	(2,770,450)	(2,566,145)
Net Debt within .10% Limitation	0	0	0	0
Legal Debt Margin within .10% Limitation	\$729,666	\$762,572	\$726,479	\$723,369
Unvoted Legal Debt Margin as a Percentage of the Excess of Revenues Over (Under) Expenditures	100.00%	100.00%	100.00%	100.00%

**Source:** Cuyahoga County Fiscal Officer and School District Financial Records

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

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

(3) Approach has been revised beginning in 2016.

2012	2013	2014	2015	2016	2017
\$724,355,940	\$669,161,260	\$674,622,820	\$678,913,220	\$662,797,460	\$670,375,380
(227,020)	(237,950)	(240,430)	(252,120)	(243,700)	(513,450)
0	0	0	0	0	0
724,128,920	668,923,310	674,382,390	678,661,100	662,553,760	669,861,930
65,171,603	60,203,098	60,694,415	61,079,499	59,629,838	60,287,574
2,962,754	2,536,575	2,434,899	2,051,775	2,167,072	1,677,839
0	0	0	0	(686,727)	(526,227)
(2,353,452)	(2,132,027)	(1,901,511)	(1,661,531)	0	0
609,302	404,548	533,388	390,244	1,480,345	1,151,612
(1,307,415)	(394,533)	(61,655)	(61,655)	(68,522)	(66,918)
(698,113)	10,015	471,733	328,589	1,411,823	1,084,694
\$65,869,716	\$60,193,083	\$60,222,682	\$60,750,910	\$58,218,015	\$59,202,880
101.07%	99.98%	99.22%	99.46%	97.63%	98.20%
6,517,160	6,020,310	6,069,442	6,107,950	5,962,984	6,028,757
(2,353,452)	(2,132,027)	(1,901,511)	(1,661,531)	(1,411,699)	(1,084,694)
\$4,163,708	\$3,888,283	\$4,167,931	\$4,446,419	\$4,551,285	\$4,944,063
63.89%	64.59%	68.67%	72.80%	76.33%	82.01%
\$724,129	\$668,923	\$674,382	\$678,661	\$662,554	\$669,862
2,353,452	2,132,027	1,901,511	1,661,531	2,167,072	1,677,839
0	0	0	0	(686,727)	(526,227)
(2,353,452)	(2,132,027)	(1,901,511)	(1,661,531)	(1,411,699)	(1,151,612)
0	0	0	0	68,646	0
\$724,129	\$668,923	\$674,382	\$678,661	\$593,908	\$669,862
100.00%	100.00%	100.00%	100.00%	89.64%	100.00%

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

Fiscal Year	Personal Income (1)	Population (2)	Estimated Actual Value of Taxable Property(3)	General Bonded Debt		
				General Bonded Debt Outstanding(4)	Ratio of Bonded Debt to Estimated Actual Value	Bonded Debt per Capita
2008	\$587,859,891	27,989	\$2,460,689,615	\$8,810,064	0.36	\$314.77
2009	587,859,891	27,989	2,492,687,746	7,660,171	0.31	273.69
2010	587,859,891	27,989	2,017,740,070	6,452,208	0.32	230.53
2011	606,094,428	26,307	2,008,999,893	5,161,954	0.26	196.22
2012	606,094,428	26,307	2,009,832,896	3,911,235	0.19	148.68
2013	606,094,428	26,307	1,847,339,806	2,822,588	0.15	107.29
2014	606,094,428	26,307	1,855,116,180	2,107,445	0.11	80.11
2015	606,094,428	26,307	1,860,635,189	1,798,821	0.10	68.38
2016	606,094,428	26,307	1,805,891,191	1,480,333	0.08	56.27
2017	606,094,428	26,307	1,807,614,993	1,151,610	0.06	43.78

