This Preliminary Offering Statement and the information contained herein are subject to completion or amendment without notice. Under no circumstances shall this Preliminary Offering Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

OFFICIAL STATEMENT

NEW ISSUE | **BOND ANTICIPATION NOTES**

This Official Statement is in a form "deemed final" by the District for the purposes of Securities and Exchange Commission Rule 15c2-12 (the "Rule"). For a description of the District's' agreement to provide continuing disclosure as described in securities and exchange commission Rule 15c2 12, see "Undertaking to Provide Notice of Events" herein.

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the District, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In addition, in the opinion of Bond Counsel to the District, under existing statutes, interest on the Notes is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York. See "TAX MATTERS" herein.

The Notes will NOT be designated as "qualified tax-exempt obligations" under Section 265(b)(3) of the Code.

$10,000,000

BEDFORD CENTRAL SCHOOL DISTRICT

WESTCHESTER COUNTY, NEW YORK

GENERAL OBLIGATIONS

$10,000,000 Bond Anticipation Notes-2026

(the "Notes")

Dated: February 25, 2026 | **Due: July 31, 2026**

The Notes are general obligations of the Bedford Central School District, Westchester County, New York, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon without limitation as to rate or amount. See "*THE NOTES – Nature of the Obligation*" herein.

The Notes are not subject to redemption prior to maturity.

At the option of the purchaser(s), the Notes may be either (i) registered in the name of the purchaser or (ii) registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC") as book-entry notes. A single note certificate shall be delivered to the purchaser(s) for those Notes of an issue registered in the name of the purchaser(s) and bearing the same rate of interest in the aggregate principal amount awarded to such purchaser at such interest rate. Those Notes issued in book-entry form will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as the Securities Depository for the Notes. Individual purchases of any Notes issued in book-entry form may be made only in book-entry form in denominations of $5,000 or integral multiples thereof. Holders of book-entry Notes will not receive certificates representing their respective ownership interests in any Notes issued in book-entry form. (See "*Description of Book-Entry System*" herein).

Payment of the principal of and interest on the Notes registered to the purchaser will be payable in lawful money of the United States of America (Federal Funds) at such bank or trust company located and authorized to do business in the State of New York as may be selected by the successful bidder. Payment of the principal of and interest on any Notes issued in book-entry form will be made by DTC Participants and Indirect Participants in accordance with standing instructions and customary practices. Payment will be the responsibility of the DTC Participants or Indirect Participants and not of DTC or the District, subject to any statutory and regulatory requirements as may be in effect from time to time. Principal and interest payments on any book-entry Notes shall be payable at the office of the District Clerk. (See "*Book-Entry System*" herein).

ELECTRONIC BIDS for the Notes must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.fiscaladvisorsauction.com on February 10, 2026 until 10:45 A.M., Prevailing Time, pursuant to the Notice of Sale. No other form of electronic bidding services will be accepted. No bid will be received after the time for receiving bids specified above. Bids may also be submitted by facsimile at (315) 930-2354. Once the bids are communicated electronically via Fiscal Advisors Auction or facsimile to the District, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale.

THE DATE OF THIS PRELIMINARY OFFICIAL STATEMENT IS JANUARY 29, 2026.

The Notes are offered subject to the final approving opinion of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel, and certain other conditions. It is expected that delivery of the Notes in book-entry or registered form through the facilities of DTC located in Jersey City, New Jersey, or as otherwise agreed by the purchaser and the District, on or about February 25, 2026.

BEDFORD CENTRAL SCHOOL DISTRICT
WESTCHESTER COUNTY, NEW YORK

SCHOOL DISTRICT OFFICIALS

2025-2026 BOARD OF EDUCATION

GILLIAN KLEIN
President

STEVEN MATLIN
Vice President

PRASAD KRISHNAN
BLAKELEY LOWRY
LISA MITCHELL
BETSY SHARMA
LEO SPOSATO

* * * * * * *

DR. ROBERT GLASS
Superintendent of Schools

JOSE FORMOSO
Assistant Superintendent for Business and Operations

DINA MIKULEWICZ
School District Treasurer

SANDRA SPEYER
Assistant to the Superintendent/School District Clerk

SHAW, PERELSON, MAY & LAMBERT, LLP
School District Attorney

FISCAL ADVISORS & MARKETING, INC.
School District Municipal Advisor

HAWKINS DELAFIELD & WOOD
Bond Counsel

No person has been authorized by Bedford Central School District to give any information or to make any representations not contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy any of the Notes in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The information, estimates, and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of Bedford Central School District.

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PREPARED WITH THE ASSISTANCE OF

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OFFICIAL STATEMENT

of the

BEDFORD CENTRAL SCHOOL DISTRICT
WESTCHESTER COUNTY, NEW YORK

Relating To

$10,000,000 Bond Anticipation Notes-2026

This Official Statement, which includes the cover page, has been prepared by the Bedford Central School District, Westchester County, New York (the "School District" or "District", "County", and "State", respectively) in connection with the sale by the District of $10,000,000 principal amount of Bond Anticipation Notes-2026 (the "Notes").

The factors affecting the District's financial condition and the Notes are described throughout this Official Statement. Inasmuch as many of these factors, including economic and demographic factors, are complex and may influence the District tax base, revenues, and expenditures, this Official Statement should be read in its entirety, and no one factor should be considered more or less important than any other by reason of its relative position in this Official Statement.

All quotations from and summaries and explanations of provisions of the Constitution and laws of the State and acts and proceedings of the District contained herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof, and all references to the Notes and the proceedings of the District relating thereto are qualified in their entirety by reference to the definitive forms of the Notes and such proceedings.

THE NOTES

Description of the Notes

The Notes are general obligations of the District, and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Notes as required by the Constitution and laws of the State of New York (State Constitution, Art. VIII, Section 2; Local Finance Law, Section 100.00). All the taxable real property within the District is subject to the levy of ad valorem taxes to pay the Notes and interest thereon without limitation as to rate or amount.

The Notes will be dated February 25, 2026 and will mature July 31, 2026. The Notes are not subject to redemption prior to maturity. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity. The Notes will be issued in either (i) the name of the purchaser with principal and interest payable in Federal Funds at such bank or trust company located and authorized to do business in the State as may be selected by such successful bidder or (ii) registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC") which will act as the securities depository for the Notes. See "*DESCRIPTION OF BOOK-ENTRY-ONLY SYSTEM*" herein.

No Optional Redemption

The Notes are not subject to redemption prior to maturity.

Purpose of Issue

The Notes are issued pursuant to the Constitution and statutes of the State of New York, including the Education Law and the Local Finance Law, and the bond resolution duly adopted by the Board of Education on June 8, 2022, authorizing the issuance of $62,616,598 serial bonds for the construction of alterations and improvements to District buildings and sites and the construction of a new storage/transportation building and the reconstruction of air conditioning improvements at Fox Lane High School.

To date, the District has issued $38,750,000 serial bonds pursuant to this authorization. The proceeds of the Notes will provide $10,000,000 in new monies for this purpose.

NATURE OF OBLIGATION

Each Note when duly issued and paid for will constitute a contract between the District and the holder thereof.

The Notes will be general obligations of the District and will contain a pledge of the faith and credit of the District for the payment of the principal thereof and the interest thereon. For the payment of such principal and interest the District has power and statutory authorization to levy ad valorem taxes on all taxable real property in the District without limitation as to rate or amount.

Under the Constitution of the State, the District is required to pledge its faith and credit for the payment of the principal of and interest on the Notes, and the State is specifically precluded from restricting the power of the District to levy taxes on real estate therefor. However, the Tax Levy Limit Law imposes a statutory limitation on the District's power to increase its annual tax levy. The amount of such increase is limited by the formulas set forth in the Tax Levy Limit Law. (See also "*TAX LEVY LIMIT LAW*" herein)

Under the Constitution of the State, the District is required to pledge its faith and credit for the payment of the principal of and interest on the Notes, and the State is specifically precluded from restricting the power of the District to levy taxes on real estate therefore. However, Chapter 97 of the New York Laws of 2011, as amended (the "Tax Levy Limit Law"), imposes a limitation on the power of local governments and school districts, including the District, to increase their annual tax levy, with the amount of such increase limited by the formulas set forth in the Tax Levy Limit Law. The Tax Levy Limit Law also provides the procedural method to overcome that limitation. In addition, the Tax Levy Limit Law expressly provides an exclusion from the annual tax levy limitation for any taxes levied to pay the local share of debt service on bonds or notes issued to finance voter approved capital expenditures, or the refinancing or refunding of such bonds or notes. As the Notes are being issued to finance voter approved capital expenditures, the Notes qualify for such exclusion to the annual tax levy limitation. The exclusion does NOT apply to taxes to pay debt service on tax anticipation notes, revenue anticipation notes, budget notes and deficiency notes; and any obligations issued to finance deficits and certain judgments, including tax certiorari refund payments. (See "*Tax Levy Limit Law*" herein.)

REMEDIES UPON DEFAULT

Neither the Notes, nor the proceedings with respect thereto, specifically provide any remedies which would be available to owners of the Notes should the District default in the payment of principal of or interest on the Notes, nor do they contain any provisions for the appointment of a trustee to enforce the interests of the owners of the Notes upon the occurrence of any such default. The Notes are general obligation contracts between the District and the owners for which the faith and credit of the District are pledged and while remedies for enforcement of payment are not expressly included in the District's contract with such owners, any permanent repeal by statute or constitutional amendment of a bondholder's and/or noteholder's remedial right to judicial enforcement of the contract should, in the opinion of Bond Counsel, be held unconstitutional.

Upon default in the payment of principal of or interest on the Notes at the suit of the owner, a Court has the power, in proper and appropriate proceedings, to render judgment against the District. The present statute limits interest on the amount adjudged due to contract creditors to nine per centum per annum from the date due to the date of payment. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment. A Court also has the power, in proper and appropriate proceedings, to order payment of a judgment on such bonds or notes from funds lawfully available therefor or, in the absence thereof, to order the District to take all lawful action to obtain the same, including the raising of the required amount in the next annual tax levy. In exercising its discretion as to whether to issue such an order, the Court may take into account all relevant factors, including the current operating needs of the District and the availability and adequacy of other remedies. Upon any default in the payment of the principal of or interest on the Notes, the owners of such Notes could, among other remedies, seek to obtain a writ of mandamus from a Court ordering the governing body of the District to assess, levy and collect an ad valorem tax, upon all taxable property of the District subject to taxation by the District sufficient to pay the principal of and interest on the Notes as the same shall come due and payable (and interest from the due date to date of payment) and otherwise to observe the covenants contained in the Notes and the proceedings with respect thereto all of which are included in the contract with the owners of the Notes. The mandamus remedy, however, may be impracticable and difficult to enforce. Further, the right to enforce payment of the principal of or interest on the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws and equitable principles, which may limit the specific enforcement of certain remedies.

In 1976, the New York Court of Appeals, the State's highest court, held in *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 731 (1976), that the New York State legislation purporting to postpone the payment of debt service on New York City obligations was an unconstitutional moratorium in violation of the New York State constitutional faith and credit mandate included in all municipal debt obligations. While that case can be viewed as a precedent for protecting the remedies of Noteholders, there can be no assurance as to what a Court may determine with respect to future events, including financial crises as they may occur in the State and in municipalities of the State, that require the exercise by the State of its emergency and police powers to assure the continuation of essential public services. (See also, *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 41 N.Y.2d 1088 (1977), where the Court of Appeals described the pledge as a direct Constitutional mandate.)

As a result of the Court of Appeals decision, the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law enacted at the 1975 Extraordinary Session of the State legislature authorizing any county, city, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has been declared with respect to the District.

Pursuant to Article VIII, Section 2 of the State Constitution, the District is required to provide an annual appropriation of monies for the payment of due and payable principal of and interest on indebtedness. Specifically this constitutional provision states: "If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness." This constitutes a specific non-exclusive constitutional remedy against a defaulting municipality or school district; however, it does not apply in a context in which monies have been appropriated for debt service but the appropriating authorities decline to use such monies to pay debt service. However, Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision. In *Quirk v. Municipal Assistance Corp.*, 41 N.Y.2d 644 (1977), the Court of Appeals described this as a "first lien" on revenues, but one that does not give holders a right to any particular revenues. It should thus be noted that the pledge of the faith and credit of a political subdivision in the State is a pledge of an issuer of a general obligation bond or note to use its general revenue powers, including, but not limited to, its property tax levy, to pay debt service on such obligations, but that such pledge may or may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues. The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

While the courts in the State have historically been protective of the rights of holders of general obligation debt of political subdivisions, it is not possible to predict what a future court might hold.

In prior years, certain events and legislation affecting a holder's remedies upon default have resulted in litigation. While courts of final jurisdiction have generally upheld and sustained the rights of bondholders and/or noteholders, such courts might hold that future events, including a financial crisis as such may occur in the State or in political subdivisions of the State, may require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuation of essential public services prior to the payment of debt service.

SECTION 99-B OF THE STATE FINANCE LAW

Section 99-b of the State Finance Law (the "SFL") provides for a covenant between the State and the purchasers and the holders and owners from time to time of the bonds and notes issued by school districts in the State for school purposes that it will not repeal, revoke or rescind the provisions of Section 99-b of the SFL, or amend or modify the same so as to limit, impair or impede the rights and remedies granted thereby.

Said section provides that in the event a holder or owner of any bond or note issued by a school district for school purposes shall file with the State Comptroller, a verified statement describing such bond or note and alleging default in the payment thereof or the interest thereon or both, it shall be the duty of the State Comptroller to immediately investigate the circumstances of the alleged default and prepare and file in his office a certificate setting forth his determinations with respect thereto and to serve a copy thereof by registered mail upon the chief fiscal officer of the school district which issued the bond or note. Such investigation by the State Comptroller shall set forth a description of all such bonds and notes of the school district found to be in default and the amount of principal and interest thereon past due.

Upon the filing of such a certificate in the office of the State Comptroller, he shall thereafter deduct and withhold from the next succeeding allotment, apportionment or payment of such State aid or assistance due to such school district such amount thereof as may be required to pay (a) the school district's contribution to the State Teachers' Retirement System, and (b) the principal of and interest on such bonds and notes of such school district then in default. In the event such State aid or assistance initially so withheld shall be insufficient to pay said amounts in full, the State Comptroller shall similarly deduct and withhold from each succeeding allotment, apportionment or payment of such State aid or assistance due such school district such amount or amounts thereof as may be required to cure such default. Allotments, apportionments and payments of such State aid so deducted or withheld by the State Comptroller for the payment of principal and interest on the bonds and notes shall be forwarded promptly to the paying agent or agents for the bonds and notes in default of such school district for the sole purpose of the payment of defaulted principal of and interest on such bonds or notes. If any such successive allotments, apportionments or payment of such State aid so deducted or withheld shall be less than the amount of all principal and interest on the bonds and notes in default with respect to which the same was so deducted or withheld, then the State Comptroller shall promptly forward to each paying agent an amount in the proportion that the amount of such bonds and notes in default payable to such paying agent bears to the total amount of the principal and interest then in default on such bonds and notes of such school district. The State Comptroller shall promptly notify the chief fiscal officer of such school district of any payment or payments made to any paying agent or agents of defaulted bonds or notes pursuant to said section of the SFL.

NO PAST DUE DEBT

No principal or interest payment on District indebtedness is past due.

BANKRUPTCY

The Federal Bankruptcy Code (Chapter IX) allows public bodies, such as municipalities, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Title 6-A of the Local Finance Law specifically authorizes any municipality in the State or its emergency control board to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness. While this Local Finance Law provision does not apply to school districts, there can be no assurance that it will not become applicable in the future. As such, the undertakings of the District should be considered with reference, specifically, to Chapter IX, and, in general, to other bankruptcy laws affecting creditors' rights and municipalities. Bankruptcy proceedings by the District if authorized by the State in the future could have adverse effects on bondholders and/or noteholders including (a) delay in the enforcement of their remedies, (b) subordination of their claims to those supplying goods and services to the District after the initiation of bankruptcy proceedings and to the administrative expenses of bankruptcy proceedings and (c) imposition without their consent of a reorganization plan reducing or delaying payment of the Notes.

The above references to said Chapter IX are not to be construed as an indication that the State will consent in the future to the right of the District to file a petition with any United States district court or court of bankruptcy under any provision of the laws of the United States, now or hereafter in effect for the composition or adjustment of municipal indebtedness or that the District is currently considering or expects to resort to the provisions of Chapter IX if authorized to do so in the future.

DESCRIPTION OF BOOK-ENTRY SYSTEM

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Notes, if so requested. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered note certificate will be issued for each note of an issue bearing the same rate of interest and CUSIP number and will be deposited with DTC.

DTC, a limited-purpose trust company organized under the New York Banking Law, is a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each Note ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Notes, such as redemptions, tenders, defaults, and proposed amendments to the Note documents. For example, Beneficial Owners of Notes may wish to ascertain that the nominee holding the Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Principal and interest payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the District. Under such circumstances, in the event that a successor depository is not obtained, note certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, note certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

Source: The Depository Trust Company.

THE DISTRICT CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE NOTES (1) PAYMENTS OF PRINCIPAL OF OR INTEREST OR REDEMPTION PREMIUM ON THE NOTES; (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE NOTES; OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE NOTES, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

THE DISTRICT WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DTC, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OF DTC OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC; (2) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST OR REDEMPTION PREMIUM ON THE NOTES; (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY NOTICE TO ANY BENEFICIAL OWNER; OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE REGISTERED HOLDER OF THE NOTES.

THE INFORMATION CONTAINED HEREIN CONCERNING DTC AND ITS BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM DTC AND THE DISTRICT MAKES NO REPRESENTATION AS TO THE COMPLETENESS OR THE ACCURACY OF SUCH INFORMATION OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

Certificated Notes

If the book-entry form is initially chosen by the purchaser of the Notes, DTC may discontinue providing its services with respect to the Notes at any time by giving notice to the District and discharging its responsibilities with respect thereto under applicable law, or the District may terminate its participation in the system of book-entry-only system transfers through DTC at any time. In the event that such book-entry-only system is utilized by a purchaser of the Notes upon issuance and later discontinued, the following provisions will apply:

The Notes will be issued in registered form in denominations of $5,000 or integral multiples thereof. Principal of and interest on the Notes will be payable at a principal corporate trust office of a bank or trust company located and authorized to do business in the State of New York to be named as fiscal agent by the District. The Notes will remain not subject to redemption prior to their stated final maturity date.

THE SCHOOL DISTRICT

General Information

The District is located in the northern portion of the County about 30 to 35 miles north of New York City. Fairfield County, Connecticut is a short distance to the east of the District. The District is comprised primarily of the towns of Bedford, Mt. Kisco, and Pound Ridge, and includes minor portions of the towns of New Castle and North Castle.

The District is primarily residential in character. Most residential development consists of single-family homes, including large estates. Townhouses are also located within the area. Commercial facilities mainly include professional buildings and suburban shopping centers. Horse farms may be found throughout the District.

Most residents are employed throughout the County, New York City, or nearby Fairfield County, Connecticut, and many hold leadership positions in industry or finance, or are engaged in the professions.

Rail service is available by the Metro North Railroad. Highways serving the District include Interstate 684, State Routes 22 and 35, and the Saw Mill Parkway. The area is also covered by an extensive network of county and town roads. In addition, public bus transportation is available in the area. Commercial airline service is available at LaGuardia, Kennedy, Newark, and Westchester Airports, all of which can be reached within one hour or less by car.

Source: District officials.

Population

The current estimated population of the District is 26,976. (Source: U.S. Census Bureau, 2019-2023 American Community Survey 5-Year Estimates.)

Selected Wealth and Income Indicators

Per capita income statistics are not available for the District as such. The smallest areas for which such statistics are available, which include the District, are the Towns and the County below. The figures set below with respect to said Towns, County and the State are included for information only. It should not be inferred from the inclusion of such data in the Official Statement that the Towns, the County or the State are necessarily representative of the District, or vice versa.

	Per Capita Income			Median Family Income		
	2006-2010	2016-2020	2019-2023	2006-2010	2016-2020	2019-2023
Towns of:						
Bedford	$ 65,577	$ 71,458	$ 95,910	$139,202	$162,824	$223,293
Mt. Kisco	38,859	45,192	51,593	82,083	108,315	121,612
New Castle	93,183	105,769	116,052	210,457	250,000 +	250,000 +
North Castle	76,063	101,213	114,885	152,610	206,324	246,677
Pound Ridge	127,078	122,184	135,990	233,571	210,592	250,000 +
County of:						
Westchester	47,814	57,953	70,607	100,863	126,992	153,491
State of:						
New York	30,948	40,898	49,520	67,405	87,270	105,060

Source: 2006-2010, 2016-2020, and 2019-2023 5-Year American Community Survey estimates.

Major Employers in the County

The following is the list of the larger employers located within or in close proximity to the District.

Name	Industry
Regeneron Pharmaceuticals	Pharmaceuticals
MasterCard	Financial Services
IBM Corporation	Computer Hardware and Software
Pepsico Incorporated	Foods and Beverages
Pepsi Bottling Group	Beverages
Consolidated Edison	Utilities
Morgan Stanley	Financial Services

Source: Employers sourced July 2024 from visitwestchesterny.com.

Source: District officials.

Unemployment Rate Statistics

Unemployment statistics are not available for the School District as such. The smallest area for which such statistics are available (which includes the District) is the County of Westchester. The information set forth below with respect to the County and the State is included for informational purposes only. It should not be inferred from the inclusion of such data in this Official Statement that the County or the State is necessarily representative of the District, or vice versa.

	Annual Averages						
	2019	2020	2021	2022	2023	2024	2025
Westchester County	3.6%	8.0%	4.8%	3.2%	3.4%	3.3%	N/A
New York State	3.9	9.8	7.1	4.3	4.2	4.3	N/A

	2025-2026 Monthly Figures											
	2025										2026	
	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Westchester County	3.4%	2.6%	2.7%	2.9%	3.4%	3.7%	3.6%	N/A	N/A	N/A	N/A	N/A
New York State	4.1	3.7	3.5	3.8	4.6	4.7	4.7	N/A	N/A	N/A	N/A	N/A

Source: Department of Labor, State of New York. Figures not seasonally adjusted. Figures in this section are historical and do not reflect current or projected employment rates. Unemployment rates for the months of October 2025 through February 2026 are not available as of the date of this Official Statement.

District Organization

The District is an independent entity governed by an elected Board of Education comprised of seven members. District operations are subject to the provisions of the State Education Law affecting school districts; other statutes applicable to the District include the Educational Law, the Local Finance Law and the Real Property Tax Law.

Members of the Board of Education are chosen on a rotating basis by qualified voters at the annual election of the District. The term of office for each board member is three years and the number of terms that may be served is unrestricted. A president is selected by the board from its members and also serves as the chief fiscal officer of the District. The Board of Education is vested with various powers and duties as set forth in the Education Law. Among these are the adoption of annual budgets (subject to voter approval), the levy of real property taxes for the support of education, the appointment of such employees as may be necessary, and other such duties reasonably required to fulfill the responsibilities provided by law.

The Board of Education appoints a superintendent of schools (the "Superintendent") who serves at the pleasure of the Board of Education. Such Superintendent is the chief executive officer of the District and the education system. It is the responsibility of the Superintendent to enforce all provisions of law and all rules and regulations relating to the management of the schools and other educational, social and recreational activities under the direction of the Board of Education. Also, certain of the financial functions of the District are the responsibility of the Superintendent of Schools, the Assistant Superintendent for Business and Operations and the District Treasurer.

Financial Organization

Pursuant to the Local Finance Law, the President of the Board of Education is the chief fiscal officer of the District. However, certain of the financial functions of the District are the responsibility of the Superintendent of Schools, the Assistant Superintendent for Business and Operations and the District Treasurer.

Budgetary Procedures

Pursuant to the Education Law, the Board of Education annually prepares or causes to be prepared a tentative budget of the School District for the ensuing fiscal year. This tentative budget must be completed at least fourteen days before the annual District meeting at which it is to be presented. Copies are available upon request to taxpayers within the School District, fourteen days preceding such meeting and at each such meeting. The Board must also give notice that a copy of the tentative budget may be obtained at each schoolhouse within the School District.

The Board of Education causes a notice to be published stating the time, date, place and purpose of the annual or district meeting. At least forty-five days must elapse between the first publication of such notice and the date specified for such meeting. The meeting must be held at the time and place specified but it may be adjourned to permit voting on the following day. If the qualified voters at the annual or School District meeting approve the tentative budget, the Board of Education, by resolution adopts the tentative budget as the budget of the School District for the ensuing year.

