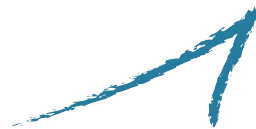


**BAINBRIDGE-GUILFORD
CENTRAL SCHOOL DISTRICT**

Bainbridge, New York

FINANCIAL REPORT

**For the Year Ended
June 30, 2021**



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Certified Public Accountants | Business Advisors

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Bainbridge-Guilford Central School District (the School District) as of and for the year ended June 30, 2021, 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School District, as of June 30, 2021, 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.

Emphasis of a Matter

During the year ended June 30, 2021, the School District adopted Government Accounting Standards Board (GASB) Statement No. 84, "Fiduciary Activities." As discussed in Note 17 to the financial statements, net position as of June 30, 2020 for the governmental activities, governmental funds and fiduciary activities were restated to reflect this change in accounting principle. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis; budgetary comparison information; 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 Liability, the Schedule of Changes in the School District's Total OPEB Liability and Related Ratios; and related notes on pages 4-4h and 46-55 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.

Other 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 Combining Balance Sheet - Non-Major Governmental Funds; Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Non-Major Governmental Funds; Schedule of Change from Adopted Budget to Final Budget and the Real Property Tax Limit; Schedule of Project Expenditures - Capital Projects Fund; and Schedule of Net Investment in Capital Assets (supplementary information) on pages 56-60 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis 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*, and is also not a required part of the financial statements.

The supplementary information and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. 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 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 23, 2021 on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 School District's internal control over financial reporting and compliance.

Respectfully submitted,



Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
September 23, 2021

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2021

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, 2021. 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.

FINANCIAL HIGHLIGHTS

- The Statement of Net Position reflects a total net position of \$19,365,058 at June 30, 2021. This increased from a total net position of \$17,585,158 at June 30, 2020.
- The Statement of Activities shows the School District's revenues exceeding its expenses by \$1,779,900 at June 30, 2021. This compares to revenues exceeding its expenses by \$1,856,493 at June 30, 2020.
- The General Fund budgeted expenditures, including carry-over encumbrances, were underspent by \$2,365,854.
- Capital asset additions during 2021 amounted to \$2,489,034. Depreciation expense totaled \$872,193.
- Indebtedness of the School District at June 30, 2021, in the amount of \$13,884,729, decreased \$818,596 from \$14,703,325 in 2020.
- Total fund balance in the General Fund, including reserves, was \$8,551,132 at June 30, 2021. Restricted fund balance of \$5,431,133 consisted of General Fund restricted reserves; nonspendable fund balance of \$1,099,670 consisted of General Fund prepaid expenses; assigned fund balance of \$838,585 consisted of encumbrances of \$88,585 and appropriations to support the 2021-2022 budget of \$750,000; and unassigned fund balance of \$1,181,744, which is above the maximum limit (4% of the 2021-2022, appropriations) permitted under New York State Real Property Tax Law.

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.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2021

- 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.

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.

Governmental Fund Financial Statements

The Governmental 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:

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2021

- **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.

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>2021</i>	<i>2020</i>	<i>2020 - 2021</i>
<i>Current Assets</i>	\$ 4,564,242	\$ 6,206,229	\$ (1,641,987)
<i>Noncurrent Assets</i>	5,646,010	5,654,639	(8,629)
<i>Capital Assets, Net</i>	28,239,738	26,650,968	1,588,770
<i>Total Assets</i>	38,449,990	38,511,836	(61,846)
<i>Total Deferred Outflows of Resources</i>	4,919,840	4,132,079	787,761
<i>Current Liabilities</i>	13,700,952	15,028,782	(1,327,830)
<i>Noncurrent Liabilities</i>	7,224,496	8,254,829	(1,030,333)
<i>Total Liabilities</i>	20,925,448	23,283,611	(2,358,163)
<i>Total Deferred Inflows of Resources</i>	3,079,324	1,775,146	1,304,178
<i>Net Investment in Capital Assets</i>	14,355,009	11,947,643	2,407,366
<i>Restricted</i>	5,944,439	5,070,090	874,349
<i>Unrestricted</i>	(934,390)	567,425	(1,501,815)
<i>Total Net Position</i>	\$ 19,365,058	\$ 17,585,158	\$ 1,779,900

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2021

Total assets decreased 0.2%. This decrease is primarily the result of increases in capital assets, offset by the elimination of the net pension asset and reductions in prepaid expenses.

Deferred outflows of resources and deferred inflows of resources increased 19.1% and 73.5%, respectively. These increases are the result of changes in actuarial assumptions related to the NYSTRS and NYSLRS pension plans, as well as changes in actuarial assumptions for the School District's OPEB Plan.

Total liabilities decreased 10.1%. This decrease is primarily due to paying down short-term debts, as well as accrued liabilities decreasing by \$101,354 because of timing of year end accrued payroll.

The School District experienced an increase in net investment in capital assets, primarily due to capital asset and debt activity. Restricted net position increased by 17.3%, primarily due to greater additions to appropriations to General Fund reserves. Finally, unrestricted net position decreased based on a decrease in prepaid expenses.

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

Figure 2

Changes in Net Position	Governmental Activities and Total School District		Total Dollar Change
	2021	2020	2020 - 2021
REVENUES			
<i>Program Revenues:</i>			
<i>Charges for Services</i>	\$ 112,155	\$ 182,340	\$ (70,185)
<i>Operating Grants</i>	1,151,019	1,040,672	110,347
<i>Capital Grants</i>	-	182,754	(182,754)
<i>General Revenues:</i>			
<i>Real Property Taxes</i>	5,729,170	5,526,425	202,745
<i>Real Property Tax Items</i>	1,134,040	1,115,859	18,181
<i>State Sources</i>	11,781,060	11,521,912	259,148
<i>Use of Money and Sale of Property</i>	228,299	187,768	40,531
<i>Other General Revenues</i>	464,410	278,326	186,084
Total Revenues	\$ 20,600,153	\$ 20,036,056	\$ 564,097
PROGRAM EXPENSES			
<i>General Support</i>	\$ 3,992,728	\$ 3,919,499	\$ 73,229
<i>Instruction</i>	12,936,023	12,259,359	676,664
<i>Pupil Transportation</i>	1,093,891	1,153,847	(59,956)
<i>Community Services</i>	13,565	19,991	(6,426)
<i>School Lunch Program</i>	545,596	555,433	(9,837)
<i>Interest on Debt</i>	238,450	271,434	(32,984)
Total Expenses	\$ 18,820,253	\$ 18,179,563	\$ 640,690
CHANGE IN NET POSITION	\$ 1,779,900	\$ 1,856,493	\$ (76,593)

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2021

Total revenues for the School District's Governmental Activities increased by 2.8%, while total expenses increased by 4.7%. The increase in revenue is due to an increase in the voter approved tax levy of \$157,316 in addition to an increase in state sources of \$259,148.

Figure 3 and Figure 4 show the sources of revenue for 2021 and 2020.

Figure 3
Sources of Revenue for 2021

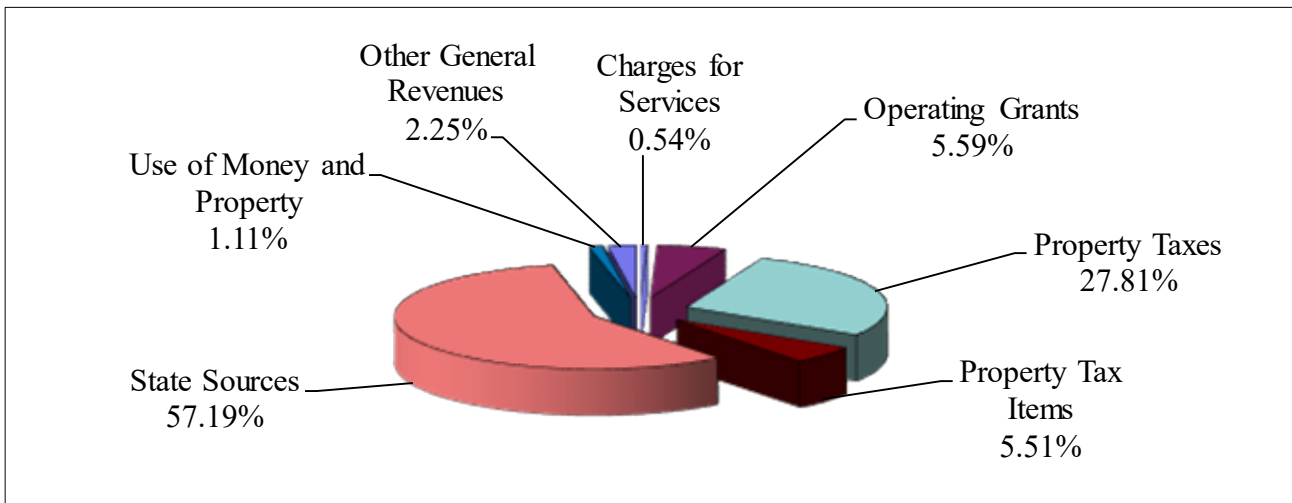
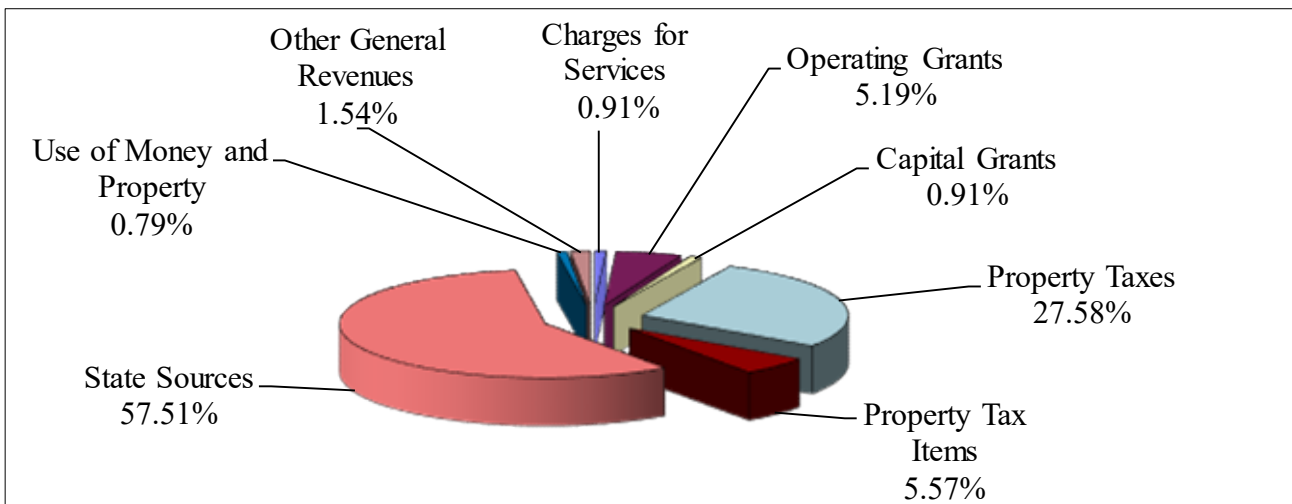


