

BAINBRIDGE-GUILFORD  
CENTRAL SCHOOL DISTRICT

FINANCIAL STATEMENTS

SINGLE AUDIT PACKAGE

JUNE 30, 2019

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

TABLE OF CONTENTS

JUNE 30, 2019

	<u>Schedule</u>	<u>Page</u>
<b>Independent Auditors' Report</b>		
<b>Management's Discussion and Analysis</b>		4 - 20
<b>Basic Financial Statements</b>		
Statement of Net Position		21
Statement of Activities and Changes in Net Position		22
Balance Sheet - Governmental Funds		23 - 24
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position		25
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds		26
Reconciliation of Governmental Funds Statements of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities		27
Statement of Fiduciary Net Position		28
Statement of Changes in Fiduciary Net Position - Fiduciary Funds		29
<b>Notes to Financial Statements</b>		30 - 59
<b>Required Supplementary Information</b>		
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual - General Fund	SS 1	60 - 61
Schedules of Changes in the District's Total OPEB Liability and Related Ratios	SS 2	62
Schedule of District's Contributions NYS TRS and ERS Pension Plan	SS 3	63
Schedule of District's Proportionate Share of Net Pension Asset/Liability	SS 4	64
<b>Supplementary Information</b>		
Schedule of Changes from Adopted Budget to Final Budget and the Real Property Tax Limit - General Fund	SS 5	65
Schedule of Project Expenditures - Capital Projects Fund	SS 6	66
Investment in Capital Assets, Net of Related Debt	SS 7	67

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT

TABLE OF CONTENTS

JUNE 30, 2019

	<u>Page</u>
<b>Single Audit Reports</b>	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards	68 - 69
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	70 - 71
Schedule of Expenditures of Federal Awards	72
Notes to the Schedule of Expenditures of Federal Awards	73 - 74
Schedule of Findings and Questioned Costs	75 - 76

*Officers:*

Roy E. Fuller, CPA  
Angelo J. Gallo, CPA  
Richard A. Lynch, CPA  
John R. May, CPA\*  
Kyle J. Miesfeldt, CPA  
Alan D. Piaker, CPA  
Janeen F. Schranz, CPA\*  
Thomas F. Shanahan, CPA\*

*Principals:*

Santo D. Caracciolo, CPA, CVA  
Adam S. McCauley, CPA



Established in 1955

Phone: (607) 729-9373  
Fax: (607) 729-6893  
Website: [pnlcpa.com](http://pnlcpa.com)

Philip M. Piaker, CPA  
(1921-2003)

Abraham L. Piaker, CPA  
(1925-2005)

*Retired:*

Allan R. Lyons, CPA  
Kenneth L. Coleman, CPA  
James J. Lewis, CPA

\*Also Licensed in Pennsylvania

## 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, 2019, 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, 2019, 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 4 through 20, the schedule of revenues, expenditures and changes in fund balance budget (non-GAAP basis) and actual - general fund on pages 60 through 61, the schedules of changes in the district's total OPEB liability and related ratios on page 62, and the schedules of District's pension contributions and proportionate share of the net pension asset/liability on pages 63 through 64 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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 Expenditures of Federal Awards are the responsibility of management and was 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, 2019

**Bainbridge-Guilford Central School District  
Management Discussion & Analysis  
For the Year Ended June 30, 2019**

The Bainbridge-Guilford Central School District offers readers of the District's Financial Statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2019. Please review it in conjunction with the District's financial statements and the accompanying notes to the financial statements.

**Financial Highlights**

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

- Net position increased from \$14,693,330 to \$15,511,204, an increase of \$817,874 or 5.6%.
- As of the close of this fiscal year, the District's governmental funds reported combined fund balances of \$1,726,951. This is decrease from the prior year of \$4,327,542 due in large part to a capital project that is in process.
- The district did not need to appropriate any fund balance to balance the 2019-20 budget. Additionally the District ended the year with the statutory maximum 4% level of unassigned fund balance of \$754,361 and a balance of \$4,952,283 in reserve funds. Our planning includes understanding and balancing taxpayer burden and the responsible use of Reserve Funds. This ensures the District's long term financial viability and enhanced ability to respond to emergencies.
- At year end, due to positive budget performance, the district was able to fund the voter approved Capital Reserve Fund with an additional \$885,000 bringing that reserve to a balance of \$2.88 million at year end.
- Expenditures and year-end encumbrances in the General Fund totaled \$17,004,791 or 91.5% of budgeted items. Revenues, excluding appropriated fund balance and reserve transfers totaled \$17,943,823 or 98.8% of estimates.

**Bainbridge-Guilford Central School District  
Management Discussion & Analysis  
For the Year Ended June 30, 2019**

**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.

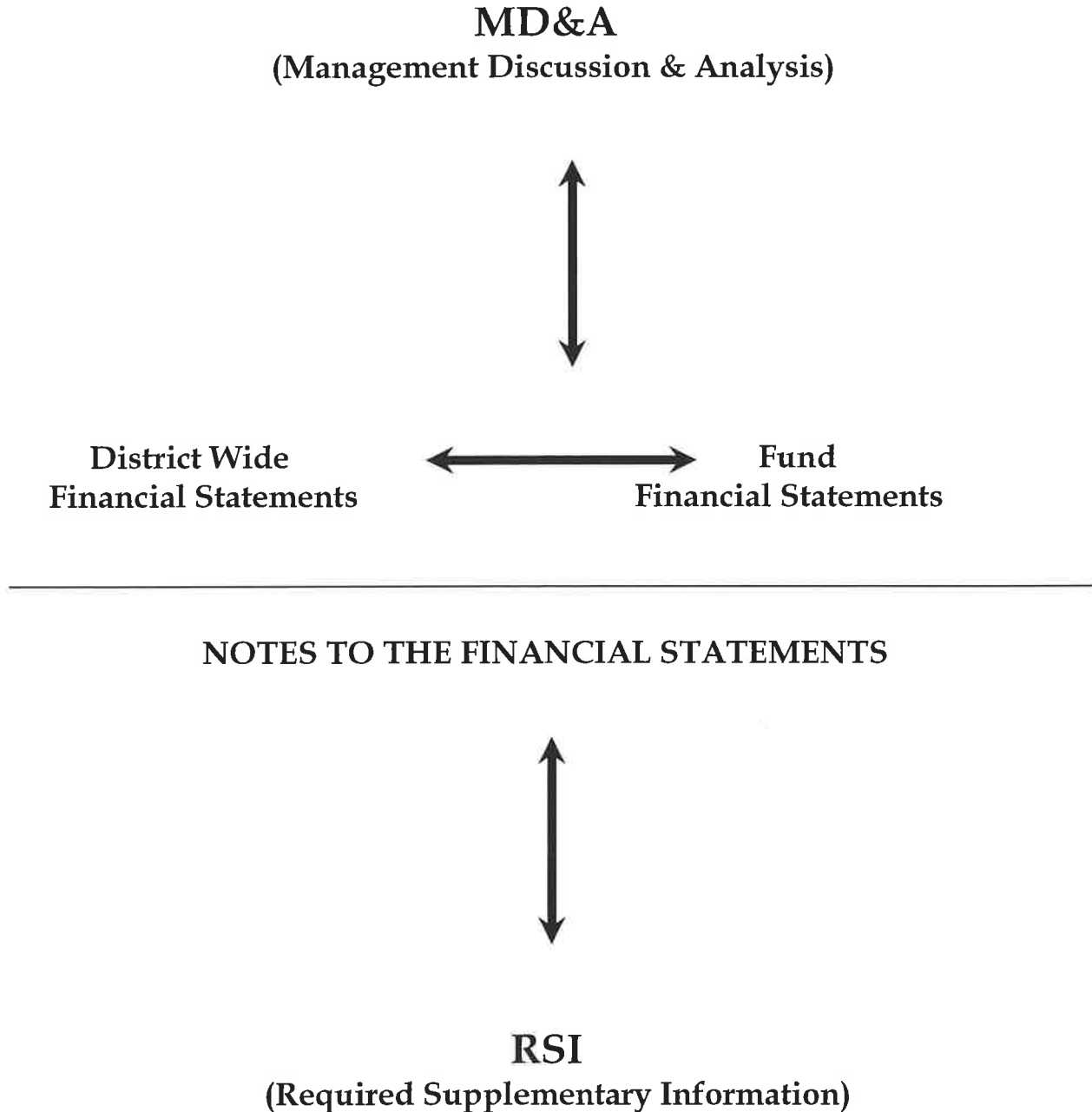
- The first two statements are *district-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the operation 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, 2019

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, 2019**

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, 2019**

**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, 2019**

## **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, 2019**

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

The District's Net Position increased by 5.6% or \$817,874 as detailed in Table A-3.

Current Assets increased by approximately \$7.2 million or 66.8%. Additionally Capital Assets increased 34.3% or approximately \$4.9 million. The large increases in current and capital assets is directly related to the building project that is currently in process. The ongoing project increases the value of our facilities and increases current assets due to short term borrowings which funds the payment of work during the construction phase of the project.

Total Liabilities increased by approximately \$11.3 million or 108.8%. Of this amount, Current Liabilities represented an increase of approximately \$11.4 million and Long-Term Liabilities represented a decrease of approximately \$116 thousand. The large increase in current liabilities is directly attributed to a short-term borrowing for the capital project that is currently in progress.

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

<i>Description</i>	<i>Fiscal Year</i>		<i>Change</i>	
	<i>2018</i>	<i>2019</i>	<i>\$</i>	<i>%</i>
Current and other assets:	10,833,875	18,075,026	7,241,151	66.8%
Capital assets, net of depreciation	14,256,206	19,142,446	4,886,240	34.3%
<b>Total Assets</b>	<b>25,090,081</b>	<b>37,217,472</b>	<b>12,127,391</b>	<b>48.3%</b>
Current liabilities	1,461,393	12,887,187	11,425,794	781.8%
Long-term liabilities	8,935,358	8,819,081	(116,277)	-1.3%
<b>Total liabilities</b>	<b>10,396,751</b>	<b>21,706,268</b>	<b>11,309,517</b>	<b>108.8%</b>
Net Position:				
Investment in capital assets, net of related debt	12,116,206	17,262,446	5,146,240	42.5%
Restricted	5,059,677	12,360,714	7,301,037	144.3%
Unrestricted	(2,482,553)	(14,111,956)	(11,629,403)	468.4%
<b>Total Net Position</b>	<b>14,693,330</b>	<b>15,511,204</b>	<b>817,874</b>	<b>5.6%</b>

**Changes in Net Position**

The District's total fiscal year 2019 revenues (for general, special aid and school lunch funds) totaled \$19 million (see Table A-4). State formula aid and property taxes accounted for most of the District's revenue by contributing 57 cents and 34 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, 2019**

The total cost of all programs and services (for general, special aid and school lunch funds) totaled \$18.2 million for fiscal year 2019. 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)**

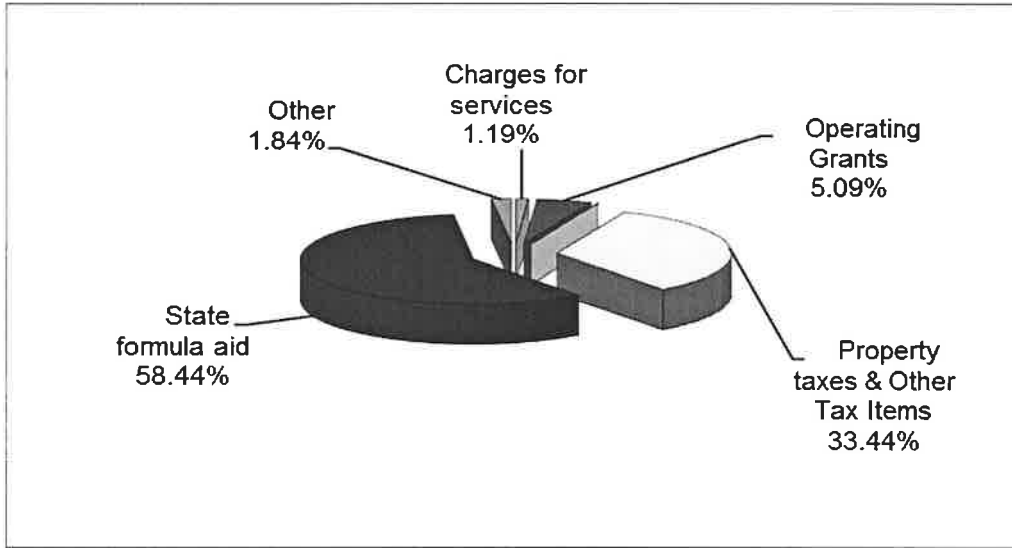
<i>Description</i>	<i>Fiscal Year</i>		<i>Change</i>	
	2018	2019	\$	%
Program Revenue:				
Charges for services	222,175	202,737	(19,438)	-8.7%
Operating Grants	946,379	986,524	40,145	4.2%
General Revenue:				
Property taxes	6,219,854	6,486,206	266,352	4.3%
State formula aid	10,869,030	10,942,150	73,120	0.7%
Other	342,236	420,789	78,553	23.0%
Total Revenue:	18,599,674	19,038,406	438,732	2.4%

