

**SARANAC CENTRAL SCHOOL DISTRICT**

**FINANCIAL REPORT**

**JUNE 30, 2023**

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# ***BOULRICE & WOOD CPAS, P.C.***

## ***Certified Public Accountants***

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***MICHAEL L. BOULRICE, CPA***

***STEPHEN P. WOOD, CPA***

### **INDEPENDENT AUDITOR'S REPORT**

To the Board of Education  
Saranac Central School District  
Saranac, New York

#### **Report on the Audit of the Financial Statements**

##### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Saranac Central School District as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Saranac Central School District's basic financial statements as listed in the table of contents.

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 Saranac Central School District, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

##### ***Basis for Opinions***

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

##### ***Responsibilities of Management for the Financial Statements***

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

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

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

## ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 4 through 12), budgetary comparison information (pages 50 & 51), Schedule of Changes in the District's Total OPEB Liability and Related Ratios (page 53) and Schedules of District's Proportionate Share of the Net Pension Liability – ERS and TRS, and Schedules of the District's Contributions – ERS and TRS (pages 55-58) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Saranac Central School District's basic financial statements. The accompanying Combining Non-Major Fund financial statements, Schedule of Change from Original Budget to Final Budget and the Real Property Tax Limit, Schedule of Project Expenditures, Net Investment in Capital Assets and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining Non-Major Fund financial statements, Schedule of Change from Original Budget to Final Budget and the Real Property Tax Limit, Schedule of Project Expenditures, Net Investment in Capital Assets and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2023, on our consideration of Saranac Central School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Saranac Central School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Saranac Central School District's internal control over financial reporting and compliance.

***Boulrice & Wood CPAs, PC***

September 30, 2023

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**Saranac Central School District  
Management's Discussion & Analysis  
For the Fiscal Year Ended June 30, 2023**

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The Following is Management's Discussion and Analysis (MD&A) of the Saranac Central School District's financial performance for the fiscal year ended June 30, 2023. The MD&A is a summary of the District's financial activities based on the currently known facts, decisions, or conditions. It is also based on both the government-wide and fund based financial statements.

This section is only an introduction and should be read in conjunction with the District's financial statements, which are immediately following this section.

### **Financial Highlights for 2022-2023**

- Revenues totaled more than \$41.3 million. The general revenues represent 89.5% of this total with the balance coming from program revenues.
- Fund equity for the general fund increased by \$1,344,642.
- Fund equity for the school food service fund increased by \$34,458.

### **Overview of the Financial Statements**

This annual report consists of the MD&A, a series of financial statements, and required supplementary information. The district-wide statements are organized so the reader can understand Saranac Central School District as a financial whole, an entire operating entity. The statements then proceed to provide an increased focus on individual parts of the District in more detail than the district-wide statements. The fund financial statements concentrate on the District's most significant funds. The financial statements also included notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year.

### **District-wide Statements**

The district-wide financial statements are designed to be similar to corporate statements in that all governmental and business type activities are consolidated. The Statement of Net Position combines governmental fund's current financial resources with capital assets and long-term obligations.

The first of the district-wide financial statements is the Statement of Net Position. This statement includes all of the District's assets and liabilities, with the difference reported as net position. Increases or decreases in net assets may serve as a useful indicator of whether the overall financial position of the District is improving or deterioration. In addition to this information evaluation of the District's overall health would extend to other non-financial factors such as diversification of the taxpayer base, the continued financial support of New York State and the Federal government, and the condition of the District's infrastructure.