Figure 4
Sources of Revenue for 2020



BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2021

Figure 5 and Figure 6 present the cost for each of the School District's programs for 2021 and 2020.

Figure 5
Cost of Programs for 2021

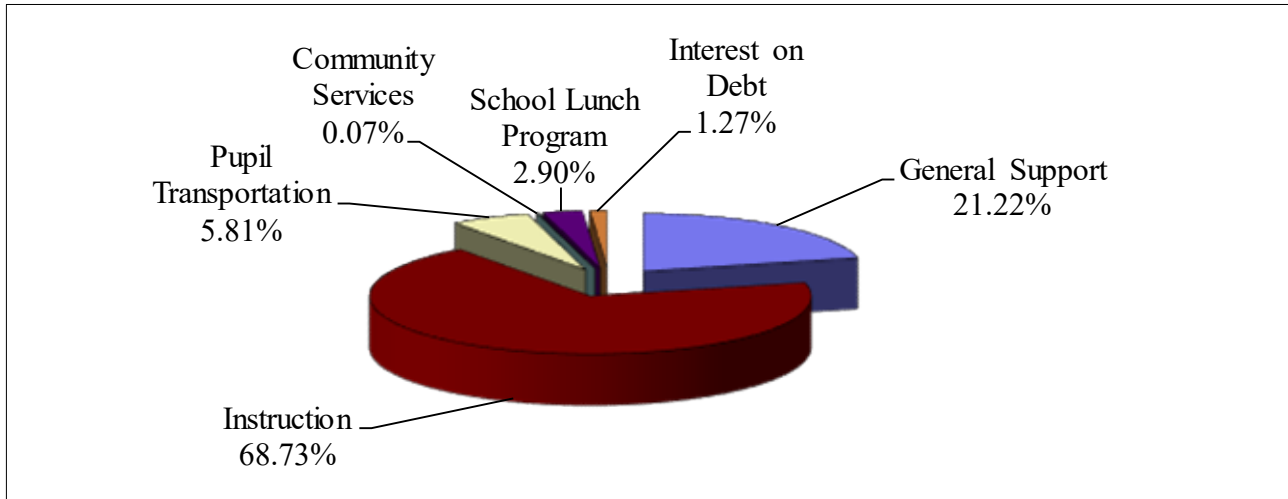
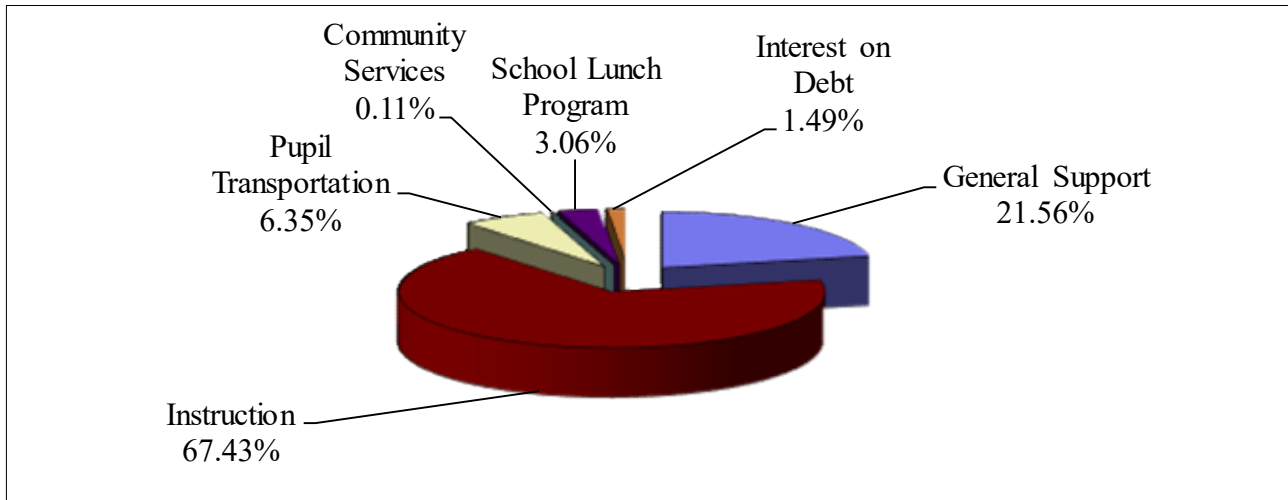


Figure 6
Cost of Programs for 2020



FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

Figure 7 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 15.6%.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2021

Figure 7

Governmental Fund Balances	2021	2020	Total Dollar Change 2020 - 2021
<i>Major Funds:</i>			
<i>General Fund</i>	\$ 8,551,132	\$ 7,166,590	\$ 1,384,542
<i>Capital Projects Fund - Construction</i>	(12,291,607)	(11,337,230)	(954,377)
<i>Non-Major Funds:</i>			
<i>School Lunch Fund</i>	170,494	89,429	81,065
<i>Miscellaneous Special Revenue Fund</i>	214,877	217,461	(2,584)
<i>Debt Service Fund</i>	152,568	70,877	81,691
Total Governmental Funds	\$ (3,202,536)	\$ (3,792,873)	\$ 590,337

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 below budgeted amounts as shown below.

Figure 8 summarizes the original and final budgets, the actual expenditures (including encumbrances), and the variances for the year ended June 30, 2021.

Figure 8

Condensed Budgetary Comparison General Fund - 2021	Original Budget	Revised Budget	Actual w/ Encumbrances	Favorable (Unfavorable) Variance
<i>REVENUES</i>				
<i>Real Property Taxes</i>	\$ 5,733,364	\$ 5,733,364	\$ 5,729,170	\$ (4,194)
<i>Other Tax Items</i>	1,064,531	1,064,531	1,134,040	69,509
<i>State Sources</i>	12,312,108	12,312,108	11,781,060	(531,048)
<i>Other, Including Financing Sources</i>	229,000	232,886	651,376	418,490
Total Revenues and Other Financing Sources	\$ 19,339,003	\$ 19,342,889	\$19,295,646	\$ (47,243)
Appropriated Fund Balance and Reserves	\$ 828,513	\$ 913,303		
Encumbrances Carried Forward	\$ 109,351	\$ 109,351		
<i>EXPENDITURES</i>				
<i>General Support</i>	\$ 3,424,711	\$ 3,407,254	\$ 2,912,508	\$ 494,746
<i>Instruction</i>	8,963,784	8,987,670	8,064,078	923,592
<i>Pupil Transportation</i>	1,122,041	1,122,041	896,435	225,606
<i>Community Services</i>	15,721	15,721	-	15,721
<i>Employee Benefits</i>	4,921,489	5,003,736	4,325,660	678,076
<i>Other Financing Uses</i>	1,829,121	1,829,121	1,801,008	28,113
Total Expenditures and Other Financing Uses	\$ 20,276,867	\$ 20,365,543	\$17,999,689	\$2,365,854

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2021

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2021, the School District had invested in a broad range of capital assets totaling \$57,998,278 offset by accumulated depreciation of \$29,758,540. *Figure 9* shows the changes in the School District's capital assets.