If by majority vote the budget is rejected, the Board of Education may make any change, alteration or revision to the budget and may hold a second public hearing and referendum. If no budget is approved, the Board of Education must, pursuant to law, adopt by resolution an austerity budget for the ensuing fiscal year. The Board of Education may then levy a tax for ordinary contingent expenses of the School District, which includes debt service.

Pursuant to Chapter 97 of the Laws of 2011 ("Chapter 97"), beginning with the 2012 – 2013 fiscal year, if the proposed budget requires a tax levy increase that does not exceed the lesser of 2% or the rate of inflation (the "School District Tax Cap"), then a majority vote is required for approval. If the proposed budget requires a tax levy that exceeds the School District Tax Cap, the budget proposition must include special language and a 60% vote is required for approval. Any separate proposition that would cause the School District to exceed the School District Tax Cap to be exceeded also must receive at least 60% voter approval.

If the proposed budget is not approved by the required margin, the Board of Education may resubmit the original budget or a revised budget to the voters on the third Tuesday in June, or adopt a contingency budget (which would provide for ordinary contingent expenses, including debt service) that levies a tax levy no greater than that of the prior fiscal year (i.e. a 0% increase in the tax levy).

If the resubmitted and/or revised budget is not approved by the required margin, the Board of Education must adopt a budget that requires a tax levy no greater than that of the prior fiscal year (i.e. a 0% increase in the tax levy). For a complete discussion of Chapter 97, see "TAX LEVY LIMITATION LAW" herein.

Recent Budget Vote Results

The District's budget for the 2024-25 fiscal year was approved by qualified voters on May 21, 2024 by a vote of 794 yes to 299 no. The District's adopted budget for the 2024-25 fiscal year remained within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget included a total tax levy increase of 2.95%, which was equal to the District tax levy limit of 2.95%.

The District's budget for the 2025-26 fiscal year was approved by qualified voters on May 20, 2025 by a vote of 1,436 yes to 587 no. The District's adopted budget for the 2025-26 fiscal year remained within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget included a total tax levy increase of 2.99%, which was within the District's tax levy limit of 3.44%.

Investment Policy

Pursuant to the statutes of the State, the School District is permitted to invest only in the following investments: (1) special time deposits or certificates of deposits in a bank or trust company located and authorized to do business in the State; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America; (4) obligations of the State; (5) with the approval of the New York State Comptroller, tax anticipation notes and revenue anticipation notes issued by any New York municipality or district corporation, other than the School District; (6) obligations of a New York public corporation which are made lawful investments by the School District pursuant to another provision of law; (7) certain certificates of participation issued on behalf of political subdivisions of the State; and, (8) in the case of School District moneys held in certain reserve funds established pursuant to law, obligations issued by the School District. These statutes further require that all bank deposits, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by either a pledge of eligible securities, an eligible surety bond or an eligible letter of credit, as those terms are defined in the law.

Pursuant to Section 39 of the State's General Municipal Law, the District has an investment policy applicable to the investment of all moneys and financial resources of the District. The responsibility for the investment program has been delegated by the Board of Education to the Assistant Superintendent for Business and Administrative Services who was required to establish written operating procedures consistent with the District's investment policy guidelines. According to the investment policy of the District, all investments must conform to the applicable requirements of law and provide for: the safety of the principal; sufficient liquidity; and a reasonable rate of return.

The District has designated three banks or trust companies which are located and authorized to conduct business in the State to receive deposits of money. The District is permitted to invest in special time deposits or certificates of deposit. In addition, the District has authorized pooled investments with PT Asset Management LLC/NYCLASS.

The investment policy applies to all monies and other financial resources available for investment on the district's behalf or on behalf of any other entity or individual(s) for whom the district has designated responsibility. The objectives of the District's investment policy are to conform with all applicable federal and state legal requirements, safeguard District funds and to minimize risk, to ensure that investments mature when cash is required to finance operations and to ensure a competitive rate of return.

All participants in the investment process shall seek to act responsibly as custodians of the public trust and shall avoid any transaction that might impair public confidence in the District. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the safety of the principal as well as the probable income to be derived.

All participants involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program or which could impair their ability to make impartial investment decisions.

To the extent feasible, investments and deposits shall be made in and through local or regional financial institutions. Concentration of investments in a single financial institution should be avoided. Diversification of investments and deposits is encouraged. The governing board's responsibility for administration of the investment program is delegated to the assistant Superintendent for Business and Administrative Service, who shall establish written procedures for the operation of the investment program consistent with these investment guidelines. Such procedures shall include an adequate internal control structure to provide a satisfactory level of accountability based on a data base or records incorporating description and amounts of investments, transaction dates, and other relevant information to regulate the activities of subordinate employees.

The policy will be annually reviewed by the Board of Education and may be amended from time to time in accordance with the provisions of section 39 of the General Municipal Law.

Consistent with the above statutory limitations, it is the District's current policy to invest in: (1) special time deposit accounts; (2) certificates of deposit issued by a bank or trust company located in and authorized to do business in the State; (3) obligations backed by the full faith and credit of New York State; (4) obligations backed by the full faith and credit of the United States Government (U.S. Treasury Bills and Notes); (5) obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the full faith and credit of the United States of America; (6) Certificates of Participation (COPs) issued pursuant to GML 109-b; and (7) obligations of this local government, but only with the moneys in a reserve fund established pursuant to GML 6-c, 6-d, 6-e, 6-g, 6-h, 6-j, 6-k, 6-l, 6-m, or 6-n.

All investment obligations shall be payable or redeemable at the option of the District within such times as the proceeds will be needed to meet expenditures for purposes for which the monies were provided and, in the case of obligations purchased with the proceeds of bonds or notes, shall be payable or redeemable at the option of the Bedford Central School District within two years of the date of purchase.

All investments made pursuant to this investment policy will comply with the following conditions:

A. Operations, Audit, and Reporting

1. The Assistant Superintendent of Business and/or Treasurer will authorize (or is authorized to contract) the purchase and sale of all securities and execute contracts for investments and deposits on behalf of the school district. This purchase may be accomplished: a. Directly, including through a repurchase agreement, from an authorized trading partner; b. By participation in a cooperative investment program with another authorized governmental entity pursuant to article 5G of the General Municipal Law where such program meets all the requirements set forth in the Office of the State Comptroller c. Opinion No. 88-46, and the specific program has been authorized by the governing board.
2. The school district will encourage the purchase and sale of securities through a competitive process involving telephone solicitation for at least three quotations.
3. The independent auditors will audit the investment proceeds of the school district for compliance with the provisions of this Investment Regulation.
4. Monthly investment reports will be furnished to the Board of Education for its review.

B. Collateral

1. Savings accounts, money market accounts, time deposit accounts and certificates of deposit will be fully secured by insurance of the Federal Deposit Insurance Corporation or by obligations of New York State, the United States, New York State school districts and federal agencies whose principal and interest are guaranteed by the United States. The market value of collateral will at all times exceed the principal amount of the certificate of deposit. Collateral will be monitored no less frequently than on a weekly basis.
2. Collateral will not be required with respect to the direct purchase of obligations of New York State, the United States and federal agencies, the principal and interest of which are guaranteed by the United States government.

C. Collateralization of Deposits

Collateralization of deposits in excess of the amount insured under FDIC In accordance with the provisions of the General Municipal Law and unless otherwise provided for in a municipal cooperative agreement in which Bedford Central School District is a party, all deposits of the Bedford Central School District including certificates of deposit and special time deposits in excess of the amount insured under the provisions of the Federal Deposit Insurance Act, shall be secured:

1. By a pledge of "eligible securities" with an aggregate "market value" as provided by General Municipal Law Section 10, equal to the aggregate amount of deposit times a margin of 105% from the categories below:
   a. Obligations issued by the United States of America, an agency thereof or a United States government sponsored corporation or obligations fully insured or guaranteed as to the payment of principal and interest by the United States of America, an agency thereof or a United States government sponsored corporation.
   b. Obligations issued or fully insured or guaranteed by full faith and credit of the State of New York, obligations issued by a municipal corporation, school district or district corporation of such State or obligations of any public benefit corporation that under a specific State statute may be accepted as security for deposit of public monies.
   c. Obligations issued by states (other than the State of New York) of the United States rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization and backed by the full faith and credit of that state.
   d. Obligations of counties, cities and other governmental entities of a state other than the State of New York having the power to levy taxes that are backed by the full faith and credit of such governmental entity and rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.
2. by an eligible, "irrevocable letter of credit" issued by a qualified bank other than the bank which the money is being deposited for a term not to exceed 90 days with an aggregate value equal to 140 percent of the aggregate amount of deposits and the agreed upon interest, if any; and,
3. by an eligible surety bond payable to the Bedford Central School District for an amount at least equal to 100 percent of the aggregate amount of deposits and the agreed upon interest, if any, executed by an insurance company A-8 authorized to do business in New York State, whose claims-paying ability is rated in the highest rating category by at least two nationally recognized statistical rating organizations.

D. Safekeeping and Collateralization

Eligible securities used for collateralizing deposits shall be held by a bank or trust company subject to security and custodial agreements. The security agreement shall provide that eligible securities are being pledged to secure Bedford Central School District's deposits together with agreed upon interest, if any, and any costs or expenses arising out of the collection of such deposits upon default.

It shall also provide the conditions under which the securities may be sold, presented for payment, substituted or released and the events, which will enable the Bedford Central School District to exercise its rights against the pledged securities. In the event that the securities are not registered or inscribed in the name of the Bedford Central School District, such securities shall be delivered in a form suitable for transfer or with an assignment in blank to the Bedford Central School District or its custodial bank or trust company.

The custodial agreement shall provide that the securities held by the bank or trust company, or agent of, and custodian for the Bedford Central School District, will be kept separate and apart from the general assets of the custodial bank or trust company and will not, in any circumstances, be commingled with or become part of the backing for any other deposits or other liabilities. The agreement shall also reflect the manner in which the custodial bank or trust company shall confirm the receipt, substitution, or release of the securities. The agreement shall provide for the frequency of reevaluation of eligible securities and for the substitution of securities when change in the rating of a security may cause ineligibility. Such agreements shall include all provisions necessary to provide the District a perfected interest in the securities.

E. Delivery of Securities

1. Payment of funds may only be made upon receipt of collateral or other acceptable form of security, or upon the delivery of government obligations whether such obligations are purchased outright, or pursuant to a repurchase agreement. Written confirmation of delivery shall be obtained from the custodial bank.
2. Every Repurchase Agreement will make payment to the seller contingent upon the seller's delivery of obligations of the United States to the Custodial Bank designated by the school district, which shall not be the repurchaser, or in the case of a book-entry transaction, when the obligations of the United States are credited to the Custodian's Federal Reserve account. The seller will not be entitled to substitute securities. Repurchase agreements shall be for periods of 30 days or less. The Custodial Bank shall confirm all transactions in writing to ensure that the school district's ownership of the securities is properly reflected in the records of the Custodial Bank.

F. Written Contracts

1. Written contracts are required for certificates of deposit and custodial undertakings and Repurchase Agreements. With respect to the purchase of direct obligations of U.S., New York State, or other governmental entities in which monies may be invested, the interests of the school district will be adequately protected by conditioning payment on the physical delivery of purchased securities to the school district or custodial bank, or in the case of book-entry transactions, on the crediting of purchased securities to the Custodian's Federal Reserve System account. All purchases will be confirmed promptly in writing to the school district.
2. The following written contracts are required:
   a. Written agreements will be required for the purchase of all certificates of deposit.
   b. A written contract will be required with the Custodial Bank(s).
   c. Written contracts shall be required for all Repurchase Agreements. Only credit-worthy banks and primary reporting dealers shall be qualified to enter into a Repurchase Agreement with the District.

The written contract will stipulate that only obligations of the United States, New York State, or other governmental entities may be purchased and that the school district shall make payment upon delivery of the securities or the appropriate book-entry of the purchased securities. No specific repurchase agreement will be entered into unless a master repurchase agreement has been executed between the school district and the trading partners.

While the term of the master repurchase agreement may be for a reasonable length of time, a specific repurchase agreement will not exceed 30 days.

G. Designation of Custodial Bank

1. The Board of Education will designate a commercial bank or trust company authorized to do business in the State of New York to act as Custodial Bank of the school district's investments. However, securities may not be purchased through a Repurchase Agreement with the Custodial Bank.
2. When purchasing eligible securities, the seller will be required to transfer the securities to the district's Custodial Bank.

H. Selection of Financial Institutions

1. The Treasurer will periodically monitor, to the extent practical but not less than annually, the financial strength, credit-worthiness, experience, size and any other criteria of importance to the district, of all institutions and trading partners through which the district's investments are made.
2. Investments in time deposits and certificates of deposit are to be made only with commercial banks or trust companies, located and authorized to do business in the State of New York and as otherwise permitted by law.

Note: The information contained herein does not detail the Investment Policy of the District in its entirety. The Investment Policy in its entirety may be obtained from the District by request.

State Aid

The District receives financial assistance from the State in the form of State aid for operating, building and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. In its adopted budget for the 2025-26 fiscal year, approximately 5.35% of the revenues of the District are estimated to be received in the form of State aid. While the State has a constitutional duty to maintain and support a system of free common schools that provides a "sound basic education" to children of the State, there can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever.

In addition to the amount of State aid budgeted annually by the District, the State makes payments of STAR aid representing tax savings provided by school districts to their taxpayers under the STAR Program.

The State is not constitutionally obligated to maintain or continue State aid to the District. No assurance can be given that present State aid levels will be maintained in the future. State budgetary restrictions which could eliminate or substantially reduce State aid could have a material adverse effect upon the District, requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures. (See "MARKET AND RISK FACTORS" herein.)

State aid, including building aid appropriated and apportioned to the District, can be paid only if the State has such monies available therefor. The availability of such monies and the timeliness of such payment could be affected by a delay in the adoption of the State budget or their elimination therefrom.

There can be no assurance that the State's financial position will not change materially and adversely from current projections. If this were to occur, the State would be required to take additional gap-closing actions. Such actions may include, but are not limited to: reductions in State agency operations; delays or reductions in payments to local governments or other recipients of State aid including school districts in the State. Reductions in the payment of State aid could adversely affect the financial condition of school districts in the State.

The amount of State aid to school districts can vary from year to year and is dependent in part upon the financial condition of the State. During the 2011 to 2019 fiscal years of the State, State aid to school districts was paid in a timely manner; however, during the State's 2010 and 2020 fiscal years, State budgetary restrictions resulted in delayed payments of State aid to school districts in the State. In addition, the availability of State aid and the timeliness of payment of State aid to school districts could be affected by a delay in the adoption of the State budget, which is due at the start of the State's fiscal year of April 1. With the exception of the State's fiscal year 2025-26 Enacted Budget (which was adopted on May 9, 2025, thirty-eight (38) days after the April 1 deadline, the State's fiscal year 2024-25 Enacted Budget (which was adopted on April 22, 2024, twenty-one (21) days after the April 1 deadline) and the State's fiscal year 2023-24 Enacted Budget (which was adopted on May 2, 2023, thirty-one (31) days after the April 1 deadline), the State's budget has been adopted by April 1 or shortly thereafter for over ten (10) years. No assurance can be given that the State will not experience delays in the adoption of the budget in future fiscal years. Significant delays in the adoption of the State budget could result in delayed payment of State aid to school districts in the State which could adversely affect the financial condition of school districts in the State.

Should the District fail to receive State aid expected from the State in the amounts and at the times expected, occasioned by a delay in the payment of such monies or by a mid-year reduction in State aid, the District is authorized by the Local Finance Law to provide operating funds by borrowing in anticipation of the receipt of uncollected State aid.

Federal Aid Received by the State

The State receives a substantial amount of Federal aid for health care, education, transportation and other governmental purposes, as well as Federal funding to respond to, and recover from, severe weather events and other disasters. Many of the policies that drive this Federal aid may be subject to change under the Federal administration and Congress. Current Federal aid projections, and the assumptions on which they rely, are subject to revision in the future as a result of changes in federal policy, the general condition of the global and national economies and other circumstances.

Reductions in Federal funding levels could have a materially adverse impact on the State budget. In addition to the potential fiscal impact of policies that may be proposed and adopted by the new administration and Congress, the State budget may be adversely affected by other actions taken by the Federal government, including audits, disallowances, and changes to Federal participation rates or other Medicaid rules.

President Trump signed an executive order that directs the Secretary of Education to take all necessary steps to facilitate the closure of the U.S. Department of Education. The executive order aims to minimize the federal role in education but stops short of completely closing the Department as this would require 60 votes in the U.S. Senate. President Trump also indicated his preference that critical functions, like distributing Individuals with Disabilities Education Act funding, would be the responsibility of other federal agencies. The impact that the executive order will have on the State and school districts in the State is unknown at this time.

Building Aid

A portion of the District's State aid consists of building aid which is related to outstanding indebtedness for capital project purposes. In order to receive building aid, the District must have building plans and specifications approved by the Facilities Planning Unit of the State Education Department. A maximum construction and incidental cost allowance is computed for each building project that takes into account a pupil construction cost allowance and assigned pupil capacity. For each project financed with debt obligations, a bond percentage is computed. The bond percentage is derived from the ratio of total approved cost allowances to the total principal borrowed. Approved cost allowances are estimated until a project final cost report is completed.

Building Aid is paid over fifteen years for reconstruction work, twenty years for building additions, or thirty years for new building construction. Building Aid for a specific building project is eligible to begin eighteen months after State Commissioner of Education approval date, for that project, and is paid over the previously described timeframe, assuming all necessary building aid forms are filed with the State in a timely manner. The building aid received is equal to the assumed debt service for that project, which factors in the bond percent, times the building aid ratio that is assigned to the District, and amortized over the predefined timeframe. The building aid ratio is calculated based on a formula that involves the full valuation per pupil in the District compared to a State-wide average.

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. Since the gross indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate. Based on 2026-27 preliminary building aid ratios, the District expects to receive State building aid of approximately 10.00% of debt service on State Education Department approved expenditures from July 1, 2004 to the present.

The State building aid ratio is calculated each year based upon a formula which reflects Resident Weighted Average Daily Attendance (RWADA) and the full value per pupil compared with the State average. Consequently, the estimated aid will vary over the life of each issue. State building aid is further dependent upon the continued apportionment of funds by the State Legislature.

State Aid History

School district fiscal year (2021-2022): The State's 2021-22 Budget included $29.5 billion in state aid to school districts, and significantly increased funding for schools and local governments, including a $1.4 billion increase in Foundation Aid and a three-year phase-in of the full restoration to school districts of Foundation Aid that was initially promised in 2007. Additionally, the budget included the use of $13 billion of federal funds for emergency relief, along with the Governor's Emergency Education Relief, which included, in part, the allocation of $629 million to school districts as targeted grants in an effort to address learning loss as a result of the loss of enrichment and after-school activities. In addition, $105 million of federal funds were to be allocated to expand full-day kindergarten programs. Under the budget, school districts were to be reimbursed for the cost of delivering school meals and instructional materials in connection with COVID-19-related school closures in spring 2020, along with the costs of keeping transportation employees and contractors on stand-by during the short-term school closures prior to the announcement of the closure of schools for the remainder of the 2019-20 year.

School district fiscal year (2022-2023): The State's 2022-23 Enacted Budget provided $31.5 billion in State funding to school districts for the 2022-23 school year. This represented an increase of $2.1 billion or 7.2 percent compared to the 2021-22 school year, and included a $1.5 billion or 7.7 percent Foundation Aid increase. The State's 2022-23 Enacted Budget also programs $14 billion of federal Elementary and Secondary School Emergency Relief and Governor's Emergency Education Relief funds to public schools. This funding, available for use over multiple years, was designed to assist public schools to reopen for in-person instruction, address learning loss, and respond to students' academic, social, and emotional needs due to the disruptions of the COVID-19 pandemic. The State's 2022-23 Enacted Budget allocated $100 million over two years for a new State matching fund for school districts with the highest needs to support efforts to address student well-being and learning loss. In addition, the State's 2022-23 Enacted Budget increased federal funds by $125 million to expand access to full-day prekindergarten programs for four-year-old children in school districts statewide in the 2022-23 school year.

School district fiscal year (2023-2024): The State's 2023-24 Enacted Budget included $34.5 billion for school aid, an increase of $3.1 billion or 10%. The States 2023-24 Budget also provided a $2.6 billion increase in Foundation Aid, fully funding the program for the first time in history. The State's 2023-24 Enacted Budget provided $134 million to increase access to free school meals. An additional $20 million in grant funding established new Early College High School and Pathways in Technology Early College High School Programs. An investment of $10 million over two years in competitive funding for school districts, boards of cooperative educational services, and community colleges was made to promote job readiness. An additional $150 million was used to expand high-quality full-day prekindergarten, resulting in universal prekindergarten to be phased into 95% of the State.

School district fiscal year (2024-2025): The State's 2024-25 Enacted Budget provided $35.9 billion in State funding to school districts for the 2024-25 school year. This represented an increase of $1.3 billion compared to the 2023-24 school year and included a $934 million or 3.89 percent Foundation Aid increase. The State's 2024-25 Enacted Budget maintained the "save harmless" provision, which ensured a school district received at least the same amount of Foundation Aid as it received in the prior year. The State's 2024-25 Enacted Budget also authorized a comprehensive study by the Rockefeller Institute and the State Department of Education to develop a modernized school funding formula.

School district fiscal year (2025-2026): The State's 2025-26 Budget includes approximately $37.6 billion in State funding to school districts for the 2025-2026 school year, an estimated year-to-year funding increase of $1.7 billion. The State's 2025-26 Budget provides an estimated $26.3 billion in Foundation Aid, a year over year increase of $1.42 billion and includes a 2% minimum increase in Foundation Aid to all school districts. The State's 2025-26 Budget also makes a number of alterations to the Foundation Aid formula to more accurately reflect low-income student populations and provide additional aid to low-wealth school districts.

Provisions in the State's 2025-26 Enacted Budget grant the State Budget Director the authority to withhold all or some of the amounts appropriated therein, including amounts that are to be paid on specific dates prescribed in law or regulation (such as State Aid) if, on a cash basis of accounting, a "general fund imbalance" has or is expected to occur in fiscal year 2025-26. Specifically, the State's 2025-26 Enacted Budget provides that a "general fund imbalance" has occurred, and the State Budget Director's powers are activated, if any State fiscal year 2025-26 quarterly financial plan update required by Subdivision 4 of Section 23 of the New York State Finance Law reflects, or if at any point during the final quarter of State fiscal year 2025-26 the State Budget Director projects, that estimated general fund receipts and/or estimated general fund disbursements have or will vary from the estimates included in the State's 2025-26 Enacted Budget financial plan required by sections 22 and 23 of the New York State Finance Law results in a cumulative budget imbalance of $2 billion or more. Any significant reductions or delays in the payment of State aid could adversely affect the financial condition of school districts in the State.

State Aid Litigation

In January 2001, the State Supreme Court issued a decision in *Campaign for Fiscal Equity v. New York* mandating that the system of apportionment of State aid to school districts within the State be restructured by the Governor and the State Legislature. On June 25, 2002, the Appellate Division of the State Supreme Court reversed that decision. On June 26, 2003, the State Court of Appeals, the highest court in the State, reversed the Appellate Division, holding that the State must, by July 30, 2004, ascertain the actual cost of providing a sound basic education, enact reforms to the system of school funding and ensure a system of accountability for such reforms. The Court of Appeals further modified the decision of the Appellate Division by deciding against a Statewide remedy and instead limited its ruling solely to the New York City school system.

After further litigation, on appeal in 2006, the Court of Appeals held that $1.93 billion of additional funds for the New York City schools – as initially proposed by the Governor and presented to the Legislature as an amount sufficient to provide a sound basic education – was reasonably determined. State legislative reforms in the wake of The *Campaign for Fiscal Equity* decision included increased accountability for expenditure of State funds and collapsing over 30 categories of school aid for school districts in the State into one classroom operating formula referred to as foundation aid. The stated purpose of foundation aid is to prioritize funding distribution based upon student need. As a result of the Court of Appeals ruling schools were to receive $5.5 billion increase in foundation aid over a four fiscal year phase-in covering 2007 to 2011.

In school district fiscal year 2009-2010, foundation aid funding was frozen by the State Legislature to the prior fiscal year level, and in the fiscal year thereafter foundation aid funding was reduced through a "gap elimination adjustment" as described above, and other aid adjustments.