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

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

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

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

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General Debt

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Loans	Capital Leases	Total Debt	Ratio of General Debt to Estimated Actual Value	Ratio of General Debt to Personal Income (3)	General Debt Per Capita
\$336,000	\$249,604	\$9,395,668	0.38	1.60	\$335.69
274,000	144,000	8,078,171	0.32	1.37	288.62
210,000	96,000	6,758,208	0.33	1.15	241.46
143,000	570,586	5,875,540	0.29	0.97	223.35
73,000	388,868	4,373,103	0.22	0.72	166.23
0	251,144	3,073,732	0.17	0.51	116.84
0	136,526	2,243,971	0.12	0.37	85.30
0	46,164	1,844,985	0.10	0.30	70.13
0	0	1,480,333	0.08	0.24	56.27
0	0	1,151,610	0.06	0.19	43.78

**Bedford City School District**  
*Computation of Direct and Overlapping*  
*Governmental Activities Debt*  
*June 30, 2017*

	General Debt Outstanding	Percentage Applicable to School District (1)	Amount of Direct and Overlapping Debt
Direct:			
Bedford City School District			
General Obligation Bonds	\$1,151,610	100.00%	\$1,151,610
Overlapping:			
Cuyahoga County			
General Obligation Bonds	242,795,758	2.45	5,948,496
Revenue Bonds	597,515,568	2.45	14,639,131
Certificates of Participation	256,864,058	2.45	6,293,169
Capital Lease Obligations	378,556,966	2.45	9,274,646
Loans Payable	2,404,204	2.45	58,903
Regional Transit Authority			
General Obligation Bonds	140,323,087	2.45	3,437,916
City of Bedford			
General Obligation Bonds	8,832,323	34.93	3,085,130
OPWC Loans	492,479	34.93	172,023
Capital Lease Obligation	61,996	34.93	21,655
City of Bedford Heights			
General Obligation Bonds	350,900	28.97	101,656
OPWC Loans	658,214	28.97	190,685
Capital Lease Obligation	96,051	28.97	27,826
Village of Walton Hills			
OPWC Loans	575,080	18.72	107,655
Village of Oakwood			
General Obligation Bonds	3,955,000	17.37	686,984
OPWC Loans	712,230	17.37	106,478
Total Overlapping	1,634,193,914		44,152,353
Total	\$1,635,345,524		\$45,303,963

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

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

**Bedford City School District**

*Principal Employers*

2017 and 2008

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**2017**

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Employer	City	Nature of Business or Activity	Number of Employees
University Hospital Health Systems	Bedford	Health Care	1,014
Riser Foods Company	Bedford Heights	Retail Grocery	700
Penske Auto Group	Bedford	Retail	554
Bedford City School District	Bedford	Public Education	524
U.S. Bank National Association	Bedford	Banking	411
City of Bedford	Bedford	Municipal Government	349
B & B Launch	Oakwood Village	In-Home Senior Care	335
Ganley Bedford Imports Inc.	Bedford	Retail	293
Reserves Network	Bedford	Service	229
Jay Pontiac Inc.	Bedford	Retail	209
Total			<u>4,618</u>
Total Employment within the School District			<u>n/a</u>

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**2008**

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

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

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

**Bedford City School District**  
*Demographic and Economic Statistics*  
*Last Ten Years*

Year	City of Bedford			City of Bedford Heights		
	Estimated Population	Total Personal Income	Personal Income Per Capita	Estimated Population	Total Personal Income	Personal Income Per Capita
2008	14,214	\$285,360,264	\$20,076	11,375	\$247,872,625	\$21,791
2009	14,214	285,360,264	20,076	11,375	247,872,625	21,791
2010	14,214	285,360,264	20,076	11,375	247,872,625	21,791
2011	13,074	312,808,524	23,926	10,751	234,275,041	21,791
2012	13,074	312,808,524	23,926	10,751	234,275,041	21,791
2013	13,074	312,808,524	23,926	10,751	234,275,041	21,791
2014	13,074	312,808,524	23,926	10,751	234,275,041	21,791
2015	13,074	312,808,524	23,926	10,751	234,275,041	21,791
2016	13,074	312,808,524	23,926	10,751	234,275,041	21,791
2017	13,074	312,808,524	23,926	10,751	234,275,041	21,791

