

**BAINBRIDGE-GUILFORD
CENTRAL SCHOOL DISTRICT**

Bainbridge, New York

FINANCIAL REPORT

**For the Year Ended
June 30, 2023**



BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

TABLE OF CONTENTS

Independent Auditors' Report	1-4
Required Supplementary Information	
Management's Discussion and Analysis	5-5h
Basic Financial Statements	
District-Wide Financial Statements	
Statement of Net Position	6-7
Statement of Activities	8
Governmental Fund Financial Statements	
Balance Sheet - Governmental Funds	9
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position	10
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	11
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities	12
Statement of Fiduciary Net Position	13
Statement of Changes in Fiduciary Net Position	14
Notes to Financial Statements	15-45
<hr/>	
Required Supplementary Information	
Schedule of Revenues Compared to Budget (Non-U.S. GAAP) - General Fund	46
Schedule of Expenditures Compared to Budget (Non-U.S. GAAP) - General Fund	47
Schedules of School District's Contributions - NYSLRS and NYSTRS Pension Plans	48
Schedules of the School District's Proportionate Share of the Net Pension (Asset)/Liability - NYSLRS Pension Plan	49
Schedules of the School District's Proportionate Share of the Net Pension (Asset)/Liability - NYSTRS Pension Plan	50
Schedule of Changes in the School District's Total OPEB Liability and Related Ratios	51
Notes to Required Supplementary Information	52

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

TABLE OF CONTENTS

Supplementary Financial Information

Balance Sheet - Non-Major Governmental Funds	53
Statement of Revenues, Expenditures, and Changes in Fund Balance - Non-Major Governmental Funds	54
Schedules of Change from Adopted Budget to Final Budget and the Real Property Tax Limit	55
Schedule of Project Expenditures - Capital Projects Fund	56
Schedule of Net Investment in Capital Assets	57

Report Required Under *Government Auditing Standards*

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	58-59
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Reports Required Under the Single Audit Act (Uniform Guidance)

Independent Auditors' Report on Compliance For Each Major Federal Program and Report on Internal Control Over Compliance Required by Uniform Guidance	60-62
Schedule of Expenditures of Federal Awards	63
Notes to Schedule of Expenditures of Federal Awards	64
Schedule of Findings and Questioned Costs	65-66

INDEPENDENT AUDITORS' REPORT

Board of Education
Bainbridge-Guilford Central School District
Bainbridge, New York

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Bainbridge-Guilford Central School District (the School District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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 School District, as of June 30, 2023, 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School 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 a Matter

During the year ended June 30, 2023, the School District adopted Government Accounting Standards Board (GASB) Statement No. 96, "Subscription-Based Information Technology Arrangements." There was no material effect on the financial statements.

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 School 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.

Auditors' 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 auditors' 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 GAAS 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 GAAS 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 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 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 schedules; the Schedules of School District's Contributions - NYSLRS and NYSTRS Pension Plans; the Schedules of the School District's Proportionate Share of the Net Pension (Asset)/Liability; Schedule of Changes in the District's Total OPEB Liability and Related Ratios; and related notes be presented to supplement the basic financial statements. Such information, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The Balance Sheet - Non-Major Governmental Funds; Statement of Revenues, Expenditures, and Changes in Fund Balance - Non-Major Governmental Funds; Schedules of Change from Adopted Budget to Final Budget and the Real Property Tax Limit; Schedule of Project Expenditures - Capital Projects Fund; Schedule of Net Investment in Capital Assets; and Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 GAAS. In our opinion, the supplementary information 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2023, on our consideration of the School 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 School 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 the School District's internal control over financial reporting and compliance.

Respectfully submitted,

A handwritten signature in black ink that reads "Insero & Co. CPAs, LLP". The signature is written in a cursive, slightly slanted style.

Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
September 25, 2023

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2023

The following is a discussion and analysis of Bainbridge-Guilford Central School District's (the School District) financial performance for the fiscal year ended June 30, 2023. This section is a summary of the School District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the District-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. The Management's Discussion and Analysis (MD&A) section is only an introduction and should be read in conjunction with the School District's financial statements, which immediately follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: MD&A (this section), the basic financial statements, and supplementary information, both required and not required. The basic financial statements include two kinds of statements that present different views of the School District.

- The first two statements are District-wide financial statements that provide both short-term and long-term information about the School District's overall financial status.
- The remaining statements are Governmental Fund financial statements that focus on individual parts of the School District, reporting the School District's operations in greater detail than the District-wide financial statements. The Governmental Fund financial statements concentrate on the School District's most significant funds.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the School District's budget for the year and a Schedule of Changes in the District's Total Other Postemployment Benefits (OPEB) Liability and Related Ratios related to the School District's unfunded actuarial liability for postemployment benefits, and information related to the School District's pension obligations.

District-Wide Financial Statements

The District-wide financial statements report information about the School District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the School District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two District-wide financial statements report the School District's net position and how it has changed. Net position (the difference between the School District's assets, deferred outflows of resources, deferred inflows of resources, and liabilities) is one way to measure the School District's financial health or position. Over time, increases or decreases in the School District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2023

To assess the School District's overall health, one needs to consider additional nonfinancial factors such as changes in the School District's property tax base and the condition of school buildings and other facilities.

In the District-wide financial statements, the School District's activities are shown as Governmental Activities. Most of the School District's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and state formula aid finance most of these activities.

Fund Financial Statements

The Fund financial statements provide more detailed information about the School District's funds, focusing on its most significant or "Major" Funds - not the School District as a whole. Funds are accounting devices the School District uses to keep track of specific sources of funding and spending on particular programs. The School District has two kinds of funds:

- **Governmental Funds:** Most of the School District's basic services are included in Governmental Funds, which generally focus on (1) how cash and other financial assets that 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 one determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's programs. Because this information does not encompass the additional long-term focus of the District-wide financial statements, additional information following the Governmental Funds statements explains the relationship (or differences) between them.
- **Fiduciary Funds:** The School District is the trustee, or fiduciary, for assets that belong to others, such as the Student Activities Funds. The School District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The School District excludes these activities from the District-wide financial statements because it cannot use these assets to finance its operations.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2023

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

The analysis below focuses on the net position (*Figure 1*) and changes in net position (*Figure 2*) of the School District's Governmental Activities.

Figure 1

<i>Condensed Statement of Net Position</i>	<i>Governmental Activities and Total School District</i>		<i>Total Dollar Change</i>
	<i>2023</i>	<i>2022</i>	
<i>Current Assets</i>	\$ 7,117,979	\$ 4,770,698	\$ 2,347,281
<i>Noncurrent Assets</i>	6,250,255	12,820,816	(6,570,561)
<i>Capital Assets, Net</i>	28,826,021	28,655,630	170,391
<i>Total Assets</i>	42,194,255	46,247,144	(4,052,889)
<i>Total Deferred Outflows of Resources</i>	4,630,251	4,553,452	76,799
<i>Current Liabilities</i>	2,497,460	2,304,751	192,709
<i>Noncurrent Liabilities</i>	17,916,251	16,408,421	1,507,830
<i>Total Liabilities</i>	20,413,711	18,713,172	1,700,539
<i>Total Deferred Inflows of Resources</i>	1,152,767	9,236,755	(8,083,988)
<i>Net Investment in Capital Assets</i>	17,319,696	16,950,630	369,066
<i>Restricted</i>	9,783,364	6,931,530	2,851,834
<i>Unrestricted</i>	(1,845,032)	(1,031,491)	(813,541)
<i>Total Net Position</i>	\$ 25,258,028	\$ 22,850,669	\$ 2,407,359

Significant changes from the prior year are as follows:

- Total assets decreased 8.76%. The decrease is due to the School District recognizing net pension liabilities for both the ERS and TRS pensions in the current year, compared to net pension assets in the prior year. The removal of the asset accounted for a \$6,334,118 decrease in assets. This was offset by increases in prepaid expenses and cash restricted mainly for capital projects.
- The change in deferred inflows of resources, and deferred outflows of resources, are related to changes in NYS pension systems, and the School District's OPEB plan, as recognized under GASB Statements No. 68 and 75.
- Total liabilities increased 9.09%. This increase is due to the School District recognizing net pension liabilities for both the ERS and TRS pensions in the current year, compared to net pension assets in the prior year. These pension liabilities accounted for \$2,296,851 of the liabilities. The increase for the current year was offset by decreases in bonds as payments were made on existing debt and compensated absences as employees either left the School District or employees opted to use more of their vacation and sick days.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2023

- Additional changes in noncurrent liabilities, deferred outflows or resources - other postemployment benefits, and deferred inflows of resources - other postemployment benefits, are due to actuarially determined changes in the future costs of plan benefits recognized under GASB Statement. No 75.
- The School District experienced an increase in net investment in capital assets, primarily due to capital and intangible lease assets exceeding debt activity. Restricted net position increased by 41.14%, primarily due to greater additions to appropriations to General Fund reserves. Finally, unrestricted net deficit increased based on operations of the School District.

The analysis in *Figure 2* considers the operations of the School District's activities.

Figure 2

<i>Changes in Net Position</i>	<i>Governmental Activities and Total School District</i>		<i>Total Dollar Change</i>
	<i>2023</i>	<i>2022</i>	
<i>REVENUES</i>			
<i>Program Revenues:</i>			
<i>Charges for Services</i>	\$ 252,680	\$ 125,318	\$ 127,362
<i>Operating Grants</i>	2,353,093	2,313,851	39,242
<i>Capital Grants</i>	477,060	-	477,060
<i>General Revenues:</i>			
<i>Real Property Taxes</i>	6,054,750	5,850,103	204,647
<i>Real Property Tax Items</i>	1,036,175	1,100,259	(64,084)
<i>State Sources</i>	13,538,206	12,656,674	881,532
<i>Use of Money and Sale of Property</i>	873,261	741,899	131,362
<i>Other General Revenues</i>	245,027	203,430	41,597
<i>Total Revenues</i>	\$ 24,830,252	\$ 22,991,534	\$ 1,838,718
<i>PROGRAM EXPENSES</i>			
<i>General Support</i>	\$ 4,873,866	\$ 4,274,295	\$ 599,571
<i>Instruction</i>	14,861,843	13,127,501	1,734,342
<i>Pupil Transportation</i>	1,251,505	1,241,231	10,274
<i>School Lunch Program</i>	717,657	581,337	136,320
<i>Interest on Debt</i>	718,022	248,921	469,101
<i>Total Expenses</i>	\$ 22,422,893	\$ 19,473,285	\$ 2,949,608
<i>CHANGE IN NET POSITION</i>	\$ 2,407,359	\$ 3,518,249	\$ (1,110,890)

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2023

Significant changes from the prior year are as follows:

- \$477,060 in capital grants for the current year is due to Small Schools Bond Act revenue associated with an ongoing capital project.
- State sources increased mainly due to increases in general and lottery aid.
- General support and instruction expenses increased due to the School District having a change in appraisal of capital assets during the current year.
- Interest on Debt increased due to the new \$10.4M Bond in the prior year. Interest associated with this debt in the current year amounted to \$673,758.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

Figure 3 shows the changes in fund balance for the year for the School District's Major Funds. As the School District completed the year, total fund balance increased 21.78%, primarily due to the increase of capital funding for ongoing projects in the Capital Projects - Construction Fund.

Figure 3

<i>Governmental Fund Balances</i>	<i>2023</i>	<i>2022</i>	<i>Total Dollar Change</i>
<i>Major Funds:</i>			
<i>General Fund</i>	\$ 8,131,499	\$ 10,050,737	\$ (1,919,238)
<i>Capital Projects Fund - Construction</i>	3,320,413	(717,061)	4,037,474
<i>Non-Major Funds</i>	536,631	511,130	25,501
<i>Total Governmental Funds</i>	\$ 11,988,543	\$ 9,844,806	\$ 2,143,737

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the School District revised the budget several times. These budget amendments consisted of budget transfers between functions and budget revisions as noted in the footnotes to required supplementary information. Actual charges to appropriations (expenditures and encumbrances) were below the final budget amounts, and actual revenues were above budgeted amounts as shown below.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2023

Figure 4 summarizes the original and final budgets, the actual expenditures (including encumbrances), and the variances for the year ended June 30, 2023.

