

BAINBRIDGE-GUILFORD  
CENTRAL SCHOOL DISTRICT

FINANCIAL STATEMENTS

SINGLE AUDIT PACKAGE

JUNE 30, 2016

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

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## INDEPENDENT AUDITORS' REPORT

To the President and Members  
of the Board of Education of the  
Bainbridge-Guilford Central School District  
Bainbridge, New York

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the **BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT** (the "District") as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprises the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

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

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

## Bainbridge-Guilford Central School District

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

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Other Matters

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 19, the schedule of revenues, expenditures and changes in fund balance budget (non-GAAP basis) and actual - general fund on pages 58 through 59, the schedule of funding progress for the OPEB Liability on page 60, and the schedules of District's pension contributions and proportionate share of the net pension liability on pages 61 through 62 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 US *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The supplemental information and the schedule of federal expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

# Piaker & Lyons

Bainbridge-Guilford Central School District

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

  
PIAKER & LYONS, P.C.

Binghamton, New York  
September 30, 2016

**Bainbridge-Guilford Central School District  
Management Discussion & Analysis  
For the Year Ended June 30, 2016**

The following pages detail the Bainbridge-Guilford Central School District's discussion and analysis of financial performance during the fiscal year ended June 30, 2016. This report is intended to be reviewed in conjunction with the independently audited financial statements of the district.

**Financial Highlights**

For the year ended, Net Position increased by 9.3% or \$1,514,503. A reporting requirement for net pension liability and assets and Pension Deferred Inflows and Outflows accounts for a portion of the net position change.

The following are a few of the key financial highlights for the year:

- The district experienced positive budget performance for the reporting year. At year end, expenditures represented 92.3% of revenue. This number reflects a healthy combination of budget accuracy and effective fund balance management.
- The district increased the level of Appropriated Fund Balance from \$273,000 to \$500,000 - a net increase of \$227,000. This action is a reflection of the positive budget performance noted above. This amount is also within the desired target level of 2-3% of the ensuing year General Fund operating budget.
- At year end, due to positive budget performance as noted above, the district was able to fund the recent voter approved Capital Reserve Fund with an additional \$667,000 bringing that reserve to a balance of \$2.17 million at year end.
- The district continues efforts to strengthen systems for monitoring, collecting and reporting wealth index indicator data which has a significant positive impact on state aid allocations as well as state and federal grant allocations. Specific activities include participation in the New York State SDIV (School District Income Verification) process and capturing accurate and complete data for reporting our Free and Reduced Price Meal eligibility statistics.

**Bainbridge-Guilford Central School District  
Management Discussion & Analysis  
For the Year Ended June 30, 2016**

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District.

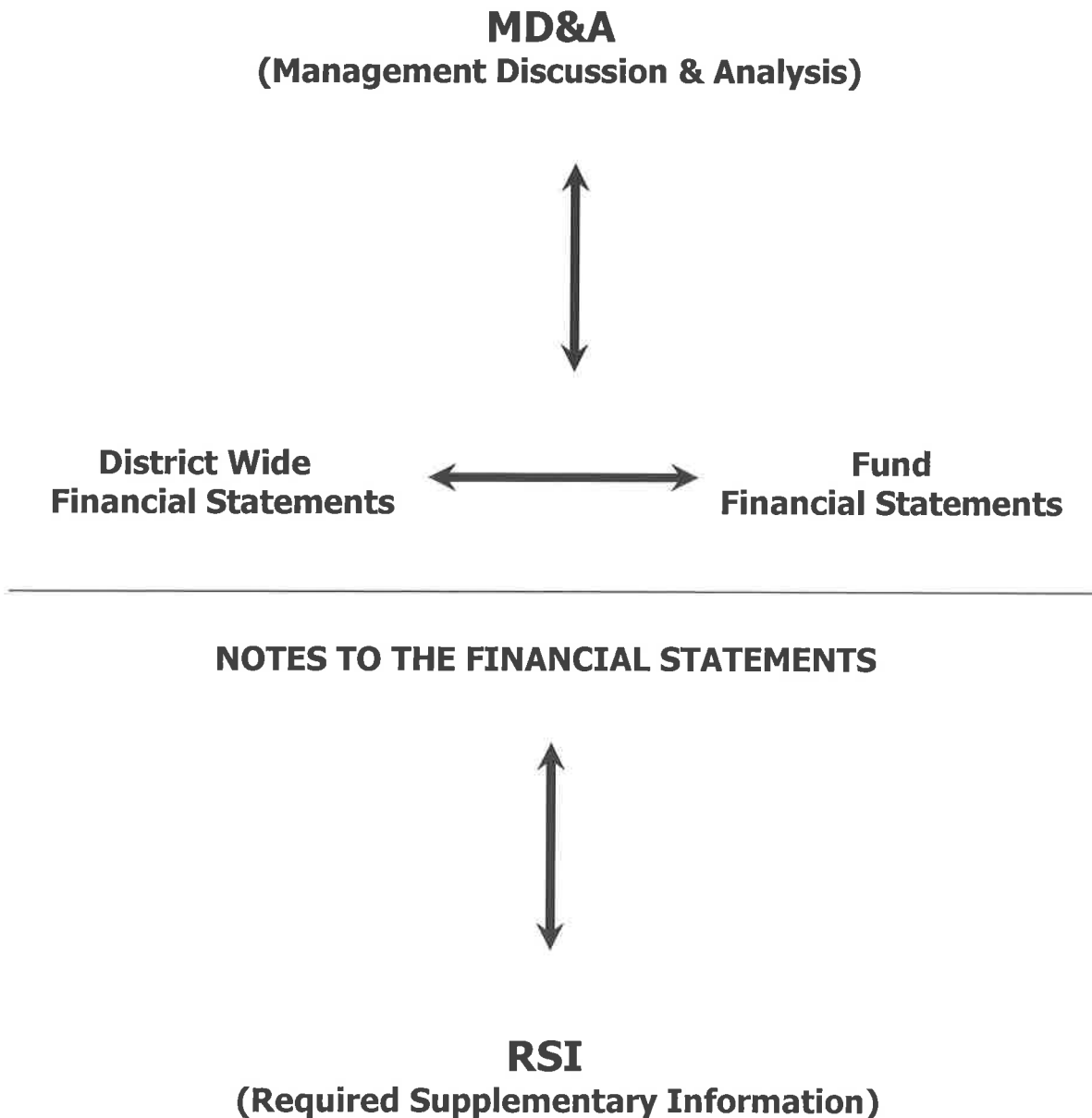
- The first two statements are ***district-wide financial statements*** that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are ***fund financial statements*** that focus on *individual parts* of the District, reporting the operation in *more detail* than the entity-wide statements.
- The ***governmental fund statements*** tell how basic services such as instruction and support functions were financed in the *short term* as well as what remains for future spending.
- ***Fiduciary funds*** statements provide information about the financial relationships in which the District acts solely as a *trustee or agent* for the benefit of others, including the employees of the District.

The financial statements also include notes that provide additional information about the financial statements and the balances reported. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year. Table A-1 shows how the various parts of this annual report are arranged and related to one another.



**Bainbridge-Guilford Central School District  
Management Discussion & Analysis  
For the Year Ended June 30, 2016**

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



**Bainbridge-Guilford Central School District  
Management Discussion & Analysis  
For the Year Ended June 30, 2016**

**Table A-2** summarizes the major features of the District’s financial statements, including the portion of the District’s activities that they cover and the types of information that they contain. The remainder of this overview section of management’s discussion and analysis highlights the structure and contents of each of the statements.

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

	Entity-Wide Statements	Fund Financial Statements	
		Governmental	Fiduciary
Scope	Entire district (except fiduciary funds)	The day-to-day operating activities of the District, such as special education and instruction	Instances in which the District administers resources on behalf of others, such as employee benefits
Required financial statements	<ul style="list-style-type: none"> <li>• Statement of Net Position</li> <li>• Statement of Activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Statement of Revenues, Expenditures and Changes in Fund Equity</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of Fiduciary Net Assets</li> <li>• Statement of Changes in Fiduciary Net Assets</li> </ul>
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual and current financial resources measurement focus	Accrual accounting and economic resources focus
Type of asset and liability information	All assets and liabilities, both financial and capital, short-term and long-term	Current assets and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term; funds do not contain capital assets, although they can
Type of inflow and outflow information	All revenues and expenses during year; regardless of when cash is received or paid	Revenues for which cash is received during the year or soon thereafter; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

**Bainbridge-Guilford Central School District  
Management Discussion & Analysis  
For the Year Ended June 30, 2016**

**District-Wide Statements**

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

The two district-wide statements report the District's *net position* and how it has changed. Net Position, the difference between the assets and liabilities, is one way to measure the financial health or position of the District.

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

Net Position of the governmental activities differ from the governmental fund balances because governmental fund level statements only report transactions using or providing current financial resources. Also, capital assets are reported as expenditures when financial resources (money) are expended to purchase or build said assets. Likewise, the financial resources that may have been borrowed are considered revenue when they are received. The principal and interest payments are both considered expenditures when paid. Depreciation is not calculated if it does not provide or reduce current financial resources. Finally, capital assets and long-term debt are both accounted for in account groups and do not affect the fund balances.

Government-wide statements are reported utilizing an economic resources measurement focus and full accrual basis of accounting that involves the following steps to format the Statement of Net Position:

- Capitalize current outlays for capital assets;
- Report long-term liabilities including debt and compensated absences and other post-employment benefits;
- Depreciate capital assets and allocate the depreciation to the proper program/activities;
- Calculate revenue and expense using the economic resources measurement focus and the accrual basis of accounting; and
- Allocate net asset balances as follows:
  - *Net Position* invested in capital assets, net of related debt;
  - *Restricted net position* reflects constraints placed on use by external sources (creditors, grantors, contributors, or laws or regulations of governments) or imposed by law through constitutional provisions or enabling legislation; and
  - *Unrestricted Net Position* is net position that does not meet any of the above restrictions.

**Bainbridge-Guilford Central School District  
Management Discussion & Analysis  
For the Year Ended June 30, 2016**

**Fund Financial Statements**

The fund financial statements provide more detailed information about the District's funds. Funds are accounting devices that the District uses to keep track of specific revenue sources and spending on particular programs. The funds have been established by the laws of the State of New York.

The District has two kinds of funds:

- **Governmental funds:** Most of the 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 fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the programs of the District. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them. In summary, the government fund statements focus primarily on the sources, uses, and balance of current financial resources and often have a budgetary orientation. Included are the general fund, special revenue funds, debt service funds, capital project funds and permanent funds. Required statements are the Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Equity.
- **Fiduciary funds:** The District is the trustee or *fiduciary* for assets that belong to others, such as scholarship funds and student activities funds. The 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 District excludes these activities from the entity-wide financial statements because it cannot use these assets to finance its operations. Fiduciary fund reporting focuses on net position and changes in net position. This report should be used to support the District's own programs and is developed using the economic resources measurement focus and the accrual basis of accounting, except for the recognition of certain liabilities of defined benefit pension plans and certain post-employment healthcare plans.

**Bainbridge-Guilford Central School District  
Management Discussion & Analysis  
For the Year Ended June 30, 2016**

**Financial Analysis of the District as a Whole**

The District's Net Position increased by 9.3% or approximately \$1.5 million as detailed in Tables A-3 and A-4.

Current Assets increased by approximately \$720 thousand or 6.7%, whereas Capital Assets decreased 6.4% or approximately \$1 million primarily due to the depreciation of assets.

Total Liabilities decreased by approximately \$1.9 million or 16.7%. Of this amount, Current Liabilities represented a decrease of approximately \$480 thousand and Long-Term Liabilities represented a decrease of approximately \$1.4 million. In terms of long term liabilities, the decrease was a result of the Deferred Inflows relative to the NYS Retirement Systems and the retirement of debt.

**Table A-3: Condensed Statement of Net Positions**

<i>Description</i>	<i>Fiscal Year</i>		<i>Change</i>	
	<i>2015</i>	<i>2016</i>	<i>\$</i>	<i>%</i>
Current and other assets:	10,717,555	11,438,169	720,614	6.7%
Capital assets, net of depreciation	16,743,404	15,679,981	(1,063,423)	-6.4%
Total Assets	27,460,959	27,118,150	(342,509)	-1.2%
Current liabilities	2,834,001	2,353,506	(480,495)	-17.0%
Long-term liabilities	8,285,306	6,908,489	(1,376,817)	-16.6%
Total liabilities	11,119,307	9,261,995	(1,857,312)	-16.7%
Net Position:				
Investment in capital assets, net of related debt	12,289,737	12,344,148	54,411	0.4%
Restricted	2,933,004	4,219,491	1,286,487	43.9%
Unrestricted	1,118,911	1,292,516	173,605	15.5%
Total Net Position	16,341,652	17,856,155	1,514,503	9.3%

**Changes in Net Position**

The District's total fiscal year 2016 revenues (for general, special aid and school lunch funds) totaled \$19.7 million (see Table A-4). State formula aid and property taxes accounted for most of the District's revenue by contributing 56 cents and 31 cents, respectively, of every dollar raised (See Table A-5). The remainder came from fees charged for services, tuition, operating grants, and other miscellaneous sources.

**Bainbridge-Guilford Central School District  
Management Discussion & Analysis  
For the Year Ended June 30, 2016**

The total cost of all programs and services (for general, special aid and school lunch funds) totaled \$18.2 million for fiscal year 2016. These expenses are predominantly related to general instruction and transporting students (see Table A-7).

