BEDFORD PLAYHOUSE, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2025

CONTENTS

VICTOR J. CANNISTRA, CPA P.C. 43 KENSICO DRIVE • MT. KISCO, NEW YORK 10549

Member: American Institute of Certified Public Accountants
New York State Society of Certified Public Accountants

(914) 241-3605 FAX (914) 241-9278
www.CannistraCPA.com

Independent Auditor's Report

The Board of Directors
Bedford Playhouse, Inc.

Opinion

We have audited the accompanying financial statements of Bedford Playhouse, Inc. (a not-for-profit organization), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bedford Playhouse, Inc. as of December 31, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Bedford Playhouse, Inc. 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 opinion.

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 Bedford Playhouse, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 opinion. 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 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, including omissions, 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, 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 Organization'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 Organization'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.

Report on Summarized Comparative Information

We have previously audited Bedford Playhouse, Inc.'s 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 4, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Mount Kisco, New York
August 27, 2026

BEDFORD PLAYHOUSE, INC.

STATEMENT OF FINANCIAL POSITION

December 31, 2025 and 2024

ASSETS

	2025	2024
Current Assets:		
Cash and cash equivalents	$ 2,303,927	$ 2,073,718
Investments, at market value	115,580	99,353
Donations & other receivables	39,733	93,178
Prepaid expenses	61,725	41,018
Inventory	15,927	29,420
Total Current Assets	2,536,892	2,336,687
Fixed assets, net of accumulated depreciation	2,488,794	2,905,540
Operating right-of-use assets	187,993	368,171
Deposits (Note 11)	260,500	260,500
Total Assets	$ 5,474,179	$ 5,870,898

LIABILITIES AND NET ASSETS

	2025	2024
Current Liabilities:		
Accounts payable and accrued expenses	$ 193,387	$ 213,708
Deferred revenue	14,329	12,829
Operating lease liability, current portion (Note 7)	189,891	178,280
Total Current Liabilities	397,607	404,817
Operating lease liability, long-term portion (Note 7)	-	189,891
Total Liabilities	397,607	594,708
Net Assets:		
Without donor restrictions	5,066,072	5,269,795
With donor restrictions	10,500	6,395
Total Net Assets	5,076,572	5,276,190
Total Liabilities and Net Assets	$ 5,474,179	$ 5,870,898

The accompanying notes are an integral part of the financial statements.

BEDFORD PLAYHOUSE, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the Year Ended December 31, 2025
(With Summarized Comparative Information for the Year Ended December 31, 2024)

	2025			
	Without Donor Restrictions	With Donor Restrictions	Total	2024 Total
Support & Other Revenue:				
Contributions, grants and pledges	$ 673,362	$ 8,500	$ 681,862	$ 692,618
Government grants		40,000	40,000	25,000
Ticket sales	937,342		937,342	796,701
Café sales	235,041		235,041	243,861
Concession sales	226,464		226,464	223,995
Donated services (Note 9)	139,475		139,475	-
Fundraising event, net of direct costs of $25,771 in 2025 and $64,664 in 2024	129,929		129,929	148,379
Employee Retention Tax Credit	126,957		126,957	70,897
Membership dues	117,135		117,135	132,710
Rental income	102,279		102,279	107,184
Miscellaneous income	3,136		3,136	-
Investment return	91,957		91,957	99,199
Net assets released from restrictions:				
Satisfaction of program restrictions	44,395	(44,395)	-	-
Total Support & Other Revenue	2,827,472	4,105	2,831,577	2,540,544
Expenses:				
Program expenses	2,281,448		2,281,448	2,237,208
Administrative expenses	549,874		549,874	475,609
Fundraising expenses	199,873		199,873	224,865
Total Expenses	3,031,195		3,031,195	2,937,682
Increase (decrease) in Net Assets	(203,723)	4,105	(199,618)	(397,138)
Net Assets, beginning of year	5,269,795	6,395	5,276,190	5,673,328
Net Assets, end of year	$ 5,066,072	$ 10,500	$ 5,076,572	$ 5,276,190

The accompanying notes are an integral part of the financial statements.

