

**BAINBRIDGE-GUILFORD
CENTRAL SCHOOL DISTRICT**

Bainbridge, New York

FINANCIAL REPORT

**For the Year Ended
June 30, 2022**



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 Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Bainbridge-Guilford Central School District (the School District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School District, as of June 30, 2022, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis; budgetary comparison schedules; the Schedules of School District's Contributions - NYSLRS and NYSTRS Pension Plans; the Schedules of the School District's Proportionate Share of the Net Pension (Asset)/Liability; Schedule of Changes in the District's Total OPEB Liability and Related Ratios; and related notes be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The Balance Sheet - Non-Major Governmental Funds; Statement of Revenues, Expenditures, and Changes in Fund Balance - Non-Major Governmental Funds; Schedules of Change from Adopted Budget to Final Budget and the Real Property Tax Limit; Schedule of Project Expenditures - Capital Projects Fund; Schedule of Net Investment in Capital Assets; and Schedule of Expenditures of Federal Awards 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*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Emphasis of a Matter

During the year ended June 30, 2022, the District adopted Government Accounting Standards Board (GASB) Statement No. 87, "Leases." As discussed in Note 17 to the financial statements, assets, liabilities, and net position as of June 30, 2021 for the 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 17, 2022, on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Respectfully submitted,

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

Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
October 17, 2022

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2022

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, 2022. 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 \$22,850,669 at June 30, 2022. This increased from a total net position of \$19,332,420 at June 30, 2021.
- The Statement of Activities shows the School District's revenues exceeding its expenses by \$3,518,249 at June 30, 2022. This compares to revenues exceeding its expenses by \$1,779,900 at June 30, 2021.
- The General Fund budgeted expenditures, including carry-over encumbrances, were underspent by \$2,491,313.
- Capital asset additions during 2022 amounted to \$1,381,413. Depreciation and amortization expense totaled \$1,096,372.
- Indebtedness of the School District at June 30, 2022, in the amount of \$12,019,628, decreased \$2,267,618 from \$14,287,246 in 2021.
- Total fund balance in the General Fund, including reserves, was \$10,050,737 at June 30, 2022. Restricted fund balance of \$6,453,045 consisted of General Fund restricted reserves; nonspendable fund balance of \$852,857 consisted of General Fund prepaid expenses; assigned fund balance of \$782,633 consisted of encumbrances of \$32,633 and appropriations to support the 2022-2023 budget of \$750,000; and unassigned fund balance of \$1,962,202, which is above the maximum limit (4% of the 2022-2023, appropriations) permitted under New York State Real Property Tax Law (RPT).

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, 2022

- 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, 2022

- **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>2022</i>	<i>2021</i>	
<i>Current Assets</i>	\$ 4,770,698	\$ 4,564,242	\$ 206,456
<i>Noncurrent Assets</i>	12,820,816	5,646,010	7,174,806
<i>Capital Assets, Net</i>	28,655,630	28,609,617	46,013
<i>Total Assets</i>	46,247,144	38,819,869	7,427,275
<i>Total Deferred Outflows of Resources</i>	4,553,452	4,919,840	(366,388)
<i>Current Liabilities</i>	2,304,751	13,700,952	(11,396,201)
<i>Noncurrent Liabilities</i>	16,408,421	7,627,013	8,781,408
<i>Total Liabilities</i>	18,713,172	21,327,965	(2,614,793)
<i>Total Deferred Inflows of Resources</i>	9,236,755	3,079,324	6,157,431
<i>Net Investment in Capital Assets</i>	16,950,630	14,355,009	2,595,621
<i>Restricted</i>	6,931,530	5,944,439	987,091
<i>Unrestricted</i>	(1,031,491)	(967,028)	(64,463)
<i>Total Net Position</i>	\$ 22,850,669	\$ 19,332,420	\$ 3,518,249

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

Total assets increased 19.13%. This increase is primarily the result of increases in capital assets, including the addition of intangible lease assets and the increase in net pension asset.

The change in deferred inflows of resources - pensions, and deferred outflows of resources - pensions, are related to change in the actuarially determined proportionate share of the School District's net pension (asset)/liability and related deferred outflows and inflows of resources for pension plans, as recognized under GASB Statement No. 68.

Total liabilities decreased 12.26%. This decrease is primarily due to paying down short-term debts and payments on serial bonds.

Additional changes in noncurrent liabilities, deferred outflows or resources – other postemployment benefits, and deferred inflows of resources - other postemployment benefits, are due to actuarially determined changes in the future costs of plan benefits recognized under GASB Statement. No 75.

The School District experienced an increase in net investment in capital assets, primarily due to capital asset, intangible lease assets, and debt activity. Restricted net position increased by 16.61%, primarily due to greater additions to appropriations to General Fund reserves. Finally, unrestricted net deficit increased based on operations of the School District.

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

**BAINBRIDGE-GUILFORD
CENTRAL SCHOOL DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

Figure 2

<i>Changes in Net Position</i>	<i>Governmental Activities and Total School District</i>		<i>Total Dollar Change</i>
	<i>2022</i>	<i>2021</i>	
<i>REVENUES</i>			
<i>Program Revenues:</i>			
<i>Charges for Services</i>	\$ 125,318	\$ 112,155	\$ 13,163
<i>Operating Grants</i>	2,313,851	1,151,019	1,162,832
<i>General Revenues:</i>			
<i>Real Property Taxes</i>	5,850,103	5,729,170	120,933
<i>Real Property Tax Items</i>	1,100,259	1,134,040	(33,781)
<i>State Sources</i>	12,656,674	11,781,060	875,614
<i>Use of Money and Sale of Property</i>	741,899	228,299	513,600
<i>Other General Revenues</i>	203,430	464,410	(260,980)
<i>Total Revenues</i>	\$ 22,991,534	\$ 20,600,153	\$ 2,391,381
<i>PROGRAM EXPENSES</i>			
<i>General Support</i>	\$ 4,274,295	\$ 3,992,728	\$ 281,567
<i>Instruction</i>	13,127,501	12,936,023	191,478
<i>Pupil Transportation</i>	1,241,231	1,093,891	147,340
<i>Community Services</i>	-	13,565	(13,565)
<i>School Lunch Program</i>	581,337	545,596	35,741
<i>Interest on Debt</i>	248,921	238,450	10,471
<i>Total Expenses</i>	\$ 19,473,285	\$ 18,820,253	\$ 653,032
<i>CHANGE IN NET POSITION</i>	\$ 3,518,249	\$ 1,779,900	\$ 1,738,349

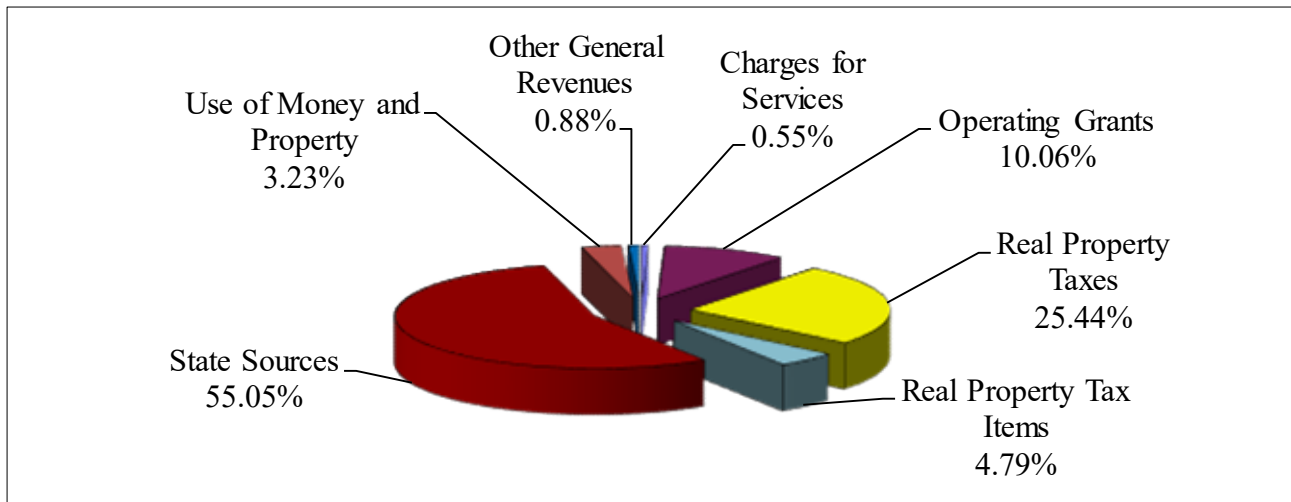
Total revenues for the School District's Governmental Activities increased by 11.61%, while total expenses increased by 3.47%. The increase in revenue is due to an increase in the voter approved tax levy in addition to an increase in state sources of \$875,614 and an increase in operating grants of \$1,162,832.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

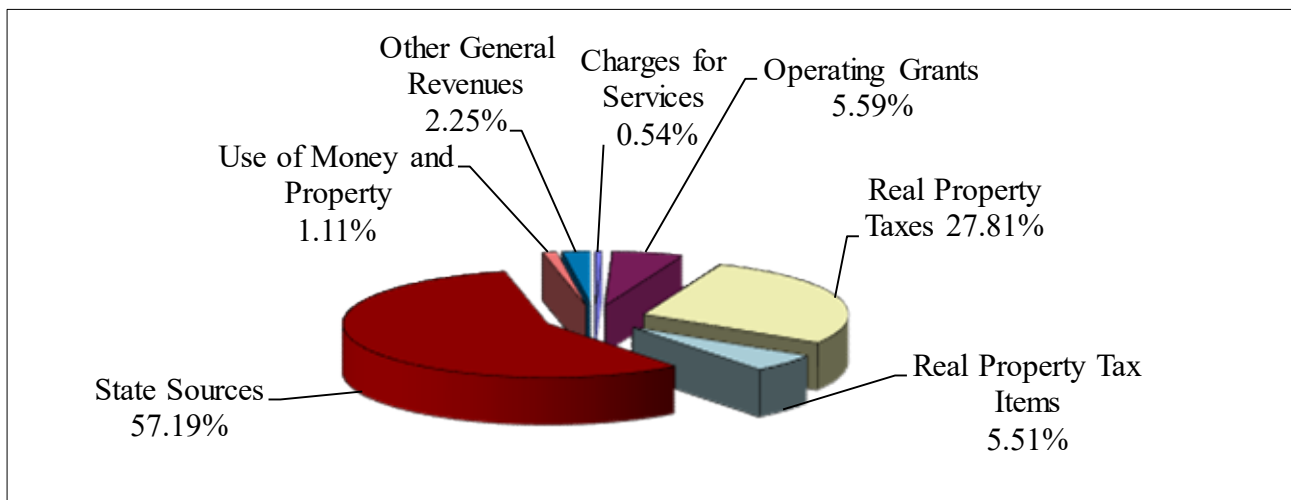
MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2022

Figure 3 and Figure 4 show the sources of revenue for 2022 and 2021.

