BEDFORD CENTRAL SCHOOL DISTRICT

Financial Statements
As of and for the Year Ended June 30, 2026
Together with
Independent Auditor's Reports

Bonadio & Co., LLP
Accounting, Consulting & More

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Bonadio & Co., LLP
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INDEPENDENT AUDITOR'S REPORT

October 14, 2026

To the Board of Education of
Bedford Central School District:

Report on the Audit of the Financial Statements

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, 2026, 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, 2026, 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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(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.

(Continued)

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 14, 2026, 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, 2026

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, 2026. 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.

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.

- 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 *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.

The financial statements also include notes that provide additional information about financial statements and the balances reported. The statements are followed by a section of required supplementary information and then supplementary information that further explains and supports the financial statements with a comparison of the School District's budget for the year.

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 differs 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 SUMMARY

The analysis below focuses on the net position (Figure 1) and changes in net position (Figure 2) of the District's governmental activities.

Figure 1 – Condensed Statement of Net Position

	Fiscal Year 2026	Fiscal Year 2025	Percent Change
Assets:			
Current and other assets	$ 53,447,893	$ 57,412,114	-6.90%
Noncurrent assets	180,076,400	155,404,025	15.88%
Total assets	233,524,293	212,816,139	9.73%
Deferred Outflows of Resources	99,884,699	106,559,627	-6.26%
Liabilities:			
Current liabilities	45,797,486	54,620,789	-16.15%
Long-term liabilities	354,900,212	319,279,048	11.16%
Total liabilities	400,697,698	373,899,837	7.17%
Deferred Inflows of Resources	70,220,908	80,825,391	-13.12%
Net position:			
Net investment in capital assets	91,774,261	95,860,521	-4.26%
Restricted	16,896,418	14,706,033	14.89%
Unrestricted	(246,180,293)	(245,916,016)	0.11%
Total net position	$ (137,509,614)	$ (135,349,462)	1.60%

FINANCIAL SUMMARY (Continued)

Figure 2 – Changes in Net Position from Operating Results

	Fiscal Year 2026	Fiscal Year 2025	Percent Change
Revenue			
Program revenue:			
Charges for services	$ 1,880,737	$ 1,620,218	16.08%
Operating grants	5,104,214	4,875,156	4.70%
General revenue:			
Property and other tax items	148,860,274	144,496,021	3.02%
State aid	9,179,011	8,597,558	6.76%
Use of money and of property	1,498,287	1,283,196	16.76%
Miscellaneous	1,466,941	1,608,618	-8.81%
Total revenue	167,989,464	162,480,767	3.39%
Expenses			
General support	28,452,052	32,577,004	-12.66%
Instruction	126,373,273	134,261,554	-5.88%
Pupil transportation	10,288,043	10,124,597	1.61%
Debt service - Interest	2,530,107	2,602,767	-2.79%
School lunch program	2,506,141	2,261,965	10.79%
Total expenses	170,149,616	181,827,887	-6.42%
Change in Net Position	(2,160,152)	(19,347,120)	-88.83%
Net position - beginning of year	(135,349,462)	(116,002,342)	
Net position - end of year	$(137,509,614)	$(135,349,462)	

DETAILED ANALYSIS

Analysis of the Primary Government's Financial Position and Results of Operations

Figure 1 shows that, as of June 30, 2026, the District's overall financial position was a deficit of $137,509,614, which is an increase in the deficit compared to $2,160,152 from June 30, 2025 deficit of $135,349,462.

During the year, total revenues increased $5,508,697, or 3.39% with the largest increases attributable to property taxes (16.08%) and use of money and property (16.76%). Total expenses decreased $11,678,271, or 6.42%. As shown in Figure 2, the decrease in expenses was primarily attributable to a $4.1 million decrease in general support and a $7.9 million decrease in instructional expenses. This change was largely the result of required pension and other postemployment benefit (OPEB) accounting adjustments and does not represent a comparable reduction in instructional programs or services.

The District also continued its ongoing capital improvement program during the year. Capital project activity and related financing contributed to increases in noncurrent assets and long-term liabilities. Noncurrent assets increased as a result of net capital asset additions of $20.7 million while long-term liabilities increased as a result of the issuance of serial bonds in the amount of $25 million. Additional information regarding capital assets and long-term financing is provided later in this analysis.

DETAILED ANALYSIS (Continued)

Analysis of the Fund Balance or Net Position and Results of Operations of Each Major Fund

The School District reports two major funds individually in the governmental fund financial statements. Those funds are General Fund and Capital Project Fund. Most of the discussion regarding governmental activities is equally applicable to the finances of those governmental funds. However, certain factors that are relevant to the School District's current financial health are more apparent in the fund financial statements than the government-wide financial statements. There are significant changes to the major funds, as shown in Figure 3 and discussed in more detail below.

Figure 3 – Revenues, Expenditures, and Changes in Fund Balances

	General Fund		Capital Projects Fund	
	Fiscal Year 2026	**Fiscal Year 2025**	**Fiscal Year 2026**	**Fiscal Year 2025**
Total revenues	$ 161,679,495	$ 156,195,517	$ 336,777	$ 308,464
Total expenditures	160,179,359	162,451,157	20,568,038	14,760,343
Excess (deficiency) of revenues over expenditures	1,500,136	(6,255,640)	(20,231,261)	(14,451,879)
Other Financing Sources (Uses)				
BANs redeemed from appropriations	-	-	-	-
Proceeds from issuance of debt	-	-	25,000,000	-
Proceeds from the issuance of leases	848,767	1,574,951	-	-
Operating transfers in	1,220,819	-	500,000	500,000
Operating transfers (out)	(819,997)	(725,025)	(590,819)	-
Total other financing sources (uses)	1,249,589	849,926	24,909,181	500,000
Change in fund balance	2,749,725	(5,405,714)	4,677,920	(13,951,879)
Fund balance - beginning of year	22,428,991	27,834,705	(9,733,861)	4,218,018
Fund balance - end of year	$ 25,178,716	$ 22,428,991	$ (5,055,941)	$ (9,733,861)

DETAILED ANALYSIS (Continued)

General Fund

The fund balance of the School's General Fund increased by approximately $2.7 million, or 12%, during the year. Although revenues exceeded expenditures by approximately $1.5 million, the surplus was offset by approximately $820 thousand of transfers to other funds, primarily the capital project fund to fund capital projects with funds that were reserved.

Capital Project Fund

Capital outlays increased approximately $5.8 million, or 39%, from the prior year. This increase was primarily caused by the district's $62.6 million renovation project, which had approximately $20.5 million of capital expenditures in the current year. The 2022 Capital Project was approved by voters on May 17, 2022, and includes, but is not limited to, work done throughout the Bedford Central School District.

SIGNIFICANT CAPITAL ASSET AND LONG-TERM FINANCING ACTIVITY

Capital Asset Activity

The School District had significant construction in progress additions in the current year of approximately $20.6 million. This is largely due to the capital outlay expenditures in the Capital Project Fund for the $62.6 million renovation project that is currently ongoing at the School District. Detailed information about this project has been previously described.

Long-Term Financing Activity

Total bonds payable outstanding had a net increase of $18.8 million. The School District issued new bonds of $25 million in the current year and continues to pay down their outstanding debt.