Figure 9

<i>Changes in Capital Assets</i>	<i>Governmental Activities and Total School District</i>		<i>Total Dollar Change</i>
	<i>2021</i>	<i>2020</i>	<i>2020 - 2021</i>
<i>Land</i>	\$ 91,577	\$ 91,577	\$ -
<i>Construction in Progress</i>	10,327,208	13,162,616	(2,835,408)
<i>Buildings and Improvements, Net</i>	16,675,097	12,156,727	4,518,370
<i>Furniture and Equipment, Net</i>	1,145,856	1,240,048	(94,192)
<i>Total</i>	\$ 28,239,738	\$ 26,650,968	\$ 1,588,770

Capital asset activity for the year ended June 30, 2021 included the following:

Construction Projects	\$ 2,184,661
Equipment	304,373
Total Additions	<u>2,489,034</u>
Less Net Book Value of Disposed Equipment	(28,071)
Less Depreciation Expense	<u>(872,193)</u>

Net Change in Capital Assets **\$ 1,588,770**

Debt Administration

Figure 10 shows the changes in the School District's outstanding debt. Total indebtedness represented 45.3% of the constitutional debt limit, exclusive of building aid estimates.

Figure 10

<i>Outstanding Debt</i>	<i>Governmental Activities and Total School District</i>		<i>Total Dollar Change</i>
	<i>2021</i>	<i>2020</i>	<i>2020 - 2021</i>
<i>Bond Anticipation Notes</i>	\$12,544,729	\$13,088,325	\$ (543,596)
<i>Serial Bonds</i>	1,340,000	1,615,000	(275,000)
<i>Total</i>	\$ 13,884,729	\$ 14,703,325	\$ (818,596)

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

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2021

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

FACTORS BEARING ON THE SCHOOL DISTRICT'S FUTURE

- The School District voters authorized a \$16.5M Capital Project in March 2017 for renovations to all School District buildings. Construction began with Phase 1 in the Spring of 2018. Phase 2 began in the fall of 2019 and concluded in July 2021. Phase 3 is currently in process. The School District issued a \$12,484,729 renewal Bond Anticipation Note in June 2021 which included additional monies to fund the construction costs for Phase 3. The School District anticipates issuing either a renewal Bond Anticipation Note or Serial Bonds in the Spring of 2022 depending on the status of a Phase 3. In addition, the School District recently completed the required Building Condition Survey. From that survey, the School District will be preparing to present another Capital Project proposal in the spring of 2022 to voters.
- The cost of employee benefits continues to be a major budgetary factor for the School District. The School District convened a Health Insurance Committee during the 2020-2021 school year to research cost saving plan options and/or changes. As a result of these committee meetings, the School District was able to negotiate higher copays for the copay plan and also introduced a plan choice of a High Deductible Health Plan (HDHP) to employees in an effort to reduce the cost of health insurance for the School District. The continued rapid growth in the cost of health insurance combined with the costs to fund the Teachers' Retirement System and the Employees' Retirement System continues to be a major factor of concern.
- The School District has been allocated a total of \$3,825,282 in federal stimulus funds through the Coronavirus Response and Relief Supplemental Appropriations Act (CRSSA), 2021 and the American Rescue Plan Act (ARPA), 2021. The School District will be utilizing these grant funds through the 2023-24 school year to address students' academic, social and emotional needs, develop strategies, and implement public health protocols for the re-opening of school for in-person instruction as a result of the COVID-19 pandemic. The School District ended the fiscal year with unassigned fund balance in the General Fund which exceeded the statutory maximum 4% allowed under New York State Real Property Tax Law (§1318). Management of the School District felt it was important to have as much flexibility as possible entering the 2021-2022 school year as the above mentioned federal stimulus grant funds will need to be spent prior to requesting reimbursement. Having a healthy fund balance will allow the School District to protect the quality educational programming for the future that the School District has a history of providing.

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, 2021

ASSETS

Current Assets

Cash - Unrestricted	\$ 1,698,579
Cash - Restricted	415,816
Receivables:	
State and Federal Aid	683,533
Due From Other Governments	544,852
Other	97,159
Inventories	24,633
Prepaid Expenses	1,099,670
Total Current Assets	4,564,242

Noncurrent Assets

Restricted Cash	5,646,010
Capital Assets, Net:	
Nondepreciable Capital Assets	10,418,785
Depreciable Capital Assets, Net	17,820,953
Total Noncurrent Assets	33,885,748
Total Assets	38,449,990

DEFERRED OUTFLOWS OF RESOURCES

Other Postemployment Benefits	15,965
Pensions	4,903,875
Total Deferred Outflows of Resources	4,919,840

LIABILITIES

Current Liabilities

Payables:	
Accounts Payable	55,896
Accrued Liabilities	77,159
Due to Other Governments	34
Bond Interest and Matured Bonds	3,164
Bond Anticipation Notes Payable	12,544,729
Other Current Liabilities	59,853
Unearned Revenue	4,640
Due to Teachers' Retirement System	589,516
Due to Employees' Retirement System	80,961
Current Portion of Long-Term Liabilities:	
Bonds Payable	285,000
Total Current Liabilities	13,700,952

See Notes to Basic Financial Statements

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

STATEMENT OF NET POSITION (Continued)

JUNE 30, 2021

LIABILITIES (CONTINUED)

Noncurrent Liabilities

Bonds Payable	\$ 1,055,000
Compensated Absences Payable	<u>1,033,410</u>
Other Postemployment Benefits Liability	<u>4,194,326</u>
Net Pension Liability - Proportionate Share	<u>941,760</u>
Total Noncurrent Liabilities	<u><u>7,224,496</u></u>

Total Liabilities	<u><u>20,925,448</u></u>
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DEFERRED INFLOWS OF RESOURCES

Other Postemployment Benefits	<u>418,292</u>
Pensions	<u>2,661,032</u>

Total Deferred Inflows of Resources	<u><u>3,079,324</u></u>
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NET POSITION

Net Investment in Capital Assets	<u>14,355,009</u>
Restricted	<u>5,944,439</u>
Unrestricted	<u>(934,390)</u>

Total Net Position	<u><u>\$ 19,365,058</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, 2021

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expense)	
	Expenses	Charges for Services	Operating Grants	Capital Grants	Revenue and Changes in Net Position
General Support	\$ 3,992,728	\$ -	\$ -	\$ -	\$ (3,992,728)
Instruction	12,936,023	101,957	529,496	-	(12,304,570)
Pupil Transportation	1,093,891	-	-	-	(1,093,891)
Community Services	13,565	-	-	-	(13,565)
School Lunch Program	545,596	10,198	621,523	-	86,125
Interest on Debt	238,450	-	-	-	(238,450)
Total Functions and Programs	\$ 18,820,253	\$ 112,155	\$ 1,151,019	\$ -	(17,557,079)

GENERAL REVENUES

Real Property Taxes	5,729,170
Real Property Tax Items	1,134,040
Use of Money and Property	39,683
Unrestricted State Sources	11,781,060
Sale of Property and Compensation for Loss	188,616
Miscellaneous	464,410

Total General Revenues 19,336,979

Change in Net Position 1,779,900

Total Net Position - Beginning of Year, as restated 17,585,158

Total Net Position - End of Year **\$ 19,365,058**

See Notes to Basic Financial Statements

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2021

	Major Funds			Total Governmental Funds
	General Fund	Capital Projects Fund - Construction	Non - Major Funds	
ASSETS				
Cash - Unrestricted	\$ 1,200,866	\$ 480,694	\$ 17,019	\$ 1,698,579
Cash - Restricted	5,431,133	231,892	398,801	6,061,826
Receivables:				
Due From Other Funds	495,866	-	-	495,866
State and Federal Aid	510,031	-	173,502	683,533
Due From Other Governments	544,852	-	-	544,852
Other	97,016	-	143	97,159
Inventories	-	-	24,633	24,633
Prepaid items	1,099,670	-	-	1,099,670
Total Assets	\$ 9,379,434	\$ 712,586	\$ 614,098	\$ 10,706,118
LIABILITIES				
Payables:				
Accounts Payable	\$ 21,298	\$ 34,598	\$ -	\$ 55,896
Accrued Liabilities	76,674	-	485	77,159
Due to Other Funds	-	424,866	71,000	495,866
Due to Other Governments	-	-	34	34
Other Liabilities	59,853	-	-	59,853
Unearned Revenue	-	-	4,640	4,640
Bond Anticipation Notes Payable	-	12,544,729	-	12,544,729
Due to Teachers' Retirement System	589,516	-	-	589,516
Due to Employees' Retirement System	80,961	-	-	80,961
Total Liabilities	828,302	13,004,193	76,159	13,908,654
FUND BALANCES				
Nonspendable	1,099,670	-	24,633	1,124,303
Restricted	5,431,133	-	513,306	5,944,439
Assigned	838,585	-	-	838,585
Unassigned (Deficit)	1,181,744	(12,291,607)	-	(11,109,863)
Total Fund Balances (Deficit)	8,551,132	(12,291,607)	537,939	(3,202,536)
Total Liabilities and Fund Balances	\$ 9,379,434	\$ 712,586	\$ 614,098	\$ 10,706,118

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, 2021

Fund Balance (Deficit) - Total Governmental Funds **\$ (3,202,536)**

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	\$ 57,998,278	
Less Accumulated Depreciation	<u>(29,758,540)</u>	28,239,738