A case related to the *Campaign for Fiscal Equity, Inc. v. State of New York* was heard on appeal on May 30, 2017 *in New Yorkers for Students' Educational Rights v. State of New York ("NYSER")* and a consolidated case on the right to a sound basic education. The *NYSER* lawsuit asserts that the State has failed to comply with the original decision in the Court of Appeals in the Campaign for Fiscal Equity case, and asks the Court of Appeals to require the State to develop new methodologies, formulas and mechanisms for determining State aid, to fully fund the foundation aid formula, to eliminate the supermajority requirement for voter approval of budgets which increase school district property tax levies above the property tax cap limitation, and related matters. On June 27, 2017, the Court of Appeals held that the plaintiffs' causes of action were properly dismissed by the earlier Appellate Division decision except insofar as two causes of action regarding accountability mechanisms and sufficient State funding for a "sound basic education" as applicable solely to the school districts in New York City and Syracuse. The Court emphasized its previous ruling in the *Campaign for Fiscal Equity* case that absent "gross education inadequacies", claims regarding state funding for a "sound basic education" must be made on a district-by-district basis based on the specific facts therein. On October 14, 2021 Governor Kathy Hochul announced that New York State has reached an agreement to settle and discontinue the *New Yorkers for Students' Educational Rights v. New York State* case, following through on the State's commitment to fully fund the current Foundation Aid formula to New York's school districts over three years and ending the State's prior opposition to providing this much-needed funding to our students. The litigation, which has been ongoing since 2014, sought to require New York State to fully fund the Foundation Aid formula that was put into place following the historic *Campaign for Fiscal Equity* cases, and had been previously opposed by the State. Foundation Aid was created in 2007, and takes school district wealth and student need into account to create an equitable distribution of state funding to schools. However, New York State has never fully funded Foundation Aid. The new settlement requires New York State to phase-in full funding of Foundation Aid by the FY 2024 budget. In the FY 2022 Enacted State Budget approved in April, the Executive and Legislature agreed to fully fund Foundation Aid by the FY 2024 budget and enshrined this commitment into law. A breakdown of currently anticipated Foundation Aid funding is available as follows:

A breakdown of currently anticipated Foundation Aid funding is available below

- FY 2022: $19.8 billion, covering 30% of the existing shortfall
- FY 2023: Approximately $21.3 billion, covering 50% of the anticipated shortfall
- FY 2024: Approximately $23.2 billion, eliminating the anticipated shortfall, and funding the full amount of Foundation Aid for all school districts
- FY 2025: Funding the full amount of Foundation Aid for all school districts
- FY 2026: $26.3 billion in Foundation Aid, a year over year increase of $1.42 billion and a 2% minimum increase in Foundation Aid to all school districts

The State's 2025-26 Budget also makes a number of alterations to the Foundation Aid formula to more accurately reflect low-income student populations and provide additional aid to low-wealth school districts.

State Aid Revenues

The following table illustrates the percentage of total revenues of the District for the below fiscal years comprised of State aid.

Fiscal Year	Total Revenues [1]	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2020-2021	$ 142,820,468	$ 7,435,308	5.21%
2021-2022	146,423,645	7,840,253	5.35
2022-2023	150,022,413	7,959,323	5.31
2023-2024	153,653,223	8,884,043	5.78
2024-2025	156,195,517	8,597,558	5.50
2025-2026 (Budgeted)	160,501,482 [2]	8,581,643	5.35

[1] Does not include interfund transfers.
[2] Does not include use of $404,018 of appropriated fund balance.

Source: Audited financial statements for the 2020-21 through 2024-25 fiscal years and adopted budget (unaudited) for the 2025-26 fiscal year. This table is not audited.

District Facilities

The District currently operates the following facilities:

Facility	Grades	Original Construction
Fox Lane High School	9-12	1958
Fox Lane Middle School	6-8	1966
West Patent Elementary School	K-5	1970
Pound Ridge Elementary School	K-5	1939
Mt. Kisco Elementary School	Pre-K-5	1912
Bedford Hills Elementary School	Pre-K-5	1922
Bedford Village Elementary School	K-5	1941

Source: District officials.

Enrollment Trends

Fiscal Year	Actual Enrollment	Fiscal Year	Projected Enrollment
2021-22	3,714	2026-27	3,345
2022-23	3,620	2027-28	3,332
2023-24	3,567	2028-29	3,341
2024-25	3,527	2029-30	3,348
2025-26	3,417	2030-31	3,304

Source: District officials.

Employees

The District employs approximately 774 full-time employees. The following table sets forth a breakdown of employee representation by collective bargaining agent and the dates of expiration of the various collective bargaining agreements:

Employees Represented	Union Representation	Expiration Date
484	Bedford Teachers' Association	June 30, 2027
256	CSEA – Civil Service Union	June 30, 2028
20	Bedford Administrative Association	June 30, 2029

Source: District officials.

Status and Financing of Employee Pension Benefits

Substantially all employees of the District are members of either the New York State and Local Employees' Retirement System ("ERS") (for non-teaching and non-certified administrative employees) or the New York State Teachers' Retirement System ("TRS") (for teachers and certified administrators). (Both Systems are referred to together hereinafter as the "Retirement Systems" where appropriate.) These Retirement Systems are cost-sharing multiple public employer retirement systems. The obligation of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement and Social Security Law (the "Retirement System Law"). The Retirement Systems offer 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 benefits and optional methods of benefit payments. All benefits generally had vested after ten years of credited service; however, this was changed to five years as of April 9, 2022. The Retirement System Law generally provides that all participating employers in each retirement system are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement Systems. The Retirement Systems are non-contributory with respect to members hired prior to July 27, 1976. All members working less than ten years must contribute 3% (ERS) or 3.5% (TRS) of gross annual salary towards the cost of retirement programs.

On December 12, 2009, a new Tier V was signed into law. The legislation created a new Tier V pension level, the most significant reform of the State's pension system in more than a quarter-century. Key components of Tier V include:

- Raising the minimum age at which most civilians can retire without penalty from 55 to 62 and imposing a penalty of up to 38% for any civilian who retires prior to age 62.
- Requiring ERS employees to continue contributing 3% of their salaries and TRS employees to continue contributing 3.5% toward pension costs so long as they accumulate additional pension credits.
- Increasing the minimum years of service required to draw a pension from 5 years to 10 years, which has since been changed to 5 years as of April 9, 2022.
- Capping the amount of overtime that can be considered in the calculation of pension benefits for civilians at $15,000 per year, and for police and firefighters at 15% of non-overtime wages.

On March 16, 2012, the Governor signed into law the new Tier VI pension program, effective for new ERS and TRS employees hired after April 1, 2012. The Tier VI legislation provides for increased employee contribution rates of between 3% and 6% and contributions at such rates continue so long as such employee continues to accumulate pension credits, an increase in the retirement age from 62 years to 63 years, a readjustment of the pension multiplier, and a change in the time period for the final average salary calculation from 3 years to 5 years. Effective April 20, 2024, this final average salary calculation for ERS Tier VI members has been changed from five years to the three highest consecutive years of earnings. Tier VI employees would vest in the system after ten years of employment; and employees will continue to make employee contribution throughout employment. As of April 9, 2022, vesting requirements were modified, resulting in employees becoming vested after five years.

The District is required to contribute at an actuarially determined rate. The actual contributions for the last five audited years and the budgeted figures for the 2025-26 fiscal year are as follows:

Fiscal Year	ERS	TRS
2020-21	$ 2,208,687	$ 4,811,140
2021-22	2,374,013	5,052,386
2022-23	2,261,862	6,098,536
2023-24	2,747,982	4,909,748
2024-25	3,574,376	5,934,069
2025-26 (Budgeted)	2,800,000	6,400,000

Source: District officials.

The annual required pension contribution is due February 1 annually with the ability to pre-pay on December 15 at a discount. The District pre-pays this cost annually.

Pursuant to various laws enacted between 1991 and 2002, the State Legislature authorized local governments to make available certain early retirement incentive programs to its employees. The District is not currently offering any early retirement incentives, and does not plan to do so in the foreseeable future.

Historical Trends and Contribution Rates. Historically there has been a State mandate requiring full (100%) funding of the annual actuarially required local governmental contribution out of current budgetary appropriations. With the strong performance of the Retirement System in the 1990s, the locally required annual contribution declined to zero. However, with the subsequent decline in the equity markets, the pension system became underfunded. As a result, required contributions increased substantially to 15% to 20% of payroll for the employees' and the police and fire retirement systems, respectively. Wide swings in the contribution rate resulted in budgetary planning problems for many participating local governments.

A chart of average ERS and TRS rates as a percent of payroll (2021-22 to 2025-26) is shown below:

State Fiscal Year	ERS	TRS
2021-22	16.2%	9.80%
2022-23	11.6	10.29
2023-24	13.1	9.76
2024-25	15.2	10.11
2025-26	16.5	9.59

In 2003, Chapter 49 of the Laws of 2003 amended the Retirement and Social Security Law and the Local Finance Law. The amendments empowered the State Comptroller to implement a comprehensive structural reform program for ERS. The reform program established a minimum contribution for any local governmental employer equal to 4.5% of pensionable salaries for bills which were due December 15, 2003 and for all fiscal years thereafter, as a minimum annual contribution where the actual rate would otherwise be 4.5% or less due to the investment performance of the fund. In addition, the reform program instituted a billing system to match the budget cycle of municipalities and school districts that will advise such employers over one year in advance concerning actual pension contribution rates for the next annual billing cycle. Under the previous method, the requisite ERS contributions for a fiscal year could not be determined until after the local budget adoption process was complete. Under the new system, a contribution for a given fiscal year is based on the valuation of the pension fund on the prior April 1 of the calendar year preceding the contribution due date instead of the following April 1 in the year of contribution so that the exact amount may now be included in a budget.

Chapter 57 of the Laws of 2010 (Part TT) amended the Retirement and Social Security Law to authorize participating employers, if they so elect, to amortize an eligible portion of their annual required contributions to ERS when employer contribution rates rise above certain levels. The option to amortize the eligible portion began with the annual contribution due February 1, 2011. The amortizable portion of an annual required contribution is based on a "graded" rate by the State Comptroller in accordance with formulas provided in Chapter 57. Amortized contributions are to be paid in equal annual installments over a ten-year period, but may be prepaid at any time. Interest is to be charged on the unpaid amortized portion at a rate to be determined by the State Comptroller, which approximates a market rate of return on taxable fixed rate securities of a comparable duration issued by comparable issuers. The interest rate is established annually for that year's amortized amount and then applies to the entire ten years of the amortization cycle of that amount. When in any fiscal year, the participating employer's graded payment eliminates all balances owed on prior amortized amounts, any remaining graded payments are to be paid into an employer contribution reserve fund established by the State Comptroller for the employer, to the extent that amortizing employer has no currently unpaid prior amortized amounts, for future such use.

The District is not amortizing any pension payments, nor does it intend to do so in the foreseeable future.

Stable Rate Pension Contribution Option. The 2013-14 State Budget included a provision that provides local governments and school districts, including the District, with the option to "lock-in" long-term, stable rate pension contributions for a period of years determined by the State Comptroller and ERS and TRS. The stable rates would be 12% for ERS and 14% for TRS. The pension contribution rates under this program would reduce near-term payments for employers, but will require higher than normal contributions in later years.

The District did not participate in the Stable Rate Pension Contribution Option, nor does it intend to do so in the foreseeable future.

The investment of monies, and assumptions underlying same, of the Retirement Systems covering the District's employees is not subject to the direction of the District. Thus, it is not possible to predict, control or prepare for future unfunded accrued actuarial liabilities of the Retirement Systems ("UAALs"). The UAAL is the difference between total actuarially accrued liabilities and actuarially calculated assets available for the payment of such benefits. The UAAL is based on assumptions as to retirement age, mortality, projected salary increases attributed to inflation, across-the-board raises and merit raises, increases in retirement benefits, cost-of-living adjustments, valuation of current assets, investment return and other matters. Such UAALs could be substantial in the future, requiring significantly increased contributions from the District which could affect other budgetary matters. Concerned investors should contact the Retirement Systems administrative staff for further information on the latest actuarial valuations of the Retirement Systems.

The State's 2019-2020 Enacted Budget, which was signed into law as Chapter 59 of the Laws of 2019, includes a provision that will allow school districts in the State to establish a reserve fund for the purpose of funding the cost of TRS contributions, as a sub-fund of retirement contribution reserve funds presently authorized for amounts payable to the ERS by a school district. School districts will be permitted to pay into such reserve fund during any particular fiscal year, an amount not to exceed two percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year; provided that the balance of such fund may not exceed ten percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year. The District has established such a fund.

Other Post-Employment Benefits

Healthcare Benefits. It should also be noted that the District provides employment healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. There is now an accounting rule that requires governmental entities, such as the District, to account for employment healthcare benefits as it accounts for vested pension benefits.

School districts and Boards of Cooperative Educational Services, unlike other municipal units of government in the State, have been prohibited from reducing health benefits received by or increasing health care contributions paid by retirees below the level of benefits or contributions afforded to or required from active employees since the implementation of Chapter 729 of the Laws of 1994. Legislative attempts to provide similar protection to retirees of other local units of government in the State have not succeeded as of this date. Nevertheless, many such retirees of all varieties of municipal units in the State do presently receive such benefits.

OPEB. OPEB refers to "other post-employment benefits," meaning other than pension benefits, disability benefits and OPEB consist primarily of health care benefits, and may include other benefits such as disability benefits and life insurance. Until now, these benefits have generally been administered on a pay-as-you-go basis and have not been reported as a liability on governmental financial statements.

GASB 75. In 2015, the Governmental Accounting Standards Board ("GASB") released new accounting standards for public Other Post-Employment Benefits ("OPEB") plans and participating employers. These standards, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75"), have substantially revised the valuation and accounting requirements previously mandated under GASB Statements No. 43 and 45. For the fiscal year ended June 30, 2018, the District implemented GASB 75. The implementation of this statement requires school districts to report OPEB liabilities, OPEB expenses, deferred outflow of resources and deferred inflow of resources related to OPEB. GASB Statement No. 75 replaced GASB Statement 45, which also required the District to calculate and report a net OPEB obligation. However, under GASB 45, school districts could amortize the OPEB liability over a period of years, whereas GASB 75 requires districts to report the entire OPEB liability on the statement of net position.

The District contracted with an actuarial firm to calculate its actuarial valuation under GASB 75. The following outlines the changes to the Total OPEB Liability during the below fiscal years, by source.

Balance beginning at July 1:	2023	2024
Changes for the year:	$ 202,018,033	$ 208,467,057
Service cost	6,794,838	6,923,740
Interest	8,498,224	8,981,705
Changes of benefit terms	-	-
Differences between expected and actual experience	(244,492)	70,396,322
Changes in assumptions or other inputs	(2,447,831)	(25,592,997)
Benefit payments	(6,151,715)	(4,139,955)
Net Changes	$ 6,449,024	$ 56,568,815
Balance ending at June 30:	2024	2025
	$ 208,467,057	$ 265,035,872

Note: The above table is not audited. For additional information see "APPENDIX – D" attached hereto.

The aforementioned liability and ARC were recognized and disclosed in accordance with GASB 45 standards in the District's past audited financial statements.

There is no authority in current State law to establish a trust account or reserve fund for this liability. The District has reserved $0 towards its OPEB liability. The District funds this liability on a pay-as-you-go basis.

The District's unfunded actuarial accrued OPEB liability could have a material adverse impact upon the District's finances and could force the District to reduce services, raise taxes or both.

Under GASB 75, an actuarial valuation will be required every 2 years for all plans, however, the Alternative Measurement Method continues to be available for plans with less than 100 members.

Other Information

The statutory authority for the power to spend money for the object or purpose, or to accomplish the object or purpose, for which the Notes are to be issued is the Education Law and the Local Finance Law.

The District is in compliance with the procedure for the publication of the estoppel notice with respect to the Notes as provided in Title 6 of Article 2 of the Local Finance Law.

No principal or interest upon any obligation of the District is past due.

The fiscal year of the District is July 1 to June 30.

Except for as shown under "STATUS OF INDEBTEDNESS – Estimated Overlapping Indebtedness", this Official Statement does not include the financial data of any political subdivision having power to levy taxes within the District.

Financial Statements

The District retains independent Certified Public Accountants. The last audit report covers the period ending June 30, 2025 and is attached hereto as "APPENDIX – D". Certain financial information of the District can be found attached as appendices to the Official Statement.

The District complies with the Uniform System of Accounts as prescribed for school districts in New York State by the State. This system differs from generally accepted accounting principles as prescribed by the American Institute of Certified Public Accountants' Industry Audit Guide, "Audits of State and Local Governmental Units", and codified in Government Accounting, Auditing and Financial Reporting (GAAFR), published by the Governmental Accounting Standards Board (GASB).

Beginning with the fiscal year ending June 30, 2003, the District issues its financial statements in accordance with GASB Statement No. 34. This statement includes reporting of all assets including infrastructure and depreciation in the Government Wide Statement of Activities, as well as the Management's Discussion and Analysis.

Bonadio & Co., LLP, the independent auditor for the District, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. Bonadio & Co., LLP also has not performed any procedures relating to this Official Statement.

New York State Comptroller Report of Examination

The State Comptroller's office, i.e., the Department of Audit and Control, periodically performs a compliance review to ascertain whether the District has complied with the requirements of various State and Federal statutes. These audits can be found by visiting the Audits of Local Governments section of the Office of the State Comptroller website.

The State Comptroller's office released its most recent audit report of the District on August 22, 2025. The purpose of the audit was to determine whether District officials claimed all Medicaid reimbursements to which the District was entitled for during the period July 1, 2022 through June 30, 2024. According to a District official, the District never filed claims for Medicaid reimbursement. Although the District provided 2,379 services to students with IEPs that were eligible for Medicaid reimbursement totaling $1.1 million throughout the two-year audit period, District officials did not submit any claims for reimbursement and as a result, forfeited the District's share of reimbursement totaling approximately $566,000. A copy of the complete report can be found via the website of the Office of the New York State Comptroller.

There have been no other State Comptroller's audits of the District released within the past five years, nor are there any that are currently in progress or pending release.

Source: Website of the Office of the New York State Comptroller and District officials.

Note: Reference to website implies no warranty of accuracy of information therein, and the website is not included herein by reference.

The State Comptroller's Fiscal Stress Monitoring System

The New York State Comptroller has reported that New York State's school districts and municipalities are facing significant fiscal challenges. As a result, the Office of the State Comptroller has developed a Fiscal Stress Monitoring System ("FSMS") to provide independent, objectively measured and quantifiable information to school district and municipal officials, taxpayers and policy makers regarding the various levels of fiscal stress under which the State's school districts and municipalities are operating.

The fiscal stress scores are based on financial information submitted as part of each school district's ST-3 report filed with the State Education Department annually, and each municipality's annual report filed with the State Comptroller. Using financial indicators that include year-end fund balance, cash position and patterns of operating deficits, the system creates an overall fiscal stress score which classifies whether a school district or municipality is in "significant fiscal stress", in "moderate fiscal stress," as "susceptible to fiscal stress" or "no designation". Entities that do not accumulate the number of points that would place them in a stress category will receive a financial score but will be classified in a category of "no designation." This classification should not be interpreted to imply that the entity is completely free of fiscal stress conditions. Rather, the entity's financial information, when objectively scored according to the FSMS criteria, did not generate sufficient points to place them in one of the three established stress categories.

The classification of the District for the three most recent available fiscal years are as follows:

Fiscal Year Ending In	Stress Designation	Fiscal Score
2024	No Designation	0.0
2023	No Designation	8.3
2022	No Designation	0.0

Source: Website of the Office of the New York State Comptroller.

Note: Reference to website implies no warranty of accuracy of information therein, and the website is not included herein by reference.

TAX INFORMATION

Taxable Assessed Valuations

Fiscal Year Ending June 30:	2022	2023	2024	2025	2026
Towns of:					
Bedford	$ 413,109,995	$ 414,936,945	$ 417,623,884	$ 419,311,019	$ 421,399,085
Mt.Kisco	292,246,807	291,301,489	292,101,359	290,846,922	290,724,884
New Castle	69,259,733	69,977,623	69,967,106	70,081,657	70,134,552
North Castle	4,012,622	4,064,802	4,061,565	4,100,615	4,185,645
Pound Ridge	357,690,974	357,497,469	359,267,704	361,592,974	363,755,358
Total Assessed Values	$ 1,136,320,131	$ 1,137,778,328	$ 1,143,021,618	$ 1,145,933,187	$ 1,150,199,524
State Equalization Rates					
Towns of:					
Bedford	10.83%	11.35%	9.31%	8.49%	8.12%
Mt.Kisco	15.78%	16.00%	15.08%	13.72%	14.03%
New Castle	19.06%	19.38%	16.75%	14.80%	14.07%
North Castle	2.38%	2.24%	1.94%	1.65%	1.80%
Pound Ridge	19.05%	19.62%	16.06%	14.30%	12.86%
Total Taxable Full Valuation	$ 8,076,122,245	$ 7,841,119,827	$ 9,286,875,027	$ 10,309,425,812	$ 10,821,394,205

Source: District officials.

Tax Rates Per $1,000 (Assessed)

Fiscal Year Ending June 30:	2022	2023	2024	2025	2026
Towns of:					
Bedford	$ 149.62	$ 151.03	$ 158.85	$ 161.54	$ 165.75
Mt.Kisco	102.67	107.01	98.00	99.90	95.82
New Castle	85.05	88.47	88.32	92.70	95.66
North Castle	681.14	765.43	762.54	831.46	747.79
Pound Ridge	85.10	87.38	92.10	95.92	104.66

Source: District officials.

Tax Collection Procedure

Real property taxes are levied by the District but are collected by the five towns making up the District. Such taxes may be paid in two equal installments on September 1 and January 1 and may be paid without penalty on or before September 30 and January 31, respectively. Delinquent school tax payments are assessed penalties in accordance with an ascending scale which starts at 2% in the month of October and increases to a maximum of 12% for all payments received the following April and thereafter.

According to the County Tax Code, the towns must remit school tax collections to the District by the fifth day of the month following their collection. In addition, the towns are obligated to pay the District the full amount of its current tax levy by April 1. The District is therefore guaranteed 100% of its real property taxes during the current fiscal year. Subsequently, the towns enforce unpaid school taxes in the same manner as unpaid town taxes.

The District is not responsible for the collection of taxes of any other unit of government.

Tax Levy and Tax Collection Record

Fiscal Year Ending June 30:	2022	2023	2024	2025	2026
Total Tax Levy	$ 130,922,937	$ 134,440,264	$ 137,383,087	$ 141,436,467	$ 145,659,209
Amount Uncollected (1)	-	-	-	-	-
% Uncollected	0.00%	0.00%	0.00%	0.00%	0.00%

(1) See "Tax Collection Procedure" herein.

Note: Tax levy figures represent levy prior to STAR reduction.

Source: District officials.

Real Property Taxes & Tax Items

The following table illustrates the percentage of total General Fund revenues of the District for the below fiscal years comprised of Real Property Taxes.

Fiscal Year	Total Revenues (1)	Total Real Property Taxes	Percentage of Total Revenues Consisting of Real Property Taxes
2020-2021	$ 142,820,468	123,098,057	86.19%
2021-2022	146,423,645	126,358,867	86.30
2022-2023	150,022,413	130,250,862	86.82
2023-2024	153,653,223	133,489,927	86.88
2024-2025	156,195,517	137,921,801	88.30
2025-2026 (Budgeted)	160,501,482 (2)	145,659,209	90.75

(1) Does not include interfund transfers.
(2) Does not include use of $404,018 of appropriated fund balance.

Source: Audited Financial Statements for the 2020-21 through 2024-25 fiscal years and adopted budget (unaudited) for the 2025-26 fiscal year. This table is not audited.

Ten Larger Taxpayers – 2025 Assessment Roll for 2025-26 District Tax Roll

Name	Type	Taxable Full Valuation
DP 21 LLC	Commercial	$ 9,380,000
Consolidated Edison Co of NY	Utility	8,858,744
Massealah International	Utility	5,732,250
Peltz, Nelson (1)	Residence	3,561,580
Aquarion Water Co of CT	Commercial	3,524,784
UE 195 N Bedford Road LLC	Commercial	3,060,000
HMF Property LLC	Commercial	3,031,400
Black Leon	Residence	2,868,910
UE AP 195 N Bedford Road LLC	Commercial	2,800,000
100 South Bedford LLC	Commercial	2,760,000

(1) Has a pending tax certiorari proceeding for which the outcome is currently unknown.