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

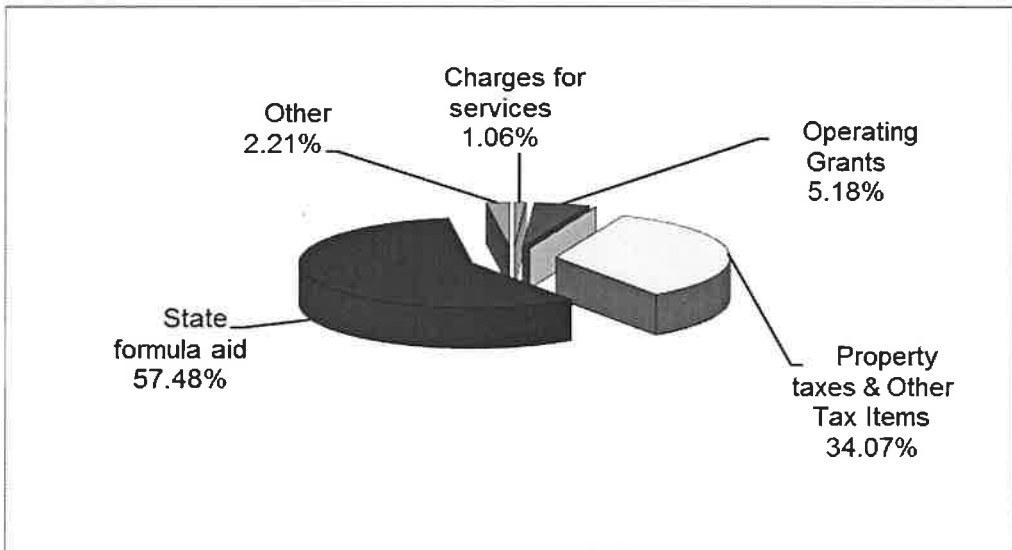
<i>Description</i>	<i>Fiscal Year</i>		<i>Change</i>	
	2018	2019	\$	%
Expenditures:				
General Support	4,038,885	3,850,731	(188,154)	-4.7%
Instruction	14,002,160	12,406,515	(1,595,645)	-11.4%
Transportation	1,288,942	1,257,643	(31,299)	-2.4%
Community Service	20,716	24,983	4,267	20.6%
Debt Service	66,609	123,016	56,407	84.7%
School Lunch	544,304	557,644	13,340	2.5%
Total Expenditures:	19,961,616	18,220,532	(1,741,084)	-8.7%

Bainbridge-Guilford Central School District  
Management Discussion & Analysis  
For the Year Ended June 30, 2019

Table A-5: Sources of Revenues for Fiscal Year 2018

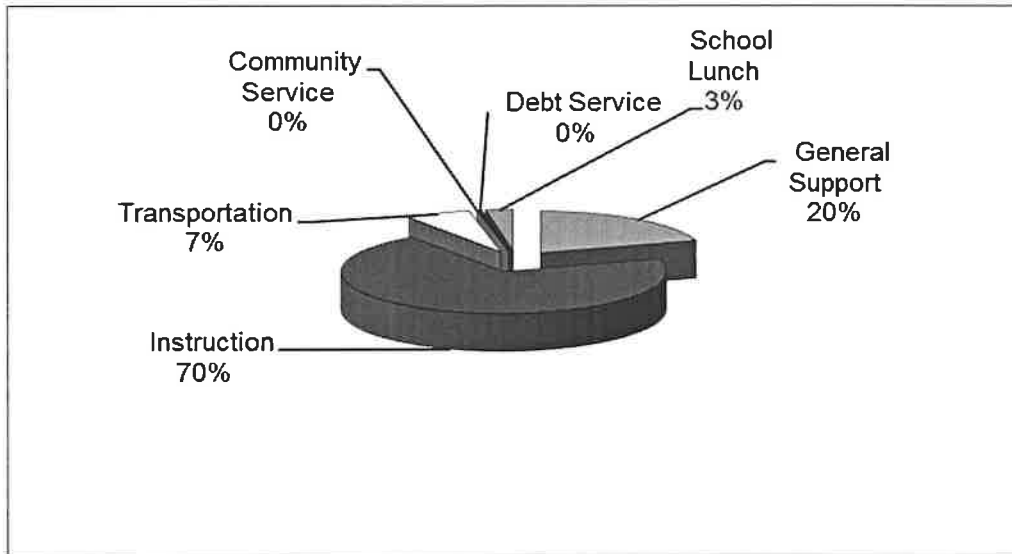


Sources of Revenue for Fiscal Year 2019

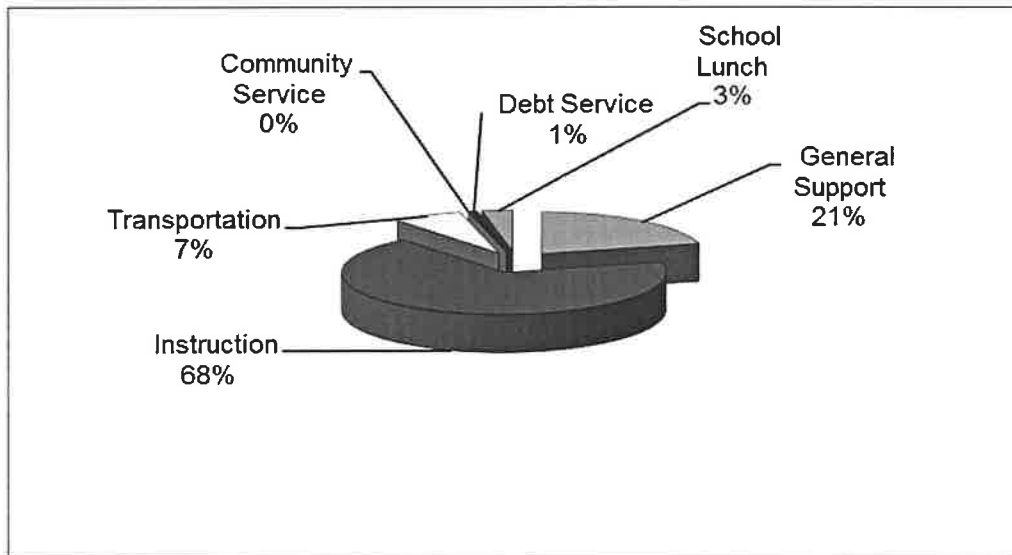


Bainbridge-Guilford Central School District  
Management Discussion & Analysis  
For the Year Ended June 30, 2019

Table A-6: Expenses for Fiscal Year 2018



Expenses for Fiscal Year 2019





**Bainbridge-Guilford Central School District  
Management Discussion & Analysis  
For the Year Ended June 30, 2019**

**Governmental Activities**

Revenues for the District's governmental activities totaled \$19.06 million while total expenses equaled \$23.61 million. There was a decrease in net assets for governmental activities of \$4.55 million.

**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>2018</i>		<i>2019</i>	
	<i>Total Cost</i>	<i>Net Cost</i>	<i>Total Cost</i>	<i>Net Cost</i>
<b>Expenditures:</b>				
General Support	4,039	4,039	3,851	3,851
Instruction	14,002	13,329	12,406	11,706
Transportation	1,289	1,289	1,258	1,258
Community Service	21	21	25	25
Debt Service	67	67	123	123
School Lunch	544	49	558	68
<b>Total Expenditures:</b>	<b>19,962</b>	<b>18,794</b>	<b>18,221</b>	<b>17,031</b>

- The total cost of all governmental activities this year was \$18.22 million for the year ending 2019.
- The users of the District's programs contributed to some of the costs associated with the programs. Amount: \$202 thousand.
- The federal and state governments subsidized certain programs with grants and contributions. Amount: \$986 thousand. (*Statement of Activities, Operating Grants*)
- Most of the District's net costs (\$17 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, 2019**

**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 \$1,726,951. This represents a decrease of \$4,327,542 from last year's combined ending fund balances.

The District's governmental fund revenues were \$19,064,711 as compared to \$18,599,674 in the prior year. The expenditures were \$23,610,082 as compared to \$18,767,043 in the prior year. A break down by fund is as follows:

Special Aid Fund – the fund balance was a zero balance.

School Lunch Fund – the fund balance decreased from \$150,628 to \$94,562.

Capital Projects Fund – the fund balance decreased from \$1,091,587 to (\$4,179,705). The decrease is mainly attributed to expenditures occurring for the voter approved 2017 Capital Project. The deficit will be eliminated when permanent financing for the project is obtained.

Debt Service Fund – the fund balance increased from \$1,655 to a balance of \$62,439.

General Fund – the General Fund Balance increased from \$4,810,623 to \$5,749,655.

A breakdown of the district Fund Balance appears in the chart below:

<i>Description</i>	<i>Fiscal Year</i>		<i>Change</i>	
	<i>2018</i>	<i>2019</i>	<i>\$</i>	<i>%</i>
<b>Fund Balance Breakdown:</b>				
Non-Spendable	14,369	15,121	752	5.2%
Restricted Fund Balance	5,059,677	12,360,714	7,301,037	144.3%
Assigned Fund Balance	945,887	155,590	(790,297)	-83.6%
Unassigned Fund Balance	34,560	(10,804,474)	(10,839,034)	-31,362.9%
<b>Total Fund Balance:</b>	<b>6,054,493</b>	<b>1,726,951</b>	<b>(4,327,542)</b>	<b>-71.5%</b>

**Bainbridge-Guilford Central School District  
Management Discussion & Analysis  
For the Year Ended June 30, 2019**

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

<i>Description</i>	<i>Fiscal Year</i>		<i>Change</i>	
	<i>2018</i>	<i>2019</i>	<i>\$</i>	<i>%</i>
Real property & tax items	6,219,854	6,486,206	266,352	4.3%
Charges for services	92,861	109,816	16,955	18.3%
Use of money & property	117,610	84,681	(32,929)	-28.0%
Miscellaneous	185,773	295,394	109,621	59.0%
State sources	10,869,030	10,942,150	73,120	0.7%
Federal sources	22,581	25,576	2,995	13.3%
Interfund Revenue	-	-	-	-
Total Revenue:	17,507,709	17,943,823	436,114	2.5%

Total General Fund revenues increased by \$436,114 or 2.5%. Real property taxes increased 4.3%. The amount for the tax levy was at the calculated Tax Levy Limit.

The increase of \$16,955 or 18.3% in the Charges for Services category is largely attributable to the creation of the After School Care Program (ASCP) which allows district families to access low cost child care after school and the addition of a tuition charge for out-of-district students.

The decrease of \$32,929 or 28.0% in the Use of Money & Property category is largely attributed to the sale of timber on property owned by the district that occurred in the prior school year.

The increase in the miscellaneous revenue category is largely attributed to an increase in refunds for prior year BOCES services.

The increase of \$73,120 in the State Sources is attributable to an increase in the state aid the district received.

The increase of \$2,995 in Federal Sources of revenue is attributed to an increase in the amount of federal sources available to the district.

**Bainbridge-Guilford Central School District  
Management Discussion & Analysis  
For the Year Ended June 30, 2019**

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

<i>Description</i>	<i>Fiscal Year</i>		<i>Change</i>	
	<i>2018</i>	<i>2019</i>	<i>\$</i>	<i>%</i>
General Support	2,842,059	2,890,824	48,765	1.7%
Instruction	8,256,813	8,320,985	64,172	0.8%
Transportation	705,360	787,518	82,158	11.6%
Community Service	11,330	16,120	4,790	42.3%
Employee benefits	4,093,103	4,266,029	172,926	4.2%
Interfund Transfer	575,841	723,315	147,474	25.6%
Total Expenditures:	16,484,506	17,004,791	520,285	3.2%

General Fund expenditures increased \$520,285 or 3.2% to \$17 million. A categorical summary appears below:

General Support – Increased by \$48,765 or 1.7%. This slight increase is attributed to a number of different factors within the broad scope of this category.

Instructional Expense – Increased by \$64,172 or 0.8%. This increase was largely attributed to the increase in salaries associated with the instruction of the district’s students.

Pupil Transportation – Increased by \$82,158 or 11.6%. This increase is largely due to the decision to continue leasing school buses versus buying new buses, large repairs that were necessary on the roof and the parking lot of the bus garage and the retirement incentives for a number of employees who made the decision to retire in the 2018-19 school year.

Community Service – Increased by \$4,790 or 42.3%. This increase is attributed to the expenses for a full-year long program of the After School Care Program providing low cost child care to families with students in the district.

Employee Benefits – Increased by \$172,926 or 4.2%. Although there was a change in health insurance benefits during the 2018-19 school year where the district realized a significant cost savings, the district offered a retirement incentive in the 2018-19 that when considered with the health insurance cost savings, netted in an increase in employee benefits.

Interfund Transfer – Increase of \$147,474. The increase in this category is attributed to the interest payment for the 2017 Capital Project financing through a Bond Anticipation Note and a transfer to the Capital Fund for a roof repair at the Guilford Bus Garage.

**Bainbridge-Guilford Central School District  
Management Discussion & Analysis  
For the Year Ended June 30, 2019**

**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 received a donation from the local Jericho Arts Council in support of the music program. "The Music Program and BG is providing our community with a lot of very talented musicians and we are proud to support it".
2. Funds were transferred from the Reserve for State & Local Retirement System Contributions for an employee retirement contribution prior year adjustment in the amount of \$64,039.
3. Money was transferred from the Employee Benefit Reserve to offset retirement incentives of approximately \$297,000.
4. Money was transferred from the Unemployment Reserve to pay claims of approximately \$1,900.

The total of the budget revisions resulted in an increase of \$425,390.

**Fund Balance:**

The District applied \$466,000 to the budget from the prior year's overall fund balance. For the ensuing year, the district was able to balance the 2019-20 budget without appropriating funds towards the budget.

The district also retained \$4,952,283 in various legal reserves which included funding the Facilities Improvement Reserve with an additional \$885,000, re-funding the Employee Benefit Reserve with \$400,000, and creating a Retirement Contribution Reserve Sub-Fund for TRS and funding it with \$115,000. 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 \$754,361.

**Budget Performance:**

The district experienced positive budget performance during the year.

1. The district's actual expenditures of \$17,004,791 were within 92% of the revised budget.
2. The district's actual revenues of \$17,943,823 were 99% of the revised budget.
3. Actual expenditures incurred during the year represented 95% of actual revenue received.