**Figure 3
Sources of Revenue for 2022**



**Figure 4
Sources of Revenue for 2021**

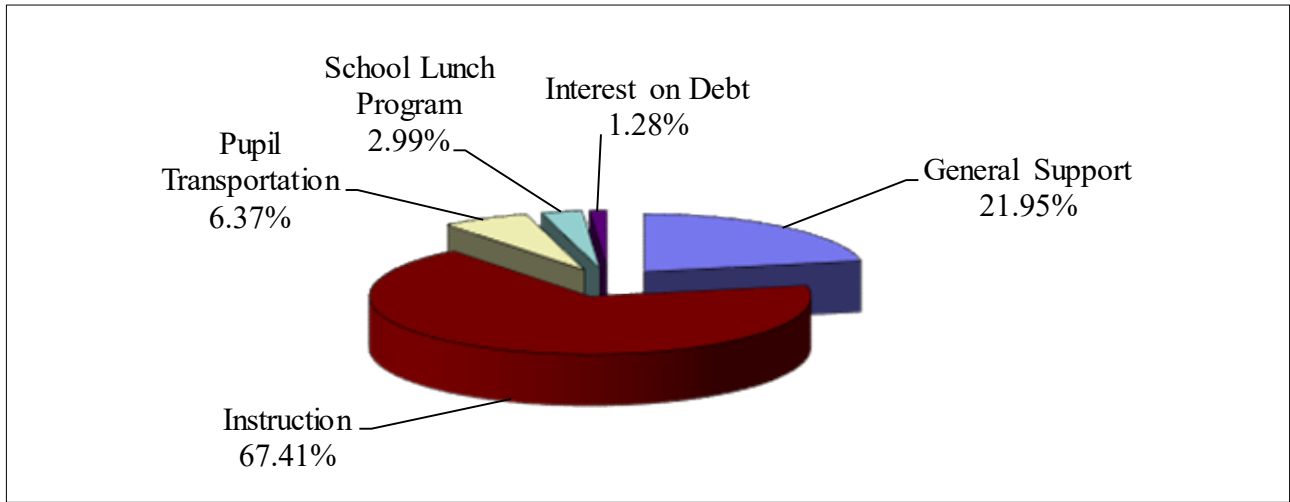


BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

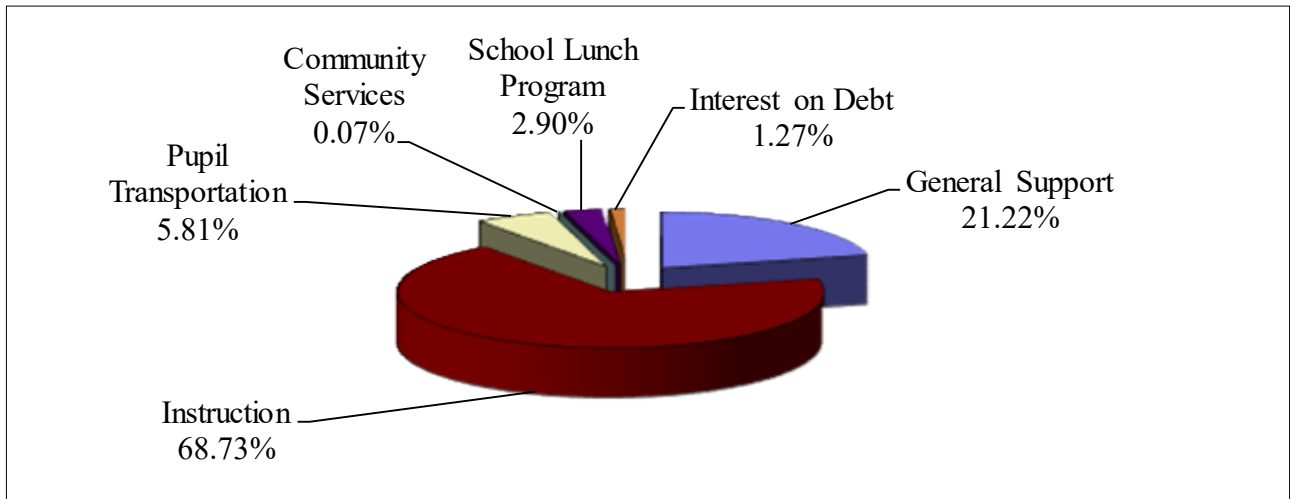
MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2022

Figure 5 and Figure 6 present the cost for each of the School District's programs for 2022 and 2021.

**Figure 5
Cost of Programs for 2022**



**Figure 6
Cost of Programs for 2021**



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 407.41%, primarily due to the issuance of debt in the Capital Projects Fund.

**BAINBRIDGE-GUILFORD
CENTRAL SCHOOL DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

Figure 7

<i>Governmental Fund Balances</i>	<i>2022</i>	<i>2021</i>	<i>Total Dollar Change</i>
<i>Major Funds:</i>			
<i>General Fund</i>	\$10,050,737	\$ 8,551,132	\$ 1,499,605
<i>Capital Projects Fund - Construction</i>	(717,061)	(12,291,607)	11,574,546
<i>Non-Major Funds:</i>			
<i>School Lunch Fund</i>	297,669	170,494	127,175
<i>Miscellaneous Special Revenue Fund</i>	211,734	214,877	(3,143)
<i>Debt Service Fund</i>	1,727	152,568	(150,841)
<i>Total Governmental Funds</i>	\$ 9,844,806	\$ (3,202,536)	\$ 13,047,342

GENERAL FUND BUDGETARY HIGHLIGHTS

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

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2022

Figure 8 summarizes the original and final budgets, the actual expenditures (including encumbrances), and the variances for the year ended June 30, 2022.

Figure 8

<i>Condensed Budgetary Comparison General Fund - 2022</i>	<i>Original Budget</i>	<i>Revised Budget</i>	<i>Actual w/ Encumbrances</i>	<i>Favorable (Unfavorable) Variance</i>
REVENUES				
<i>Real Property Taxes</i>	\$ 5,850,887	\$ 5,850,887	\$ 5,850,103	\$ (784)
<i>Other Tax Items</i>	1,096,888	1,096,888	1,100,259	3,371
<i>State Sources</i>	12,766,628	12,766,628	12,656,674	(109,954)
<i>Other, Including Financing Sources</i>	270,979	281,342	388,990	107,648
Total Revenues and Other Financing Sources	\$ 19,985,382	\$ 19,995,745	\$19,996,026	\$ 281
Appropriated Fund Balance and Reserves	\$ 750,000	\$ 936,037		
Encumbrances Carried Forward	\$ 88,585	\$ 88,585		
EXPENDITURES				
<i>General Support</i>	\$ 3,466,290	\$ 3,147,178	\$ 2,848,727	\$ 298,451
<i>Instruction</i>	9,049,380	9,064,290	8,264,513	799,777
<i>Pupil Transportation</i>	875,314	879,549	771,694	107,855
<i>Community Services</i>	400	400	-	400
<i>Employee Benefits</i>	5,507,382	5,676,242	4,422,477	1,253,765
<i>Debt Service</i>	-	236,262	236,262	-
<i>Other Financing Uses</i>	1,925,201	2,016,446	1,985,381	31,065
Total Expenditures and Other Financing Uses	\$ 20,823,967	\$ 21,020,367	\$18,529,054	\$2,491,313

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2022

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2021, the School District had invested in a broad range of capital assets, including intangible lease assets totaling \$59,701,565 offset by accumulated depreciation and amortization of \$31,045,935. *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>2022</i>	<i>2021</i>	
<i>Land</i>	\$ 91,577	\$ 91,577	\$ -
<i>Construction in Progress</i>	11,065,357	10,327,208	738,149
<i>Buildings and Improvements, Net</i>	16,278,540	16,675,097	(396,557)
<i>Furniture and Equipment, Net</i>	907,087	1,145,856	(238,769)
<i>Intangible Lease Assets, Net</i>	313,069	369,879	(56,810)
<i>Total</i>	\$ 28,655,630	\$ 28,609,617	\$ 46,013

Capital asset activity for the year ended June 30, 2022 included the following:

Construction Projects	\$ 828,451
Equipment	411,079
Intangible Lease Assets	141,883
Total Additions	<u>1,381,413</u>
Less Net Book Value of Disposed Equipment	(239,028)
Less Amortization Expense	(198,693)
Less Depreciation Expense	<u>(897,679)</u>
Net Change in Capital Assets	<u>\$ 46,013</u>

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2022

Debt Administration

Figure 10 shows the changes in the School District's outstanding debt. Total indebtedness represented 38.1% of the constitutional debt limit, exclusive of building aid estimates.