Figure 4

<i>Condensed Budgetary Comparison General Fund - 2023</i>	<i>Original Budget</i>	<i>Revised Budget</i>	<i>Actual w/ Encumbrances</i>	<i>Favorable (Unfavorable) Variance</i>
REVENUES				
<i>Real Property Taxes</i>	\$ 6,056,231	\$ 6,055,011	\$ 6,054,750	\$ (261)
<i>Other Tax Items</i>	1,024,487	1,025,707	1,036,175	10,468
<i>State Sources</i>	13,387,559	13,387,559	13,538,206	150,647
<i>Other, Including Financing Sources</i>	223,084	251,445	680,225	428,780
Total Revenues and Other Financing Sources	\$ 20,691,361	\$ 20,719,722	\$ 21,309,356	\$ 589,634
Appropriated Fund Balance and Reserves	\$ 750,000	\$ 4,910,734		
Encumbrances Carried Forward	\$ 32,633	\$ 32,633		
EXPENDITURES				
<i>General Support</i>	\$ 3,760,924	\$ 3,796,113	\$ 3,524,701	\$ 271,412
<i>Instruction</i>	9,116,695	9,011,682	8,156,568	855,114
<i>Pupil Transportation</i>	955,145	927,431	841,319	86,112
<i>Community Services</i>	400	400	-	400
<i>Employee Benefits</i>	5,673,381	5,800,586	4,881,315	919,271
<i>Debt Service</i>	-	159,428	159,428	-
<i>Other Financing Uses</i>	1,967,449	5,967,449	5,726,954	240,495
Total Expenditures and Other Financing Uses	\$ 21,473,994	\$ 25,663,089	\$ 23,290,285	\$ 2,372,804

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2023

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2023, the School District had invested in a broad range of capital assets, including intangible lease assets totaling \$61,540,044 offset by accumulated depreciation and amortization of \$32,714,023. *Figure 5* shows the changes in the School District's capital assets.

Figure 5

<i>Changes in Capital Assets</i>	<i>Governmental Activities and Total School District</i>		<i>Total Dollar Change</i>
	<i>2023</i>	<i>2022</i>	
<i>Land</i>	\$ 91,577	\$ 91,577	\$ -
<i>Construction in Progress</i>	1,009,412	11,065,357	(10,055,945)
<i>Buildings and Improvements, Net</i>	25,636,304	16,278,540	9,357,764
<i>Furniture and Equipment, Net</i>	1,759,954	907,087	852,867
<i>Intangible Lease Assets, Net</i>	328,774	313,069	15,705
<i>Total</i>	\$ 28,826,021	\$ 28,655,630	\$ 170,391

Capital asset activity for the year ended June 30, 2023 included the following:

Construction Projects	\$ 349,337
Equipment	504,634
Intangible Lease Assets	206,841
Total Additions	<u>1,060,812</u>
(Less) Net Book Value of Disposed Equipment	536,566
(Less) Amortization Expense	(191,136)
(Less) Depreciation Expense	<u>(1,235,851)</u>
Net Change in Capital Assets	<u><u>\$ 170,391</u></u>

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS JUNE 30, 2023

Debt Administration

Figure 6 shows the changes in the School District’s outstanding debt. Total indebtedness represented 36.3% of the constitutional debt limit, exclusive of building aid estimates.

Figure 6

<i>Outstanding Debt</i>	<i>Governmental Activities and Total School District</i>		<i>Total Dollar Change</i>
	<i>2023</i>	<i>2022</i>	
<i>Bond Anticipation Notes</i>	\$ 428,273	\$ 240,000	\$ 188,273
<i>Serial Bonds</i>	10,750,000	11,465,000	(715,000)
<i>Lease Liabilities</i>	328,052	314,628	13,424
Total	\$ 11,506,325	\$ 12,019,628	\$ (513,303)

Additional information on the maturities and terms of the School District’s outstanding debt can be found in the notes to these financial statements.

The School District’s bond rating is AAA, which did not change from the prior year.

FACTORS BEARING ON THE SCHOOL DISTRICT’S FUTURE

- Voters approved a Capital Project in December 2022 and a transfer of \$4 million from the Facilities Improvement Capital Project Reserve Fund towards this project. The \$15.4 million project will include work in all three buildings, the Transportation facility, a new turf field, parking lot and resurfaced track at the Football Field/Track complex, a reconstructed tennis court at the Greenlawn Elementary School, and a reconstructed parking lot at the Peter Feltham Soccer Field Complex. Work is scheduled to begin on the project in the summer of 2024. The School District plans to initiate a Bond Anticipation Note in the spring as we begin work on that project.
- The School District was allocated a total of \$3,825,282 in federal stimulus funds through the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRSSA) and the American Rescue Plan Act (ARPA), 2021. The School District will continue utilizing these grant funds through the 2023-24 school year to address students’ academic, social and emotional needs as a result of the COVID-19 pandemic. We have instituted solid academic and social and emotional programming support for our students and will be looking for ways to sustain these necessary supports beyond the timeframe of the stimulus funding.
- The School District’s largest bargaining unit contracts are both up for negotiation during the 2023-24 school year. The School District is currently struggling to attract and retain qualified employees due to having some of the lowest starting rates of pay of the surrounding districts. We intend to look at creative ways to rectify this problem over the next several contract negotiation periods.

***BAINBRIDGE-GUILFORD
CENTRAL SCHOOL DISTRICT***

**MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

- The School District has begun to prepare for the new state mandate to change our transportation fleet to electric buses in the future. During the 2022 Capital Project, we will be incorporating infrastructure at the Transportation facility to prepare for the necessary electric delivery. In addition, the Board of Education authorized the transfer of \$2,000,000 to the Transportation Vehicle Capital Reserve in an effort to prepare for the purchase of electric buses in the future which are approximately two (2) to three (3) times the cost of the current gas- or diesel-powered buses.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the School District's citizens, taxpayers, customers, investors, and creditors with a general overview of the School District's finances and to demonstrate the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Bainbridge-Guilford Central School District, at 18 Juliand Street, Bainbridge, New York 13733.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

STATEMENT OF NET POSITION JUNE 30, 2023

ASSETS

Current Assets

Cash - Unrestricted	\$ 1,172,843
Cash - Restricted	3,480,644
Receivables:	
State and Federal Aid	556,308
Due From Other Governments	595,079
Other	70,060
Inventories	27,953
Prepaid Expenses	1,215,092
Total Current Assets	7,117,979

Noncurrent Assets

Cash - Restricted	6,250,255
Capital Assets, Net:	
Nondepreciable Capital Assets	1,100,989
Depreciable Capital Assets, Net	27,396,258
Intangible Lease Assets, Net	328,774
Total Noncurrent Assets	35,076,276
Total Assets	42,194,255

DEFERRED OUTFLOWS OF RESOURCES

Other Postemployment Benefits	63,929
Pensions	4,566,322
Total Deferred Outflows of Resources	4,630,251

LIABILITIES

Current Liabilities

Payables:	
Accounts Payable	44,037
Accrued Liabilities	90,283
Due to Other Governments	32
Bond Interest and Matured Bonds	29,185
Bond Anticipation Notes Payable	428,273
Other Current Liabilities	64,944
Unearned Revenue	40,424
Due to Teachers' Retirement System	639,482
Due to Employees' Retirement System	72,216
Current Portion of Long-Term Liabilities:	
Bonds Payable	930,000
Lease Payable	158,584
Total Current Liabilities	2,497,460

See Notes to Basic Financial Statements

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

STATEMENT OF NET POSITION (CONTINUED) JUNE 30, 2023

LIABILITIES (CONTINUED)

Noncurrent Liabilities

Bonds Payable	\$ 9,820,000
Leases Payable	<u>169,468</u>
Compensated Absences Payable	<u>998,303</u>
Other Postemployment Benefits Liability	<u>4,631,629</u>
Net Pension Liability - Proportionate Share	<u>2,296,851</u>
Total Noncurrent Liabilities	<u>17,916,251</u>

Total Liabilities	<u>20,413,711</u>
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DEFERRED INFLOWS OF RESOURCES

Other Postemployment Benefits	<u>703,899</u>
Pensions	<u>448,868</u>

Total Deferred Inflows of Resources	<u>1,152,767</u>
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NET POSITION

Net Investment in Capital Assets	<u>17,319,696</u>
Restricted	<u>9,783,364</u>
Unrestricted	<u>(1,845,032)</u>

Total Net Position	<u><u>\$ 25,258,028</u></u>
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See Notes to Basic Financial Statements

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2023

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expense)
	Expenses	Charges for Services	Operating Grants	Revenue and Changes in Net Position
General Support	\$ 4,873,866	\$ -	\$ -	\$ (4,873,866)
Instruction	14,861,843	189,812	1,696,652	(12,498,319)
Pupil Transportation	1,251,505	-	-	(1,251,505)
Community Services	-	21,741	-	21,741
School Lunch Program	717,657	41,127	656,441	(20,089)
Interest on Debt	718,022	-	-	(718,022)
Total Functions and Programs	\$ 22,422,893	\$ 252,680	\$ 2,353,093	\$ 477,060

GENERAL REVENUES

Real Property Taxes	6,054,750
Real Property Tax Items	1,036,175
Use of Money and Property	317,951
Unrestricted State Sources	13,538,206
Sale of Property and Compensation for Loss	555,310
Miscellaneous	245,027

Total General Revenues 21,747,419

Change in Net Position 2,407,359

Total Net Position - Beginning of Year 22,850,669

Total Net Position - End of Year **\$ 25,258,028**

See Notes to Basic Financial Statements

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS JUNE 30, 2023

	Major Funds			Non - Major Funds	Total Governmental Funds
	General Fund	Capital Projects Fund	Special Aid Fund		
ASSETS					
Cash - Unrestricted	\$ 589,473	\$ 573,273	\$ 10,097	\$ -	\$ 1,172,843
Cash - Restricted	5,954,273	3,397,309	-	379,317	9,730,899
Receivables:					
Due From Other Funds	591,026	-	217,299	76,896	885,221
State and Federal Aid	309,766	-	209,676	36,866	556,308
Due From Other Governments	576,586	-	-	18,493	595,079
Other	17,096	52,194	-	770	70,060
Inventories	-	-	-	27,953	27,953
Prepaid Items	1,215,092	-	-	-	1,215,092
Total Assets	<u>\$ 9,253,312</u>	<u>\$ 4,022,776</u>	<u>\$ 437,072</u>	<u>\$ 540,295</u>	<u>\$ 14,253,455</u>
LIABILITIES					
Payables:					
Accounts Payable	\$ 39,515	\$ -	\$ 3,390	\$ 1,132	\$ 44,037
Accrued Liabilities	88,357	-	1,926	-	90,283
Due to Other Funds	217,299	274,090	393,832	-	885,221
Due to Other Governments	-	-	-	32	32
Other Liabilities	64,944	-	-	-	64,944
Unearned Revenue	-	-	37,924	2,500	40,424
Bond Anticipation Notes Payable	-	428,273	-	-	428,273
Due to Teachers' Retirement System	639,482	-	-	-	639,482
Due to Employees' Retirement System	72,216	-	-	-	72,216
Total Liabilities	<u>1,121,813</u>	<u>702,363</u>	<u>437,072</u>	<u>3,664</u>	<u>2,264,912</u>
FUND BALANCES					
Nonspendable	1,215,092	-	-	27,953	1,243,045
Restricted	5,954,273	3,320,413	-	508,678	9,783,364
Assigned	61,691	-	-	-	61,691
Unassigned	900,443	-	-	-	900,443
Total Fund Balances	<u>8,131,499</u>	<u>3,320,413</u>	<u>-</u>	<u>536,631</u>	<u>11,988,543</u>
Total Liabilities and Fund Balances	<u>\$ 9,253,312</u>	<u>\$ 4,022,776</u>	<u>\$ 437,072</u>	<u>\$ 540,295</u>	<u>\$ 14,253,455</u>

See Notes to Basic Financial Statements

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION JUNE 30, 2023

Fund Balance - Total Governmental Funds **\$ 11,988,543**

Amounts reported for Governmental Activities in the Statement of Net Position are different because:

Capital assets, net of accumulated depreciation, used in Governmental Activities are not financial resources and, therefore, are not reported in the Governmental Funds.