The District does not have any pending or outstanding tax certiorari claims which are known or expected to have a material impact on the finances of the District. The District currently has a tax certiorari reserve.

The larger taxpayers listed above have a total taxable full valuation of $45,577,668, which represents 0.42% of the tax base of the District for the 2025-26 fiscal year.

Note: The valuations listed above include only taxes levied by the Town of Mt. Kisco. The amount of taxes levied by the Village of Mt. Kisco is not included herein. As a result, figures may differ substantially from previous information provided by the District.

Source: District officials.

STAR – School Tax Exemption

The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. School districts are reimbursed by the State for real property taxes exempted pursuant to the STAR Program. Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and individual retirement annuities (“STAR Adjusted Gross Income”) of $107,300 or less in the 2025-2026 school year, increased annually according to a cost of living adjustment, are eligible for a “full value” exemption of the first $86,100 of the full value of a home for the 2025-2026 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross income not in excess of $250,000 ($500,000 in the case of a STAR credit, as discussed below) are eligible for a $30,000 “full value” exemption on their primary residence.

The 2019-2020 State Budget made several changes to the STAR program, which went into effect immediately. The changes are intended to encourage homeowners to switch from the STAR exemption to the STAR credit. The income limit for the exemption was lowered to $250,000, compared with a $500,000 limit for the credit. The amount received for the STAR exemption will remain the same each year, while the amount of the STAR credit can increase up to two percent annually. Homeowners with STAR Adjusted Gross Income of $250,000 or less have the option to select the credit or the exemption.

The 2020-2021 State Budget further modified the STAR program. Under such legislation, property owners with property tax delinquencies greater than one year are not eligible for the Basic STAR exemption or the Basic STAR credit. Recipients of the Enhanced STAR exemptions and credits are not impacted by this program; they may continue to receive STAR benefits even if their property taxes are delinquent.

The below table lists the basic and enhanced exemption amounts for the 2025-26 District tax roll for the municipalities applicable to the District:

Municipality	Enhanced Exemption	Basic Exemption	Date Certified
Town of:			
Bedford	$ 19,570	$ 7,220	10/16/2024
Mt. Kisco	30,480	10,620	10/16/2024
New Castle	33,430	12,320	10/16/2024
North Castle	3,860	1,420	10/16/2024
Pound Ridge	33,840	12,480	10/16/2024

$3,468,686 of the District's $141,386,259 school tax levy for 2024-25 fiscal year was exempted by the STAR Program. The District received full reimbursement of such exempt taxes from the State in January 2025.

Approximately $3,000,000 of the District's $160,905,500 school tax levy for the 2025-26 fiscal year is expected to be exempt by the STAR Program. The District anticipates receiving full reimbursement of such exempt taxes from the State by January 2026.

Additional Tax Information

Real property located in the School District is assessed by the Towns.

Senior citizens' exemptions are offered to those who qualify.

TAX LEVY LIMIT LAW

On June 24, 2011, Chapter 97 of the Laws of 2011 (herein referred to as the "Tax Levy Limit Law" or "Law") was signed by the Governor. The Tax Levy Limit Law modified previous law by imposing a limit on the amount of real property taxes that a school district may levy. The Law will affect school district tax levies for the school district fiscal year beginning July 1, 2012.

Prior to the enactment of the Law, there was no statutory limitation on the amount of real property taxes that a school district could levy if its budget had been approved by a simple majority of its voters. In the event the budget had been defeated twice by the voters, the school district was required to adopt a contingency budget. Under a contingency budget, school budget increases were limited to the lesser of four percent (4%) of the prior year's budget or one hundred twenty percent (120%) of the consumer price index ("CPI").

The Tax Levy Limit Law imposes a limitation on the amount of tax levy growth from one fiscal year to the next. Such limitation is the lesser of (i) 2% or (ii) the annual percentage increase in the consumer price index, as described in the Law. A budget with a tax levy that does not exceed such limit will require approval by at least 50% of the voters. Approval by at least 60% of the voters will be required for a budget with a tax levy in excess of the limit. In the event the voters reject the budget twice, the tax levy for the school district's budget for the ensuing fiscal year may not exceed the amount of the tax levy for the prior fiscal year.

The Law permits certain significant exclusions to the tax levy limit for school districts. These include taxes to pay the local share of debt service on bonds or notes issued to finance voter approved capital expenditures (such as the Notes) and the refinancing or refunding of such bonds or notes, certain pension cost increases, and other items enumerated in the Law. However, such exclusion does NOT apply to taxes to pay debt service on tax anticipation notes, revenue anticipation notes, budget notes and deficiency notes; and any obligations issued to finance deficits and certain judgments, including tax certiorari refund payments.

STATUS OF INDEBTEDNESS

Constitutional and Statutory Requirements

The New York State Constitution and Local Finance Law limit the power of the District (and other municipalities and school districts of the State) to issue obligations and to contract indebtedness. Such constitutional and statutory limitations include the following, in summary form, and are generally applicable to the District and the Notes:

Purpose and Pledge. The District shall not give or loan any money or property to or in aid of any individual, or private corporation or private undertaking or give or loan its credit to or in aid of any of the foregoing or any public corporation.

The District may contract indebtedness only for a District purpose and shall pledge its faith and credit for the payment of principal of and interest thereon.

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid in one of the two fiscal years immediately succeeding the fiscal year in which such indebtedness was contracted, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been initially contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose determined by statute or, in the alternative, the weighted average period of probable usefulness of the several objects or purpose for which such indebtedness is to be contracted; no installment may be more than fifty per centum in excess of the smallest prior installment, unless the District has authorized the issuance of indebtedness having substantially level or declining annual debt service. The District is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds, bond anticipation notes and capital notes.

General. The District is further subject to constitutional limitation by the general constitutionally imposed duty on the State Legislature to restrict the power of taxation and contracting indebtedness to prevent abuses in the exercise of such power; however, the State Legislature is prohibited by a specific constitutional provision from restricting the power of the District to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. There is no constitutional limitation on the amount that may be raised by the District by tax on real estate in any fiscal year to pay principal of and interest on all indebtedness. However, the Tax Levy Limit Law imposes a statutory limitation on the power of the District to increase its annual tax levy. The amount of such increase is limited by the formulas set forth in such law. (See "*TAX LEVY LIMIT LAW*," herein).

Statutory Procedure

In general, the State Legislature has, by the enactment of the Local Finance Law, authorized the powers and procedure for the District to borrow and incur indebtedness subject, of course, to the constitutional provisions set forth above. The power to spend money, however, generally derives from other law, including the Education Law.

The District is generally required by such laws to submit propositions for the expenditure of money for capital purposes to the qualified electors of the District. Upon approval thereby, the Board of Education may adopt a bond resolution authorizing the issuance of bonds and notes in the anticipation of the bonds. No down payment is required in connection with the issuance of District obligations. With respect to certain school building construction projects, the District is not permitted to spend in excess of $100,000 for construction costs until the plans and specifications for such project have been approved by the commissioner of Education of the State.

The Local Finance Law also provides a twenty-day statute of limitations after publication of a bond resolution, or summary thereof, together with a statutory form of notice which, in effect, estops legal challenges to the validity of obligations authorized by such bond resolution except for alleged constitutional violations. Except on rare occasions the District complies with this estoppel procedure.

The Board of Education, as the finance board of the District, also has the power to authorize the sale and issuance of bonds and notes, including the Notes. However, such finance board may delegate the power to sell the Notes to the President of the Board of Education, the chief fiscal officer of the District, pursuant to the Local Finance Law.

Debt Limit. Pursuant to the Local Finance Law, the District has the power to contract indebtedness for any District purpose authorized by the Legislature of the State of New York, provided the aggregate principal amount thereof shall not exceed ten per centum of the full valuation of the taxable real estate of the District and subject to certain enumerated deductions such as State aid for building purposes. The constitutional and statutory method for determining full valuation consists of taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the ratio (equalization rate) which such assessed valuation bears to the full valuation; such ratio is determined by the State Board of Real Property Services. The Legislature also is required to prescribe the manner by which such ratio shall be determined by such authority.

Debt Outstanding End of Fiscal Year

Fiscal Years Ending June 30th:	2021	2022	2023	2024	2025
Bonds	$ 49,720,000	$ 43,135,000	$ 36,560,000	$ 44,355,000	$ 38,295,000
Bond Anticipation Notes	0	0	2,000,000	0	25,000,000
Installment Purchase Obligations (1)	1,537,178	69,197	7,781,669	7,234,514	6,695,584
Total Debt Outstanding	$ 51,257,178	$ 43,204,197	$ 46,341,669	$ 51,589,514	$ 69,990,584

(1) Such indebtedness is subject to appropriation but does not involve a pledge of faith and credit of the District, and therefore do not technically constitute indebtedness of the District. The principal portion of such obligations are, however, counted against the debt limit of the District. (See "Other Obligations" herein.)

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Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District as of January 29, 2026.

Type of Indebtedness	Maturity		Amount
Bonds	2026-2035		$ 57,750,000
Bond Anticipation Notes	---		0
		Total	$ 57,750,000

The table above does not include any energy performance contract, capital lease, or installment purchase contract indebtedness, to the extent any such indebtedness may be applicable to the District. (See "Other Obligations" herein.)

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of January 29, 2026:

Full Valuation of Taxable Real Property			$ 10,821,394,205
Debt Limit – 10% thereof			1,082,139,420
Inclusions:			
Bonds	$ 57,750,000		
Bond Anticipation Notes (BANs):	0		
Total Inclusions prior to issuance of the Notes	57,750,000		
Less: BANs being redeemed from appropriations	(0)		
Add: New money proceeds of the Notes	10,000,000		
Total Net Inclusions after issuance of the Notes		$ 67,750,000	
Exclusions:			
State Building Aid [1]	$ 0		
Total Exclusions		$ 0	
Total Net Indebtedness after issuance of the Notes			$ 67,750,000
Net Debt-Contracting Margin			$1,014,389,420
The percent of debt contracting power exhausted is			6.26%

[1] Pursuant to the Provisions of Chapter 760 of the Laws of New York State of 1963, the School District receives aid on existing bonded debt. Since the gross indebtedness of the School District is within the debt limit, the School District is not required to apply for a Building aid Estimate. Over the years the building aid ratio has been adjusted based on State legislative changes with an effective date tied to voter authorization dates. Based on preliminary 2026-27 Building Aid Ratios, the School District anticipates State Building aid of 10.00% for debt service on SED approved expenditures from July 1, 2004 to the present. The School District has no reason to believe that it will not ultimately receive all of the Building aid it anticipates, however, no assurance can be given as to when and how much Building aid the School District will receive in relation to its serial bonds.

Notes: The State Constitution does not provide for the inclusion of tax anticipation or revenue anticipation notes in the computation of the statutory debt limit of the District.

The above debt statement summary does not include any outstanding lease liabilities, energy performance or installment purchase obligations, which are subject to appropriation but do not involve a pledge of faith and credit of the District, and therefore do not technically constitute indebtedness of the District. The principal portion of such obligations are, however, counted against the debt limit of the District. The District remains within its debt limit after taking into account the outstanding balance of such obligations. (See "Other Obligations" herein.)

Bonded Debt Service

A schedule of bonded debt service may be found in "APPENDIX – B" to this Official Statement.

Other Obligations

The District entered into an energy performance contract ("EPC") on October 5, 2021 in the amount of $8,184,900 at an interest rate of 1.59%. Payments are due semi-annually on October 5th and April 5th, with the final payment on October 5, 2036.

The following table is a summary of the maturity of the District's installment purchase debt, which includes the EPC noted above and equipment leases as of June 30, 2025.

Fiscal Year Ending	Principal	Interest
2026	$ 534,888	$ 104,688
2027	543,545	96,121
2028	552,159	87,417
2029	561,002	78,574
2030	569,987	69,588
2031-2035	2,989,836	204,045
2036-2037	944,167	15,105
Minimum Lease Payments	$ 6,695,584	$ 655,538

Source: Audited Financial Statements of the District and District officials. Table itself is not audited. See the Audited Financial Statements of the District for information regarding lease obligations and lease revenues of the District.

In addition, the District enters into four-year instructional technology lease purchase agreements annually. See "APPENDIX – D" herein.

The principal and interest payments noted in this section are subject to appropriation but do not involve a pledge of faith and credit of the District, and therefore does not technically constitute indebtedness of the District. Such principal payments do however count towards the debt limit of the District. The District remains within its debt limit after taking into account the outstanding balance of such obligations.

Source: Audited Financial Statements of the District and District officials. Table itself is not audited.

Cash Flow Borrowings

The District has not issued revenue anticipation notes and/or tax anticipation notes within the past five fiscal years, and does not reasonably anticipate issuing such notes in the foreseeable future.

Capital Project Plans

On May 17, 2022, the qualified voters of the District voters approved two capital improvement project propositions (i) in the amount of $58,964,798 for improvements to, and the reconstruction of, District buildings and facilities, and (ii) in the amount of $3,651,800 for capital improvements at the Fox Lane High School. To date, the District has issued $38,750,000 serial bonds to finance the projects. The proceeds of the Notes will provide an additional $10,000,000 in new money against the authorization. After issuance of the Notes $13,866,598 will remain authorized and unissued against the propositions.

The District has entered into an intermunicipal agreement with the Town of Bedford with respect to a Bedford Village Wastewater Treatment Plant capital project for the formation of a sewer district. The District anticipates that its share of costs will not exceed $1.8 million.

There are no other significant capital projects authorized or contemplated at this time.

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Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue obligations and to levy taxes or cause taxes to be levied on taxable real property in the District. Estimated indebtedness of the respective municipalities is outlined in the table below:

Municipality	Status of Debt as of		Gross Indebtedness [1]	Exclusions [2]		Net Indebtedness	District Share	Applicable Indebtedness
County of:								
Westchester	12/31/2024	(3)	$ 1,431,627,056	$ 360,285,394		$ 1,071,341,662	4.34%	$ 46,496,228
Town of:								
Bedford	10/23/2025	(3)	44,267,300	9,180,657		35,086,643	69.72%	24,462,407
Mt. Kisco	12/31/2024	(4)	-	-	(5)	-	100.00%	-
New Castle	12/31/2024	(3)	13,160,000	6,384,747		6,775,253	6.53%	442,424
North Castle	12/31/2024	(3)	22,505,000	12,452,086		10,052,914	3.38%	339,788
Pound Ridge	12/31/2024	(4)	3,480,000	-	(5)	3,480,000	94.95%	3,304,260
Village of:								
Mt. Kisco	5/6/2025	(3)	53,030,000	30,618,126		22,411,874	100.00%	22,411,874
							Total:	$ 97,456,982

(1) Outstanding bonds and bond anticipation notes of the respective municipality. Not adjusted to include subsequent issuances, if any, from the date of the status of indebtedness stated in the table above for each respective municipality.

(2) Water debt, sewer debt and budgeted appropriations as applicable to the respective municipality. Water Indebtedness excluded pursuant to Article VIII, Section 5B of the New York State Constitution. Sewer Indebtedness excluded pursuant to Article VIII, Section 5E of the New York State Constitution, as further prescribed under section 124.10 of the Local Finance Law. Appropriations are excluded pursuant to Section 136.00 of the Local Finance Law.

(3) Gross indebtedness, exclusions, and net-indebtedness sourced from available annual financial information & operating data filings and/or official statements of the respective municipality.

(4) Gross indebtedness sourced from local government data provided by the State Comptroller's office for the most recent fiscal year such data is available for the respective municipality.

(5) Information regarding excludable debt not available.

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of January 29, 2026:

	Amount	Per Capita [a]	Percentage of Full Value [b]
Net Indebtedness [c]	$ 67,750,000	$ 2,511.49	0.63%
Net Indebtedness Plus Net Overlapping Indebtedness [d]	165,206,982	6,124.22	1.53

(a) The 2023 estimated population of the District is 26,976. (See "THE SCHOOL DISTRICT – Population" herein.)

(b) The District's full value of taxable real estate for the 2025-26 fiscal year is $10,821,394,205. (See "TAX INFORMATION – Taxable Assessed Valuations" herein.

(c) See "Debt Statement Summary" herein for the calculation of Net Indebtedness.

(d) The District's applicable share of Net Overlapping Indebtedness is estimated to be $97,456,982. (See "Estimated Overlapping Indebtedness" herein.)

Note: The above ratios do not take into account State building aid the District will receive for past and current construction building projects.

MARKET MATTERS AFFECTING FINANCINGS OF THE MUNICIPALITIES OF THE STATE

There are various forms of risk associated with investing in the Notes. The following is a discussion of certain events that could affect the risk of investing in the Notes. In addition to the events cited herein, there are other potential risk factors that an investor must consider. In order to make an informed investment decision, an investor should be thoroughly familiar with the entire Official Statement, including its appendices, as well as all areas of potential risk.

The District's credit rating could be affected by circumstances beyond the District's control. Economic conditions such as the rate of unemployment and inflation, termination of commercial operations by corporate taxpayers and employers, as well as natural catastrophes, could adversely affect the assessed valuation of District property and its ability to maintain fund balances and other statistical indices commensurate with its current credit rating. As a consequence, a decline in the District's credit rating could adversely affect the market value of the Notes.

There can be no assurance that adverse events including, for example, the seeking by another municipality in the State or elsewhere of remedies pursuant to the Federal Bankruptcy Act or otherwise, will not occur which might affect the market price of and the market for the Notes. In particular, if a significant default or other financial crisis should occur in the affairs of the State or any of its municipalities, public authorities or other political subdivisions thereby possibly further impairing the acceptability of obligations issued by those entities, both the ability of the District to arrange for additional borrowing(s) as well as the market for and market value of outstanding debt obligations, including the Notes, could be adversely affected.

The District relies in part on State aid to fund its operations. There can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefore. The availability of such monies and the timeliness of such payment may also be affected by a delay in the adoption of the State budget, the State's economy and financial condition and other circumstances. In any event, State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefore. (See "*State Aid*" and "*Events Affecting New York School Districts*" herein). Should the District fail to receive State aid expected from the State in the amounts or at the times expected, occasioned by a delay in the payment of such monies or by a reduction in State aid, the District is authorized by the Local Finance Law to provide operating funds by borrowing on account of the uncollected State aid.

Since March 2020, the State has been awarded over $14 billion in Federal education COVID response funding through the Coronavirus Aid, Relief, and Economic Security ("CARES") Act; Coronavirus Response and Relief Supplemental Appropriations Act, 2021 ("CRRSA"); and the American Rescue Plan ("ARP") Act. These funds are supporting the ability of local educational agencies to address the impact that COVID-19 has had, and continues to have, on elementary and secondary schools in the State. The District expects to receive $3,963,324 in funds from the American Rescue Plan Act. The District has received $2,509,165 of said funds as of June 30, 2024. The District expects to receive $1,761,514 in CRRSA funds. The District has received $1,755,674 of said funds as of June 30, 2024.

Future amendments to applicable statutes whether enacted by the State or the United States of America affecting the treatment of interest paid on municipal obligations, including the Notes, for income taxation purposes could have an adverse effect on the market value of the Notes (see "*Tax Matters*" herein).

The enactment of the Tax Levy Limit Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the District, without providing exclusion for debt service on obligations issued by municipalities and fire districts, may affect the market price and/or marketability for the Notes. (See "*TAX LEVY LIMIT LAW*" herein.)

Federal or State legislation imposing new or increased mandatory expenditures by municipalities, school districts and fire districts in the State, including the District could impair the financial condition of such entities, including the District and the ability of such entities, including the District to pay debt service on the Notes.

An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on the District's financial condition and operating results by potentially delaying the receipt of real property taxes or resulting in a delay or reduction by the State in the payment of State aid.

Cybersecurity

The District, like many other public and private entities, relies on a large and complex technology environment to conduct its operations. As such, it may face multiple cybersecurity threats including, but not limited to, hacking, viruses, malware and other attacks on computer or other sensitive digital systems and networks. There can be no assurances that any security and operational control measures implemented by the District will be completely successful to guard against and prevent cyber threats and attacks. The result of any such attacks could impact business operations and/or digital networks and systems and the costs of remedying any such damage could be significant.

The District like many other public and private entities contracts with third party vendors to provide services to the District. Most, if not all third party vendors, have their own cybersecurity and operational controls in place. The District provides no assurances that such cybersecurity and operational control measures will be completely successful to guard against cyber threats and attacks.

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the District, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and (ii) interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. The Tax Certificate of the District (the "Tax Certificate"), which will be delivered concurrently with the delivery of the Notes will contain provisions and procedures relating to compliance with applicable requirements of the Code. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the District in connection with the Notes, and Bond Counsel has assumed compliance by the District with certain ongoing provisions and procedures set forth in the Tax Certificate relating to compliance with applicable requirements of the Code to assure the exclusion of interest on the Notes from gross income under Section 103 of the Code.

In addition, in the opinion of Bond Counsel to the District, under existing statutes, interest on the Notes is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York.

Bond Counsel expresses no opinion as to any other federal, state or local tax consequences arising with respect to the Notes, or the ownership or disposition thereof, except as stated above. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update, revise or supplement its opinion to reflect any action thereafter taken or not taken, any fact or circumstance that may thereafter come to its attention, any change in law or interpretation thereof that may thereafter occur, or for any other reason. Bond Counsel expresses no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Notes.

Certain Ongoing Federal Tax Requirements and Certifications

The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Notes in order that interest on the Notes be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Notes, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the federal government. Noncompliance with such requirements may cause interest on the Notes to become included in gross income for federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. The District, in executing the Tax Certificate, will certify to the effect that the District will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure the exclusion of interest on the Notes from gross income under Section 103 of the Code.

Certain Collateral Federal Tax Consequences

The following is a brief discussion of certain collateral federal income tax matters with respect to the Notes. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of a Note. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Notes.

Prospective owners of the Notes should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for federal income tax purposes. Interest on the Notes may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Original Issue Discount

"Original issue discount" ("OID") is the excess of the sum of all amounts payable at the stated maturity of a Note (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the "issue price" of a maturity (a bond with the same maturity date, interest rate, and credit terms) means the first price at which at least 10 percent of such maturity was sold to the public, i.e., a purchaser who is not, directly or indirectly, a signatory to a written contract to participate in the initial sale of the Notes. In general, the issue price for each maturity of Notes is expected to be the initial public offering price set forth in this Official Statement. Bond Counsel further is of the opinion that, for any Notes having OID (a "Discount Note"), OID that has accrued and is properly allocable to the owners of the Discount Notes under Section 1288 of the Code is excludable from gross income for federal income tax purposes to the same extent as other interest on the Notes.

In general, under Section 1288 of the Code, OID on a Discount Note accrues under a constant yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on that Discount Note. An owner's adjusted basis in a Discount Note is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Note. Accrued OID may be taken into account as an increase in the amount of tax-exempt income received or deemed to have been received for purposes of determining various other tax consequences of owning a Discount Note even though there will not be a corresponding cash payment.

Owners of Discount Notes should consult their own tax advisors with respect to the treatment of original issue discount for federal income tax purposes, including various special rules relating thereto, and the state and local tax consequences of acquiring, holding, and disposing of Discount Notes.

Note Premium

In general, if an owner acquires a Note for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the Note after the acquisition date (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates), that premium constitutes "bond premium" on that Note (a "Premium Note"). In general, under Section 171 of the Code, an owner of a Premium Note must amortize the bond premium over the remaining term of the Premium Note, based on the owner's yield over the remaining term of the Premium Note determined based on constant yield principles (in certain cases involving a Premium Note callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such note). An owner of a Premium Note must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner's regular method of accounting against the bond premium allocable to that period. In the case of a tax-exempt Premium Note, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Note may realize a taxable gain upon disposition of the Premium Note even though it is sold or redeemed for an amount less than or equal to the owner's original acquisition cost. Owners of any Premium Notes should consult their own tax advisors regarding the treatment of bond premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange, or other disposition of Premium Notes.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest paid on tax-exempt obligations, including the Notes. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Note through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Notes from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's federal income tax once the required information is furnished to the Internal Revenue Service.

Miscellaneous

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Notes under federal or state law or otherwise prevent beneficial owners of the Notes from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Notes.

Prospective purchasers of the Notes should consult their own tax advisors regarding the foregoing matters.

