

## PRELIMINARY OFFICIAL STATEMENT

### NEW ISSUE

**MOODY'S INVESTORS SERVICE: "Aa2"**

### SERIAL BOND

**See "BOND RATING" 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 Bonds 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 Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code, however, for tax years beginning after December 31, 2022, interest on the Bonds 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 Bonds 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 Bonds will NOT be "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

# \$13,750,000

## BEDFORD CENTRAL SCHOOL DISTRICT

### WESTCHESTER COUNTY, NEW YORK

GENERAL OBLIGATIONS

CUSIP BASE #: 076316

**\$13,750,000\* School District Serial Bonds – 2023**  
(the "Bonds")

**Dated: October 19, 2023**

**Due: June 15, 2024-2043**

#### MATURITIES\*\*

Year	Amount	Rate	Yield	CSP	Year	Amount	Rate	Yield	CSP	Year	Amount	Rate	Yield	CSP
2024	\$ 560,000	%	%		2031	\$605,000	%	%		2038	\$ 795,000*	%	%	
2025	475,000				2032	625,000*				2039	825,000*			
2026	495,000				2033	650,000*				2040	860,000*			
2027	515,000				2034	680,000*				2041	895,000*			
2028	535,000				2035	705,000*				2042	925,000*			
2029	560,000				2036	735,000*				2043	965,000*			
2030	580,000				2037	765,000*								

\* The Bonds maturing in the years 2032-2043 are subject to redemption prior to maturity. See "DESCRIPTION OF THE BONDS – Optional Redemption" herein.

\*\* Subject to change pursuant to the accompanying Notice of Bond Sale.

The Bonds are general obligations of the Bedford Central School District, Westchester County, New York (the "District"), all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Bonds and interest thereon without limitation as to rate or amount. See "NATURE OF OBLIGATION" and "TAX LEVY LIMITATION LAW" herein. The Bonds are subject to redemption prior to maturity as described herein under the heading "Optional Redemption."

The Bonds will be issued as registered bonds and will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, which will act as securities depository for the Bonds. Individual purchases will be made in book-entry form only, in the principal amount of \$5,000 or integral multiples thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. Interest on the Bonds will be payable semi-annually on June 15 and December 15 in each year until maturity, commencing June 15, 2024. Principal and interest will be paid by the District to DTC, which will in turn remit such principal and interest to its participants, for subsequent distribution to the beneficial owners of the Bonds, as described herein. See "BOOK-ENTRY-ONLY SYSTEM" herein. The District will act as paying agent. Paying agent fees, if any, in such case are to be paid by the purchaser. The Bonds may not be converted into coupon bonds or be registered to bearer.

Proposals for the Bonds shall be for not less than \$13,750,000 and accrued interest, if any, on the total principal amount of the Bonds. Proposals shall be accompanied by a good faith deposit in the form of a certified or cashier's check or wire transfer payable to the order of the Bedford Central School District, Westchester County, New York in the amount of \$138,000.

**ELECTRONIC BIDS for the Bonds must be submitted on Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via [www.fiscaladvisorsauction.com](http://www.fiscaladvisorsauction.com), on October 4, 2023 by no later than 10:00 A.M. ET. Bids may also be submitted by facsimile at (315) 930-2354. No other form of electronic bidding services will be accepted. No phone bids will be accepted. Once the bids are communicated electronically via Fiscal Advisors Auction or via facsimile to the District, each bid will constitute an irrevocable offer to purchase the Bonds pursuant to the terms provided in the Notice of Sale for the Bonds.**

September 20, 2023

The Bonds are offered when, as and if issued and received by the purchaser and subject to the receipt of the approving legal opinion as to the validity of the Bonds of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel. It is anticipated that the Bonds will be available for delivery through the facilities of DTC located in Jersey City, New Jersey, on or about October 19, 2023.

\*Preliminary; subject to change.

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.

**BEDFORD CENTRAL SCHOOL DISTRICT  
WESTCHESTER COUNTY, NEW YORK**

**SCHOOL DISTRICT OFFICIALS**

**2023-2024 BOARD OF EDUCATION**

ROBERT MAZUREK  
President

STEVEN MATLIN  
Vice President

GILIAN KLEIN  
BLAKELEY LOWRY  
AMAL SHADY  
BETSY SHARMA  
KRISTINE STOKER

\* \* \* \* \*

**ADMINISTRATION**

ROBERT GLASS  
Superintendent of Schools

TOM COLE  
Assistant Superintendent for Business and Administrative Services

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 LLP

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 Bonds 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



Fiscal Advisors & Marketing, Inc.  
250 South Clinton Street, Suite 502  
Syracuse, New York 13202  
(315) 752-0051  
<http://www.fiscaladvisors.com>

**OFFICIAL STATEMENT**  
**of the**  
**BEDFORD CENTRAL SCHOOL DISTRICT**  
**WESTCHESTER COUNTY, NEW YORK**  
**Relating To**  
**\$13,750,000\* School District Serial Bonds – 2023**

This Official Statement, which includes the cover page and appendices, 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 \$13,750,000\* principal amount of School District Serial Bonds – 2023 (the "Bonds").

The factors affecting the District's financial condition and the Bonds 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 Bonds and the proceedings of the District relating thereto are qualified in their entirety by reference to the definitive forms of the Bonds and such proceedings.

**NATURE OF OBLIGATION**

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

The Bonds 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 as required by the Constitution and laws of the State. For the payment of such principal and interest, the District has power and statutory authorization to levy ad valorem taxes on all real property within the District subject to such taxation by 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 Bonds and is required to raise real estate taxes, and without specification, other revenues, if such levy is necessary to repay such indebtedness. While the Tax Levy Limitation Law imposes a statutory limitation on the District's power to increase its annual tax levy, with the amount of such increase limited by the formulas set forth in the Tax Levy Limitation Law, it also provides the procedural method to surmount that limitation. See "TAX LEVY LIMITATION LAW" herein.

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\*Preliminary; subject to change.

## THE BONDS

### Description of the Bonds

The Bonds 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 Bonds 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 Bonds and interest thereon, without limitation as to rate or amount. See "NATURE OF OBLIGATION" hereunder and "TAX LEVY LIMITATION LAW" herein.

The Bonds will be dated October 19, 2023 and will mature in the principal amounts as set forth on the cover page of this Official Statement.

The record payment date for the payment of principal of and interest on the Bonds is the last day (whether or not a business day) of the calendar month immediately preceding each interest payment date.

The Bonds will be issued as fully registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of DTC. DTC will act as securities depository for the Bonds. Individual purchases of the Bonds may be made in book-entry form only, in the principal amount of \$5,000 and integral multiples thereof. Purchasers will not receive certificates representing their interest in the Bonds. Payment of the principal of and interest on the Bonds will be made by the District to DTC, which will in turn remit such principal and interest to its Participants for subsequent disbursement to the Beneficial Owners of the Bonds as described herein. (See "*DESCRIPTION OF BOOK-ENTRY-ONLY SYSTEM*" herein.)

The Bonds will be issued as 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 Bonds. See "BOOK-ENTRY-ONLY SYSTEM" herein.

### Optional Redemption

The Bonds maturing on or before June 15, 2031 shall not be subject to redemption prior to maturity. The Bonds maturing on or after June 15, 2032 shall be subject to redemption prior to maturity as a whole or in part (and by lot if less than all of a maturity is to be redeemed) at the option of the District on June 15, 2031 and on any date thereafter at par (100.0%), plus accrued interest to the date of redemption.

If less than all of the Bonds of any maturity are to be redeemed, the particular Bonds of such maturity to be redeemed shall be selected by the District by lot in any customary manner of selection as determined by the President of the Board of Education. Notice of such call for redemption shall be given by mailing such notice to the registered holders not more than sixty (60) days nor less than thirty (30) days prior to such date. Notice of redemption having been given as aforesaid, the Bonds so called for redemption shall, on the date for redemption set forth in such call for redemption, become due and payable, together with interest to such redemption date, and interest shall cease to be paid thereon after such redemption date.

### Purpose of Issue

The Bonds 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.

The proceeds of the Bonds will redeem and permanently finance \$2,000,000 in bond anticipation notes currently outstanding and maturing on November 10, 2023, and will provide \$11,750,000 in new money for the aforementioned purpose.

## BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Bonds, if so requested. The Bonds 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 bond certificate will be issued for each bond 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](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“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 Bonds 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 Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds 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 Bonds 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 Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds 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 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds 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.

Redemption proceeds, distributions, and dividend payments on the Bonds 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 Bonds at any time by giving reasonable notice to the District. Under such circumstances, in the event that a successor depository is not obtained, bond 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, bond 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 BONDS (1) PAYMENTS OF PRINCIPAL OF OR INTEREST OR REDEMPTION PREMIUM ON THE BONDS; (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE BONDS; OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE BONDS, 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 BONDS; (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 BONDS.

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 Bonds**

DTC may discontinue providing its services with respect to the Bonds 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 transfers through DTC at any time. In the event that such book-entry-only system is discontinued, the following provisions will apply: the Bonds will be issued in fully registered form in denominations of \$5,000 each or any integral multiple thereof for any single maturity. Principal of the Bonds when due will be payable upon presentation at the office of a bank or trust company located and authorized to do business in the State as a fiscal agent bank to be named by the District upon termination of the book-entry-only system. Interest on the Bonds will be payable on June 15, 2024 and semi-annually thereafter on December 15 and June 15 in each year until maturity. Such interest will be payable by check drawn on the fiscal agent and mailed to the registered owner on each interest payment date at the address as shown on the registration books of the fiscal agent as of the last business day of the calendar month preceding each such interest payment date. Bonds may be transferred or exchanged at no cost to the registered owner at any time prior to maturity at the office of the fiscal agent for Bonds of the same or any other authorized denomination or denominations in the same aggregate principal amount upon the terms set forth in the Bond Determinations Certificate of the President of the Board of Education authorizing the sale of the Bonds and fixing the details thereof and in accordance with the Local Finance Law. The fiscal agent shall not be obligated to make any such transfer or exchange of Bonds between the last business day of the calendar month preceding an interest payment date and such interest payment date.

## REMEDIES UPON DEFAULT

Neither the Bonds, nor the proceedings with respect thereto, specifically provide any remedies which would be available to owners of the Bonds should the District default in the payment of principal of or interest on the Bonds, nor do they contain any provisions for the appointment of a trustee to enforce the interests of the owners of the Bonds upon the occurrence of any such default. The Bonds 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 Bonds 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 Bonds, the owners of such Bonds 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 Bonds 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 Bonds and the proceedings with respect thereto all of which are included in the contract with the owners of the Bonds. 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 Bonds 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 Bondholders, 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. The District has never defaulted in the payment of the principal of and/or interest on any indebtedness.

## **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 Bonds.

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.

## **MARKET AND RISK FACTORS**

There are various forms of risk associated with investing in the Bonds. The following is a discussion of certain events that could affect the risk of investing in the Bonds. 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 Bonds.

If and when an owner of any of the Bonds should elect to sell all or a part of the Bonds prior to maturity, there can be no assurance that a market will have been established, maintained and continue in existence for the purchase and sale of any of those Bonds. The market value of the Bonds is dependent upon the ability of holder to potentially incur a capital loss if such Bonds are sold prior to its maturity.

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 Bonds. 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 Bonds, 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 impact to the State's economy and financial condition due to the COVID-19 outbreak and other circumstances, including State fiscal stress. 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*" 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.

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 Bonds, for income taxation purposes could have an adverse effect on the market value of the Bonds (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 Bonds. (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 Bonds.

### **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 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 the 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 27,957. (Source: 2017-2021 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 County listed below. The figures set below with respect to such Towns and County is included for information only. It should not be inferred from the inclusion of such data in the Official Statement that the Towns or the County are necessarily representative of the District, or vice versa.

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2006-2010</u>	<u>2016-2020</u>	<u>2017-2021</u>	<u>2006-2010</u>	<u>2016-2020</u>	<u>2017-2021</u>
Towns of:						
Bedford	\$ 65,577	\$ 71,458	\$ 79,571	\$139,202	\$162,824	\$176,589
Mt. Kisco	38,859	45,192	46,984	82,083	108,315	123,016
New Castle	93,183	105,769	104,844	210,457	250,000+	250,000+
North Castle	76,063	101,213	106,996	152,610	206,324	223,496
Pound Ridge	127,078	122,184	126,323	233,571	210,592	234,149
County of:						
Westchester	47,814	57,953	61,830	100,863	126,992	134,974
State of:						
New York	30,948	40,898	43,208	67,405	87,270	92,731

Note: 2018-2022 American Community Survey estimates are not available as of the date of this Official Statement.

Source: 2006-2010, 2016-2020, and 2017-2021 American Community Survey 5-Year data.

## Major Employers in the County

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

<u>Name</u>	<u>Industry</u>
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 August 2023 from visitwestchesterny.com.

Source: District officials.

## Unemployment Rate Statistics

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

	<u>Annual Averages</u>						
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Westchester County	4.4%	4.5%	3.9%	3.6%	8.0%	4.8%	3.1%
New York State	4.9	4.6	4.1	3.9	9.8	7.0	4.3

	<u>2023 Monthly Figures</u>								
	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>
Westchester County	3.5%	3.3%	2.9%	2.3%	2.8%	3.0%	3.1%	N/A	N/A
New York State	4.6	4.5	4.0	3.7	3.8	4.2	4.1	N/A	N/A

Note: Unemployment rates for the months August and September of 2023 are unavailable as of the date of this Official Statement.

Source: Department of Labor, State of New York. (Note: Figures not seasonally adjusted).

## 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 Administrative Services 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 Administration Services 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 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 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 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 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 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 budget for the 2022-23 fiscal year was adopted by the qualified voters on May 17, 2022 by a vote of 1434 in favor to 636 against. The District’s adopted budget for 2022-23 fiscal year remained within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget called for a total tax levy increase of 2.69%, which was equal to the District Tax Cap of 2.69%.

The budget for the 2023-24 fiscal year was approved by qualified voters on May 16, 2023 by a vote of 1,806 to 778. The District’s adopted budget for the 2023-24 fiscal year remained within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget called for a total tax levy increase of 2.19%, which was equal to the District tax levy limit of 2.19%.

## 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 Bedford Central School 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 by request of the District.

## **State Aid**

The District receives financial assistance from the State. In its adopted budget for the 2023-2024 fiscal year, approximately 5.84% of the revenues of the District are estimated to be received in the form of State aid. If the State should not adopt its budget in a timely manner, in any year, municipalities and school districts in the State, including the District, may be affected by a delay in the payment of State aid.

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.

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.

There can be no assurance that the State appropriation for building aid and other State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid, including building aid appropriated and apportioned to the School 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.

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.

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. 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.

## *Federal Aid Received by the State*

President Biden has signed into law the American Rescue Plan, a \$1.9 trillion COVID-19 relief package that includes \$350 billion to state, local and territorial governments to keep their frontline workers employed, distribute the vaccine, increase testing, reopen schools and maintain vital services. The American Rescue Plan also includes an additional \$1,400 payment to eligible individuals and families, enhanced unemployment aid, rental and utility assistance to low and moderate income households, an increase in food stamp benefits, additional funding for child care and an increase in child care tax credits.

The State receives a substantial amount of federal aid for other 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, including the diversion of federal resources to address the COVID-19 outbreak.

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, 2023.

## *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 2023-2024 preliminary building aid ratios, the District State Building aid of approximately 10.4% for 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 (2018-2019):* The State 2018-19 Enacted Budget included nearly \$1 billion in additional education funding, representing a 3.9% increase over 2017-18. Approximately \$859 million of that increase is comprised of traditional public school aid, including increased Foundation Aid and full-funding of expense-based aids. Formula-based school aid now stands at \$26.03 billion statewide, a 3.4% increase over the last year. The State 2018-19 Enacted Budget included an increase of \$618 million in Foundation Aid for school districts. Foundation Aid totaled nearly \$17.8 billion statewide. For the seventh consecutive year, the Foundation Aid increase was distributed using a one year, off formula methodology. The State 2018-19 Enacted Budget guaranteed that all school districts received an increase in Foundation Aid over their 2017-18 levels. \$50 million of the Foundation Aid increase was "set aside" for certain school districts to fund community schools. The State 2018-19 Enacted Budget fully funded all expense-based aid for 2018-19, including building, transportation, BOCES and special education aid. These categories serve as State reimbursements for school district expenses made in the prior year, based on school district-specific aid ratios. A total of \$240 million was approved for increases in all expense-based aids in 2018-19. The State 2018-19 Enacted Budget allows the Governor to reduce aid to school districts mid-year if receipts from the federal government were less than what was expected.

*School district fiscal year (2019-2020):* The State 2019-2020 Enacted Budget included a total of \$27.69 billion for School Aid, a year-to-year funding increase of \$956 million or 3.6 percent and will provide additional funding for Foundation Aid of \$338.0 million and \$409.65 million in reimbursements for expense-based aids. In addition, the 2019-2020 Enacted Budget increases the Community Schools set-aside funding amount by \$49.99 million to a total of \$250.0 million. This increased funding is targeted to districts with failing schools and/or districts experiencing significant growth in English language learners. The State 2019-2020 Enacted Budget increases the minimum community schools funding amount from \$75,000 to \$100,000. This ensures all high-need districts across the State can apply the funds to a wide-range of activities.

