



Saranac Central School District

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September 29, 2021

To Whom It May Concern:

On behalf of the Saranac Central School District, this letter serves as the District's response and corrective action plan for the Financial Report and Management Letter for the audit period July 1, 2020 through June 30, 2021.

The audit finding reported is excess fund balance. During the current pandemic, school districts saw that state aid can easily be reduced and adjusted at any point in time. After the May 2020 budget vote, New York State announced a potential 20% reduction in state aid payments to school districts to address state revenue shortfalls. The District was able to quickly implement cost savings measures by leaving numerous instructional and non-instructional positions vacant for the entire year, reducing purchases, and minimizing all but essential building repairs and projects. This significantly reduced expenditures. Districts were notified in March 2021 that state aid payments would not be reduced and to expect full payment, including reimbursement from the 20% reduction in BOCES aid and Excess Cost aid payments from 2019-2020. This caused fund balance to increase during the 2020-2021 school year well beyond the 4% amount.

The District receives approximately 58% of its revenues from state aid, 40% from school taxes, and the other 2% from other sources. The Saranac CSD depends greatly on state aid as a major source of revenue to support the budget and instruction of our students. A reduction in state aid will greatly affect how much our taxpayers need to pay to ensure students continue to receive a quality education. With the implementation of the tax cap schools are limited with how much taxes can increase. Based upon this the District takes a conservative approach to spending and continues to monitor expenditures and reduce where we can without impacting a student's educational experience. Part of this process entails comparing the budget to actual expenditures and using this information to plan future budgets. The Board will continue to review fund balance and use it to provide stability to taxpayers over future years.

Signed,

Javier Perez
Superintendent of Schools

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