**Table A-4: Changes in Net Assets from Operating Results**

**Revenues (General, Special Aid and School Lunch Funds)**

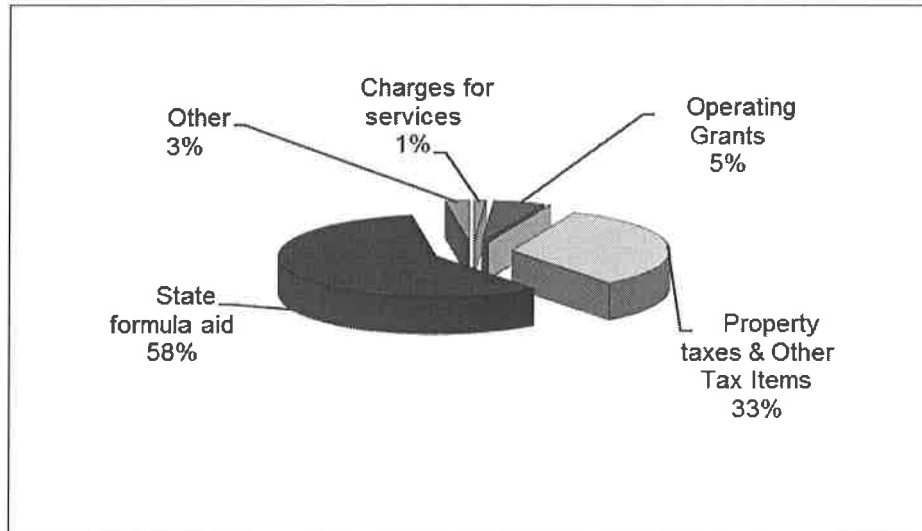
<i>Description</i>	<i>Fiscal Year</i>		<i>Change</i>	
	<i>2015</i>	<i>2016</i>	<i>\$</i>	<i>%</i>
Program Revenue:				
Charges for services	216,002	263,024	47,022	21.8%
Operating Grants	945,220	972,762	27,542	2.9%
General Revenue:				
Property taxes	6,007,444	6,079,566	72,122	1.2%
State formula aid	10,550,104	10,994,041	443,937	4.2%
Other	446,148	1,385,916	939,768	210.6%
Total Revenue:	<u>18,164,918</u>	<u>19,695,309</u>	<u>1,530,391</u>	<u>8.4%</u>

**Expenses (General, Special Aid and School Lunch Funds)**

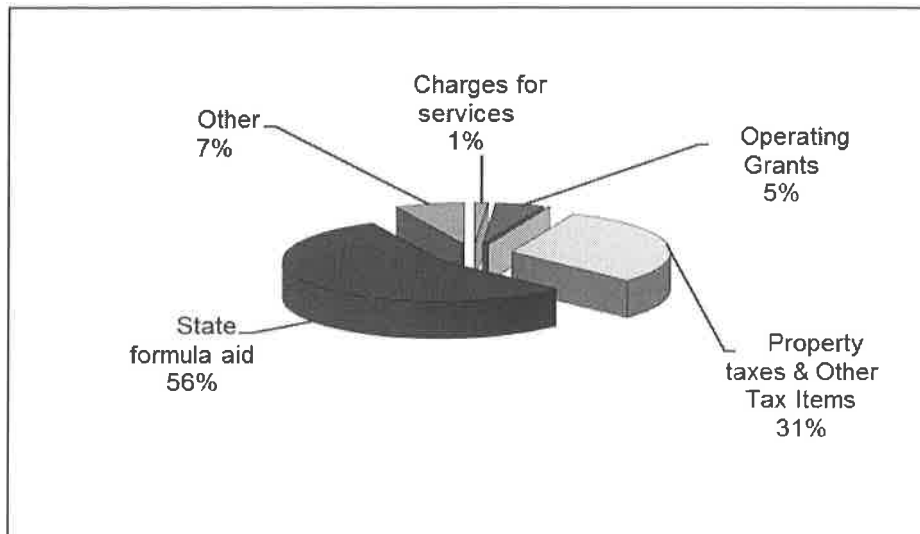
<i>Description</i>	<i>Fiscal Year</i>		<i>Change</i>	
	<i>2015</i>	<i>2016</i>	<i>\$</i>	<i>%</i>
Expenditures:				
General Support	4,326,575	4,208,077	(118,498)	-2.7%
Instruction	10,891,520	12,278,011	1,386,491	12.7%
Transportation	980,811	1,076,032	95,221	9.7%
Debt Service	146,924	122,878	(24,046)	-16.4%
School Lunch	435,961	495,808	59,847	13.7%
Total Expenditures:	<u>16,781,791</u>	<u>18,180,806</u>	<u>1,399,015</u>	<u>8.3%</u>

**Bainbridge-Guilford Central School District  
Management Discussion & Analysis  
For the Year Ended June 30, 2016**

**Table A-5: Sources of Revenues for Fiscal Year 2015**

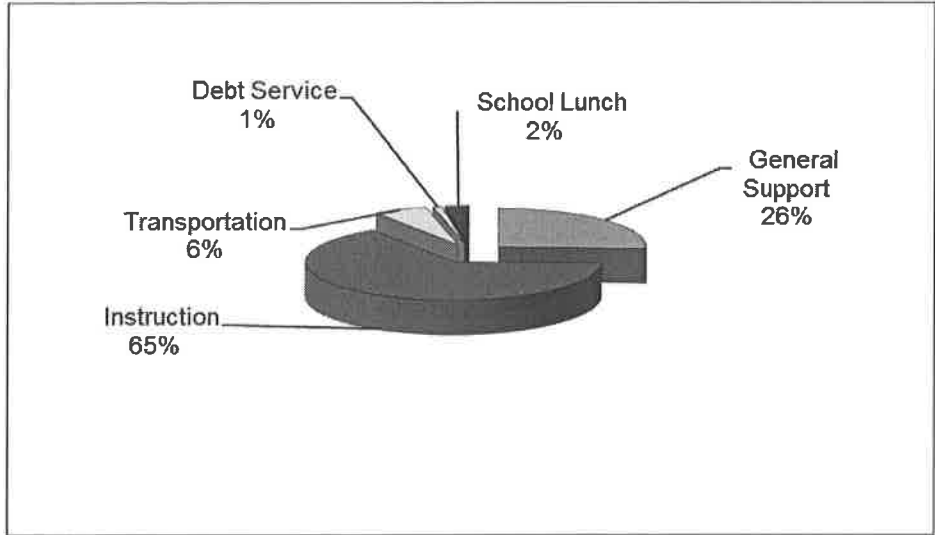


**Sources of Revenue for Fiscal Year 2016**

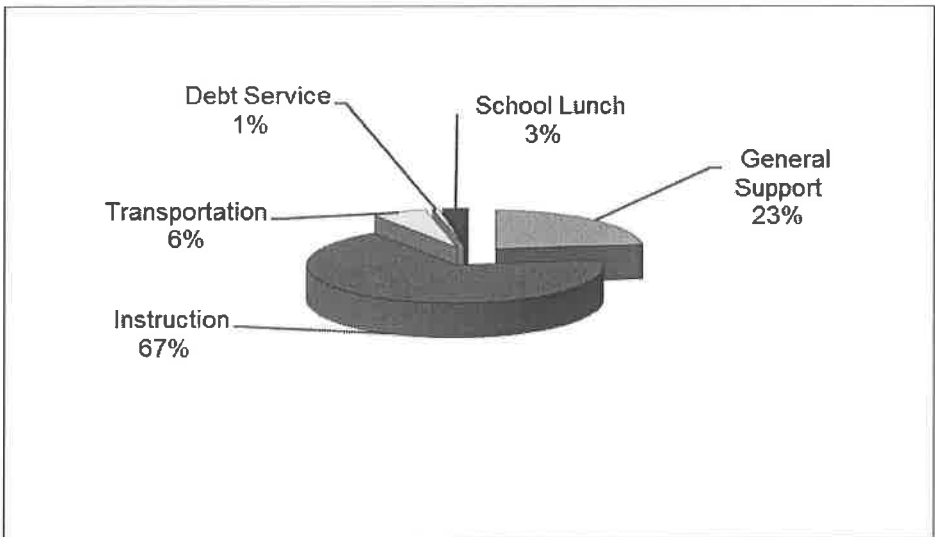


**Bainbridge-Guilford Central School District  
Management Discussion & Analysis  
For the Year Ended June 30, 2016**

**Table A-6: Expenses for Fiscal Year 2015**



**Expenses for Fiscal Year 2016**





**Bainbridge-Guilford Central School District  
Management Discussion & Analysis  
For the Year Ended June 30, 2016**

**Governmental Activities**

Revenues for the District's governmental activities totaled \$19.7 million while total expenses equaled \$18.95 million. The increase in net assets for governmental activities was \$750 thousand.

**Table A-7** presents the cost of five major District activities: instruction, general support, pupil transportation, debt service and school lunch. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the District's taxpayers by each of these functions.

**Table A-7: Net Cost of Governmental Activities  
(in thousands)**

<i>Description</i>	<i>2015</i>		<i>2016</i>	
	<i>Total Cost</i>	<i>Net Cost</i>	<i>Total Cost</i>	<i>Net Cost</i>
Expenditures:				
General Support	4,326	4,326	4,208	4,208
Instruction	10,891	10,171	12,278	11,530
Transportation	981	981	1,076	1,076
Debt Service	147	147	123	123
School Lunch	436	(4)	496	8
Total Expenditures:	<u>16,781</u>	<u>15,621</u>	<u>18,181</u>	<u>16,945</u>

- The total cost of all governmental activities this year was \$18.2 million for the year ending 2016.
- The users of the District's programs financed some of the costs associated with the programs. Amount: \$263 thousand.
- The federal and state governments subsidized certain programs with grants and contributions. Amount: \$973 thousand. (*Statement of Activities, Operating Grants*)
- Most of the District's net costs (\$16.95 million) were financed by District taxpayers and state and federal aid. (*Statement of Activities, Total Functions & Programs*)

**Bainbridge-Guilford Central School District  
Management Discussion & Analysis  
For the Year Ended June 30, 2016**

**Financial Analysis of the District's Funds**

Variations between years for the governmental fund financial statements are not the same as variations between years for the district-wide financial statements. The District's governmental funds are presented on the **current financial resources measurement focus** and the **modified accrual basis of accounting**. Based on this presentation, governmental funds do not include long-term debt liabilities for the funds' projects and capital assets purchased by the funds. Governmental funds will include the proceeds received from the issuance of debt, the current payments for capital assets, and the current payments for debt.

**Governmental Fund Balance Highlights**

As the District completed the year, its governmental funds reported combined fund balances of \$5,503,111. This represents an increase of \$1,222,094 from last year's combined ending fund balances.

The District's governmental fund revenues were \$19,695,309 as compared to \$18,164,918 in the prior year. The expenditures were \$18,945,215 as compared to \$18,000,219 in the prior year. A break down by fund is as follows:

Special Aid Fund – the fund balance remained similar to the previous year (\$1).

School Lunch Fund – the fund balance decreased from \$217,261 to \$185,211.

Capital Projects Fund – the fund balance increased from \$(350,778) to (\$146,717). This increase is mainly reflective of the additional retirement of BAN debt for school bus purchases.

Debt Service Fund – the fund balance decreased from \$732,576 to \$550,724 as a portion of this fund was allocated for use in the General Fund.

General Fund – the General Fund Balance increased from \$3,681,958 to \$4,913,892. A breakdown of the district Fund Balance appears in the chart below:

<i>Description</i>	<i>Fiscal Year</i>		<i>Change</i>	
	<i>2015</i>	<i>2016</i>	<i>\$</i>	<i>%</i>
Fund Balance Breakdown:				
Restricted Fund Balance	2,024,612	3,493,889	1,469,277	72.6%
Assigned Fund Balance	939,005	688,817	(250,188)	-26.6%
Unassigned Fund Balance	718,341	731,186	12,845	1.8%
Total Fund Balance:	3,681,958	4,913,892	1,231,934	33.5%

**Bainbridge-Guilford Central School District  
Management Discussion & Analysis  
For the Year Ended June 30, 2016**

**Table A-8: Changes in General Fund Revenues**

<i>Description</i>	<i>Fiscal Year</i>		<i>Change</i>	
	<i>2015</i>	<i>2016</i>	<i>\$</i>	<i>%</i>
Real property & tax items	6,007,444	6,079,566	72,122	1.2%
Charges for services	74,143	104,525	30,382	41.0%
Use of money & property	49,318	54,079	4,761	9.7%
Miscellaneous	354,871	1,275,583	920,712	259.4%
State sources	10,550,104	10,994,041	443,937	4.2%
Federal sources	23,271	35,495	12,224	52.5%
Interfund Revenue	-	-	-	-
Total Revenue:	17,059,151	18,543,289	1,484,138	8.7%

Total General Fund revenues increased by \$1,484,138 or 8.7%. Real property taxes increased 1.2%. The amount for the tax levy was below the 2015 calculated Tax Levy Limit.

The increase of \$30,382 or 41.0% in the Charges for Services category is largely attributable to the amount of Non-Resident Foster Care tuition that the district was able to charge the district of residence.

The increase of \$920,712 in the miscellaneous revenue category is largely attributable to a refund of prior year adjustment that was received from DCMO BOCES for the district's reserve held by the DCMO Health Insurance Consortium. The district decided to terminate its relationship with the DCMO Health Insurance Consortium at the end of the 2013-14 school year to obtain health insurance coverage elsewhere at a much more inexpensive rate.

The increase of \$443,937 in the State Sources is attributable again to a partial restoration of the Gap Elimination Adjustment (GEA) and an increase in state aid.

The increase of \$12,224 in Federal Sources of revenue is largely attributable to the fact that the school district is claiming Medicaid funds for services for eligible students.