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 $160,905,500 for the school year 2025-2026. This is an increase of $5,080,500 or 3.3% 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, 2026, the OPEB liability has increased approximately to $25 million over the June 30, 2025, level of $265 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.

FACTORS BEARING ON THE DISTRICT'S FUTURE (Continued)

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.

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 1st 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 to 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, 2026

ASSETS	
CURRENT ASSETS:	
Cash and cash equivalents - unrestricted	$ 19,521,174
Cash and cash equivalents - restricted	27,094,182
Accounts receivable	128,028
Accrued interest receivable	2,691
Lease receivable, current portion	213,306
State and federal aid receivable	5,421,358
Due from other governments	1,041,431
Prepaid expenditures	21,448
Inventories	4,275
Total current assets	53,447,893
NONCURRENT ASSETS:	
Capital assets, non depreciable	46,316,287
Capital assets, net of depreciation	112,659,442
Lease receivable	3,133,937
Net pension asset - TRS	17,966,734
Total non-current assets	180,076,400
Total assets	233,524,293
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources - TRS Pension	23,104,342
Deferred outflows of resources - ERS Pension	5,276,539
Deferred outflows of resources - OPEB	71,503,818
Total deferred outflows of resources	99,884,699
LIABILITIES	
CURRENT LIABILITIES:	
Accounts payable and accrued expenses	11,173,483
Leases payable, current portion	746,185
Accrued interest	586,118
Due to other governments	141,537
Unearned revenue	88,574
Due to Teachers' Retirement System	5,972,965
Due to Employees' Retirement System	3,016,081
Bonds payable due within one year	4,160,000
Bond anticipation notes payable	10,000,000
Installment debt payable due within one year	543,454
Other postemployment benefits, current portion	9,369,089
Total current liabilities	45,797,486
LONG-TERM LIABILITIES:	
Bonds payable, net of current portion	52,915,000
Bonds premium, net	715,260
Installment debt payable, net of current portion	5,617,242
Net pension liability - ERS	2,301,800
Leases payable, net of current portion	1,001,339
Compensated absences	11,679,165
Total other postemployment benefits, net of current	280,670,406
Total long-term liabilities	354,900,212
Total liabilities	400,697,698
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources - TRS Pension	14,459,126
Deferred inflows of resources - ERS Pension	5,382,368
Deferred inflows of resources - OPEB	46,985,978
Deferred inflows of resources - Leases	3,393,436
Total deferred inflows of resources	70,220,908
NET POSITION	
Net investment in capital assets	91,774,261
Restricted	16,896,418
Unrestricted	(246,180,293)
TOTAL NET POSITION	$ (137,509,614)

The accompanying notes are an integral part of these statements.

BEDFORD CENTRAL SCHOOL DISTRICT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2026

GOVERNMENTAL ACTIVITIES	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants	Net (Expense) Revenue and Change in Net Position
FUNCTIONS/PROGRAMS:				
General support	$ 28,452,052	$ -	$ -	$ (28,452,052)
Instruction	126,373,273	1,425,544	3,189,100	(121,758,629)
Pupil transportation	10,288,043	-	-	(10,288,043)
Debt service - interest	2,530,107	-	-	(2,530,107)
School lunch program	2,506,141	455,193	1,915,114	(135,834)
TOTAL FUNCTIONS AND PROGRAMS	$ 170,149,616	$ 1,880,737	$ 5,104,214	(163,164,665)
GENERAL REVENUE:				
Real property taxes				142,404,203
Other tax items				6,456,071
Use of money and property				1,498,287
State sources				9,179,011
Miscellaneous				1,466,941
TOTAL GENERAL REVENUE				161,004,513
CHANGE IN NET POSITION				(2,160,152)
TOTAL NET POSITION - beginning of year				(135,349,462)
TOTAL NET POSITION - end of year				$ (137,509,614)

The accompanying notes are an integral part of these statements.

BEDFORD CENTRAL SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2026

	General	Capital Projects	Non-Major Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents - unrestricted	$ 19,521,174	$ -	$ -	$ 19,521,174
Cash and cash equivalents - restricted	14,230,405	8,497,012	4,366,765	27,094,182
Accounts receivable	127,897	-	131	128,028
Lease receivable	3,347,243	-	-	3,347,243
Due from other funds	3,634,869	-	2,224	3,637,093
State and federal aid receivable	2,666,620	467	2,754,271	5,421,358
Due from other governments	1,041,431	-	-	1,041,431
Prepaid expenditures	21,448	-	-	21,448
Inventories	-	-	4,275	4,275
TOTAL ASSETS	$ 44,591,087	$ 8,497,479	$ 7,127,666	$ 60,216,232
LIABILITIES				
Accounts payable and accrued expenses	$ 6,888,352	$ 3,519,247	$ 765,884	$ 11,173,483
Due to other funds	-	34,173	3,602,920	3,637,093
Bond anticipation notes payable	-	10,000,000	-	10,000,000
Due to other governments	141,537	-	-	141,537
Due to Teachers' Retirement System	5,972,965	-	-	5,972,965
Due to Employees' Retirement System	3,016,081	-	-	3,016,081
Unearned revenue	-	-	87,856	87,856
Other liabilities	-	-	718	718
TOTAL LIABILITIES	16,018,935	13,553,420	4,457,378	34,029,733
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources - leases	3,393,436	-	-	3,393,436
TOTAL DEFERRED INFLOWS AND LIABILITIES	19,412,371	13,553,420	4,457,378	37,423,169
FUND BALANCE				
Non-spendable				
Inventory	-	-	4,275	4,275
Prepaid expenditures	21,448	-	-	21,448
Total non-spendable fund balance	21,448	-	4,275	25,723
Restricted for:				
Unemployment insurance	135,369	-	-	135,369
Retirement benefits	3,749,826	-	-	3,749,826
Health insurance	3,000,000	-	-	3,000,000
Insurance	62,843	-	-	62,843
Tax certiorari	3,827,009	-	-	3,827,009
Employee benefits liability	708,143	-	-	708,143
Repair	103,218	-	-	103,218
Capital reserve	2,643,997	-	-	2,643,997
Debt service	-	-	1,072,185	1,072,185
Other	-	-	1,593,828	1,593,828
Total restricted fund balance	14,230,405	-	2,666,013	16,896,418
Assigned				
Appropriated for subsequent years expenditures	815,210	-	-	815,210
Other	3,497,280	-	-	3,497,280
Total assigned fund balance	4,312,490	-	-	4,312,490
Unassigned	6,614,373	(5,055,941)	-	1,558,432
TOTAL FUND BALANCE	25,178,716	(5,055,941)	2,670,288	22,793,063
TOTAL LIABILITIES AND FUND BALANCE	$ 44,591,087	$ 8,497,479	$ 7,127,666	$ 60,216,232

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, 2026

Total governmental fund balances per balance sheet - Governmental Funds	$ 22,793,063
Capital assets, net used in governmental activities are not financial resources and, therefore, are not reported in the funds	158,975,729
Pension related government-wide activity	
Deferred outflows of resources - TRS	23,104,342
Deferred outflows of resources - ERS	5,276,539
Net pension liability	(2,301,800)
Net pension asset	17,966,734
Deferred inflows of resources - TRS	(14,459,126)
Deferred inflows of resources - ERS	(5,382,368)
OPEB related government wide-activity	
Deferred outflows of resources	71,503,818
Deferred inflows of resources	(46,985,978)
Total OPEB liability	(290,039,495)
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	(57,790,260)
Installment debt payable	(6,160,696)
Leases payable	(1,747,524)
Compensated absences	(11,679,165)
Interest receivable on long-term leases is not recorded in the governmental funds, but is recorded under full accrual accounting	2,691
Interest payable at year end is recorded in the government-wide statements under full accrual accounting	(586,118)
NET POSITION OF GOVERNMENTAL ACTIVITIES	$ (137,509,614)