*School district fiscal year (2020-2021):* Due to the anticipated impact of the COVID-19 pandemic on State revenues, State aid in the State's 2020-2021 Enacted Budget was 3.7 percent lower than in the State's 2019-2020 Enacted Budget but was offset in part with increased Federal support. This reduction in State Operating Funds support was offset by approximately \$1.1 billion in funding provided to the State through the Federal CARES Act, including the Elementary and Secondary School Emergency Education Relief Fund and the Governor's Emergency Education Relief Fund. With these Federal funds, State aid in the school district fiscal year 2020-2021 was \$27.9 billion, an annual increase of approximately \$100 million or 0.4 percent. The State's 2020-2021 Enacted Budget continued prior year funding levels for existing programs, including Foundation Aid, Community Schools and Universal Prekindergarten. The 2020-2021 Enacted Budget also provided over \$200 million in support for competitive grant programs, including \$1 million for development of a new Civics Education curriculum and \$10 million for a Student Mental Health program. Funding for expense-based aids, such as Building Aid, Transportation Aid, and Boards of Cooperative Educational Services (BOCES) Aid was continued under existing aid formulas. Out-year growth in School Aid

reflects current projections of the ten-year average growth in State personal income. The State's 2020-2021 Enacted Budget authorized the State's Budget Director to make periodic adjustments to State Aid, in the event that actual State revenues come in below 99% percent of estimates or if actual disbursements exceed 101% of estimates. Pursuant to that provision, in October, 2020, the State announced that, in the absence of Federal funding to offset such lost revenue, the State had begun to take steps to reduce spending, including but not limited to, temporarily holding back 20% of most aid payments to local governments and school districts. However, the 2020-2021 State aid declines were offset, in part, by \$1.1 billion of increased federal funding through the Coronavirus Aid, Relief, and Economic Security Act. With these federal funds, State aid totaled \$27.9 billion in the State's 2020-2021 Enacted Budget, an annual increase of approximately \$100 million or 0.4 percent from the 2019-2020 Enacted Budget. As of February 1, 2021, the State Education Department ("SED") advised school districts that the State Division of the Budget would, at some point, provide approval for SED to make the payments to school districts for State aid and other Pre-K-12 grant programs that had been subject to the above-referenced 20% withholding.

*School district fiscal year (2021-2022):* The State's 2021-22 Enacted 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 allocated to expand full-day kindergarten programs. Under the budget, school districts were 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. Under the budget, local governments also received full restoration of proposed cuts to Aid and Incentives for Municipalities (AIM) funding, and full restoration of \$10.3 million in proposed Video Lottery Terminal (VLT) aid cuts, where applicable.

*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, the highest level of State aid ever. 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 programmed \$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 includes \$34.5 billion for school aid, an increase of \$3.1 billion or 10%, which is the highest level of State aid to date. The States 2023-24 Budget also provides 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 provides \$134 million to increase access to free school meals. An additional \$20 million in grant funding will establish 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 will be made to promote job readiness. An additional \$150 million will be used to expand high-quality full-day prekindergarten, resulting in universal prekindergarten to be phased into 95% of 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. (See both "*School district fiscal year (2022-2023)*" and the following paragraphs herein.)

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. See the following paragraph regarding the phase-in.

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 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

## State Aid Revenues

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

<u>Fiscal Year</u>	<u>Total Revenues</u> <sup>(1)</sup>	<u>Total State Aid</u>	<u>Percentage of Total Revenues Consisting of State Aid</u>
2017-18	\$ 129,856,111	\$ 7,161,114	5.51%
2018-19	133,857,892	7,651,845	5.72
2019-20	139,069,299	7,601,721	5.47
2020-21	142,820,468	7,435,308	5.21
2021-22	146,423,645	7,840,253	5.35
2022-23 (Budgeted)	147,635,691	8,296,335	5.62
2022-23 (Unaudited)	151,093,025	8,060,609	5.33
2023-24 (Budgeted)	151,071,000	8,823,903	5.84

<sup>(1)</sup> General fund only.

Source: Audited Financial Statements for the 2017-2018 through 2021-2022 fiscal years, unaudited results for the 2022-23 fiscal year, and adopted budgets of the District for the 2022-2023 and 2023-2024 fiscal years. This table is not audited. The unaudited projections for the 2022-23 fiscal year are based upon certain current assumptions and estimates, and the audited results may vary therefrom.

## District Facilities

The District currently operates the following facilities:

<u>Facility</u>	<u>Grades</u>	<u>Original Construction</u>
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	K-5	1912
Bedford Hills Elementary School	K-5	1922
Bedford Village Elementary School	K-5	1941

Source: District officials.

## Enrollment Trends

<u>Fiscal Year</u>	<u>Actual Enrollment</u>	<u>Fiscal Year</u>	<u>Projected Enrollment</u>
2019-20	3,905	2024-25	3,565
2020-21	3,790	2025-26	3,489
2021-22	3,714	2026-27	3,421
2022-23	3,620	2027-28	3,385
2023-24	3,567	2028-29	3,364

Source: District officials.

## Employees

The District employs approximately 795 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:

<u>Employees Represented</u>	<u>Union Representation</u>	<u>Expiration Date</u>
304	CSEA – Civil Service Union	June 30, 2024
455	Bedford Teachers' Association	June 30, 2023 <sup>(1)</sup>
20	Bedford Administrative Association	June 30, 2025

<sup>(1)</sup> Currently under negotiation/arbitration.

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. 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 years and budgeted figures for the 2023-24 fiscal year are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2018-2019	\$ 2,008,227	\$ 5,052,482
2019-2020	2,085,308	5,660,271
2020-2021	2,208,687	4,811,140
2021-2022	2,374,013	5,052,386
2022-2023	2,261,862	6,098,536
2023-2024 (Budgeted)	1,821,565	5,015,175

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 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 (2019-20 to 2023-24) is shown below:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2019-20	14.6%	8.86%
2020-21	14.6	9.53
2021-22	16.2	9.80
2022-23	11.6	10.29
2023-24	13.1	9.76 <sup>(1)</sup>

<sup>(1)</sup> Estimated.

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 on March 31, 2019, will allow school districts in the State to establish a reserve fund for the purpose of funding/offsetting the cost of TRS contributions. School districts may pay into such 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, which had a balance in the amount of \$1,570,027 as of June 30, 2023.

## **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. 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 June 30:	2020	2021
<u>Changes for the year:</u>		<u>\$ 315,080,436</u>	<u>\$ 358,259,832</u>
Service cost		14,226,512	15,143,677
Interest		7,209,950	8,022,631
Changes of benefit terms		(1,821,348)	-
Differences between expected and actual experience		35,770,046	(4,759,583)
Changes in assumptions or other inputs		(6,042,325)	(75,969,308)
Benefit payments		<u>(6,163,439)</u>	<u>(3,992,136)</u>
Net Changes		<u>\$ 43,179,396</u>	<u>\$ (61,554,719)</u>
	Balance ending at June 30:	2021	2022
		<u>\$ 358,259,832</u>	<u>\$ 296,705,113</u>

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

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 Bonds 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 Bonds 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, 2022 and is attached hereto as “APPENDIX – D”. The Audited Financial Statements for the fiscal year ended June 30, 2023 are unavailable as of the date of this Official Statement. 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 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.

### Unaudited Results of Operations for the Fiscal Year Ending June 30, 2023

Based on preliminary estimates, the District concluded the fiscal year ending June 30, 2023 with an unappropriated unreserved fund balance of approximately \$6,294,605. Summary unaudited projected information for the General Fund for the period ending June 30, 2023 is as follows:

Projected Revenues:	\$ 151,093,025
Projected Expenditures:	<u>151,182,396</u>
Projected Excess (Deficit) Revenues Over Expenditures:	<u>\$ (89,371)</u>
Total General Fund Balance at June 30, 2022:	\$ 26,103,120
Total Projected General Fund Balance at June 30, 2023:	\$ 26,013,749

Note: These projections are based upon certain current assumptions and estimates, and the audited results may vary therefrom.

Source: District officials.

## 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 most recent State Comptroller audit report of the District is dated October 26, 2018, and was to determine whether controls over information technology were properly designed and operating effectively. Additional information about this report, including the District’s response, can be obtained from the website of the Office of the State Comptroller.

There are no other State Comptroller’s audits of the District from 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.

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 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:

<u>Fiscal Year Ending In</u>	<u>Stress Designation</u>	<u>Fiscal Score</u>
2022	No Designation	0.0
2021	No Designation	0.0
2020	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

<u>Fiscal Year Ending June 30:</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Towns of:					
Bedford	\$ 412,030,284	\$ 412,956,400	\$ 413,109,995	\$ 414,936,945	\$417,623,884
Mt.Kisco	293,147,240	291,873,901	292,246,807	291,301,489	292,101,359
New Castle	70,669,290	70,882,500	69,259,733	69,977,623	69,967,106
North Castle	4,070,110	4,013,310	4,012,622	4,064,802	4,061,565
Pound Ridge	357,350,932	358,036,850	357,690,974	357,497,469	359,267,704
Total Assessed Values	<u>\$ 1,137,267,856</u>	<u>\$ 1,137,762,961</u>	<u>\$ 1,136,320,131</u>	<u>\$ 1,137,778,328</u>	<u>\$ 1,143,021,618</u>

### State Equalization Rates

Towns of:					
Bedford	10.90%	11.07%	10.83%	11.35%	9.31%
Mt.Kisco	16.27%	15.68%	15.78%	16.00%	15.08%
New Castle	19.10%	19.05%	19.06%	19.38%	16.75%
North Castle	2.26%	2.30%	2.38%	2.24%	1.94%
Pound Ridge	17.93%	18.46%	19.05%	19.62%	16.06%
Total Taxable Full Valuation	<u>\$ 8,124,983,094</u>	<u>\$ 8,077,957,064</u>	<u>\$ 8,076,122,245</u>	<u>\$ 7,841,119,827</u>	<u>\$ 9,286,875,027</u>

## Tax Rate Per \$1,000 (Assessed)

<u>Fiscal Year Ending June 30:</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Towns of:					
Bedford	\$ 141.94	\$ 143.13	\$ 149.62	\$ 151.03	\$ 158.85
Mt.Kisco	95.13	101.04	102.67	107.01	98.00
New Castle	81.01	83.21	85.05	88.47	88.32
North Castle	684.63	689.16	681.14	765.43	762.54
Pound Ridge	86.30	85.87	85.10	87.38	92.10

## 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

<u>Fiscal Year Ending June 30:</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Total Tax Levy	\$ 120,517,345	\$ 123,162,736	\$ 130,922,937	\$ 134,440,264	\$ 137,383,087
Amount Uncollected <sup>(1)</sup>	-	8,154	-	-	N/A
% Uncollected	0.00%	0.01%	0.00%	0.00%	N/A

<sup>(1)</sup> See "Tax Collection Procedure" herein.

Note: Uncollected tax information for the 2023-2024 fiscal year is unavailable as of the date of this Official Statement.

## Real Property Tax Revenues

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

<u>Fiscal Year</u>	<u>Total Revenues <sup>(1)</sup></u>	<u>Total Real Property Tax</u>	<u>Percentage of Total Revenues Consisting of Real Property Tax</u>
2017-18	\$ 129,856,111	\$ 111,253,899	85.67%
2018-19	133,857,892	115,096,540	85.98
2019-20	139,069,299	120,408,007	86.58
2020-21	142,820,468	123,098,057	86.19
2021-22	146,423,645	126,358,867	86.30
2022-23 (Budgeted)	147,635,691	134,440,264	91.06
2022-23 (Unaudited)	151,093,025	130,250,862	86.21
2023-24 (Budgeted)	151,071,000	137,383,087	90.94

<sup>(1)</sup> General fund only.

Source: Audited Financial Statements for the 2017-2018 through 2021-2022 fiscal years, unaudited results for the 2022-23 fiscal year, and adopted budgets of the District for the 2022-2023 and 2023-2024 fiscal years. This table is not audited. The unaudited projections for the 2022-23 fiscal year are based upon certain current assumptions and estimates, and the audited results may vary therefrom.

## Larger Taxpayers 2023 Tax Roll for 2023-24

<u>Name</u>	<u>Type</u>	<u>Taxable Full Valuation</u>
Diamond Properties	Shopping Center	\$ 14,165,110
Consolidated Edison	Utility	9,128,744
Urban Edge <sup>(1)</sup>	Shopping Center	6,200,000
HP Mount Kisco	Commercial	5,897,600
Friedland/Larstrand	Commercial	5,828,900
200 Diplomat Drive Corp <sup>(1)</sup>	Apartments	3,750,000
Aquarion Water Co of CT	Commercial	3,524,784
Buckingham Properties	Apartments	3,040,436
Bedford Plaza Tenants Corp	Apartments	2,835,000
Verizon <sup>(1)</sup>	Commercial	2,039,097

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

Apart from as noted above, 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 larger taxpayers listed above have a total taxable full valuation of \$56,409,671, which represents 0.61% of the tax base of the District for the 2023-24 fiscal year.

Source: District Tax Rolls.

## 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.

The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. 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 \$92,000 or less in 2022-2023 and \$93,200 or less in 2023-2024, increased annually according to a cost of living adjustment, are eligible for a “full value” exemption of the first \$74,900 for the 2022-23 school year and \$81,400 for the 2023-2024 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 2022-23 Enacted State Budget provided \$2.2 billion in State funding for a new one-year property tax relief credit, the Homeowner Tax Rebate Credit, for eligible low- and middle-income households, as well as eligible senior households. Under this program, basic STAR exemption and credit beneficiaries with incomes below \$250,000 and Enhanced STAR recipients were eligible for the property tax rebate where the benefit is a percentage of the homeowners’ existing STAR benefit.

The below table lists the basic and enhanced exemption amounts for the municipalities applicable to the District:

<u>Municipality</u>	<u>Enhanced Exemption</u>	<u>Basic Exemption</u>	<u>Date Certified</u>
Bedford	\$ 24,710	\$ 9,110	10/13/2022
Mt. Kisco	34,840	12,840	10/13/2022
New Castle	42,200	15,550	10/13/2022
North Castle	4,880	1,800	10/13/2022
Pound Ridge	42,720	15,750	10/13/2022

\$4,143,100 of the District’s \$134,440,264 school tax levy for the 2022-2023 fiscal year was exempt by the STAR Program. The District received full reimbursement of such exempt taxes from the State in January 2023.

Approximately \$4,000,000 of the District’s \$137,383,087 school tax levy for 2023-24 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 2024.

## **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 LIMITATION LAW**

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor ("Chapter 97" or the "Tax Levy Limitation Law"). The Tax Levy Limitation Law applies to all local governments, including school districts (with the exception of New York City, and the counties comprising New York City and school districts in New York City, Buffalo, Rochester, Syracuse, and Yonkers, the latter four of which are indirectly affected by applicability to their respective City.)

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 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"). Under the Tax Levy Limit Law, there is now 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, subject to certain exclusions as mentioned below and 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, 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. School districts will be permitted to carry forward a certain portion of their unused tax levy limitation from a prior 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 Bonds, 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. (See "*NATURE OF THE OBLIGATION*" herein).

See "THE SCHOOL DISTRICT – Budgetary Procedures" herein for additional information regarding the District's Tax Levy.

## **STATUS OF INDEBTEDNESS**

### **Constitutional Requirements**

The New York State Constitution limits the power of the District (and other municipalities and certain school districts of the State) to issue obligations and to contract indebtedness. Such constitutional limitations in summary form and as generally applicable to the District include the following:

Purpose and Pledge. The District shall not give or loan any money or property to or in aid of any individual 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 within three fiscal year periods, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statute; unless substantially level or declining annual debt service is authorized and utilized, no installment may be more than fifty percent in excess of the smallest prior installment. 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 and such required annual installments on its notes.

## 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 has the power to contract indebtedness for any District purpose provided that the aggregate principal amount thereof shall not exceed ten per centum of the full valuation of the taxable real estate of the District as required by the Local Finance Law and subject to certain enumerated deductions such as State aid for building purposes. The statutory method for determining full valuation is by dividing the assessed valuation of taxable real estate for the last completed assessment rolls by the equalization rates established by the State Office of Real Property Services in accordance with applicable State 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 anticipation of the bonds. No down payment is required in connection with the issuance of District obligations.

Each bond resolution usually authorizes the construction, acquisition or installation of the object or purpose to be financed, sets forth the plan of financing and specifies the maximum maturity of the bonds subject to the legal (Constitution, Local Finance Law and case law) restrictions relating to the period of probable usefulness with respect thereto.

The Local Finance Law also provides that where a bond resolution is published with a statutory form of notice, the validity of the bonds authorized thereby, including bond anticipation notes issued in anticipation of the sale thereof, may be contested only if:

- (1) Such obligations are authorized for a purpose for which the District is not authorized to expend money, or
- (2) There has not been substantial compliance with the provisions of law which should have been complied within the authorization of such obligations and an action contesting such validity, is commenced within twenty days after the date of such publication or,
- (3) Such obligations are authorized in violation of the provisions of the Constitution.

The District has complied with this estoppel procedure in connection with the Bonds.

The Board of Education, as the finance board of the District, has the power to enact bond resolutions. In addition, such finance board has the power to authorize the sale and issuance of obligations. However, such finance board may delegate the power to sell the obligations to the President of the Board of Education, the chief fiscal officer of the District, pursuant to the Local Finance Law.

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; 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.

## Debt Outstanding End of Fiscal Year

<u>Fiscal Years Ending June 30<sup>th</sup>:</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Bonds	\$ 61,739,647	\$ 56,009,647	\$ 49,720,000	\$ 43,135,000	\$ 36,560,000
Bond Anticipation Notes	<u>2,605,752</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,000,000</u>
Total Debt Outstanding	\$ 64,345,399	\$ 56,009,647	\$ 49,720,000	\$ 43,135,000	\$ 38,560,000

Note: Installment purchase contract indebtedness is not included in the total above.

## Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District as of September 20, 2023.

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Amount</u>
Bonds	2023-2034	\$ 34,600,000
<u>Bond Anticipation Notes</u>		
Various Capital Improvements	November 10, 2023	<u>2,000,000</u> <sup>(1)</sup>
	Total	\$ 36,600,000

<sup>(1)</sup> To be redeemed and permanently financed at maturity with a portion of the proceeds of the Bonds.