**Bainbridge-Guilford Central School District  
Management Discussion & Analysis  
For the Year Ended June 30, 2016**

**Table A-9: Changes in General Fund Expenditures**

<i>Description</i>	<i>Fiscal Year</i>		<i>Change</i>	
	<i>2015</i>	<i>2016</i>	<i>\$</i>	<i>%</i>
General Support	2,954,776	2,800,443	(154,333)	-5.2%
Instruction	8,216,169	8,791,998	575,829	7.0%
Transportation	652,140	664,240	12,100	1.9%
Employee benefits	3,488,830	3,521,547	32,717	0.9%
Debt Service - principal	1,193,351	1,607,000	413,649	34.7%
Debt Service - interest	132,168	108,182	(23,986)	-18.1%
Inter-fund Transfer	-	-	-	-
<b>Total Expenditures:</b>	<b>16,637,434</b>	<b>17,493,410</b>	<b>855,976</b>	<b>5.1%</b>

General Fund expenditures increased \$855,976 or 5.1% to \$17.5 million. A categorical summary appears below:

General Support – Decreased by \$154,333 or 5.2%. This decrease is attributable to the realization of breakage due to the retirements of a number of district administrative staff.

Instructional Expense – Increased by \$575,829 or 7.0%. The district has experienced relief in state aid due to the restoration of a portion of the GEA (Gap Elimination adjustment) which allowed the district to restore an eliminated position and add support positions that were needed. In addition, a portion of this increase is attributable to retirement incentives earned by instructional staff that elected to retire at the end of the 2015-16 school year.

Pupil Transportation – Increased by \$12,100 or 1.9%.

Employee Benefits – Increased by \$32,717 or 0.9%. A prior change in health insurance and the reduction of retirement system contributions allowed the district to maintain a fairly low increase in the benefits expenditure area.

Debt Service – The increase of \$413,649 in this category represents the impact of positive budget performance that allowed the district to pay down debt relative to the financing of school buses.

Inter-fund Transfer – The district had no inter-fund transfers in the 2015-16 fiscal year.

**Bainbridge-Guilford Central School District  
Management Discussion & Analysis  
For the Year Ended June 30, 2016**

**General Fund Budgetary Highlights**

**Budget Adjustments:**

Over the course of the year, the District revised its budget for various reasons. The following is a recap of the revisions:

1. The district appropriated additional fund balance of \$472,000 to pay down the BAN (Bond Anticipation Note) used for the purpose of purchasing school buses.
2. The district transferred money from the Employee Benefit Reserve to cover contractual retirement obligations in the amount of \$202,841.

The total of the budget revisions resulted in an increase of \$674,841.

**Fund Balance:**

The District applied \$273,000 to the budget from the prior year's overall fund balance. After appropriating \$273,000 to support the budget, the district increased the appropriation by \$472,000 due to positive budget performance for the purpose of paying down outstanding Bus BAN debt as mentioned above. For the ensuing year, the district applied \$500,000 from the 2015-16 overall fund balance to support the 2016-17 budget.

The district also retained \$3,493,889 in various legal reserves which included funding the Capital Reserve in the amount of \$667,000 and \$188,817 in encumbrances at year end. The district also set aside \$84,431 of additional funds in a Tax Certiorari reserve to prepare for a potential tax claim. In addition to the above, the district continues to maintain the maximum Unassigned Fund Balance at the statutory limit of 4% of the ensuing year's budget. The Unassigned Fund Balance at year end totaled \$731,186.

**Budget Performance:**

The district experienced positive budget performance during the year.

1. The district's actual expenditures of \$18,180,806 were within 96.4.0% of the revised budget.
2. The district's actual revenues of \$19,695,309 were 104% of the revised budget.
3. Actual expenditures incurred during the year represented 92.3% of actual revenue received.

**Bainbridge-Guilford Central School District  
Management Discussion & Analysis  
For the Year Ended June 30, 2016**

**Capital Asset and Debt Administration**

**Capital Assets**

The following table reflects the total cumulative cost of various building renovations and additions, technology and equipment expenditures through the end of fiscal year 2016. Asset additions primarily occur by annually replacing school buses, equipment purchases and construction in progress at the school buildings. Normal depreciation on the capital assets reduces the value of the assets over time.

**Table A-10: Capital Assets  
(Net of Depreciation)**

<i>Description</i>	<i>Fiscal Year</i>	
	<i>2015</i>	<i>2016</i>
Land & Land Improvements	91,577	91,577
Construction in Progress	-	-
Buildings	15,538,109	14,315,234
Furniture & Equipment	1,113,718	1,273,170
Total:	16,743,404	15,679,981

**Long-Term Debt**

At year-end, the District had \$6.33 million in Long-Term Debt. Of this amount, \$3.35 million is represented by Serial Bonds for construction projects. \$2.98 million is represented by long-term employee benefit obligations – specifically pension obligations, compensated absences, and OPEB (other post-employment benefits).

**Short-Term Debt**

At year-end, the District had short-term debt obligations outstanding in the amount of \$321,595. This represents a BAN (Bond Anticipation Note) issued to finance the purchase of school buses which will be financed over a five year period. With an excellent Municipal Bond Rating of A+, the district was able to secure the BAN with an effective interest rate of 1.5%

**Bainbridge-Guilford Central School District  
Management Discussion & Analysis  
For the Year Ended June 30, 2016**

**Factors Bearing on the District's Future**

At the time these financial statements were prepared and audited, the District was aware of the following existing circumstances that could affect its fiscal position in the future:

**Factor 1:** The District relies heavily upon annual educational funding from New York State. During the last few years, the state has used a formula known as the Gap Elimination Adjustment to reduce formula aid funding to school districts. The district has been among the hardest hit schools in the state on a per capital basis in terms of the GEA. The district will benefit significantly when this state aid adjustment is fully eliminated in the 2016-17 school year.

**Factor 2:** Due to withdrawal from the DCMO BOCES Health Insurance Consortium, the district expects to receive an additional refund of monies (approximately \$155,000) held by the DCMO Health Insurance Consortium in its reserve fund. In addition, the district also has funds leftover from previous projects in the amount of \$118,731. The district intends to move these funds to the Capital Reserve in anticipation of an upcoming Capital Project that the district will be presenting for vote during the 2016-17 school year.

**Factor 3:** The district ended the year with the statutory maximum 4% level of Unassigned Fund Balance as well as an additional \$4.18 million in Restricted & Assigned Reserves for a total of \$4.9 million in overall General Fund Reserves. This solid financial position should allow the district to absorb any unanticipated revenue shortfalls or expenditure increases in the future.

In summary, the district ended the year in a solid fiscal condition, well prepared to meet the challenges and welcome the opportunities that lie ahead.

**Contacting the District's Financial Management**

This report was prepared by Janice Rideout, Business Manager, in accordance with the requirements of GASB (Governmental Accounting Standards Board). The report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the finances of the Bainbridge-Guilford Central School District and to demonstrate our accountability in fiscal matters. If you have any questions about this report or need additional financial information, you are encouraged to contact:

Janice Rideout  
Business Manager  
Bainbridge-Guilford Central School District  
18 Juliand Street, Bainbridge, NY 13733  
Phone: 607-967-6335, or [janice@bgcsd.org](mailto:janice@bgcsd.org)

**BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2016**

**ASSETS**

<b>Cash</b>	
Cash - Unrestricted	\$ 1,675,317
Cash - Restricted	4,219,491
<b>Receivables</b>	
Accounts Receivable	94,227
State and Federal Aid Receivable	351,755
Due from Other Governments	539,968
<b>Inventory - School Lunch</b>	18,735
<b>Capital Bond Issuance Cost, Net</b>	14,167
<b>Net Pension TRS Asset - Proportionate Share</b>	3,719,030
<b>Capital Assets, (Net)</b>	<u>15,679,981</u>
<b>Total Assets</b>	<b>26,312,671</b>

**DEFERRED OUTFLOWS OF RESOURCES**

Pensions	<u>805,479</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<b><u>27,118,150</u></b>

**LIABILITIES**

<b>Payables</b>	
Accounts Payable	152,655
Due to Other Governments	83,311
Bonds Anticipation Note Payable	321,595
Accrued Interest on Bonds Payable	3,351
<b>Long-Term Liabilities</b>	
Due and Payable Within One Year:	
Bonds Payable	955,000
Due to Teachers' Retirement System	779,648
Due to Employees' Retirement System	57,946
Due and Payable After One Year:	
Bonds Payable	2,395,000
Compensated Absences Payable	1,392,410
Net Pension ERS Liability - Proportionate Share	888,973
Other Post-Employment Benefits (OPEB) Payable	<u>745,014</u>
<b>Total Liabilities</b>	<b><u>7,774,903</u></b>

**DEFERRED INFLOWS OF RESOURCES**

Deferred Revenue	1,227
Pensions	<u>1,485,865</u>
<b>Total Deferred Inflows of Resources</b>	<b><u>1,487,092</u></b>

**NET POSITION**

<b>Investments in Capital Assets, Net of Related Debt</b>	12,344,148
<b>Restricted for:</b>	
Unemployment Insurance Reserve	338,928
Liability Claims and Property Loss	303,135
Employee Benefit Accrued Liability	487,076
Reserve for Tax Certiorari	90,000
Capital Reserve	2,167,758
Repair Reserve	106,992
Debt Service	550,724
Capital Projects	174,878
<b>Unrestricted</b>	<u>1,292,516</u>
<b>Total Net Position</b>	<b><u>\$ 17,856,155</u></b>

See the accompanying notes to financial statements.



**BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Expenses</u>	<u>Program Revenues</u>	<u>Net (Expense)</u>
		<u>Charges</u> <u>for</u> <u>Services</u>	<u>Operating</u> <u>Grants &amp;</u> <u>Contributions</u> <u>Revenue and</u> <u>Changes in</u> <u>Net Position</u>
<b>FUNCTIONS AND PROGRAMS</b>			
General Support	\$ (4,208,077)	\$ -	\$ (4,208,077)
Instruction	(12,278,011)	104,525	(11,529,694)
Pupil Transportation	(1,076,032)	-	(1,076,032)
Debt Service	(122,878)	-	(122,878)
School Lunch Program	(495,808)	158,499	(337,309)
		<u>328,970</u>	<u>(8,339)</u>
<b>Total Functions and Programs</b>	<b><u>\$(18,180,806)</u></b>	<b><u>\$ 263,024</u></b>	<b><u>\$ 972,762</u></b>
			<b><u>(16,945,020)</u></b>
 <b>GENERAL REVENUES</b>			
Real Property Taxes			4,928,409
Other Tax Items			1,151,157
Use of Money and Property			21,498
Sale of Property			32,834
Miscellaneous			1,296,089
State Sources			10,994,041
Federal Sources			35,495
			<u>18,459,523</u>
<b>Total General Revenues</b>			<b><u>18,459,523</u></b>
<b>Change in Net Position</b>			<b>1,514,503</b>
Net Position, Beginning of Year			<u>16,341,652</u>
Net Position, End of Year			<b><u>\$ 17,856,155</u></b>

See the accompanying notes to financial statements.

**BALANCE SHEET - GOVERNMENTAL FUNDS**

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT  
BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2016

	<u>General</u>	<u>Special Aid</u>	<u>School Lunch</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>						
Cash						
Unrestricted Cash	\$ 1,414,727	\$ 129,797	\$ 130,793	\$ -	\$ -	\$ 1,675,317
Restricted Cash	3,493,889	-	-	174,878	550,724	4,219,491
Receivables						
Accounts Receivable	92,804	-	1,423	-	-	94,227
Due from Other Funds	190,000	-	-	-	-	190,000
State and Federal Aid	187,070	143,995	20,690	-	-	351,755
Due from Other Governments	525,654	-	14,314	-	-	539,968
Inventories	-	-	18,735	-	-	18,735
<b>TOTAL ASSETS</b>	<b>\$ 5,904,144</b>	<b>\$ 273,792</b>	<b>\$ 185,955</b>	<b>\$ 174,878</b>	<b>\$ 550,724</b>	<b>\$ 7,089,493</b>

<b>LIABILITIES</b>						
Payables						
Accounts Payable	\$ 152,655	\$ -	\$ -	\$ -	\$ -	\$ 152,655
Bond Anticipation Note Payable	-	-	-	321,595	-	321,595
Due to Other Funds	-	190,000	-	-	-	190,000
Due to Other Governments	3	82,564	744	-	-	83,311
Due to Teachers' Retirement System	779,648	-	-	-	-	779,648
Due to Employees' Retirement System	57,946	-	-	-	-	57,946
<b>Total Liabilities</b>	<b>990,252</b>	<b>272,564</b>	<b>744</b>	<b>321,595</b>	<b>-</b>	<b>1,585,155</b>
Deferred Inflows of Resources						
Deferred Revenue	-	1,227	-	-	-	1,227
<b>Total Liabilities and Deferred Inflows of Resources (Carried Forward)</b>	<b>\$ 990,252</b>	<b>\$ 273,791</b>	<b>\$ 744</b>	<b>\$ 321,595</b>	<b>\$ -</b>	<b>\$ 1,586,382</b>

See the accompanying notes to financial statements.

**BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2016**

	<u>General</u>	<u>Special Aid</u>	<u>School Lunch</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
Total Liabilities and Deferred Inflows of Resources (Brought Forward)	\$ 990,252	\$ 273,791	\$ 744	\$ 321,595	\$ -	\$ 1,586,382
<b>Fund Balance:</b>						
Nonspendable	-	-	18,735	-	-	18,735
Restricted	3,493,889	-	-	174,878	550,724	4,219,491
Assigned	688,817	-	166,476	-	-	855,293
Unassigned	731,186	1	-	(321,595)	-	409,592
<b>Total Fund Balances</b>	<u>4,913,892</u>	<u>1</u>	<u>185,211</u>	<u>(146,717)</u>	<u>550,724</u>	<u>5,503,111</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 5,904,144</u>	<u>\$ 273,792</u>	<u>\$ 185,955</u>	<u>\$ 174,878</u>	<u>\$ 550,724</u>	

**Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:**

Capital Assets Used in Governmental Activities are Not Financial Resources and Therefore are Not Reported in the Funds						15,679,981
Capital Bond Issuance Costs Used in Governmental Activities are Not Financial Resources and Therefore are Not Reported in the Funds						14,167
Other Post-Employment Benefits (OPEB) Payable						(745,014)
Accrued Interest are Not Due and Payable in the Current Period and Therefore are Not Reported in the Funds						(3,351)
Long-Term Liabilities, Including Bonds Payable and Compensated Absences are Not Due and Payable in the Current Period and Therefore are Not Reported in the Funds						(4,742,410)
Proportionate Share of Long-Term Asset and Liability Associated with Participation in State Retirement Systems are not Current Financial Resources or Obligations and are not Reported in the Funds						
Teachers' Retirement System						\$ 3,719,030
Employees' Retirement System						<u>(888,973)</u>
						2,830,057
Deferred Outflows						805,479
Deferred Inflows						<u>(1,485,865)</u>
<b>Net Positions of Governmental Activities</b>						<u>\$ 17,856,155</u>

See the accompanying notes to financial statements.

**BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT  
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2016**

	Total Governmental <u>Funds</u>	Long-Term Assets, <u>Liabilities</u>	Reclassifications and <u>Eliminations</u>	Statement of Net Position <u>Totals</u>
<b>ASSETS</b>				
Cash - Unrestricted	\$ 1,675,317	\$ -	\$ -	\$ 1,675,317
Cash - Restricted	4,219,491	-	-	4,219,491
Accounts Receivable	94,227	-	-	94,227
Due from Other Funds	190,000	-	(190,000)	-
State and Federal Aid Receivable	351,755	-	-	351,755
Due from Other Governments	539,968	-	-	539,968
Inventory - School Lunch	18,735	-	-	18,735
Capital Bond Issuance Costs, (Net)	-	14,167	-	14,167
Net Pension Asset - Proportionate Share	-	3,719,030	-	3,719,030
Capital Assets, (Net)	-	15,679,981	-	15,679,981
<b>Total Assets</b>	<b>7,089,493</b>	<b>19,413,178</b>	<b>(190,000)</b>	<b>26,312,671</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
Pensions	-	805,479	-	805,479
<b>Total Assets and Deferred Outflow of Resources</b>	<b>\$ 7,089,493</b>	<b>\$ 20,218,657</b>	<b>\$ (190,000)</b>	<b>\$ 27,118,150</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 152,655	\$ -	\$ -	\$ 152,655
Bond Anticipation Note Payable	321,595	-	-	321,595
Due to Other Funds/Fiduciary Funds	190,000	-	(190,000)	-
Due to Other Governments	83,311	-	-	83,311
Accrued Interest on Bonds Payable	-	3,351	-	3,351
Due to Teachers' Retirement System	779,648	-	-	779,648
Due to Employees' Retirement System	57,946	-	-	57,946
Bonds Payable	-	3,350,000	-	3,350,000
Compensated Absences Payable	-	1,392,410	-	1,392,410
Net Pension Liability - Proportionate Share	-	888,973	-	888,973
Other Post-Employment Benefits (OPEB) Payable	-	745,014	-	745,014
<b>Total Liabilities</b>	<b>1,585,155</b>	<b>6,379,748</b>	<b>(190,000)</b>	<b>7,774,903</b>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Deferred Revenue	1,227	-	-	1,227
Pensions	-	1,485,865	-	1,485,865
<b>Total Deferred Inflow of Resources</b>	<b>1,227</b>	<b>1,485,865</b>	<b>-</b>	<b>1,487,092</b>
<b>FUND BALANCE/NET POSITION</b>				
<b>Total Fund Balance/Net Position</b>	<b>5,503,111</b>	<b>12,353,044</b>	<b>-</b>	<b>17,856,155</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position</b>	<b>\$ 7,089,493</b>	<b>\$ 20,218,657</b>	<b>\$ (190,000)</b>	<b>\$ 27,118,150</b>

See the accompanying notes to financial statements.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016

	General	Special Aid	School Lunch	Capital Projects	Debt Service	Total Governmental Funds
<b>REVENUES</b>						
Real Property Taxes	\$ 4,928,409	\$ -	\$ -	\$ -	\$ -	\$ 4,928,409
Other Tax Items	1,151,157	-	-	-	-	1,151,157
Charges for Services	104,525	-	-	-	-	104,525
Use of Money and Property	21,245	-	-	50	203	21,498
Sale of Property	32,834	-	-	-	-	32,834
Miscellaneous	1,275,583	-	19,817	689	-	1,296,089
State Sources	10,994,041	77,893	42,859	-	-	11,114,793
Federal Sources	35,495	565,899	286,111	-	-	887,505
Surplus Food	-	-	27,891	-	-	27,891
Sales	-	-	130,608	-	-	130,608
<b>Total Revenues</b>	<b>18,543,289</b>	<b>643,792</b>	<b>507,286</b>	<b>739</b>	<b>203</b>	<b>19,695,309</b>
<b>EXPENDITURES</b>						
General Support	2,800,443	-	-	-	-	2,800,443
Instruction	8,791,998	624,118	-	-	-	9,416,116
Pupil Transportation	664,240	19,673	-	-	-	683,913
Employee Benefits	3,521,547	-	76,636	229	-	3,598,412
Debt Service	-	-	-	-	-	-
Principal	1,607,000	-	-	-	-	1,607,000
Interest	108,182	-	-	-	-	108,182
Cost of Sales	-	-	462,700	-	-	462,700
Capital Outlay	-	-	-	268,449	-	268,449
<b>Total Expenditures</b>	<b>17,493,410</b>	<b>643,791</b>	<b>539,336</b>	<b>268,678</b>	<b>-</b>	<b>18,945,215</b>
<b>Excess (Deficiency) of Revenue Over Expenditures</b>	<b>1,049,879</b>	<b>1</b>	<b>(32,050)</b>	<b>(267,939)</b>	<b>203</b>	<b>750,094</b>
<b>OTHER FINANCING SOURCES</b>						
BAN'S Redeemed from Appropriations	-	-	-	472,000	-	472,000
Operating Transfers In	182,055	-	-	-	-	182,055
Operating Transfers (Out)	-	-	-	-	(182,055)	(182,055)
<b>Total Other Sources (Uses)</b>	<b>182,055</b>	<b>-</b>	<b>-</b>	<b>472,000</b>	<b>(182,055)</b>	<b>472,000</b>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Sources</b>	<b>1,231,934</b>	<b>1</b>	<b>(32,050)</b>	<b>204,061</b>	<b>(181,852)</b>	<b>1,222,094</b>
Fund Balance - Beginning of Year	3,681,958	-	217,261	(350,778)	732,576	4,281,017
<b>Fund Balance - End of Year</b>	<b>\$ 4,913,892</b>	<b>\$ 1</b>	<b>\$ 185,211</b>	<b>\$ (146,717)</b>	<b>\$ 550,724</b>	<b>\$ 5,503,111</b>

See the accompanying notes to financial statements.

**BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT**  
**RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENTS OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES**  
**JUNE 30, 2016**

	<u>Total</u> <u>Governmental</u> <u>Funds</u>	<u>Capital</u> <u>Related</u> <u>Items</u>	<u>Long-Term</u> <u>Debt</u> <u>Transactions</u>	<u>Statement</u> <u>of Activities</u> <u>Totals</u>
<b>REVENUES</b>				
Real Property Taxes	\$ 4,928,409	\$ -	\$ -	\$ 4,928,409
Other Tax Items	1,151,157	-	-	1,151,157
Charges for Services	104,525	-	-	104,525
Use of Money and Property	21,498	-	-	21,498
Sale of Property	32,834	-	-	32,834
Miscellaneous	1,296,089	-	-	1,296,089
State Sources	11,114,793	-	-	11,114,793
Federal Sources	887,505	-	-	887,505
Surplus Food	27,891	-	-	27,891
Sales - School Lunch	130,608	-	-	130,608
	<u>19,695,309</u>	<u>-</u>	<u>-</u>	<u>19,695,309</u>
<b>EXPENDITURES/EXPENSES</b>				
General Support	2,800,443	1,033,291	(10,833)	3,822,901
Instruction	9,416,116	180,290	(77,653)	9,518,753
Pupil Transportation	683,913	153,548	(6,908)	830,553
Employee Benefits	3,598,412	-	(131,863)	3,466,549
Debt Service				
Principal	1,607,000	-	(1,607,000)	-
Interest	108,182	-	14,696	122,878
Cost of Sales	462,700	(43,528)	-	419,172
Capital Outlay	268,449	(268,449)	-	-
	<u>18,945,215</u>	<u>1,055,152</u>	<u>(1,819,561)</u>	<u>18,180,806</u>
<b>Excess (Deficiency) of</b>				
Revenues over Expenditures/Expenses	<u>750,094</u>	<u>(1,055,152)</u>	<u>1,819,561</u>	<u>1,514,503</u>
<b>OTHER SOURCES AND USES</b>				
BAN'S Redeemed from Appropriations	472,000	-	(472,000)	-
Operating Transfers In	182,055	-	(182,055)	-
Operating Transfers Out	(182,055)	-	182,055	-
	<u>472,000</u>	<u>-</u>	<u>(472,000)</u>	<u>-</u>
<b>Net Change for the Year</b>	<u>\$ 1,222,094</u>	<u>\$ (1,055,152)</u>	<u>\$ 1,347,561</u>	<u>\$ 1,514,503</u>

See the accompanying notes to financial statements.

**BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**JUNE 30, 2016**

	<u>Private- Purpose Trusts</u>	<u>Agency</u>
<b>ASSETS</b>		
Cash	\$ 217,750	\$ 95,909
<b>Total Assets</b>	<u>217,750</u>	<u>95,909</u>
<b>LIABILITIES</b>		
Extraclassroom Activity Balances	-	48,720
Other Liabilities	<u>-</u>	<u>47,189</u>
<b>Total Liabilities</b>	<u>-</u>	<u>95,909</u>
<b>NET POSITION</b>		
Reserved for Scholarships	<u>\$ 217,750</u>	<u>\$ -</u>

See the accompanying notes to financial statements.



**BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Private- Purpose Trusts</u>
<b>ADDITIONS</b>	
Contributions	\$ 38,300
Investment Earnings	<u>62</u>
<b>Total Additions</b>	<u><b>38,362</b></u>
<b>DEDUCTIONS</b>	
Contractual - Playground	7,272
Scholarships and Awards	<u>10,777</u>
<b>Total Deductions</b>	<u><b>18,049</b></u>
<b>Change in Net Position</b>	<b>20,313</b>
Net Position - Beginning of Year	<u>197,437</u>
<b>Net Position - End of Year</b>	<u><b>\$ 217,750</b></u>

See the accompanying notes to financial statements.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES

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

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

A) Reporting Entity:

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

The reporting entity of the District is based upon criteria set forth by GASB Statement 14, "*The Financial Reporting Entity*," as amended by GASB Statement 39, "*Component Units*." The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The accompanying financial statements present the activities of the District and its component unit and other organizational entities determined to be includable in the District's financial reporting entity. The District is not a component unit of another reporting entity. The decision to include a potential component unit in the District's reporting entity is based on several criteria, such as legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following is a brief description of the certain entity included in the District's reporting entity.

i) Extra-classroom Activity Funds:

The Extra-classroom Activity Funds of the District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The Extra-classroom Activity Funds are independent of the District with respect to its financial transactions and the designation of student management. Separate audited financial statements (cash basis) of the Extra-classroom Activity Funds can be found at the District's business office. The District accounts for assets held as an agent for various student organizations in an agency fund.

B) Joint Venture:

The District is a component district 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, which provide educational and support activities. There is no authority or process by which a school district can terminate its status as a BOCES component.

**BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

During the year, the District was billed \$3,388,219 for BOCES administrative and program costs.

The District's share of BOCES aid amounted to \$1,199,929.

In addition, the District leases building space to BOCES on an annual basis with rental income of \$12,000 for the year ended June 30, 2016.

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

C) Basis of Presentation:

i) District-wide Statements:

The Statement of Net Position and the Statement of Activities present financial information about the 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 revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to the payroll expended for those areas. Program 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, 2016

NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

ii) Funds Statements:

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

The District reports the following major governmental funds:

**General Fund:** This is the District's primary operating fund. It accounts for all financial transactions that are not required to be accounted for in another fund.

**Special Revenue Funds:** These funds account for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted to expenditures for specified purposes, child nutrition or other activities whose funds are restricted as to use. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

**Capital Projects Funds:** These funds are used to account for the financial resources used for acquisition, construction, or major repair of capital facilities. For these funds, each capital project is assessed to determine whether it is a major or non-major fund. Those capital projects that are determined to be major are reported in separate columns in the financial statements. Those that are determined to be non-major are reported in the supplemental schedules either separately or in the aggregate.

**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.

The District reports the following fiduciary funds:

**Fiduciary Funds:** Fiduciary activities are those in which the 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 District, and are not available to be used. There are two classes of fiduciary funds:

**Private purpose trust funds:** These funds are used to account for trust arrangements in which principal and income benefits annual third party awards and scholarships for students. Established criteria govern the use of the funds and members of the District or representatives of the donors may serve on committees to determine who benefits.