BEDFORD CENTRAL SCHOOL DISTRICT

STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2026

	General	Capital Projects	Non-Major Funds	Total Governmental Funds
REVENUE:				
Real property taxes	$ 142,404,203	$ -	$ -	$ 142,404,203
Other tax items	6,456,071	-	-	6,456,071
Charges for services	1,425,544	-	-	1,425,544
Use of money and property	1,363,848	336,777	134,659	1,835,284
Miscellaneous	850,818	-	232,040	1,082,858
State sources	9,179,011	-	2,466,491	11,645,502
Federal sources	-	-	2,637,723	2,637,723
Sales - school lunch	-	-	455,193	455,193
Total revenue	161,679,495	336,777	5,926,106	167,942,378
EXPENDITURES:				
General support	15,884,961	-	-	15,884,961
Instruction	82,532,052	-	3,478,767	86,010,819
Pupil transportation	9,872,667	-	284,426	10,157,093
Employee benefits	42,156,357	-	-	42,156,357
Debt service - principal	7,703,282	-	-	7,703,282
Debt service - interest	2,030,040	-	-	2,030,040
Cost of sales	-	-	2,372,771	2,372,771
Capital outlay	-	20,568,038	-	20,568,038
Total expenditures	160,179,359	20,568,038	6,135,964	186,883,361
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	1,500,136	(20,231,261)	(209,858)	(18,940,983)
OTHER SOURCES AND (USES):				
Proceeds from issuance of leases	848,767	-	-	848,767
Proceeds from issuance of debt	-	25,000,000	517,896	25,517,896
Operating transfers in	1,220,819	500,000	319,997	2,040,816
Operating transfers (out)	(819,997)	(590,819)	(630,000)	(2,040,816)
Total other sources (uses)	1,249,589	24,909,181	207,893	26,366,663
EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	2,749,725	4,677,920	(1,965)	7,425,680
FUND BALANCE (DEFICIT) - beginning of year	22,428,991	(9,733,861)	2,672,253	15,367,383
FUND BALANCE (DEFICIT) - end of year	$ 25,178,716	$ (5,055,941)	$ 2,670,288	$ 22,793,063

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, 2026

Net changes in fund balance - Total governmental funds	$ 7,425,680
Long Term Revenue and Expense Differences:	
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:	
Compensated absences	(1,232,775)
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	(13,359,195)
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	7,192,934
Capital Related Items:	
Capital outlays, net of disposals, are expenditures in governmental funds, but are capitalized in the statement of net position	20,692,593
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	848,767
Depreciation is not recorded as an expenditure in the governmental funds, but is recorded in the statement of activities	(4,611,794)
Amortization is not recorded as an expenditure in the governmental funds, but is recorded in the statement of activities	(971,007)
Long-Term Debt Transactions:	
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:	396,696
Proceeds from the issuance of debt	(25,000,000)
Bond premium on the issuance of debt	(470,590)
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.	6,754,888
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	948,394
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	74,244
Accrued interest receivable on leases is not recorded as revenue in the governmental funds, but is recorded in the statement of activities	(220)
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.	(848,767)
Change in net position - Governmental activities	$ (2,160,152)

The accompanying notes are an integral part of these statements.

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 entity's 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.

- **Capital Projects Funds:** These funds are used to account for the financial resources used for acquisition, construction, or major repair of capital facilities.

The District reports the following non-major governmental funds:

- **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.

- **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.

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.

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

Cash and Cash Equivalents (Continued)

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, 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.

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, 2026, the District held $35,278,484 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.

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 $27,094,182 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.

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

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.

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:

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

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

Capital Assets, Net (Continued)
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.

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;

- 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.

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

Vested Employee Benefits

Compensated Absences

In accordance with GASB Statement No. 101, Compensated Absences, the School District recognizes a liability for leave time that has (1) been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over subsequent years and (3) is more likely than not to be used at the time off or settled (for example paid in cash to the employees) during or upon separation from employment. The liability for compensated absences is reported as incurred in the government-wide financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The compensated absences liability includes salary related benefits, where applicable.

The liability for compensated absences is calculated at rates in effect as of the balance sheet date and is recorded in the governmental funds inasmuch as it will be funded from current financial resources and the statement of net position for amounts to be paid from future financial resources.

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.

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

Property Taxes

Real property taxes attach as an enforceable lien on real property as of July 1st 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.

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.

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

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.

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	3,000,000
Insurance	62,843
Tax certiorari	3,827,009
Employee benefits liability	708,143
Repair	103,218
Capital reserve	2,643,997
Debt service	1,072,185
Other	1,593,828
Total restricted net position	$ 16,896,418

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.

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

Net Position and Fund Balance Classifications (Continued)

Governmental Fund Statements (Continued)

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.

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.

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

Net Position and Fund Balance Classifications (Continued)

Governmental Fund Statements (Continued)

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.

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, 2026.

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, 2026, the District's encumbrances were classified as follows:

General support	$ 2,131,081
Instruction	1,333,729
Pupil transportation	29,022
Employee benefits	3,448
	$ 3,497,280

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, 2026, the School District held $35,278,484 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.

2. CASH (Continued)

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

	Bank Balance	Carrying Amount
Cash	$ 12,771,520	$ 11,336,872
Cash equivalents	35,278,484	35,278,484
	$ 48,050,004	$ 46,615,356
Collateralized with securities held by the pledging financial institution's trust department or agent in the District's name	$ 12,271,520	
Covered by FDIC insurance	500,000	
Total	$ 12,771,520	

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	3,000,000
Tax certiorari	3,827,009
Capital reserve	2,643,997
Employee benefits liability	708,143
Repair	103,218
Total general fund restricted cash	$ 14,230,405
Total capital project fund restricted cash	$ 8,497,012
Total special aid fund restricted cash	$ 369,616
Total school lunch fund restricted cash	$ 2,278,510
Total miscellaneous revenue fund restricted cash	$ 648,678
Total debt service fund restricted cash	$ 1,069,961

3. PARTICIPATION IN BOCES

During the year, the District was billed $6,687,450 for BOCES administrative and program costs.

The District's share of BOCES aid amounted to $1,605,626.

