

**BEDFORD CENTRAL SCHOOL DISTRICT**

**Financial Statements  
As of and for the Year Ended June 30, 2024  
Together with  
Independent Auditor's Reports**

**Bonadio & Co., LLP**  
Certified Public Accountants

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## INDEPENDENT AUDITOR'S REPORT

October 9, 2024

To the Board of Education of  
Bedford Central School District:

### **Opinions**

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Bedford Central School District (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the District, as of June 30, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Responsibilities of Management for the Financial Statements**

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

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

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## INDEPENDENT AUDITOR'S REPORT

(Continued)

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in total OPEB liability and related ratios, schedule of proportionate share of net pension liability (asset), and schedule of contributions – pension plans be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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## INDEPENDENT AUDITOR'S REPORT

(Continued)

### **Supplementary Information**

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

### **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the Schedule of Change from Original Budget to Revised Budget and the Schedule of Section 1318 of Real Property Tax Law Limit Calculation – General Fund, Schedule of Project Expenditures – Capital Projects Fund and the Schedule of Net Investment in Capital Assets, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 9, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

Bonadio & Co., LLP

# BEDFORD CENTRAL SCHOOL DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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*The following is a discussion and analysis of the Bedford Central School District's (the District) financial performance for the fiscal year ended June 30, 2024. The section summarizes the District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the government-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. As this section is only an introduction, it should be read in conjunction with the District's basic financial statements, which immediately follow this section.*

### FINANCIAL HIGHLIGHTS

- Government-wide net position of the District is \$(109,611,065).
- Government-wide change in net position is \$(13,116,801) at June 30, 2024 due predominately to the GASB 75 Other Post Employment Benefits (OPEB) liability.
- \$2.9M General Fund income was due to increase in unbudgeted revenue income such as interest, insurance recoveries, other day school tuition and refund prior year's BOCES.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts: Management's Discussion & Analysis (MD&A) (this section), the basic financial statements, required supplementary information, and supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *district-wide* financial statements that provide both *short-term* and *long-term* information about the District's *overall* financial status. Because of this, the Statement of Net Position will include assets such as building and equipment and long term balances due to the District as well as long term liabilities such as bonds payable. In addition, payments for principal on long term bond obligations will be shown as a reduction of the liability and payments for buildings and equipment will be shown as additions to assets.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more detail* than the Government-wide statements. The fund financial statements concentrate on the District's most significant funds.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the *short-term*, as well as what remains for future spending. As such, in this presentation, payments for buildings and equipment will be shown as expenditures rather than an increase in assets, proceeds from new long term borrowings will be shown as a source of revenue rather than a long term liability, and principal payments on the long term borrowings will be shown as expenditures.
- *Fiduciary funds statements* provide information about the financial relationships in which the District acts solely as a *trustee* or *agent* for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data immediately following the financial statements. The statements are followed by a section of required supplementary information and then supplementary information.

## OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

These schedules further explain and support the financial statements with a comparison of the District's budget for the year, a detailed capital project schedule, and other financial information.

Table A-1 shows how the various sections of this annual report are arranged and related to one another.

**Table A-1 Organization of the District's Annual Financial Report**

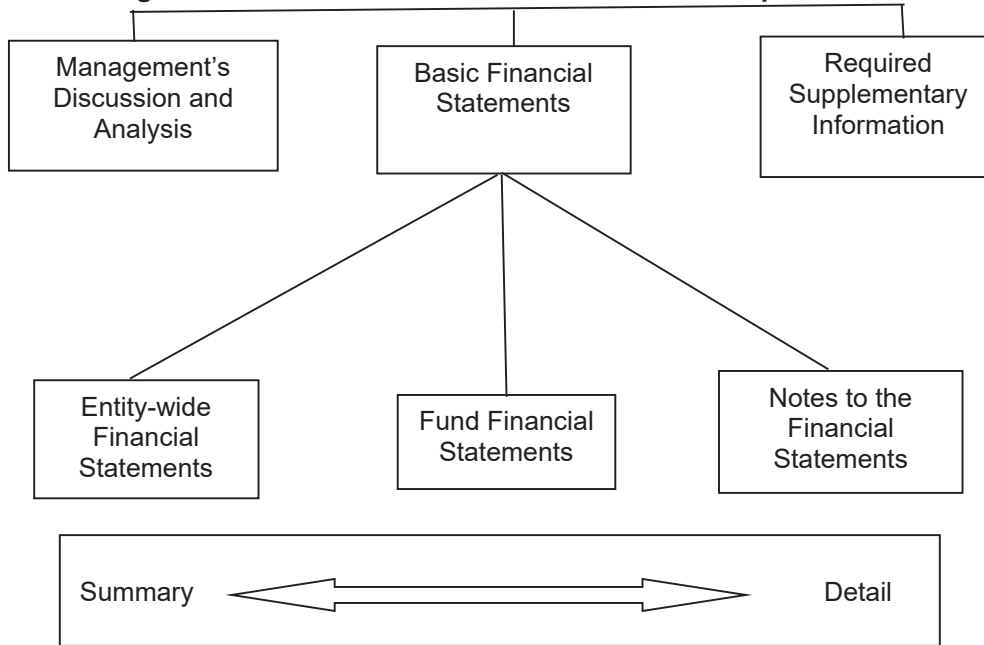


Table A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of the MD&A highlights the structure and contents of each of the statements.



## OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

**Table A-2 Major Features of the Government-Wide and Fund Financial Statements**

		Fund Financial Statements	
	Government-Wide	Governmental Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The day-to-day operating activities of the District, such as instruction and special education.	Instances in which the District administers resources on behalf of someone else, such as scholarship programs and student activities monies.
Required financial statements	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenue, expenditures, and change in fund balance</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fiduciary net position.</li> <li>• Statement of changes in fiduciary net position.</li> </ul>
Accounting basis and measurement focus	Accrual accounting and economic resources focus.	Modified accrual accounting and current financial focus.	Accrual accounting and economic resources focus.
Type of asset/liability information	All assets, deferred inflows/outflows of resources, and liabilities, both financial and capital, short-term and long-term.	Current assets, deferred inflows/outflows of resources, and liabilities that come due during the year or soon after; no capital assets or long-term liabilities included.	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can.
Type of inflow/outflow information	All revenue and expenses during year, regardless of when cash is received or paid.	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All additions and deductions during the year, regardless of when cash is received or paid.

### Government-Wide Statements

The Government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets and liabilities. All of the current year's revenue and expenses are accounted for in the statement of activities and changes in net position regardless of when cash is received or paid.

The two Government-wide statements report the District's net position and how they have changed. Net position – the difference between the District's assets/deferred outflows of resources and liabilities/deferred inflows of resources – are one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- For assessment of the overall health of the District, additional nonfinancial factors such as changes in the property tax bases and the condition of buildings and other facilities should be considered.

## OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

### Government-Wide Statements (Continued)

Net position of the governmental activities differ from the governmental fund balances because governmental fund level statements only report transactions using or providing current financial resources. Also, capital assets are reported as expenditures when financial resources, (dollars), are expended to purchase or build such assets. Likewise, the financial resources that may have been borrowed are considered revenue when they are received. Principal and interest payments are considered expenditures when paid. Depreciation is not calculated. Capital assets and long-term debt are accounted for in account groups and do not affect the fund balances.

Government-wide statements use an economic resources measurement focus and full accrual basis of accounting that involves the following steps to prepare the statement of net position:

- Capitalize current outlays for capital assets.
- Report long-term debt as a liability.
- Depreciate capital assets and allocate the depreciation to the proper function.
- Calculate revenue and expenditures using the economic resources measurement focus and the full accrual basis of accounting.
- Allocate net position balances as follows:
  - Net investment in capital assets.
  - Restricted net position is those assets with constraints placed on use by external sources or imposed by law.
  - Unrestricted net position is net position that does not meet any of the above restrictions.

### Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs.

- Some funds are required by State law and by bond covenants.
- The District establishes other funds to control and to manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues (such as Federal grants).

The District has one type of fund:

- **Governmental Funds:** Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them. The governmental fund statements focus primarily on current financial resources and often have a budgetary orientation. Governmental funds include the general fund, special aid fund, school lunch fund, miscellaneous special revenue fund, and capital projects fund. Required financial statements are the balance sheet and the statement of revenue, expenditures, and change in fund balance.

## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The analysis below focuses on the net position (Table A-3) and changes in net position (Table A-4) of the District's governmental activities. The District's net position decreased \$13,116,801 from \$(96,494,264) as of June 30, 2023 to \$(109,611,065) as of June 30, 2024. As Table A-3 shows, the District's assets decreased, deferred outflows of resources decreased and liabilities increased. The increase in current assets is primarily due to an increase in cash as of June 30, 2024 versus prior year. Noncurrent assets have decreased due to a reduction in leases receivable. Deferred outflows have decreased due to the change in assumptions related to the New York State Employee Retirement System (ERS), differences in the expected and actual experiences and net difference between expected and actual earning on pension plan investments for TRS. Long-term liabilities have increased due to the increase in the OPEB liability. Deferred inflows have decreased due to the net difference between projected and actual earnings on pension plan investments for ERS, offset by such experience for TRS and changes in assumptions and other inputs for OPEB.

**Table A-3 Condensed Statement of Net Position**

	<u>Fiscal Year 2024</u>	<u>Fiscal Year 2023</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Assets:				
Current and other assets	\$ 48,770,975	\$ 48,139,008	\$ 631,967	1.31%
Noncurrent assets	<u>135,368,878</u>	<u>124,968,538</u>	<u>10,400,340</u>	8.32%
Total assets	<u>184,139,853</u>	<u>173,107,546</u>	<u>11,032,307</u>	6.37%
Deferred Outflows of Resources	<u>72,893,262</u>	<u>106,505,482</u>	<u>(33,612,220)</u>	-31.56%
Liabilities:				
Current liabilities	24,293,919	23,139,518	1,154,401	4.99%
Long-term liabilities	<u>268,091,199</u>	<u>263,285,228</u>	<u>4,805,971</u>	1.83%
Total liabilities	<u>292,385,118</u>	<u>286,424,746</u>	<u>5,960,372</u>	2.08%
Deferred Inflows of Resources	<u>74,259,062</u>	<u>89,682,546</u>	<u>(15,423,484)</u>	-17.20%
Net position:				
Net investment in capital assets	78,217,869	74,617,091	3,600,778	4.83%
Restricted	18,472,223	16,578,783	1,893,440	11.42%
Unrestricted	<u>(206,301,157)</u>	<u>(187,690,138)</u>	<u>(18,611,019)</u>	9.92%
Total net position	<u>\$ (109,611,065)</u>	<u>\$ (96,494,264)</u>	<u>\$ (13,116,801)</u>	13.59%

## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (Continued)

### Changes in Net Position

The District's 2024 total revenue was \$161,130,766 (Table A-4). Property taxes and New York State aid accounted for the majority of revenue by contributing 87.10% and 5.5%, respectively (see Table A-5). The remainder of the District's revenue came from charges for services, operating grants, and other miscellaneous sources.

The total cost of all programs and services in the 2023-2024 school year amounted to \$174,247,567. Eighty three percent (84.3%) of the District's expenditures were—predominately for the education, supervision, nutrition and transportation of students (see Table A-6). The—District's administrative and operating activities accounted for 15.2% of total costs.

Operating grants revenue decreased by of \$49,256 primarily realized due to CARES Federal Funding ending.

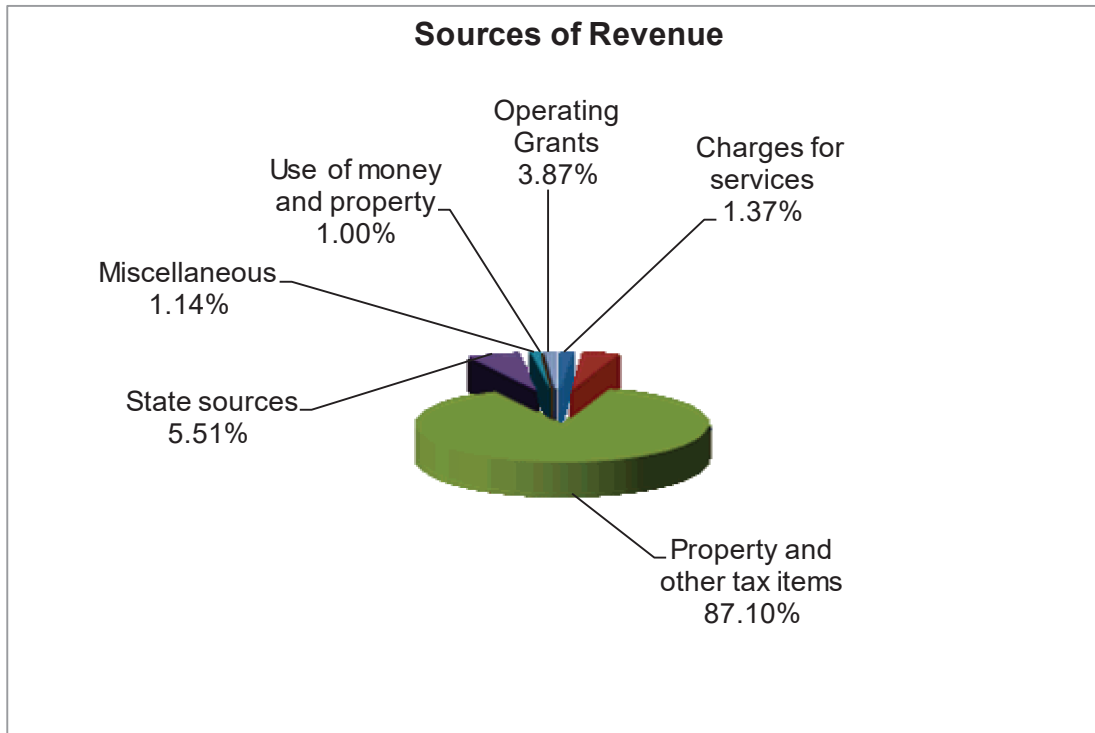
The expense increase in General Support and Instruction was due to a decrease in other postemployment benefits for fiscal year 2023 which lead to a decrease in expenditures of \$94,687,080, which is based on an actuarial determination. This reduction did not occur for the current year which lead to an increase.