BEDFORD PLAYHOUSE, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2025
(With Summarized Comparative Information for the Year Ended December 31, 2024)

	2025				
	Program Expenses	Administrative Expenses	Fundraising Expenses	Total	2024 Total
Payroll:					
Salaries	$ 602,064	$ 147,023	$ 141,548	$ 890,635	$ 912,780
Payroll taxes and benefits	74,821	19,074	17,591	111,486	100,693
Movie licensing fees	353,911			353,911	352,605
Occupancy expense	284,860	51,575		336,435	374,047
Professional fees	21,995	279,493	100	301,588	218,965
Cost of goods sold	144,407			144,407	138,132
Credit card / ticket processing fee	101,302	464	28	101,794	96,098
Office supplies and expenses	37,667	11,989	22,375	72,032	64,728
Repairs	64,439			64,439	34,120
Outside services	52,951	9,344		62,295	58,114
Insurance	37,201	6,529		43,730	37,436
Production & talent fees	37,794			37,794	48,239
Fundraising expenses	16,673		15,164	31,837	14,959
Marketing and advertising	11,518	1,527	350	13,395	41,941
Cafe equipment and expenses	10,433	1,124	388	11,945	11,826
Non-film events	10,182			10,182	-
Travel	5,280	50	792	6,122	2,306
Printing and postage	1,984		1,537	3,521	2,943
Depreciation	411,966	21,682		433,648	427,750
Total Expenses	$ 2,281,448	$ 549,874	$ 199,873	$ 3,031,195	$ 2,937,682

The accompanying notes are an integral part of the financial statements.

BEDFORD PLAYHOUSE, INC.

STATEMENT OF CASH FLOWS

For the Years Ended December 31, 2025 and 2024

		2025		2024
Cash flows from operating activities:				
Increase (decrease) in Net Assets	$	(199,618)	$	(397,138)
Adjustments to reconcile increase (decrease) in Net Assets to cash provided (used) by operating activities:				
Depreciation		433,648		427,750
Amortization of operating right-of-use assets		180,178		(187,405)
Donated stock		(49,959)		(40,930)
Realized and unrealized (gain) loss on investments		(18,817)		(15,607)
(Increase) decrease in donations & other receivables		53,445		(33,560)
(Increase) decrease in prepaid expenses		(20,707)		(6,926)
(Increase) decrease in inventory		13,493		1,950
Increase (decrease) in accounts payable and accrued expenses		(20,321)		64,478
Increase (decrease) in operating lease liabilities		(178,280)		186,675
Increase (decrease) in deferred revenue		1,500		742
Net cash provided (used) by operating activities		194,562		29
Cash flows from investing activities:				
Proceeds from sale of investments		52,549		100,700
Purchase of investments		-		(100,590)
Purchase of fixed assets, net of disposals		(16,902)		(27,191)
Net cash provided (used) by investing activities		35,647		(27,081)
Net increase (decrease) in cash and cash equivalents		230,209		(27,052)
Cash and cash equivalents – beginning of year		2,073,718		2,100,770
Cash and cash equivalents – end of year	$	2,303,927	$	2,073,718

Supplemental disclosure of cash flow information:

Cash paid during the year for:				
Interest	$	-0-	$	-0-
Income taxes	$	-0-	$	-0-

The accompanying notes are an integral part of the financial statements.

Note 1 – Organization:

Bedford Playhouse, Inc. (the "Organization") was formed under the not-for-profit corporation laws of the State of New York on February 17, 2015. The Organization commenced a capital campaign to raise funds to renovate a theatre and was opened to the public in September, 2018. Their mission is to provide a vibrant cultural and social destination dedicated to screening and celebrating the best films for discerning adults and families, as well as providing a community hub for socializing, special events, and educational programs relating to film and the arts.

Note 2 – Significant Accounting Policies:

a. Basis of Accounting
The accompanying financial statements are prepared in accordance with U.S. generally accepted accounting principles on the accrual basis of accounting.

b. Cash and Cash Equivalents
The Organization considers all highly liquid instruments purchased with an original maturity of three months or less to be cash equivalents.

c. Investments
Investments are classified as held for investment and are stated at fair market value. Realized and unrealized gains or losses, investment income and investment fees are reflected within investment return in the statement of activities. Securities received as donations are recorded at fair market value and are generally sold immediately by the Organization.

d. Net Assets
The accompanying financial statements present information regarding the financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Net assets without donor restrictions may be expended for any purpose in performing the primary objectives of the Organization and may be used at the discretion of management and the board of directors. Net assets with donor restrictions are subject to stipulations imposed by donors or grantors. Some restrictions are temporary in nature; those restrictions that will be met by the passage of time or accomplishing the purpose restriction. Other restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

e. Functional Expense Allocation
The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and benefits, which are allocated on the basis of time and effort studies; and office and occupancy which are allocated on a square-footage basis.