Figure 10

Outstanding Debt	Governmental Activities and Total School District		Total Dollar Change
	2022	2021	
<i>Bond Anticipation Notes</i>	\$ 240,000	\$12,544,729	\$(12,304,729)
<i>Serial Bonds</i>	11,465,000	1,340,000	10,125,000
<i>Lease Liabilities</i>	314,628	402,517	(87,889)
Total	\$ 12,019,628	\$ 14,287,246	\$ (2,267,618)

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

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

FACTORS BEARING ON THE SCHOOL DISTRICT'S FUTURE

- District voters authorized a \$16.5M Capital Project in March 2017 for renovations to all district buildings. All three phases of this project were concluded in the spring of 2022. To finalize the financing of this project, the district issued bonds through the Dormitory Authority of the State of New York on June 15, 2022 in the amount of \$10,410,000.
- Using the required Building Condition Survey completed in October 2021, the district has prepared another Capital Project to go to voters in December 2022. The \$15.4 million project will include work in all three buildings, the bus garage, a new turf field, parking lot and resurfaced track at the Football Field/Track complex, a reconstructed tennis court at the Greenlawn Elementary School, and a reconstructed parking lot at the Peter Feltham Soccer Field Complex. The district is proposing to use \$4 million from the Facilities Improvement Capital Project Reserve Fund towards this project.
- The cost of employee benefits continues to be a major budgetary factor for the school district with a proposed health insurance increase for the 2022-23 school year in excess of 25%. The district continued the Health Insurance Committee during the 2021-2022 school year to review claims history and to research other ways the district could potentially reduce the cost of health benefits. A consortium group among local school districts was proposed by the Health Insurance consultant for the district. The potential formation of this group will continue to be a focus for the Health Insurance Committee moving forward as a way to reduce health insurance costs for the 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.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2022

- The district has been allocated a total of \$3,825,282 in federal stimulus funds through the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRSSA) and the American Rescue Plan Act (ARPA), 2021. The district will be utilizing these grant funds through the 2023-24 school year to address students' academic, social and emotional needs as a result of the COVID-19 pandemic. 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 2022-2023 school year as the above mentioned federal stimulus grant funds will need to be spent prior to requesting reimbursement.
- As the district moved into the 2022-23 school year, it became evident that costs for supplies, fuel, electricity, and services were rising at a rapid pace for the future. Most concerning were the fuel and electricity costs for the district moving forward. Contracts that were in place for a number of these items for the 2022-23 school year were cancelled as vendors claimed force majeure. In order to be prepared to 'weather' these significantly rising costs, management of the district felt it was important to move into the 2022-23 school year with a fund balance that will allow the district the flexibility to absorb the rising costs that may exceed what the School District had budgeted.

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, 2022

ASSETS

Current Assets

Cash - Unrestricted	\$ 2,353,912
Cash - Restricted	320,864
Receivables:	
State and Federal Aid	574,177
Due From Other Governments	577,582
Other	58,661
Inventories	32,645
Prepaid Expenses	852,857
Total Current Assets	4,770,698

Noncurrent Assets

Cash - Restricted	6,486,698
Net Pension Asset - Proportionate Share	6,334,118
Capital Assets, Net:	
Nondepreciable Capital Assets	11,156,934
Depreciable Capital Assets, Net	17,185,627
Intangible Lease Assets, Net	313,069
Total Noncurrent Assets	41,476,446
Total Assets	46,247,144

DEFERRED OUTFLOWS OF RESOURCES

Other Postemployment Benefits	14,285
Pensions	4,539,167
Total Deferred Outflows of Resources	4,553,452

LIABILITIES

Current Liabilities

Payables:	
Accounts Payable	40,131
Accrued Liabilities	178,562
Due to Other Governments	44
Bond Interest and Matured Bonds	20,605
Bond Anticipation Notes Payable	240,000
Other Current Liabilities	51,883
Unearned Revenue	180,138
Due to Teachers' Retirement System	665,427
Due to Employees' Retirement System	56,405
Current Portion of Long-Term Liabilities:	
Bonds Payable	715,000
Lease Payable	156,556
Total Current Liabilities	2,304,751

See Notes to Basic Financial Statements

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

STATEMENT OF NET POSITION (Continued) JUNE 30, 2022

LIABILITIES (CONTINUED)

Noncurrent Liabilities

Bonds Payable	\$ 10,750,000
Leases Payable	<u>158,072</u>
Compensated Absences Payable	<u>1,106,233</u>
Other Postemployment Benefits Liability	<u>4,394,116</u>
Total Noncurrent Liabilities	<u>16,408,421</u>

Total Liabilities	<u>18,713,172</u>
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DEFERRED INFLOWS OF RESOURCES

Other Postemployment Benefits	<u>803,826</u>
Pensions	<u>8,432,929</u>

Total Deferred Inflows of Resources	<u>9,236,755</u>
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NET POSITION

Net Investment in Capital Assets	<u>16,950,630</u>
Restricted	<u>6,931,530</u>
Unrestricted	<u>(1,031,491)</u>

Total Net Position	<u>\$ 22,850,669</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, 2022

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expense)	
	Expenses	Charges for Services	Operating Grants	Capital Grants	Revenue and Changes in Net Position
General Support	\$ 4,274,295	\$ -	\$ -	\$ -	\$ (4,274,295)
Instruction	13,127,501	84,290	1,632,283	-	(11,410,928)
Pupil Transportation	1,241,231	-	-	-	(1,241,231)
Community Services	-	9,933	-	-	9,933
School Lunch Program	581,337	31,095	681,568	-	131,326
Interest on Debt	248,921	-	-	-	(248,921)
Total Functions and Programs	\$ 19,473,285	\$ 125,318	\$ 2,313,851	\$ -	(17,034,116)

GENERAL REVENUES

Real Property Taxes	5,850,103
Real Property Tax Items	1,100,259
Use of Money and Property	19,505
Unrestricted State Sources	12,656,674
Sale of Property and Compensation for Loss	722,394
Miscellaneous	203,430

Total General Revenues 20,552,365

Change in Net Position 3,518,249

Total Net Position - Beginning of Year, as restated 19,332,420

Total Net Position - End of Year **\$ 22,850,669**

See Notes to Basic Financial Statements

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS JUNE 30, 2022

	Major Funds			Non - Major Funds	Total Governmental Funds
	General Fund	Capital Projects Fund - Construction	Special Aid Fund		
ASSETS					
Cash - Unrestricted	\$ 2,353,718	\$ 194	\$ -	\$ -	\$ 2,353,912
Cash - Restricted	6,453,045	-	-	354,517	6,807,562
Receivables:					
Due From Other Funds	556,435	-	-	-	556,435
State and Federal Aid	182,444	-	256,404	135,329	574,177
Due From Other Governments	577,582	-	-	-	577,582
Other	57,593	-	-	1,068	58,661
Inventories	-	-	-	32,645	32,645
Prepaid items	852,857	-	-	-	852,857
Total Assets	\$11,033,674	\$ 194	\$ 256,404	\$ 523,559	\$ 11,813,831
LIABILITIES					
Payables:					
Accounts Payable	\$ 30,756	\$ -	\$ 626	\$ 8,749	\$ 40,131
Accrued Liabilities	178,562	-	-	-	178,562
Due to Other Funds	-	477,255	79,180	-	556,435
Due to Other Governments	4	-	-	40	44
Other Liabilities	51,783	-	-	-	51,783
Overpayments	-	-	100	-	100
Unearned Revenue	-	-	176,498	3,640	180,138
Bond Anticipation Notes Payable	-	240,000	-	-	240,000
Due to Teachers' Retirement System	665,427	-	-	-	665,427
Due to Employees' Retirement System	56,405	-	-	-	56,405
Total Liabilities	982,937	717,255	256,404	12,429	1,969,025
FUND BALANCES					
Nonspendable	852,857	-	-	32,645	885,502
Restricted	6,453,045	-	-	478,485	6,931,530
Assigned	782,633	-	-	-	782,633
Unassigned (Deficit)	1,962,202	(717,061)	-	-	1,245,141
Total Fund Balances (Deficit)	10,050,737	(717,061)	-	511,130	9,844,806
Total Liabilities and Fund Balances	\$11,033,674	\$ 194	\$ 256,404	\$ 523,559	\$ 11,813,831

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, 2022

Fund Balance (Deficit) - Total Governmental Funds **\$ 9,844,806**

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	\$ 59,701,565	
Less Accumulated Depreciation	(30,654,044)	
Less Accumulated Amortization	<u>(391,891)</u>	28,655,630

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	\$ (11,465,000)	
Lease Liabilities	<u>(314,628)</u>	(11,779,628)

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	\$ (20,605)	
Compensated Absences Payable	(1,106,233)	
Other Postemployment Benefits Liability	<u>(4,394,116)</u>	(5,520,954)

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

ERS Net Pension (Asset)/Liability - Proportionate Share	\$ 579,561	
TRS Net Pension (Asset)/Liability - Proportionate Share	<u>5,754,557</u>	6,334,118

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	\$ 14,285	
ERS Deferred Outflows of Resources - Pension	1,154,426	
TRS Deferred Outflows of Resources - Pension	3,384,741	
Other Postemployment Benefits Deferred Inflows of Resources	(803,826)	
ERS Deferred Inflows of Resources - Pension	(2,014,435)	
TRS Deferred Inflows of Resources - Pension	<u>(6,418,494)</u>	<u>(4,683,303)</u>