**Agency funds:** These funds are strictly custodial in nature and do not involve the measurement of results of operations. Assets are held by the District as agent for various student groups or extra-classroom activity funds and for payroll or employee withholding.

**BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D) Measurement Focus and Basis of Accounting:**

Accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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 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 fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within one year 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.

**E) Property Taxes:**

Real property taxes are levied annually by the Board of Education no later than September 1 and become a lien on the effective date of the tax warrant. Taxes were collected during the period September 1, 2015 to October 31, 2015.

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 District no later than the forthcoming April 1.

**F) Restricted Resources:**

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

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

G) Inter-fund Transactions:

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

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

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

Refer to Note 9 for a detailed disclosure by individual fund for inter-fund receivables, payables, expenditures and revenues activity.

H) Estimates:

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

I) Cash (and Cash Equivalents)/Investments:

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

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

**BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Investments are stated at fair value. The District did not hold any investments as of June 30, 2016.

J) Accounts Receivable:

An allowance for uncollectible accounts is provided for certain amounts that will not be collectible within one year. No allowance was necessary as of June 30, 2016.

K) 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 market. Purchases of inventorial items in other funds are recorded as expenditures at the time of purchase, and are considered immaterial in amount.

Prepaid items represent payments made by the District for which benefits extend beyond year-end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the district-wide and fund financial statements. These items are reported as assets on the statement of net position or balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed.

A portion of the fund balance in the amount of these non-liquid assets (inventories and prepaid items) has been identified as not available for other subsequent expenditures.

L) Other Assets/Restricted Assets, as applicable:

Certain proceeds from serial bonds and bond anticipation notes, as well as resources set aside for their repayment are classified as restricted assets in the district-wide financial statements and their use is limited by applicable bond covenants.

In the district-wide financial statements, bond issuance costs are capitalized and amortized over the life of the debt issue. In the funds statements, these same costs are netted against bond proceeds and recognized in the period of issuance.

M) Capital Assets:

Capital assets are reported at actual cost. 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 statements are as follows:

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

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

N) Deferred Outflow and Inflows of Resources:

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has two items that qualify for reporting in this category. The first item is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension asset or liability and difference during the measurement period between the District's contributions and its proportion share of total contributions to the pension systems not included in pension expense. Lastly is the District contributions to the pension systems (TRS and ERS Systems) subsequent to the measurement date.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. The first item is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension liability (ERS System) and difference during the measurement periods between the District's contributions and its proportion share of total contributions to the pension systems not included in pension expense. The second item represents revenue which has not been earned, although amounts have been received from federal sources.

O) Vested Employee Benefits:

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

District employees are granted vacation 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 16, "*Accounting for Compensated Absences*," the liability has been calculated using the vesting/termination method and an accrual for that liability is included in the district-wide financial statements. The compensated absences liability is calculated based on the pay rates in effect at year-end.

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



BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

P) Other Benefits:

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 District provides post-employment health insurance coverage and survivor benefits to retired employees and their survivors in accordance with the provision of various employment contracts in effect at the time of retirement.

Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing post-retirement benefits is shared between the District and the retired employee. The 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.

Q) Short-Term Debt:

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

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

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

The District may issue deficiency notes up to an amount not to exceed 5% of the amount of that same year's annual budget in any fund or funds arising from revenues being less than the amount estimated in the budget for that fiscal year. The deficiency notes may mature no later than the close of the fiscal year following the fiscal year in which they were issued. However, they may mature no later than the close of the second fiscal year after the fiscal year in which they were issued, if the notes were authorized and issued after the adoption of the budget for the fiscal year following the year in which they were issued.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

R) Accrued Liabilities and Long-Term Obligations:

Payables, accrued liabilities and long-term obligations are reported in the district-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources. Claims and judgments, other postemployment benefits payable and compensated absences that will be paid from governmental funds, are reported as a liability in the funds financial statements only to the extent that they are due for payment in the current year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

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

S) Equity Classifications:

i) District-Wide Statements

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

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

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

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

ii) Funds Statements

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

**Non-spendable** - Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Non-spendable fund balance includes the inventory recorded in the School Lunch Fund of \$18,735.

**Restricted** - includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. All encumbrances of funds other than the General Fund are classified as restricted fund balance. The District has established the following restricted fund balances:

**BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Capital**

According to Education Law §3651, must be 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. Expenditure may be made from the reserve only for a specific purpose further authorized by the voters. The form for the required legal notice for the vote on establishing and funding the reserve and the form of the proposition to be placed on the ballot are set forth in §3651 of the Education Law. This reserve is accounted for in the General Fund under Restricted Fund Balance.

**Repairs**

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

**Unemployment Insurance**

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

**Employee Benefit Accrued Liability**

According to General Municipal Law §6-p, must be used for the payment of accrued employee benefit due an employee upon termination of the employee's service. This reserve may be established by majority vote of the Board, and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated.

**Liability Claims and Property Loss**

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

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2016

NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

Tax Certiorari

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

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments of expenditures are recorded for budgetary control purposes in order to reserve applicable appropriations, is employed as a control in preventing over-expenditure of established appropriations. Open encumbrances are reported as restricted fund balance in all funds other than the General Fund, since they do not constitute expenditures or liabilities and will be honored through budget appropriations in the subsequent year.

Restricted fund balance includes the following:

General Fund:	
Capital	\$ 2,167,758
Repair	106,992
Unemployment Insurance	338,928
Liability Claims and Property Loss	303,135
Tax Certiorari	90,000
Employee Benefit Accrued Liability	487,076
<b>Total restricted funds</b>	<b>\$ 3,493,889</b>

**Committed** - Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the school district's highest level of decision making authority, i.e., the Board of Education. The School District has no committed fund balance as of June 30, 2016.

**Assigned** - Includes amounts that are constrained by the school district's intent to be used for specific purposes, but are neither restricted nor committed. All encumbrances of the General Fund are classified as Assigned Fund Balance in the General Fund. Encumbrances reported in the General Fund amounted to \$188,817.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Unassigned** – Includes all other General Fund amounts that do not meet the definition above for classifications and are deemed to be available for general use by the School District.

NYS Real Property Tax Law 1318 limits the amount of unexpended surplus funds a school district can retain to no more than 4% of the School District's budget for the General Fund for the ensuing fiscal year. Nonspendable and restricted fund balance of the General Fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances are also excluded from the 4% limitation.

Order of Use of Fund Balance:

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

Refer to Note 14 for a detail of the fund balance classifications used by the District.

T) New Accounting Standards

The District has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable as of June 30, 2016:

GASB has issued Statement 72, *Fair Value Measurement and Application*, effective for the year ending June 30, 2016.

GASB has issued Statement 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, effective for the year ending June 30, 2016.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES (Continued)

U) Future changes in Accounting Standards

GASB has issued Statement 73, *Accounting and Financial Reporting for Pensions and Related Assets*, that are not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, effective for the year ending June 30, 2017.

GASB has issued Statement 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, effective for the year ending June 30, 2017.

GASB has issued Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for the year ending June 30, 2018.

GASB has issued Statement 77, *Tax Abatement Disclosures*, effective for the year ending June 30, 2017.

GASB has issued Statement 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, effective for the year ending June 30, 2017.

GASB has issued Statement 79, *Certain External Investment Pools and Pool Participants*, effective for the year ending June 30, 2017.

GASB has issued Statement 80, *Blending Requirements for Certain Component Units*, - an amendment of GASB Statement No. 14, effective for the year ending June 30, 2017.

GASB has issued Statement 81, *Irrevocable Split-Interest Agreements*, effective for the year ending June 30, 2017.

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.

V) Events Occurring After Reporting Date:

The District has evaluated events and transactions that occurred between July 1, 2016 and September 30, 2016, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

**BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 2 - EXPLANATION OF CERTAIN DIFFERENCES BETWEEN FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS**

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

A) Total Fund Balances of Governmental Funds versus Net Position of Governmental Activities:

Total fund balances of the District's governmental funds differ from "net position" of governmental activities reported in the Statement of Net Position. This difference primarily results from the long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund Balance Sheets.

B) Statement of Revenues, Expenditures and Changes in Fund Balance versus Statement of Activities:

Differences between the funds Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities fall into one of three broad categories. The amounts shown below represent:

i) Long-Term Revenue and Expense Differences:

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

ii) Capital Related Differences:

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

iii) Long-Term Debt Transaction Differences:

Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the fund statements, whereas interest payments are recorded in the Statement of Activities as incurred, and principal payments are recorded as a reduction of liabilities in the Statement of Net Position.

iv) Pension differences:

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

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 3 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

The District administration prepares a proposed budget for approval by the Board of Education for the following governmental fund, for which legal (appropriated) budgets are adopted - General Fund.

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

Appropriations are adopted at the program line item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. The following supplemental appropriation occurred during the year:

Encumbrances	\$ <u>188,817</u>
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Budgets are adopted annually on a basis consistent with GAAP. Appropriations authorized for the year are increased by the amount of encumbrances carried forward from the prior year.

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

Encumbrances

Encumbrance accounting is used for budget control and monitoring purposes and is reported as part of the governmental funds. Under this method, purchase orders, contracts and other commitments for the expenditure of monies are recorded to reserve applicable appropriations. Outstanding encumbrances as of year-end are presented as restrictions or assignments of fund balance and do not represent expenditures or liabilities. These commitments will be honored in the subsequent period. Related expenditures are recognized at that time, as the liability is incurred or the commitment is paid.

The Capital Projects had a deficit fund balance of \$321,595. This will be funded when the District obtains permanent financing.



**BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 4 - CASH (AND CASH EQUIVALENTS) - CUSTODIAL CREDIT, CONCENTRATION OF CREDIT, INTEREST RATE AND FOREIGN CURRENCY RISK**

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

The District's aggregate bank balances (disclosed in the financial statements), included balances not covered by depository insurance at year-end, collateralized as follows:

Uncollateralized	\$ <u>          -</u>
Collateralized With Securities Held by the Pledging Financial Institution, or its Trust Department or Agent, But Not in the District's Name	\$ <u>5,665,519</u>

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes \$4,219,491 within the governmental funds and \$212,750 in the fiduciary funds.

**NOTE 5 - INVESTMENTS**

The District's investment policy for investments is also governed by New York State statutes. As of June 30, 2016, there were no investments.

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

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

**BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 6 - CAPITAL ASSETS**

Capital asset balances and activity were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements/ Reclassifications</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
<b>Capital Assets that are not Depreciated:</b>				
Land	\$ 91,577	\$ -	\$ -	\$ 91,577
<b>Total Nondepreciable Historical Costs</b>	<u>91,577</u>	<u>-</u>	<u>-</u>	<u>91,577</u>
<b>Capital Assets that are Depreciated:</b>				
Buildings	36,267,428	-	-	36,267,428
Furniture and Equipment	6,111,486	403,450	(316,828)	6,198,108
<b>Total Depreciable Historical Costs, Net</b>	<u>42,378,914</u>	<u>403,450</u>	<u>(316,828)</u>	<u>42,465,536</u>
<b>Less: Accumulated Depreciation:</b>				
Buildings and Improvements	20,729,319	1,216,723	6,152	21,952,194
Furniture and Equipment	4,997,768	244,880	(317,710)	4,924,938
<b>Total Accumulated Depreciation</b>	<u>25,727,087</u>	<u>1,461,603</u>	<u>(311,558)</u>	<u>26,877,132</u>
<b>Total Depreciable Historical Costs, Net</b>	<u>16,651,827</u>	<u>(1,058,153)</u>	<u>(5,270)</u>	<u>15,588,404</u>
<b>Total Capital Assets</b>	<u>\$ 16,743,404</u>	<u>\$ (1,058,153)</u>	<u>\$ (5,270)</u>	<u>\$ 15,679,981</u>

**Depreciation Expense was Charged to Governmental Functions as Follows:**

General Support	\$ 1,033,291
Instruction/Salaries	233,856
Pupil Transportation	191,296
Cost of Sales - School Lunch	3,160
<b>Total Current Year Depreciation</b>	<u>\$ 1,461,603</u>

**NOTE 7 - PENSION PLANS**

The District and their employees participate in the New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement System (TRS). Collectively, TRS and ERS are retirement plans referred to herein as the "Systems". These are cost-sharing multiple employer, public employee retirement systems. The Systems offer a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability.

**BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 7 - PENSION PLANS (Continued)**

Plan Descriptions

**Teachers' Retirement System (TRS)**

The District participates in the New York State Teachers' Retirement System (TRS). This is a cost-sharing multiple-employer 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. 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, NY 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](http://www.nystrs.org).

**Employees' Retirement System (ERS)**

The District participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer retirement system. 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 the New York State Retirement and Social Security Law (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 District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3 percent to their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0 or 3.5 percent of their salary for their entire length of service. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education Law.

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

<u>Contributions</u>	<u>ERS</u>	<u>TRS</u>
2015 - 2016	\$ 270,501	\$ 977,568
2014 - 2015	251,039	813,635
2013 - 2014	313,003	631,554

**BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 7 - PENSION PLANS (Continued)**

ERS has provided additional disclosures through entities that elected to participate in Chapter 260, 57, and 105.

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

At June 30, 2016, the District reported the following asset/(liability) for its proportionate share of the net pension asset/(liability) for each of the Systems. The net pension/(liability) was measured as of March 31, 2016 for ERS and June 30, 2015 for TRS. The total pension asset/(liability) used to calculate the net pension asset/(liability) was based on a projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and TRS Systems in reports provided to the District.