**Table A-4 Changes in Net Position from Operating Results**

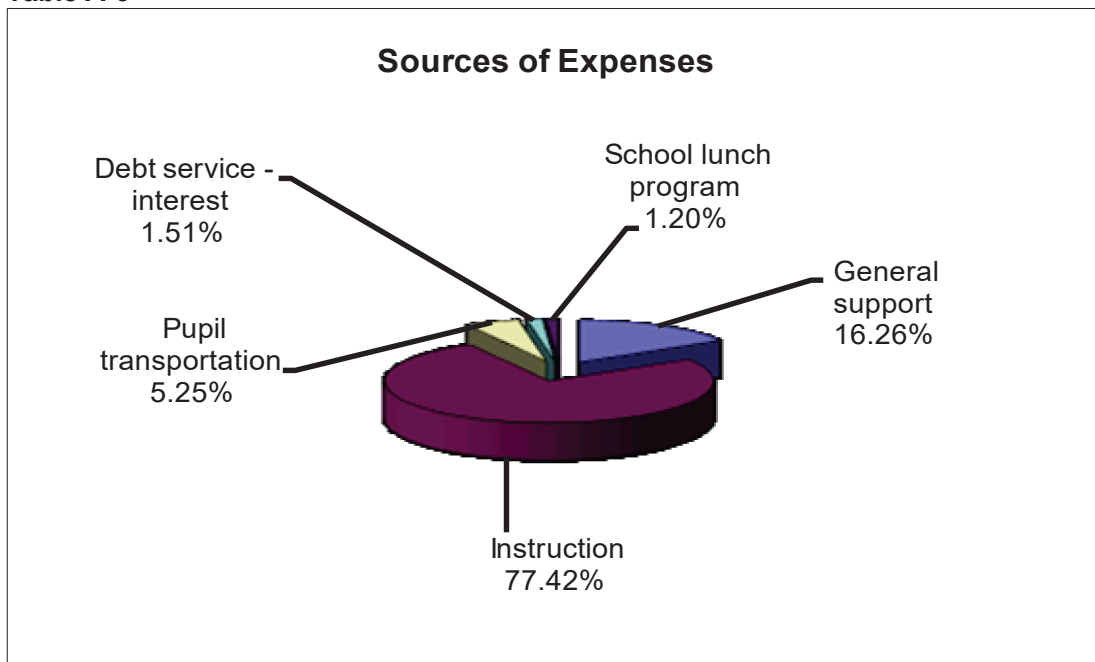
	<u>Fiscal Year 2024</u>	<u>Fiscal Year 2023</u>	<u>Dollar Change</u>	<u>Percent Change</u>
<b>Revenue</b>				
Program revenue:				
Charges for services	\$ 2,206,301	\$ 2,105,103	\$ 101,198	4.81%
Operating grants	6,239,810	6,289,066	(49,256)	-0.78%
General revenue:				
Property and other tax items	140,339,588	137,344,303	2,995,285	2.18%
State aid	8,884,043	7,959,323	924,720	11.62%
Use of money and of property	1,616,395	1,154,876	461,519	39.96%
Miscellaneous	1,844,629	2,539,401	(694,772)	-27.36%
Total revenue	<u>161,130,766</u>	<u>157,392,072</u>	<u>3,738,694</u>	2.38%
<b>Expenses</b>				
General support	28,325,115	5,826,849	22,498,266	386.11%
Instruction	132,034,947	50,686,674	81,348,273	160.49%
Pupil transportation	9,155,384	8,986,434	168,950	1.88%
Debt service - Interest	2,633,798	1,928,902	704,896	36.54%
School lunch program	2,098,323	2,118,205	(19,882)	-0.94%
Total expenses	<u>174,247,567</u>	<u>69,547,064</u>	<u>104,700,503</u>	150.55%
<b>Change in Net Position</b>	<u><u>\$(13,116,801)</u></u>	<u><u>\$ 87,845,008</u></u>	<u><u>\$(100,961,809)</u></u>	-114.93%

**FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (Continued)**

**Table A-5**



**Table A-6**



## FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (Continued)

### Governmental Activities

Table A-7 presents the cost of several of the District's major programs or activities as well as each activity's net cost (total cost less fees generated by the activity and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the District's taxpayers by each of these functions and is presented in the Statement of Activities.

**Table A-7 Net Costs of Governmental Activities**

	Total Cost Of Services <u>2024</u>	Total Cost Of Services <u>2023</u>	Percent Change	(Net) Cost Of Services <u>2024</u>	(Net) Cost Of Services <u>2023</u>	Percent Change
<b>Functions:</b>						
General support	\$ 28,325,115	\$ 5,826,849	386.11%	\$ 28,325,115	\$ 5,826,849	386.11%
Instruction	132,034,947	50,686,674	160.49%	125,500,646	44,262,904	183.53%
Pupil transportation	9,155,384	8,986,434	1.88%	9,155,384	8,986,434	1.88%
Debt service - Interest	2,633,798	1,928,902	36.54%	2,633,798	1,328,902	98.19%
School lunch program	2,098,323	2,118,205	-0.94%	186,513	147,806	26.19%
<b>Total</b>	<u>\$174,247,567</u>	<u>\$ 69,547,064</u>	<u>150.55%</u>	<u>\$165,801,456</u>	<u>\$ 60,552,895</u>	<u>173.81%</u>

- The total cost of all governmental activities for the year was \$174,247,567.
- The users of the District's programs financed \$2,206,301 of the costs.
- The federal and state operating grants financed \$6,239,810 of the costs.
- The remainder of the costs were primarily financed by the District's taxpayers, state aid and federal aid.

## FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Variations between years for the governmental fund financial statements are not the same as variations between years for the government-wide financial statements. The District's governmental funds are presented on the current financial resources measurement focus and the modified accrual basis of accounting. Under this method of presentation, governmental funds do not include long-term liabilities for the funds' projects and capital assets purchased by the funds. Governmental funds will include proceeds from the issuance of debt, the current payments for capital assets, and the current payments for debt.

## FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (Continued)

As of June 30, 2024, the District's combined governmental funds reported a total fund balance of \$34,614,529, which is an increase of \$2,896,192 from the prior year.

A summary of the change in fund balance for all funds is as follows:

	<u>Fiscal Year 2024</u>	<u>Fiscal Year 2023</u>	<u>Increase/ (Decrease)</u>	<u>Percent Change</u>
<b>General Fund</b>				
Restricted for tax certiorari	\$ 5,455,704	\$ 4,662,640	\$ 793,064	17.01%
Restricted for retirement contributions	3,749,826	4,499,826	(750,000)	-16.67%
Restricted for repairs	103,218	103,218	-	0.00%
Restricted for employee benefit accrued liability	569,263	596,607	(27,344)	-4.58%
Restricted for unemployment benefits	135,369	135,369	-	0.00%
Restricted for insurance	62,843	62,843	-	0.00%
Restricted for health insurance	5,500,000	5,000,000	500,000	10.00%
Restricted for capital	350,000	100,000	250,000	250.00%
Assigned - designated for subsequent year's expenditures	155,000	1,467,000	(1,312,000)	-89.43%
Assigned - general support	3,637,836	3,133,263	504,573	16.10%
Assigned - instruction	1,855,861	1,006,389	849,472	84.41%
Assigned - pupil transportation	93,813	21,889	71,924	328.59%
Assigned - employee benefits	18,323	600	17,723	2953.83%
Non-spendable	20,729	20,583	146	0.00%
Unassigned	<u>6,126,920</u>	<u>4,164,980</u>	<u>1,961,940</u>	47.11%
Total General Fund balance	<u>27,834,705</u>	<u>24,975,207</u>	<u>2,859,498</u>	11.45%
<b>School Food Service Fund</b>				
Non-spendable - inventory	15,806	4,778	11,028	230.81%
Assigned - unappropriated	<u>1,134,103</u>	<u>1,153,473</u>	<u>(19,370)</u>	-1.68%
Total School Food Service Fund balance	<u>1,149,909</u>	<u>1,158,251</u>	<u>(8,342)</u>	-0.72%
<b>Miscellaneous Special Revenue Fund</b>				
Restricted	<u>511,768</u>	<u>589,637</u>	<u>(77,869)</u>	-13.21%
<b>Debt Service Fund</b>				
Restricted	<u>900,129</u>	<u>828,643</u>	<u>71,486</u>	8.63%
<b>Capital Projects Fund</b>				
Unassigned	<u>4,218,018</u>	<u>4,176,735</u>	<u>41,283</u>	0.99%
<b>Special Aid Fund</b>				
Unassigned	<u>-</u>	<u>(10,136)</u>	<u>10,136</u>	100.00%
Total Governmental Activities Fund balance	<u>\$ 34,614,529</u>	<u>\$ 31,718,337</u>	<u>\$ 2,896,192</u>	9.13%

## **FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (Continued)**

Capital fund – Total fund balance increased by \$41,283 due to the voter approved transfer to capital from the general fund.

General fund – Total fund balance increase \$2,859,498 due to increase in unbudgeted revenue income such as interest, insurance recoveries, other day school tuition and refund prior year's BOCES.

School lunch – Total fund balance decreased by \$(8,342). This is due to the District following the state guidelines to utilize excess fund balance in the School Lunch Program. This will be carried out in subsequent years as supply chain disruptions have delayed receipt of equipment.

### **General Fund Budgetary Highlights**

This section presents an analysis of significant variances between original and final budget amounts and between final budget amounts and actual results for the General Fund.

The General Fund is the only fund for which a budget is legally adopted.

### ***2023-2024 Budget***

The District's voter approved general fund adopted budget for the year ended June 30, 2024 was \$152,538,000. This amount was increased by encumbrances carried forward from the prior year in the amount of \$4,162,141 and budget revisions of \$198,945 which resulted in a final budget of \$156,899,086 respectively. 92% of the funding for the adopted budget was from real property taxes, non-property taxes and other tax items (including STAR).

The actual revenues exceeded the budget in other tax items and miscellaneous sources due to additional Westchester County tax received as well as increased interest received on investment accounts.

The actual expenses exceeded the budget. The Instructional category increased due to social, emotional and wellness support for students and classrooms. Increase labor costs not included in the budget and inflation were also a factor.

### ***Change in General Fund Unassigned Fund Balance (Budget to Actual)***

The general fund's unassigned fund balance is a component to total fund balance that is the residual of prior years' excess revenues over expenditures, net of transfers to reserves and assignment to fund subsequent years' budgets. It is this balance that is commonly referred to as "fund balance".

The unassigned fund balance represents the fund balance retained by the District that is not restricted or assigned for subsequent years' taxes. This amount is limited to 4% of the 2024-2025 budget for a maximum allowable unassigned fund balance of \$6,233,000. The District's unassigned fund balance as of June 30, 2024 is \$6,126,960 and is below the 4% unassigned balance limitation.



**FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS (Continued)**

**Table A-8 – Results vs. Budget**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Encumb.</u>
<b>Revenue:</b>				
Real property taxes	\$ 137,383,087	\$ 133,601,782	\$ 133,489,927	\$ -
Other tax items	2,850,000	6,631,305	6,849,661	-
Charges for services	1,011,275	1,038,995	1,478,832	-
Use of money and property	702,735	702,735	1,503,047	-
Miscellaneous	551,970	635,935	1,447,713	-
State sources	8,571,933	8,571,933	8,884,043	-
Proceeds from leases	-	-	783,533	-
Transfers In	-	-	2,360	-
	<u>151,071,000</u>	<u>151,182,685</u>	<u>154,439,116</u>	<u>-</u>
<b>Total revenue</b>				
<b>Expenditures:</b>				
General support	14,445,445	17,434,415	14,425,190	3,637,836
Instruction	79,285,565	80,836,828	78,684,713	1,855,861
Pupil transportation	9,587,505	8,898,813	8,802,398	93,813
Employee benefits	39,499,150	39,683,345	39,553,081	18,323
Debt service - principal	7,385,100	7,379,311	7,389,544	-
Debt service - interest	1,615,235	1,621,385	1,637,815	-
Transfers out	720,000	1,045,000	1,086,877	-
	<u>152,538,000</u>	<u>156,899,097</u>	<u>151,579,618</u>	<u>\$ 5,605,833</u>
<b>Total expenses</b>				
<b>Net change in fund balance</b>	(1,467,000)	(5,716,412)	2,859,498	
<b>Fund balance - beginning of year</b>	<u>24,975,207</u>	<u>24,975,207</u>	<u>24,975,207</u>	
<b>Fund balance - end of year</b>	<u>\$ 23,508,207</u>	<u>\$ 19,258,795</u>	<u>\$ 27,834,705</u>	

## CAPITAL ASSET AND DEBT ADMINISTRATION

As of June 30, 2024, the District had \$131,406,140 invested in a broad range of capital assets including land, buildings, buses, athletic facilities, computers, and other educational equipment.

The increase is a result of on-going capital projects.

**Table A-9 – Capital Assets (Net of Depreciation)**

### Capital Assets (Net of Depreciation)

	<b>Fiscal Year <u>2024</u></b>	<b>Fiscal Year <u>2023</u></b>
Land	\$ 2,021,645	\$ 2,021,645
Construction in process	21,585,531	6,837,631
Buildings and improvements	173,385,282	173,385,282
Machinery and equipment	7,247,565	7,234,282
Leased assets	2,761,988	2,391,689
Subscription assets	178,997	178,997
Less: Accumulated depreciation	<u>(75,774,868)</u>	<u>(71,430,158)</u>
Total net capital assets	<u>\$131,406,140</u>	<u>\$120,619,368</u>

### Long-Term Debt

As of June 30, 2024, the District had \$269,990,463 in general obligation, installment debt, and other long-term liabilities outstanding. More detailed information about the District's long-term debt and certain other long term liabilities is included in the notes to the financial statements.

**Table A-10 – Long-term Liabilities**

	<b>Fiscal Year <u>2024</u></b>	<b>Fiscal Year <u>2023</u></b>
General obligation bonds (financed with property taxes)	\$ 44,726,383	\$ 36,983,852
Installment debt	7,234,514	7,781,669
Termination benefits payable	3,767,505	3,491,786
Compensated absences	569,263	596,607
Net pension liability	11,877,140	17,775,838
Other postemployment benefits	<u>208,467,057</u>	<u>202,018,033</u>
Total long-term liabilities	<u>276,641,862</u>	<u>268,647,785</u>
Less: current portion of debt	<u>(6,598,929)</u>	<u>(6,009,624)</u>
Total long-term liabilities	<u>\$270,042,933</u>	<u>\$262,638,161</u>

## **FACTORS BEARING ON THE DISTRICT'S FUTURE**

As of the date of these financial statements, the District was aware of the following noteworthy items that could affect its financial well-being in the future.

The voters approved the general fund budget in the amount of \$152,538,000 for the school year 2023-2024. This is an increase of \$4,505,809 or 3.04% over the previous year's budget.

The increase was primarily due to an increase in instructional costs, contractual obligations and health care expenses.

The District adopted GASB 75 for the year ending June 30, 2018. These calculations are based on an actuarial valuation at year end using census data and recent health care cost information provided by the district. The OPEB liability will continue to grow over the years as amounts paid to employees and retirees who are eligible for and accruing OPEB benefits continue to increase. To the extent that health care costs paid by the District continue to increase, the increase will directly translate to higher OPEB liability. Additionally, since OPEB liability measures present value of future benefits, and the rate used to discount future payments for an unfunded OPEB plan is based on a municipal bond index that is market-driven, a decrease in municipal bond index will increase the OPEB liability. As of June 30, 2024 the OPEB liability has decreased approximately to \$208 Million over the June 30, 2023 level of \$202 Million. This increase is primarily due to accrued participant service cost and interest, and differences between expected and actual experience net of the impacts of changes in assumptions and benefit payments.

The District operates as a self-insured plan for employee and retiree health benefits, paying for claims as they are presented. However, this approach to health insurance is subject to volatility. As of October 4, 2019, a bill was signed into law enabling the District to establish a reserve for health insurance. The Health Insurance Reserve was established in the 2019-20 school year. This Health Insurance Reserve will give the District the ability to benefit from years in which the health insurance plan performs better than the budget by contributing funds to a reserve. This reserve will provide stability and protect against volatility if such occurs.

On February 12, 2020 the District issued \$1,530,000 School District Refunding Serial Bonds-2020 (the "Refunding Bonds") to refund \$1,725,000 outstanding principal of the School District's Serial Bonds-2008 (the "2008 Bonds") for the purpose of lowering District debt service payments. The Refunding Bond issuance resulted in net present value cash flow savings to the District of \$198,057 (equivalent to 11.5% of the refunded principal) over the approximate eight year remaining maturity of the 2008 Bonds, which were to mature on May 15, 2028.

On July 11, 2019, the District issued \$1,435,000 BOCES Project Bonds-2019 representing serial bonds which mature on July 1 each year through final maturity on July 1, 2033. The proceeds of these bonds together with \$192,314 of available funds were used to pay 1,627,314 outstanding bond anticipation notes which matured on July 12, 2019 and were issued to pay the District's share of a capital project of the Putnam/ Northern Westchester BOCES.

## **FACTORS BEARING ON THE DISTRICT'S FUTURE (Continued)**

On July 11, 2019 the District also issued \$959,647 School District Serial Bonds-2019 representing serial bonds which mature on July 1 each year through final maturity on July 1, 2033. The proceeds of these bonds together with \$18,791 of available funds, were used to pay \$978,438 in outstanding bond anticipation notes which matured on July 12, 2019 and were issued to finance the construction of improvements and alterations to various District buildings and sites.