Net Position of Governmental Activities **\$ 22,850,669**

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, 2022

	Major Funds			Non - Non-Major Funds	Total Governmental Funds
	General Fund	Capital Projects Fund - Construction	Special Aid Fund		
REVENUES					
Real Property Taxes	\$ 5,850,103	\$ -	\$ -	\$ -	\$ 5,850,103
Real Property Tax Items	1,100,259	-	-	-	1,100,259
Charges for Services	94,223	-	-	-	94,223
Use of Money and Property	18,713	461	-	331	19,505
Sale of Property and Compensation for Loss	14,444	-	-	946,978	961,422
Miscellaneous	161,098	-	-	41,004	202,102
State Sources	12,656,674	-	165,715	53,902	12,876,291
Medicaid Reimbursement	23,387	-	-	-	23,387
Federal Sources	-	-	1,466,568	605,607	2,072,175
Sales - School Lunch	-	-	-	31,095	31,095
Total Revenues	19,918,901	461	1,632,283	1,678,917	23,230,562
EXPENDITURES					
General Support	2,827,529	-	201,039	203,106	3,231,674
Instruction	8,253,078	-	1,191,431	268,546	9,713,055
Pupil Transportation	771,694	-	22,249	-	793,943
Employee Benefits	4,422,477	-	279,734	97,685	4,799,896
Debt Service:					
Principal	229,772	-	-	1,675,858	1,905,630
Interest	6,490	-	-	224,990	231,480
Cost of Sales	-	-	-	241,676	241,676
Capital Outlay	-	1,208,607	-	-	1,208,607
Total Expenditures	16,511,040	1,208,607	1,694,453	2,711,861	22,125,961
Excess (Deficiency) of Revenues Over Expenditures	3,407,861	(1,208,146)	(62,170)	(1,032,944)	1,104,601
OTHER FINANCING SOURCES AND (USES)					
Proceeds From Obligations	-	10,551,883	-	-	10,551,883
BANs Redeemed From Appropriations	-	1,390,858	-	-	1,390,858
Operating Transfers In	77,125	940,719	139,295	1,750,006	2,907,145
Operating Transfers (Out)	(1,985,381)	(100,768)	(77,125)	(743,871)	(2,907,145)
Total Other Sources (Uses)	(1,908,256)	12,782,692	62,170	1,006,135	11,942,741
Net Change in Fund Balances	1,499,605	11,574,546	-	(26,809)	13,047,342
Fund Balances (Deficit) - Beginning of Year	8,551,132	(12,291,607)	-	537,939	(3,202,536)
Fund Balances (Deficit) - End of Year	\$ 10,050,737	\$ (717,061)	\$ -	\$ 511,130	\$ 9,844,806

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, 2022

Net Change in Fund Balances - Total Governmental Funds **\$ 13,047,342**

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

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

Capital Outlay	\$ 1,381,413	
Depreciation and Amortization Expense	(1,096,372)	
Net Book Value of Disposals	<u>(239,028)</u>	46,013

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	\$ 285,000	
Principal Payments - Leases	229,772	
Proceeds of Debt	<u>(10,551,883)</u>	(10,037,111)

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	\$ (587,004)	
Compensated Absences	<u>(72,823)</u>	(659,827)

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		(17,441)
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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	\$ 222,499	
TRS	<u>916,774</u>	<u>1,139,273</u>

Net Change in Net Position of Governmental Activities **\$ 3,518,249**

See Notes to Basic Financial Statements

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

**STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2022**

	<u>Custodial Fund</u>
ASSETS	
Cash - Unrestricted	<u>\$ 70,375</u>
Total Assets	<u><u>\$ 70,375</u></u>
NET POSITION	
Unrestricted	<u>\$ 70,375</u>
TOTAL	<u><u>\$ 70,375</u></u>

See Notes to Basic Financial Statements

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FOR THE YEAR ENDED JUNE 30, 2022

	Custodial Fund
ADDITIONS	
Extraclassroom Activities - Receipts	\$ 71,340
Total Additions	<u>71,340</u>
DEDUCTIONS	
Extraclassroom Activities - Disbursements	<u>55,716</u>
Change in Net Position	15,624
Net Position - Beginning of Year	<u>54,751</u>
Net Position - End of Year	<u><u>\$ 70,375</u></u>

See Notes to Basic Financial Statements

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

***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, 2022

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, 2022

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.
- Special Revenue Funds: These funds account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. Special revenue funds include the following:
 - Special Aid Fund: Used to account for proceeds received from state and federal grants restricted for special educational programs.

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

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

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

The School District reports the following Fiduciary Funds:

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

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

Note 1 Summary of Significant Accounting Policies - Continued

Measurement Focus and Basis of Accounting

The District-wide and Fiduciary Fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the School District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The Governmental Fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The School District considers all revenues reported in the Governmental Funds to be available if the revenues are collected within 90 days after the end of the fiscal year.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in Governmental Funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Cash and Investments

The School District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. New York State law governs the School District's investment policies. Resources must be deposited in Federal Deposit Insurance Corporation insured (FDIC) commercial banks or trust companies located within the state. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities. Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the state and its municipalities and districts.

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.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

Note 1 Summary of Significant Accounting Policies - Continued

Inventories and Prepaid Items

Inventories of food in the School Lunch Fund are recorded at cost on a first-in, first-out basis, or in the case of surplus food, at stated value, which approximates fair value. Purchases of items of an inventory nature in other funds are recorded as expenditures at the time of purchase, and are considered immaterial in amount. Prepaid items represent payments made by the School District for which benefits extend beyond year-end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the District-wide and Governmental Fund financial statements. These items are reported as assets on the Statement of Net Position or Balance Sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed.

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

Capital Assets

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

Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the District-wide financial statements are as follows:

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

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

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

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

Vested Employee Benefits - Compensated Absences

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

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

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

Consistent with GASB Statement No. 16, "Accounting for Compensated Absences," the liability is included in the District-wide financial statements. The compensated absences liability is calculated based on the pay rates in effect at year-end.

In the Governmental Fund financial statements only the amount of matured liabilities, if any, is accrued within the General Fund based upon expendable and available financial resources. These amounts are expensed on a pay-as-you-go basis.

Leases

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

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

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

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

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

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

Other Postemployment Benefits

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

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

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

Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The School District reports deferred outflows of resources related to pensions plans in the District-wide Statement of Net Position. The types of deferred outflows of resources related to pensions and OPEB plans are described in Notes 11 and 12, respectively.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The School District reports deferred inflows related to pensions and OPEB plans which are further described in Notes 11 and 12, respectively.

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.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

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

Unearned and Unavailable Revenues - Continued

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

Restricted Resources

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

Equity Classifications - District-Wide Financial Statements

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

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

Equity Classifications - Governmental Fund Financial Statements

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

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

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

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

Equity Classifications - Governmental Fund Financial Statements - Continued

- **Committed:** Consists of amounts subject to a purpose constraint imposed by formal action of the government's highest level of decision-making authority prior to the end of the fiscal year and requires the same level of formal action to remove said constraint.
- **Assigned:** Consists of amounts subject to a purpose constraint representing an intended use established by the government's highest level of decision-making authority or their designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund. In funds other than the General Fund, assigned fund balance represents the residual amount of fund balance.
- **Unassigned:** Represents the residual classification of the government's General Fund and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification should only be used to report a deficit balance resulting from overspending amounts restricted, committed, or assigned for specific purposes.

Real Property Tax Law (RPT) §1318 limits the amount of unexpended surplus funds a school district can retain in the General Fund to no more than 4% of the next year's budgetary appropriations. Funds properly retained under other sections of law (i.e., reserve funds established pursuant to Education Law or GML) are excluded from the 4% limitation. The 4% limitation is applied to unrestricted fund balance (i.e., the total of the committed, assigned, and unassigned classifications), minus appropriated fund balance, amounts reserved for insurance recovery, amounts reserved for tax reduction, and encumbrances included in committed and assigned fund balance.

The Board of Education of the School District has adopted resolutions to commit or assign fund balance. By resolution, fund balance of the School District may be committed for a specific source by formal action of the Board of Education. Furthermore, the Board of Education delegates authority to assign fund balance for a specific purpose to the Business Official of the School District. The Board of Education, by resolution, approves fund balance appropriations for next year's budget. The School District applies expenditures against 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, 2022

***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.
- Unemployment Insurance Reserve (GML §6-m): Used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants where the employer has elected to use the benefit reimbursement method. The reserve may be established by board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within 60 days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. If the School District elects to convert to tax (contribution) basis, excess resources in the fund over the sum sufficient to pay pending claims may be transferred to any other reserve fund. This reserve is accounted for in the General Fund.
- Workers Compensation Reserve (GML §6-j): Used to pay for compensation benefits and other expenses authorized by Article 2 of the Workers' Compensation Law and for payment of expenses for administering this self-insurance program. The reserve may be established by board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within 60 days after the end of any fiscal year, excess amounts may either be transferred to another reserve or applied to the appropriations of the succeeding fiscal year's budget. This reserve is accounted for in the General Fund.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

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

Legally Adopted Reserves - Continued

- 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, 2021 and became effective on August 5, 2021. Taxes were collected during the period September 1, 2021 to November 2, 2021.

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

Interfund Transfers

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

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, potential contingent liabilities and useful lives of long-lived assets.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

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

New Accounting Standards

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

- GASB has issued Statement No. 87, “Leases,” effective for the year ended June 30, 2021, delayed by GASB Statement No. 95 to June 30, 2022.

Future Changes in Accounting Standards

- GASB has issued Statement No. 96, “Subscription-Based Information Technology Arrangements,” effective for the year ended June 30, 2023.
- GASB has issued Statement No. 101, “Compensated Absences,” effective for the year ending June 30, 2025.

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, 2021, the School District's share of BOCES income amounted to \$1,326,679. The School District was billed \$3,019,482 for BOCES administration and program costs. Financial statements for Delaware-Chenango-Madison-Otsego BOCES are available from the BOCES Administrative Office at 6678 County Road 32, Norwich, New York 13815.

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

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

The School District's aggregate bank balances of \$10,531,804, including certificates of deposit, are either insured or collateralized with securities held by the pledging financial institution in the School District's name.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

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

Restricted cash at June 30, 2022 consisted of the following:

Restricted for Debt Service	\$ 1,727
Restricted for School Lunch	141,056
Restricted for General Fund Reserves	6,453,045
Restricted for Scholarships	<u>211,734</u>
Total	<u><u>\$ 6,807,562</u></u>

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	<u>\$ 577,582</u>
Total	<u><u>\$ 577,582</u></u>

The School District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues. All interfund payables are expected to be repaid within one year.