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		(1,340,000)
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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	\$ (3,164)	
Compensated Absences Payable	(1,033,410)	
Other Postemployment Benefits Liability	<u>(4,194,326)</u>	(5,230,900)

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

(941,760)

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	\$ 15,965	
ERS Deferred Outflows of Resources - Pension	1,651,180	
TRS Deferred Outflows of Resources - Pension	3,252,695	
Other Postemployment Benefits Deferred Inflows of Resources	(418,292)	
ERS Deferred Inflows of Resources - Pension	(2,146,782)	
TRS Deferred Inflows of Resources - Pension	<u>(514,250)</u>	<u>1,840,516</u>

Net Position of Governmental Activities

\$ 19,365,058

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, 2021

	<u>Major Funds</u>			<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Capital Projects Fund - Construction</u>	<u>Non - Major Funds</u>	
REVENUES				
Real Property Taxes	\$ 5,729,170	\$ -	\$ -	\$ 5,729,170
Real Property Tax Items	1,134,040	-	-	1,134,040
Charges for Services	101,957	-	-	101,957
Use of Money and Property	37,128	2,018	537	39,683
Sale of Property and Compensation for Loss	64,119	-	152,568	216,687
Miscellaneous	244,350	-	23,644	267,994
State Sources	11,781,060	-	191,934	11,972,994
Medicaid Reimbursement	29,726	-	-	29,726
Federal Sources	174,096	-	951,679	1,125,775
Sales - School Lunch	-	-	10,198	10,198
Total Revenues	19,295,646	2,018	1,330,560	20,628,224
EXPENDITURES				
General Support	2,892,940	-	-	2,892,940
Instruction	7,995,061	-	831,906	8,826,967
Pupil Transportation	896,435	-	-	896,435
Employee Benefits	4,325,660	-	200,567	4,526,227
Debt Service:				
Principal	-	-	1,414,982	1,414,982
Interest	-	-	239,491	239,491
Cost of Sales	-	-	196,166	196,166
Capital Outlay	-	2,184,661	-	2,184,661
Total Expenditures	16,110,096	2,184,661	2,883,112	21,177,869
Excess (Deficiency) of Revenues Over Expenditures	3,185,550	(2,182,643)	(1,552,552)	(549,645)
OTHER FINANCING SOURCES AND (USES)				
BANs Redeemed from Appropriations	-	1,139,982	-	1,139,982
Operating Transfers In	-	90,302	1,712,724	1,803,026
Operating Transfers (Out)	(1,801,008)	(2,018)	-	(1,803,026)
Total Other Sources (Uses)	(1,801,008)	1,228,266	1,712,724	1,139,982
Net Change in Fund Balances	1,384,542	(954,377)	160,172	590,337
Fund Balances (Deficit) - Beginning of Year	7,166,590	(11,337,230)	377,767	(3,792,873)
Fund Balances (Deficit) - End of Year	\$ 8,551,132	\$ (12,291,607)	\$ 537,939	\$ (3,202,536)

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, 2021

Net Change in Fund Balances - Total Governmental Funds **\$ 590,337**

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	\$2,489,034	
Depreciation Expense	(872,193)	
Net Book Value of Disposals	<u>(28,071)</u>	1,588,770

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		275,000
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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	\$ 20,198	
Compensated Absences	<u>(9,109)</u>	11,089

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		1,041
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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	\$ 51,389	
TRS	<u>(737,726)</u>	<u>(686,337)</u>

Net Change in Net Position of Governmental Activities **\$ 1,779,900**

See Notes to Basic Financial Statements

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
JUNE 30, 2021**

	Custodial Fund
ASSETS	
Cash - Unrestricted	\$ 54,751
Total Assets	\$ 54,751
NET POSITION	
Unrestricted	\$ 54,751
TOTAL LIABILITIES AND NET POSITION	\$ 54,751

See Notes to Basic Financial Statements

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Custodial Fund</u>
ADDITIONS	
Extraclassroom Activities Receipts	\$ 43,178
Total Additions	<u>43,178</u>
DEDUCTIONS	
Extraclassroom Activities Disbursements	<u>45,319</u>
Change in Net Position	(2,141)
Net Position - Beginning of Year	<u>56,892</u>
Net Position - End of Year	<u><u>\$ 54,751</u></u>

See Notes to Basic Financial Statements

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

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, 2021

***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, 2021

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

Basis of Presentation - Governmental 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.

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:
 - **Special Aid Fund:** Used to account for proceeds received from state and federal grants restricted for special educational programs.
 - **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.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

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

Basis of Presentation - Governmental Fund Financial Statements - Continued

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.

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.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

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

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.

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.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

Note 1 Summary of Significant Accounting Policies - Continued

Capital Assets

Capital assets are reported using estimated historical costs, based on appraisals conducted by independent third-party professionals. 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:

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

Capital assets are depreciated over their estimated useful lives using the straight-line method.

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.

Other Postemployment Benefits

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

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

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

Other Postemployment Benefits - Continued

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 11 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 10 and 11, 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 10 and 11, respectively.

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.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

Note 1 Summary of Significant Accounting Policies - Continued

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.
- 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.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

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

Equity Classifications - Governmental Fund Financial Statements - Continued

- **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 §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 General Municipal Law) 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 non-spendable 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, 2021

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

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

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

Legally Adopted Reserves - Continued

- 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.
- Retirement Contribution Reserve (GML §6-r): Used to reserve funds for the purpose of financing retirement contributions. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the Board. This reserve is 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, 2020 and became effective on September 1, 2020. Taxes were collected during the period September 1, 2020 to November 2, 2020.

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.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

Note 1 Summary of Significant Accounting Policies - Continued

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.

New Accounting Standards

The School District adopted and implemented the following current Statements of the GASB effective for the year ended June 30, 2021:

- GASB has issued Statement No. 84, "Fiduciary Activities," effective for the year ended June 30, 2021. This statement improves guidance regarding identification of fiduciary activities for accounting and reporting purposes.

Future Changes in Accounting Standards

GASB has issued Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance," which delays the implementation dates for several GASB statements as follows.

- GASB has issued Statement No. 87, "Leases," effective for the year ended June 30, 2021, delayed by GASB Statement No. 95 to June 30, 2022.
- GASB has issued Statement No. 89, "Accounting for Interest Cost Incurred Before the End of a Construction Period," effective for the year ending June 30, 2021, delayed by GASB Statement No. 95 to June 30, 2022.

The School District will evaluate the impact each of these pronouncements may have on its financial statements and will implement them as applicable and when material.

Note 2 Participation in BOCES

During the year ended June 30, 2020, the School District's share of BOCES income amounted to \$1,227,520. The School District was billed \$2,959,764 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.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

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 \$9,624,035, 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, 2021 consisted of the following:

Restricted for Debt Service	\$	152,568
Restricted for School Lunch		31,356
Restricted for General Fund Reserves		5,431,133
Restricted for Unspent Debt		231,892
Restricted for Scholarships		214,877
Total	\$	6,061,826

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	\$ 544,852
Total	\$ 544,852

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

Note 5 Interfund Balances and Activity

Interfund balances at June 30, 2021 are as follows.

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>	<u>Interfund Revenues</u>	<u>Interfund Expenditures</u>
General Fund	\$ 495,866	\$ -	\$ -	\$ 1,801,008
Capital Projects Fund - Construction	-	424,866	90,302	2,018
Non-Major Funds	-	71,000	1,712,724	-
Total	<u>\$ 495,866</u>	<u>\$ 495,866</u>	<u>\$ 1,803,026</u>	<u>\$ 1,803,026</u>

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.

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.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

Note 6 Capital Assets

Capital asset balances and activity for the year ended June 30, 2021 were as follows.

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reclassifications and Disposals</u>	<u>Ending Balance</u>
Capital Assets That Are Not Depreciated:				
Land	\$ 91,577	\$ -	\$ -	\$ 91,577
Construction in Progress	13,162,616	2,184,661	(5,020,069)	10,327,208
Total Nondepreciable Historical Cost	<u>13,254,193</u>	<u>2,184,661</u>	<u>(5,020,069)</u>	<u>10,418,785</u>
Capital Assets That Are Depreciated:				
Buildings and Improvements	36,548,992		5,020,069	41,569,061
Furniture and Equipment	5,973,117	304,373	(267,058)	6,010,432
Total Depreciable Historical Cost	<u>42,522,109</u>	<u>304,373</u>	<u>4,753,011</u>	<u>47,579,493</u>
Total Historical Cost	<u>55,776,302</u>	<u>2,489,034</u>	<u>(267,058)</u>	<u>57,998,278</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(24,392,265)	(501,699)	-	(24,893,964)
Furniture and Equipment	(4,733,069)	(370,494)	238,987	(4,864,576)
Total Accumulated Depreciation	<u>(29,125,334)</u>	<u>(872,193)</u>	<u>238,987</u>	<u>(29,758,540)</u>
Total Historical Cost, Net	<u>\$ 26,650,968</u>	<u>\$1,616,841</u>	<u>\$ (28,071)</u>	<u>\$ 28,239,738</u>

Depreciation expense was charged to governmental functions as follows.