On October 22, 2013, the voters approved a \$31,828,238 capital bond project referendum. On November 13, 2013 the Board of Education subsequently approved a bond resolution authorizing the District to issue up to \$31,828,238 in debt obligation which carried a maximum financing term of 30 years. On July 12, 2018, together with \$560,429 in available funds and \$978,438 in renewal bond anticipation notes (as noted above), the District issued \$29,700,000 in serial bonds over a period of 15 years to permanently finance such improvements. The serial bonds will mature on July 1<sup>st</sup> of each year through and including 2033.

On September 29, 2021, the Board passed a resolution for financing the cost of energy conservation measures to be implemented under the Energy Performance Contract (EPC) that the District entered into with Ecosystems on October 7, 2020. Financing will commence in Fall of 2022 and end in 2036.

For the 2022-23 school year, the District has implemented a Pre-K program for a limited number of students based on federal funding. The program will include classrooms in elementary schools as well as partnership with two community based organizations.

On May 17, 2022 the voters approved a \$62,616,598 capital bond project referendum. On June 8, 2022 the Board of Education subsequently approved a bond resolution authorizing the district to issue up to \$62,616,598 in debt obligation which carried a maximum financing term of 30 years.

The District is cognizant of expense areas which will impact future budgets such as: adherence to the property tax cap, salary and benefit costs (specifically health insurance), teacher contract negotiations and the principal and interest payments for long term bonds. The Board has initiated a strategic planning process to reinvest in educational programs and district infrastructure. These proactive efforts will assist the district in efforts to comply with the property tax calculation which requires school districts use an allowable growth levy factor of 2% or CPI, whichever is less.

## **CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide the District's citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact:

Bedford Central School District  
Attn: Business Manager  
Route 172 – Fox Lane Campus  
Bedford, New York 10506

**BEDFORD CENTRAL SCHOOL DISTRICT****STATEMENT OF NET POSITION  
JUNE 30, 2024****ASSETS**

## CURRENT ASSETS:

Cash and cash equivalents - unrestricted	\$ 20,292,665
Cash and cash equivalents - restricted	21,731,453
Accounts receivable	464,311
Lease receivable, current portion	386,432
State and federal aid receivable	4,727,230
Due from other governments	1,132,349
Prepaid expenditures	20,729
Inventories	15,806
Total current assets	<u>48,770,975</u>

## NONCURRENT ASSETS:

Capital assets, non depreciable	23,607,176
Capital assets, net of depreciation	107,798,964
Lease receivable	<u>3,962,738</u>
Total non-current assets	<u>135,368,878</u>
Total assets	<u>184,139,853</u>

## DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources - TRS Pension	24,648,847
Deferred outflows of resources - ERS Pension	7,863,406
Deferred outflows of resources - OPEB	<u>40,381,009</u>
Total deferred outflows of resources	<u>72,893,262</u>

**LIABILITIES**

## CURRENT LIABILITIES:

Accounts payable and accrued expenses	5,675,885
Leases payable, current portion	602,814
Subscription payable, current portion	25,409
Accrued interest	727,537
Due to other governments	402,390
Unearned revenue	190,086
Due to Teachers' Retirement System	5,865,969
Due to Employees' Retirement System	1,654,015
Bonds payable due within one year	6,060,000
Installment debt payable due within one year	538,929
Other postemployment benefits, current portion	<u>2,550,885</u>
Total current liabilities	<u>24,293,919</u>

## LONG-TERM LIABILITIES:

Bonds payable, net of current portion	38,295,000
Bonds premium, net	371,383
Installment debt payable, net of current portion	6,695,585
Net pension liability	11,877,140
Leases payable, net of current portion	589,498
Subscription payable, net of current portion	9,653
Compensated absences	569,263
Termination benefits payable	3,767,505
Total other postemployment benefits, net of current	<u>205,916,172</u>
Total long-term liabilities	<u>268,091,199</u>
Total liabilities	<u>292,385,118</u>

## DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources - TRS Pension	2,148,295
Deferred inflows of resources - ERS Pension	4,275,682
Deferred inflows of resources - OPEB	63,507,551
Deferred inflows of resources - Leases	<u>4,327,534</u>
Total deferred inflows of resources	<u>74,259,062</u>

**NET POSITION**

Net investment in capital assets	78,217,869
Restricted	18,472,223
Unrestricted	<u>(206,301,157)</u>
TOTAL NET POSITION	<u>\$ (109,611,065)</u>

The accompanying notes are an integral part of these statements.

**BEDFORD CENTRAL SCHOOL DISTRICT**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2024**

GOVERNMENTAL ACTIVITIES	<u>Expenses</u>	<u>Program Revenue</u>		Net (Expense) Revenue and Change in Net Position
		<u>Charges for Services</u>	<u>Operating Grants</u>	
FUNCTIONS/PROGRAMS:				
General support	\$ 28,325,115	\$ -	\$ -	\$ (28,325,115)
Instruction	132,034,947	1,478,832	5,055,469	(125,500,646)
Pupil transportation	9,155,384	-	-	(9,155,384)
Debt service - interest	2,633,798	-	-	(2,633,798)
School lunch program	<u>2,098,323</u>	<u>727,469</u>	<u>1,184,341</u>	<u>(186,513)</u>
TOTAL FUNCTIONS AND PROGRAMS	<u>\$ 174,247,567</u>	<u>\$ 2,206,301</u>	<u>\$ 6,239,810</u>	<u>(165,801,456)</u>
GENERAL REVENUE:				
Real property taxes				133,489,927
Other tax items				6,849,661
Use of money and property				1,616,395
State sources				8,884,043
Miscellaneous				<u>1,844,629</u>
TOTAL GENERAL REVENUE				<u>152,684,655</u>
CHANGE IN NET POSITION				(13,116,801)
TOTAL NET POSITION - beginning of year				<u>(96,494,264)</u>
TOTAL NET POSITION - end of year				<u>\$ (109,611,065)</u>

The accompanying notes are an integral part of these statements.

**BEDFORD CENTRAL SCHOOL DISTRICT**

**BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2024**

	General	Special Aid	(Formerly Non-Major) School Lunch	Non-Major Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents - unrestricted	\$ 16,216,394	\$ 532,368	\$ 3,543,903	\$ -	\$ 20,292,665
Cash and cash equivalents - restricted	15,926,223	-	-	5,805,230	21,731,453
Accounts receivable	457,553	-	-	3,322	460,875
Lease receivable	4,349,170	-	-	-	4,349,170
Due from other funds	4,938,658	36,128	-	356,589	5,331,375
State and federal aid receivable	2,505,092	2,136,592	85,209	468	4,727,361
Due from other governments	1,132,349	-	-	-	1,132,349
Prepaid expenditures	20,729	-	-	-	20,729
Inventories	-	-	15,806	-	15,806
<b>TOTAL ASSETS</b>	<b>\$ 45,546,168</b>	<b>\$ 2,705,088</b>	<b>\$ 3,644,918</b>	<b>\$ 6,165,609</b>	<b>\$ 58,061,783</b>
<b>LIABILITIES</b>					
Accounts payable and accrued expenses	\$ 5,018,500	\$ 199,187	\$ 111,629	\$ 345,197	\$ 5,674,513
Due to other funds	361,128	2,447,462	2,332,288	190,497	5,331,375
Due to other governments	402,390	-	-	-	402,390
Due to Teachers' Retirement System	5,865,969	-	-	-	5,865,969
Due to Employees' Retirement System	1,654,015	-	-	-	1,654,015
Unearned revenue	80,555	58,439	50,097	-	189,091
Other liabilities	1,372	-	995	-	2,367
<b>TOTAL LIABILITIES</b>	<b>13,383,929</b>	<b>2,705,088</b>	<b>2,495,009</b>	<b>535,694</b>	<b>19,119,720</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows of resources - leases	4,327,534	-	-	-	4,327,534
<b>TOTAL DEFERRED INFLOWS AND LIABILITIES</b>	<b>17,711,463</b>	<b>2,705,088</b>	<b>2,495,009</b>	<b>535,694</b>	<b>23,447,254</b>
<b>FUND BALANCE</b>					
Non-spendable					
Inventory	-	-	15,806	-	15,806
Prepaid expenditures	20,729	-	-	-	20,729
<b>Total non-spendable fund balance</b>	<b>20,729</b>	<b>-</b>	<b>15,806</b>	<b>-</b>	<b>36,535</b>
Restricted for:					
Unemployment insurance	135,369	-	-	-	135,369
Retirement benefits	3,749,826	-	-	-	3,749,826
Health insurance	5,500,000	-	-	-	5,500,000
Insurance	62,843	-	-	-	62,843
Tax certiorari	5,455,704	-	-	-	5,455,704
Employee benefits liability	569,263	-	-	-	569,263
Repair	103,218	-	-	-	103,218
Capital reserve	350,000	-	-	-	350,000
Debt service	-	-	-	900,129	900,129
Other	-	-	1,134,103	511,768	1,645,871
<b>Total restricted fund balance</b>	<b>15,926,223</b>	<b>-</b>	<b>1,134,103</b>	<b>1,411,897</b>	<b>18,472,223</b>
Assigned					
Appropriated for subsequent years expenditures	155,000	-	-	-	155,000
Other	5,605,833	-	-	4,218,018	9,823,851
<b>Total assigned fund balance</b>	<b>5,760,833</b>	<b>-</b>	<b>-</b>	<b>4,218,018</b>	<b>9,978,851</b>
Unassigned					
	6,126,920	-	-	-	6,126,920
<b>TOTAL FUND BALANCE</b>	<b>27,834,705</b>	<b>-</b>	<b>1,149,909</b>	<b>5,629,915</b>	<b>34,614,529</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 45,546,168</b>	<b>\$ 2,705,088</b>	<b>\$ 3,644,918</b>	<b>\$ 6,165,609</b>	<b>\$ 58,061,783</b>

The accompanying notes are an integral part of these statements.

**BEDFORD CENTRAL SCHOOL DISTRICT**

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO GOVERNMENT-WIDE NET POSITION  
JUNE 30, 2024**

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A reconciliation of total governmental fund balance to government-wide net position follows:

Total governmental fund balances	\$ 34,614,529
Capital assets, net used in governmental activities are not financial resources and, therefore, are not reported in the funds	131,406,140
Pension related government-wide activity	
Deferred outflows of resources - TRS	24,648,847
Deferred outflows of resources - ERS	7,863,406
Net pension liability	(11,877,140)
Deferred inflows of resources - TRS	(2,148,295)
Deferred inflows of resources - ERS	(4,275,682)
OPEB related government wide-activity	
Deferred outflows of resources	40,381,009
Deferred inflows of resources	(63,507,551)
Total OPEB liability	(208,467,057)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Bonds payable and unamortized bond premiums	(44,726,383)
Installment debt payable	(7,234,514)
Leases payable	(1,192,312)
Subscription payable	(35,062)
Compensated absences	(569,263)
Termination benefits	(3,767,505)
Interest receivable on long-term leases is not recorded in the governmental funds, but is recorded under full accrual accounting	3,305
Interest payable at year end is recorded in the government-wide statements under full accrual accounting	<u>(727,537)</u>
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ (109,611,065)</u></b>



**BEDFORD CENTRAL SCHOOL DISTRICT**

**STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2024**

	General	Special Aid	(Formerly Non-Major) School Lunch	Non-Major Funds	Total Governmental Funds
<b>REVENUE:</b>					
Real property taxes	\$ 133,489,927	\$ -	\$ -	\$ -	\$ 133,489,927
Other tax items	6,849,661	-	-	-	6,849,661
Charges for services	1,478,832	-	-	-	1,478,832
Use of money and property	1,503,047	-	33,554	294,355	1,830,956
Miscellaneous	1,447,713	-	-	188,105	1,635,818
State sources	8,884,043	934,173	342,618	-	10,160,834
Federal sources	-	4,121,296	841,723	-	4,963,019
Sales - school lunch	-	-	722,097	-	722,097
<b>Total revenue</b>	<b>153,653,223</b>	<b>5,055,469</b>	<b>1,939,992</b>	<b>482,460</b>	<b>161,131,144</b>
<b>EXPENDITURES:</b>					
General support	14,425,190	-	-	-	14,425,190
Instruction	78,684,713	5,114,943	-	272,300	84,071,956
Pupil transportation	8,802,398	192,267	-	-	8,994,665
Employee benefits	39,553,081	-	-	-	39,553,081
Debt service - principal	7,389,544	-	-	-	7,389,544
Debt service - interest	1,637,815	-	-	-	1,637,815
Cost of sales	-	-	1,948,334	-	1,948,334
Capital outlay	-	-	-	14,747,900	14,747,900
<b>Total expenditures</b>	<b>150,492,741</b>	<b>5,307,210</b>	<b>1,948,334</b>	<b>15,020,200</b>	<b>172,768,485</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<b>3,160,482</b>	<b>(251,741)</b>	<b>(8,342)</b>	<b>(14,537,740)</b>	<b>(11,637,341)</b>
<b>OTHER SOURCES AND (USES):</b>					
Proceeds from leases	783,533	-	-	-	783,533
Proceeds from debt	-	-	-	13,750,000	13,750,000
Operating transfers in	2,360	261,877	-	825,000	1,089,237
Operating transfers (out)	(1,086,877)	-	-	(2,360)	(1,089,237)
<b>Total other sources (uses)</b>	<b>(300,984)</b>	<b>261,877</b>	<b>-</b>	<b>14,572,640</b>	<b>14,533,533</b>
<b>EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	<b>2,859,498</b>	<b>10,136</b>	<b>(8,342)</b>	<b>34,900</b>	<b>2,896,192</b>
<b>FUND BALANCE (DEFICIT) - beginning of year</b>	<b>24,975,207</b>	<b>(10,136)</b>	<b>1,158,251</b>	<b>5,595,015</b>	<b>31,718,337</b>
<b>FUND BALANCE (DEFICIT) - end of year</b>	<b>\$ 27,834,705</b>	<b>\$ -</b>	<b>\$ 1,149,909</b>	<b>\$ 5,629,915</b>	<b>\$ 34,614,529</b>

The accompanying notes are an integral part of these statements.

**BEDFORD CENTRAL SCHOOL DISTRICT**

**RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2024**

Net changes in fund balance - Total governmental funds	\$ 2,896,192
<b>Long Term Revenue and Expense Differences:</b>	
<p>In the Statement of Activities, certain operating expenses, compensated absences (vacation and sick days) and termination benefits, are measured by the amounts earned or incurred during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used. The payables for these benefits for the year end changed by:</p>	
Termination benefits and compensated absences	(248,375)
Other postemployment benefits expense related actuary reporting is not recorded as an expenditure in the government funds but is recorded in the Statement of Activities	(12,725,857)
Pension expense resulting from GASB 68 related pension actuary reporting is not recorded as an expenditure in the government funds but is recorded in the Statement of Activities	(6,382,572)
<b>Capital Related Items:</b>	
Capital outlays, net of disposals, are expenditures in governmental funds, but are capitalized in the statement of net position	15,047,462
Capital leases and subscription based information technology agreements are expenditures in governmental funds, net of disposals, but are capitalized in the statement of net position	783,533
Depreciation is not recorded as a expenditure in the governmental funds, but is recorded in the statement of activities	(4,199,891)
Amortization is not recorded as an expenditure in the governmental funds, but is recorded in the statement of activities	(844,332)
<b>Long-Term Debt Transactions:</b>	
Interest on long term debt in the Statement of Activities differs from the amounts reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and this requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues regardless of when it is due. Accrued interest at year end changed by:	(204,120)
Repayment of bond and installment purchase debt principal is an expenditure in the governmental funds, but it reduces long term liabilities in the Statement of Net Position and does not affect the Statement of Activities.	6,502,155
Issuance of long-term Bond payables are recognized as proceeds in the governmental funds, but recorded as a liability in the statement of net position.	(13,750,000)
Repayments of long-term lease liabilities and SBITA liabilities are recorded as expenditures in the governmental funds, but are recorded as payments of liabilities in the statement of net position	740,446
Amortization of bond premium is not recorded in the governmental funds, but is recorded as an off-set to interest expense in the statement of activities	52,469
Accrued interest receivable on leases is not recorded as revenue in the governmental funds, but is recorded in the statement of activities	(378)
Issuance of long-term lease liabilities are recognized as proceeds in the governmental funds, but recorded as a liability in the statement of net position.	<u>(783,533)</u>
Change in net position - Governmental activities	<u>\$ (13,116,801)</u>

# BEDFORD CENTRAL SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024

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### 1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Bedford Central School District provides K-12 public education to students living within its geographic boundaries.