## Debt Statement Summary

Summary of Indebtedness, Debt Limit, and Net Debt-Contracting Margin as of September 20, 2023:

Full Valuation of Taxable Real Property ..... \$ 9,286,875,027  
Debt Limit 10% thereof ..... 928,687,503

### Inclusions:

Bonds ..... \$ 34,600,000  
Bond Anticipation Notes ..... 2,000,000  
Total Inclusions ..... \$ 36,600,000

### Exclusions:

State Building Aid <sup>(1)</sup> ..... \$ 0  
Total Exclusions ..... \$ 0

Total Net Indebtedness ..... \$ 36,600,000

Net Debt-Contracting Margin ..... \$ 892,087,503

The percent of debt contracting power exhausted is ..... 3.94%

<sup>(1)</sup> Based on preliminary 2023-2024 building aid estimates, the District anticipates State Building aid of 10.4% for debt service on State Education Department approved expenditures from July 1, 2004 to the present. The 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 District will receive in relation to the outstanding bonds.

Notes: Figures above do not reflect the increase in net indebtedness as a result of the issuance of the Bonds.

The State Constitution does not provide for the inclusion of tax anticipation or revenue anticipation notes in the computation of the net indebtedness of the District.

## Bonded Debt Service

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

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## Installment Purchase Contracts

The following table is a summary of the maturity of the District's installment purchase debt:

Fiscal Year Ending June 30th	Principal	Interest	Total
2024	\$ 28,999	\$ 1,273	\$ 30,272
2025	12,473	141	12,614
Total	<u>\$ 41,472</u>	<u>\$ 1,414</u>	<u>\$ 42,886</u>

In addition, the District enters into four-year instructional technology lease purchase agreements annually.

Source: Audited Financial Statements of the District and District officials.

## 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

District voters approved two capital improvements projects on May 17, 2022 in the approximate amounts of \$59 million for improvements to, and the reconstruction of, District buildings and facilities, and for \$3.6 million for capital improvements at the Fox Lane High School. The District issued \$2,000,000 bond anticipation notes on November 10, 2022, which represented the first borrowing for the project. The proceeds of the Bonds will redeem and permanently finance said currently outstanding bond anticipation notes, and will provide an additional \$11,750,000 in permanent financing for this purpose.

The District has entered into an intermunicipal agreement with the Town of Bedford with respect to a Bedford Village Waste Water 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.

## 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 bonds and bond anticipation notes are listed of the respective municipalities.

<u>Municipality</u>	<u>Status of Debt as of</u>	<u>Gross Indebtedness</u> <sup>(1)</sup>	<u>Exclusions</u> <sup>(2)</sup>	<u>Net Indebtedness</u>	<u>District Share</u>	<u>Applicable Indebtedness</u>
County of:						
Westchester	12/31/2021	\$ 1,513,739,932	\$ 582,192,426	\$ 931,547,506	4.24%	\$ 39,497,614
Town of:						
Bedford	12/31/2021	46,921,400	14,507,787	32,413,613	69.69%	22,589,047
Mt. Kisco	12/31/2021	-	-	-	100.00%	-
New Castle	12/31/2021	19,305,000	7,763,000	11,542,000	6.53%	753,693
North Castle	12/31/2021	27,917,000	20,847,000	7,070,000	3.30%	233,310
Pound Ridge	12/31/2021	-	-	-	94.88%	-
					Total:	<u>\$ 63,073,664</u>

<sup>(1)</sup> Bonds and bond anticipation notes are as of the close of the respective fiscal years and are not adjusted to include subsequent bond or note sales, if any.

<sup>(2)</sup> Water and sewer debt and appropriations. Pursuant to the Local Finance Law, this indebtedness is excluded from the constitutional debt limit.

Source: Comptroller's Special Report on Municipal Affairs for Local Finance Years Ended in 2021 and 2022.



## Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of September 20, 2023:

	<u>Amount</u>	<u>Per Capita</u> <sup>(a)</sup>	<u>Percentage of Full Value</u> <sup>(b)</sup>
Net Indebtedness <sup>(c)</sup> .....	\$ 36,600,000	\$ 1,309.15	0.39%
Net Indebtedness Plus Net Overlapping Indebtedness <sup>(d)</sup> .....	99,673,664	3,565.25	1.07

<sup>(a)</sup> The 2021 estimated population of the District is 27,957. (See "THE SCHOOL DISTRICT – Population" herein.)

<sup>(b)</sup> The District's full value of taxable real estate for the 2023-24 fiscal year is \$9,286,875,027. (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)

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

<sup>(d)</sup> Estimated net overlapping indebtedness is \$63,073,664. (See "Estimated Overlapping Indebtedness" herein.)

Notes: Figures above do not reflect the increase in net indebtedness as a result of the issuance of the Bonds.

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

## 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 covenants described herein, (i) interest on the Bonds 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 Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code, however, for tax years after December 31, 2022, interest on the Bonds 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 Bonds 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 Bonds, 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 Bonds 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 Bonds 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 federal, state or local tax consequences arising with respect to the Bonds, 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 this 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 Bonds.

### *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 Bonds in order that interest on the Bonds 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 Bonds, 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 Bonds 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 Bonds 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 Bonds. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of a Bonds. 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 Bonds.

Prospective owners of the Bonds 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 Bonds 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 Bond (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 Bonds. In general, the issue price for each maturity of Bonds 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 Bonds having OID (a “Discount Bond”), OID that has accrued and is properly allocable to the owners of the Discount Bonds 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 Bonds.

In general, under Section 1288 of the Code, OID on a Discount Bond 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 Bond. An owner’s adjusted basis in a Discount Bond is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Bond. 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 Bond even though there will not be a corresponding cash payment.

Owners of Discount Bonds 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 Bonds.

### ***Bond Premium***

In general, if an owner acquires a Bond 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 Bond 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 (a “Premium Bond”). In general, under Section 171 of the Code, an owner of a Premium Bond must amortize the bond premium over the remaining term of the Premium Bond, based on the owner’s yield over the remaining term of the Premium Bond determined based on constant yield principles (in certain cases involving a Premium Bond 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 bond). An owner of a Premium Bond 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 Bond, 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 Bond may realize a taxable gain upon disposition of the Premium Bond 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 Bonds 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 Bonds.

## ***Information Reporting and Backup Withholding***

Information reporting requirements apply to interest paid on tax-exempt obligations, including the Bonds. 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 Bond 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 Bonds 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 Bonds under federal or state law or otherwise prevent beneficial owners of the Bonds 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 Bonds.

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

## **LEGAL MATTERS**

Legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Hawkins Delafield & Wood LLP, Bond Counsel. Bond Counsel’s opinion will be in substantially the forms attached hereto as “APPENDIX – E”.

## **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, proceedings 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 Bonds or the levy and collection of taxes or assessments to pay same, or in any way contesting or affecting the validity of the Bonds or any proceedings or authority of the District taken with respect to the authorization, issuance or sale of the Bonds or contesting the corporate existence or boundaries of the District.

## **UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE**

In order to assist the purchasers in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”), the District will enter into an Undertaking to provide Continuing Disclosure, the form of which is attached hereto as “APPENDIX – C”.

## **Historical Compliance**

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

## **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 Bonds. The advice on the plan of financing and the structuring of the Bonds 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 Bonds.

## **CUSIP IDENTIFICATION NUMBERS**

If the Bonds are issued in book-entry-only format, it is anticipated that CUSIP (an acronym that refers to Committee on Uniform Security Identification Procedures) identification numbers will be printed on the Bonds. All expenses in relation to the printing of CUSIP numbers on the Bonds 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**

Moody's Investors Service, Inc. has assigned its rating of "Aa2" with a stable outlook to the Bonds. A rating reflects only the view of the rating agency assigning such rating, 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 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 Bonds.

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 Bonds.

Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel to the District, expresses no opinions as to the accuracy or completeness of information in any documents prepared by or on behalf of the District for use in connection with the offer and sale of the Bonds, including but not limited to, the financial or statistical information in this Official Statement.

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 Bonds, 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 Bonds 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](http://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: Tom Cole, Assistant Superintendent for Business and Administrative Services, 632 South Bedford Road, Bedford, New York 10506, Phone: (914) 241-6018, Email: [tc0206@bcsdny.org](mailto:tc0206@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](http://www.fiscaladvisors.com).

**BEDFORD CENTRAL SCHOOL DISTRICT**

**Dated: September 20, 2023**

**ROBERT MAZUREK**  
**PRESIDENT OF THE BOARD OF EDUCATION AND**  
**CHIEF FISCAL OFFICER**

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<u>ASSETS</u>					
Cash:					
Unrestricted	\$ 14,981,974	\$ 1,600,729	\$ 18,625,123	\$ 17,851,533	\$ 15,748,463
Restricted	6,073,880	6,444,716	7,729,890	12,389,930	15,072,197
Receivables:					
Due from Other Funds	1,245,434	-	1,806,570	2,647,250	2,910,531
Due from Fiduciary Funds	-	1,377,216	-	-	-
State and Federal Aid	777,638	1,123,548	1,295,046	1,036,135	1,054,035
Due from Other Governments	2,048,481	1,740,250	1,380,686	1,243,877	1,201,858
Other	-	-	-	17,655	17,655
Accounts Receivables	116,829	136,909	342,482	581,572	909,918
Lease Receivable	-	-	-	-	5,066,268
Prepaid Expenditures	1,643	1,643	1,643	1,643	-
Inventory	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 25,245,879</u>	<u>\$ 12,425,011</u>	<u>\$ 31,181,440</u>	<u>\$ 35,769,595</u>	<u>\$ 41,980,925</u>
<u>LIABILITIES AND FUND EQUITY</u>					
Payables:					
Accounts Payable	\$ 3,183,645	\$ 4,631,957	\$ 2,771,569	\$ 3,161,414	\$ 3,110,199
Accrued Liabilities	-	-	-	-	-
Due to Other Funds	473,290	410,848	995,433	442,777	442,777
Due to Fiduciary Funds	-	-	-	-	-
Due to Other Governments	48,743	268,631	269,617	458,508	496,891
Compensated Absences	-	-	-	-	-
Unearned Revenue	-	116,298	23,470	-	-
Due to Teachers' Retirement System	5,336,056	6,061,230	5,324,792	5,715,607	6,066,097
Due to Employees' Retirement Fund	603,286	796,539	887,303	1,176,417	695,573
Bond Anticipation Note Payable	-	-	-	-	-
Deferred Revenues	69,597	-	251,165	162,749	5,066,268
<b>TOTAL LIABILITIES</b>	<u>\$ 9,714,617</u>	<u>\$ 12,285,503</u>	<u>\$ 10,523,349</u>	<u>\$ 11,117,472</u>	<u>\$ 15,877,805</u>
<u>FUND EQUITY</u>					
Nonspendable	\$ -	\$ -	\$ 1,643	\$ 1,643	\$ -
Restricted	6,073,880	6,444,716	7,729,890	12,389,930	15,072,197
Assigned	4,046,953	2,552,717	4,333,766	3,547,341	5,195,249
Unassigned	5,410,429	5,542,075	8,592,792	8,713,209	5,835,674
<b>TOTAL FUND EQUITY</b>	<u>\$ 15,531,262</u>	<u>\$ 14,539,508</u>	<u>\$ 20,658,091</u>	<u>\$ 24,652,123</u>	<u>\$ 26,103,120</u>
<b>TOTAL LIABILITIES and FUND EQUITY</b>	<u>\$ 25,245,879</u>	<u>\$ 26,825,011</u>	<u>\$ 31,181,440</u>	<u>\$ 35,769,595</u>	<u>\$ 41,980,925</u>

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:	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<u>REVENUES</u>					
Real Property Taxes	\$ 108,834,605	\$ 111,253,899	\$ 115,096,540	\$ 120,408,007	\$ 123,098,057
Other Tax Items	8,044,542	7,814,091	7,671,921	7,412,796	7,571,820
Charges for Services	1,737,803	1,676,863	1,395,302	1,217,939	1,372,483
Use of Money & Property	607,168	562,288	939,144	658,758	423,785
Sale of Property and Compensation for Loss	14,950	25,700	11,339	13,254	13,444
Miscellaneous	1,091,432	1,362,156	1,091,801	1,756,824	2,905,571
Revenues from State Sources	7,122,286	7,161,114	7,651,845	7,601,721	7,435,308
Revenues from Federal Sources	-	-	-	-	-
Total Revenues	<u>\$ 127,452,786</u>	<u>\$ 129,856,111</u>	<u>\$ 133,857,892</u>	<u>\$ 139,069,299</u>	<u>\$ 142,820,468</u>
Other Sources:					
Interfund Transfers	-	-	-	-	-
Total Revenues and Other Sources	<u>\$ 127,452,786</u>	<u>\$ 129,856,111</u>	<u>\$ 133,857,892</u>	<u>\$ 139,069,299</u>	<u>\$ 142,820,468</u>
<u>EXPENDITURES</u>					
General Support	\$ 10,544,410	\$ 11,221,481	\$ 13,968,112	\$ 12,463,722	\$ 12,895,396
Instruction	65,167,560	66,997,955	70,863,287	72,273,211	70,524,302
Pupil Transportation	8,790,706	9,311,963	9,078,148	6,245,693	8,938,765
Community Services	-	-	-	-	-
Employee Benefits	30,937,238	29,532,770	33,221,774	32,379,593	37,273,311
Debt Service	7,288,497	7,108,805	7,351,501	8,864,942	8,985,719
Total Expenditures	<u>\$ 122,728,411</u>	<u>\$ 124,172,974</u>	<u>\$ 134,482,822</u>	<u>\$ 132,227,161</u>	<u>\$ 138,617,493</u>
Other Uses:					
Interfund Transfers	129,287	466,771	366,824	723,555	208,943
Total Expenditures and Other Uses	<u>\$ 122,857,698</u>	<u>\$ 124,639,745</u>	<u>\$ 134,849,646</u>	<u>\$ 132,950,716</u>	<u>\$ 138,826,436</u>
Excess (Deficit) Revenues Over Expenditures	<u>4,595,088</u>	<u>5,216,366</u>	<u>(991,754)</u>	<u>6,118,583</u>	<u>3,994,032</u>
<u>FUND BALANCE</u>					
Fund Balance - Beginning of Year	5,719,808	10,314,896	15,531,262	14,539,508	20,658,091
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	<u>\$ 10,314,896</u>	<u>\$ 15,531,262</u>	<u>\$ 14,539,508</u>	<u>\$ 20,658,091</u>	<u>\$ 24,652,123</u>

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:	2022			2023	2024
	Original Budget	Modified Budget	Actual	Adopted Budget	Adopted Budget
<b>REVENUES</b>					
Real Property Taxes	\$ 130,922,937	\$ 126,466,099	\$ 126,358,867	\$ 134,440,264	\$ 137,383,087
Other Tax Items	2,000,000	6,456,838	7,206,578	2,400,000	2,850,000
Charges for Services	975,200	989,150	883,113	1,006,275	1,164,425
Use of Money & Property	492,883	492,883	558,275	487,817	200,000
Sale of Property and Compensation for Loss	-	-	-	-	349,585
Miscellaneous	1,251,970	1,343,402	3,069,794	305,000	300,000
Revenues from State Sources	7,822,292	7,822,292	7,840,253	8,296,335	8,823,903
Revenues from Federal Sources	-	506,765	506,765	700,000	-
Total Revenues	\$ 143,465,282	\$ 144,077,429	\$ 146,423,645	\$ 147,635,691	\$ 151,071,000
Other Sources:					
Interfund Transfers	-	-	-	-	-
Total Revenues and Other Sources	\$ 143,465,282	\$ 144,077,429	\$ 146,423,645	\$ 147,635,691	\$ 151,071,000
<b>EXPENDITURES</b>					
General Support	\$ 13,138,934	\$ 18,421,132	\$ 14,479,527	\$ 13,374,256	\$ 14,295,960
Instruction	74,176,573	75,753,383	74,223,370	76,090,286	79,435,050
Pupil Transportation	9,367,313	8,443,020	8,326,696	9,545,256	9,587,505
Community Services	-	-	-	-	-
Employee Benefits	38,063,035	38,773,238	38,314,167	38,896,418	39,499,150
Debt Service	8,999,401	8,970,601	8,895,168	9,405,975	9,000,335
Total Expenditures	\$ 143,745,256	\$ 150,361,374	\$ 144,238,928	\$ 147,312,191	\$ 151,818,000
Other Uses:					
Interfund Transfers	720,000	735,000	733,720	720,000	720,000
Total Expenditures and Other Uses	\$ 144,465,256	\$ 151,096,374	\$ 144,972,648	\$ 148,032,191	\$ 152,538,000
Excess (Deficit) Revenues Over Expenditures	(999,974)	(7,018,945)	1,450,997	(396,500)	(1,467,000)
<b>FUND BALANCE</b>					
Fund Balance - Beginning of Year	24,652,123	24,652,123	24,652,123	396,500	1,467,000
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	\$ 23,652,149	\$ 17,633,178	\$ 26,103,120	\$ -	\$ -

Source: Audited Financial Statements and budgets (unaudited) of the District. This Appendix is not itself audited.