Note 5 Interfund Balances and Activity

Interfund balances at June 30, 2022 are as follows.

	Interfund Receivable	Interfund Payable	Interfund Revenues	Interfund Expenditures
General Fund	\$ 556,435	\$ -	\$ 77,125	\$ 1,985,381
Capital Projects Fund - Construction	-	477,255	940,719	100,768
Special Aid Fund	-	79,180	139,295	77,125
Non-Major Funds	<u>-</u>	<u>-</u>	<u>1,750,006</u>	<u>743,871</u>
Total	<u><u>\$ 556,435</u></u>	<u><u>\$ 556,435</u></u>	<u><u>\$ 2,907,145</u></u>	<u><u>\$ 2,907,145</u></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.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

Note 6 Capital Assets

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

Governmental Activities	Beginning Balance	Additions	Reclassifications and Disposals	Ending Balance
Capital Assets That Are Not Depreciated:				
Land	\$ 91,577	\$ -	\$ -	\$ 91,577
Construction in Progress	10,327,208	828,451	(90,302)	11,065,357
Total Nondepreciable Historical Cost	<u>10,418,785</u>	<u>828,451</u>	<u>(90,302)</u>	<u>11,156,934</u>
Capital Assets That Are Depreciated:				
Buildings and Improvements	41,569,061	-	90,302	41,659,363
Furniture and Equipment	6,010,432	411,079	(241,203)	6,180,308
Total Depreciable Historical Cost	<u>47,579,493</u>	<u>411,079</u>	<u>(150,901)</u>	<u>47,839,671</u>
Intangible Lease Assets:				
Equipment	851,582	141,883	(288,505)	704,960
Total Historical Cost	<u>58,849,860</u>	<u>1,381,413</u>	<u>(529,708)</u>	<u>59,701,565</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(24,893,964)	(486,859)	-	(25,380,823)
Furniture and Equipment	(4,864,576)	(410,820)	2,175	(5,273,221)
Total Accumulated Depreciation	<u>(29,758,540)</u>	<u>(897,679)</u>	<u>2,175</u>	<u>(30,654,044)</u>
Accumulated Amortization:				
Equipment	(481,703)	(198,693)	288,505	(391,891)
Total Historical Cost, Net	<u>\$ 28,609,617</u>	<u>\$ 285,041</u>	<u>\$ (239,028)</u>	<u>\$ 28,655,630</u>

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

General Support	\$ 549,956
Instruction	342,321
Pupil Transportation	199,228
School Lunch Program	4,867
Total	<u>\$ 1,096,372</u>

Note 7 Short-Term Debt

The School District may issue revenue anticipation notes (RANs) in anticipation of the receipt of revenues. These notes are recorded as a liability of the fund that will actually receive the proceeds from the issuance of the notes. The RANs represent a liability that will be extinguished by the use of expendable, available resources of the fund. The School District did not issue or redeem any RANs during the year.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

Note 7 Short-Term Debt - Continued

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

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

The following is a summary of the School District's BANs for the year ended June 30, 2022:

	Beginning Balance	Issued	Redeemed	Ending Balance
BAN Maturing 9/25/2021 at 2.57%	\$ 60,000	\$ -	\$ (60,000)	\$ -
BAN Maturing 6/24/2022 at 1.50%	12,484,729	-	(12,484,729)	-
BAN Maturing 9/30/2022 at 0.28%	-	240,000	-	240,000
Total Short-Term Debt	\$12,544,729	\$ 240,000	\$(12,544,729)	\$ 240,000

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

Interest Paid	\$ 188,023
Less Interest Accrued in the Prior Year	(1,908)
Plus Interest Accrued in the Current Year	523
Total	\$ 186,638

Note 8 Long-Term Debt

At June 30, 2022, the total outstanding indebtedness of the School District represented 38.1% 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, 2022

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, 2022.

	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Outstanding June 30, 2022</u>
Serial Bonds				
Construction	06/15/2012	06/15/2026	2.25-3.00%	\$ 1,055,000
Revenue Bonds	06/15/2022	06/15/2037	5.00%	<u>10,410,000</u>
 Total Serial Bonds				 <u><u>\$ 11,465,000</u></u>

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

Interest Paid	\$ 36,967
Less Interest Accrued in the Prior Year	(1,256)
Plus Interest Accrued in the Current Year	<u>20,082</u>
 Total	 <u><u>\$ 55,793</u></u>

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

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Serial Bonds	<u>\$ 1,340,000</u>	<u>\$ 10,410,000</u>	<u>\$ (285,000)</u>	<u>\$ 11,465,000</u>	<u>\$ 715,000</u>

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

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

Note 8 Long-Term Debt - Continued

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 715,000	\$ 703,958	\$ 1,418,958
2024	930,000	522,200	1,452,200
2025	975,000	481,600	1,456,600
2026	865,000	438,950	1,303,950
2027	750,000	399,000	1,149,000
2028-2032	4,350,000	1,393,250	5,743,250
2033-2037	2,880,000	291,500	3,171,500
Total	<u>\$ 11,465,000</u>	<u>\$ 4,230,458</u>	<u>\$ 15,695,458</u>

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, 2022 are summarized below:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Compensated Absences	<u>\$1,033,410</u>	<u>\$ 72,823</u>	<u>\$ -</u>	<u>\$1,106,233</u>	<u>\$ -</u>

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

Note 10 Lease Liabilities

During the year ended June 30, 2022, the School District implemented GASB Statement No. 87, "Leases."

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

At June 30, 2022, the School District reported \$124,873 offset by accumulated amortization of \$59,753, in intangible lease assets that were not included in the lease liability below.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

Note 10 Lease Liabilities - Continued

Lease liabilities as of June 30, 2022 are as follows:

<u>Description</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Discount Rate</u>	<u>Outstanding June 30,</u>
#55 Bus Lease	12/15/2018	6/30/2023	0.81%	\$ 52,511
#56 Bus Lease	11/15/2018	6/30/2023	0.81%	27,426
2020 IPA	7/1/2019	8/1/2023	2.78%	57,718
2021 IPA	7/1/2020	8/1/2024	2.09%	64,919
2022 IPA	7/1/2021	8/1/2025	2.56%	112,054
				<u>\$ 314,628</u>

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

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 156,556	\$ 3,941	\$ 160,497
2024	78,541	1,932	80,473
2025	50,447	745	51,192
2026	29,084	-	29,084
	<u>\$ 314,628</u>	<u>\$ 6,618</u>	<u>\$ 321,246</u>

Interest paid for the current year amounted to \$6,490.

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

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

The School District participates in the New York State Teachers' Retirement System (TRS). This is a cost-sharing multiple-employer public employee retirement system. The System provides retirement benefits as well as death and disability benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York (RSSL). The System is governed by a 10 member Board of Trustees. System benefits are established under New York State Law. Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors, and administrators employed in New York Public Schools and BOCES who elected to participate in TRS. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a state statute. Additional information regarding the System may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, New York 12211-2395 or by referring to the NYSSTR Comprehensive Annual Financial report which can be found on the System's website at www.nystrs.org.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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

Plan Descriptions and Benefits Provided - 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, 2022**

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

Plan Descriptions and Benefits Provided - Employees’ Retirement System (ERS) (System) - 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>
2022	\$304,721	\$533,278
2021	273,289	510,721
2020	284,954	659,556

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

At June 30, 2022, the School District reported the following liability for its proportionate share of the net pension (asset)/liability for each of the Systems. The net pension (asset)/liability was measured as of March 31, 2022 for ERS and June 30, 2021 for TRS. The total pension (asset)/liability used to calculate the net pension (asset)/liability was determined by an actuarial valuation. The School District’s proportionate share of the net pension (asset)/liability was based on a projection of the School District’s long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was derived from reports provided to the School District by the ERS and TRS Systems.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

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

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

	ERS	TRS
Actuarial Valuation Date	April 1, 2022	June 30, 2021
Net Pension (Asset)/Liability	\$ (8,174,858,678)	\$ (17,329,041,946)
School District's Proportionate Share of the Plan's Total Net Pension (Asset)/Liability	(579,561)	(5,754,557)
School District's Share of the Net Pension (Asset)/Liability	0.0070898%	0.033208%

For the year ended June 30, 2022, the School District recognized pension expense of \$67,494 for ERS and \$318,033 for TRS in the District-wide financial statements. At June 30, 2022 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	\$ 43,891	\$ 793,205	\$ 56,929	\$ 29,897
Changes of Assumptions	967,223	1,892,794	16,321	335,186
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	-	-	1,897,820	6,022,740
Changes in Proportion and Differences Between the School District's Contributions and Proportionate Share of Contributions	77,085	104,166	43,365	30,671
School District's Contributions Subsequent to the Measurement Date	66,227	594,576	-	-
Total	\$ 1,154,426	\$ 3,384,741	\$ 2,014,435	\$ 6,418,494

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

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

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

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, 2023. 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	\$ (120,227)	\$ (730,970)
2023	(205,206)	(859,023)
2024	(488,836)	(1,083,694)
2025	(111,967)	(1,434,244)
2026	-	284,550
Thereafter	-	195,052

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, 2022	June 30, 2024 ¹
Actuarial Valuation Date	April 1, 2021	June 30, 2020
Investment Rate of Return	5.90%	6.95%
Salary Increases	4.40%	1.95% - 5.18%
Cost of Living Adjustments	4.40%	1.30%
Inflation Rate	2.70%	2.40%

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-2020, applied on a generational basis.

For ERS, the actuarial assumptions used in the April 1, 2021 valuation are based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 2020. For TRS, the actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2015 - June 30, 2020.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

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

Actuarial Assumptions - Continued

For ERS, the long-term rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by each the target asset allocation percentage and by adding expected inflation. For TRS, long-term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, Selection of Economic Assumptions for Measuring Pension Obligations. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for each major asset class as well as historical investment data and plan performance. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized as follows.