Total Historical Cost	\$ 61,540,044	
(Less) Accumulated Depreciation	(32,130,996)	
(Less) Accumulated Amortization	<u>(583,027)</u>	28,826,021

Long-term liabilities, including bonds payable and installment purchase debt are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds Payable	\$ (10,750,000)	
Lease Liabilities	<u>(328,052)</u>	(11,078,052)

Certain accrued obligations and expenses reported in the Statement of Net Position do not require the use of current financial resources and, therefore, are not reported in the Governmental Funds.

Accrued Interest on Long-Term Debt	\$ (29,185)	
Compensated Absences Payable	(998,303)	
Other Postemployment Benefits Liability	<u>(4,631,629)</u>	(5,659,117)

The School District's proportionate share of the collective net pension (asset)/liability is not reported in the Governmental Funds.

ERS Net Pension (Asset)/Liability - Proportionate Share	\$ (1,639,709)	
TRS Net Pension (Asset)/Liability - Proportionate Share	<u>(657,142)</u>	(2,296,851)

Deferred outflows of resources represent a consumption of net position that applies to future periods and, therefore, is not reported in the Governmental Funds. Deferred inflows of resources represents an acquisition of net position that applies to future periods and, therefore, is not reported in the Governmental Funds.

Other Postemployment Benefits Deferred Outflows of Resources	\$ 63,929	
ERS Deferred Outflows of Resources - Pension	1,104,959	
TRS Deferred Outflows of Resources - Pension	3,461,363	
Other Postemployment Benefits Deferred Inflows of Resources	(703,899)	
ERS Deferred Inflows of Resources - Pension	(100,291)	
TRS Deferred Inflows of Resources - Pension	<u>(348,577)</u>	<u>3,477,484</u>

Net Position of Governmental Activities **\$ 25,258,028**

See Notes to Basic Financial Statements

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2023

	Major Funds			Non - Non-Major Funds	Total Governmental Funds
	General Fund	Capital Projects Fund	Special Aid Fund		
REVENUES					
Real Property Taxes	\$ 6,054,750	\$ -	\$ -	\$ -	\$ 6,054,750
Real Property Tax Items	1,036,175	-	-	-	1,036,175
Charges for Services	211,553	-	-	-	211,553
Use of Money and Property	221,022	76,897	-	20,032	317,951
Sale of Property and Compensation for Loss	18,744	-	-	-	18,744
Miscellaneous	217,717	-	34,796	41,152	293,665
State Sources	13,538,206	477,060	194,164	51,846	14,261,276
Medicaid Reimbursement	9,541	-	-	-	9,541
Federal Sources	1,648	-	1,466,044	581,212	2,048,904
Sales - School Lunch	-	-	-	41,127	41,127
Total Revenues	21,309,356	553,957	1,695,004	735,369	24,293,686
EXPENDITURES					
General Support	3,477,956	-	159,552	-	3,637,508
Instruction	8,144,093	-	1,238,839	329,696	9,712,628
Pupil Transportation	838,848	-	24,748	-	863,596
Employee Benefits	4,881,315	-	425,059	122,848	5,429,222
Debt Service:					
Principal	154,616	-	-	787,727	942,343
Interest	4,812	-	-	704,630	709,442
Cost of Sales	-	-	-	321,117	321,117
Capital Outlay	-	774,860	-	-	774,860
Total Expenditures	17,501,640	774,860	1,848,198	2,266,018	22,390,716
Excess (Deficiency) of Revenues Over Expenditures	3,807,716	(220,903)	(153,194)	(1,530,649)	1,902,970
OTHER FINANCING SOURCES AND (USES)					
Proceeds From Obligations	-	168,040	-	-	168,040
BANs Redeemed From Appropriations	-	72,727	-	-	72,727
Operating Transfers In	-	4,098,023	153,194	1,556,150	5,807,367
Operating Transfers (Out)	(5,726,954)	(80,413)	-	-	(5,807,367)
Total Other Sources (Uses)	(5,726,954)	4,258,377	153,194	1,556,150	240,767
Net Change in Fund Balances	(1,919,238)	4,037,474	-	25,501	2,143,737
Fund Balances (Deficit) - Beginning of Year	10,050,737	(717,061)	-	511,130	9,844,806
Fund Balances (Deficit) - End of Year	\$ 8,131,499	\$ 3,320,413	\$ -	\$ 536,631	\$ 11,988,543

See Notes to Basic Financial Statements

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2023

Net Change in Fund Balances - Total Governmental Funds **\$ 2,143,737**

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental Funds report capital outlay and purchases of capitalizable assets as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Capital Outlay	\$ 1,060,812	
Depreciation and Amortization Expense	(1,426,987)	
Net Book Value of Disposals	536,566	170,391

Long-term debt proceeds, and related issue costs and deferred amounts on refunding, provide current financial resources to Governmental Funds, but issuing debt and the related premiums increase long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Repayment of Bond Principal	\$ 715,000	
Principal Payments - Leases	154,616	
Proceeds of Debt	(168,040)	701,576

Long-term obligations are reported in the Statement of Net Position. Therefore, expenses which result in an (increase) or decrease in these long-term obligations are not reflected in the Governmental Fund financial statements.

Other Postemployment Benefits Liability	\$ (87,942)	
Compensated Absences	107,930	19,988

Interest on long-term debt in the Statement of Activities differs from the amount reported in the Governmental Funds because interest is recorded as an expenditure in the funds when it is due and thus 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. The difference in interest reported in the Statement of Activities is the result of accrued interest on bonds.

Changes in Accrued Interest		(8,580)
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Changes in the School District's proportionate share of net pension liabilities have no effect on current financial resources and, therefore, are not reported in the Governmental Funds. In addition, changes in the School District's deferred outflows of resources and deferred inflows of resources related to pensions do not affect current financial resources and are, also, not reported in the Governmental Funds.

ERS	\$ (354,593)	
TRS	(265,160)	(619,753)

Net Change in Net Position of Governmental Activities **\$ 2,407,359**

See Notes to Basic Financial Statements

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

**STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2023**

	<u>Custodial Fund</u>
ASSETS	
Cash - Unrestricted	<u>\$ 62,719</u>
Total Assets	<u><u>\$ 62,719</u></u>
NET POSITION	
Unrestricted	<u>\$ 62,719</u>
TOTAL	<u><u>\$ 62,719</u></u>

See Notes to Basic Financial Statements

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FOR THE YEAR ENDED JUNE 30, 2023

	<u>Custodial Fund</u>
ADDITIONS	
Extraclassroom Activities - Receipts	<u>\$ 95,133</u>
DEDUCTIONS	
Extraclassroom Activities - Disbursements	<u>102,789</u>
Change in Net Position	(7,656)
Net Position - Beginning of Year	<u>70,375</u>
Net Position - End of Year	<u><u>\$ 62,719</u></u>

See Notes to Basic Financial Statements

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

***Note 1* Summary of Significant Accounting Policies**

The accompanying financial statements of the Bainbridge-Guilford Central School District (the School District) have been prepared in conformity with U.S. generally accepted accounting principles (U.S. GAAP) for governments, as prescribed by the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Reporting Entity

Essentially, the primary function of the School District is to provide education for pupils. Services such as transportation of pupils, administration, finance, and plant maintenance support the primary function.

The financial reporting entity consists of the following, as defined by Governmental Accounting Standards Board (GASB) Statement No. 14, as amended.

- The primary government, which is the Bainbridge-Guilford Central School District;
- 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 basic financial statements to be misleading or incomplete.

The accompanying financial statements present the activities of the School District. The School District is not a component unit of another reporting entity.

The decision to include a potential component unit in the School 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 Extraclassroom Activity Funds are included in the School District's reporting entity.

The Extraclassroom Activity Funds of the School District represent funds of the students of the School District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the School District with respect to its financial transactions and the designation of student management. While the Extraclassroom Activity Funds are not considered a component unit of the School District, due to the School District's fiduciary responsibility in relation to the Funds, they are reported in the School District's Agency Fund. Separate audited financial statements (cash basis) of the Extraclassroom Activity Funds can be obtained from the School District's Business Office, located at 18 Juliand Street, Bainbridge, New York 13733.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

***Note 1* Summary of Significant Accounting Policies - Continued**

Joint Venture

The Bainbridge-Guilford Central School District is in the Delaware-Chenango-Madison-Otsego Board of Cooperative Educational Services (BOCES). A BOCES is a voluntary, cooperative association of school districts in a geographic area that shares planning, services, and programs that provide educational and support activities.

BOCES are organized under §1950 of the Education Law. A BOCES Board is considered a corporate body. 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 General Municipal Law (GML).

A BOCES budget is comprised of separate budgets for administrative, program, and capital costs. Each component school district's share of administrative and capital cost is determined by resident public school district enrollment as defined in Education Law §1950(4)(b)(7).

There is no authority or process by which a school district can terminate its status as a BOCES component. In addition, component school districts pay tuition or a service fee for programs in which its students participate. Members of a BOCES Board are nominated and elected by their component member boards in accordance with provisions of §1950 of the Education Law. BOCES' financial statements may be obtained from the Delaware-Chenango-Madison-Otsego BOCES administration office at 6678 County Road 32, Norwich, New York 13815.

Basis of Presentation - District-Wide Financial Statements

The Statement of Net Position and the Statement of Activities present financial information about the School District's Governmental Activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental Activities generally are financed through taxes, state aid, intergovernmental revenues, 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 direct expenses and program revenues for each function of the School District's Governmental Activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses relate to the administration and support of the School District's programs, including personnel, overall administration, and finance. Employee benefits are allocated to functional expenses as a percentage of related payroll expense. Program revenues 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. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

***Note 1* Summary of Significant Accounting Policies - Continued**

Basis of Presentation - Fund Financial Statements

The Governmental Fund financial statements provide information about the School District's funds, including Fiduciary Funds. Separate statements for each fund category (Governmental and Fiduciary) are presented. The emphasis of Governmental Fund financial statements is on major Governmental Funds, each displayed in a separate column.

The School District reports the following Major Governmental Funds:

- **General Fund:** The School District's primary operating fund. It accounts for all financial transactions not required to be accounted for in another fund.
- **Capital Projects Fund - Construction -** This fund is used to account for the financial resources used for acquisition, construction, or major repair of capital facilities.
- **Special Revenue Funds:** These funds account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. Special revenue funds include the following:
 - **Special Aid Fund:** Used to account for proceeds received from state and federal grants restricted for special educational programs.

The School District reports the following Non-Major Governmental Funds:

- **Special Revenue Funds:** These funds account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. Special revenue funds include the following:
 - **School Lunch Fund:** Accounts for revenues and expenditures in connection with the School District's food service program.
 - **Miscellaneous Special Revenue Fund:** Used to account for student scholarships whose funds are restricted as to use.
- **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. When a capital asset is sold and all or a portion of the bonds used to finance the capital asset are outstanding, this fund must be used to account for the proceeds from the sale of capital assets up to the balance of related bonds outstanding.

Fiduciary Activities are those in which the School District acts as trustee or agent for resources that belong to others. These activities are not included in the District-wide financial statements, because their resources do not belong to the School District and are not available to be used.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Note 1 Summary of Significant Accounting Policies - Continued

Basis of Presentation - Fund Financial Statements - Continued

The School District reports the following Fiduciary Funds:

- Custodial Fund: Assets are held by the School District as agent for Extraclassroom Activity Funds.

Measurement Focus and Basis of Accounting

The District-wide and Fiduciary Fund 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. Non-exchange transactions, in which the School 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 financial 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 School District considers all revenues reported in the Governmental Funds to be available if the revenues are collected within 90 days after the end of the fiscal year.

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 Investments

The School District's cash and cash equivalents 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 School District's investment policies. Resources must be deposited in Federal Deposit Insurance Corporation insured (FDIC) 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. 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.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

Note 1 Summary of Significant Accounting Policies - Continued

Accounts Receivable

Accounts receivable are shown gross, with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided, as it is believed that such allowance would not be material. All receivables are expected to be collected within the subsequent fiscal year.