STATEMENT OF NET POSITION  
GOVERNMENTAL ACTIVITIES

	<u>6/30/2023</u>	<u>6/30/2022</u>
Current and other assets	\$ 20,923,529	\$ 34,476,412
Capital assets	34,022,571	33,950,990
Total Assets	<u>54,946,100</u>	<u>68,427,402</u>
Deferred Outflows of Resources		
OPEB (GASB 75)	31,996,533	39,546,483
Pensions	9,200,730	8,975,008
Total Assets and Deferred Outflows of Resources	<u>\$ 96,143,363</u>	<u>\$ 116,948,893</u>
Other Liabilities	\$ 6,204,224	\$ 19,680,311
Long Term Liabilities	153,898,403	149,347,442
Total Liabilities	<u>160,102,627</u>	<u>169,027,753</u>
Deferred Inflow of Resources		
OPEB (GASB 75)	15,016,513	2,662,274
Pensions	1,046,878	16,596,434
Total Liabilities and Deferred Inflows of Resources	<u>16,063,391</u>	<u>19,258,708</u>
NET POSITION		
Net Investment in capital assets	15,677,345	16,760,596
Restricted	4,327,923	5,489,244
Unrestricted	<u>(100,027,923)</u>	<u>(93,587,408)</u>
Total Net Position	<u>(80,022,655)</u>	<u>(71,337,568)</u>
Total Liabilities, Deferred Inflows and Net Position	<u>\$ 96,143,363</u>	<u>\$ 116,948,893</u>

The largest portion of the District's net assets is the investment in capital assets (land, building, equipment), less the outstanding balance of bonds used to acquire, construct, and improve the assets. These assets are used to provide educational services to students; therefore, they are not available for future spending. Although the investment in capital assets is reported net of related debt, the resources necessary to repay this debt must be provided from the general fund budget. These assets are not to be liquidated to pay any of the debt.

Furthermore, net position of capital projects and special aid funds is restricted by State law to be spent for the purposes of the funds and are not available for spending at the District's discretion. The net position of the General Fund is not restricted by State law and is available for spending at the District's discretion.

Investment in capital assets net of related debt decreased from 2021-2022 to 2022-2023. This is primarily the result of the finalization of the capital project and the discharge of related debt.

An additional portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The restricted amount is reserved for bus purchases, retirement, unemployment, a debt service fund and various legal reserves.

- A capital reserve was established by the taxpayers, August 2002, for the purpose of purchasing buses. The voters allowed contributions to be made for 10 years and up to \$750,000, excluding interest earnings. This reserve is permitted, by law, to continue until all of the funds are exhausted.
- A debt service fund is maintained for the payment of principal and interest on long-term debt.
- A Workers' Compensation Reserve was established during the 2020-21 school year to pay for compensation benefits and other expenses authorized under the Workers' Compensation Law and for payment of expenses of administering this self-insurance program.
- The District maintains the Retirement Contribution Reserve for Employees' Retirement System and Teacher's' Retirement System costs. Over the years, retirement costs have increased. This reserve may be used to help offset years when costs have risen and could potentially push the increase in taxes above the tax levy limit.

There was a decrease of \$6,440,515 in the unrestricted component of net position. This is primarily due to the Governmental Accounting Standards Board (GASB) #75 requirement to record a liability for post-employment benefits in regards to health care premiums. This amount is recorded as a long-term liability, under retirement benefits, and decreases the unrestricted component of net position.

Net position is the difference between the District's assets and liabilities, which is one way to measure financial health or position. There are three categories of net position: capital assets (net of related debt), restricted net position, and unrestricted net position. At the end of the fiscal year, the District reported positive balances in both the capital and restricted assets, both for the District as a whole, as well as for the individual funds.



CHANGES IN NET POSITION  
(STATEMENT OF ACTIVITIES)

REVENUES	6/30/2023	6/30/2022
Program Revenues:		
Charges for services	\$ 239,206	\$ 38,433
Operating grants	4,075,304	3,629,575
General Revenues:		
Real property taxes	12,728,882	12,269,820
Other tax items	1,811,695	1,868,640
Charges for services	53,710	42,148
Use of money and property	233,350	13,671
Sale of property and compensation for loss	39,898	12,622
Miscellaneous	377,728	515,396
State Sources	21,537,226	19,467,680
Federal sources	159,858	216,205
Total Revenues	<u>41,256,857</u>	<u>38,074,190</u>
EXPENSES		
General support	5,047,519	4,595,825
Instruction	19,787,685	18,916,876
Pupil transportation	2,344,174	1,713,638
Employee benefits	21,433,984	20,397,736
Debt service	793,111	403,661
Capital outlay	203,161	238,748
School lunch program	332,310	315,079
Total Expenses	<u>49,941,944</u>	<u>46,581,563</u>
Increase (Decrease) in Net Position	<u>\$ (8,685,087)</u>	<u>\$ (8,507,373)</u>

The Statement of Activities is similar to an income statement, in that it reports revenues, expenditures, and changes in net position. With the greatest amount of revenues coming from one source, state aid \$21,537,226, the District is susceptible to fluctuations in the New York State budget. Less money means a higher property tax rate. The largest expense is employee benefits, \$21,433,984. The District has a decrease in net position of (\$8,685,087). This primarily resulted from the increase in costs in most areas.