4. CAPITAL ASSETS, NET

Capital asset balances and activity for the year ended June 30, 2026, were as follows:

	July 01, 2025 Balance	Additions	Deletions	June 30, 2026 Balance
Governmental activities:				
Capital assets that are not depreciated:				
Land	$ 2,021,645	$ -	$ -	$ 2,021,645
Construction in progress	36,345,875	20,568,038	12,619,271	44,294,642
Total non-depreciable cost	38,367,520	20,568,038	12,619,271	46,316,287
Capital assets that are depreciated:				
Land improvements	6,404,655	7,427,992	-	13,832,647
Buildings and improvements	166,980,627	5,178,573	-	172,159,200
Furniture and equipment	7,017,915	137,261	-	7,155,176
Vehicles	511,594	-	-	511,594
Total depreciable historical cost	180,914,791	12,743,826	-	193,658,617
Less accumulated depreciation:				
Land improvements	3,756,796	636,553	-	4,393,349
Buildings and improvements	71,333,847	3,779,656	-	75,113,503
Furniture and equipment	2,616,357	171,631	-	2,787,988
Vehicles	416,048	23,954	-	440,002
Total accumulated depreciation	78,123,048	4,611,794	-	82,734,842
Total capital assets, net	141,159,263	28,700,070	12,619,271	157,240,062
Lease Assets, being amortized:				
Equipment	3,089,605	848,767	-	3,938,372
Copy machine	31,065	-	-	31,065
Total lease assets, being amortized:	3,120,670	848,767	-	3,969,437
Less accumulated amortization for:				
Equipment	1,273,169	943,687	-	2,216,856
Copy machine	12,426	6,213	-	18,639
Total accumulated amortization	1,285,595	949,900	-	2,235,495
Total lease assets, being amortized, net	1,835,075	(101,133)	-	1,733,942
Subscription assets, being amortized:				
Subscriptions	157,097	-	79,705	77,392
Total subscription assets, being amortized:	157,097	-	79,705	77,392
Less accumulated amortization for:				
Subscriptions	134,265	21,107	79,705	75,667
Total accumulated amortization	134,265	21,107	79,705	75,667
Total subscriptions assets, being amortized, net	22,832	(21,107)	-	1,725
Governmental activities capital assets	$143,017,170	$ 28,577,830	$ 12,619,271	$158,975,729

4. CAPITAL ASSETS, NET (Continued)

Depreciation and amortization expense for the year ended June 30, 2026, was allocated to specific functions as follows:

	Depreciation	Amortization
General government support	$ 204,952	$ -
Instruction	4,406,842	971,007
Total	$ 4,611,794	$ 971,007

5. SHORT-TERM DEBT

Transactions in short-term debt for the year ended June 30, 2026 are as follows:

	Maturity	Interest Rate	Beginning Balance	Issued	Redeemed	Ending Balance
BAN	7/17/2025	4.000%	$ 15,000,000	$ -	$ 15,000,000	$ -
BAN	7/17/2025	4.500%	10,000,000	-	10,000,000	-
BAN	7/31/2026	4.500%	-	10,000,000	-	10,000,000
			$ 25,000,000	$ 10,000,000	$ 25,000,000	$ 10,000,000

6. LONG-TERM DEBT

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

Interest paid	$ 2,030,040
Less : interest accrued in the prior year	(982,813)
Less: amortization of bond premium	(74,244)
Plus: amortization expense	971,007
Plus : interest accrued in the current year	586,117
Total expense	$ 2,530,107

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

	Beginning Balance	Additions	Deletions	Balance	Due Within One Year	Long-term Portion
Government activities:						
Bonds and notes payable:						
Serial Bonds	$ 38,295,000	$ 25,000,000	$ 6,220,000	$ 57,075,000	$ 4,160,000	$ 52,915,000
Bonds premium, net	318,914	470,590	74,244	715,260	-	715,260
Installment-purchase obligations	6,695,584	-	534,888	6,160,696	543,454	5,617,242
Total bonds and notes payable	45,309,498	25,470,590	6,829,132	63,950,956	4,703,454	59,247,502
Other long-term debt:						
Compensated Absences (*)	10,446,390	1,232,775	-	11,679,165	-	11,679,165
Net pension liability(*)	8,460,279	-	6,158,479	2,301,800	-	2,301,800
Total other postemployment benefits	265,035,872	40,801,097	15,797,474	290,039,495	9,369,089	280,670,406
Total Long Term Debt	$329,252,039	$ 67,504,462	$ 28,785,085	$367,971,416	$ 14,072,543	$353,898,873

(*) - 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:

Bond Issue	Issued	Maturity	Interest Rate	June 30, 2026 Balance
Serial bond - 2018	2018	2033	3.00%	$ 17,905,000
Serial bond - 2019	2019	2033	1.45-2.52%	600,000
BOCES project bond - 2019	2019	2033	1.22-2.2%	940,000
Refunding bond - 2020	2020	2028	5.00%	395,000
Serial bond - 2023	2023	2043	4.0-4.5%	12,235,000
Serial bond - 2025	2025	2045	4.00%	25,000,000
				$ 57,075,000

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2027	$ 4,160,000	$ 2,656,218	$ 6,816,218
2028	3,805,000	2,009,942	5,814,942
2029	3,825,000	1,864,599	5,689,599
2030	3,965,000	1,722,538	5,687,538
2031	4,110,000	1,575,484	5,685,484
2032-2036	17,145,000	5,657,109	22,802,109
2037-2041	11,295,000	3,089,745	14,384,745
2042-2045	8,770,000	691,975	9,461,975
Total	$ 57,075,000	$ 19,267,610	$ 76,342,610

On October 5, 2021, the School District entered into a lease-purchase agreement to finance energy performance contract improvements. The agreement was issued in the original principal amount of $8,184,900 and bears interest at 1.59% through October 5, 2026. The lease-purchase agreement is reported as direct borrowing. The contractual liability as of June 30, 2026, was $6,160,696. This agreement constitutes direct borrowing, and the outstanding balance is secured by equipment under the agreement.

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2027	$ 543,454	$ 96,121	$ 639,575
2028	552,159	87,417	639,576
2029	561,002	78,574	639,576
2030	569,987	69,588	639,575
2031	579,118	60,459	639,577
2032-2036	3,037,721	160,159	3,197,880
2037	317,255	2,532	319,787
	$ 6,160,696	$ 554,850	$ 6,715,546

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 37-60 months. The leases do not contain renewal options.

Lease agreements are summarized as follows:

Description	Interest Rate / Discount Rate	Lease Liability
Instruction Tech Lease	3.10%	$ 562,480
Cannon Equipment Lease	2.16%	558,504
Various Technology Equipment	3.92%	626,540
Total Lease liability		$ 1,747,524

Activity of lease liabilities for the year ended June 30, 2026 is summarized as follows:

Beginning Balance	Additions	Subtractions	Ending Balance	Amount due within One Year
$ 1,837,498	$ 848,767	$ 938,741	$ 1,747,524	$ 746,185

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

	Principal	Interest	Total
2027	$ 746,185	$ 70,624	$ 816,809
2028	577,010	39,798	616,808
2029	395,994	13,951	409,945
2030	28,335	145	28,480
	$ 1,747,524	$ 124,518	$ 1,872,042

Lessor Agreements

The District leases various equipment and land at a rate of 2.16% for a term of 16 to 234 months. Over the term of the leases, the District will receive $3,553,168 related to the lease. During the year, the District recognized $283,380 as lease revenue and $369,367 as deferred inflows.