UNDERTAKING TO PROVIDE NOTICES OF EVENTS

This Official Statement is in a form "deemed final" by the District for the purposes of Securities and Exchange Commission Rule 15c2-12 (the "Rule"). At the time of the delivery of the Notes, the District will provide an executed copy of its "Undertaking to Provide Notices of Events", substantially as set forth in "APPENDIX – C" to this Official Statement."

Historical Compliance

The District has historically entered into technology lease obligations on an annual basis, and has entered into installment purchase contracts. On October 12, 2023, the District filed an event notice to disclose said obligations, along with a notice of its failure to provide event filing information as required due to the notice of said obligations not being filed in accordance with its previous undertakings. On April 7, 2025, the District filed an event notice to disclose a technology lease obligation entered into on July 15, 2024, along with a notice of its failure to provide event filing information as required due to the notice of said obligation not being filed in accordance with its previous undertakings.

The District otherwise is, in all material respects, in compliance with all prior undertakings pursuant to Rule 15c2-12 for the past five years.

LITIGATION

The District is subject to a number of lawsuits in the ordinary conduct of its affairs. The District does not believe, however, that such suits, individually or in the aggregate, are likely to have a material adverse effect on the financial condition of the District.

There is no action, suit, proceeding or investigation, at law or in equity, before or by any court, public board or body pending or, to the best knowledge of the District, threatened against or affecting the District to restrain or enjoin the issuance, sale or delivery of the Notes or the levy and collection of taxes or assessments to pay same, or in any way contesting or affecting the validity of the Notes or any proceedings or authority of the District taken with respect to the authorization, issuance or sale of the Notes or contesting the corporate existence or boundaries of the District.

MUNICIPAL ADVISOR

Fiscal Advisors & Marketing, Inc. (the "Municipal Advisor"), is a municipal advisor, registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent municipal advisor to the District on matters relating to debt management. The Municipal Advisor is a municipal advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the Notes. The advice on the plan of financing and the structuring of the Notes was based on materials provided by the District and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the District or the information set forth in this Official Statement or any other information available to the District with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement. The fees to be paid by the District to the Municipal Advisor are partially contingent on the successful closing of the Notes.

CUSIP IDENTIFICATION NUMBERS

It is anticipated that CUSIP (an acronym that refers to Committee on Uniform Security Identification Procedures) identification numbers will be printed on the Notes. All expenses in relation to the printing of CUSIP numbers on the Notes will be paid for by the District; provided, however, the District assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers.

RATING

The Notes are not rated. The purchaser(s) of the Notes may choose to request that a rating be assigned after the sale pending the approval of the District and applicable rating agency, and at the expense of the purchaser(s), including any rating agency and other fees to be incurred by the District, as such rating action may result in a material event notice to be posted to EMMA and/or the provision of a Supplement to the final Official Statement.

Moody's Investors Service, Inc. ("Moody's") has assigned its rating of "Aa2" with a Stable outlook to the District's outstanding general obligation bonds. This rating reflects only the view of Moody's, and any explanation of the significance of such rating may be obtained from Moody's Investors Service, Inc., 7 World Trade Center, 250 Greenwich Street, New York, New York 10007, Phone: (212) 553-1653.

Generally, rating agencies base their ratings on the information and materials furnished to it and on investigations, studies and assumptions by the respective rating agency. There is no assurance that a particular rating will apply for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing the rating, circumstances so warrant. Any downward revision or withdrawal of the rating of the outstanding bonds may have an adverse effect on the market price of the outstanding bonds.

MISCELLANEOUS

So far as any statements made in this Official Statement involve matters of opinion or estimates whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holders of the Notes.

Statements in this Official Statement, and the documents included by specific reference, that are not historical facts are forward-looking statements, which are based on the District management's beliefs as well as assumptions made by, and information currently available to, the District's management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the District's files with the repositories. When used in District documents or oral presentation, the words "anticipate", "estimate", "expect", "objective", "projection", "forecast", "goal", or similar words are intended to identify forward-looking statements.

To the extent any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holder of the Notes.

References herein to the Constitution of the State and various State and federal laws are only brief outlines of certain provisions thereof and do not purport to summarize or describe all of such provisions.

Concurrently with the delivery of the Notes, the District will furnish a certificate to the effect that as of the date of the Official Statement, the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading, subject to a limitation as to information in the Official Statement obtained from sources other than the District.

The Official Statement is submitted only in connection with the sale of the Notes by the District and may not be reproduced or used in whole or in part for any other purpose.

The District hereby disclaims any obligation to update developments of the various risk factors or to announce publicly any revision to any of the forward-looking statements contained herein or to make corrections to reflect future events or developments except to the extent required by Rule 15c2-12 promulgated by the Securities and Exchange Commission.

Fiscal Advisors & Marketing, Inc. may place a copy of this Official Statement on its website at www.fiscaladvisors.com. Unless this Official Statement specifically indicates otherwise, no statement on such website is included by specific reference or constitutes a part of this Official Statement. Fiscal Advisors & Marketing, Inc. has prepared such website information for convenience, but no decisions should be made in reliance upon that information. Typographical or other errors may have occurred in converting original source documents to digital format, and neither the District nor Fiscal Advisors & Marketing, Inc. assumes any liability or responsibility for errors or omissions on such website. Further, Fiscal Advisors & Marketing, Inc. and the District disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website. Fiscal Advisors & Marketing, Inc. and the District also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

The District's contact information is as follows: Dina Mikulewiez, District Treasurer, 632 South Bedford Road, Bedford, New York 10506, Phone: (914) 241-6025, Email: dmikulewicz4833@bcsdny.org.

Additional copies of the Notice of Sale and the Official Statement may be obtained upon request from the offices of Fiscal Advisors & Marketing, Inc., Phone: (315) 752-0051, or at www.fiscaladvisors.com.

BEDFORD CENTRAL SCHOOL DISTRICT

Dated: January 29, 2026

GILLIAN KLEIN
PRESIDENT OF THE BOARD OF EDUCATION AND
CHIEF FISCAL OFFICER

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	2021	2022	2023	2024	2025
ASSETS					
Cash - Unrestricted	$ 17,851,533	$ 15,748,463	$ 16,960,739	$ 16,216,394	$ 20,132,030
Cash - Restricted	12,389,930	15,072,197	15,160,503	15,926,223	11,884,138
Due from Other Funds	2,647,250	2,910,531	3,426,718	4,938,658	2,272,325
State and Federal Aid Receivable	1,036,135	1,054,035	2,008,270	2,505,092	2,499,597
Due from Other Governments	1,243,877	1,201,858	621,989	1,132,349	719,422
Accounts Receivables	581,572	909,918	326,316	457,553	430,755
Other Receivables	17,655	17,655	-	-	-
Lease Receivable	-	5,066,268	4,724,626	4,349,170	3,553,168
Prepaid Expenditures	1,643	-	20,583	20,729	42,176
TOTAL ASSETS	$ 35,769,595	$ 41,980,925	$ 43,249,744	$ 45,546,168	$ 41,533,611
LIABILITIES AND FUND EQUITY					
Payables:					
Accounts Payable	$ 3,161,414	$ 3,110,199	$ 5,115,839	$ 5,018,500	$ 6,212,610
Accrued Liabilities	-	-	-	-	-
Due to Other Funds	442,777	442,777	36,128	361,128	5,025
Due to Other Governments	458,508	496,891	489,089	402,390	322,302
Unearned Revenue	-	-	-	80,555	-
Due to Teachers' Retirement System	5,715,607	6,066,097	6,784,155	5,865,969	6,325,991
Due to Employees' Retirement Fund	1,176,417	695,573	1,152,425	1,654,015	2,666,231
Other Liabilities	-	-	-	1,372	1,231
Deferred Revenues	162,749	5,066,268	4,696,901	4,327,534	3,571,230
TOTAL LIABILITIES	$ 11,117,472	$ 15,877,805	$ 18,274,537	$ 17,711,463	$ 19,104,620
FUND EQUITY					
Nonspendable	$ 1,643	$ -	$ 20,583	$ 20,729	$ 42,176
Restricted	12,389,930	15,072,197	15,160,503	15,926,223	11,884,138
Assigned	3,547,341	5,195,249	5,629,141	5,760,833	4,236,178
Unassigned	8,713,209	5,835,674	4,164,980	6,126,920	6,266,499
TOTAL FUND EQUITY	$ 24,652,123	$ 26,103,120	$ 24,975,207	$ 27,834,705	$ 22,428,991
TOTAL LIABILITIES and FUND EQUITY	$ 35,769,595	$ 41,980,925	$ 43,249,744	$ 45,546,168	$ 41,533,611

Source: Audited Financial Statements of the District. This Appendix is not itself audited.

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending June 30:	2021	2022	2023	2024	2025
REVENUES					
Real Property Taxes	$ 123,098,057	$ 126,358,867	$ 130,250,862	$ 133,489,927	$ 137,921,801
Other Tax Items	7,571,820	7,206,578	7,093,441	6,849,661	6,574,220
Charges for Services	1,372,483	883,113	1,192,297	1,478,832	1,039,694
Use of Money & Property	423,785	558,275	1,124,767	1,503,047	1,127,832
Sale of Property and Compensation for Loss	13,444	-	-	-	-
Miscellaneous	2,905,571	3,069,794	2,300,438	1,447,713	934,412
Revenues from State Sources	7,435,308	7,840,253	7,959,323	8,884,043	8,597,558
Revenues from Federal Sources	-	506,765	101,285	-	-
Total Revenues	$ 142,820,468	$ 146,423,645	$ 150,022,413	$ 153,653,223	$ 156,195,517
Other Sources:					
Interfund Transfers	-	-	807,753	785,893	1,574,951
Total Revenues and Other Sources	$ 142,820,468	$ 146,423,645	$ 150,830,166	$ 154,439,116	$ 157,770,468
EXPENDITURES					
General Support	$ 12,895,396	$ 14,479,527	$ 15,943,362	$ 14,425,190	$ 16,907,516
Instruction	70,524,302	74,223,370	78,281,218	78,684,713	81,389,599
Pupil Transportation	8,938,765	8,326,696	8,908,824	8,802,398	9,710,069
Community Services	-	-	-	-	-
Employee Benefits	37,273,311	38,314,167	38,570,659	39,553,081	45,311,669
Debt Service	8,985,719	8,895,168	9,485,126	9,027,359	9,132,304
Total Expenditures	$ 138,617,493	$ 144,238,928	$ 151,189,189	$ 150,492,741	$ 162,451,157
Other Uses:					
Interfund Transfers	208,943	733,720	768,890	1,086,877	725,025
Total Expenditures and Other Uses	$ 138,826,436	$ 144,972,648	$ 151,958,079	$ 151,579,618	$ 163,176,182
Excess (Deficit) Revenues Over Expenditures	3,994,032	1,450,997	(1,127,913)	2,859,498	(5,405,714)
FUND BALANCE					
Fund Balance - Beginning of Year	20,658,091	24,652,123	26,103,120	24,975,207	27,834,705
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ 24,652,123	$ 26,103,120	$ 24,975,207	$ 27,834,705	$ 22,428,991

Source: Audited Financial Statements of the District. This Appendix is not itself audited.

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Fiscal Years Ending June 30:	2025			2026
	Original Budget	Modified Budget	Audited Actual	Adopted Budget
REVENUES				
Real Property Taxes	$ 141,436,467	$ 137,967,781	$ 137,921,801	$ 145,659,209
Other Tax Items	2,950,000	6,418,686	6,574,220	3,000,000
Charges for Services	1,119,150	1,167,975	1,039,694	1,100,190
Use of Money & Property	1,191,900	1,191,900	1,127,832	800,000
Sale of Property and Compensation for Loss	-	-	-	405,440
Miscellaneous	500,000	623,997	934,412	955,000
Revenues from State Sources	6,880,818	8,522,483	8,597,558	8,581,643
Revenues from Federal Sources	-	-	-	-
Total Revenues	$ 154,078,335	$ 155,892,822	$ 156,195,517	$ 160,501,482
Other Sources:				
Interfund Transfers	-	-	1,574,951	-
Total Revenues and Other Sources	$ 154,078,335	$ 155,892,822	$ 157,770,468	$ 160,501,482
EXPENDITURES				
General Support	$ 14,517,135	$ 18,100,529	$ 16,907,516	$ 14,289,220
Instruction	80,530,930	82,534,195	81,389,599	83,328,150
Pupil Transportation	9,552,150	9,716,883	9,710,069	9,904,765
Community Services	-	-	-	-
Employee Benefits	41,480,985	44,188,488	45,311,669	42,954,720
Debt Service	9,023,800	9,024,586	9,132,304	9,628,645
Total Expenditures	$ 155,105,000	$ 163,564,681	$ 162,451,157	$ 160,105,500
Other Uses:				
Interfund Transfers	720,000	720,000	725,025	800,000
Total Expenditures and Other Uses	$ 155,825,000	$ 164,284,681	$ 163,176,182	$ 160,905,500
Excess (Deficit) Revenues Over Expenditures	(1,746,665)	(8,391,859)	(5,405,714)	(404,018)
FUND BALANCE				
Fund Balance - Beginning of Year	1,746,665	8,391,859	27,834,705	404,018
Prior Period Adjustments (net)	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ 22,428,991	$ -

Source: 2024-25 Audited Financial Statements and 2025-26 adopted budget (unaudited) of the District. This Appendix is not itself audited.

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Principal	Interest	Total
2026	$ 6,220,000	$ 1,226,438	$ 7,446,438
2027	4,160,000	2,560,097	6,720,097
2028	3,805,000	1,922,525	5,727,525
2029	3,825,000	1,786,025	5,611,025
2030	3,965,000	1,652,950	5,617,950
2031	4,110,000	1,515,025	5,625,025
2032	4,255,000	1,371,975	5,626,975
2033	4,410,000	1,223,825	5,633,825
2034	4,555,000	1,070,450	5,625,450
2035	1,925,000	954,350	2,879,350
2036	2,000,000	876,350	2,876,350
2037	2,075,000	795,450	2,870,450
2038	2,165,000	711,350	2,876,350
2039	2,255,000	621,563	2,876,563
2040	2,350,000	528,100	2,878,100
2041	2,450,000	430,750	2,880,750
2042	2,550,000	328,075	2,878,075
2043	2,660,000	220,100	2,880,100
2044	1,745,000	107,500	1,852,500
2045	1,815,000	36,300	1,851,300
TOTALS	$ 63,295,000	$ 19,939,197	$ 83,234,197

Note: The table above does not include any energy performance contract, capital lease or installment purchase indebtedness, to the extent any such indebtedness may be applicable to the District. (See "Other Obligations" herein.)

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	$29,510,000 2014 Refunding Principal	Interest	Total	$29,700,000 2018 Capital Project Principal	Interest	Total
2026	$ 3,455,000	$ 43,188	$ 3,498,188	$ 1,925,000	$ 566,025	$ 2,491,025
2027	-	-	-	1,990,000	507,300	2,497,300
2028	-	-	-	2,055,000	446,625	2,501,625
2029	-	-	-	2,125,000	383,925	2,508,925
2030	-	-	-	2,195,000	319,125	2,514,125
2031	-	-	-	2,270,000	252,150	2,522,150
2032	-	-	-	2,345,000	182,925	2,527,925
2033	-	-	-	2,425,000	111,375	2,536,375
2034	-	-	-	2,500,000	37,500	2,537,500
TOTALS	$ 3,455,000	$ 43,188	$ 3,498,188	$ 19,830,000	$ 2,806,950	$ 22,636,950

Fiscal Year Ending June 30th	$959,647 2019 Capital Project Principal	Interest	Total	$1,435,000 2019 BOCES Project Principal	Interest	Total
2026	$ 65,000	$ 18,975	$ 83,975	$ 100,000	$ 41,150	$ 141,150
2027	70,000	16,950	86,950	105,000	36,025	141,025
2028	70,000	14,850	84,850	105,000	31,300	136,300
2029	70,000	12,750	82,750	110,000	27,000	137,000
2030	75,000	10,575	85,575	115,000	22,500	137,500
2031	75,000	8,325	83,325	120,000	17,800	137,800
2032	80,000	6,000	86,000	125,000	12,900	137,900
2033	80,000	3,600	83,600	130,000	7,800	137,800
2034	80,000	1,200	81,200	130,000	2,600	132,600
TOTALS	$ 665,000	$ 93,225	$ 758,225	$ 1,040,000	$ 199,075	$ 1,239,075

Fiscal Year Ending June 30th	$1,530,000 2020 Refunding Principal	Interest	Total	$13,750,000 2023 Capital Project Principal	Interest	Total
2026	$ 180,000	$ 28,750	$ 208,750	$ 495,000	$ 528,350	$ 1,023,350
2027	195,000	19,750	214,750	515,000	508,550	1,023,550
2028	200,000	10,000	210,000	535,000	487,950	1,022,950
2029	-	-	-	560,000	466,550	1,026,550
2030	-	-	-	580,000	444,150	1,024,150
2031	-	-	-	605,000	420,950	1,025,950
2032	-	-	-	625,000	396,750	1,021,750
2033	-	-	-	650,000	371,750	1,021,750
2034	-	-	-	675,000	345,750	1,020,750
2035	-	-	-	705,000	318,750	1,023,750
2036	-	-	-	730,000	290,550	1,020,550
2037	-	-	-	760,000	261,350	1,021,350
2038	-	-	-	795,000	230,950	1,025,950
2039	-	-	-	825,000	197,163	1,022,163
2040	-	-	-	860,000	162,100	1,022,100
2041	-	-	-	900,000	125,550	1,025,550
2042	-	-	-	935,000	86,175	1,021,175
2043	-	-	-	980,000	44,100	1,024,100
TOTALS	$ 575,000	$ 58,500	$ 633,500	$ 12,730,000	$ 5,687,438	$ 18,417,438

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	$25,000,000 2025 Capital Project Principal	Interest	Total
2026	$ -	$ -	$ -
2027	1,285,000	1,471,522	2,756,522
2028	840,000	931,800	1,771,800
2029	960,000	895,800	1,855,800
2030	1,000,000	856,600	1,856,600
2031	1,040,000	815,800	1,855,800
2032	1,080,000	773,400	1,853,400
2033	1,125,000	729,300	1,854,300
2034	1,170,000	683,400	1,853,400
2035	1,220,000	635,600	1,855,600
2036	1,270,000	585,800	1,855,800
2037	1,315,000	534,100	1,849,100
2038	1,370,000	480,400	1,850,400
2039	1,430,000	424,400	1,854,400
2040	1,490,000	366,000	1,856,000
2041	1,550,000	305,200	1,855,200
2042	1,615,000	241,900	1,856,900
2043	1,680,000	176,000	1,856,000
2044	1,745,000	107,500	1,852,500
2045	1,815,000	36,300	1,851,300
TOTALS	$ 25,000,000	$ 11,050,822	$ 36,050,822

MATERIAL EVENT NOTICES

Section 1. Definitions

"EMMA" shall mean Electronic Municipal Market Access System implemented by the MSRB.

"Financial Obligation" shall mean "financial obligation" as such term is defined in the Rule.

"GAAP" shall mean generally accepted accounting principles as in effect from time to time in the United States.

"Holder" shall mean any registered owner of the Securities and any beneficial owner of Securities within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934.

"Issuer" shall mean the **Bedford Central School District, Westchester County, New York.**

"MSRB" shall mean the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934.

"Purchaser" shall mean the financial institution referred to in the Certificate of Determination, executed by the President of the Board of Education as of February 25, 2026.

"Rule 15c2-12" shall mean Rule 15c2-12 under the Securities Exchange Act of 1934, as amended through the date of this Undertaking, including any official interpretations thereof.

"Securities" shall mean the Issuer's $10,000,000 Bond Anticipation Notes–2026, dated February 25, 2026, maturing on July 31, 2026, and delivered on the date hereof.

Section 2. Obligation to Provide Notices of Events. (a) The Issuer hereby undertakes, for the benefit of Holders of the Securities, to provide or cause to be provided to the Electronic Municipal Market Access ("EMMA") System implemented by the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of such Board contemplated by the Undertaking, in a timely manner, not in excess of ten (10) business days after the occurrence of any such event, notice of any of the following events with respect to the Securities:

(1) principal and interest payment delinquencies;

(2) non-payment related defaults, if material;

(3) unscheduled draws on debt service reserves reflecting financial difficulties;

(4) unscheduled draws on credit enhancements reflecting financial difficulties;

(5) substitution of credit or liquidity providers, or their failure to perform;

(6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;

(7) modifications to rights of Securities holders, if material;

(8) Bond calls, if material, and tender offers;

(9) defeasances;

(10) release, substitution, or sale of property securing repayment of the Securities, if material;

(11) rating changes;

(12) bankruptcy, insolvency, receivership or similar event of the Issuer;

Note to clause (12): For the purposes of the event identified in clause (12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer;

(13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(14) appointment of a successor or additional trustee or the change of name of a trustee, if material,

(15) incurrence of a financial obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect Note holders, if material; and

(16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

(b) Nothing herein shall be deemed to prevent the Issuer from disseminating any other information in addition to that required hereby in the manner set forth herein or in any other manner. If the Issuer disseminates any such additional information, the Issuer shall have no obligation to update such information or include it in any future materials disseminated hereunder.

(c) Nothing herein shall be deemed to prevent the Issuer from providing notice of the occurrence of certain other events, in addition to those listed above, if the Issuer determines that any such other event is material with respect to the Securities; but the Issuer does not undertake to commit to provide any such notice of the occurrence of any event except those events listed above.

Section 3. Remedies. If the Issuer shall fail to comply with any provision of this Undertaking, then any Holder of Securities may enforce, for the equal benefit and protection of all Holders similarly situated, by mandamus or other suit or proceeding at law or in equity, this Undertaking against the Issuer and any of the officers, agents and employees of the Issuer, and may compel the Issuer or any such officers, agents or employees to perform and carry out their duties under this Undertaking; provided that the sole and exclusive remedy for breach of this Undertaking shall be an action to compel specific performance of the obligations of the Issuer hereunder and no person or entity shall be entitled to recover monetary damages hereunder under any circumstances. Failure to comply with any provision of this Undertaking shall not constitute an event of default on the Securities.

Section 4. Parties in Interest. This Undertaking is executed to assist the Purchaser to comply with (b)(5) of the Rule and is delivered for the benefit of the Holders. No other person shall have any right to enforce the provisions hereof or any other rights hereunder.

Section 5. Amendments. Without the consent of any holders of Securities, the Issuer at any time and from time to time may enter into any amendments or changes to this Undertaking for any of the following purposes:

(a) to comply with or conform to any changes in Rule 15c2-12 (whether required or optional);

(b) to add a dissemination agent for the information required to be provided hereby and to make any necessary or desirable provisions with respect thereto;

(c) to evidence the succession of another person to the Issuer and the assumption of any such successor of the duties of the Issuer hereunder;

(d) to add to the duties of the Issuer for the benefit of the Holders, or to surrender any right or power herein conferred upon the Issuer;

(e) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to make any other provisions with respect to matters or questions arising under this Undertaking which, in each case, comply with Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such amendment or change;

provided that no such action pursuant to this Section 5 shall adversely affect the interests of the Holders in any material respect. In making such determination, the Issuer shall rely upon an opinion of nationally recognized bond counsel.

Section 6. Termination. This Undertaking shall remain in full force and effect until such time as all principal, redemption premiums, if any, and interest on the Securities shall have been paid in full or the Securities shall have otherwise been paid or legally defeased in accordance with their terms. Upon any such legal defeasance, the Issuer shall provide notice of such defeasance to the EMMA System. Such notice shall state whether the Securities have been defeased to maturity or to redemption and the timing of such maturity or redemption.

Section 7. Undertaking to Constitute Written Agreement or Contract. This Undertaking shall constitute the written agreement or contract for the benefit of Holders of Securities, as contemplated under Rule 15c2-12.

Section 8. Governing Law. This Undertaking shall be governed by the laws of the State of New York determined without regard to principles of conflict of law.

IN WITNESS WHEREOF, the undersigned has duly authorized, executed and delivered this Undertaking as of **February 25, 2026**.

BEDFORD CENTRAL SCHOOL DISTRICT

By____

President of the Board of Education and Chief Fiscal Officer

BEDFORD CENTRAL SCHOOL DISTRICT

WESTCHESTER COUNTY, NEW YORK

AUDITED FINANCIAL STATEMENTS

JUNE 30, 2025

The Audited Financial Statements, including opinion, were prepared as of date thereof and have not been reviewed and/or updated in connection with the preparation and dissemination of this Official Statement.