General Support	\$ 534,342
Instruction	139,550
Pupil Transportation	193,573
School Lunch Program	4,728
Total	<u>\$ 872,193</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 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.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

Note 7 Short-Term Debt - Continued

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, 2021:

	Beginning Balance	Issued	Redeemed	Ending Balance
BAN Maturing 9/25/2020 at 2.57%	\$ 53,400	\$ -	\$ (53,400)	\$ -
BAN Maturing 6/25/2021 at 1.50%	12,914,925	-	(12,914,925)	-
BAN Maturing 9/25/2021 at 2.57%	120,000	-	(60,000)	60,000
BAN Maturing 6/24/2022 at 1.50%	-	12,484,729	-	12,484,729
	\$13,088,325	\$12,484,729	\$(13,028,325)	\$ 12,544,729
Total Short-Term Debt	\$13,088,325	\$12,484,729	\$(13,028,325)	\$ 12,544,729

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

Interest Paid	\$ 196,335
Less Interest Accrued in the Prior Year	(2,691)
Plus Interest Accrued in the Current Year	1,908
Total	\$ 195,552

Note 8 Long-Term Debt

At June 30, 2021, the total outstanding indebtedness of the School District represented 45.3% 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, 2021

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, 2021.

	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Outstanding June 30, 2021</u>
Serial Bonds				
Construction	06/15/2012	06/15/2026	2.25-3.00%	\$ 1,340,000
Total Serial Bonds				<u>1,340,000</u>
Total				<u><u>\$ 1,340,000</u></u>

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

Interest Paid	\$ 43,156
Less Interest Accrued in the Prior Year	(1,514)
Plus Interest Accrued in the Current Year	<u>1,256</u>
Total	<u><u>\$ 42,898</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	\$ 1,615,000	\$ -	\$ (275,000)	\$ 1,340,000	\$ 285,000
Total	<u><u>\$ 1,615,000</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (275,000)</u></u>	<u><u>\$ 1,340,000</u></u>	<u><u>\$ 285,000</u></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>
2022	\$ 285,000	\$ 36,969	\$ 321,969
2023	290,000	30,200	320,200
2024	295,000	22,950	317,950
2026	305,000	14,100	319,100
2026	165,000	4,950	169,950
Total	<u><u>\$ 1,340,000</u></u>	<u><u>\$ 109,169</u></u>	<u><u>\$ 1,449,169</u></u>

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

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, 2021 are summarized below:

	Beginning Balance	Additions	Deletions	Ending Balance	Amounts Due Within One Year
Compensated Absences	\$1,024,301	\$ 9,109	\$ -	\$1,033,410	\$ -
Total	\$1,024,301	\$ 9,109	\$ -	\$1,033,410	\$ -

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 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.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

Note 10 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 - Teachers' Retirement System (TRS) (System) - Continued

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.

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.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

Note 10 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) - Continued

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.

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:

	<u>ERS</u>	<u>TRS</u>
2021	\$273,289	\$533,278
2020	284,954	510,721
2019	329,564	659,556

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

At June 30, 2021, the School District reported the following liability for its proportionate share of the net pension liability for each of the Systems. The net pension liability was measured as of March 31, 2021 for ERS and June 30, 2020 for TRS. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation. The School District’s proportionate share of the net pension 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.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

Note 10 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

	ERS	TRS
Actuarial Valuation Date	April 1, 2020	June 30, 2019
Net Pension Liability	\$ 99,573,957	\$ 2,763,270,835
School District's Proportionate Share of the Plan's Total Net Pension Liability	7,345	934,415
School District's Share of the Net Pension Liability	0.007376%	0.033816%

For the year ended June 30, 2021, the School District recognized pension expense of \$224,795 for ERS and \$1,269,101 for TRS in the District-wide financial statements. At June 30, 2021 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	\$ 89,708	\$ 818,735	\$ -	\$ 47,887
Changes of Assumptions	1,350,596	1,181,818	25,473	421,256
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	-	610,255	2,110,052	-
Changes in Proportion and Differences Between the School District's Contributions and Proportionate Share of Contributions	129,915	108,610	11,257	45,107
School District's Contributions Subsequent to the Measurement Date	80,961	533,277	-	-
Total	\$ 1,651,180	\$ 3,252,695	\$ 2,146,782	\$ 514,250

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

Note 10 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

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, 2022. 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
2022	\$ (76,043)	\$ 375,056
2023	(10,048)	745,855
2024	(97,754)	615,419
2025	(392,718)	386,588
2026	-	29,617
Thereafter	-	52,633

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:

	ERS	TRS
Measurement Date	March 31, 2021	June 30, 2020
Actuarial Valuation Date	April 1, 2020	June 30, 2019
Investment Rate of Return	5.9%	7.1%
Salary Increases	4.4%	1.9% - 4.72%
Cost of Living Adjustments	1.4%	1.3%
Inflation Rate	2.7%	2.2%

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-2020. For TRS, annuitant mortality rates are based on plan member experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2019, applied on a generational basis.

For ERS, the actuarial assumptions used in the April 1, 2020 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, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2009 - June 30, 2014.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

Note 10 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 March 31, 2021	TRS June 30, 2020
Asset Type		
Domestic Equities	4.1%	7.1%
International Equities	6.3%	7.7%
Global Equities	-	7.4%
Real Estate	5.0%	6.8%
Private Equity/Alternative Investments	6.8%	10.4%
Opportunistic Portfolio	4.5%	-
Real Assets	6.0%	-
Cash	0.5%	-
Credit	3.6%	-
Domestic Fixed Income Securities	-	1.8%
Global Fixed Income Securities	-	1.0%
Private Debt	-	5.2%
Real Estate Debt	-	3.6%
High-Yield Fixed Income Securities	-	3.9%
Short-Term	-	0.7%

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

Note 10 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 7.1% 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.

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

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 7.1% for TRS, as well as what the School District's proportionate share of the net pension 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 Liability	\$ 2,038,819	\$ 7,345	\$ (1,866,149)

TRS	1% Decrease (6.1%)	Current Assumption (7.1%)	1% Increase (8.1%)
School District's Proportionate Share of the Net Pension Liability	\$ 5,902,378	\$ 934,415	\$ (3,234,965)

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, 2021	June 30, 2020
Employers' Total Pension Liability	\$ 220,680,157	\$ 123,242,776
Plan Net Position	(220,580,583)	(120,479,505)
Employers' Net Pension Liability	\$ 99,574	\$ 2,763,271
Ratio of Plan Net Position to the Employers' Total Pension Liability	99.95%	97.8%

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

Note 10 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, 2021 represent the projected employer contribution for the period of April 1, 2021 through June 30, 2021 based on estimated ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2021 amounted to \$80,961.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2021 are paid to the System in September, October, and November 2021 through a state aid intercept. Accrued retirement contributions as of June 30, 2021 represent employee and employer contributions for the fiscal year ended June 30, 2021 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, 2021 amounted to \$589,516.

Current Year Activity

The following is a summary of current year activity:

	Beginning Balance	Change	Ending Balance
ERS			
Net Pension Liability	\$ 1,750,046	\$(1,742,701)	\$ 7,345
Deferred Outflows of Resources	(1,226,137)	(425,043)	(1,651,180)
Deferred Inflows of Resources	30,427	2,116,355	2,146,782
Subtotal	554,336	(51,389)	502,947
TRS			
Net Pension Asset	(904,164)	904,164	-
Net Pension Liability	-	934,415	934,415
Deferred Outflows of Resources	(2,905,942)	(346,753)	(3,252,695)
Deferred Inflows of Resources	1,268,350	(754,100)	514,250
Subtotal	(2,541,756)	737,726	(1,804,030)
Total	\$ (1,987,420)	\$ 686,337	\$ (1,301,083)

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

Note 11 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, 2021, the following employees were covered by the benefit terms:

Retirees	22
Spouses of Retirees	1
Active Employees	<u>97</u>
Total	<u><u>120</u></u>

The School District’s total OPEB liability of \$4,194,326 was measured as of June 30, 2021, and was determined by an actuarial valuation as of July 1, 2019.

Actuarial Assumptions and Other Inputs - The total OPEB liability in the July 1, 2019 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	2.16%
Actuarial Cost Method	Entry Age Normal
Salary Scale	2.60%
Medical Trend Rate	6.6% to 4.1% over 56 years

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

The RPH-2014 Mortality Table for employees, sex distinct, with generational mortality adjusted to 2006 using scale MP-2014, and projected forward with scale MP-2018.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

Note 11 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 (December 2017).

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, 2019 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, 2020	\$ 4,140,482
Changes for the Year	
Service Cost	155,571
Interest Cost	92,613
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	-
Changes in Assumptions or Other Inputs	17,645
Benefit Payments	(211,985)
Net Change	53,844
Balance at June 30, 2021	\$ 4,194,326

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 (1.16%)	Discount Rate (2.16%)	1% Increase (3.16%)
Total OPEB Liability	\$ 4,565,919	\$ 4,194,326	\$ 3,857,180

Changes of assumptions and other inputs reflect a change in the discount rate from 2.21% in 2020 to 2.16% in 2021.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

Note 11 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	\$ 3,679,783	\$ 4,194,326	\$ 4,804,184

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

For the year ended June 30, 2021, the School District recognized OPEB expense of \$191,787.