**Bainbridge-Guilford Central School District  
Management Discussion & Analysis  
For the Year Ended June 30, 2019**

**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 2019. 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>2018</i>	<i>2019</i>
Land & Land Improvements	91,577	91,577
Construction in Progress	-	5,573,217
Buildings	12,917,725	12,389,713
Furniture & Equipment	1,246,904	1,087,939
Total:	14,256,206	19,142,446

**Long-Term Debt**

At year-end, the District had \$7.9 million in Long-Term Debt. Of this amount, \$1.88 million is represented by Serial Bonds for construction projects. \$6.02 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 \$11,400,445. This represents a renewal BAN (Bond Anticipation Note) issued for previously purchased school buses which can be renewed for up to a five year period and the issuance of a construction BAN in the amount of \$11.1M to fund ongoing capital project construction. With an excellent Municipal Bond Rating of A+, the district was able to secure the \$11.1M BAN with an effective interest rate of 2.0%.

**Bainbridge-Guilford Central School District  
Management Discussion & Analysis  
For the Year Ended June 30, 2019**

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

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

*Factor 1:* District voters authorized a \$16.5M Capital Project in March 2017 for renovations to all district buildings. Construction began with Phase 1 in the Spring of 2018. Phase 2 is expected to begin in the Summer of 2019 and conclude by December 2020. The district issued an \$11.1M Bond Anticipation Note in June 2019 to fund construction through the 2019-20 school year. The district anticipates issuing a renewal Bond Anticipation Note with additional monies included in the spring of 2020 to fund the remaining construction costs for Phase 2. Bond Anticipation Notes are being issued to coordinate with incoming building aid payments to mitigate the tax impact to district voters. Serial Bonds for the final construction cost less funds authorized from the Capital Reserve and funds remaining from previous capital projects are anticipated to be issued in the Spring of 2021.

*Factor 2:* The cost of employee benefits continues to be a major budgetary factor for all school districts. During the 2017-18 school year, the district negotiated a change in health insurance plans for the 2018-19 school year. The district currently has capped rates for the 2019-20 and 2020-21 school years, however, the continued rapid growth in the cost of health insurance combined with the costs to fund the Teachers' Retirement System and the Employees' Retirement System continues to be a major factor of concern.

*Factor 3:* The district ended the year with the statutory maximum 4% level of Unassigned Fund Balance as well as an additional \$4.96 million in Restricted & Assigned Reserves for a total of \$5.75 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 financial condition, well prepared to meet any 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, 2019

ASSETS

<b>Cash</b>	
Cash - Unrestricted	\$ 1,081,047
Cash - Restricted	12,360,714
<b>Receivables</b>	
Accounts Receivable	65,355
State and Federal Aid Receivable	269,984
Due from Other Governments	549,392
<b>Inventory - School Food Service</b>	15,121
<b>Net Pension TRS Asset - Proportionate Share</b>	637,958
<b>Capital Assets, (Net)</b>	<u>19,142,446</u>
<b>Total Assets</b>	<b>34,122,017</b>

DEFERRED OUTFLOWS OF RESOURCES

Pensions	<u>3,095,455</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ <u>37,217,472</u></b>

LIABILITIES

<b>Payables</b>	
Accounts Payable	\$ 470,471
Due to Other Governments	898
Bond Anticipation Note Payable	11,400,445
Accrued Interest on Bond Anticipation Note Payable	8,947
Accrued Interest on Bonds Payable	2,047
<b>Long-Term Liabilities</b>	
Due and Payable Within One Year:	
Bonds Payable	265,000
Due to Teachers' Retirement System	664,150
Due to Employees' Retirement System	75,229
Due and Payable After One Year:	
Bonds Payable	1,615,000
Compensated Absences Payable	1,167,536
Net Pension ERS Liability - Proportionate Share	459,259
Other Post-Employment Benefits (OPEB) Payable	<u>4,392,590</u>
<b>Total Liabilities</b>	<b><u>20,521,572</u></b>

DEFERRED INFLOWS OF RESOURCES

Deferred Revenue	3,469
OPEB (GASB 75)	164,010
Pensions	<u>1,017,217</u>
<b>Total Deferred Inflows of Resources</b>	<b><u>1,184,696</u></b>
<b>Total Liabilities and Deferred Outflows of Resources</b>	<b>\$ <u>21,706,268</u></b>

NET POSITION

<b>Investments in Capital Assets, Net of Related Debt</b>	<b>\$ 17,262,446</b>
<b>Restricted for:</b>	
Workers' Compensation Insurance Reserve	154,288
Unemployment Insurance Reserve	37,440
Retirement Contribution Reserve	900,076
Employee Benefit Accrued Liability	863,008
Reserve for Tax Certiorari	115,996
Capital Reserve	2,881,475
Debt Service	62,439
Capital Projects	7,345,992
<b>Unrestricted</b>	<u>(14,111,956)</u>
<b>Total Net Position</b>	<b>\$ <u>15,511,204</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, 2019**

	Program Revenues		Net (Expense)
Expenses	Charges for Services	Operating Grants & Contributions	Revenue and Changes in Net Position
<b>FUNCTIONS AND PROGRAMS</b>			
General Support	\$ (3,850,731)	\$ -	\$ (3,850,731)
Instruction	(12,406,515)	109,816	(11,706,287)
Pupil Transportation	(1,257,643)	-	(1,257,643)
Community Service	(24,983)	-	(24,983)
Debt Service	(123,016)	-	(123,016)
Food Service	(557,644)	92,921	(68,611)
	<u>\$ (18,220,532)</u>	<u>\$ 202,737</u>	<u>\$ 986,524</u>
<b>Total Functions and Programs</b>	<u>\$ (18,220,532)</u>	<u>\$ 202,737</u>	<u>\$ 986,524</u>
 <b>GENERAL REVENUES</b>			
Real Property Taxes			5,380,883
Other Tax Items			1,105,323
Use of Money and Property			99,257
Sale of Property			(9,260)
Miscellaneous			305,216
State Sources			10,942,150
Federal Sources			25,576
			<u>17,849,145</u>
<b>Total General Revenues</b>			<u>17,849,145</u>
<b>Change in Net Position</b>			<b>817,874</b>
Net Position, Beginning of Year			<u>14,693,330</u>
<b>Net Position, End of Year</b>			<u><b>\$ 15,511,204</b></u>

See the accompanying notes to financial statements.

**BALANCE SHEET - GOVERNMENTAL FUNDS**

**BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2019**

	<u>General</u>	<u>Special Aid</u>	<u>School Food Service</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>						
Cash						
Unrestricted Cash	\$ 1,025,634	\$ 14,453	\$ 40,960	\$ -	\$ -	\$ 1,081,047
Restricted Cash	4,952,283	-	-	7,345,992	62,439	12,360,714
Receivables						
Accounts Receivable	63,939	-	1,416	-	-	65,355
Due from Other Funds	85,847	1,463	-	-	-	87,310
State and Federal Aid	171,974	69,084	28,926	-	-	269,984
Due from Other Governments	534,076	-	15,316	-	-	549,392
Inventories	-	-	15,121	-	-	15,121
<b>TOTAL ASSETS</b>	<b>\$ 6,833,753</b>	<b>\$ 85,000</b>	<b>\$ 101,739</b>	<b>\$ 7,345,992</b>	<b>\$ 62,439</b>	<b>\$ 14,428,923</b>
<b>LIABILITIES</b>						
Payables						
Accounts Payable	\$ 343,252	\$ -	\$ 2,814	\$ 124,405	\$ -	\$ 470,471
Bond Anticipation Notes Payable	-	-	-	11,400,445	-	11,400,445
Due to Other Funds	1,463	85,000	-	847	-	87,310
Due to Other Governments	4	-	894	-	-	898
Due to Teachers' Retirement System	664,150	-	-	-	-	664,150
Due to Employees' Retirement System	75,229	-	-	-	-	75,229
<b>Total Liabilities</b>	<b>1,084,098</b>	<b>85,000</b>	<b>3,708</b>	<b>11,525,697</b>	<b>-</b>	<b>12,698,503</b>
Deferred Inflows of Resources						
Deferred Revenue	-	-	3,469	-	-	3,469
<b>Total Liabilities and Deferred Inflows of Resources (Carried Forward)</b>	<b>\$ 1,084,098</b>	<b>\$ 85,000</b>	<b>\$ 7,177</b>	<b>\$11,525,697</b>	<b>\$ -</b>	<b>\$ 12,701,972</b>

See the accompanying notes to financial statements.

**BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2019**

	General	Special Aid	School Food Service	Capital Projects	Debt Service	Total Governmental Funds
<b>Total Liabilities and Deferred Inflows of Resources (Brought Forward)</b>	\$ 1,084,098	\$ 85,000	\$ 7,177	\$11,525,697	\$ -	\$ 12,701,972
<b>Fund Balance:</b>						
Nonspendable	-	-	15,121	-	-	\$ 15,121
Restricted	4,952,283	-	-	7,345,992	62,439	12,360,714
Assigned	43,011	-	79,441	33,138	-	155,590
Unassigned	754,361	-	-	(11,558,835)	-	(10,804,474)
<b>Total Fund Balances</b>	<u>5,749,655</u>	<u>-</u>	<u>94,562</u>	<u>(4,179,705)</u>	<u>62,439</u>	<u>1,726,951</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 6,833,753</u>	<u>\$ 85,000</u>	<u>\$ 101,739</u>	<u>\$ 7,345,992</u>	<u>\$ 62,439</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						19,142,446
Capital Bond Issuance Costs Used in Governmental Activities are Not Financial Resources and Therefore are Not Reported in the Funds						-
Other Post-Employment Benefits (OPEB) Payable						(4,392,590)
Accrued Interest are Not Due and Payable in the Current Period and Therefore are Not Reported in the Funds						(10,994)
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						(3,047,536)
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					\$ 637,958	
Employees' Retirement System					(459,259)	178,699
Deferred Outflows						3,095,455
Deferred Inflows						<u>(1,181,227)</u>
<b>Net Positions of Governmental Activities</b>						<u>\$ 15,511,204</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, 2019**

	Total Governmental Funds	Long-Term Assets, Liabilities	Reclassifications and Eliminations	Statement of Net Position Totals
<b>ASSETS</b>				
Cash - Unrestricted	\$ 1,081,047	\$ -	\$ -	\$ 1,081,047
Cash - Restricted	12,360,714	-	-	12,360,714
Accounts Receivable	65,355	-	-	65,355
Due from Other Funds	87,310	-	(87,310)	-
State and Federal Aid Receivable	269,984	-	-	269,984
Due from Other Governments	549,392	-	-	549,392
Inventory - School Food Service	15,121	-	-	15,121
Net Pension Asset - Proportionate Share	-	637,958	-	637,958
Capital Assets, (Net)	-	19,142,446	-	19,142,446
<b>Total Assets</b>	<b>14,428,923</b>	<b>19,780,404</b>	<b>(87,310)</b>	<b>34,122,017</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
Pensions	-	3,095,455	-	3,095,455
<b>Total Assets and Deferred Outflow of Resources</b>	<b>\$ 14,428,923</b>	<b>\$ 22,875,859</b>	<b>\$ (87,310)</b>	<b>\$ 37,217,472</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 470,471	\$ -	\$ -	\$ 470,471
Bond Anticipation Note Payable	11,400,445	-	-	11,400,445
Due to Other Funds/Fiduciary Funds	87,310	-	(87,310)	-
Due to Other Governments	898	-	-	898
Accrued Interest on Bond Anticipation Note Payable	-	8,947	-	8,947
Accrued Interest on Bonds Payable	-	2,047	-	2,047
Due to Teachers' Retirement System	664,150	-	-	664,150
Due to Employees' Retirement System	75,229	-	-	75,229
Bonds Payable	-	1,880,000	-	1,880,000
Compensated Absences Payable	-	1,167,536	-	1,167,536
Net Pension Liability - Proportionate Share	-	459,259	-	459,259
Other Post-Employment Benefits (OPEB) Payable	-	4,392,590	-	4,392,590
<b>Total Liabilities</b>	<b>12,698,503</b>	<b>7,910,379</b>	<b>(87,310)</b>	<b>20,521,572</b>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Deferred Revenue	3,469	-	-	3,469
OPEB (GASB 75)	-	164,010	-	164,010
Pensions	-	1,017,217	-	1,017,217
<b>Total Deferred Inflow of Resources</b>	<b>3,469</b>	<b>1,181,227</b>	<b>-</b>	<b>1,184,696</b>
<b>FUND BALANCE/NET POSITION</b>				
<b>Total Fund Balance/Net Position</b>	<b>1,726,951</b>	<b>13,784,253</b>	<b>-</b>	<b>15,511,204</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance/Net Position</b>	<b>\$ 14,428,923</b>	<b>\$ 22,875,859</b>	<b>\$ (87,310)</b>	<b>\$ 37,217,472</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, 2019**