Description	Interest Rate / Discount Rate	Total Receipts
County of Westchester Equipment site lease	2.16%	$ 12
Verizon Wireless Equipment Space	2.16%	659,142
Family Radio Site Lease	2.16%	835,739
New Cingular Wireless PCS, LLC By AT&T Mobility Corporation	2.16%	1,852,350
Total Lease receivable		$ 3,347,243

7. LEASES (Continued)

Lessor Agreements (Continued)
Activity of lease receivable for the year ended June 30, 2026 is summarized as follows:

Lease-related Revenue	Year Ending 2026
Lease Revenue	
Building	$ 101,414
Land	83,880
Total Lease Revenue	185,294
Interest Revenue	33,510
Variable & Other Revenue	-
Total	$ 218,804

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

	Principal	Interest	Total
2027	$ 213,306	$ 33,729	$ 247,035
2028	220,991	31,021	252,012
2029	228,989	28,149	257,138
2030	237,312	25,109	262,421
2031	245,970	21,893	267,863
5 years ending 2036	878,913	64,095	943,008
5 years ending 2041	727,612	21,488	749,100
5 years ending 2046	419,400	-	419,400
5 years ending 2051	174,750	-	174,750
	$ 3,347,243	$ 225,484	$ 3,572,727

8. INTERFUND BALANCES AND ACTIVITY

	Interfund Receivable	Interfund Payable	Interfund Transfers In	Interfund Transfers Out
General fund	$ 3,634,869	$ -	$ 1,220,819	$ 819,997
Capital projects fund	-	34,173	500,000	590,819
Special aid fund	-	2,496,093	319,997	-
School lunch fund	-	1,012,811	-	-
Miscellaneous special revenue fund	-	94,016	-	-
Debt service fund	2,224	-	-	630,000
Total	$ 3,637,093	$ 3,637,093	$ 2,040,816	$ 2,040,816

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.

9. 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 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:

2026	$ 2,823,376
2025	$ 2,511,985
2024	$ 2,274,789

Pension Liability, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions
At June 30, 2026, the District reported a net pension liability of $2,301,800 for its proportionate share of the NYSERS net pension liability. The net pension liability was measured as of March 31, 2026 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of April 1, 2025. 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, 2026, the District's proportion was 0.0407994% which was a decrease from the prior year which was 0.0493434% from its proportion at share measured at June 30, 2025.

9. 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, 2026, the District recognized pension expense of $2,264,716. At June 30, 2026, 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	$ 1,317,225	$ 4,127,254
Changes of Assumptions	395,117	-
Net difference between projected and actual earnings on pension plan investments	-	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	548,116	1,255,114
Contributions subsequent to the measurement date	3,016,081	-
	$ 5,276,539	$ 5,382,368

The District recognized $3,016,081 as deferred outflows of resources related to pensions resulting from contributions made subsequent to the measurement date of March 31, 2026 which will be recognized as a reduction of the net pension liability in the year ended June 30, 2027.

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:	
2027	$ 728,946
2028	(1,694,831)
2029	(1,101,909)
2030	(1,054,115)
	$ (3,121,909)

9. PENSION PLANS (Continued)

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

Actuarial Assumptions
The total pension liability at March 31, 2026 was determined by using an actuarial valuation as of April 1, 2025, with update procedures used to roll forward the total pension liability to March 31, 2026.

The actuarial valuation used the following actuarial assumptions:

Actuarial cost method	Entry age normal
Inflation	2.90%
Salary scale	5.20%
Projected COLAs	1.5% compounded annually
Decrements	Developed from the Plan's 2020 experience study of the period April 1, 2020 through March 31, 2025
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, 2026 are summarized below:

Asset Type	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	25.0%	3.29%
International Equity	14.0%	5.85%
Private Equity	15.0%	7.00%
Real Estate	12.0%	5.20%
Opportunistic/ARS Portfolio	3.0%	5.13%
Credit	4.0%	5.10%
Real Assets	4.0%	5.54%
Fixed Income	22.0%	1.75%
Cash	1.0%	0.25%
	100%	

9. 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 (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
Proportionate Share of Net Pension liability (asset)	$ 15,720,660	$ 2,301,800	$ (8,916,962)

Pension Plan Fiduciary Net Position
The components of the current-year net pension liability of the employers as of March 31, 2026 were as follows:

	Pension Plan's Fiduciary Net Position
Total pension liability	$253,773,040,000
Net position	248,131,290,000
Net pension liability (asset)	$ 5,641,750,000
Fiduciary net position as a percentage of total pension liability	97.78%

9. 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:

2026	$ 5,813,973
2025	$ 6,014,776
2024	$ 5,961,258

Pension Asset, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions
At June 30, 2026, the District reported net pension asset of $17,966,734 for its proportionate share of the NYSTRS net pension asset. The net pension asset was measured as of June 30, 2025, and the total pension asset used to calculate the net pension asset was determined by the actuarial valuation as of June 30, 2024. The District's proportion of the net pension asset 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, 2026 the District's proportionate share was 0.303438%, which decreased from 0.302976% from its proportionate share measured at June 30, 2025.

9. PENSION PLANS (Continued)

New York State Teacher Retirement System (Continued)

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

For the year ended June 30, 2026, the District recognized pension revenue of $1,093,387. At June 30, 2026 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	$ 9,418,574	$ -
Changes of assumptions	7,112,471	193,711
Net difference between projected and actual earnings on pension plan investments	-	14,031,974
Changes in proportion and differences between the District's contributions and proportionate share of contributions	600,332	233,441
Contributions subsequent to the measurement date	5,972,965	-
	$ 23,104,342	$ 14,459,126

The School District recognized $5,972,965 as deferred outflows of resources related to pensions resulting from the School District's contributions subsequent to the measurement date June 30, 2025 will be recognized as a reduction of the net pension liability in the year ending June 30, 2027.

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:	
2026	$ 9,165,674
2027	(3,743,447)
2028	(3,970,648)
2029	(726,365)
2030	1,613,414
Thereafter	333,624
	$ 2,672,252

9. PENSION PLANS (Continued)

New York State Teacher Retirement System (Continued)

Actuarial Assumptions
The total pension asset at the June 30, 2025 measurement date was determined by an actuarial valuation as of June 30, 2024 with update procedures used to roll forward the total pension asset to June 30, 2025. The actuarial valuation used the following actuarial assumptions:

Actuarial cost method	Entry age normal
Inflation	2.50%
Projected salary increases	Rates of increase differ based on service. They have been calculated based upon recent NYSTRS member experience.

Service	Rate
5	5.80%
15	3.66%
25	2.68%
35	2.04%

Projected COLAs	1.40% 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-2021 for June 30, 2025, 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, 2019 to June 30, 2024.

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.

9. PENSION PLANS (Continued)

New York State Teacher Retirement System (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, 2025 are summarized in the following table:

Asset Type	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	33.0%	6.7%
International Equity	15.0%	7.4%
Global Equity	4.0%	7.0%
Real Estate Equity	11.0%	6.5%
Private Equity	9.0%	9.8%
Domestic Fixed Income	16.0%	2.6%
Global Bonds	2.0%	2.4%
Private Debt	2.0%	6.1%
Real Estate Debt	6.0%	3.8%
High-yield Bonds	1.0%	4.7%
Cash Equivalents	1.0%	0.6%
	100%	

Discount Rate
The discount rate used to measure the total pension asset as of June 30, 2025 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:

	1 % Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
Proportionate Share of Net Pension liability (asset)	$ 34,523,307	$ (17,966,734)	$ (62,134,371)

9. PENSION PLANS (Continued)

New York State Teacher Retirement System (Continued)

Pension Plan Fiduciary Net Position
The components of the collective net pension liability (asset) of the participating school districts as of June 30, 2025 were as follows:

	Pension Plan's Fiduciary Net Position
Total pension liability	$148,272,068,018
Net position	154,193,125,241
Net pension liability (asset)	$ (5,921,057,223)
Fiduciary net position as a percentage of total pension liability	104.0%

10. 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, 2026, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	798
Active employees	680
Total participants	1,478

10. TOTAL OTHER POST-EMPLOYMENT BENEFITS (Continued)

Total OPEB Liability

The District's total OPEB liability of $290,039,495 was measured as of June 30, 2026, and was determined by an actuarial valuation as of June 30, 2024.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2026 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 rates were based on Society of Actuaries Scale MP-2021.