BEDFORD CENTRAL SCHOOL DISTRICT

Financial Statements
As of and for the Year Ended June 30, 2025
Together with
Independent Auditor's Reports

Bonadio & Co., LLP
Accounting, Consulting & More

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Bonadio & Co., LLP
Accounting, Consulting & More

INDEPENDENT AUDITOR'S REPORT

October 13, 2025

To the Board of Education of
Bedford Central School District:

Opinions

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

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

Emphasis of Matter - Change in Accounting Principle

As described in Note 15 to the financial statements, during the year ended June 30, 2025, the School District adopted new accounting guidance, Governmental Accounting Standard Board Statement No. 101- *Compensated Absences*. Our opinions are not modified with respect to this matter.

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)

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

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

(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 13, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

Bonadio & Co., LLP

The following is a discussion and analysis of the Bedford Central School District's Bedford Central School District (the District) financial performance for the fiscal year ended June 30, 2025*. The section summarizes the District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the government-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. As this section is only an introduction, it should be read in conjunction with the District's basic financial statements, which immediately follow this section.*

FINANCIAL HIGHLIGHTS

- Government-wide net position of the District is $(135,349,462).
- Government-wide change in net position is $(19,347,120) at June 30, 2025 due predominately to the GASB 75 Other Post Employment Benefits (OPEB) liability.
- $5.4M General Fund deficit was largely due to increase of health insurance claims paid and paying down the carryover encumbrances.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- The first two statements are *district-wide* financial statements that provide both *short-term* and *long-term* information about the District's *overall* financial status. Because of this, the Statement of Net Position will include assets such as building and equipment and long-term balances due to the District as well as long term liabilities such as bonds payable. In addition, payments for principal on long term bond obligations will be shown as a reduction of the liability and payments for buildings and equipment will be shown as additions to assets.

- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more detail* than the Government-wide statements. The fund financial statements concentrate on the District's most significant funds.

- The *governmental funds statements* tell how basic services such as regular and special education were financed in the *short-term*, as well as what remains for future spending. As such, in this presentation, payments for buildings and equipment will be shown as expenditures rather than an increase in assets, proceeds from new long-term borrowings will be shown as a source of revenue rather than a long term liability, and principal payments on the long term borrowings will be shown as expenditures.

- *Fiduciary funds statements* provide information about the financial relationships in which the District acts solely as a *trustee* or *agent* for the benefit of others.

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

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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

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

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

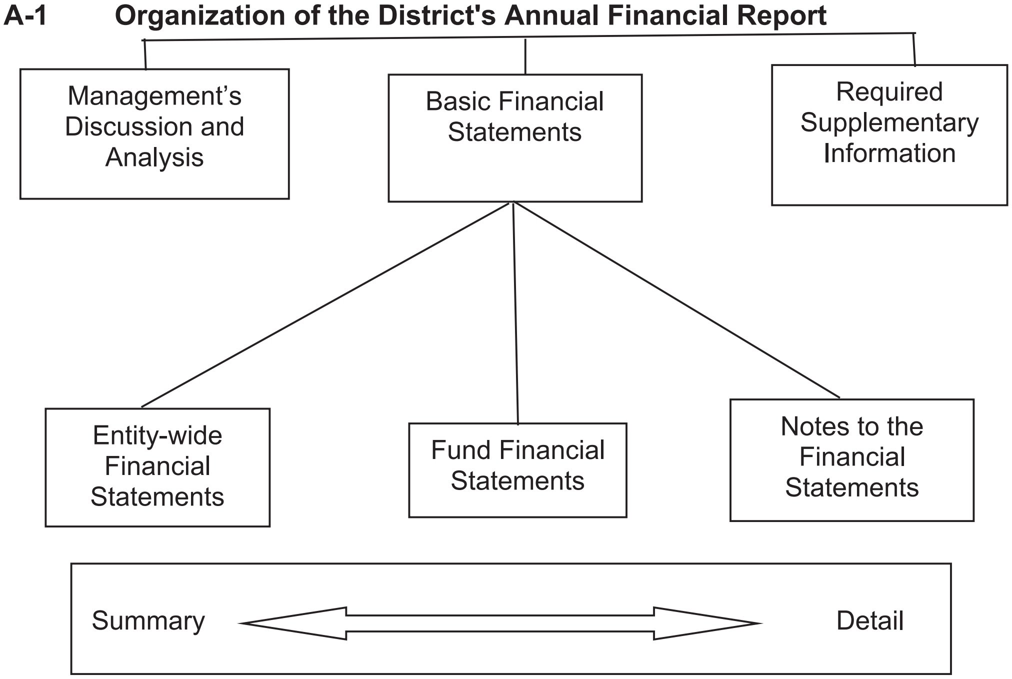


Table A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of the MD&A highlights the structure and contents of each of the statements.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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

		Fund Financial Statements	
	Government-Wide	Governmental Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The day-to-day operating activities of the District, such as instruction and special education.	Instances in which the District administers resources on behalf of someone else, such as scholarship programs and student activities monies.
Required financial statements	• Statement of net position • Statement of activities	• Balance sheet • Statement of revenue, expenditures, and change in fund balance	• Statement of fiduciary net position. • Statement of changes in fiduciary net position.
Accounting basis and measurement focus	Accrual accounting and economic resources focus.	Modified accrual accounting and current financial focus.	Accrual accounting and economic resources focus.
Type of asset/liability information	All assets, deferred inflows/outflows of resources, and liabilities, both financial and capital, short-term and long-term.	Current assets, deferred inflows/outflows of resources, and liabilities that come due during the year or soon after; no capital assets or long-term liabilities included.	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can.
Type of inflow/outflow information	All revenue and expenses during year, regardless of when cash is received or paid.	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All additions and deductions during the year, regardless of when cash is received or paid.

Government-Wide Statements

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

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

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.

- For assessment of the overall health of the District, additional nonfinancial factors such as changes in the property tax bases and the condition of buildings and other facilities should be considered.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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

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

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

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

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

The District has one type of fund:

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The analysis below focuses on the net position (Table A-3) and changes in net position (Table A-4) of the District's governmental activities. The District's net position decreased $19,347,120 from $(116,002,342) as of June 30, 2024 to ($135,349,462) as of June 30, 2025. As Table A-3 shows, the District's assets increased, deferred outflows of resources decreased and liabilities increased. The increase in current assets is primarily due to an increase in cash as of June 30, 2025 versus prior year. Noncurrent assets have increased due to an increase in capital assets as well as TRS changing from a liability to an asset in the current year. Deferred outflows have increased due to the change in assumptions related to other post-employment benefits, differences in the expected and actual experiences and net difference between expected and actual earning on OPEB plan investments. Long-term liabilities have increased due to the increase in the OPEB liability. Deferred inflows have increased due to the net difference between projected and actual earnings on pension plan investments for TRS.

Table A-3 Condensed Statement of Net Position

	Fiscal Year 2025	Fiscal Year 2024 (Restated)	Dollar Change	Percent Change
Assets:				
Current and other assets	$ 57,412,114	$ 48,770,975	$ 8,641,139	17.72%
Noncurrent assets	155,404,025	135,368,878	20,035,147	14.80%
Total assets	212,816,139	184,139,853	28,676,286	15.57%
Deferred Outflows of Resources	106,559,627	72,893,262	33,666,365	46.19%
Liabilities:				
Current liabilities	54,620,789	24,293,919	30,326,870	124.83%
Long-term liabilities	319,279,048	301,515,751	17,763,297	5.89%
Total liabilities	373,899,837	325,809,670	48,090,167	14.76%
Deferred Inflows of Resources	80,825,391	74,259,062	6,566,329	8.84%
Net position:				
Net investment in capital assets	95,860,521	78,217,869	17,642,652	22.56%
Restricted	14,551,062	18,472,223	(3,921,161)	-21.23%
Unrestricted	(245,761,045)	(239,725,709)	(6,035,336)	2.52%
Total net position	$ (135,349,462)	$ (143,035,617)	$ 7,686,155	-5.37%

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (Continued)

Changes in Net Position

The District's 2025 total revenue was $162,480,767 (Table A-4). Property taxes and New York State aid accounted for the majority of revenue by contributing 88.9% and 5.3%, respectively (see Table A-5). The remainder of the District's revenue came from charges for services, operating grants, and other miscellaneous sources.

The total cost of all programs and services in the 2024-2025 school year amounted to $181,827,887. Ninety percent (90.3%) of the District's expenditures were–predominately for the education, supervision, nutrition and transportation of students (see Table A-6). The–District's administrative and operating activities accounted for 20.0% of total costs.

Operating grants revenue decreased by of $1,364,654 primarily realized due to CARES Federal Funding ending.

The expense increase in General Support and Instruction was due to an increase in other postemployment benefits for fiscal year 2025 which lead to an increase in expenditures of $7,835,310, which is based on an actuarial determination.

Table A-4 Changes in Net Position from Operating Results

	Fiscal Year 2025	Fiscal Year 2024	Dollar Change	Percent Change
Revenue				
Program revenue:				
Charges for services	$ 1,620,218	$ 2,206,301	$ (586,083)	-26.56%
Operating grants	4,875,156	6,239,810	(1,364,654)	-21.87%
General revenue:				
Property and other tax items	144,496,021	140,339,588	4,156,433	2.96%
State aid	8,597,558	8,884,043	(286,485)	-3.22%
Use of money and of property	1,283,196	1,616,395	(333,199)	-20.61%
Miscellaneous	1,608,618	1,844,629	(236,011)	-12.79%
Total revenue	162,480,767	161,130,766	1,350,001	0.84%
Expenses				
General support	32,577,004	28,325,115	4,251,889	15.01%
Instruction	134,261,554	132,034,947	2,226,607	1.69%
Pupil transportation	10,124,597	9,155,384	969,213	10.59%
Debt service - Interest	2,602,767	2,633,798	(31,031)	-1.18%
School lunch program	2,261,965	2,098,323	163,642	7.80%
Total expenses	181,827,887	174,247,567	7,580,320	4.35%
Change in Net Position	$(19,347,120)	$(13,116,801)	$ (6,230,319)	47.50%

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

Table A-5

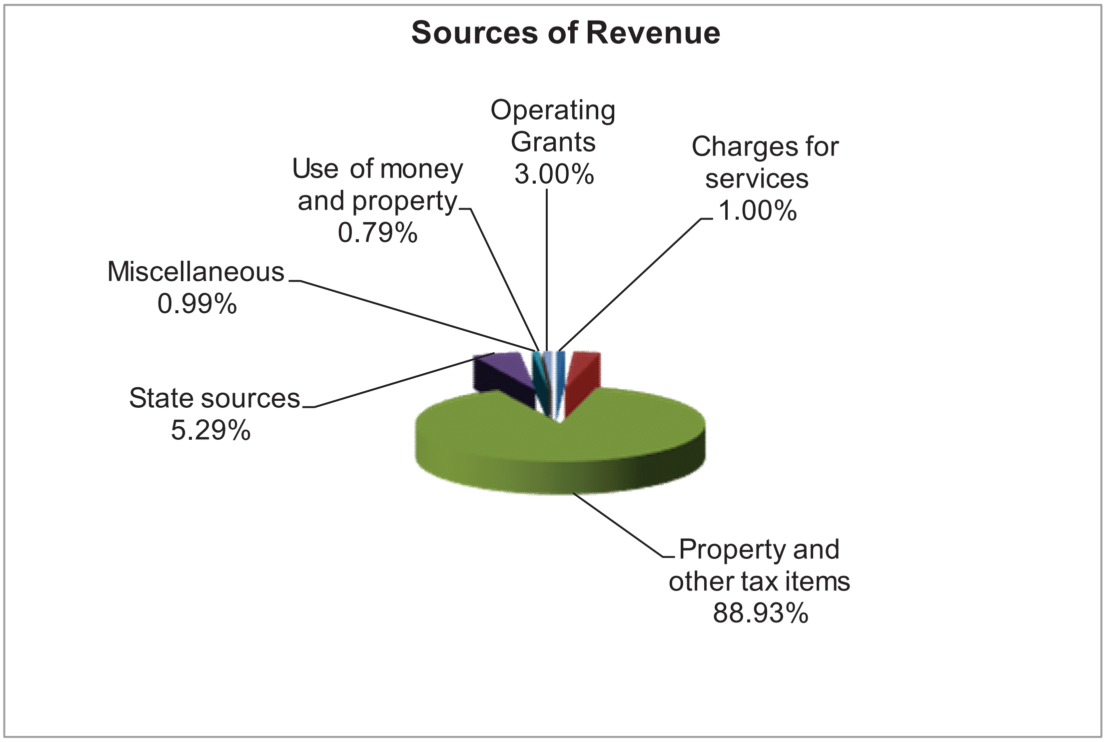
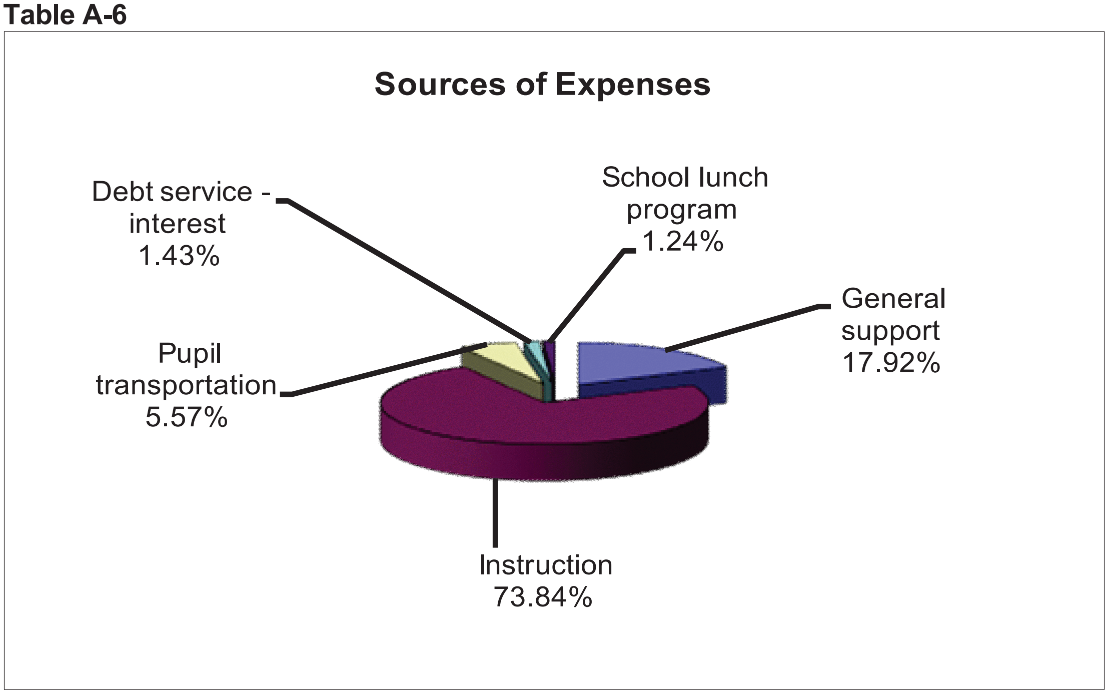


Table A-6



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

Governmental Activities

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

Table A-7 Net Costs of Governmental Activities

	Total Cost Of Services 2025	Total Cost Of Services 2024	Percent Change	(Net) Cost Of Services 2025	(Net) Cost Of Services 2024	Percent Change
Functions:						
General support	$ 32,577,004	$ 28,325,115	15.01%	$ 32,577,004	$ 28,325,115	15.01%
Instruction	134,261,554	132,034,947	1.69%	129,665,191	125,500,646	3.32%
Pupil transportation	10,124,597	9,155,384	10.59%	10,124,597	9,155,384	10.59%
Debt service - Interest	2,602,767	2,633,798	-1.18%	2,602,767	2,633,798	-1.18%
School lunch program	2,261,965	2,098,323	7.80%	362,954	186,513	94.60%
Total	$181,827,887	$174,247,567	4.35%	$175,332,513	$165,801,456	5.75%

- The total cost of all governmental activities for the year was $181,827,887.
- The users of the District's programs financed $1,620,218 of the costs.
- The federal and state operating grants financed $4,875,156 of the costs.
- The remainder of the costs were primarily financed by the District's taxpayers, state aid and federal aid.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (Continued)

As of June 30, 2025, the District's combined governmental funds reported a total fund balance of $15,367,383, which is a decrease of $(19,247,146) from the prior year.

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

	Fiscal Year 2025	Fiscal Year 2024	Increase/ (Decrease)	Percent Change
General Fund				
Restricted for tax certiorari	$ 3,982,303	$ 5,455,704	$ (1,473,401)	-27.01%
Restricted for retirement contributions	3,749,826	3,749,826	-	0.00%
Restricted for repairs	103,218	103,218	-	0.00%
Restricted for employee benefit accrued liability	500,579	569,263	86,287	15.16%
Restricted for unemployment benefits	135,369	135,369	-	0.00%
Restricted for insurance	62,843	62,843	-	0.00%
Restricted for health insurance	3,000,000	5,500,000	(2,500,000)	-45.45%
Restricted for capital	350,000	350,000	-	0.00%
Assigned - designated for subsequent year's expenditures	404,018	155,000	249,018	160.66%
Assigned - general support	2,807,265	3,637,836	(830,571)	-22.83%
Assigned - instruction	1,020,590	1,855,861	(835,271)	-45.01%
Assigned - pupil transportation	4,305	93,813	(89,508)	-95.41%
Assigned - employee benefits	-	18,323	(18,323)	-100.00%
Non-spendable	42,176	20,729	21,447	0.00%
Unassigned	6,111,528	6,126,920	(15,392)	-0.25%
Total General Fund balance	22,428,991	27,834,705	(5,405,714)	-19.42%
School Food Service Fund				
Non-spendable - inventory	5,329	15,806	(10,477)	-66.28%
Assigned - unappropriated	1,042,874	1,134,103	(91,229)	-8.04%
Total School Food Service Fund balance	1,048,203	1,149,909	(101,706)	-8.84%
Miscellaneous Special Revenue Fund				
Restricted	507,693	511,768	(4,075)	-0.80%
Debt Service Fund				
Restricted	1,116,357	900,129	216,228	24.02%
Capital Projects Fund				
Unassigned	(9,733,861)	4,218,018	(13,951,879)	-330.77%
Total Governmental Activities Fund balance	$ 15,367,383	$ 34,614,529	$(19,247,146)	-55.60%

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (Continued)

Capital fund – Total fund balance decreased by $(13,951,879) due to the ongoing projects in the capital fund totaling $14,760,343 of expenditures in the current year.

General fund – Total fund balance decreased $(5,405,714) due to utilizing $2.5m in health insurance reserves and expenditures exceeding revenue.

School lunch – Total fund balance decreased by $(101,706). This is due to the District following the state guidelines to utilize excess fund balance in the School Lunch Program. This will be carried out in subsequent years as supply chain disruptions have delayed receipt of equipment.

General Fund Budgetary Highlights

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

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

2024-2025 Budget

The District's voter approved general fund adopted budget for the year ended June 30, 2025 was $155,825,000 This amount was increased by encumbrances carried forward from the prior year in the amount of $5,605,833 and budget revisions of $353,848 which resulted in a final budget of $161,784,681 respectively. 92% of the funding for the adopted budget was from real property taxes, non-property taxes and other tax items (including STAR).

The actual expenses were more than the budget due to health insurance coming in higher then anticipated and paying down the carryover encumbrances.

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

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

The unassigned fund balance represents the fund balance retained by the District that is not restricted or assigned for subsequent years' taxes. This amount is limited to 4% of the 2025-2026 budget for a maximum allowable unassigned fund balance of $6,438,620. The Districts unassigned fund balance as of June 30, 2025 is $6,360,546 and is below the 4% unassigned balance limitation.

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

Table A-8 – Results vs. Budget

	Original Budget	Final Budget	Actual	Encumb.	Variance
Revenue:					
Real property taxes	$ 141,436,467	$ 137,967,781	$137,921,801	$ -	$ (45,980)
Other tax items	2,950,000	6,418,686	6,574,220	-	155,534
Charges for services	1,119,150	1,167,975	1,039,694	-	(128,281)
Use of money and property	1,191,900	1,191,900	1,127,832	-	(64,068)
Miscellaneous	500,000	623,997	934,412	-	310,415
State sources	6,880,818	8,522,483	8,597,558	-	75,075
Proceeds from leases	-	-	1,574,951	-	1,574,951
Transfers In	-	-	-	-	-
Total revenue	154,078,335	155,892,822	157,770,468	-	1,877,646
Expenditures:					
General support	14,517,135	18,100,529	16,907,516	2,807,265	(1,614,252)
Instruction	80,530,930	82,534,195	81,389,599	1,020,590	124,006
Pupil transportation	9,552,150	9,716,883	9,710,069	4,305	2,509
Employee benefits	41,480,985	44,188,488	45,311,669	-	(1,123,181)
Debt service - principal	7,461,490	7,462,276	7,541,630	-	(79,354)
Debt service - interest	1,562,310	1,562,310	1,590,674	-	(28,364)
Transfers out	720,000	720,000	725,025	-	(5,025)
Total expenses	155,825,000	164,284,681	163,176,182	$ 3,832,160	$ (2,723,661)
Net change in fund balance	(1,746,665)	(8,391,859)	(5,405,714)		
Fund balance - beginning of year	27,834,705	27,834,705	27,834,705		
Fund balance - end of year	$ 26,088,040	$ 19,442,846	$ 22,428,991		

CAPITAL ASSET AND DEBT ADMINISTRATION

As of June 30, 2025, the District had $143,017,170 invested in a broad range of capital assets including land, buildings, buses, athletic facilities, computers, and other educational equipment.

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

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

Capital Assets (Net of Depreciation)

	Fiscal Year 2025	Fiscal Year 2024
Land	$ 2,021,645	$ 2,021,645
Construction in process	36,345,875	21,585,531
Buildings and improvements	173,385,282	173,385,282
Machinery and equipment	7,529,509	7,247,565
Leased assets	3,120,670	2,761,988
Subscription assets	157,097	178,997
Less: Accumulated depreciation	(79,542,908)	(75,774,868)
Total net capital assets	$143,017,170	$131,406,140

Long-Term Debt

As of June 30, 2025, the District had $322,497,151 in general obligation, installment debt, and other long-term liabilities outstanding. More detailed information about the District's long-term debt and certain other long term liabilities is included in the notes to the financial statements.

Table A-10 – Long-term Liabilities

	Fiscal Year 2025	Fiscal Year 2024 (Restated)
General obligation bonds (financed with property taxes)	$ 38,613,914	$ 44,726,383
Installment debt	6,695,584	7,234,514
Compensated absences	10,446,390	10,728,045
Net pension liability	8,460,279	11,877,140
Other postemployment benefits	265,035,872	208,467,057
Total long-term liabilities	329,252,039	283,033,139
Less: current portion of debt	(6,754,888)	(6,598,929)
Total long-term liabilities	$322,497,151	$276,434,210

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 $155,825,000 for the school year 2024-2025. This is an increase of $3,287,000 or 2.15% 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, 2025 the OPEB liability has increased approximately to $265 Million over the June 30, 2024 level of $208 Million. This increase is primarily due to accrued participant service cost and interest, and differences between expected and actual experience net of the impacts of changes in assumptions and benefit payments.