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

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



Village of Oakwood			Village of Walton Hills			Unemployment Rate (1)	Total Assessed Property Value
Estimated Population	Total Personal Income	Personal Income Per Capita	Estimated Population	Total Personal Income	Personal Income Per Capita		
3,667	\$71,169,136	\$19,408	2,400	\$63,372,000	\$26,405	5.7%	\$774,251,314
3,667	71,169,136	19,408	2,400	63,372,000	26,405	10.2	785,857,194
3,667	71,169,136	19,408	2,400	63,372,000	26,405	9.0	726,625,040
3,667	71,169,136	19,408	2,281	63,372,000	27,783	8.9	723,595,670
3,667	71,169,136	19,408	2,281	63,372,000	27,783	8.9	724,355,940
3,667	71,169,136	19,408	2,281	63,372,000	27,783	7.7	669,161,260
3,667	71,169,136	19,408	2,281	63,372,000	27,783	6.1	674,622,820
3,667	71,169,136	19,408	2,281	63,372,000	27,783	6.1	678,913,220
3,667	71,169,136	19,408	2,281	63,372,000	27,783	4.0	662,797,460
3,667	71,169,136	19,408	2,281	63,372,000	27,783	5.3	670,375,380

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>Bedford High School</b>			
Constructed in 1954			
Additions in 1955, 1958, 1971, 1994			
Total Building Square Footage	400,000	400,000	400,000
Media Center Square Footage	18,400	18,400	18,400
Cafeteria and Kitchen Square Footage	12,500	12,500	12,500
Auditorium Square Footage	15,000	15,000	15,000
Gymnasium (3 each) Square Footage	27,000	27,000	27,000
Pool Square Footage	10,000	10,000	10,000
Enrollment Grades 9-12	1,322	1,268	1,215
Student Capacity	1,800	1,800	1,800
Regular Instruction Classrooms	94	93	93
Regular Instruction Teachers	58	59	50
Special Instruction Classrooms	12	13	13
Special Instruction Teachers	14	15	12
Vocational Instruction Classrooms	16	16	16
Vocational Instruction Teachers	14	14	11
<b>Heskett Middle School</b>			
Constructed in 1968			
Total Building Square Footage	105,000	105,000	105,000
Media Center Square Footage	5,040	5,040	5,040
Cafeteria and Kitchen Square Footage	7,400	7,400	7,400
Auditorium Square Footage	4,500	4,500	4,500
Gymnasium Square Footage	8,000	8,000	8,000
Enrollment Grades 7-8	603	587	576
Student Capacity	800	800	800
Regular Instruction Classrooms	37	37	37
Regular Instruction Teachers	35	33	31
Special Instruction Classrooms	12	9	9
Special Instruction Teachers	15	15	11
<b>Aurora Upper Intermediate School (1)</b>			
Constructed in 1952			
Additions in 1955, 1965			
Building not utilized as a school in 2008			
Total Building Square Footage	65,000	65,000	65,000
Media Center Square Footage	1,700	1,700	1,700
Cafeteria and Kitchen Square Footage	3,400	3,400	3,400
Gymnasium Square Footage	2,500	2,500	2,500
Enrollment Grade 6 Only	0	0	0
Student Capacity	460	460	460
Regular Instruction Classrooms	19	19	19
Regular Instruction Teachers	0	0	0
Special Instruction Classrooms	4	4	4
Special Instruction Teachers	0	0	0