There was an increase in most expense areas except for capital outlay.

All of the District's programs and services are reported in the district-wide financial statements as governmental activities. Most of the District's services are included here, such as regular and special education, support services, operation and maintenance of school, pupil transportation, extracurricular activities and administration. Property taxes and State formula aid finance most of these activities.

## **FUND FINANCIAL STATEMENTS**

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds, not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. The governmental fund financial statements are presented on a modified accrual basis; whereas, the governmental activities in the district-wide statements are presented on an accrual basis of accounting. The District has one kind of fund, governmental.

*Governmental Funds.* Most of the District's activities are reported in governmental funds, which focus on how cash flows in and out of the funds and the balances left at year end are available for future spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are financial resources that can be spent to finance the District's programs. Any differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds are reconciled in the financial statements.

General Fund. When comparing last year's statement to this year's, total fund equity increased \$1,344,642 (11%) from 2021-2022 to 2022-2023. This occurred mostly from a decrease in special education costs and savings in benefit costs.

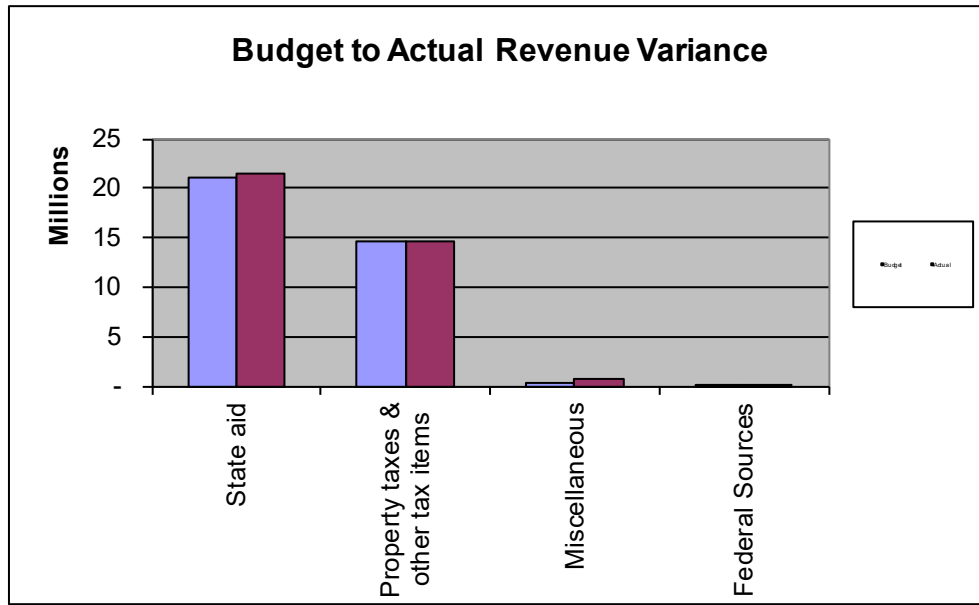
Cafeteria Fund. Student meal sales increased in 2022-2023 adding to the fund equity.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

The District's general fund budget is prepared according to New York State law. During the 2022-2023 school year, the original budget increased \$202,965. The increases were from prior year encumbrances, donations, and a state grant.