**APPENDIX - B**  
**Bedford CSD**

**BONDED DEBT SERVICE**

Fiscal Year Ending June 30th	Excluding this Bond Issue			Principal of this Bond Issue	Total Principal All Issues
	Principal	Interest	Total		
2024	\$ 5,410,000	\$ 1,034,156.25	\$ 6,444,156.25	\$ -	\$ 5,410,000.00
2025	5,585,000	864,475.00	6,449,475.00	-	5,585,000.00
2026	5,725,000	698,087.50	6,423,087.50	-	5,725,000.00
2027	2,360,000	580,025.00	2,940,025.00	-	2,360,000.00
2028	2,430,000	502,775.00	2,932,775.00	-	2,430,000.00
2029	2,305,000	423,675.00	2,728,675.00	-	2,305,000.00
2030	2,385,000	352,200.00	2,737,200.00	-	2,385,000.00
2031	2,465,000	278,275.00	2,743,275.00	-	2,465,000.00
2032	2,550,000	201,825.00	2,751,825.00	-	2,550,000.00
2033	2,635,000	122,775.00	2,757,775.00	-	2,635,000.00
2034	2,710,000	41,300.00	2,751,300.00	-	2,710,000.00
2035	-	-	-	-	-
2036	-	-	-	-	-
2037	-	-	-	-	-
2038	-	-	-	-	-
2039	-	-	-	-	-
2040	-	-	-	-	-
2041	-	-	-	-	-
2042	-	-	-	-	-
2043	-	-	-	-	-
TOTALS	\$ 36,560,000	\$ 5,099,568.75	\$ 41,659,568.75	\$ -	\$ 36,560,000.00

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	\$29,510,000		
	2014		
	Refunding		
	Principal	Interest	Total
2024	\$ 3,285,000	\$ 237,200.00	\$ 3,522,200
2025	3,385,000	137,150.00	3,522,150
2026	3,455,000	43,187.50	3,498,188
TOTALS	\$ 10,125,000	\$ 417,537.50	\$ 10,542,538

Fiscal Year Ending June 30th	\$29,700,000			\$959,647		
	2018			2019		
	Capital Project			Capital Project		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 1,805,000	\$ 677,925.00	\$ 2,482,925.00	\$ 65,000	\$ 22,631.25	\$ 87,631
2025	1,865,000	622,875.00	2,487,875	65,000	20,925.00	85,925
2026	1,925,000	566,025.00	2,491,025	65,000	18,975.00	83,975
2027	1,990,000	507,300.00	2,497,300	70,000	16,950.00	86,950
2028	2,055,000	446,625.00	2,501,625	70,000	14,850.00	84,850
2029	2,125,000	383,925.00	2,508,925	70,000	12,750.00	82,750
2030	2,195,000	319,125.00	2,514,125	75,000	10,575.00	85,575
2031	2,270,000	252,150.00	2,522,150	75,000	8,325.00	83,325
2032	2,345,000	182,925.00	2,527,925	80,000	6,000.00	86,000
2033	2,425,000	111,375.00	2,536,375	80,000	3,600.00	83,600
2034	2,500,000	37,500.00	2,537,500	80,000	1,200.00	81,200
TOTALS	\$ 23,500,000	\$4,107,750.00	\$ 27,607,750.00	\$ 795,000	\$ 136,781.25	\$ 931,781.25

Fiscal Year Ending June 30th	\$1,435,000			\$1,530,000		
	2019			2020		
	BOCES Project			Refunding		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 90,000	\$ 50,650.00	\$ 140,650.00	\$ 165,000	\$ 45,750.00	\$ 210,750
2025	95,000	46,025.00	141,025	175,000	37,500.00	212,500
2026	100,000	41,150.00	141,150	180,000	28,750.00	208,750
2027	105,000	36,025.00	141,025	195,000	19,750.00	214,750
2028	105,000	31,300.00	136,300	200,000	10,000.00	210,000
2029	110,000	27,000.00	137,000	-	-	-
2030	115,000	22,500.00	137,500	-	-	-
2031	120,000	17,800.00	137,800	-	-	-
2032	125,000	12,900.00	137,900	-	-	-
2033	130,000	7,800.00	137,800	-	-	-
2034	130,000	2,600.00	132,600	-	-	-
TOTALS	\$ 1,225,000	\$ 295,750.00	\$ 1,520,750.00	\$ 915,000	\$ 141,750.00	\$ 1,056,750.00

## UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE

### Section 1. Definitions

“Annual Information” shall mean the information specified in Section 3 hereof.

“EMMA” shall mean the 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**, in the County of Westchester, a school district of the State of 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, or any successor thereto or to the functions of the MSRB contemplated by this Agreement.

“Municipal Advisor” shall mean Fiscal Advisors & Marketing, Inc., 250 South Clinton Street, Suite 502, Syracuse, New York 13202, or another nationally recognized municipal advisory firm.

“Purchaser” shall mean the financial institution referred to in the Certificate of Award, executed by the President of the Board of Education as of October 4, 2023.

“Rule” shall mean Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (17 CFR Part 240, §240.15c2-12), as amended, as in effect on the date of this Undertaking, including any official interpretations thereof issued either before or after the effective date of this Undertaking which are applicable to this Undertaking.

“Securities” shall mean the Issuer’s **\$13,375,000 School District Serial Bonds-2023**, dated October 19, 2023, maturing in various principal amounts on June 15 in each of the years 2024 to 2043, inclusive, and delivered on the date hereof.

Section 2. Obligation to Provide Continuing Disclosure. (a) The Issuer hereby undertakes, for the benefit of Holders of the Securities, to provide or cause to be provided either directly or through its Municipal Advisor to the EMMA System:

- (i) (A) no later than six months after the end of each fiscal year, commencing with the fiscal year ending June 30, 2024, the Annual Information relating to such fiscal year, and (B) no later than six months after the end of each fiscal year, commencing with the fiscal year ending June 30, 2024, the audited financial statements of the Issuer for each fiscal year, if audited financial statements are prepared by the Issuer and then available; provided, however, that if audited financial statements are not prepared or are not then available, unaudited financial statements shall be provided and audited financial statements, if any, shall be delivered to the EMMA System within sixty (60) days after they become available and in no event later than one (1) year after the end of each fiscal year; provided further, however, that the unaudited financial statement shall be provided for any fiscal year only if the Issuer has made a determination that providing such unaudited financial statement would be compliant with federal securities laws, including Rule 10b-5 of the Securities Exchange Act of 1934 and Rule 17 (a)(2) of the Securities Act of 1933; and
- (ii) in a timely manner, not in excess of ten (10) business days after the occurrence of 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 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 Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security 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 Issuer, any of which reflect financial difficulties.

- (iii) in a timely manner, not in excess of ten (10) business days after the occurrence of such event, notice of a failure to provide by the date set forth in Section 2(a)(i) hereof any Annual Information required by Section 3 hereof.

(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. Annual Information. (a) The required Annual Information shall consist of the financial information and operating data for the preceding fiscal year, in a form generally consistent with the information contained or cross-referenced

in the Issuer's final official statement relating to the Securities under the headings: "THE SCHOOL DISTRICT," "STATUS OF INDEBTEDNESS", "TAX INFORMATION" and "LITIGATION" and Appendix A.

(b) All or any portion of the Annual Information may be incorporated in the Annual Information by cross reference to any other documents which are (i) available to the public on the EMMA System or (ii) filed with the SEC. If such a document is a final official statement, it also must be available from the EMMA System.

(c) Annual Information for any fiscal year containing any modified operating data or financial information (as contemplated by Section 7(e) hereof) for such fiscal year shall explain, in narrative form, the reasons for such modification and the effect of such modification on the Annual Information being provided for such fiscal year. If a change in accounting principles is included in any such modification, such Annual Information shall present a comparison between the financial statements or information prepared on the basis of the modified accounting principles and those prepared on the basis of the former accounting principles.

Section 4. Financial Statements. The Issuer's annual financial statements for each fiscal year, if prepared, shall be prepared in accordance with GAAP or New York State regulatory requirements as in effect from time to time. Such financial statements, if prepared, shall be audited by an independent accounting firm. The Issuer's Annual Financial Report Update Document prepared by the Issuer and filed annually with New York State in accordance with applicable law, shall not be subject to the foregoing requirements.

Section 5. 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 6. Parties in Interest. This Undertaking is executed to assist the Purchaser to comply with paragraph (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 7. 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 modify the contents, presentation and format of the Annual Information from time to time to conform to changes in accounting or disclosure principles or practices and legal requirements followed by or applicable to the Issuer or to reflect changes in the identity, nature or status of the Issuer or in the business, structure or operations of the Issuer or any mergers, consolidations, acquisitions or dispositions made by or affecting any such person; provided that any such modifications shall comply with the requirements of Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such modification; or
- (f) 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 7 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 8. 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 pursuant to 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.

In addition, this Agreement, or any provision hereof, shall be null and void in the event that those portions of the Rule which require this Agreement, or such provision, as the case may be, do not or no longer apply to the Securities, whether because such portions of the Rule are invalid, have been repealed, or otherwise.

Section 9. 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 10. 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 October 19, 2023.

**BEDFORD CENTRAL SCHOOL DISTRICT**

By: \_\_\_\_\_  
President of the Board of Education

**BEDFORD CENTRAL SCHOOL DISTRICT  
WESTCHESTER COUNTY, NEW YORK**

**FINANCIAL STATEMENTS  
AND OTHER FINANCIAL INFORMATION**

**JUNE 30, 2022**

**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, 2022  
Together with  
Independent Auditor's Reports**

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



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

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## **INDEPENDENT AUDITOR'S REPORT**

September 27, 2022

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, 2022, 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, 2022, 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 discussed in Note 16 to the financial statements, during the year ended June 30, 2022, the District adopted new accounting guidance, Governmental Accounting Standards Board Statement No.87, *Leases*. 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.

## 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 Bedford Central School 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 Bedford Central School 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 Real Property Tax Limit- 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 September 27, 2022, 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.

## BEDFORD CENTRAL SCHOOL DISTRICT

### MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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*The following is a discussion and analysis of the Bedford Central School District's (the District) financial performance for the fiscal year ended June 30, 2022. 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 \$(184,376,232).
- Government-wide change in net position is \$8,472,729 at June 30, 2022 due predominately to the GASB 75 Other Post Employment Benefits (OPEB) liability.
- \$1.4M General Fund surplus largely due to Westchester County sales tax receipts significantly outperformed budget. Health insurance rebates were realized as a result of TPA "catch up" efforts. A regional shortage of bus drivers necessitated the consolidation of multiple bus routes, therefore lowering transportation costs as a result. The utilization of CRRSA and ARP funds which resulted in expenses from the Special Aid fund rather than the General Fund.

#### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

## OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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

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

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

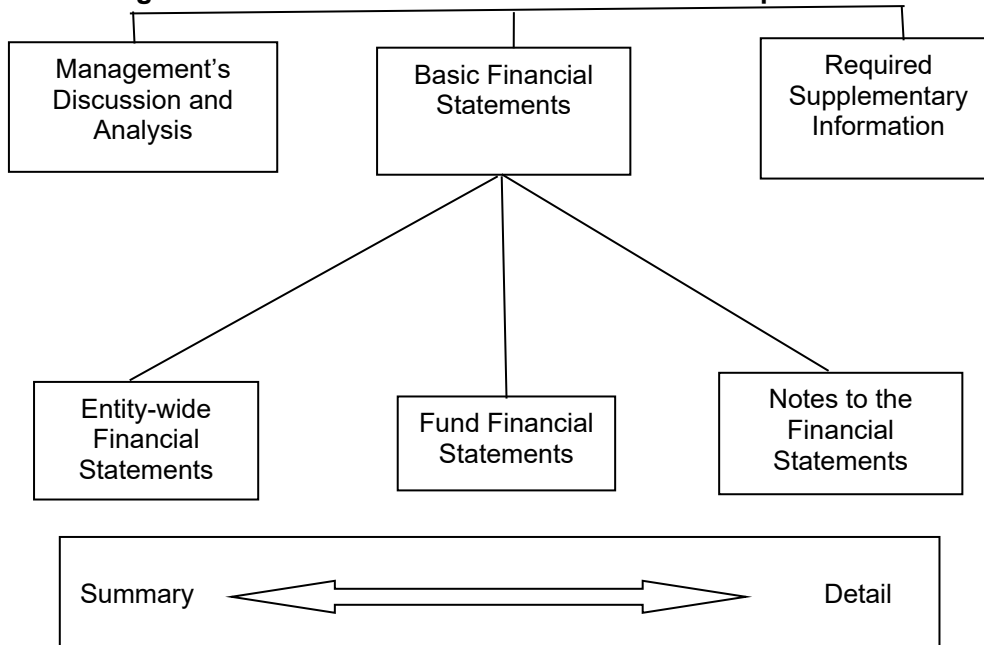


Table A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of the MD&A highlights the structure and contents of each of the statements.

## OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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

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

### Government-Wide Statements

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

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

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



## **OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**

### **Government-Wide Statements (Continued)**

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

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

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

### **Fund Financial Statements**

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

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

The District has one type of fund:

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

## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The analysis below focuses on the net position (Table A-3) and changes in net position (Table A-4) of the District's governmental activities. The District's net position decreased \$8,472,729 from \$(175,903,503) as of June 30, 2021 to \$(184,376,232) as of June 30, 2022. As Table A-3 shows, the District's assets, deferred outflows of resources and liabilities increased. The increase in current assets is primarily due to an increase in cash as of June 30, 2022 versus prior year. Noncurrent assets have increased due to the net pension liability switching to an asset for both New York State Teacher Retirement System (TRS) and New York State Employee Retirement System (ERS). Deferred outflows have decreased due to the change in assumptions related to the New York State Employee Retirement System (ERS), differences in the expected and actual experiences and net difference between expected and actual earning on pension plan investments for TRS. Long-term liabilities have decreased due to the decrease in the OPEB liability. Deferred inflows have decreased due to the net difference between projected and actual earnings on pension plan investments for ERS, offset by such experience for TRS and changes in assumptions and other inputs for OPEB.

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

	(restated) Fiscal Year 2022	Fiscal Year 2021	Dollar Change	Percent Change
Assets:				
Current and other assets	\$ 41,245,271	\$ 39,228,751	\$ 2,016,520	5.14%
Noncurrent assets	182,803,529	122,042,958	60,760,571	49.79%
Total assets	224,048,800	161,271,709	62,777,091	38.93%
Deferred Outflows of Resources	102,134,751	124,132,715	(21,997,964)	-17.72%
Liabilities:				
Current liabilities	18,702,561	18,787,149	(84,588)	-0.45%
Long-term liabilities	338,351,343	415,160,286	(76,808,943)	-18.50%
Total liabilities	357,053,904	433,947,435	(76,893,531)	-17.72%
Deferred Inflows of Resources	153,505,879	28,801,966	124,703,913	432.97%
Net position:				
Net investment in capital assets	142,697,057	70,223,606	72,473,451	103.20%
Restricted	16,452,734	13,827,411	2,625,323	18.99%
Unrestricted	(343,526,023)	(261,395,994)	(82,130,029)	31.42%
Total net position	\$ (184,376,232)	\$ (177,344,977)	\$ (7,031,255)	3.96%

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

### Changes in Net Position

The District's 2022 total revenue was \$153,648,543 (Table A-4). Property taxes and New York State aid accounted for the majority of revenue by contributing 86.92% and 5.10%, 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 2021-2022 school year amounted to \$162,121,272. Seventy five percent (75%) 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 16% of total costs.

An increase in Operating grants revenue of \$3,101,389 primarily realized due to CARES, CRRSA and ARP Federal Funding. Additionally, the State allowed districts to provide meals to students under the age of 18 at no cost for days when school was in session, at a higher reimbursement rate to the District.

An increase to miscellaneous revenue was realized due to the receipt of health insurance rebates for previous years.

The expense decrease in General Support was due to Covid mitigation costs in 2020-21 that were not repeated in 2021-22. Decrease in Instruction was due to Covid related supplemental instruction costs in 2020-21 that were not repeated in 2021-22 and Pupil Transportation decreased due to regional shortage of bus drivers resulting in the consolidation of bus routes.