The financial statements of Bedford Central School District (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. Those principles are prescribed by the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Significant accounting principles and policies utilized by the District are described below:

#### **Reporting Entity**

The District is governed by the laws of New York State. The District is an independent entity governed by an elected Board of Education. The President of the Board of Education serves as the chief fiscal officer and the Superintendent is the chief executive officer. The Board is responsible for, and oversees all activities related to public school education within the District. The Board of Education has the authority to set policy, make decisions, power to appoint management, and primary accountability for all fiscal matters.

The reporting entity of the District is based upon criteria set forth by generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The accompanying financial statements present the activities of the District. The District is not a component unit of another reporting entity. The decision to include a potential component unit in the District's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following is a brief description of an entity included in the District's reporting entity.

#### Extraclassroom Activity Funds

The transactions of the Extraclassroom Activity Funds are included in the reporting entity of the District. Such transactions are included in the combined financial statements of the District and reported in the Miscellaneous Special Revenue Fund as restricted cash and extra classroom activity balances. Exclusions from the District's financial statements, due to their nature and significance of their relationship with the primary government, would cause the reporting entities financial statements to be misleading or incomplete.

The extraclassroom activity funds of the District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. Separate audited financial statements, (cash basis) of the extraclassroom activity funds can be found at the District's business office and on the District's website. The District accounts for assets held for various student organizations in the Miscellaneous Special Revenue Fund.

## 1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### **Joint Venture**

The Bedford Central School District is one of 18 component school districts in the Putnam/Northern Westchester Board of Cooperative Education Services (BOCES). A BOCES is a voluntary, cooperative association of school districts in a geographic area that share planning, services, and programs which provide educational and support activities. There is no authority or process by which a school district can terminate its status as a BOCES component.

BOCES are organized under §1950 of the New York State Education Law. A BOCES Board is considered a corporate body. Members of a BOCES Board are nominated and elected by their component member boards in accordance with provisions of §1950 of the New York State Education Law. All BOCES property is held by the BOCES Board as a corporation (§1950(6)). In addition, BOCES Boards also are considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under §119-n (a) of the New York State General Municipal Law.

A BOCES' budget is comprised of separate budgets for administrative, program and capital costs. Each component district's share of administrative and capital cost is determined by resident public school district enrollment, as defined in the New York State Education Law, §1950(4)(b)(7). In addition, component districts pay tuition or a service fee for programs in which its students participate.

Financial statements for the BOCES are available from the BOCES administrative office.

### **Basis of Presentation**

The District's financial statements consist of district-wide financial statements, including a Statement of Net Position and a Statement of Activities and Change in Net Position, and fund level financial statements which provide more detailed information. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, revenues and expenditures, as appropriate. Governmental resources are allocated to and accounted in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

### Government-Wide Statements

The statement of net position and the statement of activities and changes in net position present financial information about the District's governmental activities and deferred outflows and inflows are included on the statement of net position. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to eliminate the double counting of internal transactions. Governmental activities generally are financed through taxes, state aid, intergovernmental revenue, and other exchange and non-exchange transactions. Operating grants include operating-specific and discretionary (either operating or capital), grants, while the capital grants column reflects capital-specific grants.

The statement of activities presents a comparison between program expenses and revenue for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to the payroll expended for those areas. Program revenue include charges paid by the recipients of goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue.

## 1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### **Basis of Presentation (Continued)**

#### Fund Financial Statements

The District uses funds to maintain its accounting records. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. The fund statements provide information about the District's funds, including fiduciary funds. Separate statements for each fund category (governmental and fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The accounts of the District are organized into funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflow of resources, liabilities, deferred inflows of resources, fund balances, revenue, and expenditures. The various funds are summarized by type in the financial statements. Significant transactions between funds within a fund type have been eliminated. The fund types and account groups used by the District are as follows:

#### Governmental Fund Types

Governmental funds are those in which most governmental functions of the District are reported. The acquisition, use, and balances of the District's expendable financial resources and the related liabilities (except those accounted for in the proprietary and fiduciary funds) are accounted for through the governmental funds. The measurement focus is upon determination of the changes in financial position rather than upon determination of net income.

The District reports the following major governmental funds:

- **General Fund:** This is the District's primary operating fund. It accounts for all financial transactions that are not required to be accounted for in another fund.
- **Special Aid Fund:** This fund accounts for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted to expenditures for specified purposes and other activities whose funds are restricted as to use. These legal restrictions may be imposed either by governments that provide the funds, or outside parties.
- **School Lunch Fund:** This fund accounts for the proceeds of special revenue sources such as federal and state grants, that are legally restricted to expenditures for school lunch operations. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

The District reports the following non-major governmental funds:

- **Capital Projects Funds:** These funds are used to account for the financial resources used for acquisition, construction, or major repair of capital facilities.
- **Miscellaneous Special Revenue Fund:** This fund accounts for proceeds from various funding sources, which may be restricted by a donor or designated by the School District for specific purposes.
- **Debt Service Fund:** This fund accounts for the accumulation of resources and the payment of principal and interest on long-term general obligation debt of governmental activities.

## 1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenue and expenditures during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, potential contingent liabilities, and useful lives of long-lived assets.

### **Measurement Focus and Basis of Accounting**

Measurement focus refers to what is being measured, whereas basis of accounting refers to when revenues and expenditures are recognized. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenue is collected within ninety days after the end of the fiscal year. Capital asset acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under leases and subscription based information technology arrangements are reported as other financing sources.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, compensated absences, other postemployment benefits and long-term pension obligation, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under leases are reported as other financing sources.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured.

General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases and subscription based information technology agreements are reported as other financing sources.

### **Cash and Cash Equivalents**

The District's cash consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition.

New York State law governs the District's investment policies. Resources must be deposited in FDIC-insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements, and obligations of New York State or its localities.

Cash and investments consist of funds deposited in demand deposit accounts, amounts with the New York Cooperative Liquid Assets Securities System (NYCLASS). The School District's deposit and investment policies are governed by State statutes. The School District has adopted its own written investment policy, which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The School District is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit. Permissible investments include NYCLASS and NYSLAF, obligations of the U.S. Treasury, U.S. Agencies and obligations of New York State or its political subdivisions and accordingly, The School District's policy provides for no credit risk on investments.

## 1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### **Cash and Cash Equivalents (Continued)**

Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and districts.

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. While the District does not have a specific policy for custodial credit risk, New York State statutes govern the District's investment policies, as discussed previously in these Notes.

The District participates in the New York Cooperative Liquid Assets Securities System (NYCLASS), a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law, whereby it holds a portion of the investments in cooperation with other participants. At June 30, 2024, the District held \$19,779,629 in investments consisting of various investments in securities issued by the United States and its agencies. NYCLASS is rated 'AAAm' by S&P Global Ratings. The investments are highly liquid and the amount held represents the amortized cost of the investment pool shares, which are considered to approximate fair value. Due to the highly liquid nature of these investments, they are classified as cash equivalents in the financial statements. Additional information concerning NYCLASS, including the annual report, can be found on its website at [www.newyorkclass.org](http://www.newyorkclass.org).

The District does not typically purchase investments for a long enough duration to cause it to be believed that it is exposed to any material interest rate risk.

The District does not typically purchase investments denominated in foreign currency, and is not exposed to foreign currency risk.

### **Restricted Cash**

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes \$21,731,453 within the governmental funds.

### **Accounts Receivable**

Accounts receivable are shown gross. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

### **Inventory and Prepaid Expenditures**

Inventory of food in the school lunch fund are recorded at cost on a first-in, first-out basis, or in the case of surplus food, at stated value which approximates fair value. Purchases of inventoriable items in other funds are recorded as expenditures at the time of purchase, and are considered immaterial in amount.

Prepaid items represent payments made by the District for which benefits extend beyond year-end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenditures in both the Government-wide and fund financial statements. These items are reported as assets on the statement of net position or balance sheet using the consumption method.

A current asset for the prepaid amounts is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed.

A non-spendable fund balance for these non-liquid assets (inventories) has been recognized to signify that a portion of fund balance is not available for other subsequent expenditures.

1. **NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(Continued)**

**Interfund Transactions**

The operations of the District include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowings. The District typically loans resources between funds for the purpose of providing cash flow. These interfund receivables and payables are expected to be repaid within one year. Permanent transfers of funds include the transfer of expenditures and revenue to provide financing or other services.

In the Government-wide statements, the amounts reported on the Statement of Net Position for interfund receivables and payables represent amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for all interfund receivables and payables between the funds, with the exception of those due from or to the fiduciary funds.

The governmental funds report all interfund transactions as originally recorded. Interfund receivables and payables may be netted on the accompanying governmental funds balance sheet when it is the District's practice to settle these amounts at a net balance based upon the right of legal offset.

**Capital Assets, Net**

Capital assets, net are reflected in the Government-wide financial statements. Capital assets are reported at actual cost, when the information is available, or estimated historical costs, based on appraisals conducted by independent third-party professionals, net of accumulated depreciation. Donated assets are reported at estimated fair value at the time received.

All capital assets, except for land and construction in progress are depreciated on a straight line basis over the estimated useful lives. Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the Government-wide statements are as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings and improvements	\$ 5,000	SL	20-50 years
Machinery and equipment	\$ 5,000	SL	5-20 years

Capital assets also include lease and subscription based information technology agreements with a term greater than one year. The District does not implement a capitalization threshold for lease or subscription assets. Lease and subscription assets are amortized on a straight-line basis over the term of the agreement.



## 1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position sometimes reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has the following items that qualify for reporting in this category:

- Deferred charges resulting from pension and OPEB contributions made subsequent to the measurement date of the plan. The amortization is expensed against pension expense and OPEB expense in future periods.
- Deferred charges resulting from differences between projected and actual earnings on pension plan investments of the plan. The amortization is expensed against pension expense in future periods.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then.

The government has the following items that qualify for reporting in this category;

- Deferred charge (gain) on a bond refunding. A deferred charge on refunding results from the difference in the carrying value of the refunding debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The amortization is expensed against interest expense in future periods.
- The net amount of the District's balances of deferred inflows of resources related to pensions is reported in the government-wide Statement of Net Position as deferred inflows of resources. This represents the effect of the net change in the District's proportion of the collective net pension asset or liability and the difference during the measurement period between the District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense.
- Deferred charges resulting from changes of benefit terms, differences between expected and actual experience, and changes in assumptions related to OPEB. The amortization is offset against OPEB expense in future periods.
- Lease-related amounts are recognized at the inception of leases in which the District is the lessor. The deferred inflow of resources is recorded in an amount equal to the corresponding lease receivable plus certain additional amounts received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The inflow of resources is recognized in a systematic and rational manner over the term of the lease.

### Vested Employee Benefits

#### Compensated Absences

Compensated absences consist of unpaid accumulated annual sick leave, vacation, and sabbatical time.

Sick leave eligibility and accumulation is specified in negotiated labor contracts, and in individual employment contracts. Upon retirement, resignation or death, employees may contractually receive a payment based on unused accumulated sick leave.

**1. NATURE OF OPERATIONS AND SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Vested Employee Benefits (Continued)**

Compensated Absences (Continued)

Vacation eligibility accumulation is specified in negotiated labor contracts, and in individual employment contracts. Some earned benefits may be forfeited if not taken within varying time periods.

Consistent with generally accepted accounting principles, the liability for compensated absences has been calculated using the vesting/termination method and an accrual for that liability is included in the District-wide financial statements. The compensated absences liability is calculated based on the pay rates in effect at year-end.

In the fund statements only the amount of matured liabilities is accrued within the general fund based upon expendable and available financial resources. These amounts are expensed on a pay-as-you-go basis.

Retirement Benefits

District employees participate in the New York State Employees' Retirement System and the New York State Teachers' Retirement System.

District employees may choose to participate in the District's elective deferred compensation plans established under Internal Revenue Code Sections 403(b).

Other Postemployment Benefits

In addition to providing pension benefits, the District provides postemployment health insurance coverage and survivor benefits to retired employees and their survivors in accordance with the provision of various employment contracts in effect at the time of retirement. Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as expenditures.

Other Benefits

The District provides both health insurance coverage and dental insurance coverage for its active employees. Active employees pay a contribution toward the cost of the health plan according to the terms of their collectively bargained or individual employment contracts. The District provides post-employment health insurance coverage and survivor benefits for retired employees and their survivors in accordance with the provisions of various employment contracts in effect at the time of retirement. Active employees and retirees participate in the District's self-insured health plan where costs are based on actual claims use. Currently, no retired active plan members in the self-insured plan are required to contribute to the plan. Future retirees, according to the dates and terms in their employment contracts, will be required to pay a contribution toward the health plan equal to the percentage they were paying in their last year of employment before retirement.

**Property Taxes**

Real property taxes attach as an enforceable lien on real property as of July 1<sup>st</sup> and are payable in two installments in the immediately following September and January.

The towns of Bedford, Mount Kisco, New Castle, North Castle and Pound Ridge, which are included in the District's tax levy, are responsible for the billing and collection of the taxes. The towns guarantee the full payment of the District warrant and assume responsibility for the uncollected taxes.

## 1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### **Unearned Revenue**

Unearned revenue is reported when potential revenue does meet both the measurable and available criteria for recognition in the current period. Unearned revenue also arises when resources are received by the District before it has legal claim to them, as when grant monies are received prior to the incidence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the District has legal claim to the resources, the liability for unearned revenue is removed and revenue is recorded.

Unearned revenue recorded in governmental funds is generally not recorded in the Government-wide statements.

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

Payables, accrued liabilities and long-term obligations are reported in the Government-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources.

Claims and judgments, and compensated absences that will be paid from governmental funds, are reported as a liability in the funds financial statements only to the extent that they are due for payment in the current year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

Long-term obligations represent the District's future obligations or future economic outflows. The liabilities are reported as due in one year (current) or due within more than one year (non-current) in the Statement of Net Position.

### **Short-Term Debt**

The District may issue Revenue Anticipation Notes (RAN) and Tax Anticipation Notes (TAN), in anticipation of the receipt of revenues. These notes are recorded as a liability of the fund that will actually receive the proceeds from the issuance of the notes. The RANs and TANs represent a liability that will be extinguished by the use of expendable, available resources of the fund.

The District may issue budget notes up to an amount not to exceed 5% of the amount of the annual budget during any fiscal year for expenditures for which there is an insufficient or no provision made in the annual budget. The budget note must be repaid no later than the close of the second fiscal year succeeding the year in which the note was issued.

The District may issue Bond Anticipation Notes (BAN), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that BAN's issued for capital purposes be converted to long-term financing within five years after the original issue date.

### **Restricted Resources**

When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the District's policy concerning which to apply first varies with the intended use, and with associated legal requirements, many of which are described elsewhere in these notes.

1. **NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Net Position and Fund Balance Classifications**

Government-wide Statements

In the Government-wide statements, there are three classes of net position:

*Net investment in capital assets* - consists of net capital assets, (cost less accumulated depreciation) plus unspent bond proceeds reduced by outstanding balances of related debt obligations from the acquisition, construction, or improvements of those assets.