Measurement Date	ERS	TRS
	March 31, 2022	June 30, 2021
Asset Type		
Domestic Equities	3.30%	6.80%
International Equities	5.85%	7.60%
Global Equities	-	7.10%
Real Estate	5.00%	6.50%
Private Equity/Alternative Investments	6.50%	10.00%
Opportunistic Portfolio	4.10%	-
Real Assets	5.58%	-
Cash	(1.00)%	-
Credit	3.78%	-
Domestic Fixed Income Securities	-	1.30%
Global Fixed Income Securities	-	80.00%
Private Debt	-	5.90%
Real Estate Debt	-	3.30%
High-Yield Fixed Income Securities	-	3.80%
Short-Term	-	(0.20)%

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

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

Discount Rate

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

Sensitivity of the Proportionate Share of the Net Pension (Asset)/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 6.95% for TRS, as well as what the School District's proportionate share of the net pension (asset)/liability would be if it were calculated using a discount rate that is 1 percentage point lower or higher than the current rate.

ERS	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
School District's Proportionate Share of the Net Pension (Asset)/Liability	\$ 1,491,784	\$ (579,561)	\$ (2,312,142)

TRS	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
School District's Proportionate Share of the Net Pension (Asset)/Liability	\$ (603,857)	\$ (5,754,557)	\$ (10,083,347)

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, 2022	June 30, 2021
Employers' Total Pension (Asset)/Liability	\$ 223,874,888	\$ 130,819,415
Plan Net Position	(232,049,473)	(148,148,457)
Employers' Net Pension (Asset)/Liability	\$ (8,174,585)	\$ (17,329,042)
Ratio of Plan Net Position to the Employers' Total Pension (Asset)/Liability	103.7%	113.2%

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

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

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31. Employee contributions are remitted monthly. Accrued retirement contributions as of June 30, 2022 represent the projected employer contribution for the period of April 1, 2021 through June 30, 2022 based on estimated ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2022 amounted to \$56,405.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2022 are paid to the System in September, October, and November 2022 through a state aid intercept. Accrued retirement contributions as of June 30, 2022 represent employee and employer contributions for the fiscal year ended June 30, 2022 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, 2022 amounted to \$665,427.

Current Year Activity

The following is a summary of current year activity:

	Beginning Balance	Change	Ending Balance
ERS			
Net Pension (Asset)/Liability	\$ 7,345	\$ (586,906)	\$ (579,561)
Deferred Outflows of Resources	(1,651,180)	496,754	(1,154,426)
Deferred Inflows of Resources	2,146,782	(132,347)	2,014,435
Subtotal	502,947	(222,499)	280,448
TRS			
Net Pension (Asset)/Liability	934,415	(6,688,972)	\$ (5,754,557)
Deferred Outflows of Resources	(3,252,695)	(132,046)	(3,384,741)
Deferred Inflows of Resources	514,250	5,904,244	6,418,494
Subtotal	(1,804,030)	(916,774)	(2,720,804)
Total	\$ (1,301,083)	\$ (1,139,273)	\$ (2,440,356)

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

Note 12 Postemployment Benefits Other Than Pensions (OPEB)

General Information About the OPEB Plan (Plan)

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

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

Employees Covered by Benefit Terms - At June 30, 2022, the following employees were covered by the benefit terms:

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

The School District's total OPEB liability of \$4,394,116 was measured as of June 30, 2022, and was determined by an actuarial valuation as of July 1, 2021.

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

Discount Rate	3.54%
Actuarial Cost Method	Entry Age Normal
Salary Scale	2.60%
Medical Trend Rate	5.1% to 4.1% over 54 years

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

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

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

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

Total OPEB Liability

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

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

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

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2021	\$ 4,194,326
Changes for the Year	
Service Cost	156,724
Interest Cost	91,664
Changes of Benefit Terms	652,660
Differences Between Expected and Actual Experience	(483,609)
Changes in Assumptions or Other Inputs	(1,852)
Benefit Payments	(215,797)
Net Change	199,790
Balance at June 30, 2022	\$ 4,394,116

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

	1% Decrease (2.54%)	Discount Rate (3.54%)	1% Increase (4.54%)
Total OPEB Liability	\$ 4,748,647	\$ 4,394,116	\$ 4,059,406

Changes of assumptions and other inputs reflect a change in the discount rate from 2.16% in 2021 to 3.54% in 2022.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

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

Changes in the Total OPEB Liability - Continued

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

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 3,895,164	\$ 4,394,116	\$ 4,980,504

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

For the year ended June 30, 2022, the School District recognized OPEB expense of \$802,801.

At June 30, 2022, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ -	\$ 618,045
Changes in Assumptions or Other Inputs	14,285	185,781
Total	<u>\$ 14,285</u>	<u>\$ 803,826</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows.

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2023	\$ (98,247)
2024	(98,247)
2025	(98,247)
2026	(79,563)
2027	(74,893)
Thereafter	(340,344)

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

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

Current Year Activity

The following is a summary of current year activity:

	<u>Beginning Balance</u>	<u>Change</u>	<u>Ending Balance</u>
OPEB			
Other Postemployment Benefits Liability	\$ 4,194,326	\$ 199,790	\$ 4,394,116
Deferred Outflows of Resources	(15,965)	1,680	(14,285)
Deferred Inflows of Resources	418,292	385,534	803,826
Total	<u>\$ 4,596,653</u>	<u>\$ 587,004</u>	<u>\$ 5,183,657</u>

Note 13 Commitments and Contingencies

Risk Financing and Related Insurance

General Information

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

Other Items

The School District has received grants which are subject to audit by agencies of the state and federal governments. Such audits may result in disallowances and a request for a return of funds. Based on prior audits, School District administration believes disallowances, if any, will be immaterial.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

Note 14 Fund Balance Detail

At June 30, 2022, fund balances in the governmental funds were as follows:

	<u>General Fund</u>	<u>Non-Major Funds</u>
Nonspendable		
Prepaid Expenses	\$ 852,857	\$ -
Inventory	-	32,645
	<u>-</u>	<u>32,645</u>
Total Nonspendable Fund Balance	<u>\$ 852,857</u>	<u>\$ 32,645</u>
Restricted		
Workers Compensation Reserve	\$ 157,032	\$ -
Unemployment Insurance Reserve	100,589	-
ERS Contribution Reserve	798,890	-
TRS Contribution Reserve	116,864	-
Employee Benefit Accrued Liability Reserve	769,904	-
Capital Reserve	4,509,766	-
Scholarships		211,734
School Lunch	-	265,024
Debt	-	1,727
	<u>-</u>	<u>1,727</u>
Total Restricted Fund Balance	<u>\$ 6,453,045</u>	<u>\$ 478,485</u>
Assigned		
Appropriated for Next Year's Budget	\$ 750,000	\$ -
Encumbered for:		
General Support	21,198	-
Instruction	11,435	-
	<u>11,435</u>	<u>-</u>
Total Assigned Fund Balance	<u>\$ 782,633</u>	<u>\$ -</u>

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

Note 15 Restricted Fund Balances

Portions of fund balance are reserved and not available for current expenditures as reported in the Governmental Funds Balance Sheet. The balances and activity for the year ended June 30, 2022 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	\$ 156,794	\$ -	\$ 238	\$ -	\$ 157,032
Unemployment Insurance Reserve	101,797	-	155	(1,363)	100,589
ERS Contribution Reserve	797,677	-	1,213	-	798,890
TRS Contribution Reserve	116,687	-	177	-	116,864
Employee Benefit Accrued Liability Reserve	753,505	200,000	1,074	(184,675)	769,904
Capital Reserve	3,504,673	1,000,000	5,093	-	4,509,766
Total Restricted Fund Balance	<u><u>\$5,431,133</u></u>	<u><u>\$1,200,000</u></u>	<u><u>\$ 7,950</u></u>	<u><u>\$ (186,038)</u></u>	<u><u>\$6,453,045</u></u>

Note 16 Stewardship, Compliance, and Accountability

Deficit Fund Balance

The Capital Projects Fund had a deficit balance of \$717,061 at June 30, 2022. 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 \$1,031,491 at June 30, 2022. This is primarily the result of the requirement to record other postemployment benefits liability with no requirement or mechanism to fund this liability (see Note 12). This deficit is not expected to be eliminated during the normal course of operations.

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, 2022 exceeded this limit by \$1,104,548. 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, 2022

Note 17 Restatement

During the year, the District adopted GASB Statement No. 87. The District's June 30, 2021 net position for governmental activities has been restated to reflect the following:

	<u>Intangible Assets, Net</u>	<u>Lease Liabilities</u>	<u>Net Position (Deficit)</u>
Balance Beginning of Year, as Previously Reported	\$ -	\$ -	\$ 19,365,058
GASB Statement No. 87 Implementation	<u>369,879</u>	<u>(337,241)</u>	<u>(32,638)</u>
Balance Beginning of Year, as Restated	<u><u>\$ 369,879</u></u>	<u><u>\$ (337,241)</u></u>	<u><u>\$ 19,332,420</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, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
Local Sources				
Real Property Taxes	\$ 5,850,887	\$ 5,850,887	\$ 5,850,103	\$ (784)
Real Property Tax Items	1,096,888	1,096,888	1,100,259	3,371
Charges for Services	57,000	57,000	94,223	37,223
Use of Money And Property	11,000	11,000	18,713	7,713
Sale of Property and Compensation for Loss	24,000	24,000	14,444	(9,556)
Miscellaneous	153,979	164,342	161,098	(3,244)
Total Local Sources	<u>7,193,754</u>	<u>7,204,117</u>	<u>7,238,840</u>	<u>34,723</u>
State Sources	12,766,628	12,766,628	12,656,674	(109,954)
Medicaid Reimbursement	25,000	25,000	23,387	(1,613)
Total Revenues	<u>19,985,382</u>	<u>19,995,745</u>	<u>19,918,901</u>	<u>(76,844)</u>
Operating Transfers In	-	-	77,125	77,125
Total Revenues	<u>19,985,382</u>	<u>19,995,745</u>	<u>\$ 19,996,026</u>	<u>\$ 281</u>
Appropriated Fund Balance and Reserves	<u>750,000</u>	<u>936,037</u>		
Designated Fund Balance and Encumbrances Carried Forward From Prior Year	<u>88,585</u>	<u>88,585</u>		
Total Revenues, Appropriated Reserves, and Designated Fund Balance	<u>\$ 20,823,967</u>	<u>\$ 21,020,367</u>		