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

	(restated) Fiscal Year 2022	Fiscal Year 2021	Dollar Change	Percent Change
<b>Revenue</b>				
Program revenue:				
Charges for services	\$ 1,439,644	\$ 1,507,195	\$ (67,551)	-4.48%
Operating grants	6,949,922	3,848,533	3,101,389	80.59%
General revenue:				
Property and other tax items	133,565,445	130,669,877	2,895,568	2.22%
State aid	7,840,253	7,184,142	656,111	9.13%
Use of money and of property	563,202	424,354	138,848	32.72%
Sale of property and compensation for loss	-	10,124	(10,124)	-100.00%
Miscellaneous	3,290,077	3,036,771	253,306	8.34%
Total revenue	<u>153,648,543</u>	<u>146,680,996</u>	<u>6,967,547</u>	4.75%
<b>Expenses</b>				
General support	26,607,250	30,245,525	(3,638,275)	-12.03%
Instruction	121,797,758	133,897,185	(12,099,427)	-9.04%
Pupil transportation	8,596,853	9,157,767	(560,914)	-6.13%
Debt service - Interest	2,179,904	1,405,517	774,387	55.10%
School lunch program	2,939,507	1,435,748	1,503,759	104.74%
Total expenses	<u>162,121,272</u>	<u>176,141,742</u>	<u>(14,020,470)</u>	-7.96%
<b>Change in Net Position</b>	<u>\$ (8,472,729)</u>	<u>\$(29,460,746)</u>	<u>\$ 20,988,017</u>	-71.24%

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

Table A-5

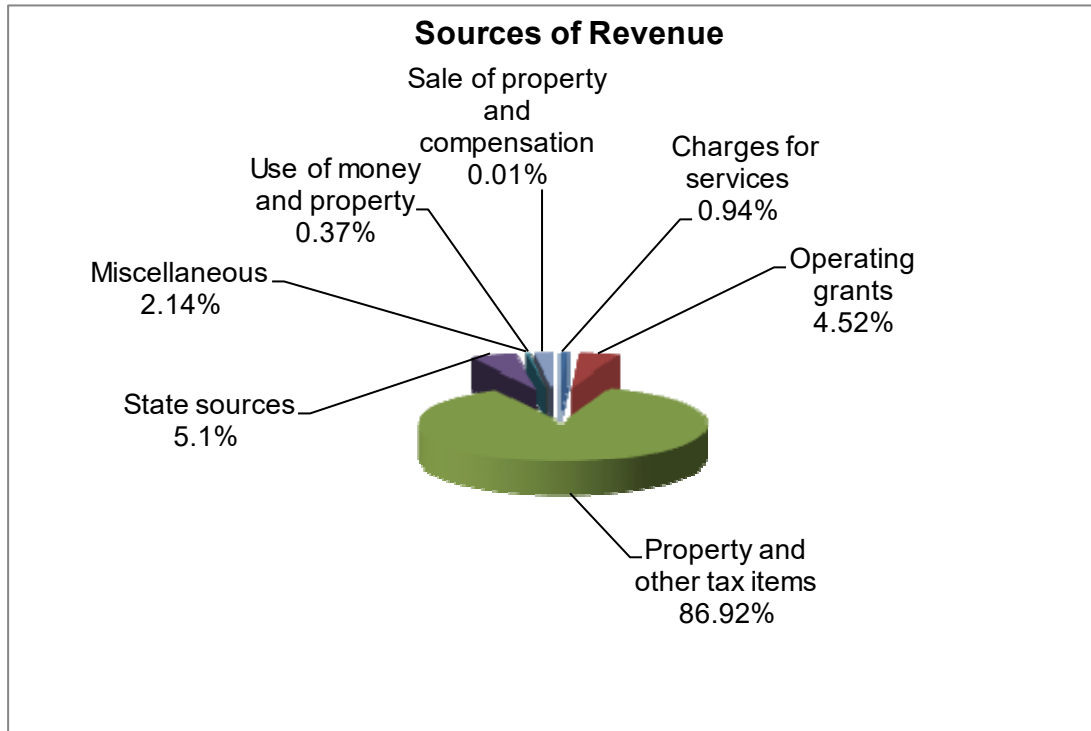
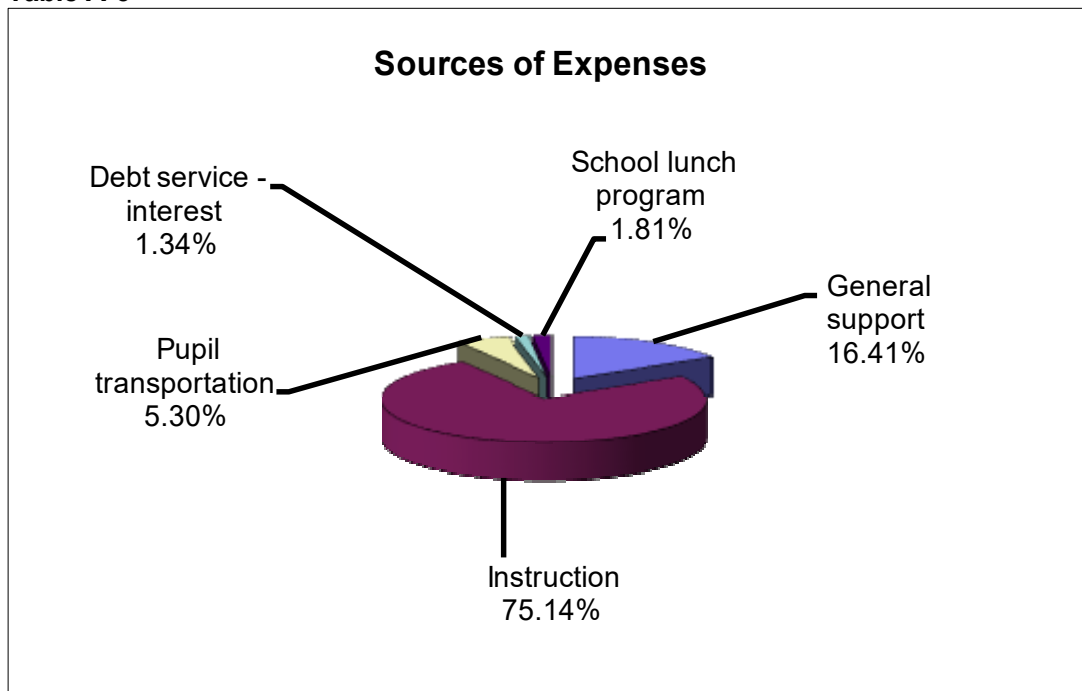


Table A-6



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

### Governmental Activities

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

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

	Total Cost Of Services <u>2022</u>	Total Cost Of Services <u>2021</u>	Percent Change	(Net) Cost Of Services <u>2022</u>	(Net) Cost Of Services <u>2021</u>	Percent Change
<b>Functions:</b>						
General support	\$ 26,607,250	\$ 30,245,525	-12.03%	\$ 26,607,250	\$ 30,245,525	-12.03%
Instruction	121,797,758	133,897,185	-9.04%	116,188,979	130,252,196	-10.80%
Pupil transportation	8,596,853	9,157,767	-6.13%	8,596,853	9,157,767	-6.13%
Debt service - Interest	2,179,904	1,405,517	55.10%	2,179,904	1,405,517	55.10%
School lunch program	2,939,507	1,435,748	104.74%	158,720	(274,991)	-157.72%
<b>Total</b>	<u>\$162,121,272</u>	<u>\$176,141,742</u>	<u>-7.96%</u>	<u>\$153,731,706</u>	<u>\$170,786,014</u>	<u>-9.99%</u>

- The total cost of all governmental activities for the year was \$162,121,272.
- The users of the District's programs financed \$1,439,644 of the costs.
- The federal and state operating grants financed \$6,949,922 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, 2022, the District's combined governmental funds reported a total fund balance of \$30,089,992, which is an increase of \$1,835,530 from the prior year.

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

	<b>Fiscal Year 2022</b>	<b>Fiscal Year 2021</b>	<b>Increase/ (Decrease)</b>	<b>Percent Change</b>
<b>General Fund</b>				
Restricted for tax certiorari	\$ 4,615,807	\$ 4,135,114	\$ 480,693	11.62%
Restricted for retirement contributions	4,499,826	4,499,826	-	0.00%
Restricted for repairs	103,218	103,218	-	0.00%
Restricted for employee benefit accrued liability	555,134	553,530	1,604	0.29%
Restricted for unemployment benefits	135,369	135,369	-	0.00%
Restricted for insurance	62,843	62,843	-	0.00%
Restricted for health insurance	5,000,000	2,800,000	2,200,000	250.00%
Restricted for capital	100,000	100,000	-	0.00%
Assigned - designated for subsequent year's expenditures	396,500	999,974	(603,474)	-60.35%
Assigned - general support	3,708,142	1,035,686	2,672,456	258.04%
Assigned - instruction	948,479	1,468,668	(520,189)	-35.42%
Assigned - pupil transportation	104,820	-	104,820	100.00%
Assigned - employee benefits	37,308	43,013	(5,705)	-13.26%
Non-spendable	-	1,643	(1,643)	-100.00%
Unassigned	5,835,674	8,713,209	(2,877,535)	-33.02%
Total General Fund balance	<u>26,103,120</u>	<u>24,652,093</u>	<u>1,451,027</u>	5.89%
<b>School Food Service Fund</b>				
Non-spendable - inventory	3,152	9,782	(6,630)	-67.78%
Assigned - unappropriated	1,412,095	1,442,784	(30,689)	-2.13%
Total School Food Service Fund balance	<u>1,415,247</u>	<u>1,452,566</u>	<u>(37,319)</u>	-2.57%
<b>Miscellaneous Special Revenue Fund</b>				
Restricted	<u>566,053</u>	<u>623,441</u>	<u>(57,388)</u>	-9.21%
<b>Debt Service Fund</b>				
Restricted	<u>814,484</u>	<u>814,070</u>	<u>414</u>	0.05%
<b>Capital Projects Fund</b>				
Unassigned	<u>1,191,088</u>	<u>712,292</u>	<u>478,796</u>	67.22%
Total Governmental Activities Fund balance	<u>\$ 30,089,992</u>	<u>\$ 28,254,462</u>	<u>\$ 1,835,530</u>	6.50%

General fund – Total fund balance increased \$1,451,027 largely due to Westchester County sales tax receipts significantly outperformed budget. Health insurance rebates were realized as a result of the third party administrator “catch up” efforts. Additionally, transportation expense came in lower due to a driver shortage that resulted in consolidation of bus runs and the utilization of CRRSA and ARP funds which resulted in expenses from the Special Aid fund rather than the General Fund.

School lunch – Total fund balance decreased by \$(37,319). 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.

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

Capital fund – Total fund balance increased by \$478,796 due to expenditures for the elementary schools generator hookup installations which was offset by the voter approved budgeted \$500,000 transfer to Capital from the General Fund.

### **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.

### **2021-2022 Budget**

The District's voter approved general fund adopted budget for the year ended June 30, 2022 was \$144,465,256. This amount was increased by encumbrances carried forward from the prior year in the amount of \$4,798,749 and budget revisions of \$1,862,353 which resulted in a final budget of \$151,126,374 respectively. 94% of the funding for the adopted budget was from real property taxes, non-property taxes and other tax items (including STAR).

The actual revenues exceeded the budget in other tax items and miscellaneous sources due to additional Westchester County tax received as well as additional reimbursements from Medicare Part D subsidy.

The actual expenses exceeded the budget. The Instructional category increased due to social, emotional and wellness support for students and classrooms. Also, the employee benefits category increased due to additional medical claims from more people seeing doctors and having procedures done that were postponed during the pandemic. General support increase is due to contractual and repairs also postponed during the pandemic.

### **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 2022-2023 budget for a maximum allowable unassigned fund balance of \$5,921,288. The District's unassigned fund balance as of June 30, 2022 is \$5,835,674 and is below the 4% unassigned balance limitation.

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

**Table A-8 – Results vs. Budget**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Encumb.</u>	<u>Variance</u>
<b>Revenue:</b>					
Real property taxes	\$ 130,922,937	\$ 126,466,099	\$126,358,867	\$ -	\$ (107,232)
Other tax items	2,000,000	6,456,838	7,206,578	-	749,740
Charges for services	975,200	989,150	883,113	-	(106,037)
Use of money and property	492,883	492,883	558,275	-	65,392
Miscellaneous	1,251,970	1,343,402	3,069,794	-	1,726,392
Federal sources	-	506,765	506,765	-	-
State sources	<u>7,822,292</u>	<u>7,822,292</u>	<u>7,840,253</u>	-	<u>17,961</u>
Total revenue	<u>143,465,282</u>	<u>144,077,429</u>	<u>146,423,645</u>	-	<u>2,346,216</u>
<b>Expenditures:</b>					
General support	13,138,934	18,421,132	14,479,527	3,708,142	233,463
Instruction	74,176,573	75,753,383	74,223,370	948,479	581,534
Pupil transportation	9,367,313	8,443,020	8,326,696	104,820	11,504
Employee benefits	38,063,035	38,773,238	38,314,167	37,308	421,763
Debt service - principal	7,477,278	7,477,278	7,371,998	-	105,280
Debt service - interest	1,522,123	1,523,323	1,523,170	-	153
Transfers out	<u>720,000</u>	<u>735,000</u>	<u>733,720</u>	-	<u>1,280</u>
Total expenses	<u>144,465,256</u>	<u>151,126,374</u>	<u>144,972,648</u>	<u>\$ 4,798,749</u>	<u>\$ 1,354,977</u>
<b>Net change in fund balance</b>	(999,974)	(7,048,945)	1,450,997		
<b>Fund balance - beginning of year</b>	<u>24,652,123</u>	<u>24,652,123</u>	<u>24,652,123</u>		
<b>Fund balance - end of year</b>	<u>\$ 23,652,149</u>	<u>\$ 17,603,178</u>	<u>\$ 26,103,120</u>		



## CAPITAL ASSET AND DEBT ADMINISTRATION

As of June 30, 2022, the District had \$119,759,190 invested in a broad range of capital assets including land, buildings, buses, athletic facilities, computers, and other educational equipment.

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

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

### Capital Assets (Net of Depreciation)

	<b>Fiscal Year 2022</b>	<b>Fiscal Year 2021</b>
Land	\$ 2,021,645	\$ 2,021,645
Construction in process	1,953,274	1,169,214
Buildings and improvements	173,385,282	173,385,282
Machinery and equipment	8,226,725	8,176,665
Leased assets	2,036,671	-
Less: Accumulated depreciation	<u>(67,864,407)</u>	<u>(62,709,848)</u>
Total net capital assets	<u>\$119,759,190</u>	<u>\$122,042,958</u>

### Long-Term Debt

As of June 30, 2022, the District had \$337,790,800 in general obligation, installment debt, and other long-term liabilities outstanding. More detailed information about the District's long-term debt and certain other long term liabilities is included in the notes to the financial statements.

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

	<b>Fiscal Year 2022</b>	<b>Fiscal Year 2021</b>
General obligation bonds (financed with property taxes)	\$ 43,611,321	\$ 50,248,790
Installment debt	69,197	1,537,178
Termination benefits payable	3,505,229	2,945,329
Compensated absences	555,134	553,561
Net pension liability	-	8,891,394
Other postemployment benefits	<u>296,705,113</u>	<u>358,259,831</u>
Total long-term liabilities	<u>344,445,994</u>	<u>422,436,083</u>
Less: current portion of debt	<u>(6,655,194)</u>	<u>(7,275,797)</u>
Total long-term liabilities	<u>\$337,790,800</u>	<u>\$415,160,286</u>

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

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

The voters approved the general fund budget in the amount of \$148,032,191 for the school year 2022-2023. This is an increase of \$3,566,935 or 2.47% 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, 2022 the OPEB liability has decreased approximately to \$297 Million over the June 30, 2021 level of \$358 Million. This decrease is primarily due to accrued participant service cost and interest, and differences between expected and actual experience net of the impacts of changes in assumptions and benefit payments.

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

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

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

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

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

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

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

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

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

The District is cognizant of expense areas which will impact future budgets such as: adherence to the property tax cap, salary and benefit costs (specifically health insurance), teacher contract negotiations (in 2023) 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, 2022****ASSETS**

## CURRENT ASSETS:

Cash and cash equivalents - unrestricted	\$ 17,630,651
Cash and cash equivalents - restricted	17,234,724
Accounts receivable	931,744
Lease receivable	341,642
State and federal aid receivable	3,901,184
Due from other governments	1,202,174
Inventories	<u>3,152</u>

Total current assets 41,245,271

## NONCURRENT ASSETS:

Capital assets, non depreciable	187,623,597
Capital assets, net of depreciation and amortization	(67,864,407)
Net pension asset	58,319,713
Lease receivable	<u>4,724,626</u>

Total non-current assets 182,803,529

Total assets 224,048,800

## DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources - TRS Pension	32,118,296
Deferred outflows of resources - ERS Pension	8,291,316
Deferred outflows of resources - OPEB	<u>61,725,139</u>

Total deferred outflows of resources 102,134,751

**LIABILITIES**

## CURRENT LIABILITIES:

Accounts payable and accrued expenses	3,435,212
Lease payable	715,637
Accrued interest	522,133
Due to other governments	512,537
Unearned revenue	100,178
Due to Teachers' Retirement System	6,066,097
Due to Employees' Retirement System	695,573
Bonds payable due within one year	6,627,469
Installment debt payable due within one year	<u>27,725</u>

Total current liabilities 18,702,561

## LONG-TERM LIABILITIES:

Bonds payable, net of current portion	36,560,000
Bonds premium, net	423,852
Installment debt payable, net of current portion	41,472
Lease payable, net of current portion	560,543
Compensated absences	555,134
Termination benefits payable	3,505,229
Total other postemployment benefits	<u>296,705,113</u>

Total long-term liabilities 338,351,343

Total liabilities 357,053,904

## DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources - TRS Pension	60,308,041
Deferred inflows of resources - ERS Pension	14,262,884
Deferred inflows of resources - OPEB	73,544,189
Deferred inflows of resources - Leases	5,066,268
Deferred inflows of resources - Bond refunding	<u>324,497</u>

Total deferred inflows of resources 153,505,879

**NET POSITION**

Net investment in capital assets	142,697,057
Restricted	16,452,734
Unrestricted	<u>(343,526,023)</u>

TOTAL NET POSITION \$ (184,376,232)

The accompanying notes are an integral part of these statements.

# BEDFORD CENTRAL SCHOOL DISTRICT

## STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2022

		<b>Program Revenue</b>		<i>Net (Expense)</i>
	<i>Expenses</i>	<i>Charges for</i>	<i>Operating</i>	<i>Revenue and</i>
GOVERNMENTAL ACTIVITIES		<i>Services</i>	<i>Grants</i>	<i>Change in</i>
				<i>Net Position</i>
FUNCTIONS/PROGRAMS:				
General support	\$ 26,607,250	\$ -	\$ -	\$ (26,607,250)
Instruction	121,797,758	883,113	4,725,666	(116,188,979)
Pupil transportation	8,596,853	-	-	(8,596,853)
Debt service - interest	2,179,904	-	-	(2,179,904)
School lunch program	<u>2,939,507</u>	<u>556,531</u>	<u>2,224,256</u>	<u>(158,720)</u>
TOTAL FUNCTIONS AND PROGRAMS	<u>\$ 162,121,272</u>	<u>\$ 1,439,644</u>	<u>\$ 6,949,922</u>	<u>(153,731,706)</u>
GENERAL REVENUE:				
Real property taxes				126,358,867
Other tax items				7,206,578
Use of money and property				563,202
State sources				7,840,253
Miscellaneous				<u>3,290,077</u>
TOTAL GENERAL REVENUE				<u>145,258,977</u>
CHANGE IN NET POSITION				(8,472,729)
TOTAL NET POSITION - beginning of year, as previously stated				<u>(177,344,977)</u>
RESTATEMENT (Note 16)				<u>1,441,474</u>
TOTAL NET POSITION - beginning of year, as restated				<u>(175,903,503)</u>
TOTAL NET POSITION - end of year				<u>\$ (184,376,232)</u>

The accompanying notes are an integral part of these statements.