Note 2 – Significant Accounting Policies (continued):

f. Volunteers
The Board of Directors is made up of volunteers who donate their time to the oversight of the Organization. The value of this contributed time is not reflected in these statements since it is not susceptible to objective measurement or valuation.

g. Use of Estimates
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

h. Reclassifications
Certain reclassifications may have been made to some prior year account balances in order to conform to current year presentation.

i. Leases
The Organization's lease portfolio primarily consists of leases for its office space and certain office equipment under operating leases. The Organization determines if an arrangement is a lease at inception by evaluating whether the arrangement conveys the right to use an identified asset and whether the Organization obtains substantially all of the economic benefits from and has the ability to direct the use of the asset. Leases with an initial term of 12 months or less are not recorded on the Statement of Financial Position; the Organization recognizes expense for these leases on a straight-line basis over the lease term. For leases with an initial term in excess of 12 months, lease right-of-use assets and lease liabilities are recognized based on the present value of the future lease payments over the committed lease term at the lease commencement date. If the Organization's leases do not provide an implicit rate, the Organization uses the risk-free rate and the information available at the lease commencement date in determining the present value of future lease payments. Most leases include one or more options to renew and the exercise of renewal options is at the Organization's sole discretion. The Organization does not include renewal options in its determination of the lease term unless the renewals are deemed to be reasonably certain at lease commencement. Operating lease expense for lease payments is recognized on a straight-line basis over the lease term. The Organization has lease agreements with lease and non-lease components, which the Organization elects to combine as one lease component for all classes of underlying assets. Non-lease components include variable costs based on actual costs incurred by the lessor related to the payment of storage, common area maintenance, and real estate taxes. These variable payments are expensed as incurred as variable lease costs.

Note 2 – Significant Accounting Policies (continued):

j. Revenue Recognition

Income from memberships and unconditional contributions is recognized when received or pledged as net assets without donor restrictions. Conditional promises with measurable performance or other barriers and a right of return are recorded as net assets with donor restrictions. When the conditions have been met or the time restriction expires, it is reclassified to net assets without donor restrictions in the statement of activities and changes in net assets.

The Organization receives grants that are considered to be nonexchange transactions in accordance with FASB ASC 958-605, Not-for-Profit Entities: Revenue Recognition. Under this guidance, revenue is recognized when the conditions are fulfilled. Most grants are on a cost reimbursement basis; therefore, revenue is recognized when the qualifying expenses are incurred and documented and the Organization has the right to reimbursement. Advanced grant funds that are unspent are reported as deferred revenue. Grants receivable arise from nonexchange transactions, therefore they are excluded from the credit loss model under ASC 326 (CECL).

Sales and rental income are reported in accordance with FASB Accounting Standards Update (ASU) No. 2014-09, Revenue from Contracts with Customers (Topic 606) at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing services and satisfies their performance obligations at the date of the event.

The Organization has assessed the credit risk associated with their receivables by considering such factors such as aging analysis and specific known troubled accounts and has estimated the expected credit losses to be immaterial, therefore no allowance for credit losses has been deemed necessary.

k. Income Tax Status

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is also exempt from New York State Franchise Tax.

The Organization adopted the provision pertaining to uncertain tax positions and has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. The Organization is generally no longer subject to income tax examination by the applicable taxing jurisdiction for periods prior to 2023.

l. Subsequent Events

Subsequent events have been evaluated through August 27, 2026, which is the date the financial statements were available to be issued.

Note 3 – Fair Value Measurements:

The Organization adopted the provisions pertaining to fair value measurements and disclosures which offers a framework consisting of a three-tier hierarchy of inputs to be used in determining the fair market value of assets and liabilities. The following is a summary of the fair value hierarchy of inputs: *Fair value measurements based on Level 1 inputs*: Includes quoted prices in active markets for identical assets or liabilities to which the company has access at the measurement date. *Fair value measurement based on Level 2 inputs*: Includes inputs other than quoted market prices that are directly or indirectly observable for the assets or liability, including quoted prices in an active market for similar assets or liabilities: quoted prices in a market that is not active for the same or similar assets or liabilities; inputs other than quoted market prices that are observable for the asset or liability. *Fair value measurement based on Level 3 inputs:* Includes unobservable inputs reflecting the assumptions that a market participant would use to price the asset or liability.