Due To/From Other Funds

Eliminations have been made for amounts due to and due from within the same fund type. A detailed description of the individual fund balances at year-end is provided subsequently in these notes.

Inventories and Prepaid Items

Inventories 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 items of an inventory nature 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 School District for which benefits extend beyond year-end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the District-wide and Governmental 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.

Nonspendable fund balances for these non-liquid assets (inventories and prepaid items) have been recognized to signify that a portion of fund balance is not available for other subsequent expenditures.

Capital Assets

Capital assets are reported at actual costs for acquisitions, including the right to use assets acquired through financed lease arrangements. Donated assets are reported at estimated fair market value at the time received.

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 District-wide financial statements are as follows:

	Capitalization Threshold	Estimated Useful Life
Buildings	\$1,000	40 Years
Building Improvements	1,000	15-40 Years
Furniture, Equipment and Vehicles	1,000	5-20 Years

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

***Note 1* Summary of Significant Accounting Policies - Continued**

Capital Assets - Continued

Capital assets are depreciated over their estimated useful lives using the straight-line method. Intangible lease assets are amortized in line with its amortization schedule.

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.

School District employees are granted vacation time in varying amounts, based primarily on length of service and service position. Some earned benefits may be forfeited if not taken within varying time periods.

Consistent with GASB Statement No. 16, "Accounting for Compensated Absences," the 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 Governmental Fund financial statements only the amount of matured liabilities, if any, is accrued within the General Fund based upon expendable and available financial resources. These amounts are expensed on a pay-as-you-go basis.

Leases

The School District determines if an arrangement is or contains a lease at inception. The School District records assets and lease obligations for leases, which are initially based on the discounted future minimum lease payments over the term of the lease. The School District uses the rate implicit in the lease agreements. In some cases, the implicit rate is not easily determinable, and the School District elects to use its incremental borrowing rate in calculating present value of lease payments.

Lease term is defined as the non-cancelable period of the least plus any options to extend the lease when it is reasonably certain that it will be exercised. For leases with a term, including renewals, of 12 months or less, no intangible lease assets or lease obligations are recorded on the Statement of Net Position and the School District will recognize short-term lease expense for these leases on a straight-line basis over the lease term.

The School District's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Note 1 Summary of Significant Accounting Policies - Continued

Leases - Continued

Amortization expense for leases is recognized on the same basis as payments on the lease liabilities and is included in the education expense function. Interest expense is recognized using the effective interest method. Variable payments, short-term rentals, and payments associated with non-lease components are expensed as incurred.

Other Postemployment Benefits

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

In addition to providing pension benefits, the School District provides health insurance coverage and survivor benefits for retired employees and their survivors. Substantially all of the School District's employees may become eligible for these benefits if they reach normal retirement age while working for the School District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing post-retirement benefits is shared between the School District and the retired employee. The School District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure or operating transfer to other funds in the General Fund in the year paid.

The School District follows GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions." The School District's liability for other postemployment benefits has been recorded in the Statement of Net Position, in accordance with the statement. See Note 12 for additional information.

Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the Statement of Net Position 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 School District reports deferred outflows of resources related to pensions plans in the District-wide Statement of Net Position. The types of deferred outflows of resources related to pensions and OPEB plans are described in Notes 11 and 12, respectively.

In addition to liabilities, the Statement of Net Position reports 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(s) and will not be recognized as an inflow of resources (revenue) until that time. The School District reports deferred inflows related to pensions and OPEB plans which are further described in Notes 11 and 12, respectively.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

Note 1 Summary of Significant Accounting Policies - Continued

Unearned and Unavailable Revenues

Unearned revenues arise when resources are received by the School 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 the School District has legal claim to the resources, the liability for unearned revenues is removed and revenues are recorded.

The Governmental Fund financial statements report unavailable revenues when potential revenues do not meet both the measurable and available criteria for recognition in the current period. In subsequent periods, when both recognition criteria are met, the deferred inflow of resources is removed and revenues are recorded.

Restricted Resources

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, it is the School District's policy to apply restricted funds before unrestricted funds, unless otherwise prohibited by legal requirements.

Equity Classifications - District-Wide Financial Statements

Equity is classified as net position and displayed in three components:

- Net Investment in Capital Assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted - Consists of resources with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or 2) law through constitutional provisions or enabling legislation.
- Unrestricted - Consists of all other resources that do not meet the definition of "restricted" or "net investment in capital assets."

Equity Classifications - Governmental Fund Financial Statements

Constraints are broken into five classifications: nonspendable, restricted, committed, assigned, and unassigned. These classifications serve to inform readers of the financial statements of the extent to which the School District is bound to honor any constraints on specific purposes for which resources in a fund can be spent.

- Nonspendable: Consists of assets inherently nonspendable in the current period either because of their form or because they must be maintained intact; including prepaid items, inventories, long-term portions of loans receivable, financial assets held for resale, and endowment principal.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

***Note 1* Summary of Significant Accounting Policies - Continued**

Equity Classifications - Governmental Fund Financial Statements - Continued

- **Restricted:** Consists of amounts subject to legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and enforced externally; or through constitutional provisions or enabling legislation. Most of the School District's legally adopted reserves are reported here.
- **Committed:** Consists of amounts subject to a purpose constraint imposed by formal action of the government's highest level of decision-making authority prior to the end of the fiscal year and requires the same level of formal action to remove said constraint.
- **Assigned:** Consists of amounts subject to a purpose constraint representing an intended use established by the government's highest level of decision-making authority or their designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund. In funds other than the General Fund, assigned fund balance represents the residual amount of fund balance.
- **Unassigned:** Represents the residual classification of the government's General Fund and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification should only be used to report a deficit balance resulting from overspending amounts restricted, committed, or assigned for specific purposes.

Real Property Tax Law (RPT) §1318 limits the amount of unexpended surplus funds a school district can retain in the General Fund to no more than 4% of the next year's budgetary appropriations. Funds properly retained under other sections of law (i.e., reserve funds established pursuant to Education Law or GML) are excluded from the 4% limitation. The 4% limitation is applied to 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.

The Board of Education of the School District has adopted resolutions to commit or assign fund balance. By resolution, fund balance of the School District may be committed for a specific source by formal action of the Board of Education. Furthermore, the Board of Education delegates authority to assign fund balance for a specific purpose to the Business Official of the School District. The Board of Education, by resolution, approves fund balance appropriations for next year's budget. The School District applies expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

Note 1 Summary of Significant Accounting Policies - Continued

Legally Adopted Reserves

Fund balance reserves are created to satisfy legal restrictions, plan for future expenditures or relate to resources not available for general use or appropriation. The following reserve funds are available to school districts within New York State. Except for the Encumbrance Reserve, these reserve funds are established through board action or voter approval and a separate identity must be maintained for each reserve. Earnings on the invested resources become part of the respective reserve funds; however, separate bank accounts are not necessary for each reserve fund. These reserves are reported in the fund financial statements as Restricted Fund Balance. Reserves currently in use by the School District include the following:

- Capital Reserve (Education Law §3651): 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.
- Liability Reserve (Education Law §1709(8-c)): Used to reserve funds for the payment of potential property loss and liability claims. 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. This reserve is accounted for in the General Fund.
- Unemployment Insurance Reserve (GML §6-m): 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 60 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 School 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.
- Workers Compensation Reserve (GML §6-j): Used to pay for compensation benefits and other expenses authorized by Article 2 of the Workers' Compensation Law and for payment of expenses for 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 60 days after the end of any fiscal year, excess amounts may either be transferred to another reserve or applied to the appropriations of the succeeding fiscal year's budget. This reserve is accounted for in the General Fund.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

Note 1 Summary of Significant Accounting Policies - Continued

Legally Adopted Reserves - Continued

- Retirement Contributions Reserve (GML §6-r): Used to reserve funds for the payment of retirement contributions, due to volatility in the economic marketplace. 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. Effective April 1, 2019, a Board may adopt a resolution establishing a sub-fund for contributions to the New York State Teachers' Retirement System. During a fiscal year, the Board may authorize payment into the subfund of up to 2% of the total covered salaries paid during the preceding fiscal year, with the total amount funded not to exceed 10% of the total covered salaries during the preceding fiscal year. The sub-fund is separately administered, but must comply with all the existing provisions of General Municipal Law §6-r. These reserves are accounted for in the General Fund.
- Employee Benefit Accrued Liability Reserve (GML §6-p): Used to reserve funds for the payment of accrued employee benefits due upon termination of an 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. This reserve is accounted for in the General Fund.

Property Taxes

Real property taxes are levied annually by the Board of Education no later than September 1, 2022 and became effective on August 4, 2022. Taxes were collected during the period September 1, 2022 to November 2, 2022.

Uncollected real property taxes are subsequently enforced by the counties of Broome, Chenango, Delaware, and Otsego. The counties pay an amount representing uncollected real property taxes transmitted to the counties for enforcement to the School District no later than the following April 1.

Interfund Transfers

The operations of the School District give rise to certain transactions between funds, including transfers, to provide services and construct assets. The amounts reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance-Governmental Funds for interfund transfers have been eliminated from the Statement of Activities. A detailed description of the individual fund transfers that occurred during the year is provided subsequently in these notes.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP 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 revenues and expenses 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.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

Note 1 Summary of Significant Accounting Policies - Continued

New Accounting Standards

The School District adopted and implemented the following current Statements of the GASB effective for the year ended June 30, 2022:

- GASB Statement No. 96, “Subscription-Based Information Technology Arrangements.” The School District has determined there was no material effect on the financial statements.

Future Changes in Accounting Standards

- GASB has issued Statement No. 101, “Compensated Absences,” effective for the year ending June 30, 2025.

The School District will evaluate the impact this pronouncement may have on its financial statements and will implement it as applicable and when material.

Note 2 Participation in BOCES

During the year ended June 30, 2023, the School District's share of BOCES income amounted to \$1,322,399. The School District was billed \$3,053,334 for BOCES administration and program costs. Financial statements for Delaware-Chenango-Madison-Otsego BOCES are available from the BOCES Administrative Office at 6678 County Road 32, Norwich, New York 13815.

Note 3 Cash and Cash Equivalents - Custodial and Concentration of Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the School District’s deposits may not be returned to it. While the School District does not have a specific policy for custodial credit risk, New York State statutes govern the School District’s investment policies, as discussed previously in these notes. GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance, and the deposits are either uncollateralized or collateralized with securities held by the pledging financial institution’s trust department or agent, but not in the School District’s name.

The School District’s aggregate bank balances of \$12,423,964, including certificates of deposit, are either insured or collateralized with securities held by the pledging financial institution in the School District’s name.

Restricted cash at June 30, 2023 consisted of the following:

Restricted for Debt Service	\$	80,413
Restricted for School Lunch		160,231
Restricted for Capital Projects		3,320,413
Restricted for General Fund Reserves		5,954,273
Restricted for Scholarships		<u>215,569</u>
Total	\$	<u>9,730,899</u>

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

Note 4 Due From Other Governments

Due from other governments consisted of the following, which are stated at net realizable value.

Description	Amount
BOCES September Aid	\$ 595,079
Total	\$ 595,079

The School 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.

Note 5 Interfund Balances and Activity

Interfund balances at June 30, 2023 are as follows.

	Interfund Receivable	Interfund Payable	Interfund Revenues	Interfund Expenditures
General Fund	\$ 591,026	\$ 217,299	\$ -	\$ 5,726,954
Capital Projects Fund - Construction	-	274,090	4,098,023	80,413
Special Aid Fund	217,299	393,832	153,194	-
Non-Major Funds	76,896	-	1,556,150	-
Total	\$ 885,221	\$ 885,221	\$ 5,807,367	\$ 5,807,367

Interfund receivables and payables, other than between Governmental Activities and Fiduciary Funds, are eliminated on the Statement of Net Position.