2011	2012	2013	2014	2015	2016	2017
400,000	400,000	400,000	400,000	400,000	400,000	400,000
18,400	18,400	18,400	18,400	18,400	18,400	18,400
12,500	12,500	12,500	12,500	12,500	12,500	12,500
15,000	15,000	15,000	15,000	15,000	15,000	15,000
27,000	27,000	27,000	27,000	27,000	27,000	27,000
10,000	10,000	10,000	10,000	10,000	10,000	10,000
1,177	1,174	1,129	1,101	1,020	1,020	992
1,800	1,800	1,800	1,800	1,800	1,800	1,800
93	93	93	93	93	93	93
47	49	48	48	52	51	49
13	13	13	13	13	13	13
12	13	15	15	15	14	15
16	16	16	16	16	16	16
9	7	7	7	7	7	7
105,000	105,000	105,000	105,000	105,000	105,000	105,000
5,040	5,040	5,040	5,040	5,040	5,040	5,040
7,400	7,400	7,400	7,400	7,400	7,400	7,400
4,500	4,500	4,500	4,500	4,500	4,500	4,500
8,000	8,000	8,000	8,000	8,000	8,000	8,000
603	524	516	537	521	521	531
800	800	800	800	800	800	800
37	37	37	37	37	37	37
30	30	30	28	28	28	28
9	9	9	9	9	9	9
13	12	12	11	12	13	12
65,000	65,000	65,000	65,000	65,000	65,000	65,000
1,700	1,700	1,700	1,700	1,700	1,700	1,700
3,400	3,400	3,400	3,400	3,400	3,400	3,400
2,500	2,500	2,500	2,500	2,500	2,500	2,500
0	0	0	0	0	0	0
460	460	460	460	460	460	460
19	19	19	19	19	19	19
0	0	0	0	0	0	0
4	4	4	4	4	4	4
0	0	0	0	0	0	0

(continued)

**Bedford City School District***Building Statistics (continued)**Last Ten Fiscal Years*

	2008	2009	2010
<b>Carylwood Intermediate School (2)</b>			
Constructed in 1955			
Additions in 1965			
Total Building Square Footage	44,285	44,285	44,285
Media Center Square Footage	1,200	1,200	1,200
Gym, Cafeteria and Kitchen Square Footage	3,200	3,200	3,200
Enrollment Grades 4-6	423	433	433
Student Capacity	438	438	438
Regular Instruction Classrooms	27	19	19
Regular Instruction Teachers	24	21	19
Special Instruction Classrooms	3	5	5
Special Instruction Teachers	7	6	8
<b>Columbus Intermediate School (2)</b>			
Constructed in 1962			
Additions in 1978, 1965, 2002			
Total Building Square Footage	71,125	71,125	71,125
Media Center Square Footage	1,400	1,400	1,400
Gym, Cafeteria and Kitchen Square Footage	3,200	3,200	3,200
Gym/Auditorium Square Footage	12,000	12,000	12,000
Enrollment Grades 4-6	423	415	388
Student Capacity	525	525	525
Regular Instruction Classrooms	32	32	32
Regular Instruction Teachers	26	23	22
Special Instruction Classrooms	4	5	5
Special Instruction Teachers	9	7	8
<b>Central Primary School (2)</b>			
Constructed in 1955			
Additions in 1965			
Total Building Square Footage	72,500	72,500	72,500
Media Center Square Footage	1,700	400	400
Gym, Cafeteria and Kitchen Square Footage	3,400	3,400	3,400
Enrollment Grades K-3	525	539	568
Student Capacity	520	520	520
Regular Instruction Classrooms	27	26	26
Regular Instruction Teachers	21	21	29
Special Instruction Classrooms	3	2	2
Special Instruction Teachers	5	5	5
<b>Glendale Primary School (2)</b>			
Constructed in 1953			
Additions in 1959, 1966			
Total Building Square Footage	66,000	66,000	66,000
Media Center Square Footage	1,920	700	700
Cafeteria and Kitchen Square Footage	1,430	1,430	1,430
Gymnasium Square Footage	2,400	2,400	2,400
Enrollment Grades K-3	481	493	473
Student Capacity	520	520	520
Regular Instruction Classrooms	26	25	25
Regular Instruction Teachers	17	18	23
Special Instruction Classrooms	5	5	5
Special Instruction Teachers	7	5	7