**BEDFORD CENTRAL SCHOOL DISTRICT**

**BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2022**

	<i>General</i>	<i>Special Aid</i>	<i>Non-Major Funds</i>	<i>Total Governmental Funds</i>
<b>ASSETS</b>				
Cash and cash equivalents - unrestricted	\$ 15,748,463	\$ 448,662	\$ 1,433,526	\$ 17,630,651
Cash and cash equivalents - restricted	15,072,197	-	2,162,527	17,234,724
Accounts receivable	909,918	-	131	910,049
Lease receivable	5,066,268	-	-	5,066,268
Due from other funds	2,910,531	-	1,099,768	4,010,299
State and federal aid receivable	1,054,035	2,444,038	403,111	3,901,184
Due from other governments	1,201,858	316	-	1,202,174
Other receivables	17,655	-	-	17,655
Inventories	-	-	3,152	3,152
<b>TOTAL ASSETS</b>	<b>\$ 41,980,925</b>	<b>\$ 2,893,016</b>	<b>\$ 5,102,215</b>	<b>\$ 49,976,156</b>
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	\$ 3,110,199	\$ 180,012	\$ 145,001	\$ 3,435,212
Due to other funds	442,777	2,648,049	919,473	4,010,299
Due to other governments	496,891	15,646	-	512,537
Due to Teachers' Retirement System	6,066,097	-	-	6,066,097
Due to Employees' Retirement System	695,573	-	-	695,573
Unearned revenue	-	49,309	50,869	100,178
<b>TOTAL LIABILITIES</b>	<b>10,811,537</b>	<b>2,893,016</b>	<b>1,115,343</b>	<b>14,819,896</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows of resources - Leases	5,066,268	-	-	5,066,268
<b>TOTAL DEFERRED INFLOWS AND LIABILITIES</b>	<b>15,877,805</b>	<b>2,893,016</b>	<b>1,115,343</b>	<b>19,886,164</b>
<b>FUND BALANCE</b>				
Non-spendable				
Inventory	-	-	3,152	3,152
<b>Total non-spendable fund balance</b>	<b>-</b>	<b>-</b>	<b>3,152</b>	<b>3,152</b>
Restricted for:				
Unemployment insurance	135,369	-	-	135,369
Retirement benefits	4,499,826	-	-	4,499,826
Health Insurance	5,000,000	-	-	5,000,000
Insurance	62,843	-	-	62,843
Tax certiorari	4,615,807	-	-	4,615,807
Employee benefit liability	555,134	-	-	555,134
Repair	103,218	-	-	103,218
Capital Reserve	100,000	-	-	100,000
Debt service	-	-	814,484	814,484
Other	-	-	566,053	566,053
<b>Total restricted fund balance</b>	<b>15,072,197</b>	<b>-</b>	<b>1,380,537</b>	<b>16,452,734</b>
Assigned				
Appropriated for subsequent years expenditures	396,500	-	-	396,500
Other	4,798,749	-	2,603,183	7,401,932
<b>Total assigned fund balance</b>	<b>5,195,249</b>	<b>-</b>	<b>2,603,183</b>	<b>7,798,432</b>
Unassigned	5,835,674	-	-	5,835,674
<b>TOTAL FUND BALANCE</b>	<b>26,103,120</b>	<b>-</b>	<b>3,986,872</b>	<b>30,089,992</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 41,980,925</b>	<b>\$ 2,893,016</b>	<b>\$ 5,102,215</b>	<b>\$ 49,976,156</b>

The accompanying notes are an integral part of these statements.

**BEDFORD CENTRAL SCHOOL DISTRICT****RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO GOVERNMENT-WIDE NET POSITION  
JUNE 30, 2022**

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

Total governmental fund balances	\$ 30,089,992
Capital assets, net used in governmental activities are not financial resources and, therefore, are not reported in the funds	119,759,190
Pension related government-wide activity	
Deferred outflows of resources - TRS	32,118,296
Deferred outflows of resources - ERS	8,291,316
Net pension asset	58,319,713
Deferred inflows of resources - TRS	(60,308,041)
Deferred inflows of resources - ERS	(14,262,884)
OPEB related government wide-activity	
Deferred outflows of resources	61,725,139
Deferred inflows of resources	(73,544,189)
Total OPEB liability	(296,705,113)
Deferred inflows from gain on defeasance on the advanced refunding are amortized on the Statement of Net Position over the life of the bond. Governmental funds recorded the gain on defeasance on the advanced refunding as an other financing source in the year of defeasance.	(324,497)
Long-term liabilities are not due and payable in the current period, and, therefore, are not reported in the funds	(43,680,518)
Long-term liabilities, including compensated absences and termination benefits payable and lease liabilities that are not due and payable in the current period and, therefore, are not reported in the funds	(10,402,811)
Long-term receivables, including lease receivables are not due and payable in the current period and, therefore, are not reported in the funds	5,070,308
Interest payable at year end is recorded in the government-wide statements under full accrual accounting	<u>(522,133)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ (184,376,232)</u>

# **BEDFORD CENTRAL SCHOOL DISTRICT**

## **STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2022**

	<i>General</i>	<i>Special Aid</i>	<i>Non-Major Funds</i>	<i>Total Governmental Funds</i>
REVENUE:				
Real property taxes	\$ 126,358,867	\$ -	\$ -	\$ 126,358,867
Other tax items	7,206,578	-	-	7,206,578
Charges for services	883,113	-	-	883,113
Use of money and property	558,275	-	887	559,162
Miscellaneous	3,069,794	-	220,283	3,290,077
State sources	7,840,253	611,016	34,148	8,485,417
Federal sources	506,765	3,607,885	2,190,108	6,304,758
Sales - school lunch	-	-	556,531	556,531
	<u>146,423,645</u>	<u>4,218,901</u>	<u>3,001,957</u>	<u>153,644,503</u>
Total revenue				
EXPENDITURES:				
General support	14,479,527	-	-	14,479,527
Instruction	74,223,370	4,313,604	273,802	78,810,776
Pupil transportation	8,326,696	139,017	-	8,465,713
Employee benefits	38,314,167	-	-	38,314,167
Debt service - principal	7,371,998	-	-	7,371,998
Debt service - interest	1,523,170	-	-	1,523,170
Cost of sales	-	-	2,822,418	2,822,418
Capital outlay	-	-	805,265	805,265
	<u>144,238,928</u>	<u>4,452,621</u>	<u>3,901,485</u>	<u>152,593,034</u>
Total expenditures				
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>2,184,717</u>	<u>(233,720)</u>	<u>(899,528)</u>	<u>1,051,469</u>
OTHER SOURCES AND (USES):				
Proceeds from issuance of installment purchase agreements	-	-	784,061	784,061
Operating transfers in	-	233,720	500,000	733,720
Operating transfers (out)	<u>(733,720)</u>	<u>-</u>	<u>-</u>	<u>(733,720)</u>
	<u>(733,720)</u>	<u>233,720</u>	<u>1,284,061</u>	<u>784,061</u>
Total other sources (uses)				
EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	1,450,997	-	384,533	1,835,530
FUND BALANCE (DEFICIT) - beginning of year	<u>24,652,123</u>	<u>-</u>	<u>3,602,339</u>	<u>28,254,462</u>
FUND BALANCE (DEFICIT) - end of year	<u>\$ 26,103,120</u>	<u>\$ -</u>	<u>\$ 3,986,872</u>	<u>\$ 30,089,992</u>

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, 2022**

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Net changes in fund balance - Total governmental funds \$ 1,835,530

**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:

Termination benefits and compensated absences (561,473)

Other postemployment benefits expense resulting from GASB 75 related actuary reporting is not recorded as an expenditure in the government funds but is recorded in the Statement of Activities (23,016,832)

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 9,909,371

**Capital Related Items:**

Capital outlays, net of disposals, are expenditures in governmental funds, but are capitalized in the statement of net position 834,120

Capital leases are expenditures in governmental funds, net of disposals, but are capitalized in the statement of net position 784,061

Depreciation is not recorded as a expenditure in the governmental funds, but is recorded in the statement of activities (4,192,749)

Amortization is not recorded as an expenditure in the governmental funds, but is recorded in the statement of activities (961,811)

**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: 71,440

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. 7,371,998

Installment purchase debt is recorded as revenue in the governmental funds, however, it increases long-term debt in the Statement of Net Position and does not affect the Statement of Activities -

The defeasance gain on the advance refunding is amortized on the Statement of Net Position over the life of the bond. Governmental funds recorded the gain on defeasance on the advanced refunding as an expenditure in the year of defeasance. 237,677

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. (784,061)

Change in net position - Governmental activities \$ (8,472,729)

# **BEDFORD CENTRAL SCHOOL DISTRICT**

## **NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022**

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

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

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

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

#### **Reporting Entity**

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

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

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

#### **Extraclassroom Activity Funds**

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

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

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

### **Joint Venture**

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

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

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

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

### **Basis of Presentation**

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

### **Government-Wide Statements**

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

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

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

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

#### Fund Financial Statements

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

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

#### Governmental Fund Types

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

The District reports the following major governmental funds:

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

The District reports the following non-major governmental funds:

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

### **Basis of Presentation (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 are reported as other financing sources.

#### **Cash and Cash Equivalents**

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

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

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

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

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

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

The District participates in the New York Cooperative Liquid Assets Securities System (NYCLASS), a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law, whereby it holds a portion of the investments in cooperation with other participants. At June 30, 2022, the District held \$16,377,362 in investments consisting of various investments in securities issued by the United States and its agencies. NYCLASS is rated 'AAAm' by S&P Global Ratings. The investments are highly liquid and the amount held represents the amortized cost of the investment pool shares, which are considered to approximate fair value. Due to the highly liquid nature of these investments, they are classified as cash equivalents in the financial statements. Additional information concerning NYCLASS, including the annual report, can be found on its website at [www.newyorkclass.org](http://www.newyorkclass.org).

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

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

### **Restricted Cash**

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes \$17,234,724 within the governmental funds.

### **Accounts Receivable**

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

### **Inventory and Prepaid Expenditures**

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

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

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

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

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

**Interfund Transactions**

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

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

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

**Capital Assets, Net**

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

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

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

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

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

### Deferred Outflows and Inflows of Resources

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

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

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

### Vested Employee Benefits

#### Compensated Absences

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

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



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

### **Vested Employee Benefits (Continued)**

#### Compensated Absences (Continued)

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

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

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

#### Retirement Benefits

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

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

#### Other Postemployment Benefits

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

#### Other Benefits

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

### **Property Taxes**

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

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

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

### **Unearned Revenue**

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

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

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

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

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

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

### **Short-Term Debt**

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

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

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

### **Restricted Resources**

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

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

### Net Position and Fund Balance Classifications

#### Government-wide Statements

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

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

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

Restricted net position includes the following:

Unemployment insurance	\$ 135,369
Retirement benefits	4,499,826
Health Insurance	5,000,000
Insurance	62,843
Tax certiorari	4,615,807
Employee benefit liability	555,134
Repair	103,218
Capital Reserve	100,000
Debt service	814,484
Other	566,053
Total restricted net position	<u>\$ 16,452,734</u>

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

#### Governmental Fund Statements

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

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

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

#### Capital

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

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

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

Repair

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

Workers' Compensation

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

Unemployment Insurance

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

Debt Service

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

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

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

Insurance

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

Liability Claims and Property Loss

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

Tax Certiorari

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

Employee Benefit Accrued Liability

Reserve for employee benefit accrued liability (GML §6-p) is used to reserve funds for the payment of accrued employee benefit due 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, 2022.

*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, 2022, the District's encumbrances were classified as follows:

General Support	\$ 3,708,142
Instruction	948,479
Pupil Transportation	104,820
Employee Benefits	37,308
	<u>\$ 4,798,749</u>

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

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

#### Order of Fund Balance Spending Policy

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

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

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

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

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

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

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

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

#### Long-Term Revenue and Expense Differences

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

#### Capital Related Differences

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

#### Long-Term Debt Transaction Differences

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

#### Pension Differences

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

#### OPEB Differences

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

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

**Stewardship, Compliance, And Accountability**

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

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

Appropriations are adopted at the program line item level.

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

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

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

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

**2. CASH**

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

	<u>Bank Balance</u>	<u>Carrying Amount</u>
Cash and cash equivalents, including trust funds	\$ 22,211,359	\$ 18,658,748
Collateralized with securities held by the pledging financial institution's trust department or agent in the District's name	\$ 21,711,359	
Covered by FDIC insurance	500,000	
Total	<u>\$ 22,211,359</u>	



## 2. CASH (Continued)

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	4,499,826
Insurance	62,843
Health insurance	5,000,000
Tax certiorari	4,615,807
Capital	100,000
Employee benefits liability	555,134
Repair	<u>103,218</u>

Total general fund restricted cash	<u>\$ 15,072,197</u>
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Total capital project fund restricted cash	<u>\$ 1,438,981</u>
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Total debt service fund restricted cash	<u>\$ 157,493</u>
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Total miscellaneous revenue fund restricted cash	<u>\$ 566,053</u>
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## 3. PARTICIPATION IN BOCES

During the year, the District was billed \$5,053,247 for BOCES administrative and program costs.

The District's share of BOCES aid amounted to \$1,151,228.

#### 4. CAPITAL ASSETS, NET

Capital asset balances and activity for the year ended June 30, 2022, were as follows:

	(restated) July 1, 2021 <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	June 30, 2022 <u>Balance</u>
Governmental activities:				
Capital assets that are not depreciated:				
Land	\$ 2,021,645	\$ -	\$ -	\$ 2,021,645
Construction in progress	<u>1,169,214</u>	<u>784,060</u>	<u>-</u>	<u>1,953,274</u>
Total non-depreciable cost	<u>3,190,859</u>	<u>784,060</u>	<u>-</u>	<u>3,974,919</u>
Capital assets that are depreciated:				
Land improvements	6,404,655	-	-	6,404,655
Buildings and improvements	166,980,627	-	-	166,980,627
Furniture and equipment	7,737,630	50,060	-	7,787,690
Vehicles	<u>439,035</u>	<u>-</u>	<u>-</u>	<u>439,035</u>
Total depreciable historical cost	<u>181,561,947</u>	<u>50,060</u>	<u>-</u>	<u>181,612,007</u>
Less accumulated depreciation:				
Land improvements	2,545,681	155,121	-	2,700,802
Buildings and improvements	56,500,222	3,856,116	-	60,356,338
Furniture and equipment	3,355,529	118,032	-	3,473,561
Vehicles	<u>308,416</u>	<u>63,479</u>	<u>-</u>	<u>371,895</u>
Total accumulated depreciation	<u>62,709,848</u>	<u>4,192,748</u>	<u>-</u>	<u>66,902,596</u>
Total capital assets, net	<u>122,042,958</u>	<u>(3,358,628)</u>	<u>-</u>	<u>118,684,330</u>
Lease Assets, being amortized:				
Equipment	930,846	784,061	-	1,714,907
Building	<u>321,764</u>	<u>-</u>	<u>-</u>	<u>321,764</u>
Total Lease Assets, being amortized:	<u>1,252,610</u>	<u>784,061</u>	<u>-</u>	<u>2,036,671</u>
Less accumulated Amortization for:	-	-	-	-
Equipment	-	860,201	-	860,201
Building	<u>-</u>	<u>101,610</u>	<u>-</u>	<u>101,610</u>
Total Accumulated Amortization	<u>-</u>	<u>961,811</u>	<u>-</u>	<u>961,811</u>
Total Lease Assets, being amortized, net	<u>1,252,610</u>	<u>(177,750)</u>	<u>-</u>	<u>1,074,860</u>
Governmental Activities Capital Assets	<u>\$123,295,568</u>	<u>\$ (3,536,378)</u>	<u>\$ -</u>	<u>\$119,759,190</u>

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

Depreciation expense for the year ended June 30, 2022, was allocated to specific functions as follows:

	<u>Depreciation</u>	<u>Amortization</u>
General government support	\$ 179,914	\$ -
Instruction	4,000,319	961,811
Cost of sales	-	-
Transportation	12,515	-
Total Depreciation	<u>\$ 4,192,748</u>	<u>\$ 961,811</u>

#### 5. SHORT-TERM DEBT

The District had no short-term debt transactions for the year ended June 30, 2022.