At June 30, 2021, 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	\$ -	\$ 197,674
Changes in Assumptions or Other Inputs	15,965	220,618
Total	\$ 15,965	\$ 418,292

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
2022	\$ (56,397)
2023	(56,397)
2024	(56,397)
2025	(56,397)
2026	(37,713)
Thereafter	(139,026)

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

Note 11 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	\$ 4,140,482	\$ 53,844	\$ 4,194,326
Deferred Outflows of Resources	-	(15,965)	(15,965)
Deferred Inflows of Resources	476,369	(58,077)	418,292
Total	<u>\$ 4,616,851</u>	<u>\$ (20,198)</u>	<u>\$ 4,596,653</u>

Note 12 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, 2021

Note 13 Fund Balance Detail

At June 30, 2021, fund balances in the governmental funds were as follows:

	<u>General Fund</u>	<u>Non-Major Funds</u>
Nonspendable		
Prepaid Expenses	\$ 1,099,670	\$ -
Inventory	-	24,633
Total Nonspendable Fund Balance	<u>\$ 1,099,670</u>	<u>\$ 24,633</u>
Restricted		
Workers Compensation Reserve	\$ 156,794	\$ -
Unemployment Insurance Reserve	101,797	-
ERS Contribution Reserve	797,677	-
TRS Contribution Reserve	116,687	-
Employee Benefit Accrued Liability Reserve	753,505	-
Capital Reserve	3,504,673	-
Scholarships		214,877
School Lunch	-	145,861
Debt	-	152,568
Total Restricted Fund Balance	<u>\$ 5,431,133</u>	<u>\$ 513,306</u>
Assigned		
Appropriated for Next Year's Budget	\$ 750,000	\$ -
Encumbered for:		
General Support	19,568	-
Instruction	69,017	-
Total Assigned Fund Balance	<u>\$ 838,585</u>	<u>\$ -</u>

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

Note 14 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, 2021 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	\$ 156,411	\$ -	\$ 383	\$ -	\$ 156,794
Unemployment Insurance Reserve	101,563	-	234	-	101,797
Tax Certiorari Reserve	5,392	-	1	(5,393)	-
ERS Contribution Reserve	795,733	-	1,944	-	797,677
TRS Contribution Reserve	116,402	-	285	-	116,687
Employee Benefit Accrued Liability Reserve	696,877	200,000	1,672	(145,044)	753,505
Capital Reserve	2,838,012	900,000	6,372	(239,711)	3,504,673
Total Restricted Fund Balance	<u>\$4,710,390</u>	<u>\$1,100,000</u>	<u>\$10,891</u>	<u>\$ (390,148)</u>	<u>\$5,431,133</u>

Note 15 Stewardship, Compliance, and Accountability

Deficit Fund Balance

The Capital Projects Fund had a deficit balance of \$12,291,607 at June 30, 2021. This deficit will be eliminated when short-term financing is converted to long-term debt.

Deficit Net Position

The School District reported a deficit unrestricted net position of \$934,390 at June 30, 2021. 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 11.) This deficit is not expected to be eliminated during the normal course of operations.

Compliance With Real Property Tax Law §1318

As described in Note 1, Real Property Tax Law §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. The School District's unexpended surplus at June 30, 2021 exceeded this limit by \$352,329. The excess was largely the result of uncertainties regarding the potential impact of COVID-19. School District management has discussed several options to address the excess fund balance issue.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

Note 16 Economic Uncertainty - COVID-19

In March 2020, the COVID-19 coronavirus outbreak was declared a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had, and are expected to continue to have, an adverse impact on the economies and financial markets of many countries, including the area in which the School District exists. While it is unknown how long these conditions will last and what the complete financial effect will be, the School District expects disruptions to businesses and residents, which could negatively impact operating results in future periods.

Note 17 Restatement

During the year, the District adopted GASB Statement No. 84. The District’s June 30, 2020 net position for governmental funds has been restated to reflect the following:

In addition, net position for the custodial fund has been restated to reflect the following:

	<u>Net Position (Deficit)</u>	<u>Governmental Funds Fund Balance</u>	<u>Custodial Fund Balance</u>
Balance Beginning of Year, as Previously Reported	\$ 17,367,697	\$ (4,010,334)	\$ -
GASB Statement No. 84	<u>217,461</u>	<u>217,461</u>	<u>56,892</u>
Balance Beginning of Year, as Restated	<u><u>\$ 17,585,158</u></u>	<u><u>\$ (3,792,873)</u></u>	<u><u>\$ 56,892</u></u>

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

SCHEDULE OF REVENUES COMPARED TO BUDGET (NON-U.S. GAAP) GENERAL FUND FOR THE YEAR ENDED JUNE 30, 2021

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Local Sources				
Real Property Taxes	\$ 5,733,364	\$ 5,733,364	\$ 5,729,170	\$ (4,194)
Real Property Tax Items	1,064,531	1,064,531	1,134,040	69,509
Charges for Services	40,500	40,500	101,957	61,457
Use of Money And Property	23,000	23,000	37,128	14,128
Sale of Property and Compensation for Loss	15,500	15,500	64,119	48,619
Miscellaneous	130,000	133,886	244,350	110,464
Total Local Sources	7,006,895	7,010,781	7,310,764	299,983
Federal Sources	-	-	174,096	174,096
State Sources	12,312,108	12,312,108	11,781,060	(531,048)
Medicaid Reimbursement	20,000	20,000	29,726	9,726
Total Revenues	19,339,003	19,342,889	19,295,646	(47,243)
Appropriated Fund Balance and Reserves	828,513	913,303		
Designated Fund Balance and Encumbrances Carried Forward from Prior Year	109,351	109,351		
Total Revenues, Appropriated Reserves, and Designated Fund Balance	\$ 20,276,867	\$ 20,365,543		

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, 2021

	Original Budget	Final Budget	Actual	Encumbrances	Variance Favorable (Unfavorable)
EXPENDITURES					
General Support					
Board of Education	\$ 13,154	\$ 13,154	\$ 9,785	\$ -	\$ 3,369
Central Administration	200,279	200,279	198,576	-	1,703
Finance	317,875	317,875	307,000	-	10,875
Staff	119,137	119,137	91,658	-	27,479
Central Services	2,264,208	2,244,208	1,779,055	19,568	445,585
Special Items	510,058	512,601	506,866	-	5,735
Total General Support	3,424,711	3,407,254	2,892,940	19,568	494,746
Instruction					
Instruction, Administration, and Improvement	740,220	739,720	687,630	5,572	46,518
Teaching - Regular School	4,056,458	4,065,086	3,554,086	9,966	501,034
Programs for Children with Handicapping Conditions	2,133,204	2,133,962	1,934,134	26,971	172,857
Occupational Education	601,587	601,587	590,362	-	11,225
Teaching - Special School	129,236	-	-	-	-
Instructional Media	223,787	373,023	354,860	1,706	16,457
Pupil Services	1,079,292	1,074,292	873,989	24,802	175,501
Total Instruction	8,963,784	8,987,670	7,995,061	69,017	923,592
Pupil Transportation	1,122,041	1,122,041	896,435	-	225,606
Community Services	15,721	15,721	-	-	15,721
Employee Benefits	4,921,489	5,003,736	4,325,660	-	678,076
Total Expenditures	18,447,746	18,536,422	16,110,096	88,585	2,337,741
OTHER FINANCING USES					
Operating Transfers Out	1,829,121	1,829,121	1,801,008	-	28,113
Total Expenditures and Other Financing Uses	\$ 20,276,867	\$ 20,365,543	17,911,104	\$ 88,585	\$ 2,365,854
Net Change in Fund Balance			1,384,542		
Fund Balance - Beginning of Year			7,166,590		
Fund Balance - End of Year			\$ 8,551,132		

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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually Required Contribution	\$ 273,289	\$ 284,954	\$ 329,564	\$ 293,859	\$ 237,557	\$ 270,501	*	*	*	*
Contributions in Relation to the Contractually Required Contribution	(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,	2,040,913	1,882,602	1,902,909	1,880,871	1,752,195	1,473,603	*	*	*	*
Contributions as a Percentage of Covered Employee Payroll	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>2021</u>	<u>2019</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually Required Contribution	\$ 533,278	\$ 510,721	\$ 659,556	\$ 602,967	\$ 711,585	\$ 772,307	*	*	*	*
Contributions in Relation to the Contractually Required Contribution	(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,	5,595,779	5,764,344	5,852,527	5,891,848	5,755,592	5,630,648	*	*	*	*
Contributions as a Percentage of Covered Employee Payroll	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 LIABILITY NYSLRS PENSION PLAN FOR THE YEARS ENDED JUNE 30,

	<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 Liability	0.0066088%	0.0066088%	0.0064818%	0.0062826%	0.0058304%	0.0055387%
School District's Proportionate Share of the Net Pension Liability	\$ 7,345	\$ 1,750,046	\$ 1,750,046	\$ 202,767	\$ 547,837	\$ 888,973
School District's Covered Employee Payroll During the Measurement Period	2,030,184	1,875,215	1,902,909	1,880,871	1,752,195	1,473,603
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	0.4%	93.3%	92.0%	10.8%	31.3%	60.3%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	99.9%	86.4%	96.3%	98.2%	94.7%	90.7%