*Restricted net position* - reports net position when constraints placed on assets or deferred outflows of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Restricted net position includes the following:

Unemployment insurance	\$ 135,369
Retirement benefits	3,749,826
Health insurance	5,500,000
Insurance	62,843
Tax certiorari	5,455,704
Employee benefits liability	569,263
Repair	103,218
Capital reserve	350,000
Debt service	900,129
Other	1,645,871
Total restricted net position	<u>\$ 18,472,223</u>

Unrestricted net position - reports the balance of net position that does not meet the definition of the above two classifications and are deemed to be available for general use by the District.

Governmental Fund Statements

In the fund basis statements there are five classifications of fund balance.

*Non-spendable fund balance* – Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually are required to be maintained intact. Non-spendable fund balance includes the inventory recorded in the school lunch fund and the prepaid expenses in the general fund.

*Restricted fund balance* – Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. The District has available the following restricted fund balances:

Capital

Capital reserve (Education Law §3651) is used to pay the cost of any object or purpose for which bonds may be issued. The creation of a capital reserve fund requires authorization by a majority of the voters establishing the purpose of the reserve; the ultimate amount, its probable term, and the source of the funds. Expenditures may be made from the reserve only for a specific purpose further authorized by the voters. The form for the required legal notice for the vote on establishing and funding the reserve and the form of the proposition to be placed on the ballot are set forth in §3651 of the Education Law. This reserve is accounted for in the general fund under restricted fund balance.

1. **NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(Continued)**

**Net Position and Fund Balance Classifications (Continued)**  
Governmental Fund Statements (Continued)

Repair

Repair reserve (GML §6-d) is used to pay the cost of repairs to capital improvements or equipment, which repairs are of a type not recurring annually. The board of education, without voter approval, may establish a repair reserve fund by a majority vote of its members. Voter approval is required to fund this reserve (opinion of the New York State Comptroller 81-401). Expenditures from this reserve may be made only after a public hearing has been held, except in emergency situations. If no hearing is held, the amount expended must be repaid to the reserve fund over the next two subsequent fiscal years. This reserve is accounted for in the general fund under restricted fund balance.

Workers' Compensation

Workers' compensation reserve (GML §6-j) is used to pay for compensation benefits and other expenses authorized by Article 2 of the Workers' Compensation Law, and for payment of expenses of administering this self-insurance program. The reserve may be established by board action, and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. The reserve is accounted for in the general fund under restricted fund balance.

Unemployment Insurance

Unemployment insurance reserve (GML §6-m) is used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants where the employer has elected to use the benefit reimbursement method. The reserve may be established by board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. If the District elects to convert to tax (contribution) basis, excess resources in the fund over the sum sufficient to pay pending claims may be transferred to any other reserve fund. This reserve is accounted for in the general fund under restricted fund balance.

Debt Service

Mandatory reserve for debt service (GML §6-l) is used to establish a reserve for the purpose of retiring the outstanding obligations upon the sale of District property or capital improvement that was financed by obligations which remain outstanding at the time of sale. The funding of the reserve is from the proceeds of the sale of District property or capital improvement.

1. **NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(Continued)**

**Net Position and Fund Balance Classifications (Continued)**  
Governmental Fund Statements (Continued)

Insurance

Insurance reserve is used to pay liability, casualty, and other types of losses, except losses incurred for which the following types of insurance may be purchased: life, accident, health, annuities, fidelity and surety, credit, title residual value, and mortgage guarantee. In addition, this reserve may not be used for any purpose for which a special reserve may be established pursuant to law (for example, for unemployment compensation insurance). The reserve may be established by Board action, and funded by budgetary appropriations, or such other funds as may be legally appropriated. There is no limit on the amount that may be accumulated in the insurance reserve; however, the annual contribution to this reserve may not exceed the greater of \$33,000 or 5% of the budget. Settled or compromised claims up to \$25,000 may be paid from the reserve without judicial approval. The reserve is accounted for in the general fund under restricted fund balance.

Liability Claims and Property Loss

Property loss reserve and liability reserve (Education Law §1709(8)(c)) are used to pay for property loss and liability claims incurred. Separate funds for property loss and liability claims are required, and these reserves may not in total exceed 3% of the annual budget or \$15,000, whichever is greater. This type of reserve fund may be utilized only by school districts, except city school districts with a population greater than 125,000. These reserves are accounted for in the general fund under restricted fund balance.

Tax Certiorari

Tax certiorari reserve (Education Law §3651.1-a) is used to establish a reserve fund for tax certiorari and to expend from the fund without voter approval. The monies held in the reserve shall not exceed the amount which might reasonably be deemed necessary to meet anticipated judgments and claims arising out of tax certiorari proceedings. Any resources deposited to the reserve which are not expended for tax certiorari proceedings in the year such monies are deposited must be returned to the general fund on or before the first day of the fourth fiscal year after deposit of these monies. The reserve is accounted for in the general fund under restricted fund balance.

Employee Benefit Accrued Liability

Reserve for employee benefit accrued liability (GML §6-p) is used to reserve funds for the payment of accrued employee benefit due to an employee upon termination of the employee's service. This reserve may be established by a majority vote of the board, and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. The reserve is accounted for in the general fund under restricted fund balance.

Retirement Contribution

Retirement contribution reserve (GML §6-r) is used for the purpose of financing retirement contributions. The reserve must be accounted for separate and apart from all other funds and a detailed report of operation and condition of the fund must be provided to the board. This reserve is accounted for in the general fund under restricted fund balance.

1. **NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Net Position and Fund Balance Classifications (Continued)**  
Governmental Fund Statements (Continued)

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments of expenditures are recorded for budgetary control purposes in order to reserve applicable appropriations, is employed as a control in preventing over-expenditure of established appropriations. Open encumbrances are reported as restricted fund balance in all funds other than the general fund since they do not constitute expenditures or liabilities and will be honored through budget appropriations in the subsequent year.

*Committed fund balance* – Includes amounts that can be used for the specific purposes pursuant to constraints imposed by formal action of the District’s highest level of decision making authority, i.e., the Board of Education. The District has no committed fund balances as of June 30, 2024.

*Assigned fund balance* – Includes amounts that are constrained by the District’s intent to be used for specific purposes, but are neither restricted nor committed. All encumbrances of the general fund are classified as assigned fund balance in the general fund. As of June 30, 2024, the District’s encumbrances were classified as follows:

General Support	\$ 3,637,836
Instruction	1,855,861
Pupil Transportation	93,813
Employee Benefits	18,323
	<u>\$ 5,605,833</u>

*Unassigned fund balance* - Includes all other general fund amounts that do not meet the definition of the above four classifications and are deemed to be available for general use by the District.

New York State Real Property Tax Law §1318 limits the amount of unexpended surplus funds the District can retain to no more than 4% of the District’s budget for the general fund for the ensuing fiscal year. Non-spendable and restricted fund balance of the general fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances are also excluded from the 4% limitation.

Order of Fund Balance Spending Policy

The District’s policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year. For all funds, non-spendable fund balances are determined first and then restricted fund balances for specific purposes are determined. Any remaining fund balance amounts for funds other than the general fund are classified as restricted fund balance. In the general fund, committed fund balance is determined next and then assigned. The remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

1. **NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(Continued)**

**Explanation of Certain Differences between Governmental Fund Statements and Government-Wide Statements**

Due to the differences in the measurement focus and basis of accounting used in the governmental fund statements and the District-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items. The differences result primarily from the economic focus of the statement of activities compared with the current financial resources focus of the governmental funds.

**Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities**

Total fund balances of the District's governmental funds differ from "net position" of governmental activities reported in the statement of net position. This difference primarily results from the additional long-term economic focus of the statement of net position versus the solely current financial resources focus of the governmental fund balance sheets.

**Statement of Revenue, Expenditures, and Changes in Fund Balance vs. Statement of Activities**

Differences between the governmental funds statement of revenue, expenditures, and changes in fund balance and the statement of activities fall into one of three broad categories.

Long-Term Revenue and Expense Differences

Long-term revenue differences arise because governmental funds report revenue only when it is considered "available", whereas the statement of activities reports revenue when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the statement of activities.

Capital Related Differences

Capital related differences include the difference between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the statement of activities and changes in net position, and the difference between recording an expenditure for the purchase of capital items in the governmental fund statements and depreciation expense on those items as recorded in the statement of activities.

Long-Term Debt Transaction Differences

Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas interest payments are recorded in the statement of activities as incurred, and principal payments are recorded as a reduction of liabilities in the statement of net position.

Pension Differences

Pension differences occur as a result of changes in the District's proportion of the collective net pension asset/liability and differences between the District's contributions and its proportionate share of the total contributions to the pension systems.

OPEB Differences

OPEB differences occur as a result of changes in the District's total OPEB liability and differences between the District's contributions and OPEB expense.



**1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(Continued)**

**Stewardship, Compliance, And Accountability**

The District administration prepares a proposed budget for approval by the Board of Education for the following governmental funds for which legal (appropriated) budgets are adopted:

The voters of the District approved the proposed appropriation budget for the General Fund.

Appropriations are adopted at the program line item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year.

Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted.

Budgets are adopted annually on a basis consistent with GAAP. Appropriations authorized for the year are increased by the amount of encumbrances carried forward from the prior year.

Budgets are established and used for individual capital project funds expenditures as approved by a special referendum of the District's voters. The maximum project amount authorized is based primarily upon the cost of the project, plus any requirements for external borrowings, not annual appropriations. These budgets do not lapse and are carried over to subsequent fiscal years until the completion of the projects.

**2. CASH**

The School District participates in NYCLASS, multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law, whereby the School District holds a portion of the investments in cooperation with other participants. At June 30, 2024, the School District held \$18,157,043 in NYCLASS consisting of various investments in securities issued by the United States and its agencies. NYCLASS is rated 'AAAm' from Standard & Poor's Global Ratings. Amounts held with NYCLASS is highly liquid, and the amount held represents the amortized cost of the investment pool shares, which are considered to approximate fair value. Additional information concerning NYCLASS, including the annual report, can be found on its website [www.newyorkclass.org](http://www.newyorkclass.org).

The District's aggregate bank balances included balances not covered by depository insurance at year-end and were collateralized as follows:

**2. CASH (Continued)**

	<u>Bank Balance</u>	<u>Carrying Amount</u>
Cash	\$ 24,954,055	\$ 31,564,801
Cash equivalents, including trust funds	<u>19,775,629</u>	<u>18,157,043</u>
	<u>\$ 44,729,684</u>	<u>\$ 49,721,844</u>
Collateralized with securities held by the pledging financial institution's trust department or agent in the District's name	\$ 24,454,055	
Covered by FDIC insurance	<u>500,000</u>	
Total	<u>\$ 24,954,055</u>	

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes.

General fund:

Cash on deposit for reserves	
Unemployment insurance	\$ 135,369
Retirement benefits	3,749,826
Insurance	62,843
Health insurance	5,500,000
Tax certiorari	5,455,704
Capital reserve	350,000
Employee benefits liability	569,263
Repair	<u>103,218</u>
Total general fund restricted cash	<u>\$ 15,926,223</u>
Total capital project fund restricted cash	<u>\$ 4,428,048</u>
Total debt service fund restricted cash	<u>\$ 868,540</u>
Total miscellaneous revenue fund restricted cash	<u>\$ 508,642</u>

**3. PARTICIPATION IN BOCES**

During the year, the District was billed \$6,417,782 for BOCES administrative and program costs.

The District's share of BOCES aid amounted to \$1,636,077.

#### 4. CAPITAL ASSETS, NET

Capital asset balances and activity for the year ended June 30, 2024, were as follows:

	July 1, 2023 <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	June 30, 2024 <u>Balance</u>
Governmental activities:				
Capital assets that are not depreciated:				
Land	\$ 2,021,645	\$ -	\$ -	\$ 2,021,645
Construction in progress	<u>6,837,631</u>	<u>14,747,900</u>	<u>-</u>	<u>21,585,531</u>
Total non-depreciable cost	<u>8,859,276</u>	<u>14,747,900</u>	<u>-</u>	<u>23,607,176</u>
Capital assets that are depreciated:				
Land improvements	6,404,655	-	-	6,404,655
Buildings and improvements	166,980,627	-	-	166,980,627
Furniture and equipment	6,751,330	299,562	252,648	6,798,244
Vehicles	<u>482,952</u>	<u>-</u>	<u>33,631</u>	<u>449,321</u>
Total depreciable historical cost	<u>180,619,564</u>	<u>299,562</u>	<u>286,279</u>	<u>180,632,847</u>
Less accumulated depreciation:				
Land improvements	3,052,800	351,998	-	3,404,798
Buildings and improvements	64,015,577	3,659,239	-	67,674,816
Furniture and equipment	2,539,582	166,835	252,648	2,453,769
Vehicles	<u>404,554</u>	<u>21,819</u>	<u>33,631</u>	<u>392,742</u>
Total accumulated depreciation	<u>70,012,513</u>	<u>4,199,891</u>	<u>286,279</u>	<u>73,926,125</u>
Total capital assets, net	<u>119,466,327</u>	<u>10,847,571</u>	<u>-</u>	<u>130,313,898</u>
Lease Assets, being amortized:				
Equipment	2,069,925	752,468	413,234	2,409,159
Building	321,764	-	-	321,764
Copy machine	-	31,065	-	31,065
Total lease assets, being amortized:	<u>2,391,689</u>	<u>783,533</u>	<u>413,234</u>	<u>2,761,988</u>
Less accumulated amortization for:				
Equipment	1,159,254	681,194	413,234	1,427,214
Building	203,220	101,610	-	304,830
Copy machine	-	6,213	-	6,213
Total accumulated amortization	<u>1,362,474</u>	<u>789,017</u>	<u>413,234</u>	<u>1,738,257</u>
Total lease assets, being amortized, net	<u>1,029,215</u>	<u>(5,484)</u>	<u>-</u>	<u>1,023,731</u>
Subscription assets, being amortized:				
Subscriptions	<u>178,997</u>	<u>-</u>	<u>-</u>	<u>178,997</u>
Total subscription assets, being amortized	<u>178,997</u>	<u>-</u>	<u>-</u>	<u>178,997</u>
Less accumulated amortization for:				
Subscriptions	<u>55,171</u>	<u>55,315</u>	<u>-</u>	<u>110,486</u>
Total accumulated amortization	<u>55,171</u>	<u>55,315</u>	<u>-</u>	<u>110,486</u>
Total subscriptions assets, being amortized, net	<u>123,826</u>	<u>(55,315)</u>	<u>-</u>	<u>68,511</u>
Governmental activities capital assets	<u>\$120,619,368</u>	<u>\$ 10,786,772</u>	<u>\$ -</u>	<u>\$131,406,140</u>

#### 4. CAPITAL ASSETS, NET (Continued)

Depreciation and amortization expense for the year ended June 30, 2024, was allocated to specific functions as follows:

	<u>Depreciation</u>	<u>Amortization</u>
General government support	\$ 184,374	\$ -
Instruction	4,004,164	844,332
Transportation	<u>11,353</u>	<u>-</u>
Total	<u>\$ 4,199,891</u>	<u>\$ 844,332</u>

#### 5. SHORT-TERM DEBT

Transactions in short-term debt for the year ended June 30, 2024 are as follows:

	<u>Maturity</u>	<u>Interest Rate</u>	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>
BAN	11/10/2023	4.000%	\$ 2,000,001	\$ -	\$ 2,000,001	\$ -
			<u>\$ 2,000,001</u>	<u>\$ -</u>	<u>\$ 2,000,001</u>	<u>\$ -</u>

#### 6. LONG-TERM DEBT

Interest on long-term debt for the year was composed of:

Interest paid	\$ 1,637,815
Less : interest accrued in the prior year	(523,417)
Less: amortization of bond premium	(52,469)
Plus: amortization expense	844,332
Plus : interest accrued in the current year	<u>727,537</u>
Total expense	<u>\$ 2,633,798</u>

Long-term liability balances and activity for the year are summarized below:

	(restated) Beginning Balance	Additions	Deletions	Balance	Due Within One Year	Long-term Portion
Government activities:						
Bonds and notes payable:						
Serial Bonds	\$ 36,560,000	\$ 13,750,000	\$ 5,955,000	\$ 44,355,000	\$ 6,060,000	\$ 38,295,000
Bonds premium, net	423,852	-	52,469	371,383	52,469	318,914
Installment-purchase obligations	<u>7,781,669</u>	<u>-</u>	<u>547,155</u>	<u>7,234,514</u>	<u>538,929</u>	<u>6,695,585</u>
Total bonds and notes payable	<u>44,765,521</u>	<u>13,750,000</u>	<u>6,554,624</u>	<u>51,960,897</u>	<u>6,651,398</u>	<u>45,309,499</u>
Other long-term debt:						
Compensated Absences (*)	596,607	-	27,344	569,263	-	569,263
Termination benefits payable (*)	3,491,786	275,719	-	3,767,505	-	3,767,505
Net pension liability(*)	17,775,838	-	5,898,698	11,877,140	-	11,877,140
Total other postemployment benefits	<u>202,018,033</u>	<u>15,293,062</u>	<u>8,844,038</u>	<u>208,467,057</u>	<u>2,550,885</u>	<u>205,916,172</u>
Total Long Term Debt	<u>\$268,647,785</u>	<u>\$ 29,318,781</u>	<u>\$ 21,324,704</u>	<u>\$276,641,862</u>	<u>\$ 9,202,283</u>	<u>\$267,439,579</u>

(\*) - increases or reductions are shown as net change as it is impractical to determine changes.