	<u>General</u>	<u>Special Aid</u>	<u>School Food Service</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>						
Real Property Taxes	\$ 5,380,883	\$ -	\$ -	\$ -	\$ -	\$ 5,380,883
Other Tax Items	1,105,323	-	-	-	-	1,105,323
Charges for Services	109,816	-	-	-	-	109,816
Use of Money and Property	67,636	-	-	31,621	-	99,257
Sale of Property	17,045	-	-	-	-	17,045
Miscellaneous	295,394	-	9,822	-	-	305,216
State Sources	10,942,150	189,334	45,203	-	-	11,176,687
Federal Sources	25,576	401,078	350,909	-	-	777,563
Surplus Food	-	-	14,811	-	-	14,811
Sales - Food Service	-	-	78,110	-	-	78,110
<b>Total Revenues</b>	<b>17,943,823</b>	<b>590,412</b>	<b>498,855</b>	<b>31,621</b>	<b>-</b>	<b>19,064,711</b>
<b>EXPENDITURES</b>						
General Support	2,890,824	-	-	-	-	2,890,824
Instruction	8,320,985	578,547	-	-	-	8,899,532
Pupil Transportation	787,518	22,993	-	-	-	810,511
Community Service	16,120	-	-	-	-	16,120
Employee Benefits	4,266,029	-	94,081	-	-	4,360,110
Debt Service	-	-	-	-	387,050	387,050
Principal	-	-	-	-	209,863	209,863
Interest	-	-	-	-	-	-
Cost of Sales	-	-	462,855	-	-	462,855
Capital Outlay	-	-	-	5,573,217	-	5,573,217
<b>Total Expenditures</b>	<b>16,281,476</b>	<b>601,540</b>	<b>556,936</b>	<b>5,573,217</b>	<b>596,913</b>	<b>23,610,082</b>
<b>Excess (Deficiency) of Revenue Over Expenditures</b>	<b>1,662,347</b>	<b>(11,128)</b>	<b>(58,081)</b>	<b>(5,541,596)</b>	<b>(596,913)</b>	<b>(4,545,371)</b>
<b>OTHER FINANCING SOURCES</b>						
BAN'S Redeemed from Appropriations	-	-	-	127,050	-	127,050
Premium on Obligation	-	-	-	-	90,779	90,779
Operating Transfers In	-	11,128	2,015	174,874	566,918	754,935
Operating Transfers (Out)	(723,315)	-	-	(31,620)	-	(754,935)
<b>Total Other Sources (Uses)</b>	<b>(723,315)</b>	<b>11,128</b>	<b>2,015</b>	<b>270,304</b>	<b>657,697</b>	<b>217,829</b>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Sources</b>	<b>939,032</b>	<b>-</b>	<b>(56,066)</b>	<b>(5,271,292)</b>	<b>60,784</b>	<b>(4,327,542)</b>
Fund Balance - Beginning of Year	4,810,623	-	150,628	1,091,587	1,655	6,054,493
<b>Fund Balance - End of Year</b>	<b>\$ 5,749,655</b>	<b>\$ -</b>	<b>\$ 94,562</b>	<b>\$ (4,179,705)</b>	<b>\$ 62,439</b>	<b>\$ 1,726,951</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, 2019**

	<u>Total</u> Governmental <u>Funds</u>	<u>Capital</u> Related <u>Items</u>	<u>Long-Term</u> Debt <u>Transactions</u>	<u>Statement</u> of Activities <u>Totals</u>
<b>REVENUES</b>				
Real Property Taxes	\$ 5,380,883	\$ -	\$ -	\$ 5,380,883
Other Tax Items	1,105,323	-	-	1,105,323
Charges for Services	109,816	-	-	109,816
Use of Money and Property	99,257	-	-	99,257
Sale of Property	17,045	(26,305)	-	(9,260)
Miscellaneous	305,216	-	-	305,216
State Sources	11,176,687	-	-	11,176,687
Federal Sources	777,563	-	-	777,563
Surplus Food	14,811	-	-	14,811
Sales - Food Service	78,110	-	-	78,110
	<u>19,064,711</u>	<u>(26,305)</u>	<u>-</u>	<u>19,038,406</u>
<b>Total Revenues</b>				
<b>EXPENDITURES/EXPENSES</b>				
General Support	2,890,824	462,464	(363)	3,352,925
Instruction	8,899,532	53,054	(2,518)	8,950,068
Pupil Transportation	810,511	144,446	(221)	954,736
Community Service	16,120	-	(6)	16,114
Employee Benefits	4,360,110	-	-	4,360,110
Debt Service				
Principal	387,050	-	(387,050)	-
Interest	209,863	-	(86,847)	123,016
Cost of Sales	462,855	708	-	463,563
Capital Outlay	5,573,217	(5,573,217)	-	-
	<u>23,610,082</u>	<u>(4,912,545)</u>	<u>(477,005)</u>	<u>18,220,532</u>
<b>Total Expenditures/Expenses</b>				
<b>Excess (Deficiency) of</b>				
<b>Revenues over Expenditures/Expenses</b>	<u>(4,545,371)</u>	<u>4,886,240</u>	<u>477,005</u>	<u>817,874</u>
<b>OTHER SOURCES AND USES</b>				
BAN'S Redeemed from Appropriations	127,050	-	(127,050)	-
Premium on Obligation	90,779	-	(90,779)	-
Operating Transfers In	754,935	-	(754,935)	-
Operating Transfers Out	(754,935)	-	754,935	-
	<u>217,829</u>	<u>-</u>	<u>(217,829)</u>	<u>-</u>
<b>Total Other Sources and Uses</b>				
<b>Net Change for the Year</b>	<u>\$ (4,327,542)</u>	<u>\$ 4,886,240</u>	<u>\$ 259,176</u>	<u>\$ 817,874</u>

See the accompanying notes to financial statements.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2019

	<u>Private- Purpose Trusts</u>	<u>Agency</u>
<b>ASSETS</b>		
Cash	\$ 219,230	\$ 101,456
<b>Total Assets</b>	<u>219,230</u>	<u>101,456</u>
<b>LIABILITIES</b>		
Extraclassroom Activity Balances	-	46,443
Other Liabilities	<u>-</u>	<u>55,013</u>
<b>Total Liabilities</b>	<u>-</u>	<u>101,456</u>
<b>NET POSITION</b>		
Reserved for Scholarships	<u>\$ 219,230</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, 2019

	<u>Private- Purpose Trusts</u>
<b>ADDITIONS</b>	
Contributions	\$ 18,827
Investment Earnings	1,727
Miscellaneous	<u>-</u>
<b>Total Additions</b>	<u>20,554</u>
<b>DEDUCTIONS</b>	
Contractual	-
Scholarships and Awards	<u>18,416</u>
<b>Total Deductions</b>	<u>18,416</u>
<b>Change in Net Position</b>	<b>2,138</b>
Net Position - Beginning of Year	<u>217,092</u>
<b>Net Position - End of Year</b>	<u><u>\$ 219,230</u></u>

See the accompanying notes to financial statements.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

**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 including 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 that 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, 2019**

**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 \$2,896,187 for BOCES administrative and program costs.

The District's share of BOCES aid amounted to \$1,220,869.

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, 2019.

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 neither fiduciary funds nor component units that are fiduciary in nature are included.

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 Net Position presents the financial position of the District at fiscal year-end. 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, 2019

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

ii) Funds Statements:

The fund statements provide information about the District's funds, including each type of fiduciary fund. 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 (other than major capital projects) that are legally restricted to expenditures for specified purposes. Special revenue funds include the following:

- **Special Aid Fund:** Used to account for proceeds received from State and Federal grants that are restricted for specific educational programs.
- **School Food Service Fund:** Used to account for child nutrition activities whose funds are restricted as to use.

**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 under which principal and income benefit individuals, private organizations or other governments. A scholarship is an example of a Private Purpose Trust Fund. 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 an agent for individuals, private organizations or other governments and/or other funds.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

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, state aid, 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 state aid is recognized in the fiscal year it is appropriated by the state. 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 they become both measurable and available to finance expenditures of the current period. 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, except for real property taxes which are considered to be available if they are collected within sixty days after the end of the 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 4, 2018 to November 2, 2018.

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 following 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, 2019**

**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 11 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, deferred outflows of resources, liabilities, and deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses/expenditures during the reporting 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; obligations of the State and its municipalities and Districts and obligations issued by other than New York State rated in one of the three highest categories by at least one nationally recognized statistical rating organizations.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

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, 2019.

J) Accounts Receivable:

Accounts receivable are shown net of an allowance for uncollectible accounts, when applicable. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

K) Inventories and Prepaid Items:

Inventories of food in the School Food Service Fund are recorded at cost on a first-in, first-out basis, or in the case of surplus food, at stated value that approximates market. Purchases of inventory 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 receipt and/or 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 discounts and premiums, and any prepaid bond issuance costs are deferred and amortized over the life of the debt issue. Bond issuance costs are recognized as an expense in the period incurred.

M) Capital Assets:

Capital assets are reported at historical (actual) cost or, if the cost is not practicably determinable, at estimated cost. The cost of the capital asset should include ancillary charges necessary to place the asset into use. Donated capital assets and capital assets acquired in a service concession arrangement should be recorded at acquisition value. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential at the acquisition date, or the amount at which a liability could be liquidated with the counter party at the acquisition.

Land and construction in progress are not depreciated. 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:

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

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

	<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

N) Deferred Outflows 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 District has three 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. The second item is the District contributions to the pension systems (TRS and ERS Systems) and OPEB subsequent to the measurement date. The third item relates to OPEB reporting in the district-wide Statement of Net Position. This represents the effect of the net change in the actual and expected experience.

In addition to liabilities, the Statement of Net Position or balance sheet 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 or fund balance that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has three 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 is revenues from grants received that have met all other eligibility requirements except those related to time restrictions. The third item is related to OPEB reported in the district-wide Statement of Net Position. This represents the effect of the net changes of assumptions or other inputs.

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.



BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

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

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.

P) Other Benefits:

Eligible District employees participate in the New York State Teachers' Retirement System or the New York State and Local Employees' Retirement System.

District employees may choose to participate in the District's elective deferred compensation plans established under Internal Revenue Code Sections 403(b) and 457.

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.

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 there is 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.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

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

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.

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 full, in a timely manner, 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) Net Position/Fund Balance:

Net Position Flow Assumption

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the district-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

Fund Balance Flow Assumption

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied.

The District's policy related to Net Position Flow Assumption and Fund Balance Flow Assumption is to review the fund balance and reserves on an annual basis in order to ensure compliance and ensure that the district maintains the funds necessary to maintain positive cash flow throughout the fiscal year, and to ensure the financial stability of the District.

**BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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

i) Order of Use of Fund Balance:

The District's policy is to apply expenditures against non-spendable 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, non-spendable 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.

ii) 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.

iii) 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 Food Service Fund of \$15,121.

**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. The District has established the following restricted fund balances:

**BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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

**Workers' Compensation Reserve Fund**

According to General Municipal Law §6-j, all expenditures from the workers' compensation reserve fund must be used to pay for compensation benefits and other expenses authorized by Article 2 of the Workers' Compensation Law, and for payment of expenses of administering this self-insurance program. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of the 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. This reserve is accounted for in the General Fund.

**Retirement Contribution Reserve Fund**

According to General Municipal Law §6-r, all expenditures made from the retirement contribution reserve fund must be used for financing retirement contributions to the New York State and Local Employees' Retirement System. This reserve is established by Board resolution and is funded by budgetary appropriation and such other reserves and funds that may be legally appropriated. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the Board. This reserve is accounted for in the General Fund. Effective April 1, 2019, a Board may adopt a resolution establishing a sub-fund for contributions to the New York State Teachers' Retirement System. During a fiscal year, the Board may authorize payment into the sub-fund of up to 2% of the total covered salaries paid during the preceding fiscal year, with the total amount funded not to exceed 10% of the total covered salaries during the preceding fiscal year. The sub-fund is separately administered, but must comply with all the existing provisions of General Municipal Law §6-r.

**Unemployment Insurance Payment Reserve Fund**

According to General Municipal Law §6-m, all expenditures made from the unemployment insurance payment reserve fund 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. This reserve is accounted for in the General Fund.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

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

Tax Certiorari Reserve Fund

According to Education Law §3651.1-a, funds 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. This reserve is accounted for in the General Fund.

Employee Benefit Accrued Liability Reserve Fund

According to General Municipal Law §6-p, expenditures made from the employee benefit accrued liability reserve fund 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. This reserve is accounted for in the General Fund.

Capital Reserve Fund

According to Education Law §3651, expenditures made from the capital reserve fund 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.

Debt Service Reserve Fund

According to General Municipal Law §6-I, the Mandatory Reserve for Debt Service must be established for the purpose of retiring the outstanding obligations upon the sale of District property or capital improvement that was financed by obligations that remain outstanding at the time of sale. The funding of the reserve is from the proceeds of the sale of District property or capital improvement. This reserve is accounted for in the Debt Service Fund.

**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 District has no committed fund balances as of June 30, 2019.

**Assigned** - Includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. The purpose of the constraint must be narrower than the purpose of the general fund, and in funds other than the general fund, assigned fund balance represents the residual amount of fund balance. Assigned fund balance also includes an amount appropriated to partially fund the subsequent year's budget, as well as encumbrances not classified as restricted at the end of the fiscal year.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

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

**Unassigned** – Includes all other General Fund amounts that do not meet the definition of the above four classifications and are deemed to be available for general use by the District and could report a surplus or deficit. In funds other than the general fund, the unassigned classification is used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted or assigned.

**Unassigned Fund Balance**

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 District's budget for the General Fund for the ensuing fiscal year. Non-spendable 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.

Refer to Note 16 for a detail of the fund balance classifications used by the District.

T) New Accounting Standards

The District has adopted and implemented all current Statements of the Governmental Accounting Standards Board (GASB) that are effective for the fiscal year ended June 30, 2019:

GASB Statement No. 83, *Certain Asset Retirement Obligations*

GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowing and Direct Placements*

U) Future Changes in Accounting Standards

GASB Statement No. 84, *Fiduciary Activities* – effective for the year ending June 30, 2020.

GASB Statement No. 87, *Leases* – effective for the year ending June 30, 2021.

GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period* – effective for the year ending June 30, 2021.

GASB Statement No. 91, *Conduit Debt Obligations* – effective for the year ending June 30, 2022.

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

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

**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, as applied to the reporting of capital assets and long-term liabilities, including pensions.

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 five 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, 2019

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

v) OPEB differences:

OPEB differences occur as a result of changes in the District's total OPEB liability and differences between the District's contributions and OPEB expense.

**NOTE 3 - EVENTS OCCURRING AFTER REPORTING DATE**

The District has evaluated events and transactions that occurred between July 1, 2019 and September 30, 2019, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

**NOTE 4 - 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>43,011</u>
--------------	------------------

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.