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

(2) Source of Information - School District Records

2011	2012	2013	2014	2015	2016	2017
44,285	44,285	44,285	44,285	44,285	44,285	44,285
1,200	1,200	1,200	1,200	1,200	1,200	1,200
3,200	3,200	3,200	3,200	3,200	3,200	3,200
401	407	396	395	389	389	339
438	438	438	438	438	438	438
19	19	19	19	19	19	19
18	18	18	18	19	19	17
5	5	5	5	5	5	5
10	11	10	9	8	8	9
71,125	71,125	71,125	71,125	71,125	71,125	71,125
1,400	1,400	1,400	1,400	1,400	1,400	1,400
3,200	3,200	3,200	3,200	3,200	3,200	3,200
12,000	12,000	12,000	12,000	12,000	12,000	12,000
381	373	369	369	402	402	391
525	525	525	525	525	525	525
32	32	32	32	32	32	32
21	18	18	18	20	19	19
5	5	5	5	5	5	5
9	8	8	7	7	8	9
72,500	72,500	72,500	72,500	72,500	72,500	72,500
400	400	400	400	400	400	400
3,400	3,400	3,400	3,400	3,400	3,400	3,400
524	542	543	548	554	554	483
520	520	520	520	520	520	520
26	26	26	26	26	26	26
28	27	27	26	27	27	25
2	2	2	2	2	2	2
6	6	6	5	5	7	7
66,000	66,000	66,000	66,000	66,000	66,000	66,000
700	700	700	700	700	700	700
1,430	1,430	1,430	1,430	1,430	1,430	1,430
2,400	2,400	2,400	2,400	2,400	2,400	2,400
482	465	477	487	486	486	425
520	520	520	520	520	520	520
25	25	25	25	25	25	25
23	21	21	23	25	21	21
5	5	5	5	5	5	5
9	9	8	9	10	9	10

**Bedford City School District**

*Per Pupil Cost*

*Last Ten Fiscal Years*

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Fiscal Year	Student Enrollment		General Governmental	
	Average Enrollment	Percentage of Change	Total Expenditures (1)	Per Pupil Cost
2008	3,792	(0.86) %	\$52,375,971	\$13,812
2009	3,735	(1.50)	49,203,323	13,174
2010	3,653	(2.20)	50,286,933	13,766
2011	3,568	(2.33)	51,566,713	14,453
2012	3,529	(1.09)	49,574,304	14,048
2013	3,430	(2.81)	51,017,609	14,874
2014	3,437	0.20	51,561,531	15,002
2015	3,372	(1.89)	51,847,090	15,376
2016	3,188	(5.46)	53,089,531	16,653
2017	3,161	(0.85)	53,213,110	16,834

(1) Debt Service totals have been excluded.

Source of Information - School District Records

Governmental Activities		Students Receiving Free or Reduced Lunch	Percentage Of Enrollment
Total Expenses (1)	Per Pupil Cost		
\$52,725,363	\$13,904	1,767	46.60%
51,256,160	13,723	2,088	55.90
51,714,154	14,157	2,043	55.93
50,825,758	14,245	2,265	63.48
51,043,602	14,464	2,334	66.14
50,875,526	14,833	2,296	66.94
51,816,630	15,076	2,299	66.89
52,057,306	15,438	2,267	67.23
53,607,645	16,815	2,249	70.55
57,568,777	18,212	2,164	68.46