## 6. LONG-TERM DEBT (Continued)

Issue dates, maturities, and interest rates on outstanding debt are as follows:

<u>Bond Issue</u>	<u>Issued</u>	<u>Maturity</u>	<u>Interest Rate</u>	June 30, 2024
				<u>Balance</u>
Refunding bond - 2014	2014	2025	2.5- 5.0%	\$ 6,840,000
Serial bond - 2018	2018	2033	3.00%	21,695,000
Serial bond - 2019	2019	2033	1.45-2.52%	730,000
BOCES project bond - 2019	2019	2033	1.22-2.2%	1,135,000
Refunding bond - 2020	2020	2028	5.00%	750,000
Serial bond - 2024	2024	2043	4.0-4.5%	13,205,000
				<u>\$ 44,355,000</u>

The following is a summary of the maturity of bonds payable:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
			0
2025	\$ 6,060,000	\$ 1,524,945	\$ 7,584,945
2026	6,220,000	1,331,126	7,551,126
2027	2,875,000	1,184,696	4,059,696
2028	2,965,000	1,078,142	4,043,142
2029	2,865,000	968,799	3,833,799
2030-2034	15,880,000	3,230,901	19,110,901
2035-2039	3,815,000	1,336,325	5,151,325
2040-2043	<u>3,675,000</u>	<u>417,925</u>	<u>4,092,925</u>
Total	<u>\$ 44,355,000</u>	<u>\$ 11,072,859</u>	<u>\$ 55,427,859</u>

The following is a summary of the maturity of installment purchase debt:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 538,929	\$ 113,261	\$ 652,190
2026	534,888	104,688	639,576
2027	543,454	96,121	639,575
2028	552,159	87,417	639,576
2029	561,002	78,574	639,576
2030-2034	2,942,704	255,176	3,197,880
2035-2037	<u>1,561,378</u>	<u>37,562</u>	<u>1,598,940</u>
	<u>\$ 7,234,514</u>	<u>\$ 772,799</u>	<u>\$ 8,007,313</u>

## 7. LEASES

### LESSEE AGREEMENTS

The District leases various equipment and buildings, primarily from Putnam Northern Westchester Board of Cooperative Educational Service. The leases contain various inception dates and remaining terms of 25-60 months. The leases do not contain renewal options.

Lease agreements are summarized as follows:

<u>Description</u>	Interest Rate / Discount Rate	Lease Liability
Instruction Tech Lease	3.10%	\$ 936,933
National Cooperative Leasing	0.38%	15,120
St Francis Building Lease	2.16%	17,399
Cannon Equipment Lease	2.16%	25,540
JP Morgan Chase Bank NA	1.48%	<u>197,320</u>
Total Lease liability		<u>\$ 1,192,312</u>

Activity of lease liabilities for the year ended June 30, 2024 is summarized as follows:

<u>Beginning Balance</u>	<u>Additions</u>	<u>Subtractions</u>	<u>Ending Balance</u>	Amount due within One Year
\$ 1,124,698	\$ 783,533	\$ 715,919	\$ 1,192,312	\$ 602,814

Annual requirements to amortize long-term obligations and related interest are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 602,814	\$ 36,858	\$ 639,672
2026	384,365	22,499	406,864
2027	198,421	8,443	206,864
2029	<u>6,712</u>	<u>151</u>	<u>6,863</u>
	<u>\$ 1,192,312</u>	<u>\$ 67,951</u>	<u>\$ 1,260,263</u>

**7. LEASES (Continued)**

**LESSOR AGREEMENTS**

The District leases various equipment and land at a rate of 2.16% for a term of 48 to 325 months. Over the term of the leases, the District will receive \$4,349,170 related to the lease. During the year, the District recognized \$411,110 as lease revenue and \$369,367 as deferred inflows.

<u>Description</u>	<u>Interest Rate / Discount Rate</u>	<u>Total Receipts</u>
Towne Bus Corp; Parking area/bathroom	2.16%	\$ 98,232
Family Radio; Second Amendment	2.16%	5,441
County of Westchester Equipment site lease	2.16%	14
Verizon Wireless Equipment Space	2.16%	824,221
Family Radio Site Lease	2.16%	907,658
New Cingular Wireless PCS, LLC By AT&T Mobility Corporation	2.16%	2,020,110
Sprint Spectrum LP	2.16%	<u>493,494</u>
Total Lease receivable		<u>\$4,349,170</u>

Activity of lease receivable for the year ended June 30, 2024 is summarized as follows:

<u>Lease-related Revenue</u>	<u>Year Ending 2024-06</u>
Lease Revenue	
Building	\$ 285,487
Land	<u>83,880</u>
Total Lease Revenue	369,367
Interest Revenue	41,743
Variable & Other Revenue	<u>-</u>
Total	<u>\$ 411,110</u>

Future minimum lease payments due to the District are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 386,432	\$ 37,494	\$ 423,926
2026	292,367	33,729	326,096
2027	302,342	31,021	333,363
2028	312,698	28,149	340,847
2029	323,447	25,109	348,556
5 years ending 2034	1,111,282	77,128	1,188,410
5 years ending 2039	775,499	29,372	804,871
5 years ending 2044	502,593	976	503,569
5 years ending 2049	<u>342,510</u>	<u>-</u>	<u>342,510</u>
	<u>\$ 4,349,170</u>	<u>\$ 262,978</u>	<u>\$ 4,612,148</u>

## 8. SUBSCRIPTION AGREEMENTS

The District subscribes to various online subscription agreements. The subscriptions contain various inception dates and remaining terms of 26-50 months. The subscriptions do not contain renewal options.

Subscription agreements are summarized as follows:

<u>Description</u>	Interest Rate / Discount <u>Rate</u>	Subscription <u>Liability</u>
Barracuda Cloud Backup Archiving	3.54%	\$ 18,970
Barracuda Cloud Backup Appliance	3.54%	<u>16,092</u>
Total Subscription liability		<u>\$ 35,062</u>

Activity of subscription liabilities for the year ended June 30, 2024 is summarized as follows:

(restated) <u>Beginning Balance</u>	<u>Additions</u>	<u>Subtractions</u>	<u>Ending Balance</u>	Amount due <u>within One Year</u>
\$ 59,589	\$ -	\$ 24,527	\$ 35,062	\$ 25,409

Annual requirements to amortize long-term obligations and related interest are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 25,409	\$ 1,262	\$ 26,671
2026	<u>9,653</u>	<u>347</u>	<u>10,000</u>
	<u>\$ 35,062</u>	<u>\$ 1,609</u>	<u>\$ 36,671</u>

## 9. INTERFUND BALANCES AND ACTIVITY

	<u>Interfund</u>		<u>Interfund</u>	
	<u>Receivable</u>	<u>Payable</u>	<u>Revenue</u>	<u>Expenditures</u>
General fund	\$ 4,938,658	\$ 361,128	\$ 2,360	\$ 1,086,877
Special aid fund	36,128	2,447,462	261,877	-
School lunch fund	-	2,332,288	-	-
Debt service fund	31,589	-	-	2,360
Capital projects funds	<u>325,000</u>	<u>190,497</u>	<u>825,000</u>	<u>-</u>
Total	<u>\$ 5,331,375</u>	<u>\$ 5,331,375</u>	<u>\$ 1,089,237</u>	<u>\$ 1,089,237</u>

Interfund receivables and payables, other than between governmental activities and fiduciary funds, are eliminated on the statement of net position.

The District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues.

All interfund payables are expected to be repaid within one year.



**10. PENSION PLANS**

New York State Employee Retirement System (NYSERS)

The District participates in the New York State and Local Employee’s Retirement System (ERS) also referred to as New York State and Local Retirement System (the NYSERS). This is a cost-sharing multiple-employer retirement system, providing retirement benefits as well as death and disability benefits. The net position of the NYSERS is held in the New York State Common Retirement Fund (the Fund), established to hold the net position and record changes in plan net position allocated to the NYSERS. The NYSERS benefits are established under the provisions of the New York State Retirement and Social Security Law (NYS RSSL). Once an employer elects to participate in the NYSERS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The District also participates in the Public Employees’ Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The system is included in the State’s financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

**Contributions**

The NYSERS is noncontributory except for employees who joined the NYSERS after July 27, 1976, who contribute 3.0% percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0% percent of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers’ contributions based on salaries paid during the NYSERS’ fiscal year ending March 31. Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

2024	\$	2,274,789
2023	\$	1,846,992
2022	\$	2,374,013

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

At June 30, 2024, the District reported a net pension liability of \$8,290,031 for its proportionate share of the NYSERS net pension liability. The net pension liability was measured as of March 31, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of April 1, 2023. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2024, the District’s proportion was 0.0563027% which was an increase from the prior year which was 0.0541793% from its proportion at share measured at **June 30, 2023**.

**10. PENSION PLANS (Continued)**

New York State Employee Retirement System (NYSERS) (Continued)

**Pension Liability, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

For the year ended June 30, 2024, the District recognized pension expense of \$3,764,881. At June 30, 2024, the District reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,670,212	\$ 226,047
Changes of Assumptions	3,134,274	-
Net difference between projected and actual earnings on pension plan investments	-	4,049,635
Changes in proportion and differences between the District's contributions and proportionate share of contributions	404,905	-
Contributions subsequent to the measurement date	<u>1,654,015</u>	<u>-</u>
	<u>\$ 7,863,406</u>	<u>\$ 4,275,682</u>

The District recognized \$1,654,015 as deferred outflows of resources related to pensions resulting from contributions made subsequent to the measurement date of March 31, 2024 which will be recognized as a reduction of the net pension liability in the year ended June 30, 2025.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Plan's Year Ended March 31:	
2025	\$ (1,394,391)
2026	1,677,876
2027	2,488,848
2028	<u>(838,623)</u>
	<u>\$ 1,933,710</u>

## 10. PENSION PLANS (Continued)

### New York State Employee Retirement System (NYSERS) (Continued)

#### **Actuarial Assumptions**

The total pension liability at March 31, 2024 was determined by using an actuarial valuation as of April 1, 2023, with update procedures used to roll forward the total pension liability to March 31, 2024.

The actuarial valuation used the following actuarial assumptions:

Actuarial cost method	Entry age normal
Inflation	2.9 percent
Salary scale	4.4 percent indexed by service
Projected COLAs	1.5% compounded annually
Decrements	Developed from the Plan's 2015 experience study of the period April 1, 2015 through April 1, 2020
Mortality improvement	Society of Actuaries Scale MP-2021
Investment Rate of Return	5.9% compounded annually, net of investment expenses

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2024 are summarized below:

<u>Asset Type</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	32.0%	4.00%
International Equity	15.0%	6.65%
Private Equity	10.0%	7.25%
Real Estate	9.0%	4.60%
Opportunistic Portfolio	3.0%	5.25%
Credit	4.0%	5.40%
Real Assets	3.0%	5.79%
Fixed Income	23.0%	1.50%
Cash	1.0%	0.25%
	<u>100%</u>	

**10. PENSION PLANS (Continued)**

New York State Employee Retirement System (NYSERS) (Continued)

**Discount Rate**

The discount rate used to calculate the total pension liability was 5.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption**

The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 5.9%, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	1 % Decrease	0	Current Assumption	0	1% Increase
	(4.90%)	0	(5.90%)	0	(6.90%)
Proportionate Share of Net Pension liability (asset)	\$ 26,064,704	\$	8,290,031	\$	(6,555,509)

**Pension Plan Fiduciary Net Position**

The components of the current-year net pension liability of the employers as of March 31, 2024 were as follows:

	Pension Plan's Fiduciary Net Position
	(Dollars in thousands)
Total pension liability	\$ 240,696,851
Net position	<u>225,972,801</u>
Net pension liability (asset)	<u><u>\$ 14,724,050</u></u>
Fiduciary net position as a percentage of total pension liability	93.88%

**10. PENSION PLANS (Continued)**

New York State Teacher Retirement System

The District participates in the New York State Teachers' Retirement System (NYSTRS). This is a cost-sharing, multiple employer public employee retirement system. NYSTRS offers a wide range of plans and benefits, which are related to years of service and final average salary, vesting of retirement benefits, death, and disability.

The New York State Teachers' Retirement Board administers NYSTRS. NYSTRS provides benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. NYSTRS issues a publicly available financial report that contains financial statements and required supplementary information for the system. The report may be obtained by writing to NYSTRS, 10 Corporate Woods Drive, Albany, New York 12211-2395.

**Contributions**

NYSTRS is noncontributory for employees who joined prior to July 27, 1976. For employees who joined NYSTRS after July 27, 1976, and prior to January 1, 2010, employees contribute 3% of their salary, except that employees in the System more than ten years are no longer required to contribute. For employees who joined after January 1, 2010 and prior to April 1, 2012, contributions of 3.5% are paid throughout their active membership.

For employees who joined after April 1, 2012, required contributions of 3.5% of their salary are paid until April 1, 2013 and they then contribute 3% to 6% of their salary throughout their active membership. Pursuant to Article 11 of the Education Law, the New York State Teachers' Retirement Board establishes rates annually for NYSTRS.

The District is required to contribute at an actuarially determined rate. The District contributions made to NYSTRS were equal to 100% of the contributions required for each year. The required contributions for the current year and two preceding years were:

2024	\$	5,961,258
2023	\$	5,571,028
2022	\$	5,052,386

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

At June 30, 2024, the District reported net pension liability of \$3,587,109 for its proportionate share of the NYSTRS net pension liability. The net pension liability was measured as of **June 30, 2023**, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of June 30, 2023. The District's proportion of the net pension liability was based on a projection of the Districts' long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2024 the District's proportionate share was 0.313672%, which decreased from 0.320894% from its proportionate share measured at June 30, 2023.

**10. PENSION PLANS (Continued)**

New York State Employee Retirement System (NYERS) (Continued)

**Pension Liability, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

For the year ended June 30, 2024, the District recognized pension expense of \$5,961,258. At June 30, 2024 the District reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 8,697,785	\$ 21,496
Changes of assumptions	7,722,939	1,683,172
Net difference between projected and actual earnings on pension plan investments	1,833,659	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	528,495	443,627
Contributions subsequent to the measurement date	5,865,969	-
	<u>\$ 24,648,847</u>	<u>\$ 2,148,295</u>

The School District recognized \$5,865,969 as deferred outflows of resources related to pensions resulting from the School District's contributions subsequent to the measurement date June 30, 2023 will be recognized as a reduction of the net pension liability in the year ending June 30, 2025.