The General Fund is the only fund with a legally approved budget for the fiscal year ended June 30, 2019.



**BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 4 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

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.

**NOTE 5 - CASH (AND CASH EQUIVALENTS) - CUSTODIAL CREDIT, CONCENTRATION OF CREDIT, INTEREST RATE AND FOREIGN CURRENCY RISK**

**Cash**

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>14,835,111</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 \$12,360,714 within the governmental funds and \$219,230 in the fiduciary funds.

**Investment and Deposit Policy**

The District follows an investment and deposit policy, the overall objective of which is to adequately safeguard the principal amount of funds invested or deposited; conformance with Federal, state and other legal requirements; and provide sufficient liquidity of invested funds in order to meet obligations as they become due. Oversight of investment activity is the responsibility of the Business Administrator of the District.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

**NOTE 5 - CASH (AND CASH EQUIVALENTS) - CUSTODIAL CREDIT, CONCENTRATION OF CREDIT, INTEREST RATE AND FOREIGN CURRENCY RISK (Continued)**

**Interest Rate Risk**

Interest rate risk is the risk that the fair value of investments will be affected by changing interest rates. The District's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Credit Risk**

The District's policy is to minimize the risk of loss due to failure of an issuer or other counterparty to an investment to fulfill its obligations. The District's investment and deposit policy authorizes the reporting entity to purchase the following types of investments:

- Interest bearing demand accounts
- Certificates of deposit
- Obligations of the United States Treasury and United States agencies
- Obligations of New York State and its localities

**Custodial Credit Risk**

Custodial credit risk is the risk that in the event of a failure of a depository financial institution, the reporting entity may not recover its deposits. In accordance with the District's investment and deposit policy, all deposits of the District include interest bearing demand accounts and certificates of deposit, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act (FDIC) shall be secured by a pledge of securities with an aggregate value equal to 100% of the aggregate amount of deposits. The District restricts the securities to the following eligible items:

- Obligations issued, fully insured or guaranteed as to the payment of principal and interest, by the United States Treasury and United States agencies
- Obligations issued or fully insured or guaranteed by New York State and its localities
- Obligations issued by other than New York State rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization

**NOTE 6 - INVESTMENTS**

The District's investment policy for investments is also governed by New York State statutes. As of June 30, 2019, 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, 2019**

**NOTE 7 - 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
Construction in Progress	-	5,573,217	-	5,573,217
<b>Total Nondepreciable Historical Costs</b>	<b>91,577</b>	<b>5,573,217</b>	<b>-</b>	<b>5,664,794</b>
<b>Capital Assets that are Depreciated:</b>				
Buildings	36,267,428	-	-	36,267,428
Furniture and Equipment	6,083,454	94,197	(159,171)	6,018,480
<b>Total Depreciable Historical Costs</b>	<b>42,350,882</b>	<b>94,197</b>	<b>(159,171)</b>	<b>42,285,908</b>
<b>Less: Accumulated Depreciation:</b>				
Buildings and Improvements	23,349,703	528,012	-	23,877,715
Furniture and Equipment	4,836,550	226,857	(132,866)	4,930,541
<b>Total Accumulated Depreciation</b>	<b>28,186,253</b>	<b>754,869</b>	<b>(132,866)</b>	<b>28,808,256</b>
<b>Total Depreciable Historical Costs, Net</b>	<b>14,164,629</b>	<b>(660,672)</b>	<b>(26,305)</b>	<b>13,477,652</b>
<b>Total Capital Assets</b>	<b>\$ 14,256,206</b>	<b>\$ 4,912,545</b>	<b>\$ (26,305)</b>	<b>\$ 19,142,446</b>

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

General Support	\$ 462,464
Instruction/Salaries	120,779
Pupil Transportation	167,533
Cost of Sales - School Lunch	4,093
<b>Total Current Year Depreciation</b>	<b>\$ 754,869</b>

**NOTE 8 - PENSION PLANS**

The District participates in the New York State Teachers' Retirement System (TRS) and the New York State and Local Employees' Retirement System (ERS). 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, 2019

NOTE 8 - PENSION PLANS (Continued)

Plan Descriptions

**Teachers' Retirement System (TRS)**

A 10-member Board of Trustees of the New York State Teachers' Retirement Board administers TRS. TRS provides benefits to plan members and beneficiaries as authorized by the Education Law and the New York State Retirement and Social Security Law (NYSRSSL). 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. The System's financial statements are prepared using the accrual basis of accounting. Contributions are recognized when due. Benefit payments are recognized when due and payable. Investments are recognized at fair value. TRS issues a publicly available financial report that contains financial statements and required supplementary information. The report may be obtained by writing to NYSTRS, 10 Corporate Woods Drive, Albany, NY 12211-2395 or by referring to the TRS 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)**

ERS 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. NYSRSSL govern obligations of employers and employees to contribute, and benefits to employees. 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. The System maintains records and accounts, and prepares financial statements using the accrual basis of accounting. Contributions are recognized when due. Benefit payments are recognized when due and payable. Investments are recognized at fair value. ERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to NYSERS, Office of the State Comptroller, 110 State Street, Albany, New York 12244 or by referring to the ERS Comprehensive Annual Report, which can be found at [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php).

Funding Policy

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3 percent of 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 TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education Law. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions for the ERS' fiscal year ended March 31. The District paid 100% of the required contributions as billed by the TRS and ERS for the current year and each of the preceding two years.

**BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 8 - PENSION PLANS (Continued)**

The District's share of the required contributions for the District's year ended June 30, was:

<u>Contributions</u>	<u>ERS</u>	<u>TRS</u>
2019	\$ 329,564	\$ 616,922

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

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

At June 30, 2019, 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 asset/(liability) was measured as of June 30, 2018 for TRS and March 31, 2019 for ERS. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation. The District's proportion of 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 TRS and ERS Systems in reports provided to the District.

	<u>ERS</u>	<u>TRS</u>
Measurement Date	March 31, 2019	June 30, 2018
District's proportionate share of the Net pension asset/(liability)	\$ (459,259)	\$ 637,958
District's portion of the Plan's total Net pension asset/(liability)	0.0064818%	0.035280%
Change in proportion since the prior measurement date	0.000199200%	-0.0004270%

For the year ended June 30, 2019, the District recognized pension expense of \$340,587 for ERS and \$490,095 for TRS. At June 30, 2019, the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</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	\$ 90,438	\$ 476,741	\$ 30,829	\$ 86,356
Changes of assumptions	115,439	2,230,083	-	-
Net difference between projected and actual earnings on pension plan investments	-	-	117,871	708,182
Changes in proportion and differences between the District's contributions and proportionate share of contributions	127,991	54,763	-	73,979
District's contributions subsequent to the measurement date	-	-	-	-
<b>Total</b>	<u>\$ 333,868</u>	<u>\$ 2,761,587</u>	<u>\$ 148,700</u>	<u>\$ 868,517</u>

**BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 8 - PENSION PLANS (Continued)**

District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>ERS</u>	<u>TRS</u>
Year ended June 30:		
2019	\$ -	\$ 634,425
2020	137,661	429,125
2021	(54,633)	40,763
2022	22,932	427,622
2023	79,206	291,445
Thereafter	-	69,691
	<u>\$ 185,166</u>	<u>\$ 1,893,071</u>

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:

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2019	June 30, 2018
Actuarial valuation date	April 1, 2018	June 30, 2017
Interest rate	7.0%	7.25%
Salary scale	4.20%	1.90% - 4.72%
Decrement Tables	April 1, 2010 - March 31, 2015 System's Experience	July 1, 2009 - June 30, 2014 System's Experience
Inflation rate	2.5%	2.25%
Cost of Living Adjustments	1.3%	1.5%

For ERS, annuitant mortality rates are based on April 1, 2010 – March 31, 2015 System's experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2014. For TRS, annuitant mortality rates are based on July 1, 2009 – June 30, 2014 System's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2014.

For ERS, the actuarial assumptions used in the April 1, 2018 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, 2017 valuation are based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014.

**BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 8 - 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 of 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, 2019	June 30, 2018
<u>Asset Type</u>		
Domestic Equities	4.55%	5.8%
International Equities	6.35%	7.3%
Global Equities	-	6.7%
Private Equity	7.50%	8.9%
Real Estate	5.55%	4.9%
Absolute Return Strategies	3.75%	-
Opportunistic Portfolio	5.68%	-
Real Assets	5.29%	-
Domestic Fixed Income Securities	-	1.3%
Global Fixed Income Securities	-	0.9%
Private Debt	-	6.8%
High-Yield Fixed Income Securities	-	3.5%
Bonds and Mortgages	1.31%	2.8%
Inflation-Indexed Bonds	1.25%	-
Short-Term	-0.25%	0.3%

Discount Rate

The discount rate used to measure the total pension asset (liability) was 7% for ERS and 7.25% 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 asset/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 asset/(liability) calculated using the discount rate of 7% for ERS and 7.25% 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 6.25% for TRS) or 1 percentage point higher (8% for ERS and 8.25% for TRS) than the current rate:

**BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 8 - 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)	<u>\$ (2,007,952)</u>	<u>\$ (459,259)</u>	<u>\$ 841,754</u>
TRS	1% Decrease <u>6.25%</u>	Current Assumption <u>7.25%</u>	1% Increase <u>8.25%</u>
District's Proportionate Share of the Net Pension Asset (Liability)	<u>\$ (4,382,877)</u>	<u>\$ 637,958</u>	<u>\$ 4,844,023</u>

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>
Measurement Date	March 31, 2019	June 30, 2018	
Employers' Total Pension Asset/(Liability)	\$ (189,803,429)	\$ (118,107,253)	\$ (307,910,682)
Plan Fiduciary Net Position	<u>182,718,124</u>	<u>119,915,517</u>	<u>302,633,641</u>
Employers' Net Pension Asset/(Liability)	<u>\$ (7,085,305)</u>	<u>\$ 1,808,264</u>	<u>\$ (5,277,041)</u>
Ratio of Plan Fiduciary Net Position to the Employers' Total Pension Asset/(Liability)	96.27%	101.53%	98.29%

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, 2019 represent the projected employer contribution for the period of April 1, 2019 through June 30, 2019 based on paid ERS covered wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2019 amounted to \$75,229 of employer contributions. Employee contributions are remitted monthly.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2019 are paid to the System in September, October and November 2019 through a state aid intercept. Accrued retirement contributions as of June 30, 2019 represent employee and employer contributions for the fiscal year ended June 30, 2019 based on paid TRS covered 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, 2019 amounted to \$664,150.



**BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 9 - 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	9/21/2018	1.46%	\$ 427,495	\$ -	\$ (427,495)	\$ -
BAN	9/20/2019	2.57%	-	300,445	-	300,445
BAN	6/28/2019	2.75%	-	7,000,000	(7,000,000)	-
BAN	6/26/2020	2.00%	-	11,100,000	-	11,100,000
			<u>\$ 427,495</u>	<u>\$ 18,400,445</u>	<u>\$ (7,427,495)</u>	<u>\$ 11,400,445</u>

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

Interest Paid	\$ 154,894
Less: Interest Accrued in the Prior Year	(4,772)
Plus: Interest Accrued in the Current Year	8,947
Less: Premium on BAN	(90,779)
<b>Total Interest on Short-Term Debt</b>	<b><u>\$ 68,290</u></b>

**NOTE 10 - LONG-TERM DEBT**

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

In the fund financial statements, governmental funds recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Further, the unmatured principal of general long-term debt does not require current appropriation and expenditure of governmental fund financial resources.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<b>Long-Term Liabilities</b>					
<b>Bonds Payable:</b>					
<b>General Obligation Debt:</b>					
Serial Bonds 2012	\$ 2,140,000	\$ -	\$ (260,000)	\$ 1,880,000	\$ 265,000
<b>Total Long-Term Liabilities</b>	<u>2,140,000</u>	<u>-</u>	<u>(260,000)</u>	<u>1,880,000</u>	<u>265,000</u>
<b>Other Long-Term Liabilities:</b>					
Compensated Absences	1,190,439	-	(22,903)	1,167,536	-
Other Post Employment Benefits	4,453,292	-	(60,702)	4,392,590	-
Net Pension Liability - Proportionate Share	202,767	256,492	-	459,259	-
<b>Total Other Long-Term Liabilities</b>	<u>5,846,498</u>	<u>256,492</u>	<u>(83,605)</u>	<u>6,019,385</u>	<u>-</u>
	<u>\$ 7,986,498</u>	<u>\$ 256,492</u>	<u>\$ (343,605)</u>	<u>\$ 7,899,385</u>	<u>\$ 265,000</u>

**BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 10 - LONG-TERM DEBT OBLIGATIONS (Continued)**

Additions and deletions to 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.

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.