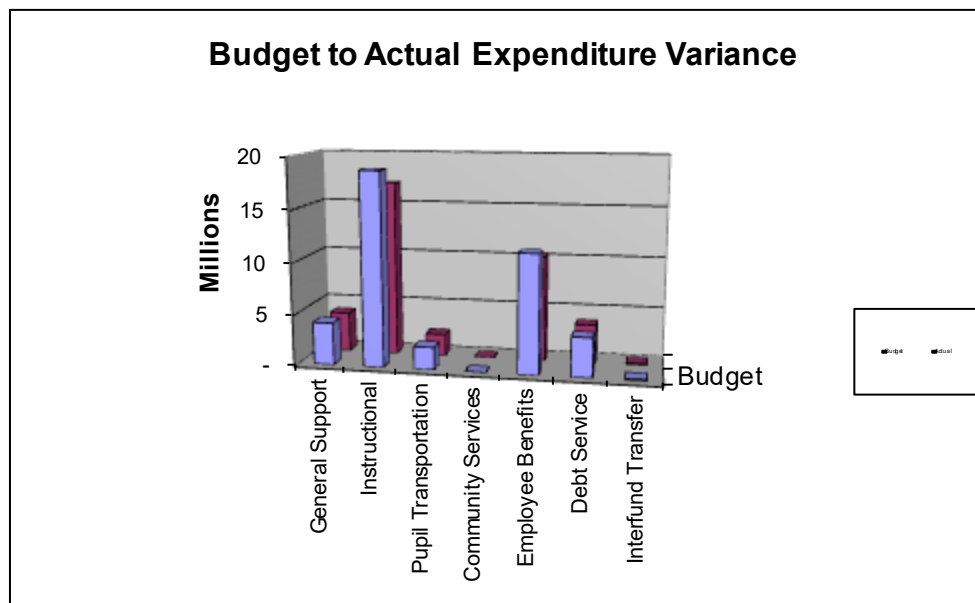
The budget increased 8.1% from 2021-2022 to 2022-2023, \$37,280,686 to \$40,303,794. The main increases were in debt service, employee benefits, and transportation.

General fund actual revenues were over the budgeted amount by \$1,014,399. This was primarily due to receiving more NYS General Aid than budgeted for, reimbursements for Medicare Part D, money from FEMA, as well as much more interest revenue than anticipated.



	Budget	Actual	Variance
State aid	21,008,905	21,537,226	528,321
Property taxes & other tax items	14,538,653	14,540,577	1,924
Miscellaneous	205,877	605,173	399,296
Federal Sources	75,000	159,858	84,858
Total	35,828,435	36,842,834	1,014,399

General fund actual expenditures were less than the final budget by \$3,170,519. A portion of the savings, \$1,331,641 came from programs for children with handicapping. Within this area are costs associated with special education and budgeting can be difficult because there are many unknown factors. Another area that saw significant savings, \$1,172,183, was employee benefits. With variability in the cost of health care and other benefits, this area can be difficult to budget for.



	Budget	Actual	Variance
General Support	4,112,623	3,912,982	(199,641)
Instructional	18,761,948	17,080,042	(1,681,906)
Pupil Transportation	2,175,158	2,136,298	(38,860)
Community Services	-	-	-
Employee Benefits	11,474,157	10,301,974	(1,172,183)
Debt Service	3,835,873	3,750,873	(85,000)
Interfund Transfer	147,000	134,454	(12,546)
Total	40,506,759	37,316,623	(3,190,136)

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

The District's capital assets as of June 30, 2023, are as follows:

#### CAPITAL ASSETS

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Non-Depreciable Assets:		
Land	\$ 323,700	\$ 323,700
Construction in Process	472,574	14,507,113
Depreciable Assets:		
Building and Improvements	50,736,209	36,106,409
Machinery and Equipment	<u>7,103,986</u>	<u>6,592,422</u>
Total	<u>\$ 58,636,469</u>	<u>\$ 57,529,644</u>

The total increase in capital assets was \$792,727.

### Debt

The District's total outstanding debt, as of June 30, 2023 was \$14,430,764, with \$1,031,553 due within one year. This amount is backed by the full faith and credit of the District with debt service fully funded by New York State building aid and voter approved property taxes.