#### 6. LONG-TERM DEBT

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

Interest paid	\$ 1,523,170
Less : interest accrued in the prior year	(537,063)
Less : amortization of gain on refunding	(237,677)
Less: amortization of bond premium	(52,469)
Plus: amortization of right to use asset	961,810
Plus : interest accrued in the current year	<u>522,133</u>
Total expense	<u>\$ 2,179,904</u>

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

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>	<u>Due Within</u> <u>One Year</u>	<u>Long-term</u> <u>Portion</u>
Government activities:						
Bonds and notes payable:						
Serial Bonds	\$ 49,720,000	\$ -	\$ 6,585,000	\$ 43,135,000	\$ 6,575,000	\$ 36,560,000
Bonds premium, net	528,790	-	52,469	476,321	52,469	423,852
Installment-purchase obligations	95,704	-	26,507	69,197	27,725	41,472
Total bonds and notes payable	<u>50,344,494</u>	<u>-</u>	<u>6,663,976</u>	<u>43,680,518</u>	<u>6,655,194</u>	<u>37,025,324</u>
Other long-term debt:						
Compensated Absences (*)	553,561	1,573	-	555,134	-	555,134
Termination benefits payable (*)	2,945,329	559,900	-	3,505,229	-	3,505,229
Net pension liability(*)	8,891,394	-	8,891,394	-	-	-
Total other postemployment benefits	<u>358,259,831</u>	<u>23,166,309</u>	<u>84,721,027</u>	<u>296,705,113</u>	<u>-</u>	<u>296,705,113</u>
Total Long Term Debt	<u>\$420,994,609</u>	<u>\$ 23,727,782</u>	<u>\$100,276,397</u>	<u>\$344,445,994</u>	<u>\$ 6,655,194</u>	<u>\$337,790,800</u>

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

## 6. LONG-TERM DEBT (Continued)

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

<u>Bond Issue</u>	<u>Issued</u>	<u>Maturity</u>	<u>Interest Rate</u>	June 30, 2022
				<u>Balance</u>
Refunding bond - 2012	2012	2022	2.0 - 4.0%	\$ 1,365,000
Refunding bond - 2014	2014	2025	2.5- 5.0%	13,285,000
Serial bond - 2018	2018	2033	3.00%	25,245,000
Serial bond - 2019	2019	2033	1.45-2.52%	855,000
BOCES project bond - 2019	2019	2033	1.22-2.2%	1,310,000
Refunding bond - 2020	2020	2028	5.00%	1,075,000
				<u>\$ 43,135,000</u>

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

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	6,575,000	1,243,891	7,818,891
2024	5,410,000	1,034,156	6,444,156
2025	5,585,000	864,475	6,449,475
2026	5,725,000	698,088	6,423,088
2027	2,360,000	580,025	2,940,025
2028-2032	12,135,000	1,758,750	13,893,750
2032-2034	<u>5,345,000</u>	<u>164,074</u>	<u>5,509,074</u>
Total	<u>\$ 43,135,000</u>	<u>\$ 6,343,459</u>	<u>\$ 49,478,459</u>

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

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	27,725	2,548	30,273
2024	28,999	1,273	30,272
2025	<u>12,473</u>	<u>141</u>	<u>12,614</u>
	<u>\$ 69,197</u>	<u>\$ 3,962</u>	<u>\$ 73,159</u>

## 7. LEASES

### LESSEE AGREEMENTS

The District leases various equipment and buildings, primarily from Putnam Northern Westchester Board of Cooperative Educational Service. The leases contain various inception dates and remaining terms of 13-42 months. The leases do not contain renewal options. Lease agreements are summarized as follows:

<u>Description</u>	<u>Interest Rate / Discount Rate</u>	<u>Total Initial Lease Liability</u>
National Cooperative Leasing	0.38%	\$ 105,270
St Francis Building Lease	2.16%	321,764
Conon Equipment Lease MA 6009	2.16%	5,174
JP Morgan Chase Bank NA	1.48%	413,234
Municipal Leasing Consultants, LLC	2.39%	<u>407,168</u>
Total Lease liability		<u>\$ 1,252,610</u>

Activity of lease liabilities for the year ended June 30, 2022 is summarized as follows:  
(restated)

<u>Beginning Balance</u>	<u>Additions</u>	<u>Subtractions</u>	<u>Ending Balance</u>	<u>Amount due within One Year</u>
\$ 1,252,610	\$ 784,061	\$ 760,491	\$ 1,276,180	\$ 715,637

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 715,637	\$ 15,777	\$ 731,414
2024	330,432	5,444	\$ 335,876
2025	<u>230,111</u>	<u>2,697</u>	<u>232,808</u>
	<u>\$ 1,276,180</u>	<u>\$ 23,918</u>	<u>\$ 1,300,098</u>

### LESSOR AGREEMENTS

The District leases various equipment and land at a rate of 2.16% for a term of 20 to 325 months. Over the term of the leases, the District will receive \$5,437,759 related to the lease. During the year, the District recognized \$369,367 as lease revenue and \$369,367 as deferred inflows.

<u>Description</u>	<u>Interest Rate / Discount Rate</u>	<u>Total Receipts</u>
Towne Bus Corp; Parking area/bathroom	2.16%	385,946
Family Radio; Second Amendment	2.16%	23,500
County of Westchester Equipment site lease	2.16%	20
Verizon Wireless Equipment Space	2.16%	1,179,653
Family Radio Site Lease	2.16%	1,242,078
New Cingular Wireless PCS, LLC By AT&T Mobility Corporation	2.16%	2,271,750
Sprint Spectrum LP	2.16%	<u>730,884</u>
Total Lease receivable		<u>\$5,833,831</u>

## 7. LEASES (Continued)

Activity of lease receivable for the year ended June 30, 2022 is summarized as follows:

<u>Lease-related Revenue</u>	<u>Year Ending 2022-06</u>
Lease Revenue	
Building	\$ 285,487
Land	<u>83,880</u>
Total Lease Revenue	369,367
Interest Revenue	50,314
Variable & Other Revenue	<u>-</u>
Total	<u><u>\$ 419,681</u></u>

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 361,510	\$ 46,523	\$ 408,033
2024	375,456	42,121	417,577
2025	386,432	37,494	423,926
2026	292,367	33,729	326,096
2027	302,342	31,021	333,363
5 years ending 2032	1,422,332	108,550	1,530,882
5 years ending 2037	778,886	44,101	822,987
5 years ending 2042	656,541	8,084	664,625
5 years ending 2047	419,400	-	419,400
5 years ending 2052	<u>90,870</u>	<u>-</u>	<u>90,870</u>
	<u><u>\$ 5,086,136</u></u>	<u><u>\$ 351,623</u></u>	<u><u>\$ 5,437,759</u></u>

## 8. INTERFUND BALANCES AND ACTIVITY

	Interfund		Interfund	
	<u>Receivable</u>	<u>Payable</u>	<u>Revenue</u>	<u>Expenditures</u>
General fund	\$ 2,910,531	\$ 442,777	\$ -	\$ 733,720
Special aid fund	-	2,648,049	500,000	-
School lunch fund	-	228,335	-	-
Debt service fund	656,991	-	-	-
Capital projects funds	<u>442,777</u>	<u>691,138</u>	<u>233,720</u>	<u>-</u>
Total	<u>\$ 4,010,299</u>	<u>\$ 4,010,299</u>	<u>\$ 733,720</u>	<u>\$ 733,720</u>

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

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

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

## 9. PENSION PLANS

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

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

## 9. PENSION PLANS (Continued)

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

#### **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:

2022	\$ 2,374,013
2021	\$ 2,208,687
2020	\$ 2,085,308

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

At June 30, 2022, the District reported a net pension asset of \$4,192,673 for its proportionate share of the NYSERS net pension asset. The net pension asset was measured as of March 31, 2022 and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of April 1, 2021. The District's proportion of the net pension asset 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, 2022, the District's proportion was 0.0512891 which was an increase of 0.511550% from its proportion at share measured at June 30, 2021.

For the year ended June 30, 2022, the District recognized pension expense of \$294,343. At June 30, 2022, 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	\$ 317,517	\$ 411,838
Changes of Assumptions	6,997,101	118,068
Net difference between projected and actual earnings on pension plan investments	-	13,729,247
Changes in proportion and differences between the District's contributions and proportionate share of contributions	281,125	3,731
Contributions subsequent to the measurement date	695,573	-
	<u>\$ 8,291,316</u>	<u>\$ 14,262,884</u>

The District recognized \$695,573 as deferred outflows of resources related to pensions resulting from contributions made subsequent to the measurement date of March 31, 2022 which will be recognized as a reduction of the net pension asset in the year ended June 30, 2023.



## 9. PENSION PLANS (Continued)

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

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

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:

2023	\$ (947,590)
2024	(1,456,110)
2025	(3,529,474)
2026	(733,967)
	<u>\$ (6,667,141)</u>

#### **Actuarial Assumptions**

The total pension asset at March 31, 2022 was determined by using an actuarial valuation as of April 1, 2021, with update procedures used to roll forward the total pension asset to March 31, 2022.

The actuarial valuation used the following actuarial assumptions:

Actuarial cost method	Entry age normal
Inflation	2.7 percent
Salary scale	4.4 percent indexed by service
Projected COLAs	1.4% compounded annually
Decrement	Developed from the Plan's 2015 experience study of the period April 1, 2015 through March 31, 2020
Mortality improvement	Society of Actuaries Scale MP-2020
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.

## 9. PENSION PLANS (Continued)

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

#### **Actuarial Assumptions** (Continued)

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, 2022 are summarized below:

<u>Asset Type</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	32.0%	3.30%
International Equity	15.0%	5.85%
Private Equity	10.0%	6.50%
Real Estate	9.0%	5.00%
Opportunistic Portfolio	3.0%	4.10%
Credit	4.0%	3.78%
Real Assets	3.0%	5.80%
Fixed Income	23.0%	0.00%
Cash	1.0%	-1.00%
	<u>100%</u>	

#### **Discount Rate**

The discount rate used to calculate the total pension asset 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 asset.

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

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

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

	<u>1 % Decrease (4.90%)</u>	<u>Current Assumption (5.90%)</u>	<u>1% Increase (6.90%)</u>
Proportionate Share of Net Pension liability (asset)	\$ 10,791,895	\$ (4,192,673)	\$ (16,726,541)

## 9. PENSION PLANS (Continued)

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

#### **Pension Plan Fiduciary Net Position**

The components of the current-year net pension asset of the employers as of March 31, 2022 were as follows:

	Pension Plan's Fiduciary Net Position <hr/> (Dollars in thousands)
Total pension liability	\$ 223,874,888
Net position	<hr/> 232,049,473
Net pension liability (asset)	<hr/> \$ (8,174,585) <hr/>
Fiduciary net position as a percentage of total pension liability	103.65%

### 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:

	<u>NYSTRS</u>
2022	\$ 5,052,386
2021	\$ 4,811,140
2020	\$ 5,660,271

## 9. PENSION PLANS (Continued)

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

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

At June 30, 2022, the District reported net pension asset of \$54,127,040 for its proportionate share of the NYSTRS net pension asset. The net pension asset was measured as of June 30, 2021, and the total pension asset used to calculate the net pension asset was determined by the actuarial valuation as of June 30, 2020. 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, 2022 the District's proportionate share was 0.312349%, which was a decrease of 0.319927% from its proportionate share measured at June 30, 2021.

For the year ended June 30, 2022, the District recognized pension expense of \$2,904,885. At June 30, 2022 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	\$ 7,460,838	\$ 281,213
Changes of Assumptions	17,803,515	3,152,740
Net difference between projected and actual earnings on pension plan investments	-	56,649,547
Changes in proportion and differences between the District's contributions and proportionate share of contributions	787,846	224,541
Contributions subsequent to the measurement date	6,066,097	-
	<u>\$ 32,118,296</u>	<u>\$ 60,308,041</u>

The District recognized \$6,066,097 as deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date June 30, 2021 will be recognized as a reduction of the net pension asset in the year ending June 30, 2023.

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:

2022	\$ (6,788,946)
2023	(7,959,567)
2024	(10,301,426)
2025	(13,638,333)
2026	2,598,052
Thereafter	1,834,378
	<u>\$ (34,255,842)</u>

## 9. PENSION PLANS (Continued)

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

#### **Actuarial Assumptions**

The total pension asset at the June 30, 2021 measurement date was determined by an actuarial valuation as of June 30, 2020 with update procedures used to roll forward the total pension asset to June 30, 2021. The actuarial valuation used the following actuarial assumptions:

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

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

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

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

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

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

## 9. 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, 2021 are summarized in the following table:

<u>Asset Type</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	33.0%	6.8%
International Equity	16.0%	7.6%
Global Equity	4.0%	7.1%
Real Estate Equity	11.0%	6.5%
Private Equity	8.0%	10.0%
Domestic Fixed Income	16.0%	1.3%
Global Bonds	2.0%	0.8%
Private Debt	1.0%	5.9%
Real Estate Debt	7.0%	3.3%
High-yield Bonds	1.0%	3.8%
Cash Equivalents	1.0%	-0.2%
	<u>100%</u>	

#### **Discount Rate**

The discount rate used to measure the total pension asset as of June 30, 2021 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 asset.

#### **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:

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

	<u>1 % Decrease (5.95%)</u>	<u>Current Assumption (6.95%)</u>	<u>1% Increase (7.95%)</u>
Proportionate Share of Net Pension liability (asset)	\$ (5,679,844)	\$ (54,127,040)	\$ (94,843,393)

## 9. 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, 2021 were as follows:

	Pension Plan's Fiduciary Net Position
	(Dollars in Thousands)
Total pension liability	\$ 130,819,415
Net position	148,148,457
Net pension liability (asset)	<u>\$ (17,329,042)</u>
Fiduciary net position as a percentage of total pension liability	113.25%

## 10. 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, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries	
currently receiving benefits	542
Active employees	<u>568</u>
Total participants	<u>1,110</u>

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

### Total OPEB Liability

The District's total OPEB liability of \$296,705,113 was measured as of June 30, 2022, and was determined by an actuarial valuation as of June 30, 2020.

### Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

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

Mortality rates were RP-2014 adjusted to 2006 Total Dataset Mortality Table projected to the valuation date with Scale MP-2020.

Inflation	2.50%
Payroll Growth	3.00%
Discount Rate	3.54%
Healthcare Cost Trend Rates	5.7% for 2021, decreasing to an ultimate rate of 4.04% by 2075
Share of Benefit-Related Costs	Varies based on applicable bargaining unit

### Changes in the Total OPEB Liability

Balance at July 1, 2021	<u>\$ 358,259,832</u>
Changes for the Year	
Service cost	15,143,677
Interest	8,022,631
Changes of benefit terms	-
Changes in assumptions or other inputs	(75,969,308)
Differences between expected and actual experience	(4,759,583)
Benefit payments	<u>(3,992,136)</u>
Net changes	<u>(61,554,719)</u>
Balance at June 30, 2022	<u>\$ 296,705,113</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.21% in 2021 to 3.54% in 2022.



# 10. 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 (2.54%) or 1 percentage point higher (4.54%) than the current discount rate:

	1% Decrease (2.54%)	Current Discount (3.54%)	1% Increase (4.54%)
Total OPEB Liability	<u>\$ 349,277,182</u>	<u>\$ 296,705,113</u>	<u>\$ 254,718,822</u>

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

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (4.4%) or 1 percentage point higher (6.40%) than the current healthcare cost trend rate:

	Healthcare Cost Trend		
	1% Decrease (4.70%)	Current (5.70%)	1% Increase (6.70%)
Total OPEB Liability	<u>\$ 245,645,745</u>	<u>\$ 296,705,113</u>	<u>\$ 363,294,480</u>

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

For the year ended June 30, 2022, the District recognized OPEB expense of \$27,008,967. At June 30, 2022, 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	\$ 26,095,542	\$ 3,966,319
Changes of assumptions or other inputs	<u>35,629,597</u>	<u>69,577,870</u>
Total	<u>\$ 61,725,139</u>	<u>\$ 73,544,189</u>

## 10. 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:	
2023	\$ 3,842,659
2024	4,270,830
2025	2,022,471
2026	(8,500,194)
2027	(13,454,816)
Thereafter	-
	<u>\$ (11,819,050)</u>

## 11. DEFERRED INFLOWS OF RESOURCES – GAIN ON REFUNDING

The gain on defeasance pertaining to the 2009, 2011 and 2014 refunding is recorded in the District Wide Financial Statements as deferred inflows of resources. The gain on defeasance on the advanced refunding is being amortized on the District Wide Financial Statements using the straight line method over 9 years, 11 years and 11 years, respectively.

## 12. TERMINATION BENEFITS PAYABLE

The District offers a retirement award to teachers and non-instructional staff outlined in their employment contracts. For teachers, a retirement award of 1% of the final year's salary, for each year of teaching service, is available to those who have been in the employ of the District for at least 10 years and who have sufficient service credit with the New York State Teachers' Retirement System or a teacher who has not yet reached age 55 but has served 25 years in one district and submits a notice of retirement from public education in New York State. Those who submit their resignation at any other time than the end of the regular school year shall not be eligible for the provision except in the case of emergency. Notices made at later dates will cause deferral of payment until the year following retirement. For non-instructional staff, hired before November 13, 1998 who have at least 20 years of service, a retirement award of one and one quarter percent (1.25%) for each year of service, of the final year's salary, is available to those who are eligible to retire with pension benefits pursuant to New York State Employees' Retirement System. Those eligible employees who have served at least 10 years but less than 20 years shall receive the award at three quarters of one percent (.75%) of final pay for each year of service. Notification to the District is required five or more months prior to the date of retirement. The current value of retirement awards earned is \$3,505,229 and is recorded as a long-term liability on the Statement of Net Position.

### **13. RISK MANAGEMENT**

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

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

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, 2022 was \$19,983,029 with a discount rate of 2.0%. The District's share of the liability for unbilled and open claims is \$729,580.

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

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

### **15. COVID-19 PANDEMIC**

The United States is presently in the midst of a national healthy emergency related to a virus, commonly known as the Novel Coronavirus (COVID-19). The overall consequences of COVID-19 on a national, regional and local level are unknown, but it has the potential to result in a significant economic impact. In response to the economic impact in December 2020 and March 2021, the federal government passed two important acts respectively, the Coronavirus Response and Relief Supplemental Appropriations ACT (CRRSA) and the American Rescue Plan Act (ARPA).

The CRRSA and ARPA provide for significant amount of funding for COVID-19 related costs. The District will receive funding from the CRRSA in the amount of \$1,763,451 to be used to prevent, prepare for, and respond to the coronavirus and its impact on education. The School District will also receive funding from the ARPA in the amount of \$3,963,324. This second funding is to be used for the safe return to in-person instruction, the impact of lost instructional time, maintain safe operations and to address the disproportionate impact of the coronavirus on economically disadvantaged students, children with disabilities, English learners, racial and ethnic minorities, migrant students, students experiencing homelessness, and children and youth in foster care.