Inflation	2.60%
Payroll Growth	3.00%
Discount Rate	4.32%
Healthcare Cost Trend Rates	6.75% increase from 2024 to 2025, followed by 6.50% from 2025 to 2026, decreasing gradually to an ultimate rate of 4.04% by 2075.
Share of Benefit-Related Costs	Varies based on applicable bargaining unit

Changes in the Total OPEB Liability

Balance at July 1, 2025	$ 265,035,872
Changes for the Year	
Service cost	9,101,995
Interest	12,972,573
Changes of benefit terms	-
Changes in assumptions or other inputs	18,726,529
Differences between expected and actual experience	(6,816,369)
Benefit payments	(8,981,105)
Net changes	25,003,623
Balance at June 30, 2026	$ 290,039,495

Changes of assumptions and other inputs reflect a change in the discount rate from 4.81% in 2025 to 4.32% in 2026.

10. TOTAL 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 (3.32%) or 1 percentage point higher (5.32%) than the current discount rate:

	1% Decrease (3.32%)	Current Discount (4.32%)	1% Increase (5.32%)
Total OPEB Liability	$ 338,844,790	$ 290,039,495	$ 251,107,989

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:

	Healthcare Cost Trend		
	1% Decrease	Current	1% Increase
Total OPEB Liability	$ 242,777,653	$ 290,039,495	$ 351,302,335

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB
For the year ended June 30, 2026, the District recognized OPEB expense of $22,340,300. At June 30, 2026, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 55,898,377	$ 6,595,815
Changes of assumptions or other inputs	15,605,441	40,390,163
Total	$ 71,503,818	$ 46,985,978

10. TOTAL 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:	
2027	$ (4,688,890)
2028	8,765,921
2029	9,003,528
2030	9,452,251
2031	1,985,030
Thereafter	-
	$ 24,517,840

11. 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.

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, 2026 was $20,024,756 with a discount rate of 2.0%. The District's share of the liability for unbilled and open claims is $803,994.

12. 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.

13. CHANGES IN ACCOUNTING PRINCIPLE

During the year ended June 30, 2026, the School District implemented Governmental Accounting Standards Board (GASB) Statement No. 103, *Financial Reporting Model Improvements*. Among other changes, the Statement modifies certain Management's Discussion and Analysis (MD&A) requirements, updates presentation requirements for unusual or infrequent items, and makes certain changes to budgetary comparison information and statistical section reporting.

14. SUBSEQUENT EVENTS

On July 30, 2026, the School District issued $23,866,598 in serial bonds. A $10,000,000 portion of the proceeds of the bonds will be used to redeem, in full, the School District's outstanding $10,000,000 bond anticipation note which matures on July 31, 2026. The $13,866,598 balance of the proceeds of the bonds will be used to provide additional original financing for the project.

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, 2026

	Original Budget	*Final Budget*	*Original Budget Variance with Final Budget*	*Actual Actual* (Budgetary Basis)	*Final Budget Variance with Budgetary Actual*
REVENUE					
Local sources:					
Real property taxes	$ 145,659,209	$ 142,502,669	$ (3,156,540)	$ 142,404,203	$ (98,466)
Other tax items	3,000,000	6,156,540	3,156,540	6,456,071	299,531
Charges for services	1,100,190	1,139,970	39,780	1,425,544	285,574
Use of money and property	1,205,440	1,205,440	-	1,363,848	158,408
Miscellaneous	325,000	513,766	188,766	850,818	337,052
Total local sources	151,289,839	151,518,385	228,546	152,500,484	982,099
State sources	8,581,643	8,587,371	5,728	9,179,011	591,640
Total revenue	159,871,482	160,105,756	234,274	161,679,495	1,573,739

(Continued)

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, 2026

	Original Budget	*Final Budget*	*Original Budget Variance with Final Budget*	*Actual (Budgetary Basis)*	Variance with *Budgetary Actual and Encumbrances*
EXPENDITURES					
GENERAL SUPPORT:					
Board of education	$ 76,145	$ 63,573	$ (12,572)	$ 55,166	$ 8,407
Central administration	404,625	408,611	3,986	408,091	520
Finance	1,159,950	1,199,723	39,773	1,146,620	53,103
Staff	1,266,210	1,187,688	(78,522)	1,137,555	50,133
Central services	9,528,350	12,535,962	3,007,612	13,150,549	(614,587)
Special items	1,853,940	2,122,292	268,352	2,118,061	4,231
Total general support	14,289,220	17,517,849	3,228,629	18,016,042	(498,193)
INSTRUCTION:					
Instruction, administration, and improvement	5,584,335	5,921,599	337,264	5,875,107	46,492
Teaching - regular school	45,222,495	44,624,899	(597,596)	44,177,744	447,155
Programs for children with handicapping conditions	20,318,190	20,997,978	679,788	20,864,813	133,165
Occupational education	1,394,810	1,395,213	403	1,395,213	-
Instructional media	3,703,680	3,949,005	245,325	3,934,275	14,730
Pupil services	7,104,640	7,688,015	583,375	7,618,629	69,386
Total instruction	83,328,150	84,576,709	1,248,559	83,865,781	710,928
Pupil transportation	9,904,765	9,908,258	3,493	9,901,689	6,569
Employee benefits	42,954,720	43,278,738	324,018	42,159,805	1,118,933
Debt service - principal	7,611,985	7,153,341	(458,644)	7,703,282	(549,941)
Debt service - interest	2,016,660	1,895,698	(120,962)	2,030,040	(134,342)
Total expenditures	160,105,500	164,330,593	4,225,093	163,676,639	653,954
OTHER FINANCING SOURCES (USES)					
Proceeds from leases	-	-	-	848,767	848,767
Transfers from other funds	630,000	630,000	-	1,220,819	590,819
Transfers (to) other funds	(800,000)	(800,000)	-	(819,997)	(19,997)
Total other financing sources (uses)	(170,000)	(170,000)	-	1,249,589	1,419,589
Total expenditures and other financing sources (uses)	160,275,500	164,500,593	4,225,093	162,427,050	$ 2,073,543
NET CHANGE IN FUND BALANCE	(404,018)	(4,394,837)	(3,990,819)	(747,555)	
FUND BALANCE - beginning of year	22,428,991	22,428,991	-	22,428,991	
FUND BALANCE - end of year	$ 22,024,973	$ 18,034,154	$ (3,990,819)	$ 21,681,436	

The accompanying notes are an integral part of these schedules.