The School District typically transfers, from the General Fund to the Special Aid Fund, the School District's share of the cost to accommodate the mandated accounting for the School District's share of expenditures of a Special Aid Fund project. The School District also transfers funds from the Capital Reserve in the General Fund to Capital Funds, as needed, to fund capital projects. Periodically, the School District transfers funds as needed to subsidize the School Lunch Fund.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

Note 6 Capital Assets

Capital asset balances and activity for the year ended June 30, 2023 were as follows.

Governmental Activities	Beginning Balance	Additions	Reclassifications and Disposals	Ending Balance
Capital Assets That Are Not Depreciated				
Land	\$ 91,577	\$ -	\$ -	\$ 91,577
Construction in Progress	11,065,357	349,337	(10,405,282)	1,009,412
Total Nondepreciable Historical Cost	<u>11,156,934</u>	<u>349,337</u>	<u>(10,405,282)</u>	<u>1,100,989</u>
Capital Assets That Are Depreciated				
Buildings and Improvements	41,659,363	-	11,312,281	52,971,644
Furniture and Equipment	6,180,308	504,634	(129,332)	6,555,610
Total Depreciable Historical Cost	<u>47,839,671</u>	<u>504,634</u>	<u>11,182,949</u>	<u>59,527,254</u>
Intangible Lease Assets				
Equipment	704,960	206,841	-	911,801
Total Historical Cost	<u>59,701,565</u>	<u>1,060,812</u>	<u>777,667</u>	<u>61,540,044</u>
Less Accumulated Depreciation				
Buildings and Improvements	(25,380,823)	(893,480)	(1,061,037)	(27,335,340)
Furniture and Equipment	(5,273,221)	(342,371)	819,936	(4,795,656)
Total Accumulated Depreciation	<u>(30,654,044)</u>	<u>(1,235,851)</u>	<u>(241,101)</u>	<u>(32,130,996)</u>
Accumulated Amortization				
Equipment	(391,891)	(191,136)	-	(583,027)
Total Historical Cost, Net	<u>\$ 28,655,630</u>	<u>\$ (366,175)</u>	<u>\$ 536,566</u>	<u>\$ 28,826,021</u>

Depreciation and amortization expense was charged to governmental functions as follows.

General Support	\$ 453,763
Instruction	860,913
Pupil Transportation	104,470
School Lunch Program	7,841
Total	<u>\$ 1,426,987</u>

Note 7 Short-Term Debt

The School District may issue revenue anticipation notes (RANs) 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 represent a liability that will be extinguished by the use of expendable, available resources of the fund. The School District did not issue or redeem any RANs during the year.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

Note 7 Short-Term Debt - Continued

The School 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 an insufficient or no provision is 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 School District did not issue or redeem any budget notes during the year.

The School District may issue bond anticipation notes (BANs) 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. New York State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue date.

The following is a summary of the School District's BANs for the year ended June 30, 2023:

	Beginning Balance	Issued	Redeemed	Ending Balance
BAN Maturing 9/29/2023 at 3.08%	\$ -	\$ 428,273	\$ -	\$ 428,273
BAN Maturing 9/30/2022 at 0.28%	240,000	-	(240,000)	-
Total Short-Term Debt	\$ 240,000	\$ 428,273	\$ (240,000)	\$ 428,273

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

Interest Paid	\$ 672
(Less) Interest Accrued in the Prior Year	(523)
Plus Interest Accrued in the Current Year	10,260
Total	\$ 10,409

Note 8 Long-Term Debt

At June 30, 2023, the total outstanding indebtedness of the School District represented 36.3% of its statutory debt limit, exclusive of building aids. Long-term debt is classified as follows:

- **Serial Bonds:** The School District borrows money in order to acquire land or equipment or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

Note 8 Long-Term Debt - Continued

The following is a summary of the School District's long-term debt for the year ended June 30, 2023.

	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Outstanding June 30, 2023</u>
Serial Bonds				
Construction	06/15/2012	06/15/2026	2.25-3.00%	\$ 765,000
Revenue Bonds	06/15/2022	06/15/2037	5.00%	<u>9,985,000</u>
Total Serial Bonds				<u><u>\$ 10,750,000</u></u>

Interest expense on long-term debt during the year was comprised of the following:

Interest Paid	\$ 703,958
(Less) Interest Accrued in the Prior Year	(20,082)
Interest Accrued in the Current Year	<u>18,925</u>
Total	<u><u>\$ 702,801</u></u>

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

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Serial Bonds	<u>\$ 11,465,000</u>	<u>\$ -</u>	<u>\$ (715,000)</u>	<u>\$ 10,750,000</u>	<u>\$ 930,000</u>

Interest paid on the Serial Bonds varies from year to year, in accordance with the interest rates specified in the bond agreements.

The following is a summary of the maturity of long-term indebtedness.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 930,000	\$ 522,200	\$ 1,452,200
2025	975,000	481,600	1,456,600
2026	865,000	438,950	1,303,950
2027	750,000	399,000	1,149,000
2028	790,000	361,500	1,151,500
2029-2033	4,565,000	1,175,750	5,740,750
2034-2037	<u>1,875,000</u>	<u>147,500</u>	<u>2,022,500</u>
Total	<u><u>\$ 10,750,000</u></u>	<u><u>\$ 3,526,500</u></u>	<u><u>\$ 14,276,500</u></u>

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

Note 9 Compensated Absences

Compensated Absences represents funds accrued to pay for the School District's share of sick and vacation time. This liability is liquidated through the General Fund.

Compensated absences balances and activity for the year ended June 30, 2023 are summarized below:

	Beginning Balance	Additions	Deletions	Ending Balance	Amounts Due Within One Year
Compensated Absences	\$ 1,106,233	\$ -	\$ (107,930)	\$ 998,303	\$ -

Changes to long-term compensated absences are reported net, as it is impractical to individually determine additions and deletions during the fiscal year.

Note 10 Lease Liabilities

The School District enters into lease agreements for certain equipment that are considered leases. The School District is not party to any material short-term leases, and current leases do not require any variable payments.

At June 30, 2023, the School District reported \$181,579 offset by accumulated amortization of \$126,818, in intangible lease assets that were not included in the lease liability below.

Lease liabilities as of June 30, 2023 are as follows:

Description	Issue Date	Final Maturity	Discount Rate	Outstanding June 30, 2023
#55 Bus Lease	12/15/2018	6/30/2023	0.81%	\$ 35,016
#56 Bus Lease	11/15/2018	6/30/2023	0.81%	17,855
2020 IPA	7/1/2019	8/1/2023	2.78%	29,254
2021 IPA	7/1/2020	8/1/2024	2.09%	43,725
2022 IPA	7/1/2021	8/1/2025	2.56%	85,093
2023 IPA	7/1/2022	8/1/2026	5.00%	117,109
				\$ 328,052

The following is a summary of the maturity of lease liabilities:

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	\$ 158,584	\$ 9,796	\$ 168,380
2025	78,976	6,430	85,406
2026	59,039	3,815	62,854
2027	31,453	1,573	33,026
	\$ 328,052	\$ 21,614	\$ 349,666

Interest paid for the current year amounted to \$4,812.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Note 11 **Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems)**

Plan Descriptions and Benefits Provided - Teachers' Retirement System (TRS) (System)

The School District participates in the New York State Teachers' Retirement System (TRS). This is a cost-sharing multiple-employer public employee retirement system. The System provides retirement benefits as well as death and disability 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 (RSSL). The System is governed by a 10 member Board of Trustees. System benefits are established under New York State Law. Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors, and administrators employed in New York Public Schools and BOCES who elected to participate in TRS. Once a public employer elects to participate in the System, 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. Additional information regarding the System may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, New York 12211-2395 or by referring to the NYSSTR Comprehensive Annual Financial report which can be found on the System's website at www.nystrs.org.

Tier 3 and Tier 4 members are required by law to contribute 3% of salary to the System. Effective October 2000, contributions were eliminated for Tier 3 and 4 members with 10 or more years of service or membership. Effective January 1, 2010, Tier 5 members are required by law to contribute 3.5% of salary throughout their active membership. Effective April 1, 2012, Tier 6 members are required by law to contribute between 3% and 6% of salary throughout their active membership in accordance with a salary based upon salary earned. Pursuant to Article 14 and Article 15 of the RSSL, those member contributions are used to help fund the benefits provided by the System. However, if a member dies or leaves covered employment with less than 5 years of credited service for Tiers 3 and 4, or 10 years of credited service for Tiers 5 and 6, the member contributions with interest calculated at 5% per annum are refunded to the employee or designated beneficiary. Eligible Tier 1 and Tier 2 members may make member contributions under certain conditions pursuant to the provisions of Article 11 of the Education Law and Article 11 of the RSSL. Upon termination of membership, such accumulated member contributions are refunded. At retirement, such accumulated member contributions can be withdrawn or are paid as a life annuity.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Note 11 Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems) - Continued

Plan Descriptions and Benefits Provided - Employees' Retirement System (ERS) (System)

The School District participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing, multiple-employer, defined benefit pension plan. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of RSSL. Once a public employer elects to participate in the System, 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 School District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the state's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, New York 12244.

Generally, Tier 3, 4, and 5 members must contribute 3% of their salary to the System. As a result of Article 19 of the RSSL, eligible Tier 3 and 4 employees, with a membership date on or after July 27, 1973, who have ten or more years of membership or credited service with the System, are not required to contribute. Members cannot be required to begin making contributions or to make increased contributions beyond what was required when membership began. For Tier 6 members, the contribution rate varies from 3% to 6% depending on salary. Generally, Tier 5 and 6 members are required to contribute for all years of service.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Note 11 Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems) - Continued

Summary of Significant Accounting Policies

The Systems' financial statements from which the Systems' fiduciary respective net position is determined are prepared using the accrual basis of accounting. System member contributions are recognized when due and the employer has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value. For detailed information on how investments are valued, please refer to the Systems' annual reports.

Contributions

Contributions for the current year and two preceding plan years were equal to 100% of the contributions required, and were as follows:

	ERS	TRS
2023	\$264,909	\$594,576
2022	304,721	533,278
2021	273,289	510,721

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

At June 30, 2023, the School District reported the following liability for its proportionate share of the net pension (asset)/liability for each of the Systems. The net pension (asset)/liability was measured as of March 31, 2023 for ERS and June 30, 2022 for TRS. The total pension (asset)/liability used to calculate the net pension (asset)/liability was determined by an actuarial valuation. The School District's proportionate share of the net pension (asset)/liability was based on a projection of the School District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was derived from reports provided to the School District by the ERS and TRS Systems.

	ERS	TRS
Actuarial Valuation Date	April 1, 2023	June 30, 2022
Net Pension (Asset)/Liability	\$ 21,444,032,790	\$ 1,918,891,690
School District's Proportionate Share of the Plan's Total Net Pension (Asset)/Liability	1,639,709	657,142
School District's Share of the Net Pension (Asset)/Liability	0.0076465%	0.034246%

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

Note 11 Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems) - Continued

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Continued

For the year ended June 30, 2023, the School District recognized pension expense of \$624,976 for ERS and \$835,748 for TRS in the District-wide financial statements. At June 30, 2023 the School District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	TRS	ERS	TRS
Differences Between Expected and Actual Experience	\$ 174,642	\$ 688,602	\$ 46,049	\$ 13,168
Changes of Assumptions	796,348	1,274,744	9,633	264,715
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	-	849,090	8,801	-
Changes in Proportion and Differences Between the School District's Contributions and Proportionate Share of Contributions	62,268	78,018	35,808	70,694
School District's Contributions Subsequent to the Measurement Date	71,701	570,909	-	-
Total	<u>\$ 1,104,959</u>	<u>\$ 3,461,363</u>	<u>\$ 100,291</u>	<u>\$ 348,577</u>

School District contributions subsequent to the measurement date, reported as deferred outflows of resources, will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows.

Year Ended	ERS	TRS
2024	\$ 228,629	\$ 493,839
2025	(76,977)	262,064
2026	330,622	(99,452)
2027	450,693	1,673,235
2028	-	208,010
Thereafter	-	4,181

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

Note 11 Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems) - Continued

Actuarial Assumptions

The total pension liability as of the valuation date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions.