## 16. RESTATEMENT

### Change in Accounting Principle

During the year ended June 30, 2022, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. GASB Statement No. 87 enhances the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset. A lessor is required to recognize a lease receivable and a deferred inflow of resources. These changes were incorporated in the District's financial statements and had no effect on the beginning net position of the governmental activities, as the net book value of the leased asset equaled the amount of the lease liability and the lease receivable equaled the amount of the deferred inflow.

	Governmental Activities Net Position	General Fund Fund Balance
Balance at June 30, 2021, as previously reported	\$ (177,344,977)	\$ 26,103,120
Adjustments:		
Net book value leased asset	1,252,610	-
Lease liability	(1,252,610)	-
Installment purchase agreements	1,441,474	-
Lease receivable	5,833,831	5,833,831
Deferred inflows of resources - Leases	<u>(5,833,831)</u>	<u>(5,833,831)</u>
Balance at July 1, 2021, as restated	<u>\$ (175,903,503)</u>	<u>\$ 26,103,120</u>

**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, 2022**

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual (Budgetary Basis)</i>	<i>Encumbrances</i>	<i>Final Budget Variance with Budgetary Actual</i>
<b>REVENUE</b>					
Local sources:					
Real property taxes	\$ 130,922,937	\$ 126,466,099	\$ 126,358,867	\$ -	\$ (107,232)
Other tax items	2,000,000	6,456,838	7,206,578	-	749,740
Charges for services	975,200	989,150	883,113	-	(106,037)
Use of money and property	492,883	492,883	558,275	-	65,392
Miscellaneous	<u>1,251,970</u>	<u>1,343,402</u>	<u>3,069,794</u>	<u>-</u>	<u>1,726,392</u>
Total local sources	135,642,990	135,748,372	138,076,627	-	2,328,255
State sources	7,822,292	7,822,292	7,840,253	-	17,961
Federal Sources	<u>-</u>	<u>506,765</u>	<u>506,765</u>	<u>-</u>	<u>-</u>
Total revenue	<u>143,465,282</u>	<u>144,077,429</u>	<u>146,423,645</u>	<u>-</u>	<u>2,346,216</u>

(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, 2022**

	<i>Original Budget</i>	<i>Final Budget</i>	<i>Actual (Budgetary Basis)</i>	<i>Encumbrances</i>	<i>Variance with Budgetary Actual and Encumbrances</i>
<b>EXPENDITURES</b>					
GENERAL SUPPORT:					
Board of education	\$ 56,043	\$ 100,335	\$ 96,998	\$ 2,047	\$ 1,290
Central administration	373,218	430,900	430,181	-	719
Finance	991,891	1,014,572	968,415	44,097	2,060
Staff	1,000,606	1,112,888	1,062,391	44,813	5,684
Central services	8,853,246	13,417,994	9,836,653	3,617,185	(35,844)
Special items	<u>1,863,930</u>	<u>2,344,443</u>	<u>2,084,889</u>	<u>-</u>	<u>259,554</u>
Total general support	<u>13,138,934</u>	<u>18,421,132</u>	<u>14,479,527</u>	<u>3,708,142</u>	<u>233,463</u>
INSTRUCTION:					
Instruction, administration, and improvement	5,222,602	4,802,351	4,619,308	160,116	22,927
Teaching - regular school	41,857,975	42,644,241	42,521,302	60,532	62,407
Programs for children with handicapping conditions	16,581,218	17,436,946	16,538,853	494,969	403,124
Occupational education	1,139,178	1,239,481	1,092,022	99,877	47,582
Instructional media	2,933,967	2,954,549	2,898,753	39,796	16,000
Pupil services	<u>6,441,633</u>	<u>6,675,815</u>	<u>6,553,132</u>	<u>93,189</u>	<u>29,494</u>
Total instruction	<u>74,176,573</u>	<u>75,753,383</u>	<u>74,223,370</u>	<u>948,479</u>	<u>581,534</u>
Pupil transportation	9,367,313	8,443,020	8,326,696	104,820	11,504
Employee benefits	38,063,035	38,773,238	38,314,167	37,308	421,763
Debt service - principal	7,477,278	7,477,278	7,371,998	-	105,280
Debt service - interest	<u>1,522,123</u>	<u>1,523,323</u>	<u>1,523,170</u>	<u>-</u>	<u>153</u>
Total expenditures	<u>143,745,256</u>	<u>150,391,374</u>	<u>144,238,928</u>	<u>4,798,749</u>	<u>1,353,697</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers (to) other funds	<u>(720,000)</u>	<u>(735,000)</u>	<u>(733,720)</u>	<u>-</u>	<u>1,280</u>
Total other financing sources (uses)	<u>(720,000)</u>	<u>(735,000)</u>	<u>(733,720)</u>	<u>-</u>	<u>1,280</u>
Total expenditures and other financing sources (uses)	<u>144,465,256</u>	<u>151,126,374</u>	<u>144,972,648</u>	<u>\$ 4,798,749</u>	<u>\$ 1,354,977</u>
NET CHANGE IN FUND BALANCE	(999,974)	(7,048,945)	1,450,997		
FUND BALANCE - beginning of year	<u>24,652,123</u>	<u>24,652,123</u>	<u>24,652,123</u>		
FUND BALANCE - end of year	<u>\$ 23,652,149</u>	<u>\$ 17,603,178</u>	<u>\$ 26,103,120</u>		

The accompanying notes are an integral part of these schedules

**BEDFORD CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2022**

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

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

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



**BEDFORD CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF CONTRIBUTIONS - PENSION PLANS (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2022**

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

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

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

# BEDFORD CENTRAL SCHOOL DISTRICT

## SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS (UNAUDITED) FOR THE YEAR ENDED JUNE 30, 2022

	Last 10 Fiscal Years			
	2022	2021	2020	2019
<b>Total OPEB Liability</b>				
Service cost	\$ 15,143,677	\$ 14,226,512	\$ 9,429,016	\$ 8,213,057
Interest	8,022,631	7,209,950	8,673,909	8,624,451
Changes of benefit terms	-	(1,821,348)	-	-
Differences between expected and actual experience	(4,759,583)	35,770,046	864,322	5,450,052
Changes in assumptions	(75,969,308)	(6,042,325)	62,271,694	13,481,251
Benefit payments	(3,992,136)	(6,163,439)	(7,632,998)	(6,904,946)
<b>Total change in total OPEB liability</b>	(61,554,719)	43,179,396	73,605,943	28,863,865
<b>Total OPEB liability - beginning</b>	<u>358,259,832</u>	<u>315,080,436</u>	<u>241,474,493</u>	<u>212,610,628</u>
<b>Total OPEB liability - ending</b>	<u>\$ 296,705,113</u>	<u>\$ 358,259,832</u>	<u>\$ 315,080,436</u>	<u>\$ 241,474,493</u>
<b>Covered-employee payroll</b>	\$ 76,021,341	\$ 72,431,064	\$ 71,120,181	\$ 71,120,181
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	409.64%	503.74%	443.03%	354.41%

### Notes to schedule:

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

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

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

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

The accompanying notes are an integral part of these schedules.

## **SUPPLEMENTARY INFORMATION**

# BEDFORD CENTRAL SCHOOL DISTRICT

## SCHEDULE OF COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS JUNE 30, 2022

	<i>Capital Projects</i>	<i>School Lunch</i>	<i>Miscellaneous Special Revenue</i>	<i>Debt Service</i>	<i>Total Non-Major Governmental Funds</i>
<b>ASSETS</b>					
Cash and cash equivalents - unrestricted	\$ -	\$ 1,433,526	\$ -	\$ -	\$ 1,433,526
Cash and cash equivalents - restricted	1,438,981	-	566,053	157,493	2,162,527
Accounts receivable	-	131	-	-	131
Due from other funds	442,777	-	-	656,991	1,099,768
State and federal aid receivable	468	402,643	-	-	403,111
Inventories	-	3,152	-	-	3,152
<b>TOTAL ASSETS</b>	<b>\$ 1,882,226</b>	<b>\$ 1,839,452</b>	<b>\$ 566,053</b>	<b>\$ 814,484</b>	<b>\$ 5,102,215</b>
<b>LIABILITIES AND FUND BALANCE</b>					
<b>LIABILITIES:</b>					
Accounts payable and accrued expenses	\$ -	\$ 145,001	\$ -	\$ -	\$ 145,001
Due to other funds	691,138	228,335	-	-	919,473
Unearned revenue	-	50,869	-	-	50,869
<b>TOTAL LIABILITIES</b>	<b>691,138</b>	<b>424,205</b>	<b>-</b>	<b>-</b>	<b>1,115,343</b>
<b>FUND BALANCE:</b>					
Non-spendable					
Inventory	-	3,152	-	-	3,152
<b>Total non-spendable fund balance</b>	<b>-</b>	<b>3,152</b>	<b>-</b>	<b>-</b>	<b>3,152</b>
Restricted for:					
Other	-	-	566,053	-	566,053
Debt service	-	-	-	814,484	814,484
<b>Total restricted fund balance</b>	<b>-</b>	<b>-</b>	<b>566,053</b>	<b>814,484</b>	<b>1,380,537</b>
Assigned					
Other	1,191,088	1,412,095	-	-	2,603,183
<b>Total assigned fund balance</b>	<b>1,191,088</b>	<b>1,412,095</b>	<b>-</b>	<b>-</b>	<b>2,603,183</b>
<b>TOTAL FUND BALANCE</b>	<b>1,191,088</b>	<b>1,415,247</b>	<b>566,053</b>	<b>814,484</b>	<b>3,986,872</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 1,882,226</b>	<b>\$ 1,839,452</b>	<b>\$ 566,053</b>	<b>\$ 814,484</b>	<b>\$ 5,102,215</b>

The accompanying notes are an integral part of these statements.

# **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, 2022**

	<i>Capital Projects</i>	<i>School Lunch</i>	<i>Miscellaneous Special Revenue</i>	<i>Debt Service</i>	<i>Total Non-Major Governmental Funds</i>
REVENUE:					
Use of money and property	\$ -	\$ 394	\$ 79	\$ 414	\$ 887
Miscellaneous	-	3,918	216,365	-	220,283
State sources	-	34,148	-	-	34,148
Federal sources	-	2,190,108	-	-	2,190,108
Sales - school lunch	-	556,531	-	-	556,531
Total revenue	-	2,785,099	216,444	414	3,001,957
EXPENDITURES:					
Instruction	-	-	273,802	-	273,802
Cost of sales	-	2,822,418	-	-	2,822,418
Capital outlay	805,265	-	-	-	805,265
Total expenditures	805,265	2,822,418	273,802	-	3,901,485
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(805,265)	(37,319)	(57,358)	414	(899,528)
OTHER SOURCES AND (USES):					
Proceeds from issuance of installment purchase agreements	784,061	-	-	-	784,061
Operating transfers in	500,000	-	-	-	500,000
Total other sources (uses)	1,284,061	-	-	-	1,284,061
EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	478,796	(37,319)	(57,358)	414	384,533
FUND BALANCE (DEFICIT) - beginning of year	712,292	1,452,566	623,411	814,070	3,602,339
FUND BALANCE (DEFICIT) - end of year	\$ 1,191,088	\$ 1,415,247	\$ 566,053	\$ 814,484	\$ 3,986,872

The accompanying notes are an integral part of these statements.

## **OTHER INFORMATION**

## BEDFORD CENTRAL SCHOOL DISTRICT

### SCHEDULE OF CHANGE FROM ORIGINAL BUDGET TO REVISED BUDGET AND THE OF REAL PROPERTY TAX LIMIT - GENERAL FUND (UNAUDITED) FOR THE YEAR ENDED JUNE 30, 2022

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#### CHANGE FROM ADOPTED BUDGET TO REVISED BUDGET

Adopted budget	\$ 144,465,256
Add: Prior year's encumbrances	<u>2,547,367</u>
Original budget	147,012,623
Budget revisions	<u>4,113,751</u>
Final budget	<u>\$ 151,126,374</u>

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

2022-23 voter-approved expenditure budget	\$ 148,032,191	
Maximum allowed (4% of 2022-23 budget)		<u>\$ 5,921,288</u>
General fund, fund balance subject to section 1318 of real property tax law*:		
Unrestricted fund balance:		
Assigned fund balance		\$ 5,195,249
Unassigned fund balance		<u>5,835,674</u>
Total Unrestricted Fund Balance		<u>\$ 11,030,923</u>
Less:		
Appropriated fund balance	\$ 396,500	
Encumbrances included in assigned fund balance	<u>4,798,749</u>	
Total adjustments	<u>\$ 5,195,249</u>	
General fund, fund balance subject to section 1318 of real property tax law		<u>\$ 5,835,674</u>
Actual percentage		3.94%

\*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, 2022**

PROJECT TITLE	Original Appropriation	Revised Appropriation	Expenditures			Unexpended Balance	Methods of Financing				Fund Balance June 30, 2022
			Prior Years	Current Year	Total		Proceeds of Obligations	State Aid	Local Sources	Total	
Capitalized:											
13-14 Bond Authorization \$31.8 million	\$ 31,828,238	\$ 31,828,238	\$ 31,630,504	\$ -	\$ 31,630,504	\$ 197,734	\$ 30,659,647	\$ 7,000	\$ 1,168,591	\$ 31,835,238	\$ 204,734
01-02 Interfund transfers	635,000	635,000	615,331	-	615,331	19,669	-	-	635,000	635,000	19,669
02-03 Interfund transfers	470,000	470,000	470,000	-	470,000	-	-	-	470,000	470,000	-
04-05 Interfund transfers	1,314,005	1,314,005	1,239,504	-	1,239,504	74,501	-	-	1,314,005	1,314,005	74,501
06-07 Interfund transfers	1,004,464	1,004,464	969,464	-	969,464	35,000	-	-	1,004,464	1,004,464	35,000
10-11 Interfund transfers	255,000	255,000	235,000	-	235,000	20,000	-	-	255,000	255,000	20,000
14-15 Interfund transfers - capitalized	57,851	57,851	57,851	-	57,851	-	-	-	57,851	57,851	-
14-15 Canon Lease - Copiers	591,301	591,301	591,301	-	591,301	-	591,301	-	-	591,301	-
17-18 Interfund transfers	349,060	349,060	331,320	-	331,320	17,740	-	-	349,000	349,000	17,680
18-19 Interfund transfers	200,000	200,000	176,960	-	176,960	23,040	-	-	200,000	200,000	23,040
17-18 Smart School Bond Act	76,088	76,088	76,088	-	76,088	-	-	76,088	-	76,088	-
17-18 Computer Lease	-	675,368	675,368	-	675,368	-	675,368	-	-	675,368	-
18-19 Computer Lease	-	666,067	666,067	-	666,067	-	666,067	-	-	666,067	-
18-19 Buildings & Grounds Equipment	-	153,652	153,652	-	153,652	-	153,652	-	-	153,652	-
19-20 Buildings & Grounds Equipment	-	135,008	135,008	-	135,008	-	135,008	-	-	135,008	-
19-20 Canon Lease - Copiers	-	410,101	410,101	-	410,101	-	410,101	-	-	410,101	-
19-20 Computer Lease	-	764,980	764,980	-	764,980	-	764,980	-	-	764,980	-
20-21 Computer Lease	-	782,669	782,669	-	782,669	-	782,669	-	-	782,669	-
21-22 Computer Lease	-	784,061		784,061	784,061		784,061		-	784,061	-
19-20 Interfund Transfers (Gen Hookups)	500,000	500,000	21,738	21,204	42,942	457,058	-	-	-	-	(42,942)
21-22 Interfund transfers (Ventilation & Fire Prot	500,000	500,000	-	-	-	500,000	-	-	500,000	500,000	500,000
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	\$ 42,794,548	\$ 47,166,454	\$ 45,015,979	\$ 805,265	\$ 45,821,244	\$ 1,345,210	\$ 40,048,136	\$ 83,088	\$ 6,381,108	\$ 46,512,332	\$ 691,088

The accompanying notes are an integral part of these schedules.



## BEDFORD CENTRAL SCHOOL DISTRICT

### SCHEDULE OF NET INVESTMENT IN CAPITAL ASSETS (UNAUDITED) FOR THE YEAR ENDED JUNE 30, 2022

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Capital assets, net	<u>\$ 187,623,597</u>
Deduct:	
Defeasance gain	324,497
Short-term portion of installment debt payable	27,725
Long-term portion of installment debt payable	41,472
Short-term portion of bonds payable	6,627,469
Long-term portion of bonds payable	36,560,000
Short-term portion of capital leases	715,637
Long-term portion of capital leases	560,543
Bond premium	<u>69,197</u>
	<u>44,926,540</u>
Net investment in capital assets	<u>\$ 142,697,057</u>

The accompanying notes are an integral part of these schedules.

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

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

September 27, 2022

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, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated September 27, 2022.

**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 were not identified.

(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.

**FORM OF OPINION OF BOND COUNSEL**

Hawkins Delafield & Wood LLP  
7 World Trade Center  
250 Greenwich Street  
New York, New York 10007

October 19, 2023

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

Ladies and Gentlemen:

We have acted as Bond Counsel to Bedford Central School District, in the County of Westchester (the “School District”), 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 \$13,375,000 School District Serial Bonds-2023 (the “Bonds”), dated and delivered 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 on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Bonds are valid and legally binding general obligations 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 Bonds and interest thereon without limitation as to rate or amount. The enforceability of rights or remedies with respect to such Bonds 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 Bonds 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 Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code, however for tax years beginning after December 31, 2022, interest on the Bonds 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 Bonds in order that the interest on the Bonds be and remain excludable from gross income 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 Bonds, restrictions on the investment of proceeds of the Bonds 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 Bonds 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 Bonds, the School District will execute a Tax Certificate relating to the Bonds 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 Bonds 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 Bonds, 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 Bonds 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 Bonds, 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 Bonds.

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

Very truly yours,

/s/ Hawkins Delafield & Wood LLP