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

	<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 Liability	0.0348020%	0.0352800%	0.035280%	0.035707%	0.036155%	0.035805%
School District's Proportionate Share of the Net Pension Liability	\$ 934,415	\$ (904,164)	\$ (637,958)	\$ (271,410)	\$ 387,237	\$ (3,719,030)
School District's Covered Employee Payroll During the Measurement Period	5,595,779	5,764,344	5,852,527	5,891,848	5,755,592	5,630,648
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	16.7%	15.7%	10.9%	4.6%	6.7%	66.0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	97.8%	102.2%	101.5%	100.7%	99.0%	110.5%

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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Service Cost	\$ 155,571	\$ 156,981	\$ 178,604	\$ 173,402	\$ *	\$ *	\$ *	\$ *	\$ *	\$ *
Interest Cost	92,613	155,860	135,874	132,759	*	*	*	*	*	*
Changes of Benefit Terms	-	-	-	-	*	*	*	*	*	*
Differences Between Expected and Actual Experience	-	(221,554)	-	(23,098)	*	*	*	*	*	*
Changes in Assumptions or Other Inputs Benefit Payments	17,645	(148,882)	(168,148)	-	*	*	*	*	*	*
Benefit Payments	<u>(211,985)</u>	<u>(194,513)</u>	<u>(207,032)</u>	<u>(162,143)</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>	<u>*</u>
Total OPEB Liability - Beginning	<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>	<u>*</u>	<u>*</u>
Total OPEB Liability - Ending	<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>	<u>\$ *</u>	<u>\$ *</u>
Covered Employee Payroll	\$ 5,567,253	\$ 5,567,253	\$ 6,040,467	\$ 6,040,467	\$ *	\$ *	\$ *	\$ *	\$ *	\$ *
Total OPEB Liability as a Percentage of Covered Payroll	75%	74%	73%	74%	*	*	*	*	*	*

* 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, 2021

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	\$ 20,167,516
Carryover Encumbrances	109,351
Original Budget	20,276,867
Appropriated Reserves	88,676
Final Budget	\$ 20,365,543

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 and School Lunch). 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, 2021.

Note 3 Schedule of Changes in the School District’s Total OPEB Liability and Related Ratios

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates in each period:

- 2021 - 2.16%
- 2020 - 2.21%
- 2019 - 3.50%

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION JUNE 30, 2021

- Note 4 Schedules of the School District's Proportionate Share of the Net Pension Liability**
The Schedule of the School District's Proportionate Share of the Net Pension Liability, required supplementary information, will present ten years of information as it becomes available from the pension plans.
- Note 5 Schedules of School District Contributions - NYSLRS and NYSTRS Pension Plan and Schedules of the School District's Proportionate Share of the Net Pension Liability**

NYSLRS

Changes in Benefit Terms

There were no significant legislative changes in benefits for the April 1, 2020 actuarial valuation.

Changes of Assumptions

2021: The demographic assumptions (pensioner mortality and active member decrements) were updated based on the System's experience from April 1, 2015 through March 31, 2020, the mortality improvement assumption was updated to Society of Actuaries Scale MP-2020, inflation was updated to 2.7%, cost-of-living updated to 1.4%, salary scale updated to 4.4%, and the interest rate assumption was reduced to 5.9% for the April 1, 2020 actuarial valuation.

2020: The interest rate assumption was reduced to 6.8% and the mortality improvement assumption was updated to Societies of Actuaries' Scale MP-2018 for the April 1, 2019 actuarial valuation.

2019: The salary scales for both plans used in the April 1, 2018 actuarial valuation were increased by 10%.

2016: There were changes in the economic (investment rate of return, inflation, COLA, and salary scales) and demographic (pensioner mortality and active member decrements) assumptions used in the April 1, 2015 actuarial valuation.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021**

Note 5 Schedules of School District Contributions - NYSLRS and NYSTRS Pension Plan and Schedules of the School District's Proportionate Share of the Net Pension Liability - Continued

NYSLRS - Continued

Methods and Assumptions Used in Calculations of Actuarially Determined Contributions

The April 1, 2019 actuarial valuation determines the employer rates for contributions payable in fiscal year 2021. The following actuarial methods and assumptions were used:

Actuarial Cost Method	The System is funded using the Aggregate Cost Method. All unfunded actuarial liabilities are evenly amortized (as a percentage of projected pay) over the remaining worker lifetimes of the valuation cohort.
Asset Valuation Period	5-year level smoothing of the difference between the actual gain and the expected gain using the assumed investment rate of return.
Inflation	2.5%
Salary Scale	4.2% in ERS, indexed by service.
Investment Rate of Return	6.8% compounded annually, net of investment expenses, including inflation.
Cost of Living Adjustments	1.3% annually.

Changes in Benefit Terms

Effective with the 2019 actuarial valuation an increase in the NYS Governor's salary limit from \$179,000 to \$200,000 per annum went into effect, impacting Tier 6 members. The Governor's salary limit may ultimately increase to \$250,000 phased in over the next two years.

Changes of Assumptions

Actuarial assumptions are revised periodically to reflect more closely actual, as well as anticipated future experience. The actuarial assumptions were revised and adopted by the Retirement Board on October 29, 2015 and first used in the 2016 determination of the Total Pension Liability.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION JUNE 30, 2021

Note 5 Schedules of School District Contributions - NYSLRS and NYSTRS Pension Plan and Schedules of the School District's Proportionate Share of the Net Pension Liability – Continued

NYSTRS

Changes of Assumptions - Continued

The System's long-term rate of return assumption for purposes of the NPL is 7.10%, effective with the 2019 actuarial valuation. For the 2018 and 2017 actuarial valuations, the System's long-term rate of return assumption was 7.25%. For the 2016 actuarial valuation, the System's long-term rate of return assumption was 7.5%. Prior to the 2016 actuarial valuation, the System's long-term rate of return was 8.0%.

The System's assumed annual inflation rate is 2.2%, effective with the 2019 actuarial valuation. For the 2018 and 2017 actuarial valuations, the System's annual inflation assumption was 2.25%. For the 2016 actuarial valuation, the System's annual inflation assumption was 2.5%. Prior to the 2016 actuarial valuation, the System's annual inflation assumption was 3.0%.

Effective with the 2019 actuarial valuation, COLAs are projected to increase at a rate of 1.30% annually. Effective with the 2015 actuarial valuation, COLAs were projected to increase at a rate of 1.50% annually. Prior to the 2015 actuarial valuation, COLAs were projected to increase at a rate of 1.625% annually.

Effective with the 2020 actuarial valuation, the assumed scale for mortality improvement was changed from MP2018 to MP2019. Effective with the 2019 actuarial valuation, the assumed scale for mortality improvement was changed from MP2014 to MP2018.

Effective with the 2019 actuarial valuation, there is a change in the actuarial valuation software that resulted in a slight change in the determination of Entry Age Normal Total Pension Liability and Service Cost.

Methods and Assumptions Used in Calculations of Actuarially Determined Contributions

The actuarially determined contribution rates in the Schedule of School District's Contributions are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine school districts' contributions in 2020. For assumptions and plan provisions used in contributions reported for years prior to 2020, refer to the Annual Actuarial Report for two years prior to the end of the fiscal year in which contributions are reported.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION JUNE 30, 2021

Note 5 Schedules of School District Contributions - NYSLRS and NYSTRS Pension Plan and Schedules of the School District's Proportionate Share of the Net Pension Liability - Continued

NYSTRS - Continued

Methods and Assumptions Used in Calculations of Actuarially Determined Contributions - Continued

Actuarial Cost Method	The System is funded in accordance with the Aggregate Cost Method, which does not identify nor separately amortize unfunded actuarial liabilities. Costs are determined by amortizing the unfunded present value of benefits over the average future working lifetime of active plan members, which currently for NYSTRS is approximately 13 years.
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Asset Valuation Method	Five-year phased-in deferred recognition of each year's net investment income/loss in excess of (or less than) the assumed valuation rate of interest at a rate of 20.0% per year, until fully recognized after five years.
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Inflation	2.25%
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Projected Salary Increases	Rates of increase differ based on service. They have been calculated based upon recent NYSTRS member experience.
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Service	Rate
5	4.72%
15	3.46%
25	2.37%
35	1.90%

Investment Rate of Return	7.25% compounded annually, net of investment expenses, including inflation.
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Projected Cost of Living Adjustments	1.5% compounded annually
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BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS JUNE 30, 2021

	Special Revenue Funds			Debt Service Fund	Total Non-Major Governmental Funds
	Special Aid Fund	School Lunch Fund	Miscellaneous Special Revenue Fund		
ASSETS					
Cash - Unrestricted	\$ 17,019	\$ -	\$ -	\$ -	\$ 17,019
Cash - Restricted	-	31,356	214,877	152,568	398,801
Receivables:					
State and Federal Aid	53,981	119,521	-	-	173,502
Other	-	143	-	-	143
Inventories	-	24,633	-	-	24,633
Total Assets	\$ 71,000	\$ 175,653	\$ 214,877	\$152,568	\$ 614,098
LIABILITIES					
Payables:					
Accrued Liabilities	\$ -	\$ 485	\$ -	\$ -	\$ 485
Due to Other Funds	71,000	-	-	-	71,000
Due to Other Governments	-	34	-	-	34
Unearned Revenue	-	4,640	-	-	4,640
Total Liabilities	71,000	5,159	-	-	76,159
FUND BALANCES					
Nonspendable	-	24,633	-	-	24,633
Restricted	-	145,861	214,877	152,568	513,306
Total Fund Balances (Deficit)	-	170,494	214,877	152,568	537,939
Total Liabilities and Fund Balances	\$ 71,000	\$ 175,653	\$ 214,877	\$152,568	\$ 614,098