BEDFORD CENTRAL SCHOOL DISTRICT

Notes to Required Supplementary Information - Budgetary Comparison Information - Unaudited
For the Year Ended June 30, 2026

	General Fund Over (Under)
BUDGETARY REVENUES	
Differences - original budget to final budget	
The final budget in the General Fund for other tax items revenue increased due to STAR revenue not budgeted for.	$ 3,156,540
Differences - final budget to actual	
The actual is greater than budget due to the School District does not budget for the proceeds of leases relating to GASB 87 adjustments.	$ 848,767
BUDGETARY EXPENDITURES	
Differences - original budget to final budget	
The final budget in the General Fund for central services expenditures increased due to $2,742,443 in carryover encumbrances from prior year; $100,000 increase in BOCES services in central data processing (A1680.490); PRES tank replacement in Emergency Services $100,000; Transfer in to cover utility shortage due to underbudgeting $50,000.	$ 3,007,612

BUDGETARY BASIS OF ACCOUNTING

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

The District reports its budgetary status with the actual data, including outstanding encumbrances as charges against budget appropriations. This results in the following reconciliation of the fund balance computed on GAAP basis and budgetary basis:

General Fund:	
GAAP basis fund balance at June 30, 2026	$ 25,178,716
Less: Outstanding encumbrances	(3,497,280)
Budgetary basis fund balance at June 30, 2026	$ 21,681,436

BEDFORD CENTRAL SCHOOL DISTRICT

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

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Proportion of the net pension liability (asset)	0.0407994%	0.0493434%	0.0563027%	0.0541793%	0.0512891%	0.0511550%	0.0507263%	0.0483828%	0.0487249%	0.0529451%
Proportionate share of the net pension liability (asset)	$ 2,302	$ 8,460	$ 8,290	$ 11,618	$ (4,193)	$ 50	$ 13,433	$ 3,428	$ 1,573	$ 4,975
Covered-employee payroll	$ 16,788	$ 16,118	$ 17,883	$ 18,469	$ 15,941	$ 16,396	$ 15,435	$ 14,874	$ 14,007	$ 14,415
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	13.71%	52.49%	46.36%	62.91%	-26.30%	0.30%	87.03%	23.05%	11.23%	34.51%
Plan fiduciary net position as a percentage of the total pension liability (asset)	97.78%	93.08%	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%

NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Proportion of the net pension liability (asset)	0.3034380%	0.3029760%	0.3136720%	0.3208940%	0.3123490%	0.3199273%	0.0319311%	0.3165100%	0.3178580%	0.3417060%
Proportionate share of the net pension liability (asset)	$ (17,967)	$ (9,040)	$ 3,587	$ 6,158	$ (54,127)	$ 8,840	$ (8,296)	$ (5,723)	$ (2,416)	$ 3,660
Covered-employee payroll	$ 60,625	$ 59,493	$ 57,849	$ 57,933	$ 56,851	$ 53,016	54,302	$ 53,298	$ 51,556	$ 52,522
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-29.64%	-15.19%	6.20%	10.63%	-95.21%	16.67%	-15.28%	-10.74%	-4.69%	6.97%
Plan fiduciary net position as a percentage of the total pension liability (asset)	103.99%	102.09%	99.17%	98.57%	113.25%	97.76%	102.17%	101.53%	100.66%	99.01%

BEDFORD CENTRAL SCHOOL DISTRICT

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

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually required contribution	$ 2,823.4	$ 2,512.0	$ 2,274.8	$ 1,847.0	$ 2,374.0	$ 2,208.7	$ 2,085.3	$ 2,008.2	$ 2,086.9	$ 2,199.0
Contributions in relation to the contractually required contribution	2,823.4	2,512.0	2,274.8	1,847.0	2,374.0	2,208.7	2,085.3	2,008.2	2,086.9	2,199.0
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 16,788	$ 16,118	$ 18,469	$ 15,941	$ 16,396	$ 15,435	$ 14,874	$ 14,007	$ 14,415	$ 13,720
Contributions as a percentage of covered-employee payroll	16.82%	15.59%	12.32%	11.59%	14.48%	14.31%	14.02%	14.34%	14.48%	16.03%

NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually required contribution	$ 5,814.0	$ 6,014.8	$ 5,961.3	$ 5,571.0	$ 5,052.4	$ 4,811.1	$ 5,660.3	$ 5,025.5	$ 5,903.4	$ 6,991.8
Contributions in relation to the contractually required contribution	5,814.0	6,014.8	5,961.3	5,571.0	5,052.4	4,811.1	5,660.3	5,025.5	5,903.4	6,991.8
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 60,625	$ 59,493	$ 57,849	$ 57,849	$ 56,851	$ 53,016	$ 54,302	$ 53,298	$ 51,556	$ 52,522
Contributions as a percentage of covered-employee payroll	9.59%	10.11%	10.30%	9.63%	8.89%	9.07%	10.42%	9.43%	11.45%	13.31%

BEDFORD CENTRAL SCHOOL DISTRICT

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

	Last 10 Fiscal Years							
	2026	2025	2024	2023	2022	2021	2020	2019
Total OPEB Liability								
Service cost	$ 9,101,995	$ 6,923,740	$ 6,794,838	$ 10,558,118	$ 15,143,677	$ 14,226,512	$ 9,429,016	$ 8,213,057
Interest	12,972,573	8,981,705	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	(6,816,369)	70,396,322	(244,492)	26,902,491	(4,759,583)	35,770,046	864,322	5,450,052
Changes in assumptions	18,726,529	(25,592,997)	(2,447,831)	(109,597,435)	(75,969,308)	(6,042,325)	62,271,694	13,481,251
Benefit payments	(8,981,105)	(4,139,955)	(6,151,715)	(5,011,353)	(3,992,136)	(6,163,439)	(7,632,998)	(6,904,946)
Total change in total OPEB liability	25,003,623	56,568,815	6,449,024	(94,687,080)	(61,554,719)	43,179,396	73,605,943	28,863,865
Total OPEB liability - beginning	265,035,872	208,467,057	202,018,033	296,705,113	358,259,832	315,080,436	241,474,493	212,610,628
Total OPEB liability - ending	$ 290,039,495	$ 265,035,872	$ 208,467,057	$ 202,018,033	$ 296,705,113	$ 358,259,832	$ 315,080,436	$ 241,474,493
Covered-employee payroll	$ 80,969,901	$ 79,137,648	$ 79,794,450	$ 79,627,455	$ 76,021,341	$ 72,431,064	$ 71,120,181	$ 71,120,181
Total OPEB liability as a percentage of covered-employee payroll	358.21%	334.90%	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	4.32%	4.81%	4.21%	4.13%	3.54%	2.16%	2.21%	3.51%

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, 2026

	Special Aid	School Lunch	Miscellaneous Special Revenue	Debt Service	Total Non-Major Governmental Funds
ASSETS					
Cash and cash equivalents - restricted	$ 369,616	$ 2,278,510	$ 648,678	$ 1,069,961	$ 4,366,765
Due from other funds	-	-	-	2,224	2,224
Accounts receivable	-	131	-	-	131
State and federal aid receivable	2,473,195	281,076	-	-	2,754,271
Inventory	-	4,275	-	-	4,275
TOTAL ASSETS	$ 2,842,811	$ 2,563,992	$ 648,678	$ 1,072,185	$ 7,127,666
LIABILITIES AND FUND BALANCE					
LIABILITIES:					
Accounts payable and accrued expenses	$ 301,186	$ 393,116	$ 71,582	$ -	$ 765,884
Due to other funds	2,496,093	1,012,811	94,016	-	3,602,920
Unearned revenue	45,532	42,324	-	-	87,856
Other liabilities	-	718	-	-	718
TOTAL LIABILITIES	2,842,811	1,448,969	165,598	-	4,457,378
FUND BALANCE:					
Non-spendable					
Inventory	-	4,275	-	-	4,275
Restricted for:					
Other	-	1,110,748	483,080	-	1,593,828
Debt service	-	-	-	1,072,185	1,072,185
Total restricted fund balance	-	1,110,748	483,080	1,072,185	2,666,013
TOTAL FUND BALANCE	-	1,115,023	483,080	1,072,185	2,670,288
TOTAL LIABILITIES AND FUND BALANCE	$ 2,842,811	$ 2,563,992	$ 648,678	$ 1,072,185	$ 7,127,666

See independent auditor's report.