Other amounts reported as deferred outflows/inflows of resources related to pensions will be recognized in pension expense as follows:

Plan's Year Ended June 30:	
2024	\$ 1,493,859
2025	(1,857,028)
2026	14,448,054
2027	1,103,555
2028	868,668
Thereafter	577,476
	<u>\$ 16,634,584</u>

## 10. PENSION PLANS (Continued)

### New York State Teacher Retirement System (NYSTRS) (Continued)

#### **Actuarial Assumptions**

The total pension liability at the June 30, 2023 measurement date was determined by an actuarial valuation as of June 30, 2023 with update procedures used to roll forward the total pension liability to June 30, 2023. The actuarial valuation used the following actuarial assumptions:

Actuarial cost method	Entry age normal
Inflation	2.40%
Projected salary increases	Rates of increase differ based on service. They have been calculated based upon recent NYSTRS member experience.

<u>Service</u>	<u>Rate</u>
5	5.18%
15	3.64%
25	2.50%
35	1.95%

Projected COLAs	1.30% compounded annually
Investment rate of return	6.95% compounded annually, net of pension plan investment expense, including inflation.

Annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on society of Actuaries Scale MP-2020, applied on a generational basis. Active member mortality rates are based on plan member experience.

The actuarial assumptions were primarily based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2020.

The long-term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for each major asset class as well as historical investment data and plan performance.

**10. PENSION PLANS (Continued)**

New York State Teacher Retirement System (NYSTRS) (Continued)

**Actuarial Assumptions (Continued)**

Best estimates of arithmetic real rates of return for each major asset class included in the Systems target asset allocation as of the measurement date of June 30, 2023 are summarized in the following table:

<u>Asset Type</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	33.0%	6.8%
International Equity	16.0%	7.6%
Global Equity	4.0%	7.2%
Real Estate Equity	11.0%	6.3%
Private Equity	9.0%	10.1%
Domestic Fixed Income	16.0%	2.2%
Global Bonds	2.0%	1.6%
Private Debt	2.0%	6.0%
Real Estate Debt	6.0%	3.2%
High-yield Bonds	1.0%	4.4%
Cash Equivalents	1.0%	0.3%
	<u>101%</u>	

**Discount Rate**

The discount rate used to measure the total pension liability as of June 30, 2022 was 6.95%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from school districts will be made at statutorily required rates, actuarially determined. Based on those assumptions, the NYSTRS’ fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the Proportionate Share of the Net Pension Liability (Asset) to the Discount Rate Assumption**

The following presents the net pension liability (asset) of the District using the discount rate of 6.95%, as well as what the Districts’ net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1 % Decrease (5.95%)</u>	<u>Current Assumption (6.95%)</u>	<u>1% Increase (7.95%)</u>
Proportionate Share of Net Pension liability (asset)	\$ 54,633,488	\$ 3,587,109	\$ (39,345,103)



**10. PENSION PLANS (Continued)**

**Pension Plan Fiduciary Net Position**

The components of the collective net pension liability (asset) of the participating school districts as of June 30, 2023 were as follows:

	Pension Plan's Fiduciary Net Position
	(Dollars in Thousands)
Total pension liability	\$ 138,365,121
Net position	137,221,536
Net pension liability (asset)	\$ 1,143,585
Fiduciary net position as a percentage of total pension liability	99.17%

**11. TOTAL OTHER POST EMPLOYMENT BENEFITS**

**Plan Description**

The District's defined benefit OPEB plan, provides OPEB for all employees who meet the NYSTRS/NYSERS eligibility requirements. Teachers and Administrators age 55 with 5 years of service who are eligible to retire and collect benefits according to the NYSTRS are eligible for retiree health care benefits for life from the District. Support staff hired before January 1, 2010 age 55 with 5 years of service are eligible to retire and collect benefits for life from the District according to NYSERS. Members after January 1, 2010 must be 55 years old with 10 years of service to qualify for NYSERS health care benefits.

The plan is a single-employer defined benefit OPEB plan administered by the District. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the District Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

**Benefits Provided**

The District provides healthcare benefits for retirees and their dependents. The benefit terms are dependent on which contract each employee falls under. The specifics of each contract are on file at the District offices and are available upon request.

**Employees Covered by Benefit Terms**

At June 30, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries	
currently receiving benefits	597
Active employees	580
Total participants	1,177

**11. OTHER POST-EMPLOYMENT BENEFITS (Continued)**

**Total OPEB Liability**

The District’s total OPEB liability of \$208,467,057 was measured as of June 30, 2024, and was determined by an actuarial valuation as of June 30, 2022.

**Actuarial Assumptions and Other Inputs**

The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

The discount rate was based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Mortality improvement scale has been updated from MP-2020 to MP-2021, which caused an increase in liability. Surviving spouses are treated the same as retired participants

Inflation	2.70%
Payroll Growth	3.00%
Discount Rate	3.21%
Healthcare Cost Trend Rates	6.75% for 2023, decreasing to an ultimate rate of 4.14% by 2076
Share of Benefit-Related Costs	Varies based on applicable bargaining unit

**Changes in the Total OPEB Liability**

Balance at July 1, 2023	<u>\$ 202,018,033</u>
Changes for the Year	
Service cost	6,794,838
Interest	8,498,224
Changes of benefit terms	-
Changes in assumptions or other inputs	(2,447,831)
Differences between expected and actual experience	(244,492)
Benefit payments	<u>(6,151,715)</u>
Net changes	<u>6,449,024</u>
Balance at June 30, 2024	<u>\$ 208,467,057</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 4.13% in 2023 to 4.21% in 2024.

**11. OTHER POST-EMPLOYMENT BENEFITS (Continued)**

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.21%) or 1 percentage point higher (5.21%) than the current discount rate:

	1% Decrease <u>(3.21%)</u>	Current Discount <u>(4.21%)</u>	1% Increase <u>(5.21%)</u>
Total OPEB Liability	<u>\$ 242,361,358</u>	<u>\$ 208,467,057</u>	<u>\$ 181,121,595</u>

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rate:

	<u>Healthcare Cost Trend</u>		
	1% <u>Decrease</u>	Current <u>Current</u>	1% <u>Increase</u>
Total OPEB Liability	<u>\$ 174,968,515</u>	<u>\$ 208,467,057</u>	<u>\$ 251,495,256</u>

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2024, the District recognized OPEB expense of \$18,877,572. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 30,002,395	\$ 2,583,534
Changes of assumptions or other inputs	<u>10,378,614</u>	<u>60,924,017</u>
Total	<u>\$ 40,381,009</u>	<u>\$ 63,507,551</u>

## 11. OTHER POST-EMPLOYMENT BENEFITS (Continued)

### OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal year ending June 30:		
2025	\$	1,336,151
2026		(9,186,514)
2027		(14,141,136)
2028		(686,325)
2029		(448,718)
Thereafter		-
		<u>\$ (23,126,542)</u>

## 12. TERMINATION BENEFITS PAYABLE

The District offers a retirement award to teachers and non-instructional staff outlined in their employment contracts. For teachers, a retirement award of 1% of the final year's salary, for each year of teaching service, is available to those who have been in the employ of the District for at least 10 years and who have sufficient service credit with the New York State Teachers' Retirement System or a teacher who has not yet reached age 55 but has served 25 years in one district and submits a notice of retirement from public education in New York State. Those who submit their resignation at any other time than the end of the regular school year shall not be eligible for the provision except in the case of emergency. Notices made at later dates will cause deferral of payment until the year following retirement. For non-instructional staff, hired before November 13, 1998 who have at least 20 years of service, a retirement award of one and one quarter percent (1.25%) for each year of service, of the final year's salary, is available to those who are eligible to retire with pension benefits pursuant to New York State Employees' Retirement System. Those eligible employees who have served at least 10 years but less than 20 years shall receive the award at three quarters of one percent (.75%) of final pay for each year of service. Notification to the District is required five or more months prior to the date of retirement. The current value of retirement awards earned is \$3,767,505 and is recorded as a long-term liability on the Statement of Net Position.

## 13. RISK MANAGEMENT

General Insurance - The District is exposed to various risks of loss related to torts, theft, damage, injuries, errors and omissions, natural disasters, and other risks. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

The District participates in New York Schools Insurance Reciprocal (NYSIR), a non-risk-retained public entity risk pool for its District property and liability insurance coverage. The pool is operated for the benefit of individual governmental units located within the pool's geographic area, and is considered a self-sustaining risk pool that will provide coverage for its members. The pool obtains independent coverage for insured events and the District has essentially transferred all related risk to the pool.

### **13. RISK MANAGEMENT (Continued)**

Workers' Compensation Insurance – The District participates in the Putnam/Northern Westchester School Cooperative Workers' Compensation Self-Insurance Plan, a risk sharing pool, to insure workers' compensation claims. This is a public entity risk pool created under Article 5, Workers' Compensation Law, to finance liability and risk related to Workers' Compensation Claims. The Workers' Compensation Plan's total discounted liability for unbilled and open claims at June 30, 2024 was \$19,051,972 with a discount rate of 2.0%. The District's share of the liability for unbilled and open claims is \$729,881.

### **14. CONTINGENCIES AND COMMITMENTS**

The District has received grants which are subject to audit by agencies of the state and federal governments. Such audits may result in disallowances and a request for a return of funds. Based on prior audits, the District's administration believes disallowances, if any, will be immaterial. The District has tax certiorari pending with certain property owners. While the outcome of these matters is uncertain, the District intends to vigorously defend its position.

### **15. SUBSEQUENT EVENTS**

On August 29, 2024, the School District issued BANs in the amount of \$15,000,000. The proceeds from the sale of the notes in the amount of \$15,000,000 will provide original financing for capital improvements.

**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**

**BEDFORD CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - GENERAL FUND (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2024**

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual (Budgetary Basis)</i>	<i>Encumbrances</i>	<i>Final Budget Variance with Budgetary Actual</i>
<b>REVENUE</b>					
Local sources:					
Real property taxes	\$ 137,383,087	\$ 133,601,782	\$ 133,489,927	\$ -	\$ (111,855)
Other tax items	2,850,000	6,631,305	6,849,661	-	218,356
Charges for services	1,011,275	1,038,995	1,478,832	-	439,837
Use of money and property	702,735	702,735	1,503,047	-	800,312
Miscellaneous	551,970	635,935	1,447,713	-	811,778
Total local sources	142,499,067	142,610,752	144,769,180	-	2,158,428
State sources	8,571,933	8,571,933	8,884,043	-	312,110
Total revenue	151,071,000	151,182,685	153,653,223	-	2,470,538

(Continued)

The accompanying notes are an integral part of these schedules.

**BEDFORD CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - GENERAL FUND (UNAUDITED) (Continued)  
FOR THE YEAR ENDED JUNE 30, 2024**

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual (Budgetary Basis)</i>	<i>Encumbrances</i>	<i>Variance with Budgetary Actual and Encumbrances</i>
<b>EXPENDITURES</b>					
GENERAL SUPPORT:					
Board of education	\$ 71,115	\$ 143,962	\$ 139,135	\$ 350	\$ 4,477
Central administration	547,890	568,431	550,153	172	18,106
Finance	1,125,020	1,097,679	1,022,268	71,997	3,414
Staff	1,180,475	1,053,355	1,003,028	46,394	3,933
Central services	9,776,275	12,742,829	9,896,640	3,518,923	(672,734)
Special items	<u>1,744,670</u>	<u>1,828,159</u>	<u>1,813,966</u>	<u>-</u>	<u>14,193</u>
Total general support	<u>14,445,445</u>	<u>17,434,415</u>	<u>14,425,190</u>	<u>3,637,836</u>	<u>(628,611)</u>
INSTRUCTION:					
Instruction, administration, and improvement	5,294,520	5,417,506	5,120,973	226,124	70,409
Teaching - regular school	44,353,120	45,311,908	44,485,498	687,406	139,004
Programs for children with handicapping conditions	18,589,680	18,852,856	17,948,826	826,736	77,294
Occupational education	954,085	954,535	954,434	30,994	(30,893)
Instructional media	3,374,580	3,330,474	3,291,547	84,601	(45,674)
Pupil services	<u>6,719,580</u>	<u>6,969,549</u>	<u>6,883,435</u>	<u>-</u>	<u>86,114</u>
Total instruction	79,285,565	80,836,828	78,684,713	1,855,861	296,254
Pupil transportation	9,587,505	8,898,813	8,802,398	93,813	2,602
Employee benefits	39,499,150	39,683,345	39,553,081	18,323	111,941
Debt service - principal	7,385,100	7,379,311	7,389,544	-	(10,233)
Debt service - interest	<u>1,615,235</u>	<u>1,621,385</u>	<u>1,637,815</u>	<u>-</u>	<u>(16,430)</u>
Total expenditures	151,818,000	155,854,097	150,492,741	5,605,833	(244,477)
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from leases	-	-	783,533	-	783,533
Transfers from other funds	-	-	2,360	-	2,360
Transfers (to) other funds	<u>(720,000)</u>	<u>(1,045,000)</u>	<u>(1,086,877)</u>	<u>-</u>	<u>(41,877)</u>
Total other financing sources (uses)	<u>(720,000)</u>	<u>(1,045,000)</u>	<u>(300,984)</u>	<u>-</u>	<u>744,016</u>
Total expenditures and other financing sources (uses)	<u>152,538,000</u>	<u>156,899,097</u>	<u>150,793,725</u>	<u>\$ 5,605,833</u>	<u>\$ 499,539</u>
NET CHANGE IN FUND BALANCE	(1,467,000)	(5,716,412)	2,859,498		
FUND BALANCE - beginning of year	<u>24,975,207</u>	<u>24,975,207</u>	<u>24,975,207</u>		
FUND BALANCE - end of year	<u>\$ 23,508,207</u>	<u>\$ 19,258,795</u>	<u>\$ 27,834,705</u>		

The accompanying notes are an integral part of these schedules.



