

Saranac Central School District

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October 5, 2020

To Whom It May Concern:

The Saranac Central School District's response and corrective action plan for the Financial Report and Management Letter for the 2019-20 school year is as follows:

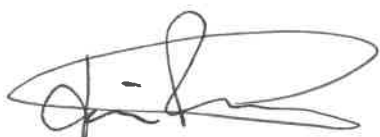
The audit finding, reported by the auditors for the 2019-20 school year is excess fund balance. The District has taken a conservative approach to spending and continues to monitor expenditures and reduce where we can without impacting student education. Part of this process entails comparing the budget to actual expenditures and using this information to plan future budgets.

The COVID-19 pandemic has had a significant impact on New York State's finances and revenues causing the state to reduce their payments to school districts. Beginning with any payments received from July 2020 on, New York State has automatically reduced every payment by 20%. It has yet to be determined if this is a permanent reduction or only a delay in payment.

The Saranac CSD depends greatly on state aid as a major source of revenue to support the budget and instruction of our students. In the 2019-20 school year, 58% of our revenues were from state aid, 40% were from school taxes, and the other 2% from other sources. If the 20% reduction is permanent the District's fund balance will be significantly reduced in the 2020-21 school year. In order to offset some of this unexpected aid reduction the District has reduced staff through attrition and is closely monitoring expenditures. If the situation remains unchanged there is also the possibility of mid-year cuts to reduce the impact of aid loss. Unfortunately, this is not a one year concern but a multi-year one. We are anticipating New York State to continue to decrease state aid payments.

Based on fluctuating revenues and rising operational costs the Saranac Central School District acted prudently and fiscally responsible to maintain current education programs for our students. With the implementation of the tax cap law, fund balance and reserves are planned to be utilized for revenue shortfalls in an attempt to alleviate taxpayer burden and continue operating within the confines of the tax cap. The District maintains a proactive approach to meeting future expenditures and will continue to do so by reviewing financial plans and moving forward in a prudent manner.

Signed,



Javier Perez
Superintendent of Schools



Tracy Allen-Waite
BOES President/BOE Audit Sub-Committee Chair