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, 2026

	Special Aid	School Lunch	Miscellaneous Special Revenue	Debt Service	Total Non-Major Governmental Funds
REVENUE:					
Use of money and property	$ -	$ 63,020	$ 3,707	$ 67,932	$ 134,659
Miscellaneous	18,000	6,264	207,776	-	232,040
State sources	1,478,738	987,753	-	-	2,466,491
Federal sources	1,710,362	927,361	-	-	2,637,723
Sales - school lunch	-	455,193	-	-	455,193
Total revenue	3,207,100	2,439,591	211,483	67,932	5,926,106
EXPENDITURES:					
Instruction	3,242,671	-	236,096	-	3,478,767
Pupil transportation	284,426	-	-	-	284,426
Cost of sales	-	2,372,771	-	-	2,372,771
Total expenditures	3,527,097	2,372,771	236,096	-	6,135,964
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(319,997)	66,820	(24,613)	67,932	(209,858)
OTHER SOURCES AND (USES):					
Proceeds from issuance of bonds	-	-	-	517,896	517,896
Operating transfers in	319,997	-	-	-	319,997
Operating transfers (out)	-	-	-	(630,000)	(630,000)
Total other sources (uses)	319,997	-	-	(112,104)	207,893
EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	-	66,820	(24,613)	(44,172)	(1,965)
FUND BALANCE (DEFICIT) - beginning of year	-	1,048,203	507,693	1,116,357	2,672,253
FUND BALANCE (DEFICIT) - end of year	$ -	$ 1,115,023	$ 483,080	$ 1,072,185	$ 2,670,288

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, 2026

CHANGE FROM ADOPTED BUDGET TO REVISED BUDGET

Adopted budget	$ 160,905,500
Add: Prior year's encumbrances	3,832,160
Original budget	164,737,660
Budget revisions	392,933
Final budget	$ 165,130,593

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2026-27 voter-approved expenditure budget	$ 165,895,484	
Maximum allowed (4% of 2026-27 budget)		$ 6,635,819
General fund, fund balance subject to section 1318 of real property tax law*:		
Unrestricted fund balance:		
Assigned fund balance		$ 4,312,490
Unassigned fund balance		6,614,373
Total Unrestricted Fund Balance		$ 10,926,863
Less:		
Appropriated fund balance	$ 815,210	
Encumbrances included in assigned fund balance	3,497,280	
Total adjustments	$ 4,312,490	
General fund, fund balance subject to section 1318 of real property tax law		$ 6,614,373
Actual percentage		3.99%

*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, 2026

PROJECT TITLE	Original Appropriation	Revised Appropriation	Expenditures: Prior Years	Expenditures: Current Year	Expenditures: Total	Unexpended Balance	Methods of Financing: Proceeds of Obligations	Methods of Financing: State Aid	Methods of Financing: Local Sources	Methods of Financing: Total	Fund Balance June 30, 2026
Capitalized:											
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	-
19-20 Interfund Transfers (Gen Hookups)	500,000	500,000	167,869	2,080	169,949	330,051	-	-	-	-	(169,949)
21-22 Interfund transfers (Ventilation & Fire Protect)	500,000	500,000	-	-	-	500,000	-	-	-	-	-
22-23 Interfund transfers (FLHS Boiler Replacement)	500,000	650,000	617,500	40,875	658,375	(8,375)	-	-	500,000	500,000	(158,375)
22-23 Bond Authorization $62,600,598	-	62,616,598	25,983,132	19,358,390	45,341,522	17,275,076	38,750,000	-	851,154	39,601,154	(5,740,368)
22-23 EPC Equipment Lease	-	8,184,900	7,615,384	-	7,615,384	569,516	8,184,900	-	521,303	8,706,203	1,090,819
23-24 Interfund Transfers	-	500,000	-	-	-	500,000	-	-	-	-	-
24-25 Fire Access Road	-	42,000	41,618	-	41,618	382	-	-	41,618	41,618	-
24-25 Admin Building Carpet	-	183,690	126,023	12,390	138,413	45,277	-	-	126,023	126,023	(12,390)
24-25 Fencing	-	99,289	99,289	-	99,289	-	-	-	99,289	99,289	-
24-25 District-wide Cameras	-	149,685	149,685	-	149,685	-	-	-	149,685	149,685	-
24-25 Field 4 Scoreboard	-	32,909	32,855	-	32,855	54	-	-	32,855	32,855	-
24-25 Exterior Lighting	-	67,421	40,427	-	40,427	26,994	-	-	40,427	40,427	-
24-25 Stairs Fields 3 and 4		234,208	204,660	46,086	250,746	(16,538)	-	-	10,103	10,103	(240,643)
24-25 FLS Office Move	-	108,550	108,029	-	108,029	521	-	-	-	-	(108,029)
24-25 FLMS Boiler	-	149,750	77,000	72,750	149,750	-	-	-	-	-	(149,750)
25-26 Projects	-	-	-	1,035,467	1,035,467	(1,035,467)	-	-	500,000	500,000	(535,467)
Not capitalized:											
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	-	-	-	1,644,149	1,644,149	1,325,000
25-26 Interfund transfer - not capitalzied	590,819	590,819	-	590,819	590,819	-	-	-	-	-	(590,819)
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)
Total	$ 43,885,367	$ 120,776,273	$ 81,041,773	$ 21,158,857	$ 102,200,630	$ 18,575,643	$ 86,983,036	$ 83,088	$ 10,078,565	$ 97,144,689	$ (5,055,941)

BEDFORD CENTRAL SCHOOL DISTRICT

SCHEDULE OF NET INVESTMENT IN CAPITAL ASSETS (UNAUDITED)
June 30, 2026

Capital assets, net		$ 158,975,729
Deduct:		
Bond anticipation notes payable	$ 10,000,000	
Short-term portion of installment debt payable	543,454	
Long-term portion of installment debt payable	5,617,242	
Short-term portion of bonds payable	4,160,000	
Long-term portion of bonds payable	52,915,000	
Short-term portion of lease payable	746,185	
Long-term portion of lease payable	1,001,339	
Bond premium	715,260	75,698,480
Add:		
Unspent bond proceeds		8,497,012
Net investment in capital assets		$ 91,774,261

REQUIRED REPORT UNDER *GOVERNMENT AUDITING STANDARDS*

Bonadio & Co., LLP
Accounting, Consulting & More

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 14, 2026

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, 2026, 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 14, 2026.

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