Bonds payable is comprised of the following:

<u>Description of Issue</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Outstanding at June 30, 2019</u>
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	2.375%	285,000
Serial Bond	06/15/12	6/15/2026	2.500%	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>\$ 1,880,000</u>

The following is a summary of debt service requirements for bonds payable:

<u>Fiscal Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 265,000	\$ 49,119	\$ 314,119
2021	275,000	43,156	318,156
2022	285,000	36,969	321,969
2023	290,000	30,200	320,200
2024	295,000	22,950	317,950
2025-2026	470,000	19,050	489,050
	<u>\$ 1,880,000</u>	<u>\$ 201,444</u>	<u>\$ 2,081,444</u>

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

Interest Paid	\$ 54,969
Less: Interest Accrued in the Prior Year	(2,290)
Plus: Interest Accrued in the Current Year	<u>2,047</u>
<b>Total Interest on Long-Term Debt</b>	<u><u>\$ 54,726</u></u>

**BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 11 - INTERFUND TRANSACTIONS - GOVERNMENTAL FUNDS**

	<u>Interfund</u>			
	<u>Receivable</u>	<u>Payable</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 85,847	\$ 1,463	\$ -	\$ 723,314
Special Aid Fund	1,463	85,000	11,128	-
School Lunch Fund	-	-	2,015	-
Capital Projects Fund	-	847	174,874	31,621
Debt Service	-	-	566,918	-
<b>Total Government Activities</b>	<b><u>\$ 87,310</u></b>	<b><u>\$ 87,310</u></b>	<b><u>\$ 754,935</u></b>	<b><u>\$ 754,935</u></b>

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 12 - POST-EMPLOYMENT (HEALTH INSURANCE) BENEFITS**

**A. General Information about the OPEB Plan**

**Plan Description:** The District's defined benefit OPEB plan provides OPEB for all permanent full-time general and public safety employees of the District. The plan is a single-employer defined benefit OPEB plan administered by the District. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the District Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

**Benefits Provided:** The District provides healthcare and life insurance benefits for retirees and their dependents. The benefit terms are dependent on which contract each employee falls under. The specifics of each contract are on file at the District offices and are available upon request.

The employer currently contributes enough money to the plan to satisfy current obligations on a pay-as-you-go basis. The costs of administrating the plan are paid by the District.

**Employees Covered by Benefit Terms:** At June 30, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	19
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>99</u>
	<u><u>118</u></u>

**BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 12 - POST-EMPLOYMENT (HEALTH INSURANCE) BENEFITS (Continued)**

**B. Total OPEB Liability**

The District's total OPEB liability of \$4,392,590 was measured as of June 30, 2019, and was determined by an actuarial valuation as of July 1, 2017.

**Actuarial Assumptions and Other Inputs:** The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

*Interest/Discount Rate* – 3.5%, based on a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

*Mortality Rates* – RP-2014 Adjusted to 2006 Total Dataset Mortality Table projected to the valuation date with Scale MP-2017.

*Inflation* – 2.60%

*Healthcare Cost Trend Rates* – 6.5% in 2019, decreasing 0.5% per year to an ultimate rate of 4.5% in 2023.

*Dental/Vision Trend* – 4.5%

*Participation Rate* – 100% of future eligible retirees; 50% of future eligible spouses of retirees.

*Percent Married* – 80% of future retirees; actual census information for current retirees.

*Termination/Retirement Rates* – Based on tables used by New York State Teachers' Retirement System and New York State and Local Retirement System.

The actuarial assumptions used in the June 30, 2019 valuation were based on standard tables modified for certain plan features such as eligibility for full and early retirement where applicable and input from the plan sponsor. The plan does not have credible data on which to perform an experience study. As a result, a full actuarial experience study is not applicable.

**C. Changes in the Total OPEB Liability**

Balance at June 30, 2018	\$ 4,453,292
<u>Changes for the Year -</u>	
Service Cost	178,604
Interest	135,874
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	-
Changes in Assumptions or Other Inputs	(168,148)
Benefit Payments	<u>(207,032)</u>
Net Changes	<u>(60,702)</u>
<b>Balance at June 30, 2019</b>	<b><u>\$ 4,392,590</u></b>

There were no significant plan changes since the last published valuation.

**BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 12 - POST-EMPLOYMENT (HEALTH INSURANCE) BENEFITS (Continued)**

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate:** The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.5 percent) or 1 percentage point higher (4.5 percent) than the current discount rate:

	<b>1% Decrease</b>	<b>Discount Rate</b>	<b>1% Increase</b>
	<u>2.5%</u>	<u>3.5%</u>	<u>4.5%</u>
Total OPEB Liability	\$ 4,735,159	\$ 4,392,590	\$ 4,074,698

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates:** The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (5.5 percent) or 1 percentage point higher (7.5 percent) than the current healthcare cost trend rate:

	<b>Healthcare Cost</b>		
	<b>1% Decrease</b>	<b>Trend Rates</b>	<b>1% Increase</b>
	<b>(5.50% decreasing</b>	<b>(6.50% decreasing</b>	<b>(7.50% decreasing</b>
	<u>to 3.50%)</u>	<u>to 4.50%)</u>	<u>to 5.50%)</u>
Total OPEB Liability	\$ 3,828,340	\$ 4,392,590	\$ 5,060,690

**D. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2019, the District recognized OPEB expense of \$289,183. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences Between Expected and Actual Experience	\$ -	\$ (19,216)
Changes of Assumptions or Other Inputs	-	(144,794)
Contributions Subsequent to the Measurement Period	-	-
<b>Total</b>	<b>\$ -</b>	<b>\$ (164,010)</b>

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

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2020	\$ (25,295)
2021	(25,295)
2022	(25,295)
2023	(25,295)
2024	(25,295)
Thereafter	(37,535)
	<u>\$ (164,010)</u>

**BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 13 - 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 \$53,459.

**NOTE 14 - 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 15 - 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 \$1,727.

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, 2019**

**NOTE 16 - FUND BALANCE REPORTING**

The following is a detail of fund balance classifications used for each fund at June 30, 2019:

	<u>General</u>	<u>Special Aid</u>	<u>School Food Service</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
<b>Nonspendable:</b>						
Inventory	\$ -	\$ -	\$ 15,121	\$ -	\$ -	\$ 15,121
<b>Restricted for:</b>						
Workers' Compensation Insurance Reserve	154,288	-	-	-	-	154,288
Unemployment Insurance Reserve	37,440	-	-	-	-	37,440
Retirement Contribution Reserve	900,076	-	-	-	-	900,076
Employee Benefit Accrued Liability	863,008	-	-	-	-	863,008
Reserve for Tax Certiorari	115,996	-	-	-	-	115,996
Capital Reserve	2,881,475	-	-	-	-	2,881,475
Debt Service	-	-	-	-	62,439	62,439
Capital Projects	-	-	-	7,345,992	-	7,345,992
<b>Assigned:</b>						
General Support	12,202	-	-	9,401	-	21,603
Instructional	30,809	-	-	23,737	-	54,546
Employee Benefits	-	-	-	-	-	-
School Lunch	-	-	79,441	-	-	79,441
Designated for the Levy of Taxes	-	-	-	-	-	-
<b>Unassigned:</b>	<u>754,361</u>	<u>-</u>	<u>-</u>	<u>(11,558,835)</u>	<u>-</u>	<u>(10,804,474)</u>
<b>Total Fund Balances</b>	<b><u>\$ 5,749,655</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 94,562</u></b>	<b><u>\$ (4,179,705)</u></b>	<b><u>\$ 62,439</u></b>	<b><u>\$ 1,726,951</u></b>

**NOTE 17 - TAX ABATEMENTS**

The Counties of Broome, Chenango, Delaware and Otsego entered into various property tax abatement programs for the purpose of economic development. The School District property tax revenue was reduced \$24,724. The District received payments in Lieu of Tax (PILOT) payment totaling \$24,724.

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, 2019

	Original Budget	Revised Budget	Actual	Over (Under) Revised Budget
<b>REVENUES</b>				
<b>Local Sources</b>				
Real Property Taxes	\$ 5,382,545	\$ 5,382,545	\$ 5,380,883	\$ (1,662)
Other Tax Items	1,095,677	1,095,677	1,105,323	9,646
Charges for Services	42,350	42,350	109,816	67,466
Use of Money and Property	20,500	20,500	67,636	47,136
Sale of Property	4,000	4,000	17,045	13,045
Miscellaneous	<u>81,500</u>	<u>82,362</u>	<u>295,394</u>	<u>213,032</u>
<b>Total Local Sources</b>	<b>6,626,572</b>	<b>6,627,434</b>	<b>6,976,097</b>	<b>348,663</b>
Federal Sources	6,815	6,815	25,576	18,761
State Sources	<u>10,994,057</u>	<u>10,994,057</u>	<u>10,942,150</u>	<u>(51,907)</u>
<b>Total Revenues</b>	<b><u>17,627,444</u></b>	<b><u>17,628,306</u></b>	<b><u>17,943,823</u></b>	<b><u>315,517</u></b>
<b>OTHER FINANCING SOURCES</b>				
Appropriated Fund Balance	466,000	466,000	-	(466,000)
Appropriated Reserves	<u>60,131</u>	<u>60,131</u>	-	<u>(60,131)</u>
<b>Total Other Financing Sources</b>	<b><u>526,131</u></b>	<b><u>526,131</u></b>	<b>-</b>	<b><u>(526,131)</u></b>
<b>Total Revenues and Other Financing Sources</b>	<b><u>\$ 18,153,575</u></b>	<b><u>\$ 18,154,437</u></b>	<b><u>\$ 17,943,823</u></b>	<b><u>\$ (210,614)</u></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, 2019

	Original Budget	Revised Budget	Actual	Encumbrances	Unencumbered Balance
<b>EXPENDITURES</b>					
<b>General Support</b>					
Board of Education	\$ 17,017	\$ 17,017	\$ 16,472	\$ -	\$ 545
Central Administration	191,477	191,186	186,131	-	5,055
Finance	330,531	330,531	319,189	-	11,342
Staff	115,332	127,756	123,516	-	4,240
Central Services	1,997,691	2,000,694	1,717,587	12,202	270,905
Special Items	507,474	504,793	496,826	-	7,967
<b>Total General Support</b>	<b>3,159,522</b>	<b>3,171,977</b>	<b>2,859,721</b>	<b>12,202</b>	<b>300,054</b>
<b>Instruction</b>					
Instruction, Administration and Improvement	620,484	626,920	566,399	6,702	53,819
Teaching, Regular School	4,319,907	4,350,217	4,047,711	8,921	293,585
Programs for Children with Special Needs	2,028,200	2,012,766	1,801,256	7,801	203,709
Occupational Education	547,172	547,172	547,172	-	-
Teaching, Special School	15,510	15,510	5,839	-	9,671
Instructional Media	397,207	421,644	398,822	50	22,772
Pupil Services	1,091,738	1,103,235	984,888	7,335	111,012
<b>Total Instruction</b>	<b>9,020,218</b>	<b>9,077,464</b>	<b>8,352,087</b>	<b>30,809</b>	<b>694,568</b>
Pupil Transportation	877,549	899,366	787,518	-	111,848
Community Service	20,745	20,745	16,120	-	4,625
Employee Benefits	4,388,713	4,674,307	4,266,030	-	408,277
<b>Total Expenditures</b>	<b>17,466,747</b>	<b>17,843,859</b>	<b>16,281,476</b>	<b>43,011</b>	<b>1,519,372</b>
<b>Other Financing Uses</b>					
Operating Transfers Out	686,828	735,106	723,315	-	11,791
<b>Total Expenditures and Other Financing Uses</b>	<b>18,153,575</b>	<b>18,578,965</b>	<b>17,004,791</b>	<b>\$ 43,011</b>	<b>\$ 1,531,163</b>
<b>Excess Revenues and Other Financing Sources Over Expenditures and Other Financing Uses</b>	<b>\$ -</b>	<b>\$ (424,528)</b>	<b>\$ 939,032</b>		

See the accompanying notes to financial statements.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULES OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS  
 FOR THE YEAR ENDED JUNE 30, 2019

	OTHER POSTEMPLOYMENT BENEFITS									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Measurement Date	June 30, 2019	June 30, 2018								
Total OPEB Liability	\$ 178,604	\$ 173,402								
Service Cost	135,874	132,759								
Interest	-	-								
Changes in Benefit Terms	-	-								
Differences between expected and actual experience in the measurement of the total OPEB Liability	(168,148)	(23,098)								
Changes of Assumptions or Other Inputs	(207,032)	(162,143)								
Benefit Payments	(60,702)	120,920								
Net Change in Total OPEB Liability	4,453,292	4,332,372								
Total OPEB Liability - Beginning	\$ 4,392,590	\$ 4,453,292								
Total OPEB Liability - Ending	\$ 6,040,467	\$ 6,040,467								
Covered Payroll										
Total OPEB Liability as a percentage of Covered Pay	72.72%	73.72%								

*Information for the periods prior to the implementation of GASB 75 is unavailable and will be completed for each year going forward as the information becomes available.*

Note: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

See Paragraph on Supplementary Schedules in Auditor's Report.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF DISTRICT'S CONTRIBUTIONS  
 LAST 10 FISCAL YEARS  
 FOR THE YEAR ENDED JUNE 30, 2019

	NYSERS Pension Plan									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually required contribution	\$ 329,564	\$ 293,859	\$ 237,557	\$ 270,501	\$ 251,040					
Contribution in relation to the contractually required contribution	329,564	293,859	237,557	270,501	251,040					
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -					
District's covered employee payroll	\$ 1,902,909	\$ 1,880,871	\$ 1,752,195	\$ 1,473,603	\$ 1,425,626					
Contributions as a percentage of covered employee payroll	17.32%	15.62%	13.56%	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									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually required contribution	\$ 659,556	\$ 602,967	\$ 711,585	\$ 772,307	\$ 977,568					
Contribution in relation to the contractually required contribution	659,556	602,967	711,585	772,307	977,568					
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -					
District's covered employee payroll	\$ 5,852,527	\$ 5,891,848	\$ 5,755,592	\$ 5,630,648	\$ 5,379,318					
Contributions as a percentage of covered employee payroll	11.27%	10.23%	12.37%	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 ASSET/LIABILITY  
 LAST 10 FISCAL YEARS  
 FOR THE YEAR ENDED JUNE 30, 2019