#### OUTSTANDING DEBT

	<u>Beginning</u>	<u>Ending</u>
Serial Bonds	\$ 2,875,000	\$ 13,600,000
Installment Purchase Obligation	952,935	830,764
	<u>\$ 3,827,935</u>	<u>\$ 14,430,764</u>

### Bond Ratings/Commitment for Capital Expenses/Debt Limitations

The District has been assigned an Aa3 rating by Moody's Investor Service. This rating reflects the District's strong ability to meet financial commitments, trend of satisfactory financial operations with historically ample reserves, manageable debt burden, and conservative management.

Currently, there are no outstanding commitments for capital expenses other than those already disclosed or any debt limitations that may affect financing.

## **FACTORS BEARING ON THE DISTRICT'S FUTURE**

### **School Taxes**

The District relies heavily on school taxes to support the budget. In 2011, New York State established the property tax cap law limiting school districts ability to raise taxes by 2% or the rate of inflation (whichever is less). This prevents districts from trying to increase school taxes to supplement the state aid reductions. With revenue sources limited, primarily to state aid and property taxes, it is difficult to keep up with rising costs to provide a quality education to our students.

### **Health Insurance**

School districts are a people business, therefore; the majority of our expenses are salaries and benefits. Health insurance expenditures are a large percentage of our budget. Over the years we have seen significant increases in premium costs. The District participates in a BOCES Health Insurance Consortium where changes are continuing to be made to the plan to help with the rising costs of health care. The District's retiree costs are close to active employees and continuing to support these costs is challenging.

### **American Rescue Plan**

The District has been allocated \$3,891,314 in Federal Funds under the American Rescue Plan. This money will be spread out over of a three-year period ending with the June 30, 2024 school year. These funds will be spent on summer school programming, afterschool/extended learning programs, student learning loss, interventions to support students' academic, emotional, and social needs as well as other necessary supports.

## **CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designated to provide the District's citizens, taxpayers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. The report complies with finance related laws and regulations. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Business Manager, Saranac Central School District, 32 Emmons Road, Dannemora, New York 12929.

**SARANAC CENTRAL SCHOOL DISTRICT****EXHIBIT 1****STATEMENT OF NET POSITION****June 30, 2023****ASSETS**

Cash:	
Unrestricted	\$ 9,296,204
Restricted	8,376,596
Receivables:	
Accounts receivable	16,176
State and federal aid	2,689,301
Inventories	24,395
Capital assets, net	34,022,571
<b>Total Assets</b>	<b>54,946,100</b>

**DEFERRED OUTFLOWS OF RESOURCES**

Other post employment benefits	31,996,533
Pensions	9,200,730
<b>Total Deferred Outflows of Resources</b>	<b>41,197,263</b>

**Total Assets and Deferred Outflow of Resources****\$ 96,143,363****LIABILITIES**

Payables:	
Accounts payable	\$ 1,311,424
Accrued liabilities	145,484
Bond anticipation notes payable	2,800,000
Due to other governments	68,954
Due to teacher's retirement system	1,470,655
Due to employee's retirement system	117,003
Unearned revenue	209,777
Accrued bond interest	80,927
Long-term liabilities	
Due and payable within one year:	
Bonds payable - current	909,382
Installment purchase - current	122,171
Due and payable after one year	
Bonds payable - non-current, including amortized bond premium	13,682,909
Installment purchase - non-current	830,764
Compensated absences payable	940,145
Other post employment benefits	133,617,628
Net pension liability-proportionate share	3,795,404
<b>Total Liabilities</b>	<b>160,102,627</b>

**DEFERRED INFLOWS OF RESOURCES**

Other post employment benefits	15,016,513
Pensions	1,046,878
<b>Total Deferred Inflows of Resources</b>	<b>16,063,391</b>

**NET POSITION**

Net investment in capital assets	15,677,345
Restricted	4,327,923
Unrestricted	(100,027,923)
<b>Total Net Position</b>	<b>(80,022,655)</b>

**Total Liabilities, Deferred Inflows of Resources, and Net Position****\$ 96,143,363**

See Notes to the Financial Statements.