	<u>ERS</u>	<u>TRS</u>
Actuarial valuation date	April 1, 2015	June 30, 2014
Net pension asset/(liability)	\$ (888,973)	\$ 3,719,030
District's portion of the Plan's total		
Net pension asset/(liability)	0.0055387%	0.035805%

For the year ended June 30, 2016, the District recognized pension expense of \$321,387 for ERS and the actuarial value (\$255,813) for TRS. At June 30, 2016, the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resource</u>		<u>Deferred Inflows of Resources</u>	
	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>
Differences between expected and actual experience	\$ 4,492	\$ -	\$ 105,373	\$ 103,070
Changes of assumptions	237,062	-	-	-
Net difference between projected and actual earnings on pension plan investments	527,387	-	-	1,175,605
Changes in proportion and differences between the District's contributions and proportionate share of contributions	26,390	10,148	8,379	93,438
District's contributions subsequent to the measurement date	57,946	739,790	-	-
<b>Total</b>	<u>\$ 853,277</u>	<u>\$ 749,938</u>	<u>\$ 113,752</u>	<u>\$ 1,372,113</u>

District contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 7 - PENSION PLANS (Continued)**

	<u>ERS</u>	<u>TRS</u>
Year ended June 30:		
2017	\$ 172,102	\$ (484,025)
2018	172,102	(484,025)
2019	172,102	(484,025)
2020	165,273	185,651
2021	-	(22,704)
Thereafter	-	(72,838)
	<b>\$ 681,579</b>	<b>\$ (1,361,966)</b>

Actuarial Assumptions

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

Significant actuarial assumptions used in the valuations were as follows:

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2016	June 30, 2015
Actuarial valuation date	April 1, 2015	June 30, 2014
Interest rate	7.0%	8.0%
Salary scale	3.80%	4.01% - 10.91%
Decrement Tables	April 1, 2010 - March 31, 2015 System's Experience	July 1, 2005 - June 30, 2010 System's Experience
Inflation rate	2.5%	3.0%

For ERS, annuitant mortality rates are based on April 1, 2010 - March 31, 2015 System's experience with adjustments for mortality improvements based on MP-2014. For TRS, annuitant mortality rates are based on July 1, 2005 - June 30, 2010 System's experience with adjustments for mortality improvements based on Society of Actuaries Scale AA.

For ERS, the actuarial assumptions used in the April 1, 2015 valuation are based on the results of an actuarial experience study for the period April 1, 2010 - March 31, 2015. For TRS, the actuarial assumptions used in the June 30, 2014 valuation are based on the results of an actuarial experience study for the period July 1, 2005 - June 30, 2010.

**BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 7 - PENSION PLANS (Continued)**

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. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below:

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2015	June 30, 2014
<u>Asset Type</u>		
Domestic Equities	7.30%	6.5%
International Equities	8.55%	7.7%
Private Equity	11.00%	-
Real Estate	8.25%	4.6%
Absolute Return Strategies	6.75%	-
Opportunistic Portfolio	8.60%	-
Real Assets	8.65%	-
Alternative Investments	-	9.9%
Domestic Fixed Income Securities	-	2.1%
Global Fixed Income Securities	-	1.9%
Bonds and Mortgages	4.00%	3.4%
Inflation-indexed Bonds	4.00%	-
Short-Term	2.25%	1.2%

Discount Rate

The discount rate used to measure the total pension asset (liability) was 7% for ERS and 8% 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 that contributions from employers will be made at statutorily required rates, actuarially. Based upon these assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefits 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 for the Net Pension Liability to the Discount Rate Assumption

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7% for ERS and 8% for TRS, as well as what the 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 (6% for ERS and 7% for TRS) or 1 percentage point higher (8% for ERS and 9% for TRS) than the current rate:

**BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 7 - PENSION PLANS (Continued)**

ERS	1% Decrease <u>6.0%</u>	Current Assumption <u>7.0%</u>	1% Increase <u>8.0%</u>
District's Proportionate Share of the Net Pension Asset (Liability)	\$ (2,004,569)	\$ (888,973)	\$ 53,658
TRS	1% Decrease <u>7%</u>	Current Assumption <u>8%</u>	1% Increase <u>9%</u>
District's Proportionate Share of the Net Pension Asset (Liability)	\$ (253,686)	\$ 3,719,030	\$ 7,106,923

Pension Plan Fiduciary Net Position

The components of the current-year net pension asset/(liability) of the employers as of the respective valuation dates, were as follows:

	(Dollars in Thousands)		
	<u>ERS</u>	<u>TRS</u>	<u>Total</u>
Valuation Date	March 31, 2016	June 30, 2015	
Employers' Total Pension Asset/(Liability)	\$ (172,303,544)	\$ (99,332,104)	\$ (271,635,648)
Plan Net Position	<u>156,253,265</u>	<u>109,718,917</u>	<u>265,972,182</u>
Employers' Net Pension Asset/(Liability)	<u>\$ (16,050,279)</u>	<u>\$ 10,386,813</u>	<u>\$ (5,663,466)</u>
Ratio of Plan Net Position to the Employers' Total Pension Asset/(Liability)	90.68%	110.46%	97.92%

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31<sup>st</sup>. Accrued retirement contributions as of June 30, 2016 represent the projected employer contribution for the period of April 1, 2016 through June 30, 2016 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2016 amounted to \$57,946.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2016 are paid to the System in September, October and November 2016 through a state aid intercept. Accrued retirement contributions as of June 30, 2016 represent employee and employer contributions for the fiscal year ended June 30, 2016 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, 2016 amounted to \$779,648.

**BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 8 - SHORT-TERM DEBT**

Transactions in short-term debt for the year are summarized below:

<u>Description of Issue</u>	<u>Maturity</u>	<u>Interest Rate</u>	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>
BAN	9/25/2015	0.85%	\$ 526,594	\$ -	\$ (526,594)	\$ -
BAN	9/23/2016	1.50%	\$ -	\$ 321,595	\$ -	\$ 321,595

Interest of \$4,464 was paid on short-term debt for the year.

**NOTE 9 - LONG-TERM DEBT**

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

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed/ Retired</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<b>Government Activities:</b>					
<b>Bonds and Notes Payable:</b>					
<b>General Obligation Debt:</b>					
Serial Bonds 2012 Series B	\$ 1,405,000	\$ -	\$ (695,000)	\$ 710,000	\$ 710,000
Serial Bonds 2012 Series A	200,000	-	(200,000)	-	-
Serial Bonds 2012	2,880,000	-	(240,000)	2,640,000	245,000
<b>Total Bonds and Notes Payable</b>	<b>4,485,000</b>	<b>-</b>	<b>(1,135,000)</b>	<b>3,350,000</b>	<b>955,000</b>
<b>Other Liabilities:</b>					
Due to Retirement Systems	1,042,542	-	(204,948)	837,594	-
Compensated Absences	1,578,105	-	(185,695)	1,392,410	-
Other Post Employment Benefits	654,714	90,300	-	745,014	-
<b>Total Other Liabilities</b>	<b>3,275,361</b>	<b>90,300</b>	<b>(390,643)</b>	<b>2,975,018</b>	<b>-</b>
<b>Total Long-Term Liabilities</b>	<b>\$ 7,760,361</b>	<b>\$ 90,300</b>	<b>\$ (1,525,643)</b>	<b>\$ 6,325,018</b>	<b>\$ 955,000</b>

Additions and deletions to retirement systems and compensated absences are shown net since it is impractical to determine these amounts separately. The General Fund has typically been used to liquidate long-term liabilities such as compensated absences and retirement liabilities.



**BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 9 - LONG-TERM DEBT OBLIGATIONS (Continued)**

The District borrows money in order to acquire land or equipment, construct buildings, or make 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. These long-term liabilities are full faith and credit debt of the local government. The provision to be made in the General Fund's future budgets for capital indebtedness represents the amount exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidation of the long-term liabilities.

Existing serial bond obligations:

<u>Description of Issue</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Outstanding at June 30, 2016</u>
Serial Bond	06/16/12	6/15/2017	2.000%	\$ 710,000
Serial Bond	06/15/12	6/15/2026	2.250%	245,000
Serial Bond	06/15/12	6/15/2026	2.250%	255,000
Serial Bond	06/15/12	6/15/2026	2.250%	260,000
Serial Bond	06/15/12	6/15/2026	2.250%	265,000
Serial Bond	06/15/12	6/15/2026	2.250%	275,000
Serial Bond	06/15/12	6/15/2026	2.250%	285,000
Serial Bond	06/15/12	6/15/2026	2.375%	290,000
Serial Bond	06/15/12	6/15/2026	3.000%	295,000
Serial Bond	06/15/12	6/15/2026	3.000%	305,000
Serial Bond	06/15/12	6/15/2026	3.000%	165,000
				<u>\$ 3,350,000</u>

The following is a summary of debt service requirements:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal Year Ended June 30,			
2017	\$ 955,000	\$ 80,419	\$ 1,035,419
2018	255,000	60,706	315,706
2019	260,000	54,969	314,969
2020	265,000	49,119	314,119
2021	275,000	43,156	318,156
2022-2026	<u>1,340,000</u>	<u>109,169</u>	<u>1,449,169</u>
	<u>\$ 3,350,000</u>	<u>\$ 397,538</u>	<u>\$ 3,747,538</u>

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

Interest Paid	\$ 103,719
Less: Interest Accrued in the Prior Year	(5,822)
Plus: Interest Accrued in the Current Year	<u>3,351</u>
<b>Total Interest on Long-Term Debt</b>	<u><b>\$ 101,248</b></u>

**BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 9 - LONG-TERM DEBT OBLIGATIONS (Continued)**

Bond issuance costs represent the net amount of additional borrowing the District incurred to advance refund the 2000, 2001, 2002 and 2003 series bonds in prior fiscal years. The components of these costs are as follows:

Fees Paid to Fiscal Agents	\$ 244,782
Additional Premium to Cover Bond	248,870
Premium Received on New Bonds Issued	<u>(143,652)</u>
	<u><u>\$ 350,000</u></u>

The additional costs of advance refunding the bonds are capitalized on the government-wide financial statements and are amortized over the remaining time to maturity of the refunded bonds using the straight-line method. The current year amortization is \$17,167 and is included in interest expense on the government-wide financial statements. Net capitalized bond issuance costs at June 30, 2016, are as follows:

Amortized Bond Issuance Costs	\$ 350,000
Less: Accumulated Amortization	<u>(335,833)</u>
<b>Net Capitalized Bond Issuance Costs</b>	<u><u>\$ 14,167</u></u>

**NOTE 10 - INTERFUND TRANSACTIONS - GOVERNMENTAL FUNDS:**

	<u>Interfund</u>			
	<u>Receivable</u>	<u>Payable</u>	<u>Revenues</u>	<u>Expenditures</u>
General Fund	\$ 190,000	\$ -	\$ 182,055	\$ -
Special Aid Fund	-	190,000	-	-
Debt Service	-	-	-	<u>182,055</u>
<b>Total Government Activities</b>	<u><u>\$ 190,000</u></u>	<u><u>\$ 190,000</u></u>	<u><u>\$ 182,055</u></u>	<u><u>\$ 182,055</u></u>

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

All inter-fund payables are expected to be repaid within one year.

**NOTE 11 - POST-EMPLOYMENT (HEALTH INSURANCE) BENEFITS**

The District provides post-employment health insurance coverage to retired employees in accordance with the provisions of various employment contracts. The benefit levels, employee contributions and employer contributions are governed by the District's contractual agreements.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 11 - POST-EMPLOYMENT BENEFITS (Continued)

The District implemented GASB Statement No. 45, "*Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*," in the school year ended June 30, 2009. This required the District to calculate and record a net other post-employment benefit obligation at year-end. The net other post-employment benefit obligation is basically the cumulative difference between the actuarially required contribution and the actual contributions made.

The District recognizes the cost of providing health insurance annually as expenditures in the General Fund of the funds financial statements as payments are made. For the year ended June 30, 2016, the District recognized \$122,924 for its share of insurance for approximately 15 currently enrolled retirees.

This District has obtained an actuarial valuation report as of June 30, 2016 which indicates that the total liability for other post-employment benefits is \$745,014, which is reflected in the Statement of Net Position.

**Plan Description:** The Bainbridge-Guilford Central School District ("the District") administers the Bainbridge-Guilford Central School District Retiree Medical and Life Insurance Benefits Plan ("the Plan") as a single-employer defined benefit Other Post-employment Benefit plan. The Plan provides for continuation of medical, dental and life insurance benefits for certain retirees and their spouses and can be amended by action of the District subject to applicable collective bargaining and employment agreements. The Plan does not issue a stand-alone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan.

**Funding Policy:** The obligations of the plan members, employers and other entities are established by action of the District pursuant to applicable collective bargaining and employment agreements. The required contribution rates of the employer and the members vary depending on the applicable agreement. The employer currently contributes enough money to the plan to satisfy current obligations on a pay-as-you-go basis. The costs of administering the Plan are paid by the District. Currently under New York State Law, there is no authority to fund the obligation.

**Accounting Policy:** The accrual basis of accounting is used. The fair market value of assets is determined by the market value of assets paid by a willing buyer to a willing seller.