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

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

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

FACTORS BEARING ON THE DISTRICT'S FUTURE (Continued)

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

On October 22, 2013, the voters approved a $31,828,238 capital bond project referendum. On November 13, 2013 the Board of Education subsequently approved a bond resolution authorizing the District to issue up to $31,828,238 in debt obligation which carried a maximum financing term of 30 years. On July 12, 2018, together with $560,429 in available funds and $978,438 in renewal bond anticipation notes (as noted above), the District issued $29,700,000 in serial bonds over a period of 15 years to permanently finance such improvements. The serial bonds will mature on July 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 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, 2025

ASSETS	
CURRENT ASSETS:	
Cash and cash equivalents - unrestricted	$ 20,132,030
Cash and cash equivalents - restricted	31,066,228
Accounts receivable	433,830
Lease receivable, current portion	205,925
State and federal aid receivable	4,807,174
Due from other governments	719,422
Prepaid expenditures	42,176
Inventories	5,329
Total current assets	57,412,114
NONCURRENT ASSETS:	
Capital assets, non depreciable	38,367,520
Capital assets, net of depreciation	104,649,650
Lease receivable	3,347,243
Net pension asset - TRS	9,039,612
Total non-current assets	155,404,025
Total assets	212,816,139
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources - TRS Pension	22,234,034
Deferred outflows of resources - ERS Pension	6,249,071
Deferred outflows of resources - OPEB	78,076,522
Total deferred outflows of resources	106,559,627
LIABILITIES	
CURRENT LIABILITIES:	
Accounts payable and accrued expenses	7,401,219
Leases payable, current portion	716,514
Subscription payable	9,653
Accrued interest	982,814
Due to other governments	322,302
Unearned revenue	102,090
Due to Teachers' Retirement System	6,325,991
Due to Employees' Retirement System	2,666,231
Bonds payable due within one year	6,220,000
Bond anticipation notes payable	25,000,000
Installment debt payable due within one year	534,888
Other postemployment benefits, current portion	4,339,087
Total current liabilities	54,620,789
LONG-TERM LIABILITIES:	
Bonds payable, net of current portion	32,075,000
Bonds premium, net	318,914
Installment debt payable, net of current portion	6,160,696
Net pension liability	8,460,279
Leases payable, net of current portion	1,120,984
Compensated absences	10,446,390
Total other postemployment benefits, net of current	260,696,785
Total long-term liabilities	319,279,048
Total liabilities	373,899,837
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources - TRS Pension	11,283,422
Deferred inflows of resources - ERS Pension	767,629
Deferred inflows of resources - OPEB	65,203,110
Deferred inflows of resources - Leases	3,571,230
Total deferred inflows of resources	80,825,391
NET POSITION	
Net investment in capital assets	95,860,521
Restricted	14,551,062
Unrestricted	(245,761,045)
TOTAL NET POSITION	$ (135,349,462)

The accompanying notes are an integral part of these statements.

BEDFORD CENTRAL SCHOOL DISTRICT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

GOVERNMENTAL ACTIVITIES	Expenses	Program Revenue Charges for Services	Program Revenue Operating Grants	Net (Expense) Revenue and Change in Net Position
FUNCTIONS/PROGRAMS:				
General support	$ 32,577,004	$ -	$ -	$ (32,577,004)
Instruction	134,261,554	1,039,694	3,556,669	(129,665,191)
Pupil transportation	10,124,597	-	-	(10,124,597)
Debt service - interest	2,602,767	-	-	(2,602,767)
School lunch program	2,261,965	580,524	1,318,487	(362,954)
TOTAL FUNCTIONS AND PROGRAMS	$ 181,827,887	$ 1,620,218	$ 4,875,156	(175,332,513)
GENERAL REVENUE:				
Real property taxes				137,921,801
Other tax items				6,574,220
Use of money and property				1,283,196
State sources				8,597,558
Miscellaneous				1,608,618
TOTAL GENERAL REVENUE				155,985,393
CHANGE IN NET POSITION				(19,347,120)
TOTAL NET POSITION - beginning of year, as previously stated				(109,611,065)
RESTATEMENT (Note 15)				6,391,277
TOTAL NET POSITION - beginning of year, as restated				(116,002,342)
TOTAL NET POSITION - end of year				$ (135,349,462)

The accompanying notes are an integral part of these statements.

BEDFORD CENTRAL SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2025

	General	(Formerly Non-Major) Capital	Non-Major Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents - unrestricted	$ 20,132,030	$ -	$ -	$ 20,132,030
Cash and cash equivalents - restricted	11,884,138	16,202,186	2,979,904	31,066,228
Accounts receivable	430,755	-	36	430,791
Lease receivable	3,553,168	-	-	3,553,168
Due from other funds	2,272,325	-	75,587	2,347,912
State and federal aid receivable	2,499,597	468	2,307,237	4,807,302
Due from other governments	719,422	-	-	719,422
Prepaid expenditures	42,176	-	-	42,176
Inventories	-	-	5,329	5,329
TOTAL ASSETS	$ 41,533,611	$ 16,202,654	$ 5,368,093	$ 63,104,358
LIABILITIES				
Accounts payable and accrued expenses	$ 6,212,610	$ 865,953	$ 321,425	$ 7,399,988
Due to other funds	5,025	70,562	2,272,325	2,347,912
Bond anticipation notes payable	-	25,000,000	-	25,000,000
Due to other governments	322,302	-	-	322,302
Due to Teachers' Retirement System	6,325,991	-	-	6,325,991
Due to Employees' Retirement System	2,666,231	-	-	2,666,231
Unearned revenue	-	-	101,253	101,253
Other liabilities	1,231	-	837	2,068
TOTAL LIABILITIES	15,533,390	25,936,515	2,695,840	44,165,745
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources - leases	3,571,230	-	-	3,571,230
TOTAL DEFERRED INFLOWS AND LIABILITIES	19,104,620	25,936,515	2,695,840	47,736,975
FUND BALANCE				
Non-spendable				
Inventory	-	-	5,329	5,329
Prepaid expenditures	42,176	-	-	42,176
Total non-spendable fund balance	42,176	-	5,329	47,505
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	3,982,303	-	-	3,982,303
Employee benefits liability	500,579	-	-	500,579
Repair	103,218	-	-	103,218
Capital reserve	350,000	-	-	350,000
Debt service	-	-	1,116,357	1,116,357
Other	-	-	1,550,567	1,550,567
Total restricted fund balance	11,884,138	-	2,666,924	14,551,062
Assigned				
Appropriated for subsequent years expenditures	404,018	-	-	404,018
Other	3,832,160	-	-	3,832,160
Total assigned fund balance	4,236,178	-	-	4,236,178
Unassigned	6,266,499	(9,733,861)	-	(3,467,362)
TOTAL FUND BALANCE	22,428,991	(9,733,861)	2,672,253	15,367,383
TOTAL LIABILITIES AND FUND BALANCE	$ 41,533,611	$ 16,202,654	$ 5,368,093	$ 63,104,358

BEDFORD CENTRAL SCHOOL DISTRICT

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO GOVERNMENT-WIDE NET POSITION
JUNE 30, 2025

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

Total governmental fund balances	$ 15,367,383
Capital assets, net used in governmental activities are not financial resources and, therefore, are not reported in the funds	143,017,170
Pension related government-wide activity	
Deferred outflows of resources - TRS	22,234,034
Deferred outflows of resources - ERS	6,249,071
Net pension liability	(8,460,279)
Net pension asset	9,039,612
Deferred inflows of resources - TRS	(11,283,422)
Deferred inflows of resources - ERS	(767,629)
OPEB related government wide-activity	
Deferred outflows of resources	78,076,522
Deferred inflows of resources	(65,203,110)
Total OPEB liability	(265,035,872)
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	(38,613,914)
Installment debt payable	(6,695,584)
Leases payable	(1,837,498)
Subscription payable	(9,653)
Compensated absences	(10,446,390)
Interest receivable on long-term leases is not recorded in the governmental funds, but is recorded under full accrual accounting	2,911
Interest payable at year end is recorded in the government-wide statements under full accrual accounting	(982,814)
NET POSITION OF GOVERNMENTAL ACTIVITIES	$ (135,349,462)

BEDFORD CENTRAL SCHOOL DISTRICT

STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2025

	General	*(Formorly* Non-Major) Capital	*(Formorly* Major) Special Aid	*(Formorly* Major) School Lunch	Non-Major Funds	Total Governmental Funds
REVENUE:						
Real property taxes	$ 137,921,801	$ -	$ -	$ -	$ -	$ 137,921,801
Other tax items	6,574,220	-	-	-	-	6,574,220
Charges for services	1,039,694	-	-	-	-	1,039,694
Use of money and property	1,127,832	308,464	-	-	155,758	1,592,054
Miscellaneous	934,412	-	-	-	244,489	1,178,901
State sources	8,597,558	-	-	-	1,565,477	10,163,035
Federal sources	-	-	-	-	3,309,679	3,309,679
Sales - school lunch	-	-	-	-	586,477	586,477
Total revenue	156,195,517	308,464	-	-	5,861,880	162,365,861
EXPENDITURES:						
General support	16,907,516	-	-	-	-	16,907,516
Instruction	81,389,599	-	-	-	3,761,755	85,151,354
Pupil transportation	9,710,069	-	-	-	252,429	9,962,498
Employee benefits	45,311,669	-	-	-	-	45,311,669
Debt service - principal	7,541,630	-	-	-	-	7,541,630
Debt service - interest	1,590,674	-	-	-	-	1,590,674
Cost of sales	-	-	-	-	2,077,574	2,077,574
Capital outlay	-	14,760,343	-	-	-	14,760,343
Total expenditures	162,451,157	14,760,343	-	-	6,091,758	183,303,258
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(6,255,640)	(14,451,879)	-	-	(229,878)	(20,937,397)
OTHER SOURCES AND (USES):						
Proceeds from leases	1,574,951	-	-	-	-	1,574,951
Proceeds from debt	-	-	-	-	115,300	115,300
Operating transfers in	-	500,000	-	-	225,025	725,025
Operating transfers (out)	(725,025)	-	-	-	-	(725,025)
Total other sources (uses)	849,926	500,000	-	-	340,325	1,690,251
EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(5,405,714)	(13,951,879)	-	-	110,447	(19,247,146)
FUND BALANCE (DEFICIT) - beginning of year, as previously reported	27,834,705	-	-	1,149,909	5,629,915	34,614,529
Adjustement - changes from nonmajor to major fund	-	4,218,018	-	-	(4,218,018)	-
Adjustement - changes from major to nonmajor fund	-	-	-	(1,149,909)	1,149,909	-
FUND BALANCE (DEFICIT) - beginning of year, as adjusted	27,834,705	4,218,018	-	-	2,561,806	34,614,529
FUND BALANCE (DEFICIT) - end of year	$ 22,428,991	$ (9,733,861)	$ -	$ -	$ 2,672,253	$ 15,367,383

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, 2025

Net changes in fund balance - Total governmental funds	$ (19,247,146)
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	281,655
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	(20,568,861)
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	2,800,251
Capital Related Items:	
Capital outlays, net of disposals, are expenditures in governmental funds, but are capitalized in the statement of net position	15,042,288
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	1,574,951
Depreciation is not recorded as a expenditure in the governmental funds, but is recorded in the statement of activities	(4,196,923)
Amortization is not recorded as an expenditure in the governmental funds, but is recorded in the statement of activities	(809,286)
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:	(255,277)
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.	6,598,930
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	955,174
Amortization of bond premium is not recorded in the governmental funds, but is recorded as an off-set to interest expense in the statement of activities	52,469
Accrued interest receivable on leases is not recorded as revenue in the governmental funds, but is recorded in the statement of activities	(394)
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.	(1,574,951)
Change in net position - Governmental activities	$ (19,347,120)

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 entities financial statements to be misleading or incomplete.

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

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

Joint Venture

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

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

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

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

Basis of Presentation

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

Government-Wide Statements

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

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

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

Basis of Presentation (Continued)

Fund Financial Statements

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

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

Governmental Fund Types

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

The District reports the following major governmental funds:

- **General Fund:** This is the District's primary operating fund. It accounts for all financial transactions that are not required to be accounted for in another fund.

- **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.

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

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

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

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 and NYSLAF, obligations of the U.S. Treasury, U.S. Agencies and obligations of New York State or its political subdivisions and accordingly, The School District's policy provides for no credit risk on investments.

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, 2025, the District held $33,448,330 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 $31,221,199 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;

- Deferred charge (gain) on a bond refunding. A deferred charge on refunding results from the difference in the carrying value of the refunding debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The amortization is expensed against interest expense in future periods.

- The net amount of the District's balances of deferred inflows of resources related to pensions is reported in the government-wide Statement of Net Position as deferred inflows of resources. This represents the effect of the net change in the District's proportion of the collective net pension asset or liability and the difference during the measurement period between the District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense.

- Deferred charges resulting from changes of benefit terms, differences between expected and actual experience, and changes in assumptions related to OPEB. The amortization is offset against OPEB expense in future periods.

- Lease-related amounts are recognized at the inception of leases in which the District is the lessor. The deferred inflow of resources is recorded in an amount equal to the corresponding lease receivable plus certain additional amounts received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The inflow of resources is recognized in a systematic and rational manner over the term of the lease.

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

Vested Employee Benefits

Compensated Absences

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

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

Vacation eligibility accumulation is specified in negotiated labor contracts, and in individual employment contracts.

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

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

Retirement Benefits

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

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

Other Postemployment Benefits

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

Other Benefits

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

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	3,982,303
Employee benefits liability	500,579
Repair	103,218
Capital reserve	350,000
Debt service	1,116,357
Other	1,550,567
Total restricted net position	$ 14,551,062

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, 2025.

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, 2025, the District's encumbrances were classified as follows:

General Support	$ 2,807,265
Instruction	1,020,590
Pupil Transportation	4,305
	$ 3,832,160

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.

<u>Long-Term Revenue and Expense Differences</u>
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.

<u>Capital Related Differences</u>
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.

<u>Long-Term Debt Transaction Differences</u>
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.

<u>Pension Differences</u>
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.

<u>OPEB Differences</u>
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, 2025, the School District held $33,448,330 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	$ 20,641,084	$ 17,749,929
Cash equivalents, including trust funds	33,448,330	33,448,329
	$ 54,089,414	$ 51,198,258
Collateralized with securities held by the pledging financial institution's trust department or agent in the District's name	$ 19,891,084	
Covered by FDIC insurance	750,000	
Total	$ 20,641,084	

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	3,982,303
Capital reserve	350,000
Employee benefits liability	500,579
Repair	103,218
Total general fund restricted cash	$ 11,884,138
Total capital project fund restricted cash	$ 16,202,186
Total special aid fund restricted cash	$ 304,132
Total school lunch fund restricted cash	$ 1,122,284
Total miscellaneous revenue fund restricted cash	$ 507,693
Total debt service fund restricted cash	$ 1,045,795

3. PARTICIPATION IN BOCES

During the year, the District was billed $6,221,120 for BOCES administrative and program costs.

The District's share of BOCES aid amounted to $1,658,393.

4. CAPITAL ASSETS, NET

Capital asset balances and activity for the year ended June 30, 2025, were as follows:

	July 1, 2024 Balance	Additions	Deletions	June 30, 2025 Balance
Governmental activities:				
Capital assets that are not depreciated:				
Land	$ 2,021,645	$ -	$ -	$ 2,021,645
Construction in progress	21,585,531	14,760,344	-	36,345,875
Total non-depreciable cost	23,607,176	14,760,344	-	38,367,520
Capital assets that are depreciated:				
Land improvements	6,404,655	-	-	6,404,655
Buildings and improvements	166,980,627	-	-	166,980,627
Furniture and equipment	6,798,244	219,671	-	7,017,915
Vehicles	449,321	62,273	-	511,594
Total depreciable historical cost	180,632,847	281,944	-	180,914,791
Less accumulated depreciation:				
Land improvements	3,404,798	351,998	-	3,756,796
Buildings and improvements	67,674,816	3,659,031	-	71,333,847
Furniture and equipment	2,453,769	162,588	-	2,616,357
Vehicles	392,742	23,306	-	416,048
Total accumulated depreciation	73,926,125	4,196,923	-	78,123,048
Total capital assets, net	130,313,898	10,845,365	-	141,159,263
Lease Assets, being amortized:				
Equipment	2,409,159	1,574,951	894,505	3,089,605
Building	321,764	-	321,764	-
Copy machine	31,065	-	-	31,065
Total lease assets, being amortized:	2,761,988	1,574,951	1,216,269	3,120,670
Less accumulated amortization for:				
Equipment	1,427,214	740,460	894,505	1,273,169
Building	304,830	16,934	321,764	-
Copy machine	6,213	6,213	-	12,426
Total accumulated amortization	1,738,257	763,607	1,216,269	1,285,595
Total lease assets, being amortized, net	1,023,731	811,344	-	1,835,075
Subscription assets, being amortized:				
Subscriptions	178,997	-	21,900	157,097
Total subscription assets, being amortized:	178,997	-	21,900	157,097
Less accumulated amortization for:				
Subscriptions	110,486	45,679	21,900	134,265
Total accumulated amortization	110,486	45,679	21,900	134,265
Total subscriptions assets, being amortized, net	68,511	(45,679)	-	22,832
Governmental activities capital assets	$131,406,140	$ 11,611,030	$ -	$143,017,170

4. CAPITAL ASSETS, NET (Continued)

Depreciation and amortization expense for the year ended June 30, 2025, was allocated to specific functions as follows:

	Depreciation	Amortization
General government support	$ 186,515	$ -
Instruction	4,010,408	809,286
Total	$ 4,196,923	$ 809,286

5. SHORT-TERM DEBT

Transactions in short-term debt for the year ended June 30, 2025 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
			$ -	$ 25,000,000	$ -	$ 25,000,000

6. LONG-TERM DEBT

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

Interest paid	$ 1,590,674
Less : interest accrued in the prior year	(727,537)
Less: amortization of bond premium	(52,469)
Plus: amortization expense	809,286
Plus : interest accrued in the current year	982,813
Total expense	$ 2,602,767

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

	Beginning Balance (Restated)	Additions	Deletions	Balance	Due Within One Year	Long-term Portion
Government activities:						
Bonds and notes payable:						
Serial Bonds	$ 44,355,000	$ -	$ 6,060,000	$ 38,295,000	$ 6,220,000	$ 32,075,000
Bonds premium, net	371,383	-	52,469	318,914	52,469	266,445
Installment-purchase obligations	7,234,514	-	538,930	6,695,584	534,888	6,160,696
Total bonds and notes payable	51,960,897	-	6,651,399	45,309,498	6,807,357	38,502,141
Other long-term debt:						
Compensated Absences (*)	10,728,045	-	281,655	10,446,390	-	10,446,390
Net pension liability(*)	11,877,140	-	3,416,861	8,460,279	-	8,460,279
Total other postemployment benefits	208,467,057	86,301,767	29,732,952	265,035,872	4,339,087	260,696,785
Total Long Term Debt	$283,033,139	$ 86,301,767	$ 40,082,867	$329,252,039	$ 11,146,444	$318,105,595

(*) - 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, 2025 Balance
Refunding bond - 2014	2014	2025	2.5- 5.0%	$ 3,455,000
Serial bond - 2018	2018	2033	3.00%	19,830,000
Serial bond - 2019	2019	2033	1.45-2.52%	665,000
BOCES project bond - 2019	2019	2033	1.22-2.2%	1,040,000
Refunding bond - 2020	2020	2028	5.00%	575,000
Serial bond - 2024	2024	2043	4.0-4.5%	12,730,000
				$ 38,295,000

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	$ 6,220,000	$ 1,226,438	$ 7,446,438
2027	2,875,000	1,088,757	3,963,757
2028	2,965,000	990,725	3,955,725
2029	2,865,000	890,225	3,755,225
2030	2,965,000	796,350	3,761,350
2031-2035	13,620,000	2,498,125	16,118,125
2036-2040	3,970,000	1,142,113	5,112,113
2041-2043	2,815,000	255,825	3,070,825
Total	$ 38,295,000	$ 8,888,558	$ 47,183,558

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	$ 534,888	$ 104,688	$ 639,576
2027	543,545	96,121	639,666
2028	552,159	87,417	639,576
2029	561,002	78,574	639,576
2030	569,987	69,588	639,575
2031-2035	2,989,836	204,045	3,193,881
2036-2037	944,167	15,105	959,272
	$ 6,695,584	$ 655,538	$ 7,351,122

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%	$ 1,212,829
Cannon Equipment Lease	2.16%	624,669
Total Lease liability		$ 1,837,498

Activity of lease liabilities for the year ended June 30, 2025 is summarized as follows:

Beginning Balance	Additions	Subtractions	Ending Balance	Amount due within One Year
$ 1,192,312	$ 1,574,951	$ 929,765	$ 1,837,498	$ 716,514

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

	Principal	Interest	Total
2026	$ 716,514	$ 75,295	$ 791,809
2027	544,070	47,739	591,809
2028	368,950	22,859	391,809
2029	179,629	5,316	184,945
2030	28,335	145	28,480
	$ 1,837,498	$ 151,354	$ 1,960,372

7. LEASES (Continued)

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%	$ 13
Verizon Wireless Equipment Space	2.16%	744,029
Family Radio Site Lease	2.16%	872,896
New Cingular Wireless PCS, LLC By AT&T Mobility Corporation	2.16%	1,936,230
Total Lease receivable		$ 3,553,168

Activity of lease receivable for the year ended June 30, 2025 is summarized as follows:

Lease-related Revenue	Year Ending 2025
Lease Revenue	
Building	$ 199,500
Land	83,880
Total Lease Revenue	283,380
Interest Revenue	37,101
Variable & Other Revenue	-
Total	$ 320,481

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

	Principal	Interest	Total
2026	$ 205,925	$ 33,729	$ 239,654
2027	213,306	31,021	244,327
2028	220,991	28,149	249,140
2029	228,989	25,109	254,098
2030	237,312	21,893	259,205
5 years ending 2035	973,668	64,095	1,037,763
5 years ending 2040	794,947	21,488	816,435
5 years ending 2045	419,400	-	419,400
5 years ending 2050	258,630	-	258,630
	$ 3,553,168	$ 225,484	$ 3,778,652

8. SUBSCRIPTION AGREEMENTS

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

Subscription agreements are summarized as follows:

Description	Interest Rate / Discount Rate	Subscription Liability
Barracuda Cloud Backup Archiving	3.54%	$ 9,653
Total Subscription liability		$ 9,653

Activity of subscription liabilities for the year ended June 30, 2025 is summarized as follows:

Beginning Balance	Additions	Subtractions	Ending Balance	Amount due within One Year
$ 35,062	$ -	$ 25,409	$ 9,653	$ 9,653

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

	Principal	Interest	Total
2026	$ 9,653	$ 347	$ 10,000
	$ 9,653	$ 347	$ 10,000

9. INTERFUND BALANCES AND ACTIVITY

	Interfund		Interfund	
	Receivable	*Payable*	*Revenue*	*Expenditures*
General fund	$ 2,272,325	$ 5,025	$ -	$ 725,025
Special aid fund	5,025	2,272,325	225,025	-
School lunch fund	-	-	-	-
Debt service fund	70,562	-	-	-
Capital projects funds	-	70,562	500,000	-
Total	$ 2,347,912	$ 2,347,912	$ 725,025	$ 725,025

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

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

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

10. PENSION PLANS

New York State Employee Retirement System (NYSERS)

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

2025	$	2,511,985
2024	$	2,274,789
2023	$	1,846,992

Pension Liability, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions
At June 30, 2025, the District reported a net pension liability of $8,460,279 for its proportionate share of the NYSERS net pension liability. The net pension liability was measured as of March 31, 2025 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of April 1, 2024. 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, 2025, the District's proportion was 0.0493434% which was an increase from the prior year which was 0.0563027% from its proportion at share measured at **June 30, 2024**.

10. PENSION PLANS (Continued)

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

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

For the year ended June 30, 2025, the District recognized pension expense of $1,879,492. At June 30, 2025, the District reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,099,898	$ 99,053
Changes of Assumptions	354,807	-
Net difference between projected and actual earnings on pension plan investments	663,770	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	464,365	668,576
Contributions subsequent to the measurement date	2,666,231	-
	$ 6,249,071	$ 767,629

The District recognized $2,666,231 as deferred outflows of resources related to pensions resulting from contributions made subsequent to the measurement date of March 31, 2025 which will be recognized as a reduction of the net pension liability in the year ended June 30, 2026.

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:	
2026	$ 1,450,397
2027	2,160,035
2028	(761,776)
2029	(33,446)
	$ 2,815,210

10. PENSION PLANS (Continued)

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

Actuarial Assumptions
The total pension liability at March 31, 2025 was determined by using an actuarial valuation as of April 1, 2024, with update procedures used to roll forward the total pension liability to March 31, 2025.