**SARANAC CENTRAL SCHOOL DISTRICT**

**EXHIBIT 2**

**STATEMENT OF ACTIVITIES**

**Year Ended June 30, 2023**

FUNCTIONS/ PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS	
General support	\$ (5,047,519)	\$ -	\$ -	\$ (5,047,519)
Instruction	(19,787,685)	-	3,619,831	(16,167,854)
Pupil transportation	(2,344,174)	-	-	(2,344,174)
Employee benefits	(21,433,984)	-	-	(21,433,984)
Debt service	(793,111)	-	-	(793,111)
Capital outlay	(203,161)	-	-	(203,161)
School lunch program	(332,310)	239,206	455,473	362,369
<b>Total Functions and Programs</b>	<b>\$ (49,941,944)</b>	<b>\$ 239,206</b>	<b>\$ 4,075,304</b>	<b>(45,627,434)</b>
<b>GENERAL REVENUES</b>				
Real property taxes				12,728,882
Other tax items				1,811,695
Charges for services				53,710
Use of money and property				233,350
Sale of property and compensation for loss				39,898
Miscellaneous				377,728
State Sources				21,537,226
Federal Sources				159,858
<b>Total General Revenues</b>				<b>36,942,347</b>
<b>Change in Net Position</b>				<b>(8,685,087)</b>
<b>Total Net Position - Beginning of Year</b>				<b>(71,337,568)</b>
<b>Total Net Position - End of Year</b>				<b>\$ (80,022,655)</b>

See Notes to the Financial Statements.



## SARANAC CENTRAL SCHOOL DISTRICT

## EXHIBIT 3

## BALANCE SHEET-GOVERNMENTAL FUNDS

June 30, 2023

	GENERAL	SPECIAL AID	SCHOOL FOOD SERVICE	DEBT SERVICE	CAPITAL PROJECTS	NON-MAJOR	TOTAL
<b>ASSETS</b>							
Unrestricted cash	\$ 9,296,204	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,296,204
Restricted cash	3,216,101	1,253,132	474,504	163,807	3,058,033	211,019	8,376,596
Accounts receivable	16,176	-	-	-	-	-	16,176
Due from other funds	1,172,256	6,652	-	157	-	-	1,179,065
State and federal aid receivable	1,867,673	714,810	30,518	-	76,300	-	2,689,301
Due from other governments	520,857	-	-	-	-	-	520,857
Inventories	-	-	24,395	-	-	-	24,395
<b>Total Assets</b>	<b>\$ 16,089,267</b>	<b>\$ 1,974,594</b>	<b>\$ 529,417</b>	<b>\$ 163,964</b>	<b>\$ 3,134,333</b>	<b>\$ 211,019</b>	<b>\$ 22,102,594</b>
<b>LIABILITIES</b>							
Accounts payable	\$ 716,535	\$ 594,889	\$ -	\$ -	\$ -	\$ -	\$ 1,311,424
Accrued liabilities	136,092	3,844	5,548	-	-	-	145,484
Bond anticipation notes payable	-	-	-	-	2,800,000	-	2,800,000
Due to other governments	68,581	-	373	-	-	-	68,954
Due to other funds	10,622	1,091,986	-	-	76,457	-	1,179,065
Due to teachers' retirement system	1,385,715	84,940	-	-	-	-	1,470,655
Due to employees' retirement system	107,707	1,463	7,833	-	-	-	117,003
Unearned revenue	-	197,472	12,305	-	-	-	209,777
<b>Total Liabilities</b>	<b>2,425,252</b>	<b>1,974,594</b>	<b>26,059</b>	<b>-</b>	<b>2,876,457</b>	<b>-</b>	<b>7,302,362</b>
<b>FUND BALANCES</b>							
Nonspendable:							
Inventories	-	-	24,395	-	-	-	24,395
Restricted:							
Workers' Compensation	162,759	-	-	-	-	-	162,759
Retirement contributions - ERS	1,178,323	-	-	-	-	-	1,178,323
Retirement contributions - TRS	1,246,957	-	-	-	-	-	1,246,957
Unemployment insurance	203,675	-	-	-	-	-	203,675
Capital reserve	424,387	-	-	-	257,876	-	682,263
Debt reserve	-	-	-	163,964	-	-	163,964
School lunch	-	-	478,963	-	-	-	478,963
Other	-	-	-	-	-	211,019	211,019
Assigned:							
Appropriated fund balance	2,591,874	-	-	-	-	-	2,591,874
Encumbrances (Note 10)	19,617	-	-	-	-	-	19,617
Unassigned:							
Tax reduction reserve	142,101	-	-	-	-	-	142,101
Unassigned fund balance	7,694,322	-	-	-	-	-	7,694,322
<b>Total Fund Balances</b>	<b>13,664,015</b>	<b>-</b>	<b>503,358</b>	<b>163,964</b>	<b>257,876</b>	<b>211,019</b>	<b>14,800,232</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 16,089,267</b>	<b>\$ 1,974,594</b>	<b>\$ 529,417</b>	<b>\$ 163,964</b>	<b>\$ 3,134,333</b>	<b>\$ 211,019</b>	<b>\$ 22,102,594</b>