Common stock and exchange traded funds are valued at the closing price reported on the active market on which the individual investments are traded. The fair value hierarchy of the Organization's financial assets as of December 31:

Level 1	2025	2024
Exchange traded equity funds	$ 114,765	$ 98,602
Common stock	815	751
Total investments	$ 115,580	$ 99,353

Note 4 – Liquidity and Availability:

The Organization is substantially supported by contributions and pledges and must maintain sufficient resources to meet those responsibilities to its donors. As part of the liquidity plan, the Organization has a policy to structure its financial assets to be available for its general expenditures, liabilities, and other obligations that come due and invests excess cash in investments and money market accounts. The following represents the financial assets that are available to meet general expenditures within one year, reduced by amounts for donor-imposed restrictions:

	2025	2024
Financial assets, at year end	$ 2,459,240	$ 2,266,249
Less amounts not available to be used within one year:		
Restricted by donor with purpose restrictions	(10,500)	(6,395)
Financial assets available to meet general expenditures within one year	$ 2,448,740	$ 2,259,854

Note 5 – Inventory:

The Organization's inventory consists of purchased beverages which are recorded in inventory at cost. The Organization performed a physical inventory count on December 31, 2025 and 2024 and the cost was $15,927 and $29,420, respectively.

Note 6 – Fixed Assets:

Fixed assets are stated on the statement of financial position at cost less accumulated depreciation. These amounts do not purport to represent replacement or realizable values. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets. Leasehold improvements to the theatre are amortized over the remaining years of the lease agreement. Fixed assets consist of the following for the year ended December 31:

	2025	2024
Leasehold improvements	$ 5,658,344	$ 5,654,544
Equipment	68,506	55,404
Furniture and fixtures	17,034	17,034
	5,743,884	5,726,982
Less accumulated depreciation	(3,255,090)	(2,821,442)
Total	$ 2,488,794	$ 2,905,540

Note 7 – Commitments and Contingencies:

a. Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalent accounts in financial institutions, which from time to time may exceed the Federal depository insurance coverage limits.

b. The Organization is obligated under operating lease agreements for its administrative office and for office equipment. The components of leases for the year ended December 31, 2025 were as follows:

Operating lease expense	$ 191,707
Variable lease expense	65,815
Total	$ 257,522

Note 7 – Commitments and Contingencies (continued):

b. **Supplemental information related to operating leases:**

Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	$ 173,991
Weighted-average remaining operating lease terms	1 year
Weighted-average discount rate for operating leases	4.25%

Future maturities of lease liabilities are as follows:

2026	$ 193,605
Less present value discount	(3,714)
Total lease liability	189,891
Less current portion	(189,891)
Long-term lease liabilities	$ -

Note 8 – Net Assets:

Restricted support is recorded as an increase in net assets with donor restrictions. When the restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are classified to net assets without donor restrictions and reported on the *statement of activities* as net assets released from restrictions.

The Organization's net assets with donor restrictions as of December 31 were as follows:

	2025	2024
Subject to purpose restrictions:		
Community	$ 8,500	$ 6,395
Sensory friendly screenings	2,000	-
Total net assets with restrictions	$ 10,500	$ 6,395

Note 9 – **Donated Services:**

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. The Organization has recognized the fair market value of legal services of $139,475 in the accompanying financial statements as a contribution and professional fees expense for the year ended December 31, 2025. There were no donated services in 2024.

Note 10 – **Summarized Comparative Totals:**

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with general accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2024, from which the summarized information was derived.

Note 11 – **Subsequent Events:**

The Organization exercised its option to purchase the theatre it occupies from the lessor for $2,200,000 in 2023. The seller is obligated to create condominium documents, which are to be approved by the New York State Attorney General. As of December 31, 2025 and through the date of this report, the purchase has not been finalized.

The Organization has a letter of intent for an 80% mortgage from Bank of America. Upon the funding of the mortgage, it is estimated that closing costs will be $318,400.

Deposits as of December 31, 2025 consist of the following:

Lease security deposit for the theatre	$ 40,500
Deposit made for purchase of theatre property	220,000
Total	$ 260,500