	NYSTERS Pension Plan									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
District's proportion of the Net Pension Liability (Asset)	0.0064818%	0.0062826%	0.0058304%	0.0055387%	0.0054162%					
District's proportionate share of the Net Pension Liability (Asset) \$	459,259	202,767	547,837	888,973	182,971					
District's covered employee payroll	1,902,909	1,880,871	1,752,195	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	24.13%	10.78%	31.27%	60.33%	12.83%					
Plan Fiduciary Net Position as a percentage of the total pension liability	96.27%	98.24%	94.70%	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									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
District's proportion of the Net Pension Liability (Asset)	0.035280%	0.035707%	0.036155%	0.035805%	0.032814%					
District's proportionate share of the Net Pension Liability (Asset) \$	(637,958)	(271,410)	387,237	(3,719,030)	(3,655,243)					
District's covered employee payroll	5,852,527	5,891,848	5,755,592	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	10.90%	4.61%	-6.73%	66.05%	67.95%					
Plan Fiduciary Net Position as a percentage of the total pension liability	101.53%	100.66%	99.01%	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, 2019

CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET

Adopted Budget	\$ 18,153,575
<b>Add:</b> Prior Year's Encumbrances	<u>61,605</u>
Original Budget	18,215,180
Budget Revisions	<u>363,785</u>
<b>Final Budget</b>	<b><u>\$ 18,578,965</u></b>

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2019 - 2020 Voter-Approved Expenditure Budget	<u>\$ 18,837,783</u>
Maximum Allowed (4% of 2019 - 2020 Budget)	<u>\$ 753,511</u>

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

**Unrestricted Fund Balance:**

Committed Fund Balance	\$ -
Assigned Fund Balance	43,011
Unrestricted Fund Balance	<u>754,361</u>
<b>Total Unrestricted Fund Balance</b>	<b><u>797,372</u></b>

**Less:**

Appropriated Fund Balance	-
Insurance Recovery Reserve	-
Tax Reduction Reserve	-
Encumbrances Included in Committed and Assigned Fund Balance	<u>(43,011)</u>
<b>Total Adjustments</b>	<b><u>(43,011)</u></b>

General Fund Fund Balance Subject to Section 1318 of Real Property Law: \$ 754,361

Actual Percentage 4.00%

\*Per Office of the New York State Comptroller's "Fund Balance Reporting and Governmental Fund Type Definition updated April 2011 (originally issued November 2010), the portion of [General Fund] fund balance subject to §1318 of the Real Property Tax Law is: unrestricted fund balance (i.e., the total of the committed, assigned and unassigned classifications), minus appropriated fund balance, amounts reserved for insurance recovery, amounts reserved for tax reduction, and encumbrances included in committed and assigned fund balance

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT  
 SCHEDULE OF PROJECT EXPENDITURES  
 CAPITAL PROJECTS FUND  
 FOR THE YEAR ENDED JUNE 30, 2019

	Original Appropriation	Revised Appropriation	Expenditures			Total	Transfer Excess Fund Balance	Unexpended Balance	Proceeds of Obligations	Methods of Financing			Fund Balance June 30, 2019
			Prior Years	Current Year	Total					State Aid	Local Sources	Total	
<b>Major Projects</b>													
Capital Project - 2017-2018	\$ 16,500,000	\$ 16,500,000	\$ 1,184,131	\$ 5,403,937	\$ 6,588,068	\$ -	\$ 9,911,932	\$ 205,006	\$ -	\$ 2,500,000	\$ 2,705,006	\$ (3,883,062)	
<b>Non - Major Projects</b>													
Guilford Bus Garage Roof	77,794	77,794	1,794	54,200	55,994	-	21,800	-	-	77,795	77,795	21,801	
Smart Schools Bond Act Project	-	-	-	18,000	18,000	-	(18,000)	-	-	-	-	(18,000)	
Capital Outlay Project (18-19)	100,000	100,000	-	97,080	97,080	2,920	-	-	-	100,000	100,000	-	
Buses - 2013	224,527	224,527	224,526	-	224,526	1	-	-	-	224,528	224,528	1	
Buses - 2014	231,655	231,655	275,685	-	275,685	(44,030)	-	-	-	218,010	218,010	(13,645)	
Buses - 2015	267,000	267,000	265,448	-	265,448	1,552	-	-	-	160,200	160,200	(106,800)	
Buses - 2016	297,067	297,067	285,067	-	285,067	12,000	-	-	-	117,067	117,067	(180,000)	
<b>Totals</b>	<b>\$ 17,698,043</b>	<b>\$ 17,698,043</b>	<b>\$ 2,236,651</b>	<b>\$ 5,573,217</b>	<b>\$ 7,809,868</b>	<b>\$ (27,557)</b>	<b>\$ 9,915,732</b>	<b>\$ 205,006</b>	<b>\$ -</b>	<b>\$ 3,397,600</b>	<b>\$ 3,602,606</b>	<b>\$ (4,179,705)</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, 2019

Capital Assets, Net	\$ 19,142,446
<b>Deduct:</b>	
Short-Term Portion of Bonds Payable	(265,000)
Long-Term Portion of Bonds Payable	<u>(1,615,000)</u>
 Investment in Capital Assets, Net of Related Debt	 <u>\$ 17,262,446</u>

See the accompanying notes to financial statements.

*Officers:*  
Roy E. Fuller, CPA  
Angelo J. Gallo, CPA  
Richard A. Lynch, CPA  
John R. May, CPA\*  
Kyle J. Miesfeldt, CPA  
Alan D. Piaker, CPA  
Janean F. Schramm, CPA\*  
Thomas F. Shanahan, CPA\*

*Principals:*  
Santo D. Caracciolo, CPA, CVA  
Adam S. McCauley, CPA



Established in 1955

Phone: (607) 729-9373  
Fax: (607) 729-6893  
Website: pnlepa.com

Philip M. Piaker, CPA  
(1921-2003)  
Abraham L. Piaker, CPA  
(1925-2005)

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

\*Also Licensed in Pennsylvania

## 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, 2019, 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, 2019.

### 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, 2019

*Officers:*

Roy E. Fuller, CPA  
Angelo J. Gallo, CPA  
Richard A. Lynch, CPA  
John R. May, CPA\*  
Kyle J. Miesfeldt, CPA  
Alan D. Piaker, CPA  
Janeen F. Schramm, CPA\*  
Thomas F. Shanahan, CPA\*

*Principals:*

Santo D. Caracciolo, CPA, CVA  
Adam S. McCauley, CPA



Established in 1955

Phone: (607) 729-9373  
Fax: (607) 729-6893  
Website: pnlepa.com

Philip M. Piaker, CPA  
(1921-2003)

Abraham L. Piaker, CPA  
(1925-2005)

*Retired:*

Allan R. Lyons, CPA  
Kenneth L. Coleman, CPA  
James J. Lewis, CPA

\*Also Licensed in Pennsylvania

## INDEPENDENT AUDITORS' 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, 2019. 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on 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, 2019.

## 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 of 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 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, 2019

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2019

<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	\$ 172,166
Title II, Part A	84.367	32,412
Title IV, Part A	84.424	11,810
<b>Special Education Cluster:</b>		
IDEA, Part B, Section 611	84.027	182,507
IDEA, Part B, Section 619	84.173	<u>2,183</u>
<b>Total Department of Education</b>		<u><b>401,078</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	20,442
Cash Assistance		
School Breakfast Program	10.553	104,568
National School Lunch Program	10.555	228,745
Summer Food Service for Children	10.559	<u>11,965</u>
<b>Total Department of Agriculture</b>		<u><b>365,720</b></u>
<b>Total Federal Awards Expenditures</b>		<u><b>\$ 766,798</b></u>

See the accompanying notes to financial statements.

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT  
NOTES  
YEAR ENDED JUNE 30, 2019

**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, 2019

**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	\$ 104,568
CFDA #10.555 National School Lunch Program	249,187
CFDA #10.559 Summer Food Service for Children	<u>11,965</u>
	<u><b>\$ 365,720</b></u>

**Special Education Cluster**

U.S. Department of Education

CFDA #84.027 IDEA, Part B, Section 611	\$ 182,507
CFDA #84.173 IDEA, Part B, Section 619	<u>2,183</u>
	<u><b>\$ 184,690</b></u>

**BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2019**

**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:

**CFDA Number(s)**

**Name of Federal Program/Cluster**

U.S. Department of Education

#10.553  
#10.555

School Breakfast Program  
National School Lunch Program

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

Auditee qualified as low-risk auditee? \_\_\_\_\_yes   X  no

BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2019

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

EXTRACLASROOM ACTIVITY FUNDS

FINANCIAL STATEMENTS

JUNE 30, 2019

*Officers:*

Roy E. Fuller, CPA  
Angelo J. Gallo, CPA  
Richard A. Lynch, CPA  
John R. May, CPA\*  
Kyle J. Miesfeldt, CPA  
Alan D. Piaker, CPA  
Janeen F. Schranz, CPA\*  
Thomas F. Shanahan, CPA\*

*Principals:*

Santo D. Caracciolo, CPA, CVA  
Adam S. McCauley, CPA



Established in 1955

Phone: (607) 729-9373  
Fax: (607) 729-6893  
Website: pnlepa.com

Philip M. Piaker, CPA  
(1921-2003)

Abraham L. Piaker, CPA  
(1925-2005)

*Retired:*

Allan R. Lyons, CPA  
Kenneth L. Coleman, CPA  
James J. Lewis, CPA

\*Also Licensed in Pennsylvania

## 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, 2019 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.

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

# Piaker & Lyons

Bainbridge-Guilford Central School District

## 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, 2019, 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 30, 2019

**BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT  
EXTRACLASSROOM ACTIVITY FUNDS  
STATEMENT OF ASSETS AND FUND EQUITY  
JUNE 30, 2019**

<b>ASSETS</b>	
Cash	\$ <u>46,443</u>
<b>TOTAL ASSETS</b>	<b>\$ <u><u>46,443</u></u></b>
<b>LIABILITIES</b>	
Sales Tax	\$ 277
<b>FUND EQUITY</b>	
Fund Equity	<u>46,166</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ <u><u>46,443</u></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, 2019**

<u>Activities</u>	<u>Balance</u> <u>June 30, 2018</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2019</u>
Class of 2019	\$ 7,087	\$ 25,934	\$ 33,021	\$ -
Class of 2020	4,771	10,469	10,060	5,180
Class of 2021	2,881	8,598	5,793	5,686
Class of 2022	1,151	1,563	1,316	1,398
Class of 2023	1,691	5,900	5,655	1,936
Class of 2024	-	6,206	3,164	3,042
AG Club	-	350	-	350
SADD/ADSIP	542	600	528	614
BMT Club	822	773	716	879
Drama Club	6,822	1,862	1,428	7,256
Girls Soccer	243	-	243	-
Junior Honor Society	1,463	1,960	2,192	1,231
Senior Honor Society	1,825	1,713	1,822	1,716
Spanish Club	2,072	-	106	1,966
Student Council - HS	3,227	7,871	6,740	4,358
Student Council - Angel	5,881	6,623	4,906	7,598
Student Council - Junior	1,745	387	354	1,778
Track Club	1,500	-	1,500	-
Yearbook - HS	167	15,141	14,130	1,178
	<u>43,890</u>	<u>95,950</u>	<u>93,674</u>	<u>46,166</u>
Sales Tax Fund	300	2,655	2,678	277
	<u>300</u>	<u>2,655</u>	<u>2,678</u>	<u>277</u>
<b>Total All Funds</b>	<b><u>\$ 44,190</u></b>	<b><u>\$ 98,605</u></b>	<b><u>\$ 96,352</u></b>	<b><u>\$ 46,443</u></b>

See the accompanying notes to financial statements.

**BAINBRIDGE-GUILFORD CENTRAL SCHOOL DISTRICT  
EXTRACLASROOM ACTIVITY FUNDS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019**

**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 statements.

C. Management of the District has evaluated events and transactions that occurred between July 1, 2019 through September 30, 2019, 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.

**Bainbridge-Guilford Central School District  
Reserve Fund Plan and Analysis**

**2018-2019**

**Year-End Summary Report**



**Prepared by:**

Janice Rideout, School Business Manager

## **OVERVIEW**

---

The establishment and funding of reserves is an important consideration in the maintenance of a sound financial plan for any school district. Strict adherence to state laws is required to ensure reserves are both legal and appropriate. Adequately funded reserves are vital to the long-term health and stability of the school district.

The Bainbridge-Guilford Central School District believes that the judicious use of reserves reduces long-term borrowing costs, seeks to eliminate large fluctuations in tax rates, and minimizes the possibility of mid-year budget cuts which could have a direct impact on students. We believe it is in the best interest of students, staff, and taxpayers to prudently establish and use reserves to weather the financial storms and uncertainties that can occur throughout a school year.

Since New York State law mandates that expenditures can be no greater than the budget approved by the voters in May each year, the Bainbridge-Guilford Central School District budgets conservatively to ensure that unanticipated expenditures do not result in mid-year cuts that could have an immediate impact on students and/or staff. This practice has allowed the District to weather revenue reductions, state aid holdbacks, increases in expenditures such as transportation or Special Education, and other negative adjustments without impacting instructional programs. However, conservative budgeting can also result in budget surpluses at year-end. The Board of Education reviews budget surpluses via the annual Fund Balance Report and determines the best use of these surpluses including transfers to voter or Board approved reserves, or to a reduction in the ensuing year tax levy.

Legally established reserves can provide many benefits to the school district and to its taxpayers. However, these reserves can also cause confusion when not utilized and/or their purpose is not clearly understood by the community.

## **RESERVES**

---

As stated, the Board is responsible for appropriately managing the financial affairs of the District. Reserves may be established by the Board in accordance with applicable laws. Money set aside in reserves must be used in compliance with statutory provisions which determine how reserves are established and how they may be funded, expended, and/or discontinued. Generally, school districts are not limited as to how much money can be held in reserves. However, reserve balances must be reasonable.

Funding reserves at greater than reasonable levels contributes to real property tax levies that are higher than necessary because the excessive reserve balances are not being used to fund operations. The Board is responsible for developing a formal plan for the use of its reserves including anticipated use and need of reserve funds and how and when disbursements should be made. By maintaining excessive and/or unnecessary reserves, the Board and District Officials may miss opportunities to lower the property tax burden and/or funds from being used to meet District needs.