See Notes to the Financial Statements.

## SARANAC CENTRAL SCHOOL DISTRICT

## EXHIBIT 4

## COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

Year Ended June 30, 2023

	General	Special Aid	School Food Service	Debt Service	Capital Projects	Non-Major	TOTAL
<b>REVENUES</b>							
Real property taxes	\$ 12,728,882	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,728,882
Other tax items	1,811,695	-	-	-	-	-	1,811,695
Charges for services	53,710	-	-	-	-	-	53,710
Use of money and property	212,795	-	128	7,548	12,801	78	233,350
Sale of property and compensation for loss	39,898	-	-	-	-	-	39,898
Miscellaneous	298,770	5,677	6,746	-	-	66,535	377,728
State Sources	21,537,226	528,791	11,097	-	-	-	22,077,114
Federal sources	159,858	3,091,040	444,376	-	-	-	3,695,274
Sales	-	-	239,206	-	-	-	239,206
<b>Total Revenues</b>	<b>36,842,834</b>	<b>3,625,508</b>	<b>701,553</b>	<b>7,548</b>	<b>12,801</b>	<b>66,613</b>	<b>41,256,857</b>
<b>EXPENDITURES</b>							
General support	3,912,982	-	302,442	-	-	61,883	4,277,307
Instruction	17,080,042	2,952,227	-	-	-	-	20,032,269
Pupil transportation	2,136,298	211,855	-	-	-	-	2,348,153
Employee benefits	10,301,974	476,783	51,440	-	-	-	10,830,197
Debt service	3,750,873	-	-	-	-	-	3,750,873
Capital outlay	-	-	-	-	1,162,029	-	1,162,029
Cost of sales	-	-	332,310	-	-	-	332,310
<b>Total Expenditures</b>	<b>37,182,169</b>	<b>3,640,865</b>	<b>686,192</b>	<b>-</b>	<b>1,162,029</b>	<b>61,883</b>	<b>42,733,138</b>
<b>Excess (Deficit) of Revenues over Expenditures</b>	<b>(339,335)</b>	<b>(15,357)</b>	<b>15,361</b>	<b>7,548</b>	<b>(1,149,228)</b>	<b>4,730</b>	<b>(1,476,281)</b>

**OTHER SOURCES AND USES**

Operating transfers in	1,818,431	15,357	19,097	-	100,018	-	<b>1,952,903</b>
Operating transfers (out)	(134,454)	-	-	(1,817,000)	(1,449)	-	<b>(1,952,903)</b>
Serial Bonds	-	-	-	-	11,060,000	-	<b>11,060,000</b>
Bond Premium	-	-	-	-	994,577	-	<b>994,577</b>
BANs Redemmed	-	-	-	-	2,150,000	-	<b>2,150,000</b>
<b>Total Other Sources and Uses</b>	<u>1,683,977</u>	<u>15,357</u>	<u>19,097</u>	<u>(1,817,000)</u>	<u>14,303,146</u>	<u>-</u>	<u><b>14,204,577</b></u>
<b>Excess (Deficiency) Revenues and Other Sources over Expenditures and Other Uses</b>	1,344,642	-	34,458	(1,809,452)	13,153,918	4,730	<b>12,728,296</b>
<b>Fund Balances, Beginning of Year</b>	<u>12,319,373</u>	<u>-</u>	<u>468,900</u>	<u>1,973,416</u>	<u>(12,896,042)</u>	<u>206,289</u>	<u><b>2,071,936</b></u>
<b>Fund Balances, End of Year</b>	<u><u>\$ 13,664,015</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 503,358</u></u>	<u><u>\$ 163,964</u></u>	<u><u>\$ 257,876</u></u>	<u><u>\$ 211,019</u></u>	<u><u><b>\$ 14,800,232</b></u></u>

See Notes to the Financial Statements.