**Other Disclosure Information:** The schedule of funding progress presents multi-year trend information that is useful in determining whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability. The projections of benefits are based on the types of benefits provided under the substantive plan at the time of the valuation date and on the pattern of cost-sharing between the employer and plan members. In addition, the projections do not explicitly incorporate the potential effects of legal or contractual funding limitation on the pattern of cost-sharing between the employer and plan members in the future. The actuarial calculations reflect a long-term perspective; actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

**Annual OPEB Cost and Net OPEB Obligations:** The District's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation:

**BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 11 - POST-EMPLOYMENT BENEFITS (Continued)**

Annual Required Contribution ("ARC")	\$	223,448
Interest on Net OPEB Obligation		26,189
Adjustment to Annual Required Contribution		<u>(36,413)</u>
<b>Annual OPEB Cost (Expense)</b>		<b>213,224</b>
Contributions Made		<u>(122,924)</u>
<b>Increase In Net OPEB Obligation</b>		<b>90,300</b>
Net OPEB Obligation - Beginning of Year		<u>654,714</u>
<b>Net OPEB Obligation - End of Year</b>	<b>\$</b>	<b><u>745,014</u></b>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2016 and the two preceding years were as follows:

<u>Fiscal Year End</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contribution</u>	<u>Net OPEB Obligation</u>
06/30/16	\$ 213,224	57.7%	\$ 745,014
06/30/15	210,772	51.7%	654,714
06/30/14	145,585	51.2%	552,942

**Funded Status and Funding Progress:** As of July 1, 2015, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was \$2,749,868, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,749,868. The covered payroll (annual payroll of active employees covered by the plan) was \$5,624,607, and the ratio of the UAAL to the covered payroll was 49%. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**Actuarial Methods and Assumptions:** Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

**BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 11 - POST-EMPLOYMENT BENEFITS (Continued)**

In the July 1, 2015 actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a 4.0% investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 8% initially, reduced by decrements to an ultimate rate of 5% after 5 years. Both rates included a 3% inflation assumption. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a 30-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2016 was 22 years.

**NOTE 12 - RISK MANAGEMENT**

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

The District participates in a risk-sharing pool which includes seven districts, to insure Workers' Compensation claims. This is a public entity risk pool created under Article 5 of the Workers' Compensation Law, to finance liability and risks related to Workers' Compensation claims. The District's share of the liability for unbilled and open claims is \$87,616.

**NOTE 13 - COMMITMENTS AND CONTINGENCIES**

The District has received grants which are subject to audit by agencies of the State and Federal Governments. Such audits may result in disallowances and a request for a return of funds. Based on prior years' experience, the District's administration believes disallowances, if any, will be immaterial.

**NOTE 14 - DONOR-RESTRICTED ENDOWMENTS**

The District administers endowment funds, which are restricted by the donor for the purpose of scholarships.

Donor-restricted endowments are reported at fair value, which equals cost since all funds are invested in cash and cash equivalents. The amount of interest earned on investments of donor-restricted endowments that is available for authorization for expenditure by the District is \$62.

The District authorizes expenditures from donor-restricted endowments in compliance with the wishes expressed by the donor, which varies among the unique endowments administered by the District.

**BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 15 - FUND BALANCE REPORTING**

The following is a detail of fund balance classifications used for each fund at June 30, 2016:

	<u>General</u>	<u>Special Aid</u>	<u>School Lunch</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
<b>Nonspendable:</b>						
Inventory	\$ -	\$ -	\$ 18,735	\$ -	\$ -	\$ 18,735
<b>Restricted for:</b>						
Unemployment Insurance Reserve	338,928	-	-	-	-	338,928
Liability Claims and Property Loss	303,135	-	-	-	-	303,135
Employee Benefit Accrued Liability	487,076	-	-	-	-	487,076
Reserve for Tax Certiorari	90,000	-	-	-	-	90,000
Capital Reserve	2,167,758	-	-	-	-	2,167,758
Repair Reserve	106,992	-	-	-	-	106,992
Debt Service	-	-	-	-	550,724	550,724
Capital Projects	-	-	-	174,878	-	174,878
<b>Assigned:</b>						
General Support	65,535	-	-	-	-	65,535
Instructional	122,539	-	-	-	-	122,539
Employee Benefits	743	-	-	-	-	743
School Lunch	-	-	166,476	-	-	166,476
Designated for the Levy of Taxes	500,000	-	-	-	-	500,000
<b>Unassigned:</b>	<u>731,186</u>	<u>1</u>	<u>-</u>	<u>(321,595)</u>	<u>-</u>	<u>409,592</u>
<b>Total Fund Balances</b>	<b><u>\$ 4,913,892</u></b>	<b><u>\$ 1</u></b>	<b><u>\$ 185,211</u></b>	<b><u>\$ (146,717)</u></b>	<b><u>\$ 550,724</u></b>	<b><u>\$ 5,503,111</u></b>

SUPPLEMENTAL SCHEDULE #1

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT  
 REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL - GENERAL FUND  
 FOR THE YEAR ENDED JUNE 30, 2016

	Original Budget	Revised Budget	Actual	Over (Under) Revised Budget
<b>REVENUES</b>				
Local Sources				
Real Property Taxes	\$ 4,928,709	\$ 4,928,709	\$ 4,928,409	\$ (300)
Other Tax Items	1,112,807	1,112,807	1,151,157	38,350
Charges for Services	22,500	22,500	104,525	82,025
Use of Money and Property	34,500	34,500	21,245	(13,255)
Sale of Property and Compensation for Loss	-	-	32,834	32,834
Miscellaneous	76,500	76,500	1,275,583	1,199,083
<b>Total Local Sources</b>	<b>6,175,016</b>	<b>6,175,016</b>	<b>7,513,753</b>	<b>1,338,737</b>
Federal Sources	25,000	25,000	35,495	10,495
State Sources	11,329,385	11,329,385	10,994,041	(335,344)
<b>Total Revenues</b>	<b>17,529,401</b>	<b>17,529,401</b>	<b>18,543,289</b>	<b>1,013,888</b>
<b>OTHER FINANCING SOURCES</b>				
Operating Transfers	182,055	182,055	182,055	-
Appropriated Fund Balance	273,000	745,000	-	(745,000)
Appropriated Reserves	-	396,846	-	(396,846)
<b>Total Other Financing Sources</b>	<b>455,055</b>	<b>1,323,901</b>	<b>182,055</b>	<b>(1,141,846)</b>
<b>Total Revenues and Other Financing Sources</b>	<b>\$ 17,984,456</b>	<b>\$ 18,853,302</b>	<b>\$ 18,725,344</b>	<b>\$ (127,958)</b>

See the accompanying notes to financial statements.

SUPPLEMENTAL SCHEDULE #1

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Unencumbered Balance</u>
<b>EXPENDITURES</b>					
General Support					
Board of Education	\$ 15,237	\$ 34,598	\$ 33,433	\$ -	\$ 1,165
Central Administration	189,002	193,738	193,508	-	230
Finance	295,203	295,303	278,225	-	17,078
Staff	74,628	84,176	64,955	-	19,221
Central Services	2,001,567	2,032,216	1,754,863	65,535	211,818
Special Items	500,750	490,393	475,459	-	14,934
<b>Total General Support</b>	<b><u>3,076,387</u></b>	<b><u>3,130,424</u></b>	<b><u>2,800,443</u></b>	<b><u>65,535</u></b>	<b><u>264,446</u></b>
Instruction					
Instruction, Administration and Improvement	540,190	739,812	712,397	6,221	21,194
Teaching, Regular School	4,350,949	4,486,988	4,372,810	114,160	18
Programs for Children with Special Needs	2,258,694	2,137,415	1,895,726	174	241,515
Occupational Education	520,000	520,000	519,994	-	6
Teaching, Special School	11,750	13,944	13,944	-	-
Instructional Media	383,565	456,760	451,756	-	5,004
Pupil Services	830,278	861,073	825,371	1,984	33,718
<b>Total Instruction</b>	<b><u>8,895,426</u></b>	<b><u>9,215,992</u></b>	<b><u>8,791,998</u></b>	<b><u>122,539</u></b>	<b><u>301,455</u></b>
Pupil Transportation	780,251	797,060	664,240	-	132,820
Employee Benefits	3,859,490	3,864,924	3,521,547	743	342,634
Debt Service					
Debt Service Principal	1,264,682	1,736,682	1,607,000	-	129,682
Debt Service Interest	108,220	108,220	108,182	-	38
<b>Total Expenditures</b>	<b><u>17,984,456</u></b>	<b><u>18,853,302</u></b>	<b><u>17,493,410</u></b>	<b><u>\$ 188,817</u></b>	<b><u>\$ 1,171,075</u></b>
<b>Excess Revenues and Other Sources Over Expenditures and Other Uses</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 1,231,934</u></b>		

See the accompanying notes to financial statements.



SUPPLEMENTAL SCHEDULE #2

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT  
SCHEDULE OF FUNDING PROGRESS - OPEB LIABILITY  
FOR THE YEAR ENDED JUNE 30, 2016

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as of Percentage of Covered Payroll (b-a/c)
7/1/2011	\$ -	\$ 1,407,063	\$ 1,407,063	0%	\$ 6,568,577	21%
7/1/2012	-	1,484,690	1,484,690	0%	4,976,422	30%
7/1/2013	-	1,484,690	1,484,690	0%	4,976,422	30%
7/1/2014	-	2,084,084	2,084,084	0%	5,699,757	37%
7/1/2015	-	2,749,868	2,749,868	0%	5,624,607	49%

See the accompanying notes to financial statements.

BAINBRIDGE-GULFORD CENTRAL SCHOOL DISTRICT  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF DISTRICT'S CONTRIBUTIONS  
 FOR THE YEAR ENDED JUNE 30, 2016

	NYSERS Pension Plan						
	2016	2015	2014	2013	2012	2011	2010
Contractually required contribution	\$ 270,501	\$ 251,040					
Contribution in relation to the contractually required contribution	<u>270,501</u>	<u>251,040</u>					
Contribution deficiency (excess)	\$ -	\$ -					
District's covered employee payroll	<u>\$ 1,473,603</u>	<u>\$ 1,425,626</u>					
Contributions as a percentage of covered employee payroll	18.36%	17.61%					

*Information for the periods prior to the implementation of GASB 68 is unavailable and will be completed for each year going forward as the information becomes available.*

	NYSTRS Pension Plan						
	2016	2015	2014	2013	2012	2011	2010
Contractually required contribution	\$ 772,307	\$ 977,568					
Contribution in relation to the contractually required contribution	<u>772,307</u>	<u>977,568</u>					
Contribution deficiency (excess)	\$ -	\$ -					
District's covered employee payroll	<u>\$ 5,630,648</u>	<u>\$ 5,379,318</u>					
Contributions as a percentage of covered employee payroll	13.72%	18.17%					

*Information for the periods prior to the implementation of GASB 68 is unavailable and will be completed for each year going forward as the information becomes available.*

See Paragraph on Supplementary Schedules in Auditor's Report.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 LAST 10 FISCAL YEARS  
 FOR THE YEAR ENDED JUNE 30, 2016

	NYSERS Pension Plan									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
District's proportion of the Net Pension Liability (Asset)			0.0055387%	0.0054162%						
District's proportionate share of the Net Pension Liability (Asset) \$	888,973	\$ 182,971								
District's covered employee payroll	1,473,603	1,425,626								
District's proportionate share of the Net Pension Liability (Asset) as a percentage of it's covered employee payroll	60.33%	12.83%								
Plan Fiduciary Net Position as a percentage of the total pension liability	90.70%	97.90%								

*Information for the periods prior to the implementation of GASB 68 is unavailable and will be completed for each year going forward as the information becomes available.*

	NYSTRS Pension Plan									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
District's proportion of the Net Pension Liability (Asset)			0.035805%	0.032814%						
District's proportionate share of the Net Pension Liability (Asset) \$	(3,719,030)	\$ (3,655,243)								
District's covered employee payroll	5,630,648	5,379,318								
District's proportionate share of the Net Pension Liability (Asset) as a percentage of it's covered employee payroll	66.05%	67.95%								
Plan Fiduciary Net Position as a percentage of the total pension liability	110.46%	111.50%								

*Information for the periods prior to the implementation of GASB 68 is unavailable and will be completed for each year going forward as the information becomes available.*

See Paragraph on Supplementary Schedules in Auditor's Report.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT  
 SCHEDULE OF CHANGES FROM ADOPTED BUDGET TO FINAL BUDGET  
 AND THE REAL PROPERTY TAX LIMIT - GENERAL FUND  
 FOR THE YEAR ENDED JUNE 30, 2016

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget	\$ 17,984,456
<b>Add: Prior Year's Encumbrances</b>	<u>194,005</u>
Original Budget	18,178,461
Budget Revisions	<u>674,841</u>
 <b>Final Budget</b>	 <b><u>\$ 18,853,302</u></b>

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2016 - 2017 Voter-Approved Expenditure Budget Maximum	
Allowed (4% of 2016 - 2017 Budget)	<u>\$ 18,257,453</u>

General Fund Fund Balance Subject to Section 1318 of Real Property Law:

**Unrestricted Fund Balance:**

Committed Fund Balance	\$ -
Assigned Fund Balance	688,817
Unrestricted Fund Balance	<u>731,186</u>
<b>Total Unrestricted Fund Balance</b>	<b><u>1,420,003</u></b>

**Less:**

Appropriated Fund Balance	(500,000)
Insurance Recovery Reserve	-
Tax Reduction Reserve	-
Encumbrances Included in Committed and Assigned Fund Balance	<u>(188,817)</u>
<b>Total Adjustments</b>	<b><u>(688,817)</u></b>

General Fund Fund Balance Subject to Section 1318 of Real Property Law: \$ 731,186

Actual Percentage 4.00%

See the accompanying notes to financial statements.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT  
 SCHEDULE OF PROJECT EXPENDITURES  
 CAPITAL PROJECTS FUND  
 FOR THE YEAR ENDED JUNE 30, 2016

	Original Appropriation	Revised	Prior Years	Expenditures		Total	Unexpended Balance	Proceeds of Obligations	Methods of Financing			Total	Fund Balance June 30, 2016
				Current Year					State Aid	Local Sources			
<b>Major Projects</b>													
Excel 1017	\$ 1,486,122	\$ 1,486,122	\$ 1,418,405	\$ -	\$ 1,418,405	\$ 67,717	\$ 1,660,582	\$ 110,000	\$ 18,335	\$ 1,788,917	\$ 370,512		
Excel 2012	1,253,742	1,253,742	1,196,416	-	1,196,416	57,326	1,030,192	80,000	1,169	1,111,361	(85,055)		
Excel 3010	1,538,999	1,538,999	1,468,602	-	1,468,602	70,397	1,273,710	110,591	5,357	1,389,658	(78,944)		
<b>Non - Major Projects</b>													
Other Projects													
Buses - 2012	-	-	-	3,230	3,230	(3,230)	-	-	1,421	1,421	(1,809)		
Buses - 2013	192,208	192,208	179,708	-	179,708	12,500	-	-	192,208	192,208	12,500		
Buses - 2014	224,527	224,527	224,526	-	224,526	1	-	-	224,527	224,527	1		
Excel 4003	275,685	275,685	275,685	-	275,685	-	-	-	178,718	178,718	(96,967)		
Buses - 2015	20,873	20,873	19,927	-	19,927	946	18,401	-	19	18,420	(1,507)		
	267,000	267,000	-	265,448	265,448	1,552	-	-	-	-	(265,448)		
<b>Totals</b>	<b>\$ 5,259,156</b>	<b>\$ 5,259,156</b>	<b>\$ 4,783,269</b>	<b>\$ 268,678</b>	<b>\$ 5,051,947</b>	<b>\$ 207,209</b>	<b>\$ 3,982,885</b>	<b>\$ 300,591</b>	<b>\$ 621,754</b>	<b>\$ 4,905,230</b>	<b>\$ (146,717)</b>		

See the accompanying notes to financial statements.