See Notes to Required Supplementary Information

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (NON-U.S. GAAP) GENERAL FUND FOR THE YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Encumbrances	Variance Favorable (Unfavorable)
EXPENDITURES					
General Support					
Board of Education	\$ 18,982	\$ 18,982	\$ 12,145	\$ -	\$ 6,837
Central Administration	204,075	208,150	205,318	-	2,832
Finance	327,355	329,283	326,286	-	2,997
Staff	132,530	134,633	102,049	522	32,062
Central Services	2,268,160	1,940,942	1,670,800	20,676	249,466
Special Items	515,188	515,188	510,931	-	4,257
Total General Support	3,466,290	3,147,178	2,827,529	21,198	298,451
Instruction					
Instruction, Administration, and Improvement	770,543	765,485	716,674	3,465	45,346
Teaching - Regular School	3,963,276	3,977,174	3,706,010	6,925	264,239
Programs for Children With Handicapping Conditions	2,127,934	2,122,916	1,826,998	-	295,918
Occupational Education	704,103	704,103	691,953	-	12,150
Instructional Media	340,862	351,620	343,076	180	8,364
Pupil Services	1,142,662	1,142,992	968,367	865	173,760
Total Instruction	9,049,380	9,064,290	8,253,078	11,435	799,777
Pupil Transportation	875,314	879,549	771,694	-	107,855
Community Services	400	400	-	-	400
Employee Benefits	5,507,382	5,676,242	4,422,477	-	1,253,765
Debt Service					
Principal	-	229,772	229,772	-	-
Interest	-	6,490	6,490	-	-
Total Debt Service	-	236,262	236,262	-	-
Total Expenditures	18,898,766	19,003,921	16,511,040	32,633	2,460,248
OTHER FINANCING USES					
Operating Transfers Out	1,925,201	2,016,446	1,985,381	-	31,065
Total Expenditures and Other Financing Uses	\$ 20,823,967	\$ 21,020,367	18,496,421	\$ 32,633	\$ 2,491,313
Net Change in Fund Balance			1,499,605		
Fund Balance - Beginning of Year			8,551,132		
Fund Balance - End of Year			\$ 10,050,737		

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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 304,721	\$ 273,289	\$ 284,954	\$ 329,564	\$ 293,859	\$ 237,557	\$ 270,501	*	*	*
Contributions in Relation to the Contractually Required Contribution	(304,721)	(273,289)	(284,954)	(329,564)	(293,859)	(237,557)	(270,501)	*	*	*
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	*	*	*
School District's Covered Employee Payroll for Year Ending June 30,	2,099,602	2,040,913	1,882,602	1,902,909	1,880,871	1,752,195	1,473,603	*	*	*
Contributions as a Percentage of Covered Employee Payroll	14.5%	13.4%	15.1%	17.3%	15.6%	13.6%	18.4%	*	*	*

* Information Not Readily Available

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

	<u>2022</u>	<u>2021</u>	<u>2019</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 594,576	\$ 533,278	\$ 510,721	\$ 659,556	\$ 602,967	\$ 711,585	\$ 772,307	*	*	*
Contributions in Relation to the Contractually Required Contribution	(594,576)	(533,278)	(510,721)	(659,556)	(602,967)	(711,585)	(772,307)	*	*	*
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	*	*	*
School District's Covered Employee Payroll for Year Ending June 30,	6,067,102	5,595,779	5,764,344	5,852,527	5,891,848	5,755,592	5,630,648	*	*	*
Contributions as a Percentage of Covered Employee Payroll	9.8%	9.5%	8.9%	11.3%	10.2%	12.4%	13.7%	*	*	*

* Information not readily available.

See Notes to Required Supplementary Information

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
School District's Proportion of the Net Pension (Asset)/Liability	0.0070898%	0.0066088%	0.0066088%	0.0064818%	0.0062826%	0.0058304%	0.0055387%
School District's Proportionate Share of the Net Pension (Asset)/Liability	\$ (579,561)	\$ 7,345	\$ 1,750,046	\$ 1,750,046	\$ 202,767	\$ 547,837	\$ 888,973
School District's Covered Employee Payroll During the Measurement Period	2,073,100	2,030,184	1,875,215	1,902,909	1,880,871	1,752,195	1,473,603
School District's Proportionate Share of the Net Pension (Asset)/Liability as a Percentage of its Covered Employee Payroll	(28.0)%	0.4%	93.3%	92.0%	10.8%	31.3%	60.3%
Plan Fiduciary Net Position as a Percentage of the Total Pension (Asset)/Liability	103.7%	99.9%	86.4%	96.3%	98.2%	94.7%	90.7%

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
School District's Proportion of the Net Pension (Asset)/Liability	0.0332080%	0.0348020%	0.0352800%	0.035280%	0.035707%	0.036155%	0.035805%
School District's Proportionate Share of the Net Pension (Asset)/Liability	\$ (5,754,557)	\$ 934,415	\$ (904,164)	\$ (637,958)	\$ (271,410)	\$ 387,237	\$ (3,719,030)
School District's Covered Employee Payroll During the Measurement Period	6,067,102	5,595,779	5,764,344	5,852,527	5,891,848	5,755,592	5,630,648
School District's Proportionate Share of the Net Pension (Asset)/Liability as a Percentage of its Covered Employee Payroll	94.8%	16.7%	15.7%	10.9%	4.6%	6.7%	66.0%
Plan Fiduciary Net Position as a Percentage of the Total Pension (Asset)/Liability	113.2%	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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Service Cost	\$ 156,724	\$ 155,571	\$ 156,981	\$ 178,604	\$ 173,402	\$ *	\$ *	\$ *	\$ *	\$ *
Interest Cost	91,664	92,613	155,860	135,874	132,759	*	*	*	*	*
Changes of Benefit Terms	652,660	-	-	-	-	*	*	*	*	*
Differences Between Expected and Actual Experience	(483,609)	-	(221,554)	-	(23,098)	*	*	*	*	*
Changes in Assumptions or Other Inputs Benefit Payments	(1,852)	17,645	(148,882)	(168,148)	-	*	*	*	*	*
Benefit Payments	(215,797)	(211,985)	(194,513)	(207,032)	(162,143)	*	*	*	*	*
Total OPEB Liability - Beginning	<u>4,194,326</u>	<u>4,140,482</u>	<u>4,392,590</u>	<u>4,453,292</u>	<u>4,332,372</u>	*	*	*	*	*
Total OPEB Liability - Ending	<u>\$ 4,394,116</u>	<u>\$ 4,194,326</u>	<u>\$ 4,140,482</u>	<u>\$ 4,392,590</u>	<u>\$ 4,453,292</u>	<u>\$ *</u>	<u>\$ *</u>	<u>\$ *</u>	<u>\$ *</u>	<u>\$ *</u>
Covered Employee Payroll	\$ 7,047,587	\$ 5,567,253	\$ 5,567,253	\$ 6,040,467	\$ 6,040,467	\$ *	\$ *	\$ *	\$ *	\$ *
Total OPEB Liability as a Percentage of Covered Payroll	62%	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, 2022

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	\$ 20,735,382
Carryover Encumbrances	<u>88,585</u>
Original Budget	20,823,967
Appropriated Reserves	186,037
Gifts and Donations	<u>10,363</u>
Final Budget	<u><u>\$ 21,020,367</u></u>

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

An annual legal budget is not adopted for the Special Revenue Funds (Special Aid 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, 2022.

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.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION JUNE 30, 2022

Note 4 **Schedules of the School District's Proportionate Share of the Net Pension (Asset)/Liability**

The Schedule of the School District's Proportionate Share of the Net Pension (Asset)/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 (Asset)/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, 2022

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 (Asset)/Liability - Continued

NYSLRS - Continued

Methods and Assumptions Used in Calculations of Actuarially Determined Contributions

The April 1, 2020 actuarial valuation determines the employer rates for contributions payable in fiscal year 2022. 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	4.5% 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.
Active Member Decrements	Based upon FY 2016-2020 experience.
Pensioner Mortality	Gender/Collar specific tables based upon FY 2016-2020 experience.
Mortality Improvement	Society of Actuaries' Scale MP-2019.

NYSTRS

Changes in Benefit Terms

None.

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, 2022

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 (Asset)/Liability - Continued

NYSTRS

Changes of Assumptions - Continued

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. Current proposed assumptions are used in the 2021 determination of the Total Pension Liability.

The System's long-term rate of return assumption for purposes of the NPL is 6.95%, effective with the 2021 actuarial valuation. For the 2020 and 2019 actuarial valuations, the System's long-term rate of return assumption was 7.10%. 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 2.4% for 2021 and 2.20% for 2019 and 2020. 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 2020 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 2021 actuarial valuation, the assumed scale for mortality improvement was changed from MP2019 to MP2020.

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 MP-2014 to MP-2018.