**BEDFORD CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2024**

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability (asset)	0.0563027%	0.0541793%	0.0512891%	0.0511550%	0.0507263%	0.0483828%	0.0487249%	0.0529451%	0.0519753%	0.5378770%
Proportionate share of the net pension liability (asset)	\$ 8,290	\$ 11,618	\$ (4,193)	\$ 50	\$ 13,433	\$ 3,428	\$ 1,573	\$ 4,975	\$ 8,342	\$ 1,817
Covered-employee payroll	\$ 17,883	\$ 18,469	\$ 15,941	\$ 16,396	\$ 15,435	\$ 14,874	\$ 14,007	\$ 14,415	\$ 13,720	\$ 14,060
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	46.36%	62.91%	-26.30%	0.30%	87.03%	23.05%	11.23%	34.51%	60.80%	12.92%
Plan fiduciary net position as a percentage of the total pension liability (asset)	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%	97.95%

NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability (asset)	0.3136720%	0.3208940%	0.3123490%	0.3199273%	0.0319311%	0.3165100%	0.3178580%	0.3417060%	0.3344890%	0.3358220%
Proportionate share of the net pension liability (asset)	\$ 3,587	\$ 6,158	\$ (54,127)	\$ 8,840	\$ (8,296)	\$ (5,723)	\$ (2,416)	\$ 3,660	\$ (34,743)	\$ (37,408)
Covered-employee payroll	\$ 57,849	\$ 57,933	\$ 56,851	\$ 53,016	\$ 54,302	\$ 53,298	\$ 51,556	\$ 52,522	\$ 52,675	\$ 50,852
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	6.20%	10.63%	-95.21%	16.67%	-15.28%	-10.74%	-4.69%	6.97%	-65.96%	-73.56%
Plan fiduciary net position as a percentage of the total pension liability (asset)	99.17%	98.57%	113.25%	97.76%	102.17%	101.53%	100.66%	99.01%	110.46%	111.48%

**BEDFORD CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF CONTRIBUTIONS - PENSION PLANS (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2024**

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN</b>										
Contractually required contribution	\$ 2,274.8	\$ 1,847.0	\$ 2,374.0	\$ 2,208.7	\$ 2,085.3	\$ 2,008.2	\$ 2,086.9	\$ 2,199.0	\$ 2,451.5	\$ 2,671.1
Contributions in relation to the contractually required contribution	2,274.8	1,847.0	2,374.0	2,208.7	2,085.3	2,008.2	2,086.9	2,199.0	2,451.5	2,671.1
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 18,469	\$ 18,469	\$ 15,941	\$ 16,396	\$ 15,435	\$ 14,874	\$ 14,007	\$ 14,415	\$ 13,720	\$ 14,060
Contributions as a percentage of covered-employee payroll	12.32%	10.00%	14.89%	13.47%	13.51%	13.50%	14.90%	15.26%	17.87%	19.00%

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN</b>										
Contractually required contribution	\$ 5,961.3	\$ 5,571.0	\$ 5,052.4	\$ 4,811.1	\$ 5,660.3	\$ 5,025.5	\$ 5,903.4	\$ 6,991.8	\$ 6,984.7	\$ 8,807.9
Contributions in relation to the contractually required contribution	5,961.3	5,571.0	5,052.4	4,811.1	5,660.3	5,025.5	5,903.4	6,991.8	6,984.7	8,807.9
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 57,849	\$ 57,933	\$ 56,851	\$ 53,016	\$ 54,302	\$ 53,298	\$ 51,556	\$ 52,522	\$ 52,675	\$ 50,852
Contributions as a percentage of covered-employee payroll	10.30%	9.62%	8.89%	9.07%	10.42%	9.43%	11.45%	13.31%	13.26%	17.32%

**BEDFORD CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2024**

	Last 10 Fiscal Years					
	2024	2023	2022	2021	2020	2019
<b>Total OPEB Liability</b>						
Service cost	\$ 6,794,838	\$ 10,558,118	\$ 15,143,677	\$ 14,226,512	\$ 9,429,016	\$ 8,213,057
Interest	8,498,224	10,789,189	8,022,631	7,209,950	8,673,909	8,624,451
Changes of benefit terms	-	(28,328,090)	-	(1,821,348)	-	-
Differences between expected and actual experience	(244,492)	26,902,491	(4,759,583)	35,770,046	864,322	5,450,052
Changes in assumptions	(2,447,831)	(109,597,435)	(75,969,308)	(6,042,325)	62,271,694	13,481,251
Benefit payments	(6,151,715)	(5,011,353)	(3,992,136)	(6,163,439)	(7,632,998)	(6,904,946)
<b>Total change in total OPEB liability</b>	6,449,024	(94,687,080)	(61,554,719)	43,179,396	73,605,943	28,863,865
<b>Total OPEB liability - beginning</b>	<u>202,018,033</u>	<u>296,705,113</u>	<u>358,259,832</u>	<u>315,080,436</u>	<u>241,474,493</u>	<u>212,610,628</u>
<b>Total OPEB liability - ending</b>	<u>\$ 208,467,057</u>	<u>\$ 202,018,033</u>	<u>\$ 296,705,113</u>	<u>\$ 358,259,832</u>	<u>\$ 315,080,436</u>	<u>\$ 241,474,493</u>
<b>Covered-employee payroll</b>	\$ 79,794,450	\$ 79,627,455	\$ 76,021,341	\$ 72,431,064	\$ 71,120,181	\$ 71,120,181
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	261.26%	253.70%	390.29%	494.62%	443.03%	339.53%

**Notes to schedule:**

**Changes of assumptions.** Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following reflects the discount rate used each period:

Discount rate	4.21%	4.13%	3.54%	2.16%	2.21%	3.51%
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**Plan Assets.** No assets are accumulated in a trust that meets the criteria in GASB 75, paragraph 4, to pay related benefits:

- Contributions from the employer and any nonemployer contributing entities, and earnings thereon, must be irrevocable.
- Plan assets must be dedicated to providing OPEB to Plan members in accordance with the benefit terms.
- Plan assets must be legally protected from the creditors of the employer, nonemployer contributing entities, the Plan administrator, and Plan members.

NOTE - This schedule is intended to show information for 10 years. Additional years will be displayed as the information becomes available.

**SUPPLEMENTARY INFORMATION**

**BEDFORD CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2024**

	Capital Projects	(Formerly Non-Major) School Lunch	Miscellaneous Special Revenue	Debt Service	Total Non-Major Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents - restricted	\$ 4,428,048	\$ -	\$ 508,642	\$ 868,540	\$ 5,805,230
Accounts receivable	-	-	3,322	-	3,322
Due from other funds	325,000	-	-	31,589	356,589
State and federal aid receivable	468	-	-	-	468
<b>TOTAL ASSETS</b>	<b>\$ 4,753,516</b>	<b>\$ -</b>	<b>\$ 511,964</b>	<b>\$ 900,129</b>	<b>\$ 6,165,609</b>
<b>LIABILITIES AND FUND BALANCE</b>					
<b>LIABILITIES:</b>					
Accounts payable and accrued expenses	\$ 345,001	\$ -	\$ 196	\$ -	\$ 345,197
Due to other funds	190,497	-	-	-	190,497
<b>TOTAL LIABILITIES</b>	<b>535,498</b>	<b>-</b>	<b>196</b>	<b>-</b>	<b>535,694</b>
<b>FUND BALANCE:</b>					
<b>Restricted for:</b>					
Other	-	-	511,768	-	511,768
Debt service	-	-	-	900,129	900,129
<b>Total restricted fund balance</b>	<b>-</b>	<b>-</b>	<b>511,768</b>	<b>900,129</b>	<b>1,411,897</b>
<b>Assigned</b>					
Other	4,218,018	-	-	-	4,218,018
<b>Total assigned fund balance</b>	<b>4,218,018</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,218,018</b>
<b>TOTAL FUND BALANCE</b>	<b>4,218,018</b>	<b>-</b>	<b>511,768</b>	<b>900,129</b>	<b>5,629,915</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 4,753,516</b>	<b>\$ -</b>	<b>\$ 511,964</b>	<b>\$ 900,129</b>	<b>\$ 6,165,609</b>

**BEDFORD CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - NON-MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2024**

	Capital Projects	(Formerly Non-Major) School Lunch	Miscellaneous Special Revenue	Debt Service	Total Non-Major Governmental Funds
<b>REVENUE:</b>					
Use of money and property	\$ 214,183	\$ -	\$ 6,326	\$ 73,846	\$ 294,355
Miscellaneous	-	-	188,105	-	188,105
Total revenue	<u>214,183</u>	<u>-</u>	<u>194,431</u>	<u>73,846</u>	<u>482,460</u>
<b>EXPENDITURES:</b>					
Instruction	-	-	272,300	-	272,300
Capital outlay	14,747,900	-	-	-	14,747,900
Total expenditures	<u>14,747,900</u>	<u>-</u>	<u>272,300</u>	<u>-</u>	<u>15,020,200</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>(14,533,717)</u>	<u>-</u>	<u>(77,869)</u>	<u>73,846</u>	<u>(14,537,740)</u>
<b>OTHER SOURCES AND (USES):</b>					
Proceeds from issuance of bonds	13,750,000	-	-	-	13,750,000
Operating transfers in	825,000	-	-	-	825,000
Operating transfers out	-	-	-	(2,360)	(2,360)
Total other sources (uses)	<u>14,575,000</u>	<u>-</u>	<u>-</u>	<u>(2,360)</u>	<u>14,572,640</u>
EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>41,283</u>	<u>-</u>	<u>(77,869)</u>	<u>71,486</u>	<u>34,900</u>
FUND BALANCE (DEFICIT) - beginning of year, previously reported	4,176,735	1,158,251	589,637	828,643	6,753,266
Adjustement - changes from nonmajor to major fund	-	(1,158,251)	-	-	(1,158,251)
FUND BALANCE (DEFICIT) - beginning of year, as adjusted	<u>4,176,735</u>	<u>-</u>	<u>589,637</u>	<u>828,643</u>	<u>5,595,015</u>
FUND BALANCE (DEFICIT) - end of year	<u>\$ 4,218,018</u>	<u>\$ -</u>	<u>\$ 511,768</u>	<u>\$ 900,129</u>	<u>\$ 5,629,915</u>

**OTHER INFORMATION  
(UNAUDITED)**

**BEDFORD CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF CHANGE FROM ORIGINAL BUDGET TO REVISED BUDGET  
OF REAL PROPERTY TAX LAW LIMIT CALCULATION - GENERAL FUND (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2024**

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**CHANGE FROM ADOPTED BUDGET TO REVISED BUDGET**

Adopted budget	\$ 152,538,000
Add: Prior year's encumbrances	<u>4,162,141</u>
Original budget	156,700,141
Budget revisions	<u>198,956</u>
Final budget	<u><u>\$ 156,899,097</u></u>

**SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION**

2024-25 voter-approved expenditure budget	\$ 155,825,000	
Maximum allowed (4% of 2024-25 budget)		<u>\$ 6,233,000</u>
General fund, fund balance subject to section 1318 of real property tax law*:		
Unrestricted fund balance:		
Assigned fund balance		\$ 5,760,833
Unassigned fund balance		<u>6,126,920</u>
Total Unrestricted Fund Balance		<u>\$ 11,887,753</u>
Less:		
Appropriated fund balance	\$ 155,000	
Encumbrances included in assigned fund balance	<u>5,605,833</u>	
Total adjustments	<u>\$ 5,760,833</u>	
General fund, fund balance subject to section 1318 of real property tax law		<u>\$ 6,126,920</u>
Actual percentage		3.93%

\*Per Office of the State Comptroller's "Fund Balance Reporting and Governmental Fund Type Definitions", Updated April 2011 (Originally Issued November 2010), the portion of [General Fund] fund balance subject to Section 1318 of the Real Property Tax Law is: unrestricted fund balance (i.e., the total of the committed, assigned, and unassigned classifications), minus appropriated fund balance, amounts reserved for insurance recovery, amounts reserved for tax reduction, and encumbrances included in committed and assigned fund balance.



**BEDFORD CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2024**

PROJECT TITLE	Expenditures					Unexpended Balance	Methods of Financing			Fund Balance June 30, 2024	
	Original Appropriation	Revised Appropriation	Prior Years	Current Year	Total		Proceeds of Obligations	State Aid	Local Sources		Total
<b>Capitalized:</b>											
13-14 Bond Authorization \$31.8 million	\$ 31,828,238	\$ 31,828,238	\$ 31,630,504	\$ -	\$ 31,630,504	\$ 197,734	\$ 30,659,647	\$ 7,000	\$ 1,168,591	\$ 31,835,238	\$ 204,734
01-02 Interfund transfers	635,000	635,000	615,331	-	615,331	19,669	-	-	635,000	635,000	19,669
02-03 Interfund transfers	470,000	470,000	470,000	-	470,000	-	-	-	470,000	470,000	-
04-05 Interfund transfers	1,314,005	1,314,005	1,239,504	-	1,239,504	74,501	-	-	1,314,005	1,314,005	74,501
06-07 Interfund transfers	1,004,464	1,004,464	969,464	-	969,464	35,000	-	-	1,004,464	1,004,464	35,000
10-11 Interfund transfers	255,000	255,000	235,000	-	235,000	20,000	-	-	255,000	255,000	20,000
14-15 Interfund transfers - capitalized	57,851	57,851	57,851	-	57,851	-	-	-	57,851	57,851	-
14-15 Canon Lease - Copiers	591,301	591,301	591,301	-	591,301	-	591,301	-	-	591,301	-
17-18 Interfund transfers	349,060	349,060	331,320	-	331,320	17,740	-	-	349,000	349,000	17,680
18-19 Interfund transfers	200,000	200,000	176,960	-	176,960	23,040	-	-	200,000	200,000	23,040
17-18 Smart School Bond Act	76,088	76,088	76,088	-	76,088	-	-	76,088	-	76,088	-
17-18 Computer Lease	-	675,368	675,368	-	675,368	-	675,368	-	-	675,368	-
18-19 Computer Lease	-	666,067	666,067	-	666,067	-	666,067	-	-	666,067	-
18-19 Buildings & Grounds Equipment	-	153,652	153,652	-	153,652	-	153,652	-	-	153,652	-
19-20 Buildings & Grounds Equipment	-	135,008	135,008	-	135,008	-	135,008	-	-	135,008	-
19-20 Canon Lease - Copiers	-	410,101	410,101	-	410,101	-	410,101	-	-	410,101	-
19-20 Computer Lease	-	764,980	764,980	-	764,980	-	764,980	-	-	764,980	-
20-21 Computer Lease	-	782,669	782,669	-	782,669	-	782,669	-	-	782,669	-
21-22 Computer Lease	-	784,061	784,061	-	784,061	-	784,061	-	-	784,061	-
22-23 Computer Lease	-	764,636	764,636	-	764,636	-	764,636	-	-	764,636	-
23-24 Computer Lease	-	753,023	753,023	-	753,023	-	753,023	-	-	753,023	-
19-20 Interfund Transfers (Gen Hookups)	500,000	500,000	82,328	4,850	87,178	412,822	-	-	500,000	500,000	412,822
21-22 Interfund transfers (Ventilation & Fire Protect)	500,000	500,000	-	-	-	500,000	-	-	500,000	500,000	500,000
22-23 Interfund transfers (FLHS Boiler Replacement)	-	500,000	-	-	-	500,000	-	-	500,000	500,000	500,000
22-23 Bond Authorization \$62,600,598	-	62,616,598	-	2,248,504	2,248,504	60,368,094	-	-	500,000	500,000	(1,748,504)
23-24 Interfund Transfers	-	500,000	788,543	-	788,543	(288,543)	13,750,000	-	-	13,750,000	12,961,457
<b>Not capitalized:</b>											
16-17 Capital Lease - Computers	2,503,166	2,503,166	2,503,166	-	2,503,166	-	2,503,166	-	-	2,503,166	-
16-17 Smart School Bond Act	487,116	487,116	486,648	-	486,648	468	487,116	-	-	487,116	468
15-16 Interfund transfers - not capitalized	319,149	319,149	319,149	-	319,149	-	-	-	319,149	319,149	-
BOCES - Capital Improvements	1,704,110	1,704,110	1,704,110	-	1,704,110	-	1,435,000	-	108,048	1,543,048	(161,062)
<b>Total</b>	<b>\$ 42,794,548</b>	<b>\$ 112,300,711</b>	<b>\$ 48,166,832</b>	<b>\$ 2,253,354</b>	<b>\$ 50,420,186</b>	<b>\$ 61,880,525</b>	<b>\$ 55,315,795</b>	<b>\$ 83,088</b>	<b>\$ 7,881,108</b>	<b>\$ 61,762,332</b>	<b>\$ 12,859,805</b>

The accompanying notes are an integral part of these schedules.

# BEDFORD CENTRAL SCHOOL DISTRICT

## SCHEDULE OF NET INVESTMENT IN CAPITAL ASSETS (UNAUDITED)

June 30, 2024

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Capital assets, net	<u>\$ 131,406,140</u>
Deduct:	
Short-term portion of installment debt payable	538,929
Long-term portion of installment debt payable	6,695,585
Short-term portion of bonds payable	6,060,000
Long-term portion of bonds payable	38,295,000
Short-term portion of lease payable	602,814
Long-term portion of lease payable	589,498
Subscription based information technology agreements	35,062
Bond premium	<u>371,383</u>
	<u>53,188,271</u>
Net investment in capital assets	<u>\$ 78,217,869</u>

The accompanying notes are an integral part of these schedules.

**REQUIRED REPORT UNDER *GOVERNMENT AUDITING STANDARDS***

**INDEPENDENT AUDITOR'S 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**

October 9, 2024

To the Board of Education of  
Bedford Central School District:

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 Central School District (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 9, 2024.

**Report on 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) as a basis for designing 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 entity'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 or significant deficiencies may exist that have not been identified.

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(Continued)

**INDEPENDENT AUDITOR'S 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**

(Continued)

**Report on 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 financial statements. 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bonadio & Co., LLP