Significant actuarial assumptions used in the valuations were as follows:

	<u>ERS</u>	<u>TRS</u>
Measurement Date	March 31, 2023	June 30, 2022
Actuarial Valuation Date	April 1, 2022	June 30, 2021
Investment Rate of Return	5.9%	6.95%
Salary Increases	4.4%	1.95% - 5.18%
Cost of Living Adjustments	1.5%	1.3%
Inflation Rate	2.9%	2.4%

For ERS, annuitant mortality rates are based on April 1, 2015 - March 31, 2020 System experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2021. For TRS, annuitant mortality rates are based on plan member experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2021, applied on a generational basis.

For ERS, the actuarial assumptions used in the April 1, 2022 valuation are based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 2020. For TRS, the actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2015 - June 30, 2020.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Note 11 Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems) - Continued

Actuarial Assumptions - Continued

For ERS, the long-term 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 returns net of investment expense 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 each the target asset allocation percentage and by adding expected inflation. For TRS, 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. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized as follows.

Measurement Date	ERS	TRS
	March 31, 2023	June 30, 2022
Asset Type		
Domestic Equities	4.30%	6.50%
International Equities	6.85%	7.20%
Global Equities	-	6.90%
Real Estate	4.60%	6.20%
Private Equity/Alternative Investments	7.50%	9.90%
Opportunistic Portfolio	5.38%	-
Real Assets	5.84%	-
Cash	0.00%	-
Credit	1.50%	-
Domestic Fixed Income Securities	-	1.10%
Global Fixed Income Securities	-	0.60%
Private Debt	-	5.30%
Real Estate Debt	-	2.40%
High-Yield Fixed Income Securities	-	3.30%
Short-Term	-	(0.30)%

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

Note 11 Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems) - Continued

Discount Rate

The discount rate used to calculate the total pension liability was 5.9% for ERS and 6.95% for TRS. 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 contributions from employers will be made at statutorily required rates, actuarially. Based on the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 5.9% for ERS and 6.95% for TRS, as well as what the School District's proportionate share of the net pension (asset)/liability would be if it were calculated using a discount rate that is 1 percentage point lower or higher than the current rate.

ERS	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
School District's Proportionate Share of the Net Pension (Asset)/Liability	\$ 3,962,473	\$ 1,639,709	\$ (301,231)

TRS	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
School District's Proportionate Share of the Net Pension (Asset)/Liability	\$ 6,059,157	\$ 657,142	\$ (3,885,917)

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the employers as of the respective valuation dates were as follows.

	Dollars in Thousands	
	ERS	TRS
Measurement Date	March 31, 2023	June 30, 2022
Employers' Total Pension (Asset)/Liability	\$ 232,627,259	\$ 133,883,474
Plan Net Position	(211,183,223)	(131,964,582)
Employers' Net Pension (Asset) Liability	\$ 21,444,036	\$ 1,918,892
Ratio of Plan Net Position to the Employers' Total Pension (Asset)/Liability	90.8%	98.6%

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Note 11 Pension Obligations - New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems) - Continued

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31. Employee contributions are remitted monthly. Accrued retirement contributions as of June 30, 2022 represent the projected employer contribution for the period of April 1, 2022 through June 30, 2023 based on estimated ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2023 amounted to \$72,216.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2023 are paid to the System in September, October, and November 2023 through a state aid intercept. Accrued retirement contributions as of June 30, 2023 represent employee and employer contributions for the fiscal year ended June 30, 2023 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2023 amounted to \$639,482.

Current Year Activity

The following is a summary of current year activity:

	Beginning Balance	Change	Ending Balance
ERS			
Net Pension (Asset)/Liability	\$ (579,561)	\$ 2,219,270	\$ 1,639,709
Deferred Outflows of Resources	(1,154,426)	49,467	(1,104,959)
Deferred Inflows of Resources	2,014,435	(1,914,144)	100,291
Subtotal	280,448	354,593	635,041
TRS			
Net Pension (Asset)/Liability	(5,754,557)	6,411,699	\$ 657,142
Deferred Outflows of Resources	(3,384,741)	(76,622)	(3,461,363)
Deferred Inflows of Resources	6,418,494	(6,069,917)	348,577
Subtotal	(2,720,804)	265,160	(2,455,644)
Total	\$ (2,440,356)	\$ 619,753	\$ (1,820,603)

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

Note 12 Postemployment Benefits Other Than Pensions (OPEB)

General Information About the OPEB Plan (Plan)

Plan Description - The Plan is a single employer, defined benefit healthcare plan administered by Excellus Blue Cross Blue Shield. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The Plan does not issue separate financial statements, as there are no assets legally segregated for the sole purpose of paying benefits under the plan.

Benefits Provided - The School District provides healthcare benefits for eligible retirees and their spouses. Benefit provisions are established through negotiations between the School District and bargaining units and are renegotiated each as each contract expires.

Employees Covered by Benefit Terms - At June 30, 2023, the following employees were covered by the benefit terms:

Retirees	25
Active Employees	<u>153</u>
Total	<u>178</u>

The School District's total OPEB liability of \$4,631,629 was measured as of June 30, 2023, and was determined by an actuarial valuation as of July 1, 2021.

Actuarial Assumptions and Other Inputs - The total OPEB liability in the July 1, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	3.65%
Actuarial Cost Method	Entry Age Normal
Salary Scale	2.40%
Medical Trend Rate	5.1% to 4.1% over 54 years

The single discount rate above is based on the Bond Buyer General Obligation 20-Bond Municipal Index.

The Pub-2010 Mortality Table for employees, sex distinct, with generational mortality and projected forward with scale MP-2021 Ultimate Scale.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

Note 12 Postemployment Benefits Other Than Pensions (OPEB) - Continued

Total OPEB Liability

Rates of turnover and retirement rates are based on rates of decrement due to turnover and retirement based on the experience under the New York State and Local Retirement System as prepared by the Department of Civil Service’s actuarial consultant in the report titled, Development of Recommended Actuarial Assumptions for New York State/SUNY GASB 45 Valuation.

Retirement rates are based on tables used by the New York State Teachers’ Retirement System and New York State and Local Retirement System.

The actuarial assumptions used in the July 1, 2021 valuation were consistent with the requirements of GASB Statement No. 75 and Actuarial Standards of Practice (ASOPs).

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2022	\$ 4,394,116
Changes for the Year	
Service Cost	246,228
Interest Cost	160,309
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	-
Changes in Assumptions or Other Inputs	56,615
Benefit Payments	(225,639)
Net Change	237,513
Balance at June 30, 2023	\$ 4,631,629

Sensitivity of the total OPEB liability to changes in the discount rate - The following presents the total OPEB liability of the School District, as well as what the School District’s total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or higher than the current discount rate:

	1% Decrease (2.65%)	Discount Rate (3.65%)	1% Increase (4.65%)
Total OPEB Liability	\$ 5,002,049	\$ 4,631,629	\$ 4,282,686

Changes of assumptions and other inputs reflect a change in the discount rate from 3.54% in 2022 to 3.65% in 2023.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

Note 12 Postemployment Benefits Other Than Pensions (OPEB) - Continued

Changes in the Total OPEB Liability - Continued

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate - The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage point lower or higher than the current healthcare cost trend rate.

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability	\$ 4,067,395	\$ 4,631,629	\$ 5,297,079

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

For the year ended June 30, 2023, the School District recognized OPEB expense of \$313,581.

At June 30, 2023, the School 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	\$ -	\$ 554,807
Changes in Assumptions or Other Inputs	63,929	149,092
Total	\$ 63,929	\$ 703,899

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,	Amount
2024	\$ (92,956)
2025	(92,956)
2026	(74,272)
2027	(69,602)
2028	(69,602)
Thereafter	(240,582)

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

Note 12 Postemployment Benefits Other Than Pensions (OPEB) - Continued

Current Year Activity

The following is a summary of current year activity:

	<u>Beginning Balance</u>	<u>Change</u>	<u>Ending Balance</u>
OPEB			
Other Postemployment Benefits Liability	\$ 4,394,116	\$ 237,513	\$ 4,631,629
Deferred Outflows of Resources	(14,285)	(49,644)	(63,929)
Deferred Inflows of Resources	803,826	(99,927)	703,899
Total	<u><u>\$ 5,183,657</u></u>	<u><u>\$ 87,942</u></u>	<u><u>\$ 5,271,599</u></u>

Note 13 Commitments and Contingencies

Risk Financing and Related Insurance

General Information

The School District is exposed to various risks of loss related to, but not limited to, torts; theft of, damage to, and destruction of assets; injuries to employees; errors and omissions; natural disasters. 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.

Other Items

The School 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, School District administration believes disallowances, if any, will be immaterial.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

Note 14 Fund Balance Detail

At June 30, 2023, fund balances in the governmental funds were as follows:

	General Fund	Capital Project Fund	Non-Major Funds
Nonspendable			
Prepaid Expenses	\$ 1,215,092	\$ -	\$ -
Inventory	-		27,953
Total Nonspendable Fund Balance	\$ 1,215,092	\$ -	\$ 27,953
Restricted			
Workers Compensation Reserve	\$ 510,792	\$ -	\$ -
Liability Reserve	250,000	-	-
Unemployment Insurance Reserve	101,602	-	-
ERS Contribution Reserve	1,312,907	-	-
TRS Contribution Reserve	240,997	-	-
Employee Benefit Accrued Liability Reserve	997,784	-	-
Capital Reserve	2,540,191	-	-
Capital Projects	-	3,320,413	-
Scholarships	-	-	215,569
School Lunch	-	-	212,696
Debt	-	-	80,413
Total Restricted Fund Balance	\$ 5,954,273	\$ 3,320,413	\$ 508,678
Assigned			
Appropriated for Next Year's Budget	\$ -	\$ -	\$ -
Encumbered for:			
General Support	46,745	-	-
Instruction	12,475	-	-
Pupil Transportation	2,471	-	-
Total Assigned Fund Balance	\$ 61,691	\$ -	\$ -

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

Note 15 Restricted Fund Balances

Portions of fund balance are reserved and not available for current expenditures as reported in the Governmental Funds Balance Sheet. The balances and activity for the year ended June 30, 2023 of the General Fund reserves were as follows.

<u>General Fund</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Interest Earned</u>	<u>Appropriated</u>	<u>Ending Balance</u>
Workers Compensation Reserve	\$ 157,032	\$ 350,000	\$ 3,760	\$ -	\$ 510,792
Unemployment Insurance Reserve	100,589	-	2,409	(1,396)	101,602
ERS Contribution Reserve	798,890	515,000	18,683	(19,666)	1,312,907
TRS Contribution Reserve	116,864	121,335	2,798	-	240,997
Reserve for Liability	-	250,000	-	-	250,000
Employee Benefit Accrued Liability Reserve	769,904	350,000	17,552	(139,672)	997,784
Capital Reserve	4,509,766	2,000,000	30,425	(4,000,000)	2,540,191
Total Restricted Fund Balance	<u>\$6,453,045</u>	<u>\$3,586,335</u>	<u>\$75,627</u>	<u>\$(4,160,734)</u>	<u>\$5,954,273</u>

Note 16 Stewardship, Compliance, and Accountability

Deficit Net Position

The School District reported a deficit unrestricted net position of \$1,845,032 at June 30, 2023. This is primarily the result of the requirement to record other postemployment benefits liability with no requirement or mechanism to fund this liability (see Note 12). This deficit is not expected to be eliminated during the normal course of operations.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