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

<b>Function/Program</b>	2008	2009	2010	2011
<b>Regular Instruction</b>				
Elementary Classroom Teachers	88	98	83	90
Middle School Classroom Teachers	36	33	31	30
High School Classroom Teachers	58	59	50	47
Aides*	0	0	0	0
<b>Special Instruction</b>				
Preschool Teachers	2.5	2	2	2
Elementary Classroom Teachers	24	24	27	32
Gifted Education Teachers	1	1	1	1
Middle School Classroom Teachers	15	15	11	14
High School Classroom Teachers	15	15	12	12
TESOL	0	0	0	0
Paraprofessionals/Aides*	0	0	0	0
<b>Vocational Instruction</b>				
High School Classroom Teachers	14	14	11	9
<b>Pupil Support Services</b>				
Guidance Counselors	10	10	10	10
Librarians	2	2	1	1
Psychologists	4	4	3	4
Speech & Language Pathologists	4	4	4	4
Data and Technology Coach*	0	0	0	0
<b>Administrators</b>				
Elementary	4	4	5	4
Middle School	3	3	3	3
High School	5	5	5	5
Districtwide	16	16	15	16
Clerical, Technology, Finance*	0	0	0	0
<b>Operation of Plant</b>				
Custodians, Security*	35	34	30	29
Maintenance	8	8	9	8
<b>Pupil Transportation</b>				
Bus Drivers	66	65	63	59
Bus Aides	9	9	10	12
Mechanics	5	5	5	5
<b>Food Service Program*</b>				
Elementary Cooks	8	8	10	8
Middle School Cooks	10	10	9	9
High School Cooks	18	18	15	14
Total Employees	<u>460.5</u>	<u>466</u>	<u>425</u>	<u>428</u>

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

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

(1) Source of Information - School District Records

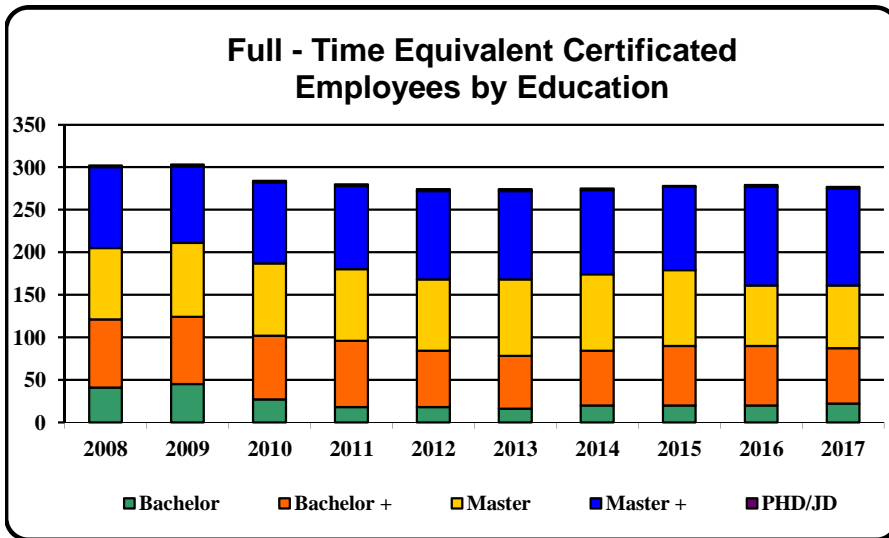


2012	2013	2014	2015	2016	2017
84	87	87	91	86	84
30	30	28	28	27	26
49	48	49	52	51	49
17	19	18	21	21.5	20
2	2	2	3	4	4
31	30	28	27	28	29
1	1	1	1	1	2
12	12	11	11	13	12
13	15	15	15	14	14
0	0	0	0	0	1
20	22	23	26	21.5	29
7	7	7	7	6	7
10	10	10	10	10	10
6	6	4	3	5	4
4	4	4	4	5	5
3	4	5	5	5	5
5	5	5	5	5	9
4	4	4	4	5	5
3	3	3	3	3	3
5	5	5	5	4	4
16	16	16	15	15	15
40	38	36	35	33	35
38	34	36	38	37	37
8	8	8	8	10	9
60	54	55	53	56	53
12	10	10	10	10	12
5	5	5	5	5	4
12	12	12	12	15	12
10	10	10	10	8	9
15	14	14	17	17	16
<u>522</u>	<u>515</u>	<u>511</u>	<u>524</u>	<u>521</u>	<u>524</u>