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - NON-MAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2021

	Special Revenue Funds			Debt Service Fund	Total Non-Major Governmental Funds
	Special Aid Fund	School Lunch Fund	Miscellaneous Special Revenue Fund		
REVENUES					
Use of Money And Property	\$ -	\$ -	\$ 537	\$ -	\$ 537
Sale of Property and Compensation For Loss	-	-	-	152,568	152,568
Miscellaneous	-	6,655	16,989	-	23,644
State Sources	133,299	58,635	-	-	191,934
Federal Sources	395,446	556,233	-	-	951,679
Sales - School Lunch	-	10,198	-	-	10,198
Total Revenues	528,745	631,721	17,526	152,568	1,330,560
EXPENDITURES					
Instruction	566,087	245,709	20,110	-	831,906
Employee Benefits	91,786	108,781	-	-	200,567
Debt Service:					
Principal	-	-	-	1,414,982	1,414,982
Interest	-	-	-	239,491	239,491
Cost of Sales	-	196,166	-	-	196,166
Total Expenditures	657,873	550,656	20,110	1,654,473	2,883,112
Excess (Deficiency) of Revenues Over Expenditures	(129,128)	81,065	(2,584)	(1,501,905)	(1,552,552)
OTHER FINANCING SOURCES AND (USES)					
Operating Transfers In	129,128	-	-	1,583,596	1,712,724
Total Other Sources (Uses)	129,128	-	-	1,583,596	1,712,724
Net Change in Fund Balances	-	81,065	(2,584)	81,691	160,172
Fund Balances (Deficit) - Beginning of Year	-	89,429	217,461	70,877	377,767
Fund Balances (Deficit) - End of Year	\$ -	\$ 170,494	\$ 214,877	\$ 152,568	\$ 537,939

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, 2021

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget	<u>\$ 20,167,516</u>
Prior Year's Encumbrances	<u>109,351</u>
Original Budget	<u>20,276,867</u>
Budget Additions:	
Gifts and Donations	3,886
Use of Reserves	<u>84,790</u>
Total Additions	<u>88,676</u>
Final Budget	<u><u>\$ 20,365,543</u></u>

§1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

Next Year's Budget is a Voter Approved Budget	<u><u>\$ 20,735,382</u></u>
2021-2022 Voter-Approved Expenditure Budget	
Maximum Allowed (4% of 2021-2022 Budget)	<u><u>\$ 829,415</u></u>
General Fund Fund Balance Subject to §1318 of Real Property Tax Law	
Unrestricted Fund Balance:	
Assigned Fund Balance	\$ 838,585
Unassigned Fund Balance	<u>1,181,744</u>
Total Unrestricted Fund Balance	<u>2,020,329</u>
Less:	
Appropriated Fund Balance	\$ 750,000
Encumbrances Included in Committed and Assigned Fund Balance	<u>88,585</u>
Total Adjustments	<u>838,585</u>
General Fund Fund Balance Subject to §1318 of Real Property Law	<u><u>\$ 1,181,744</u></u>
Actual Percentage	5.70%

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

SCHEDULE OF PROJECT EXPENDITURES CAPITAL PROJECTS FUND FOR THE YEAR ENDED JUNE 30, 2021

PROJECT TITLE	Expenditures					Methods of Financing					Fund Balance (Deficit) June 30, 2021
	Original Budget	Revised Budget	Prior Years	Current Year	Total	Unexpended Balance	Proceeds of Obligations	State Aid	Local Sources	Total	
Capital Project- 2017-2018	\$ 16,500,000	\$ 16,500,000	\$ 14,177,469	\$ 1,684,347	\$ 15,861,816	\$ 638,184	\$ 13,431,648	\$ -	\$ 3,095,102	\$ 16,526,750	\$ 664,934 *
Smart Schools Bond Act Project	-	-	184,828	410,012	594,840	(594,840)	-	182,753	275	183,028	(411,812) *
Capital Outlay Projects (19-20)	100,000	100,000	-	90,302	90,302	9,698	-	-	90,302	90,302	- *
Unredeemed BANS Construction	-	-	-	-	-	-	(12,484,729)	-	-	(12,484,729)	(12,484,729) *
Unredeemed BANS- Buses	-	-	-	-	-	-	(60,000)	-	-	(60,000)	(60,000) *
Total	\$ 16,600,000	\$ 16,600,000	\$ 14,362,297	\$ 2,184,661	\$ 16,546,958	\$ 53,042	\$ 886,919	\$ 182,753	\$ 3,185,679	\$ 4,255,351	\$ (12,291,607)

* 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, 2021**

Capital Assets, Net	<u>\$ 28,239,738</u>
Deduct:	
Bond Anticipation Notes	<u>(12,544,729)</u>
Short-Term Portion of Bonds Payable	<u>(285,000)</u>
Long-Term Portion of Bonds Payable	<u>(1,055,000)</u>
Net Investment in Capital Assets	<u><u>\$ 14,355,009</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 and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Bainbridge-Guilford Central School District (the School District), as of and for the year ended June 30, 2021, 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 23, 2021.

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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, which is reported in the Schedule of Findings and Questions Costs as 2021-001.

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,

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 23, 2021



**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

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, 2021. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School District's compliance.

Opinion on Each Major Federal Program

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, 2021.

Report on Internal Control Over Compliance

Management of the School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 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 23, 2021

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass - Through Grantor Program Title	Federal CFDA #	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	0021210430	\$ -	\$ 160,554
Special Education Cluster:				
Special Education - Grants to States	84.027	0032210124	-	191,384
Special Education - Preschool Grants	84.173	0033210124	-	2,392
Total Special Education Cluster			<u>-</u>	<u>193,776</u>
Supporting Effective Instruction State Grants	84.367	0147210430	-	28,829
Title IV Student Support and Enrichment Program	84.424	0204200430	-	12,287
Education Stabilization Fund (ESF):				
Elementary and Secondary School Emergency Relief (ESSER)	84.425D	5895210430	-	148,224
Governor's Emergency Education Relief (GEER) Fund	84.425C	5896210430	-	25,121
Total Education Stabilization Fund			<u>-</u>	<u>173,345</u>
Total U.S. Department of Education			<u>-</u>	<u>568,791</u>
U.S. Department of Agriculture				
Passed Through NYS Department of Education				
Child Nutrition Cluster:				
COVID-19 Summer Food Service Program	10.559	(1)	-	556,233
Total Child Nutrition Cluster			<u>-</u>	<u>556,233</u>
Total U.S. Department of Agriculture			<u>-</u>	<u>556,233</u>
Total Expenditures of Federal Awards			<u>\$ -</u>	<u>\$ 1,125,024</u>

(1) - Unable to Determine

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS JUNE 30, 2021

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, 2021, the School District received \$22,093 of commodities under the Summer Food Service Program for Children (CFDA #10.559).

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, 2021

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? X yes 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:

CFDA Numbers	Name of Federal Program or Cluster
84.367	Support Effective Instruction
84.027 and 84.173	Special Education Cluster
84.425	Education Stabilization Fund

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

Auditee qualified as low-risk? X yes no

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**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021**

Section II Financial Statement Findings

2021-01 Fund Balance Limitation

Condition:

At June 30, 2021, unassigned fund balance in the General Fund was \$352,329 in excess of the allowable limit.

Criteria:

The School District is allowed, under New York State Real Property Tax Law (§1318), to retain up to 4% of the succeeding year's budget in unassigned fund balance.

Cause:

Budgeted appropriations exceeded final expenditures and encumbrances by \$2,365,854, primarily due to lower than planned central service and instructional costs.

Effect:

The School District is not in compliance with New York State Real Property Tax Law (§1318).

Recommendation:

Due to the unusual circumstances surrounding the School District as it relates to COVID-19 and the resulting effects on spending and New York State funding, we recommend the School District review its 2021-2022 financial activity in comparison to the adopted budget as the year progresses. This will enable the School District to estimate the amount of unassigned fund balance anticipated at year end in order to determine amounts which should be used to reduce the tax levy in accordance with New York State Real Property Tax Law (§1318).

Response:

Management of the School District felt it was important to have as much flexibility as possible entering the 2021-2022 school year due to the ongoing uncertainty and the potential for holdbacks and/or cuts in state aid due to the COVID-19 pandemic. It is not clear at this time whether state aid holdbacks will become permanent. If state aid holdbacks and/or cuts do become permanent and continue throughout the school year, management felt the impact would be able to be mitigated with available unassigned fund balance. In addition to the uncertainty surrounding state aid, the School District is also incurring many additional costs related to COVID-19 and plans to offset such costs with unassigned fund balance if needed. It is critical during these highly volatile and uncertain times that a healthy fund balance be maintained to protect the quality educational programming that the School District has a history of providing.

Section III Federal Award Findings and Questioned Costs

None.