The following is a report and analysis of the current status and internal controls over Reserve Funds at the Bainbridge-Guilford Central School District.



### **Workers' Compensation Reserve (A814)**

The purpose of this reserve is to pay for Workers' Compensation and benefits, related medical/hospital expenses and self-insurance administrative costs as authorized by Article 2 of the Workers' Compensation law. Since the Bainbridge-Guilford School District participates in a self-insured plan, this reserve was established by Board action under Section 50[4] of the Workers' Compensation law.

- **Funding Goal** – The funding goal of this reserve is the district's share of the liability for unbilled and open claims.
- **Balance in Reserve** – The current balance in this reserve is \$154,288.42.
- **Creation** – This reserve was created on June 15, 2017 via Board resolution.
- **Funding Methods** – This reserve will be funded by excess fund balance or by budgetary appropriations.
- **Use of Reserve** – Funds remaining in excess of requirements to pay all pending claims, may be transferred, within sixty (60) days of the close of the fiscal year, to another reserve(s) or applied to the next succeeding fiscal year's budget.
- **Monitoring of Reserve** – The reserve will be monitored by the School Business Manager and the Superintendent.

---

### **Unemployment Insurance Reserve (A815)**

This reserve fund is used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants where the Bainbridge-Guilford Central School District has elected to use the benefit reimbursement method in lieu of contributions under Article 18 of the Labor Law.

- **Funding Goal** – The goal at which this reserve should be funded is based on review of past claims and possible future unemployment claims due to anticipated budgetary cuts. During the 2016-17 school year, it was determined that this reserve exceeded the amount necessary for possible future unemployment claims. Excess funds were transferred to the newly established Retirement Contribution Reserve.
- **Balance in Reserve** – The current balance in this reserve is \$37,439.70.
- **Creation** – Date unknown.
- **Funding Methods** – This reserve may be funded by budgetary appropriations or other funds as may be legally appropriated.
- **Use of Reserve** – In accordance with the law, this reserve may be used at the discretion of the Superintendent and the School Business Manager specifically to offset unemployment insurance claim expenses.
- **Monitoring of Reserve** – This reserve is monitored by the Superintendent and the School Business Manager.

## **Reserve for Encumbrances (A821)**

The balance of this account represents the amount of outstanding encumbrances at the end of the fiscal year.

- **Balance in Reserve** – The current balance in this reserve is \$43,011.26.
  - **Creation** – Date Unknown
  - **Funding Methods** – Funding is realized from revenue recorded during the prior school year.
  - **Use of the Reserve** – The reserve is used to liquidate purchase orders and requisitions from prior school years.
  - **Monitoring of Reserve** – The reserve will be monitored by the Superintendent and the School Business Manager.
  - **Caution regarding this reserve** – This reserve exists as long as there are encumbrances (purchase orders) to match the funds in the reserve. Purchase orders outstanding as of June 30, 2019 totaled \$43,011.26.
- 

## **Retirement Contribution Reserve Fund**

### **ERS (A827)**

The purpose of this account is to fund employer retirement contributions i.e., any portion of the amount(s) payable to the New York State and Local Employees' Retirement System (ERS), pursuant to Sections 17 or 317 of the Retirement and Social Security Law.

- **Funding Goal** – A funding level equivalent to the value of five consecutive years as of the close of the current year. As of 6/30/2019, the funding level would be \$1,402,677.
- **Balance in Reserve** – The current balance in this reserve is \$785,075.75.
- **Creation** – This reserve was created on June 15, 2017 via Board resolution.
- **Funding Methods** – Funds are placed in this reserve from excess fund balance.
- **Use of Reserve** – Funds should be appropriated when the average percentage ERS contribution for the employer exceeds the previous year's percentage and/or prior year adjustments are made to the district's liability.
- **Monitoring of the Reserve** – This reserve is monitored by the Superintendent and the School Business Manager.

### **TRS Sub-Fund (A828)**

The purpose of this account is to fund amounts payable to NYSTRS or to offset all or a portion of the amount deducted from aid the State provides the district for the support of schools under Education Law Section 521.

- **Funding Goal** – A funding level not to exceed 2% of teacher salaries in the prior year with a total balance not exceeding 10%. As of 6/30/2019, the funding level would be \$115,646.93.
  - **Balance in Reserve** – The current balance in this reserve is \$115,000.
  - **Creation** – This reserve was created on August 1, 2019 via Board resolution.
  - **Funding Methods** – Funds are placed in this reserve by budgetary appropriations or from excess fund balance.
  - **Use of Reserve** – Funds should be appropriated when the contribution for the employer exceeds the previous year's percentage contribution and/or prior year adjustments are made to the district's liability.
  - **Monitoring of the Reserve** – This reserve is monitored by the Superintendent and the School Business Manager.
- 

### **Employee Benefit Accrued Liability Reserve (EBALR) (A830)**

The purpose of this account is to reserve funds for the payment of accrued employee benefits payable to employees upon termination of service for vacation, sick leave, personal leave, etc.

- **Funding Goal** – Not to exceed actuarial projections prepared by Questar III BOCES.
- **Balance in Reserve** – The current balance in this reserve is \$863,007.63.
- **Creation** – This reserve was created on June 17, 1999 via board resolution.
- **Funding Methods** – The source from which the funds will be obtained can include any and all of the following: Unappropriated Fund Balance from the General Fund as determined by the Board of Education, interest income related to the investment of monies in the fund, and any other additional monies thereafter authorized by the voters of the District.
- **Use of Reserve** – This reserve is used to pay for employee compensated absences upon termination of employment from the school district. If the District determines that such an account is no longer needed or is overfunded, monies may be transferred to a reserve fund established under Education Law §3651, but only to the extent that the monies in the employee benefit accrued liability reserve fund exceed a sum sufficient to pay all liabilities incurred or accrued against the employee benefit accrued liability fund as certified to the governing board by the fiscal and legal officers of the local government prior to the discontinuance of the fund. Consequently, the School Business Manager and Superintendent, working together with the external auditor and the Board of Education,

will transfer excess EBLAR funds to the Capital Reserve or Employee Retirement Contribution Reserve (ERS).

- Monitoring of Reserve – The reserve is monitored by the Superintendent and School Business Manager.
- 

### **Property Loss Reserve (A861) & Liability Reserve (A862)**

These funds are used to establish and maintain a program of reserves to cover property loss and liability claims incurred.

- Funding Goal – Not to exceed estimated cost to settle pending claims. Annual contribution(s) limited to the greater of \$15,000 or 3% of the budget.
- Balance in Reserve – The current balances in these reserves are as follows:
  - Property Loss Reserve: \$ 0.00
  - Liability Reserve: \$ 0.00
- Creation – These reserves were created on June 17, 1999 via board resolution.
- Funding Methods – This reserve may be funded by budgetary appropriations or other funds as may be legally appropriated.
- Use of Reserve – This reserve is used to pay for settled claims.

Funds cannot be used for another purpose without voter approval except that the Board of Education may use monies not required to settle pending claims to purchase insurance policies to cover losses previously self-insured. Balances may not be reduced below amounts required to settle all pending claims.

- Monitoring of Reserve – The reserve is monitored by the Superintendent and School Business Manager.
  - Special Note Regarding These Reserves – As of July 1, 2018, the Bainbridge-Guilford School District did not have any pending claims for either of these reserve categories. The district presented propositions to voters in May 2018 to request these reserves be transferred to the General Fund to be applied to 2018-19 budgetary appropriations. The proposition passed and funds were transferred in 2018-19 as intended.
- 

### **Tax Certiorari Reserve (A864)**

This reserve is to pay judgments and claims in tax certiorari proceedings in accordance with Article 7 of the Real Property Tax Law.

- Funding Goal – This reserve may not exceed the amount necessary to meet anticipated judgements and claims. This reserve currently stands at an approximate amount needed to fund a pending claim from GMMM Jennison.

- Balance in Reserve – The current balance in this reserve is \$115,996.29.
  - Creation - This reserve was created on August 12, 2010 via board resolution.
  - Funding Methods – This reserve may be funded by budgetary appropriations or other funds as may be legally appropriated.
  - Use of Reserve – This reserve would be used to pay for tax certiorari judgements and claims. Funds not expended for judgements and claims in the year deposited must be returned to the General Fund on or before the 1<sup>st</sup> day of the 4<sup>th</sup> school year after deposit of these monies into the reserve unless claim(s) are still open and not finally determined or otherwise terminated or disposed of. As of June 30, 2019, the district has a pending claim.
  - Monitoring of Reserve – This reserve, if needed, will be monitored by the Superintendent and Business Manager. Open judgements and claims will be evaluated on an annual basis and compared against the reserve for reasonableness.
- 

### **Facilities Improvement Capital Reserve (A87800)**

This Capital Reserve Fund was created to pay for the cost of the construction of improvements to, reconstruction and equipping of various school district buildings and facilities, including original furnishings, equipment, machinery, apparatus, appurtenances, and site and incidental improvements and expenses in connection therewith.

- Funding Goal – The board is presented with an annual fund balance report and recommendations from the Superintendent and the School Business Manager in support of offsetting local costs relative to future capital projects. Funding cannot exceed \$10M for a probable term of 10 years.
- Balance in Reserve – The current balance in this reserve is \$2,275,762.86.
- Creation – This reserve was created on May 19, 2015 via voter approval with an ultimate limit of \$1,500,000 plus accrued interest and investment earnings with a probable term of ten (10) years. Subsequently on May 17, 2016 via voter approval, the reserve fund was increased to an ultimate limit of \$10,000,000 plus accrued interest and investment earnings with a probable term of ten (10) years.
- Funding Methods – The source of funds will be surplus dollars when the district closes its books every June 30 and/or legally available funds available to the district. Recommendations to move funds to the capital reserve are based on operating surpluses from the General Fund and are approved by the board.
- Use of Reserve – Use of this reserve requires voter approval. The proposition to use these funds must be specific to a set of projects and dollar amount(s).
  - \$16.5M Capital Project authorized on March 22, 2017 via voter approval with Capital Reserve use of \$2.5M towards said project.
- Monitoring of Reserve – This reserve is monitored by the Superintendent and the School Business Manager.

### **Transportation Vehicle Capital Reserve (A87801)**

This Capital Reserve Fund was created to finance the purchase of school buses, vehicles and equipment that would ordinarily be eligible for financing under local finance law.

- **Funding Goal** – The board is presented with an annual fund balance report and recommendations from the Superintendent and the School Business Manager in support of offsetting local costs relative to future transportation vehicle purchases. Funding cannot exceed \$5M inclusive of accrued interest and other investment earnings for a probable term of 10 years.
- **Balance in Reserve** – The current balance in this reserve is \$605,712.51.
- **Creation** – This reserve was created on May 15, 2018 via voter approval.
- **Funding Methods** – The source of funds will be surplus dollars when the district closes its books each June 30, state aid reimbursement to the school district on account of capital projects and/or other legally available funds available to the district. Recommendations to move funds to the capital reserve are based on operating surpluses from the General Fund and are approved by the board.
- **Use of Reserve** – Use of this reserve requires voter approval. The proposition to use these funds must be specific to vehicles intended to be purchased and dollar amount(s).
  - An amount not to exceed \$240,000 was authorized on May 21, 2019 via voter approval for the purchase of two (2) school buses in the 2019-20 school year.
- **Monitoring of Reserve** – This reserve is monitored by the Superintendent and the School Business Manager.

**Bainbridge-Guilford Central School District  
Schedule of Reserves and Current Year Activity  
2018-19**

Reserve	Balance 6/30/2018	Reserve Deposits		Reserve Withdrawals		Annual Interest Earned	Balance 6/30/2019
		Date	Amount	Date	Amount		
Workers Compensation	153,117.23	---	0.00	---	0.00	1,171.19	154,288.42
Unemployment Reserve	38,995.30	---	0.00	6/30/2019	(1,853.88)	298.28	37,439.70
Retirement Contribution Reserve	750,609.80	See below	208,225.00	See below	(64,039.00)	5,279.95	900,075.75
<i>ERS</i>	<i>750,609.80</i>	<i>6/30/2019</i>	<i>93,225.00</i>	<i>11/29/2018</i>	<i>(64,039.00)</i>	<i>5,279.95</i>	<i>785,075.75</i>
<i>TRS Sub-Fund</i>	<i>0.00</i>	<i>6/30/2019</i>	<i>115,000.00</i>	<i>---</i>	<i>0.00</i>	<i>0.00</i>	<i>115,000.00</i>
Employee Benefit Liability	814,466.15	6/30/2019	400,000.00	See below	(357,016.61)	5,558.09	863,007.63
				<i>8/3/2018</i>	<i>(42,525.00)</i>		
				<i>12/6/2018</i>	<i>(18,515.25)</i>		
				<i>12/21/2018</i>	<i>(17,461.13)</i>		
				<i>6/30/2019</i>	<i>(278,515.23)</i>		
Property Loss Reserve	132,446.92	---	0.00	7/1/2018	(132,446.92)	0.00	0.00
Liability Reserve	171,086.80	---	0.00	7/1/2018	(171,086.80)	0.00	0.00
Tax Certiorari Reserve	115,118.10	---	0.00	---	0.00	878.19	115,996.29
Facilities Improvement Reserve	1,380,297.47	6/30/2019	885,000.00	---	0.00	10,465.39	2,275,762.86
Transportation Vehicle Reserve	0.00	See below	603,500.00	---	0.00	2,212.51	605,712.51
		<i>11/1/2018</i>	<i>303,500.00</i>				
		<i>6/30/2019</i>	<i>300,000.00</i>				
<b>Total</b>	<b>3,556,137.77</b>		<b>2,096,725.00</b>		<b>(726,443.21)</b>	<b>25,863.60</b>	<b>4,952,283.16</b>