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 2021. For assumptions and plan provisions used in contributions reported for years prior to 2021, 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, 2022

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 (Asset)/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% per year, until fully recognized after five years.
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Inflation	2.20%
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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	7.10% compounded annually, net of investment expenses, including inflation.
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Projected Cost of Living Adjustments	1.3% compounded annually
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BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS JUNE 30, 2022

	Special Revenue Funds			Total Non-Major Governmental Funds
	School Lunch Fund	Miscellaneous Special Revenue Fund	Debt Service Fund	
ASSETS				
Cash - Restricted	\$ 141,056	\$ 211,734	\$ 1,727	\$ 354,517
Receivables:				
State and Federal Aid	135,329	-	-	135,329
Other	1,068	-	-	1,068
Inventories	32,645	-	-	32,645
Total Assets	\$ 310,098	\$ 211,734	\$ 1,727	\$ 523,559
LIABILITIES				
Payables:				
Accounts Payable	\$ 8,749	\$	\$	\$ 8,749
Due to Other Governments	40	-	-	40
Unearned Revenue	3,640	-	-	3,640
Total Liabilities	12,429	-	-	12,429
FUND BALANCES				
Nonspendable	32,645	-	-	32,645
Restricted	265,024	211,734	1,727	478,485
Total Fund Balances (Deficit)	297,669	211,734	1,727	511,130
Total Liabilities and Fund Balances	\$ 310,098	\$ 211,734	\$ 1,727	\$ 523,559

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - NON-MAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2022

	Special Revenue Funds			Total Non-Major Governmental Funds
	School Lunch Fund	Miscellaneous Special Revenue Fund	Debt Service Fund	
REVENUES				
Use of Money And Property	\$ -	\$ 331	\$ -	\$ 331
Sale of Property and Compensation For Loss	-	-	946,978	946,978
Miscellaneous	22,059	18,945	-	41,004
State Sources	53,902	-	-	53,902
Federal Sources	605,607	-	-	605,607
Sales - School Lunch	31,095	-	-	31,095
Total Revenues	712,663	19,276	946,978	1,678,917
EXPENDITURES				
General Support	-	-	203,106	203,106
Instruction	246,127	22,419	-	268,546
Employee Benefits	97,685	-	-	97,685
Debt Service:				
Principal	-	-	1,675,858	1,675,858
Interest	-	-	224,990	224,990
Cost of Sales	241,676	-	-	241,676
Total Expenditures	585,488	22,419	2,103,954	2,711,861
Excess (Deficiency) of Revenues Over Expenditures	127,175	(3,143)	(1,156,976)	(1,032,944)
OTHER FINANCING SOURCES AND (USES)				
Operating Transfers In	-	-	1,750,006	1,750,006
Operating Transfers (Out)	-	-	(743,871)	(743,871)
Total Other Sources (Uses)	-	-	1,006,135	1,006,135
Net Change in Fund Balances	127,175	(3,143)	(150,841)	(26,809)
Fund Balances - Beginning of Year	170,494	214,877	152,568	537,939
Fund Balances - End of Year	\$ 297,669	\$ 211,734	\$ 1,727	\$ 511,130

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, 2022

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget	<u>\$ 20,735,382</u>
Prior Year's Encumbrances	<u>88,585</u>
Original Budget	<u>20,823,967</u>
Budget Additions:	
Gifts and Donations	10,363
Use of Reserves	<u>186,037</u>
Total Additions	<u>196,400</u>
Final Budget	<u><u>\$ 21,020,367</u></u>

§1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

Next Year's Budget is a Voter Approved Budget	<u><u>\$21,441,361</u></u>
2022-2023 Voter-Approved Expenditure Budget Maximum Allowed (4% of 2022-2023 Budget)	<u><u>\$ 857,654</u></u>
General Fund Fund Balance Subject to §1318 of Real Property Tax Law	
Unrestricted Fund Balance:	
Assigned Fund Balance	\$ 782,633
Unassigned Fund Balance	<u>1,962,202</u>
Total Unrestricted Fund Balance	<u>2,744,835</u>
Less:	
Appropriated Fund Balance	\$ 750,000
Encumbrances Included in Committed and Assigned Fund Balance	<u>32,633</u>
Total Adjustments	<u>782,633</u>
General Fund Fund Balance Subject to §1318 of Real Property Tax Law	<u><u>\$ 1,962,202</u></u>
Actual Percentage	9.15%

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

SCHEDULE OF PROJECT EXPENDITURES CAPITAL PROJECTS FUND JUNE 30, 2022

PROJECT TITLE	Expenditures					Unexpended Balance	Methods of Financing			Fund Balance (Deficit) June 30, 2022	
	Original Budget	Revised Budget	Prior Years	Current Year	Total		Proceeds of Obligations	State Aid	Local Sources		Total
Capital Project- 2017-2018	\$ 16,500,000	\$ 16,500,000	\$ 15,861,816	\$ 571,958	\$ 16,433,774	\$ 66,226	\$ 13,431,648	\$ -	\$ 3,095,102	\$ 16,526,750	\$ 92,976 *
Smart Schools Bond Act Project	-	-	594,840	65,248	660,088	(660,088)	-	188,817	275	189,092	(470,996)*
Capital Outlay Projects (21-22)	100,000	100,000	-	100,000	100,000	-	-	-	100,000	100,000	- *
Buses and Transfer to Debt Service	-	-	-	339,041	339,041	(339,041)	240,000	-	-	240,000	(99,041)*
21-22 Emergency Project	-	-	-	91,245	91,245	(91,245)	-	-	91,245	91,245	- *
GASB 87 Leases	-	-	-	141,883	141,883	(141,883)	141,883	-	-	141,883	-
Unredeemed BANs Construction	-	-	-	-	-	-	-	-	-	-	- *
Unredeemed BANs- Buses	-	-	-	-	-	-	(240,000)	-	-	(240,000)	(240,000)*
Total	\$ 16,600,000	\$ 16,600,000	\$ 16,456,656	\$ 1,309,375	\$ 17,766,031	\$(1,166,031)	\$ 13,573,531	\$ 188,817	\$ 3,286,622	\$ 17,048,970	\$ (717,061)

* 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, 2022

Capital Assets, Net	<u>\$ 28,342,561</u>
Add:	
Intangible Assets, Net	<u>313,069</u>
Deduct:	
Bond Anticipation Notes	<u>(240,000)</u>
Short-Term Portion of Bonds Payable	<u>(715,000)</u>
Long-Term Portion of Bonds Payable	<u>(10,750,000)</u>
Net Investment in Capital Assets	<u><u>\$ 16,950,630</u></u>



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information the Bainbridge-Guilford Central School District (the School District) as of and for the year ended June 30, 2022, 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 October 17, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the Schedule of Findings and Questioned Costs as item 2022-001.

School District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the School District's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The School District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
October 17, 2022



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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Bainbridge-Guilford Central School District's (the School District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2022. The School District's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the School District, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Respectfully submitted,



Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
October 17, 2022

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-Through Grantor Program Title	Federal ALN #	Pass-Through Grantor #	Pass-Through to Subrecipients	Expenditures
U.S. Department of Education				
Passed Through NYS Department of Education				
Title I Grants to Local Educational Agencies	84.010	0021220430	\$ -	\$ 171,630
Special Education Cluster:				
Special Education - Grants to States	84.027	0032220124	-	192,873
Special Education - Preschool Grants	84.173	0033220124	-	2,444
Total Special Education Cluster			<u>-</u>	<u>195,317</u>
Supporting Effective Instruction State Grants	84.367	0147220430	-	25,737
Title IV Student Support and Enrichment Program	84.424	0204220430	-	11,844
Education Stabilization Fund (ESF):				
(COVID-19) Governor's Emergency Education Relief (GEER) Fund	84.425C	5896220430	-	29,797
(COVID-19) Elementary and Secondary School Emergency Relief (ESSER)	84.425D	5891220430	-	320,423
(COVID-19) ARP SLR Comprehension	84.425U	5833220430	-	58,508
(COVID-19) ARP SLR Learning Loss	84.425U	5884220430	-	146,381
(COVID-19) CARES - ESSER	84.425D	5880220430	-	506,931
Total Education Stabilization Fund			<u>-</u>	<u>1,062,040</u>
Total U.S. Department of Education			<u>-</u>	<u>1,466,568</u>
U.S. Department of Agriculture				
Passed Through NYS Department of Education				
Child Nutrition Cluster:				
Summer Food Service Program for Children	10.559	(1)	-	57,450
School Breakfast Program	10.553	(1)	-	144,594
National School Lunch Program	10.555	(1)	-	383,513
Total Child Nutrition Cluster			<u>-</u>	<u>585,557</u>
Direct Program				
(COVID-19) Supply Chain Assistance	10.649	N/A	-	20,050
Total U.S. Department of Agriculture			<u>-</u>	<u>605,607</u>
Total Expenditures of Federal Awards			<u>\$ -</u>	<u>\$ 2,072,175</u>

(1) - Unable to Determine

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS JUNE 30, 2022

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 \$31,498 of commodities under the National School Lunch Program (ALN #10.555).

Note 6 Subrecipients

No amounts were provided to subrecipients.

Note 7 Other Disclosures

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

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

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2022

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:

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

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

Auditee qualified as low-risk? yes X no

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2022

Section II Financial Statement Findings

2022-01 Fund Balance Limitation

Condition:

At June 30, 2022, unassigned fund balance in the General Fund was \$1,104,548 in excess of the allowable limit. 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 (RPT) §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 \$2,491,313, primarily due to lower than planned central service and instructional costs.

Effect:

The School District is not in compliance with New York State RPT §1318.

Repeat Finding:

This finding was reported in June 30, 2021 as 2021-001.

Recommendation:

We recommend the School District continue to monitor the 2022-2023 budget closely and make adjustments as necessary. If this situation arises in the future, we recommend management consider transferring excess funds to appropriate reserves prior to year end or prior to adoption of the subsequent year's tax levy.

Response:

As the School District moved through the budget process for the 2022-23 school year, it became evident that costs for supplies, fuel, electricity, and services were rising at a rapid pace for the future. Most concerning were the fuel and electricity costs for the School District moving forward. Contracts that were in place for a number of these items for the 2022-23 school year were cancelled as vendors claimed force majeure. In order to be prepared to 'weather' these significantly rising costs, management of the School District felt it was important to move into the 2022-23 school year with a fund balance that will allow the School District the flexibility to absorb the rising costs.

Section III Federal Award Findings and Questioned Costs

None.