SCHEDULE OF REVENUES COMPARED TO BUDGET (NON-U.S. GAAP) GENERAL FUND FOR THE YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
Local Sources				
Real Property Taxes	\$ 6,056,231	\$ 6,055,011	\$ 6,054,750	\$ (261)
Real Property Tax Items	1,024,487	1,025,707	1,036,175	10,468
Charges for Services	27,000	27,000	211,553	184,553
Use of Money And Property	13,500	13,500	221,022	207,522
Sale of Property and Compensation for Loss	16,000	16,000	18,744	2,744
Miscellaneous	154,084	182,445	217,717	35,272
Total Local Sources	<u>7,291,302</u>	<u>7,319,663</u>	<u>7,759,961</u>	<u>440,298</u>
Federal Sources	-	-	1,648	1,648
State Sources	13,387,559	13,387,559	13,538,206	150,647
Medicaid Reimbursement	12,500	12,500	9,541	(2,959)
Total Revenues	<u>20,691,361</u>	<u>20,719,722</u>	<u>\$ 21,309,356</u>	<u>\$ 589,634</u>
Appropriated Fund Balance and Reserves	<u>750,000</u>	<u>4,910,734</u>		
Designated Fund Balance and Encumbrances Carried Forward From Prior Year	<u>32,633</u>	<u>32,633</u>		
Total Revenues, Appropriated Reserves, and Designated Fund Balance	<u>\$ 21,473,994</u>	<u>\$ 25,663,089</u>		

See Notes to Required Supplementary Information

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (NON-U.S. GAAP) GENERAL FUND FOR THE YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual	Encumbrances	Variance Favorable (Unfavorable)
EXPENDITURES					
General Support					
Board of Education	\$ 20,757	\$ 20,757	\$ 13,094	\$ -	\$ 7,663
Central Administration	212,327	214,327	200,750	72	13,505
Finance	341,219	367,569	357,546	-	10,023
Staff	155,696	156,056	107,627	1,832	46,597
Central Services	2,475,760	2,482,239	2,251,425	44,841	185,973
Special Items	555,165	555,165	547,514	-	7,651
Total General Support	3,760,924	3,796,113	3,477,956	46,745	271,412
Instruction					
Instruction, Administration, and Improvement	805,248	809,186	746,364	4,676	58,146
Teaching - Regular School	3,952,724	3,965,480	3,675,880	7,298	282,302
Programs for Children With Handicapping Conditions	2,053,743	2,057,936	1,713,843	265	343,828
Occupational Education	782,068	782,068	741,101	-	40,967
Instructional Media	373,734	242,618	233,425	236	8,957
Pupil Services	1,149,178	1,154,394	1,033,480	-	120,914
Total Instruction	9,116,695	9,011,682	8,144,093	12,475	855,114
Pupil Transportation	955,145	927,431	838,848	2,471	86,112
Community Services	400	400	-	-	400
Employee Benefits	5,673,381	5,800,586	4,881,315	-	919,271
Debt Service					
Principal	-	154,616	154,616	-	-
Interest	-	4,812	4,812	-	-
Total Debt Service	-	159,428	159,428	-	-
Total Expenditures	19,506,545	19,695,640	17,501,640	61,691	2,132,309
OTHER FINANCING USES					
Operating Transfers Out	1,967,449	5,967,449	5,726,954	-	240,495
Total Expenditures and Other Financing Uses	\$ 21,473,994	\$ 25,663,089	23,228,594	\$ 61,691	\$ 2,372,804
Net Change in Fund Balance			(1,919,238)		
Fund Balance - Beginning of Year			10,050,737		
Fund Balance - End of Year			\$ 8,131,499		

See Notes to Required Supplementary Information

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

SCHEDULE OF SCHOOL DISTRICT'S CONTRIBUTIONS NYSLRS PENSION PLAN FOR THE LAST 10 FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 264,909	\$ 304,721	\$ 273,289	\$ 284,954	\$ 329,564	\$ 293,859	\$ 237,557	\$ 270,501	*	*
Contributions in Relation to the Contractually Required Contribution	(264,909)	(304,721)	(273,289)	(284,954)	(329,564)	(293,859)	(237,557)	(270,501)	*	*
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	*	*
School District's Covered Employee Payroll for Year Ending June 30,	2,199,919	2,099,602	2,040,913	1,882,602	1,902,909	1,880,871	1,752,195	1,473,603	*	*
Contributions as a Percentage of Covered Employee Payroll	12.0%	14.5%	13.4%	15.1%	17.3%	15.6%	13.6%	18.4%	*	*

* Information not readily available.

SCHEDULE OF SCHOOL DISTRICT'S CONTRIBUTIONS NYSTRS PENSION PLAN FOR THE LAST 10 FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2019</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 570,909	\$ 594,576	\$ 533,278	\$ 510,721	\$ 659,556	\$ 602,967	\$ 711,585	\$ 772,307	*	*
Contributions in Relation to the Contractually Required Contribution	(570,909)	(594,576)	(533,278)	(510,721)	(659,556)	(602,967)	(711,585)	(772,307)	*	*
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	*	*
School District's Covered Employee Payroll for Year Ending June 30,	5,548,192	6,067,102	5,595,779	5,764,344	5,852,527	5,891,848	5,755,592	5,630,648	*	*
Contributions as a Percentage of Covered Employee Payroll	10.3%	9.8%	9.5%	8.9%	11.3%	10.2%	12.4%	13.7%	*	*

* Information not readily available.

See Notes to Required Supplementary Information

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION (ASSET)/LIABILITY NYSLRS PENSION PLAN FOR THE YEARS ENDED JUNE 30,

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
School District's Proportion of the Net Pension (Asset)/Liability	0.0076465%	0.0070898%	0.0066088%	0.0066088%	0.0064818%	0.0062826%	0.0058304%	0.0055387%
School District's Proportionate Share of the Net Pension (Asset)/Liability	\$ 1,639,709	\$ (579,561)	\$ 7,345	\$ 1,750,046	\$ 1,750,046	\$ 202,767	\$ 547,837	\$ 888,973
School District's Covered Employee Payroll During the Measurement Period	2,179,106	2,073,100	2,030,184	1,875,215	1,902,909	1,880,871	1,752,195	1,473,603
School District's Proportionate Share of the Net Pension (Asset)/Liability as a Percentage of its Covered Employee Payroll	75.2%	28.0%	0.4%	93.3%	92.0%	10.8%	31.3%	60.3%
Plan Fiduciary Net Position as a Percentage of the Total Pension (Asset)/Liability	90.8%	103.7%	99.9%	86.4%	96.3%	98.2%	94.7%	90.7%
The Following is a Summary of Changes of Assumptions								
Inflation	2.90%	2.70%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Salary Increases	4.40%	4.40%	4.50%	4.20%	3.80%	3.80%	3.80%	3.80%
Cost of Living Adjustments	1.50%	1.40%	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%
Investment Rate of Return	5.90%	5.90%	6.80%	6.80%	7.00%	7.00%	7.00%	7.00%
Discount Rate	5.90%	5.90%	6.80%	6.80%	7.00%	7.00%	7.00%	7.00%
Society of Actuaries' Mortality Scale	MP-2021	MP-2020	MP-2019	MP-2018	MP-2014	MP-2014	MP-2014	MP-2014

See Notes to Required Supplementary Information

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION (ASSET)/LIABILITY NYSTRS PENSION PLAN FOR THE YEARS ENDED JUNE 30,

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
School District's Proportion of the Net Pension (Asset)/Liability	0.0342460%	0.0332080%	0.0348020%	0.0352800%	0.035280%	0.035707%	0.036155%	0.035805%
School District's Proportionate Share of the Net Pension (Asset)/Liability	\$ 657,142	\$ (5,754,577)	\$ 934,415	\$ (904,164)	\$ (637,958)	\$ (271,410)	\$ 387,237	\$ (3,719,030)
School District's Covered Employee Payroll During the Measurement Period	6,067,102	5,595,779	5,764,344	5,852,527	5,891,848	5,755,592	5,630,648	5,630,648
School District's Proportionate Share of the Net Pension (Asset)/Liability as a Percentage of its Covered Employee Payroll	10.8%	102.8%	16.2%	15.4%	10.8%	4.7%	6.9%	66.0%
Plan Fiduciary Net Position as a Percentage of the Total Pension (Asset)/Liability	98.6%	113.2%	97.8%	102.2%	101.5%	100.7%	99.0%	110.5%
The Following is a Summary of Changes of Assumptions								
Inflation	2.40%	2.20%	2.20%	2.25%	2.25%	2.50%	3.00%	3.00%
Salary Increases	1.95% - 5.18%	1.90% - 4.72%	1.90% - 4.72%	1.90% - 4.72%	1.90% - 4.72%	1.90% - 4.72%	4.0% - 10.9%	4.0% - 10.9%
Cost of Living Adjustments	1.30%	1.30%	1.30%	1.50%	1.50%	1.50%	1.50%	1.63%
Investment Rate of Return	6.95%	7.10%	7.10%	7.25%	7.25%	7.50%	8.00%	8.00%
Discount Rate	6.95%	7.10%	7.10%	7.25%	7.25%	7.50%	8.00%	8.00%
Society of Actuaries' Mortality Scale	MP-2020	MP-2019	MP-2018	MP-2014	MP-2014	MP-2014	AA	AA

See Notes to Required Supplementary Information

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

SCHEDULE OF CHANGES IN THE SCHOOL DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS FOR THE LAST 10 FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Service Cost	\$ 246,228	\$ 156,724	\$ 155,571	\$ 156,981	\$ 178,604	\$ 173,402	\$ *	\$ *	\$ *	\$ *
Interest Cost	160,309	91,664	92,613	155,860	135,874	132,759	*	*	*	*
Changes of Benefit Terms	-	652,660	-	-	-	-	*	*	*	*
Differences Between Expected and Actual Experience	-	(483,609)	-	(221,554)	-	(23,098)	*	*	*	*
Changes in Assumptions or Other Inputs Benefit Payments	56,615	(1,852)	17,645	(148,882)	(168,148)	-	*	*	*	*
Benefit Payments	<u>(225,639)</u>	<u>(215,797)</u>	<u>(211,985)</u>	<u>(194,513)</u>	<u>(207,032)</u>	<u>(162,143)</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>
Total OPEB Liability - Beginning	<u>4,394,116</u>	<u>4,194,326</u>	<u>4,140,482</u>	<u>4,392,590</u>	<u>4,453,292</u>	<u>4,332,372</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>
Total OPEB Liability - Ending	<u>\$ 4,631,629</u>	<u>\$ 4,394,116</u>	<u>\$ 4,194,326</u>	<u>\$ 4,140,482</u>	<u>\$ 4,392,590</u>	<u>\$ 4,453,292</u>	<u>\$ *</u>	<u>\$ *</u>	<u>\$ *</u>	<u>\$ *</u>
Covered Employee Payroll	\$ 7,047,587	\$ 7,047,587	\$ 5,567,253	\$ 5,567,253	\$ 6,040,467	\$ 6,040,467	\$ *	\$ *	\$ *	\$ *
Discount Rate	3.65%	3.54%	2.16%	2.21%	3.50%	3.00%	*	*	*	*
Total OPEB Liability as a Percentage of Covered Payroll	66%	62%	75%	74%	73%	74%	*	*	*	*
The Following is a Summary of Changes of Assumptions										
Healthcare Cost Trend Rates	5.10% - 4.10%	5.10% - 4.10%	6.60% - 4.10%	6.60% - 4.10%	6.50% - 4.50%	*	*	*	*	*
Salary Increases	2.40%	2.60%	2.60%	2.60%	2.60%	*	*	*	*	*
Discount Rate	3.65%	3.54%	2.16%	2.21%	3.50%	*	*	*	*	*
Society of Actuaries' Mortality Scale	MP-2021	MP-2021	MP-2018	MP-2018	MP-2017	*	*	*	*	*

* Information for periods prior to implementation of GASB Statement No. 75 is unavailable.

See Notes to Required Supplementary Information

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION JUNE 30, 2023

Note 1 Budget Procedures and Budgetary Accounting

The School District administration prepares a proposed budget for approval by the Board of Education (Board) for the General Fund for which a legal (appropriated) budget is adopted. The voters of the School District approved the proposed appropriation budget for the General Fund.

Appropriations are adopted at the program line level. Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances), which 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. 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.

The following supplemental appropriations occurred during the year:

Adopted Budget	\$ 21,441,361
Carryover Encumbrances	<u>32,633</u>
Original Budget	21,473,994
Appropriated Reserves	160,734
Gifts and Donations	<u>28,361</u>
Final Budget	<u>\$ 25,663,089</u>

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

An annual legal budget is not adopted for the Special Revenue Funds (Special Aid, School Lunch, and Miscellaneous Special Revenue). Budgetary controls are established in accordance with applicable grant agreements and management estimates.