The actuarial valuation used the following actuarial assumptions:

Actuarial cost method	Entry age normal
Inflation	2.9 percent
Salary scale	4.3 percent indexed by service
Projected COLAs	1.5% compounded annually
Decrements	Developed from the Plan's 2015 experience study of the period April 1, 2015 through April 1, 2020
Mortality improvement	Society of Actuaries Scale MP-2021
Investment Rate of Return	5.9% compounded annually, net of investment expenses

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2025 are summarized below:

Asset Type	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	25.0%	3.54%
International Equity	14.0%	6.57%
Private Equity	15.0%	7.25%
Real Estate	12.0%	4.95%
Opportunistic Portfolio	3.0%	5.25%
Credit	4.0%	5.40%
Real Assets	4.0%	5.55%
Fixed Income	22.0%	2.00%
Cash	1.0%	0.25%
	100%	

10. PENSION PLANS (Continued)

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

Discount Rate

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

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

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

	1 % Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
Proportionate Share of Net Pension liability (asset)	$ 24,485,114	$ 8,460,279	$ (4,920,468)

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the employers as of March 31, 2025 were as follows:

	Pension Plan's Fiduciary Net Position (Dollars in thousands)
Total pension liability	$ 247,600,239
Net position	230,454,512
Net pension liability (asset)	$ 17,145,727
Fiduciary net position as a percentage of total pension liability	93.08%

10. PENSION PLANS (Continued)

New York State Teacher Retirement System

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

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

Contributions

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

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

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

2025	$	6,014,776
2024	$	5,961,258
2023	$	5,571,028

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

At June 30, 2025, the District reported net pension asset of $9,039,612 for its proportionate share of the NYSTRS net pension asset. The net pension asset was measured as of June 30, 2024, and the total pension asset used to calculate the net pension asset was determined by the actuarial valuation as of June 30, 2023. 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, 2025 the District's proportionate share was 0.302976%, which decreased from 0.313672% from its proportionate share measured at June 30, 2024.

10. PENSION PLANS (Continued)

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

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

For the year ended June 30, 2025, the District recognized pension expense of $5,062,399. At June 30, 2025 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	$ 9,734,002	$ -
Changes of assumptions	5,407,520	909,595
Net difference between projected and actual earnings on pension plan investments	-	10,043,778
Changes in proportion and differences between the District's contributions and proportionate share of contributions	766,521	330,049
Contributions subsequent to the measurement date	6,325,991	-
	$ 22,234,034	$ 11,283,422

The School District recognized $6,325,991 as deferred outflows of resources related to pensions resulting from the School District's contributions subsequent to the measurement date June 30, 2024 will be recognized as a reduction of the net pension liability in the year ending June 30, 2026.

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

Plan's Year Ended June 30:	
2024	$ (4,598,580)
2025	11,151,318
2026	(1,738,145)
2027	(1,964,999)
2028	1,274,389
Thereafter	500,639
	$ 4,624,622

10. PENSION PLANS (Continued)

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

Actuarial Assumptions

The total pension asset at the June 30, 2024 measurement date was determined by an actuarial valuation as of June 30, 2023 with update procedures used to roll forward the total pension asset to June 30, 2024. The actuarial valuation used the following actuarial assumptions:

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

Service	Rate
5	5.18%
15	3.64%
25	2.50%
35	1.95%

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

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

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

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

10. PENSION PLANS (Continued)

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

Actuarial Assumptions (Continued)
Best estimates of arithmetic real rates of return for each major asset class included in the Systems target asset allocation as of the measurement date of June 30, 2024 are summarized in the following table:

Asset Type	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	33.0%	6.6%
International Equity	15.0%	7.4%
Global Equity	4.0%	6.9%
Real Estate Equity	11.0%	6.3%
Private Equity	9.0%	10.0%
Domestic Fixed Income	16.0%	2.6%
Global Bonds	2.0%	2.5%
Private Debt	2.0%	5.9%
Real Estate Debt	6.0%	3.9%
High-yield Bonds	1.0%	4.8%
Cash Equivalents	1.0%	0.5%
	100%	

Discount Rate
The discount rate used to measure the total pension asset as of June 30, 2024 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)	$ 41,754,490	$ (9,039,612)	$ (51,758,815)

10. PENSION PLANS (Continued)

Pension Plan Fiduciary Net Position

The components of the collective net pension liability (asset) of the participating school districts as of June 30, 2024 were as follows:

		Pension Plan's Fiduciary Net Position
		(Dollars in Thousands)
Total pension liability	$	142,837,826
Net position		145,821,435
Net pension liability (asset)	$	(2,983,609)
Fiduciary net position as a percentage of total pension liability		102.09%

11. TOTAL OTHER POST EMPLOYMENT BENEFITS

Plan Description

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

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

Benefits Provided

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

Employees Covered by Benefit Terms

At June 30, 2025, the following employees were covered by the benefit terms:

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

11. TOTAL OTHER POST-EMPLOYMENT BENEFITS (Continued)

Total OPEB Liability

The District's total OPEB liability of $265,035,872 was measured as of June 30, 2025, and was determined by an actuarial valuation as of June 30, 2025.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2025 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

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

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

Inflation	2.70%
Payroll Growth	3.00%
Discount Rate	4.81%
Healthcare Cost Trend Rates	6.50% for 2024, decreasing to an ultimate rate of 3.5% by 2075
Share of Benefit-Related Costs	Varies based on applicable bargaining unit

Changes in the Total OPEB Liability

Balance at July 1, 2024	$ 208,467,057
Changes for the Year	
Service cost	6,923,740
Interest	8,981,705
Changes of benefit terms	-
Changes in assumptions or other inputs	(25,592,997)
Differences between expected and actual experience	70,396,322
Benefit payments	(4,139,955)
Net changes	56,568,815
Balance at June 30, 2025	$ 265,035,872

Changes of assumptions and other inputs reflect a change in the discount rate from 4.21% in 2024 to 4.81% in 2025.

11. 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 (3.81%) or 1 percentage point higher (5.81%) than the current discount rate:

	1% Decrease (3.81%)	Current Discount (4.81%)	1% Increase (5.81%)
Total OPEB Liability	$ 312,813,984	$ 265,035,872	$ 227,136,934

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	$ 224,120,973	$ 265,035,872	$ 317,742,564

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

For the year ended June 30, 2025, the District recognized OPEB expense of $24,708,816. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 78,076,522	$ 1,749,521
Changes of assumptions or other inputs	-	63,453,589
Total	$ 78,076,522	$ 65,203,110

11. 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:	
2026	$ (1,719,294)
2027	(6,673,916)
2028	6,780,895
2029	7,018,502
2030	7,467,225
Thereafter	-
	$ 12,873,412

12. 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, 2025 was $20,895,436 with a discount rate of 2.0%. The District's share of the liability for unbilled and open claims is $820,146.

13. 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.

14. SUBSEQUENT EVENTS

On July 16, 2025, the School District issued $25,000,000 in serial bonds. The proceeds of the bonds will redeem and permanently finance the $25,000,000 total currently outstanding bond anticipation notes.

15. RESTATEMENT OF PRIOR YEAR

During the year ended June 30, 2025, the School District implemented GASB Statement No. 101, Compensated Absences. This Statement requires that governments recognize a liability for certain types of compensated absences when the leave is earned rather than when it is used, and update measurement and disclosure requirements accordingly.

The implementation of GASB 101 resulted in the recognition of additional compensated absences liabilities that were not previously recorded under the prior accounting guidance. As a result, beginning net position was restated as follows:

	Governmental Activities Net Position
Balance at June 30, 2024, as previously reported	$ (109,611,065)
Restatement of beginning balance - Adoption of GASB Statement No. 101	
Adjustments:	
Compensated Absences	(6,391,277)
Balance at July 1, 2024, as restated	$ (116,002,342)

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, 2025

	Original Budget	*Final Budget*	*Actual (Budgetary Basis)*	*Encumbrances*	*Final Budget Variance with Budgetary Actual*
REVENUE					
Local sources:					
Real property taxes	$ 141,436,467	$ 137,967,781	$ 137,921,801	$ -	$ (45,980)
Other tax items	2,950,000	6,418,686	6,574,220	-	155,534
Charges for services	1,119,150	1,167,975	1,039,694	-	(128,281)
Use of money and property	1,191,900	1,191,900	1,127,832	-	(64,068)
Miscellaneous	500,000	623,997	934,412	-	310,415
Total local sources	147,197,517	147,370,339	147,597,959	-	227,620
State sources	6,880,818	8,522,483	8,597,558	-	75,075
Total revenue	154,078,335	155,892,822	156,195,517	-	302,695

(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, 2025

	Original Budget	*Final Budget*	*Actual (Budgetary Basis)*	*Encumbrances*	Variance with *Budgetary Actual and Encumbrances*
EXPENDITURES					
GENERAL SUPPORT:					
Board of education	$ 74,990	$ 72,923	$ 65,524	$ 540	$ 6,859
Central administration	400,300	401,656	601,163	-	(199,507)
Finance	1,208,190	1,238,018	1,178,442	46,738	12,838
Staff	1,185,230	1,120,321	962,085	17,545	140,691
Central services	9,832,115	13,395,558	12,239,805	2,742,442	(1,586,689)
Special items	1,816,310	1,872,053	1,860,497	-	11,556
Total general support	14,517,135	18,100,529	16,907,516	2,807,265	(1,614,252)
INSTRUCTION:					
Instruction, administration, and improvement	5,375,360	5,508,170	5,307,931	39,936	160,303
Teaching - regular school	44,535,255	44,750,623	44,191,355	137,230	422,038
Programs for children with handicapping conditions	18,837,190	20,521,504	20,100,534	726,330	(305,360)
Occupational education	1,233,945	1,111,945	1,234,502	-	(122,557)
Instructional media	3,616,515	3,511,333	3,463,785	18,298	29,250
Pupil services	6,932,665	7,130,620	7,091,492	98,796	(59,668)
Total instruction	80,530,930	82,534,195	81,389,599	1,020,590	124,006
Pupil transportation	9,552,150	9,716,883	9,710,069	4,305	2,509
Employee benefits	41,480,985	44,188,488	45,311,669	-	(1,123,181)
Debt service - principal	7,461,490	7,462,276	7,541,630	-	(79,354)
Debt service - interest	1,562,310	1,562,310	1,590,674	-	(28,364)
Total expenditures	155,105,000	163,564,681	162,451,157	3,832,160	(2,718,636)
OTHER FINANCING SOURCES (USES)					
Proceeds from leases	-	-	1,574,951	-	1,574,951
Transfers from other funds	-	-	-	-	-
Transfers (to) other funds	(720,000)	(720,000)	(725,025)	-	(5,025)
Total other financing sources (uses)	(720,000)	(720,000)	849,926	-	1,569,926
Total expenditures and other financing sources (uses)	155,825,000	164,284,681	161,601,231	$ 3,832,160	$ (1,148,710)
NET CHANGE IN FUND BALANCE	(1,746,665)	(8,391,859)	(5,405,714)		
FUND BALANCE - beginning of year	27,834,705	27,834,705	27,834,705		
FUND BALANCE - end of year	$ 26,088,040	$ 19,442,846	$ 22,428,991		

The accompanying notes are an integral part of these schedules.

BEDFORD CENTRAL SCHOOL DISTRICT

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

Last 10 Fiscal Years (Dollar amounts displayed in thousands)

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Proportion of the net pension liability (asset)	0.0493434%	0.0563027%	0.0541793%	0.0512891%	0.0511550%	0.0507263%	0.0483828%	0.0487249%	0.0529451%	0.0519753%
Proportionate share of the net pension liability (asset)	$ 8,460	$ 8,290	$ 11,618	$ (4,193)	$ 50	$ 13,433	$ 3,428	$ 1,573	$ 4,975	$ 8,342
Covered-employee payroll	$ 16,118	$ 17,883	$ 18,469	$ 15,941	$ 16,396	$ 15,435	$ 14,874	$ 14,007	$ 14,415	$ 13,720
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	52.49%	46.36%	62.91%	-26.30%	0.30%	87.03%	23.05%	11.23%	34.51%	60.80%
Plan fiduciary net position as a percentage of the total pension liability (asset)	93.08%	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%

Last 10 Fiscal Years (Dollar amounts displayed in thousands)

NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Proportion of the net pension liability (asset)	0.3029760%	0.3136720%	0.3208940%	0.3123490%	0.3199273%	0.0319311%	0.3165100%	0.3178580%	0.3417060%	0.3344890%
Proportionate share of the net pension liability (asset)	$ (9,040)	$ 3,587	$ 6,158	$ (54,127)	$ 8,840	$ (8,296)	$ (5,723)	$ (2,416)	$ 3,660	$ (34,743)
Covered-employee payroll	$ 59,493	$ 57,849	$ 57,933	$ 56,851	$ 53,016	$ 54,302	53,298	$ 51,556	$ 52,522	$ 52,675
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-15.19%	6.20%	10.63%	-95.21%	16.67%	-15.28%	-10.74%	-4.69%	6.97%	-65.96%
Plan fiduciary net position as a percentage of the total pension liability (asset)	102.09%	99.17%	98.57%	113.25%	97.76%	102.17%	101.53%	100.66%	99.01%	110.46%

The accompanying notes are an integral part of these schedules.

BEDFORD CENTRAL SCHOOL DISTRICT

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

Last 10 Fiscal Years (Dollar amounts displayed in thousands)

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 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	$ 2,451.5
Contributions in relation to the contractually required contribution	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	2,451.5
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 16,118	$ 17,883	$ 18,469	$ 15,941	$ 16,396	$ 15,435	$ 14,874	$ 14,007	$ 14,415	$ 13,720
Contributions as a percentage of covered-employee payroll	15.59%	12.32%	10.00%	14.89%	13.47%	13.51%	13.50%	14.90%	15.26%	17.87%

Last 10 Fiscal Years (Dollar amounts displayed in thousands)

NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 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	$ 6,984.7
Contributions in relation to the contractually required contribution	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	6,984.7
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 59,493	$ 57,849	$ 57,849	$ 56,851	$ 53,016	$ 54,302	$ 53,298	$ 51,556	$ 52,522	$ 52,675
Contributions as a percentage of covered-employee payroll	10.11%	10.30%	9.63%	8.89%	9.07%	10.42%	9.43%	11.45%	13.31%	13.26%

The accompanying notes are an integral part of these schedules.

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						
	2025	2024	2023	2022	2021	2020	2019
Total OPEB Liability							
Service cost	$ 6,923,740	$ 6,794,838	$ 10,558,118	$ 15,143,677	$ 14,226,512	$ 9,429,016	$ 8,213,057
Interest	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	70,396,322	(244,492)	26,902,491	(4,759,583)	35,770,046	864,322	5,450,052
Changes in assumptions	(25,592,997)	(2,447,831)	(109,597,435)	(75,969,308)	(6,042,325)	62,271,694	13,481,251
Benefit payments	(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	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	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	$ 265,035,872	$ 208,467,057	$ 202,018,033	$ 296,705,113	$ 358,259,832	$ 315,080,436	$ 241,474,493
Covered-employee payroll	$ 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	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:

	2025	2024	2023	2022	2021	2020	2019
Discount rate	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, 2025

	(Formerly Major) Special Aid	(Formerly Major) School Lunch	Miscellaneous Special Revenue	Debt Service	Total Non-Major Governmental Funds
ASSETS					
Cash and cash equivalents - restricted	$ 304,132	$ 1,122,284	$ 507,693	$ 1,045,795	$ 2,979,904
Accounts receivable	36	-	-	-	36
Due from other funds	5,025	-	-	70,562	75,587
State and federal aid receivable	2,194,101	113,136	-	-	2,307,237
Inventories	-	5,329	-	-	5,329
TOTAL ASSETS	$ 2,503,294	$ 1,240,749	$ 507,693	$ 1,116,357	$ 5,368,093
LIABILITIES AND FUND BALANCE					
LIABILITIES:					
Accounts payable and accrued expenses	$ 183,711	$ 137,714	$ -	$ -	$ 321,425
Due to other funds	2,272,325	-	-	-	2,272,325
Unearned revenue	47,258	53,995	-	-	101,253
Other liabilities	-	837	-	-	837
TOTAL LIABILITIES	2,503,294	192,546	-	-	2,695,840
FUND BALANCE:					
Non-spendable					
Inventory	-	5,329	-	-	5,329
Restricted for:					
Other	-	1,042,874	507,693	-	1,550,567
Debt service	-	-	-	1,116,357	1,116,357
Total restricted fund balance	-	1,042,874	507,693	1,116,357	2,666,924
TOTAL FUND BALANCE	-	1,048,203	507,693	1,116,357	2,672,253
TOTAL LIABILITIES AND FUND BALANCE	$ 2,503,294	$ 1,240,749	$ 507,693	$ 1,116,357	$ 5,368,093

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, 2025

	(Formerly Non-Major) Capital Projects	(Formerly Major) Special Aid	(Formerly Major) School Lunch	Miscellaneous Special Revenue	Debt Service	Total Non-Major Governmental Funds
REVENUE:						
Use of money and property	$ -	$ -	$ 70,904	$ 5,213	$ 79,641	$ 155,758
Miscellaneous	-	6,350	-	216,852	21,287	244,489
State sources	-	1,020,711	544,766	-	-	1,565,477
Federal sources	-	2,535,958	773,721	-	-	3,309,679
Sales - school lunch	-	-	586,477	-	-	586,477
Total revenue	-	3,563,019	1,975,868	222,065	100,928	5,861,880
EXPENDITURES:						
Instruction	-	3,535,615	-	226,140	-	3,761,755
Pupil transportation	-	252,429	-	-	-	252,429
Cost of sales	-	-	2,077,574	-	-	2,077,574
Total expenditures	-	3,788,044	2,077,574	226,140	-	6,091,758
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	-	(225,025)	(101,706)	(4,075)	100,928	(229,878)
OTHER SOURCES AND (USES):						
Proceeds from issuance of bonds	-	-	-	-	115,300	115,300
Operating transfers in	-	225,025	-	-	-	225,025
Total other sources (uses)	-	225,025	-	-	115,300	340,325
EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	-	-	(101,706)	(4,075)	216,228	110,447
FUND BALANCE (DEFICIT) - beginning of year, previously reported	4,218,018	-	-	511,768	900,129	5,629,915
Adjustment - changes from nonmajor to major fund	(4,218,018)	-	-	-	-	(4,218,018)
Adjustment - changes from major to nonmajor fund	-	-	1,149,909	-	-	1,149,909
FUND BALANCE (DEFICIT) - beginning of year, as adjusted	-	-	1,149,909	511,768	900,129	2,561,806
FUND BALANCE (DEFICIT) - end of year	$ -	$ -	$ 1,048,203	$ 507,693	$ 1,116,357	$ 2,672,253

The accompanying notes are an integral part of these statements.

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, 2025

CHANGE FROM ADOPTED BUDGET TO REVISED BUDGET

Adopted budget	$ 155,825,000
Add: Prior year's encumbrances	5,605,833
Original budget	161,430,833
Budget revisions	2,853,848
Final budget	$ 164,284,681

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2025-26 voter-approved expenditure budget	$ 160,965,500	
Maximum allowed (4% of 2025-26 budget)		$ 6,438,620
General fund, fund balance subject to section 1318 of real property tax law*:		
Unrestricted fund balance:		
Assigned fund balance		$ 4,236,178
Unassigned fund balance		6,266,499
Total Unrestricted Fund Balance		$ 10,502,677
Less:		
Appropriated fund balance	$ 404,018	
Encumbrances included in assigned fund balance	3,832,160	
Total adjustments	$ 4,236,178	
General fund, fund balance subject to section 1318 of real property tax law		$ 6,266,499
Actual percentage		3.89%

*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, 2025

PROJECT TITLE	*Original Appropriation*	*Revised Appropriation*	Expenditures *Prior Years*	*Current Year*	*Total*	*Unexpended Balance*	Methods of Financing *Proceeds of Obligations*	*State Aid*	*Local Sources*	*Total*	*Fund Balance June 30, 2025*
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	-
22-23 Computer Lease	-	764,636	764,636	-	764,636		764,636	-	-	764,636	-
23-24 Computer Lease	-	753,023	753,023	-	753,023		753,023	-	-	753,023	-
19-20 Interfund Transfers (Gen Hookups)	500,000	500,000	87,178	356,360	443,538	56,462	-	-	500,000	500,000	56,462
21-22 Interfund transfers (Ventilation & Fire Protect)	500,000	500,000	-	77,000	77,000	423,000	-	-	500,000	500,000	423,000
22-23 Interfund transfers (FLHS Boiler Replacement)	500,000	705,000	-	617,500	617,500	87,500	-	-	705,000	705,000	87,500
24-25 Interfund transfers	500,000	295,000		277,943	277,943	17,057	-	-	295,000	295,000	17,057
22-23 Bond Authorization $62,600,598	-	62,616,598	13,469,404	12,188,730	25,658,134	36,958,464	38,750,000	-	-	38,750,000	13,091,866
24-25 Interfund Transfers	500,000	500,000	-	248,974	248,974	251,026	-	-	500,000	500,000	251,026
24-25 Computer Lease	-	743,224	753,023	-	753,023	(9,799)	753,023			753,023	-
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	-	-	-	319,149	319,149	-
					-						
BOCES - Capital Improvements	1,704,110	1,704,110	1,704,110	-	1,704,110	-	1,435,000	-	108,048	1,543,048	(161,062)
Total	$ 44,294,548	$ 113,543,935	$ 61,605,566	$ 13,766,507	$ 75,372,073	$ 38,171,862	$ 81,068,818	$ 83,088	$ 8,381,108	$ 89,533,014	$ 14,160,941

BEDFORD CENTRAL SCHOOL DISTRICT

SCHEDULE OF NET INVESTMENT IN CAPITAL ASSETS (UNAUDITED)
June 30, 2025

Capital assets, net	$ 143,017,170
Deduct:	
Short-term portion of installment debt payable	534,888
Long-term portion of installment debt payable	6,160,696
Short-term portion of bonds payable	6,220,000
Long-term portion of bonds payable	32,075,000
Short-term portion of lease payable	716,514
Long-term portion of lease payable	1,120,984
Subscription payable	9,653
Bond premium	318,914
	47,156,649
Net investment in capital assets	$ 95,860,521

The accompanying notes are an integral part of these schedules.

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 13, 2025

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, 2025, 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 13, 2025.

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

FORM OF BOND COUNSEL'S OPINION

February 25, 2026

The Board of Education of the
Bedford Central School District,
in the County of Westchester, New York

Ladies and Gentlemen:

We have acted as Bond Counsel to the Bedford Central School District, (the "School District"), in the County of Westchester, a school district of the State of New York and have examined a record of proceedings relating to the authorization, sale and issuance of the $10,000,000 Bond Anticipation Note–2026 (the "Note"), dated and delivered on the date hereof.

In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with originals of all documents submitted to us as copies thereof.

Based upon and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Note is a valid and legally binding general obligation of the School District for which the School District has validly pledged its faith and credit and, unless paid from other sources, all the taxable real property within the School District is subject to the levy of ad valorem real estate taxes to pay the Note and interest thereon without limitation as to rate or amount. The enforceability of rights or remedies with respect to such Note may be limited by bankruptcy, insolvency, or other laws affecting creditors' rights or remedies heretofore or hereafter enacted.

2. Under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Note is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Note is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Note is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code.

The Code establishes certain requirements that must be met subsequent to the issuance of the Note in order that the interest on the Note be and remain excludable from gross income for federal income tax purposes under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use and expenditure of proceeds of the Note, restrictions on the investment of proceeds of the Note prior to expenditure and the requirement that certain earnings be rebated to the federal government. Noncompliance with such requirements may cause the interest on the Note to become subject to federal income taxation retroactive to the date of issuance thereof, irrespective of the date on which such noncompliance occurs or is ascertained.

On the date of issuance of the Note, the School District will execute a Tax Certificate relating to the Note containing provisions and procedures pursuant to which such requirements can be satisfied. In executing the Tax Certificate, the School District represents that it will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure that the interest on the Note will, for federal income tax purposes, be excluded from gross income.

In rendering the opinion in this paragraph 2, we have relied upon and assumed (i) the material accuracy of the School District's representations, statements of intention and reasonable expectations, and certifications of fact contained in the Tax Certificate with respect to matters affecting the status of the interest on the Note, and (ii) compliance by the School District with the procedures and representations set forth in the Tax Certificate as to such tax matters.

3. Under existing statutes, interest on the Note is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York.

We express no opinion as to any other federal, state or local tax consequences arising with respect to the Note, or the ownership or disposition thereof, except as stated in paragraphs 2 and 3 above. We render our opinion under existing statutes and court decisions as of the date hereof, and assume no obligation to update, revise or supplement our opinion to reflect any action hereafter taken or not taken, any fact or circumstance that may hereafter come to our attention, any change in law or interpretation thereof that may hereafter occur, or for any other reason. We express no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, we express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Note.

We give no assurances as to the adequacy, sufficiency or completeness of the Preliminary Official Statement and/or Official Statement relating to the Note or any proceedings, reports, correspondence, financial statements or other documents, containing financial or other information relative to the School District, which have been or may hereafter be furnished or disclosed to purchasers of ownership interests in the Note.