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

Degree	2008	2009	2010	2011	2012
Bachelor	41	45	27	18	19
Bachelor Including 150 Hours	44	46	48	46	38
Bachelor Including 180 Hours	36	33	27	32	28
Master	84	87	85	84	84
Master +9	46	43	38	38	47
Master +18	13	14	22	23	21
Master +27	11	10	9	11	11
Master +36	6	4	4	3	3
Master + 45	13	12	12	13	13
Master + 54	6	7	10	10	8
PhD or JD	2	2	2	2	2
<b>Total</b>	<b>302</b>	<b>303</b>	<b>284</b>	<b>280</b>	<b>274</b>

(1) Includes any employee that has a teaching certificate.  
 Source: School District Records



Source: School District Records

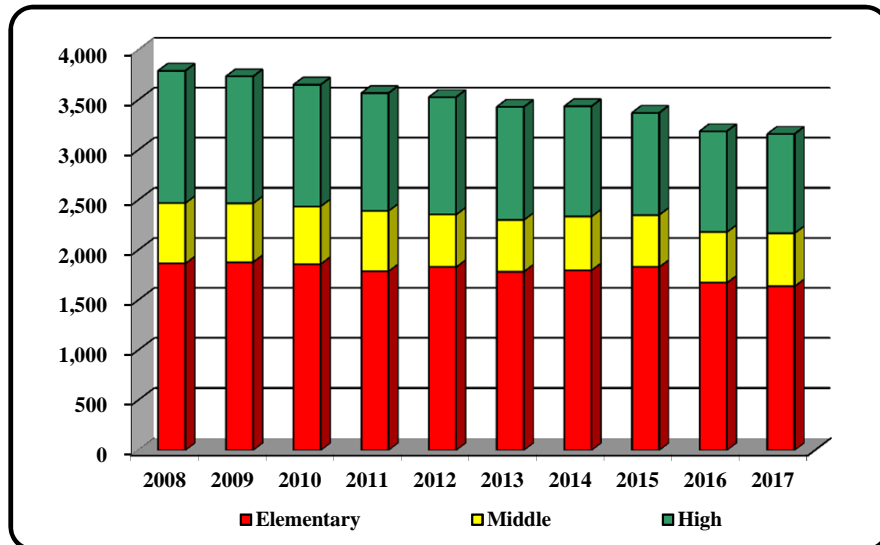
2013	2014	2015	2016	2017
16	20	22	20	22
39	39	42	43	42
23	25	28	27	23
90	90	89	71	74
46	38	39	45	46
23	20	18	25	26
11	11	11	18	14
3	4	5	4	4
12	13	14	15	15
9	13	9	9	9
2	2	1	2	2
<u>274</u>	<u>275</u>	<u>278</u>	<u>279</u>	<u>277</u>