SUPPLEMENTAL SCHEDULE #7

**BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT  
INVESTMENT IN CAPITAL ASSETS, NET OF RELATED DEBT  
FOR THE YEAR ENDED JUNE 30, 2016**

<b>Capital Assets, Net</b>	<b>\$ 15,679,981</b>
<b>Deduct:</b>	
Short-Term Portion of Bonds Payable	(955,000)
Long-Term Portion of Bonds Payable	(2,395,000)
<b>Add:</b>	
Unamortized Bond Issuance Costs, Net	<u>14,167</u>
 <b>Investment in Capital Assets, Net of Related Debt</b>	 <b><u>\$ 12,344,148</u></b>

See the accompanying notes to financial statements.

*Officers:*  
James J. Lewis, CPA\*, ABV/CVA  
Alan D. Piaker, CPA  
Roy E. Fuller, CPA  
John R. May, CPA\*  
Angelo J. Gallo, CPA  
Richard A. Lynch, CPA  
Amy E. Brown, CPA\*  
Janeen F. Sutryk, CPA\*

*Principals:*  
Kyle J. Miesfeldt, CPA  
Thomas F. Shanahan, CPA\*



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Philip M. Piaker, CPA  
(1921-2003)

Abraham L. Piaker, CPA  
(1925-2005)

*Retired:*  
Allan R. Lyons, CPA  
Kenneth L. Coleman, CPA

\*Also Licensed in Pennsylvania  
+Also Licensed in Maryland

## 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

To the President and Members  
of the Board of Education of the  
Bainbridge-Guilford Central School District  
Bainbridge, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT (the "District") as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated September 30, 2016.

### Internal Control Over Financial Reporting

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

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

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

Bainbridge-Guilford Central School District

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free of 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

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

  
PIAKER & LYONS, P.C.

Binghamton, New York  
September 30, 2016



*Officers:*  
James J. Lewis, CPA\*, ABV/CVA  
Alan D. Piaker, CPA  
Roy E. Fuller, CPA  
John R. May, CPA\*  
Angelo J. Gallo, CPA  
Richard A. Lynch, CPA  
Amy E. Brown, CPA\*  
Janeen F. Sutryk, CPA\*

*Principals:*  
Kyle J. Miesfeldt, CPA  
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*Retired:*  
Allan R. Lyons, CPA  
Kenneth L. Coleman, CPA

\*Also Licensed in Pennsylvania  
+Also Licensed in Maryland

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the President and Members  
of the Board of Education of the  
Bainbridge-Guilford Central School District  
Bainbridge, New York

### Report on Compliance for Each Major Program

We have audited BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT'S (the "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 District's major federal programs for the year ended June 30, 2016. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 US Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Bainbridge-Guilford Central School District

**Opinion on Each Major Federal Program**

In our opinion, the District complied, in all material respects, with the types of 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, 2016.

**Report on Internal Control over Compliance**

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion of the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

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

  
PIAKER & LYONS, P. C.

Binghamton, New York  
September 30, 2016

**BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2016**

<u>Federal Grantor/Pass-Through Grantor/Program Title or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Total Federal Expenditures</u>
<b>U.S. DEPARTMENT OF EDUCATION:</b>		
<b>Passed Through NYS Education Department:</b>		
Title I, Part A	84.010	\$ 184,415
Title II, Part A	84.367	53,816
Title VI-B	84.385B	17,269
<b>Special Education Cluster:</b>		
IDEA, Part B, Section 611	84.027	183,448
IDEA, Part B, Section 619	84.173	<u>1,866</u>
<b>Total Department of Education</b>		<u><b>440,814</b></u>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>		
<b>Passed Through NYS Education Department:</b>		
<b>Child Nutrition Cluster:</b>		
Non-Cash Assistance (Food Distribution)		
National School Lunch Program	10.555	29,192
Cash Assistance		
School Breakfast Program	10.553	72,709
National School Lunch Program	10.555	198,561
Summer Food Service for Children	10.559	<u>13,540</u>
<b>Total Department of Agriculture</b>		<u><b>314,002</b></u>
<b>Total Federal Awards Expenditures</b>		<u><b>\$ 754,816</b></u>

See the accompanying notes to financial statements.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT  
NOTES  
YEAR ENDED JUNE 30, 2016

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying schedule of expenditures of federal awards presents the activity of federal award programs administered by the District, which is described in Note 1 to the District's accompanying financial statements, using the modified accrual basis of accounting. Federal awards that are included in the schedule may be received directly from federal agencies, as well as federal awards that are passed through from other government agencies. The information is presented in accordance with requirements of Title 2 *US Code of Federal Regulations* 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 the preparation of, the financial statements.

Indirect costs may be included in the reported expenditures, to the extent they are included in the federal financial reports used as the source for the data presented.

Matching costs (the District's share of certain program costs) are not included in the reported expenditures.

The basis of accounting varies by federal program consistent with the underlying regulations pertaining to each program.

The amounts reported as federal expenditures were obtained from the federal financial reports of the applicable program and periods. The amounts reported in these reports are prepared from records maintained for each program, which are reconciled with the District's financial reporting systems.

**NOTE 2 - SUBRECIPIENTS**

No amounts were provided to subrecipients.

**NOTE 3 - 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 District's casualty insurance policies.

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

**BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT  
NOTES  
YEAR ENDED JUNE 30, 2016**

**NOTE 4 - CLUSTER OF PROGRAMS**

The following programs are identified by the Uniform Guidance to be part of a cluster of programs:

**Nutrition Cluster**

U.S. Department of Agriculture

- CFDA #10.553 School Breakfast Program
- CFDA #10.555 National School Lunch Program
- CFDA #10.559 Summer Food Service for Children

**Special Education Cluster**

U.S. Department of Education

- CFDA #84.027 IDEA, Part B, Section 611
- CFDA #84.173 IDEA, Part B, Section 619

**NOTE 5 - CFDA NUMBERS**

<u>Federal Grantor/Pass-Through Grantor/Program Title or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Total Federal Expenditures</u>
Passed Through NYS Education Department		
National School Lunch Program (Non - Cash)	10.555	\$ 29,192
National School Lunch Program	10.555	<u>198,561</u>
<b>Total U.S. Department of Agriculture Funds For CFDA #10.555</b>		<b><u>\$ 227,753</u></b>

**BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2016**

**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness (es) identified? \_\_\_\_\_yes   X  no

Significant Deficiency(ies) identified  
not considered to be material weakness? \_\_\_\_\_yes   X  none reported

Noncompliance material to financial statements  
noted? \_\_\_\_\_yes   X  no

**Federal Awards**

Internal Control over major programs:

Material weakness (es) identified? \_\_\_\_\_yes   X  no

Significant Deficiency(ies) identified  
not considered to be material weaknesses? \_\_\_\_\_yes   X  none reported

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

Any audit findings disclosed that are required  
to be reported in accordance with  
2CFR Section 200.516(a)? \_\_\_\_\_yes   X  no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program/Cluster</u>
-----------------------	--

U.S. Department of Education	Special Education Cluster
#84.027	IDEA, Part B, Section 611
#84.173	IDEA, Part B, Section 619

Dollar threshold used to distinguish  
Between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? \_\_\_\_\_X\_\_\_\_\_yes \_\_\_\_\_no

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2016

Section II - Financial Statement Findings

Prior Year

No matters were reported.

Current Year

No matters were reported.

Section III - Federal Award Findings and Questioned Costs

Prior Year

No matters were reported under the U.S. Office of Management and Budget (OMB) Compliance Supplement.

Current Year

No matters were reported under the U.S. Office of Management and Budget (OMB) Compliance Supplement.

BAINBRIDGE-GUILFORD  
CENTRAL SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUNDS

FINANCIAL STATEMENTS

JUNE 30, 2016



*Officers:*  
James J. Lewis, CPA\*, ABV/CVA  
Alan D. Piaker, CPA  
Roy E. Fuller, CPA  
John R. May, CPA\*  
Angelo J. Gallo, CPA  
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## INDEPENDENT AUDITORS' REPORT

To The President and Members  
of the Board of Education of the  
Bainbridge-Guilford Central School District  
Bainbridge, New York

### Report on the Financial Statements

We have audited the accompanying statement of assets and fund equity arising from cash transactions of the **BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT'S** extraclassroom activity funds as of June 30, 2016 and the related statement of cash receipts and disbursements for the year then ended.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

# Piaker & Lyons

Bainbridge-Guilford Central School District


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

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets and fund equity of the Bainbridge-Guilford Central School District's extraclassroom activity funds as of June 30, 2016, and the cash receipts and disbursements for the year then ended, on the basis of accounting described in Note 1.

## Basis of Accounting

We draw attention to Note 1 to the financial statements, which describes the basis of accounting. These financial statements were prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

  
PIAKER & LYONS, P.C.

Binghamton, New York  
September 16, 2016

**BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT  
EXTRACLASSROOM ACTIVITY FUNDS  
STATEMENT OF ASSETS AND FUND EQUITY  
JUNE 30, 2016**

<b>ASSETS</b>	
Cash	\$ <u>48,720</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>48,720</u></b>
<b>LIABILITIES</b>	
Sales Tax	\$ 229
<b>FUND EQUITY</b>	
Fund Equity	<u>48,491</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ <u>48,720</u></b>

See the accompanying notes to financial statements.

**BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT  
EXTRACLASSROOM ACTIVITY FUNDS  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

<u>Activities</u>	<u>Balance</u> <u>June 30, 2015</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2016</u>
Class of 2015	\$ 510	\$ -	\$ 510	\$ -
Class of 2016	4,732	23,904	28,375	261
Class of 2017	6,004	11,819	10,323	7,500
Class of 2018	2,993	6,014	4,546	4,461
Class of 2019	2,064	3,694	2,325	3,433
Clasas of 2020	3,207	5,386	6,173	2,420
Clasas of 2021	-	5,454	2,545	2,909
SADD/ADSIP	869	600	896	573
BMT Club	761	-	4	757
Drama Club	6,395	1,350	1,218	6,527
Girls Soccer	381	1,175	1,384	172
Girls Varsity Softball	261	5,351	5,090	522
Junior Honor Society	452	3,363	2,728	1,087
Senior Honor Society	1,989	475	858	1,606
Spanish Club	2,296	40	-	2,336
Student Council - HS	4,247	6,806	7,467	3,586
Student Council - Angel	5,270	4,460	3,837	5,893
Student Council - Store	194	-	-	194
Student Council - LBHS	141	-	-	141
Student Council - Junior	1,397	758	742	1,413
Track Club	3,183	-	1,018	2,165
Yearbook - HS	2,188	12,428	14,081	535
	49,534	93,077	94,120	48,491
Sales Tax Fund	252	2,742	2,765	229
<b>Total All Funds</b>	<b>\$ 49,786</b>	<b>\$ 95,819</b>	<b>\$ 96,885</b>	<b>\$ 48,720</b>

See the accompanying notes to financial statements.

**BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT  
EXTRACLASSROOM ACTIVITY FUNDS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. The transactions of the extraclassroom activity funds are considered part of the reporting entity of the Bainbridge-Guilford Central School District. Consequently, such transactions are included in the financial statements of the School District.

B. The books and records of the Bainbridge-Guilford Central School District's extraclassroom activities funds are maintained on the cash basis, and the statement of cash receipts and disbursements reflects only cash received and disbursed. Therefore, receivables and payables, inventories, long-lived assets, and accrued income and expenses, which would be recognized under generally accepted accounting principles, and which may be material in amount, are not recognized in the accompanying financial statement.

C. Management of the District has evaluated events and transactions that occurred between July 1, 2016 through September 16, 2016, which is the date the financial statements were available to be issued, for possible disclosure and recognition in these financial statements.

D. The Clubs collect sales tax as part of certain transactions. Sales tax is presented as a liability on the financial statements. Sales tax is due to the appropriate New York State taxing authority and is remitted on a timely basis.