Note 2 Reconciliation of the General Fund Budget Basis to U.S. GAAP

No adjustment is necessary to convert the General Fund's excess of revenues and other sources over expenditures and other uses on the U.S. GAAP basis to the budget basis, as encumbrances are shown in a separate column and are not included in the actual results at June 30, 2023.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS JUNE 30, 2023

	<u>Special Revenue Funds</u>		<u>Debt Service Fund</u>	<u>Total Non-Major Governmental Funds</u>
	<u>School Lunch Fund</u>	<u>Miscellaneous Special Revenue Fund</u>		
ASSETS				
Cash - Restricted	\$ 160,231	\$ 215,569	\$ 3,517	\$ 379,317
Receivables:				
Due From Other Funds	-	-	76,896	76,896
State and Federal Aid	36,866	-	-	36,866
Due From Other Governments	18,493	-	-	18,493
Other	770	-	-	770
Inventories	27,953	-	-	27,953
Total Assets	\$ 244,313	\$ 215,569	\$ 80,413	\$ 540,295
LIABILITIES				
Payables:				
Accounts Payable	\$ 1,132	\$ -	\$ -	\$ 1,132
Due to Other Governments	32	-	-	32
Unearned Revenue	2,500	-	-	2,500
Total Liabilities	3,664	-	-	3,664
FUND BALANCES				
Nonspendable	27,953	-	-	27,953
Restricted	212,696	215,569	80,413	508,678
Total Fund Balances (Deficit)	240,649	215,569	80,413	536,631
Total Liabilities and Fund Balances	\$ 244,313	\$ 215,569	\$ 80,413	\$ 540,295

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - NON-MAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2023

	<u>Special Revenue Funds</u>			Total Non-Major Governmental Funds
	<u>School Lunch Fund</u>	<u>Miscellaneous Special Revenue Fund</u>	<u>Debt Service Fund</u>	
REVENUES				
Use of Money And Property	\$ -	\$ 5,139	\$ 14,893	\$ 20,032
Miscellaneous	23,383	17,769	-	41,152
State Sources	51,846	-	-	51,846
Federal Sources	581,212	-	-	581,212
Surplus Food	-	-	-	-
Sales - School Lunch	41,127	-	-	41,127
Total Revenues	<u>697,568</u>	<u>22,908</u>	<u>14,893</u>	<u>735,369</u>
EXPENDITURES				
Instruction	310,623	19,073	-	329,696
Employee Benefits	122,848	-	-	122,848
Debt Service:				
Principal	-	-	787,727	787,727
Interest	-	-	704,630	704,630
Cost of Sales	321,117	-	-	321,117
Total Expenditures	<u>754,588</u>	<u>19,073</u>	<u>1,492,357</u>	<u>2,266,018</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(57,020)</u>	<u>3,835</u>	<u>(1,477,464)</u>	<u>(1,530,649)</u>
OTHER FINANCING SOURCES AND (USES)				
Operating Transfers In	-	-	1,556,150	1,556,150
Total Other Sources (Uses)	<u>-</u>	<u>-</u>	<u>1,556,150</u>	<u>1,556,150</u>
Net Change in Fund Balances	(57,020)	3,835	78,686	25,501
Fund Balances - Beginning of Year	297,669	211,734	1,727	511,130
Fund Balances - End of Year	<u>\$ 240,649</u>	<u>\$ 215,569</u>	<u>\$ 80,413</u>	<u>\$ 536,631</u>

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

SCHEDULES OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET AND THE REAL PROPERTY TAX LIMIT FOR THE YEAR ENDED JUNE 30, 2023

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget	<u>\$ 21,441,361</u>
Prior Year's Encumbrances	<u>32,633</u>
Original Budget	<u>21,473,994</u>
Budget Additions:	
Gifts and Donations	28,361
Use of Reserves	<u>4,160,734</u>
Total Additions	<u>4,189,095</u>
Final Budget	<u><u>\$ 25,663,089</u></u>

§1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

Next Year's Budget is a Voter Approved Budget	<u><u>\$22,655,474</u></u>
2022-2023 Voter-Approved Expenditure Budget	
Maximum Allowed (4% of 2022-2023 Budget)	<u><u>\$ 906,219</u></u>
General Fund Fund Balance Subject to §1318 of Real Property Tax Law	
Unrestricted Fund Balance:	
Assigned Fund Balance	\$ 61,691
Unassigned Fund Balance	<u>900,443</u>
Total Unrestricted Fund Balance	<u><u>962,134</u></u>
Less:	
Encumbrances Included in Committed and Assigned Fund Balance	<u>\$ 61,691</u>
Total Adjustments	<u><u>61,691</u></u>
General Fund Fund Balance Subject to §1318 of Real Property Tax Law	<u><u>\$ 900,443</u></u>
Actual Percentage	3.97%

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

SCHEDULE OF PROJECT EXPENDITURES CAPITAL PROJECTS FUND JUNE 30, 2023

PROJECT TITLE	Expenditures					Methods of Financing					Fund Balance (Deficit) June 30, 2023
	Original Budget	Revised Budget	Prior Years	Current Year	Total	Unexpended Balance	Proceeds of Obligations	State Aid	Local Sources	Total	
Capital Project- 2017-2018	\$ 16,737,090	\$ 16,737,090	\$ 16,426,922	\$ -	\$ 16,426,922	\$ 310,168	\$ 13,926,922	\$ -	\$ 2,500,000	\$ 16,426,922	\$ -
Capital Project- 2022	-	-	-	251,314	251,314	(251,314)	-	-	4,167,882	4,167,882	3,916,568 *
Smart Schools Bond Act Project	-	-	666,940	-	666,940	(666,940)	-	665,878	9,117	674,995	8,055 *
Capital Outlay Projects (21-22)	100,000	100,000	100,000	-	100,000	-	-	-	100,000	100,000	-
Capital Outlay Projects (22-23)	100,000	100,000	-	98,023	98,023	1,977	-	-	98,023	98,023	-
Buses and Transfer to Debt Service	-	-	339,041	337,896	676,937	(676,937)	428,273	-	72,727	501,000	(175,937) *
21-22 Emergency Project	-	-	90,302	-	90,302	(90,302)	-	-	90,302	90,302	-
GASB 87 Leases	168,040	168,040	-	168,040	168,040	-	168,040	-	-	168,040	-
Unredeemed BANs- Buses	-	-	-	-	-	-	(428,273)	-	-	(428,273)	(428,273) *
Total	\$ 17,105,130	\$ 17,105,130	\$ 17,623,205	\$ 855,273	\$ 18,478,478	\$ (1,373,348)	\$ 14,094,962	\$ 665,878	\$ 7,038,051	\$ 21,798,891	\$ 3,320,413

* Architecture and State Approved Budget Modifications for Sub-Project Reallocations not yet Finalized and Unavailable at this Report Date

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

SCHEDULE OF NET INVESTMENT IN CAPITAL ASSETS FOR THE YEAR ENDED JUNE 30, 2023

Capital Assets, Net	<u>\$ 28,497,247</u>
Add:	
Intangible Assets, Net	<u>328,774</u>
(Deduct):	
Bond Anticipation Notes	<u>(428,273)</u>
Short-Term Portion of Lease Liabilities	<u>(158,584)</u>
Long-Term Portion of Lease Liabilities	<u>(169,468)</u>
Short-Term Portion of Bonds Payable	<u>(930,000)</u>
Long-Term Portion of Bonds Payable	<u>(9,820,000)</u>
Net Investment in Capital Assets	<u><u>\$ 17,319,696</u></u>

**INDEPENDENT AUDITORS' 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***

Board of Education
Bainbridge-Guilford Central School District
Bainbridge, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information the Bainbridge-Guilford Central School District (the School District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated September 25, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School 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 School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School 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 School District'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School 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 School District’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 School District’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
September 25, 2023



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY UNIFORM GUIDANCE**

Board of Education
Bainbridge-Guilford Central School District
Bainbridge, New York

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Bainbridge-Guilford Central School District's (the School District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2023. The School District's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the School District, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the School District and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the School District's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School District's compliance based on our audit. 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
September 25, 2023

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-Through Grantor Program Title	Federal ALN #	Pass-Through Grantor #	Pass-Through to Subrecipients	Expenditures
U.S. Department of Education				
Passed Through NYS Department of Education				
Title I Grants to Local Educational Agencies	84.010	0021230430	\$ -	\$ 169,819
Special Education Cluster:				
Special Education - Grants to States	84.027	0032230124	-	197,780
Special Education - Preschool Grants	84.173	0033230124	-	2,755
Total Special Education Cluster			-	200,535
Supporting Effective Instruction State Grants	84.367	0147220430	-	22,326
Title IV Student Support and Enrichment Program	84.424	0204230430	-	12,744
Education Stabilization Fund (ESF):				
(COVID-19) Governor's Emergency Education Relief (GEER) Fund	84.425C	5896220430	-	2,569
(COVID-19) Elementary and Secondary School Emergency Relief (ESSER)	84.425D	5891220430	-	337,889
(COVID-19) ARP SLR Comprehension	84.425U	5833210430	-	32,531
(COVID-19) ARP SLR Summer Enrichment	84.425U	5882210430	-	16,561
(COVID-19) ARP SLR Learning Loss	84.425U	5884210430	-	372,310
(COVID-19) CARES - ESSER	84.425D	5880210430	-	298,760
Total Education Stabilization Fund			-	1,060,620
Total U.S. Department of Education			-	1,466,044
U.S. Department of Agriculture				
Passed Through NYS Department of Education				
Child Nutrition Cluster:				
Summer Food Service Program for Children	10.559	(1)	-	67,622
School Breakfast Program	10.553	(1)	-	125,576
National School Lunch Program	10.555	(1)	-	354,854
Total Child Nutrition Cluster			-	548,052
Direct Program				
(COVID-19) Pandemic EBT Food Benefits	10.542	N/A	-	1,884
(COVID-19) Supply Chain Assistance	10.649	N/A	-	31,276
Total U.S. Department of Agriculture			-	581,212
Total Expenditures of Federal Awards			\$ -	\$ 2,047,256

(1) - Unable to Determine

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS JUNE 30, 2023

Note 1 **Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs administered by the School District, an entity as defined in Note 1 to the School District's basic financial statements. Federal awards received directly from Federal agencies, as well as Federal awards passed through from other government agencies, are included on the Schedule of Expenditures of Federal Awards.

Note 2 **Basis of Accounting**

The basis of accounting varies by federal program consistent with the underlying regulations pertaining to each program. The information is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore some amounts presented in this schedule may differ from amounts presented in, or used in preparation of the financial statements.

Note 3 **Indirect Costs**

Indirect costs are included in the reported expenditures to the extent they are included in the Federal financial reports used as the source for the data presented. The School District has elected not to use the 10% de minimis indirect cost rate allowed under Uniform Guidance.

Note 4 **Matching Costs**

Matching costs, such as the School District's share of certain program costs, are not included in the reported expenditures.

Note 5 **Non-Monetary Federal Program**

The School District is the recipient of a Federal award program that does not result in cash receipts or disbursements, termed a "non-monetary program." During the year ended June 30, 2023, the School District received \$47,765 of commodities under the National School Lunch Program (ALN #10.555).

Note 6 **Subrecipients**

No amounts were provided to subrecipients.

Note 7 **Other Disclosures**

No insurance is carried specifically to cover equipment purchased with federal funds. Any equipment purchased with federal funds has only a nominal value and is covered by the School District's casualty insurance policies.

There were no loans or loan guarantees outstanding at year end.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2023

Section I Summary of Auditors' Result

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified that are not considered to be material weakness(es)? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified that are not considered to be material weakness(es)? yes X none reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR §200.516(a)? yes X no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
<u>84.425C/84.425D/84.425U</u>	<u>Education Stabilization Funds (ESF)</u>

Dollar threshold used to distinguish between Type A and Type B Programs \$ 750,000

Auditee qualified as low-risk? yes X no

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023**

Section II	Financial Statement Findings	None.
Section III	Federal Award Findings and Questioned Costs	None.