## Bedford City School District

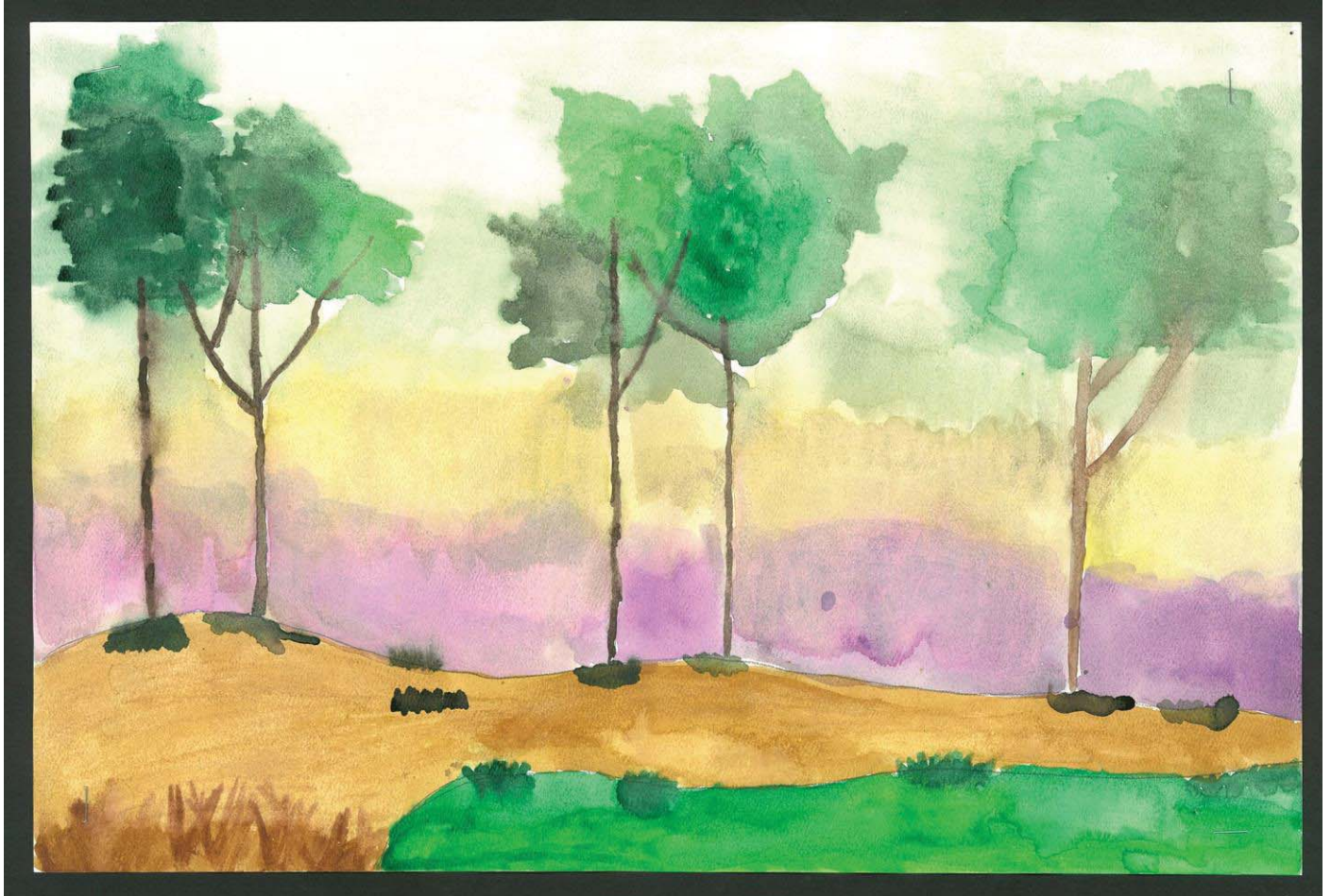
### *Enrollment Statistics*

#### *Last Ten Fiscal Years*

Fiscal Year	Elementary Schools	Middle School	High School	Total
2008	1,867	603	1,322	3,792
2009	1,880	587	1,268	3,735
2010	1,862	576	1,215	3,653
2011	1,788	603	1,177	3,568
2012	1,831	524	1,174	3,529
2013	1,785	516	1,129	3,430
2014	1,799	537	1,101	3,437
2015	1,831	521	1,020	3,372
2016	1,674	506	1,008	3,188
2017	1,638	531	992	3,161



Source: Bedford City School Records



**Artwork by:**  
Logan Odom  
Grade 10  
Bedford High School  
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# Dave Yost • Auditor of State

**BEDFORD CITY SCHOOL DISTRICT**

**CUYAHOGA COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
FEBRUARY 6, 2018**