## SARANAC CENTRAL SCHOOL DISTRICT

## EXHIBIT 5

**RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2023**

	TOTAL GOVERNMENT FUNDS	LONG-TERM ASSETS, LIABILITIES	RECLASSIFICATION AND ELIMINATIONS	STATEMENT OF NET ASSETS TOTALS
<b>ASSETS</b>				
Unrestricted cash	\$ 9,296,204	\$ -	\$ -	\$ 9,296,204
Restricted cash	8,376,596	-	-	8,376,596
Accounts receivable	16,176	-	-	16,176
Due from other funds	1,179,065	-	(1,179,065)	-
State and federal aid receivable	2,689,301	-	-	2,689,301
Due from other governments	520,857	-	-	520,857
Inventories	24,395	-	-	24,395
Fixed assets	-	34,022,571	-	34,022,571
<b>Total Assets</b>	<b>22,102,594</b>	<b>34,022,571</b>	<b>(1,179,065)</b>	<b>54,946,100</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Other post employment benefits	-	31,996,533	-	31,996,533
Pensions	-	9,200,730	-	9,200,730
<b>Total Deferred Outflows of Resources</b>	<b>-</b>	<b>41,197,263</b>	<b>-</b>	<b>41,197,263</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>22,102,594</b>	<b>75,219,834</b>	<b>(1,179,065)</b>	<b>96,143,363</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 1,311,424	\$ -	\$ -	\$ 1,311,424
Accrued liabilities	145,484	-	-	145,484
Accrued bond interest	-	80,927	-	80,927
Bond anticipation notes payable	2,800,000	-	-	2,800,000
Due to other funds	1,179,065	-	(1,179,065)	-
Due to other governments	68,954	-	-	68,954
Due to teachers' retirement system	1,470,655	-	-	1,470,655
Due to employees' retirement system	117,003	-	-	117,003
Unearned revenue	209,777	-	-	209,777
Bonds payable and other long-term debt	-	15,545,226	-	15,545,226
Compensated absences	-	940,145	-	940,145
Other post employment benefits	-	133,617,628	-	133,617,628
Net pension liability-proportionate share	-	3,795,404	-	3,795,404
<b>Total Liabilities</b>	<b>7,302,362</b>	<b>153,979,330</b>	<b>(1,179,065)</b>	<b>160,102,627</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Other post employment benefits	-	15,016,513	-	15,016,513
Pensions	-	1,046,878	-	1,046,878
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>16,063,391</b>	<b>-</b>	<b>16,063,391</b>
<b>FUND EQUITY/NET POSITION</b>				
<b>Total Fund Equity/ Net Position</b>	<b>14,800,232</b>	<b>(94,822,887)</b>	<b>-</b>	<b>(80,022,655)</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Equity/NetPosition</b>	<b>\$ 22,102,594</b>	<b>\$ 75,219,834</b>	<b>\$ (1,179,065)</b>	<b>\$ 96,143,363</b>

See Notes to the Financial Statements.

**RECONCILIATION OF GOVERNMENTAL FUNDS-REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE TO STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2023**

	TOTAL GOVERNMENT FUNDS	LONG-TERM REVENUE EXPENSES	CAPITAL RELATED ITEMS	LONG-TERM DEBT TRANSACTION	RECLASSIFICATION AND ELIMINATIONS	STATEMENT OF ACTIVITIES TOTALS
<b>REVENUES</b>						
Real property taxes	\$ 12,728,882	\$ -	\$ -	\$ -	\$ -	\$ 12,728,882
Other tax items	1,811,695	-	-	-	-	1,811,695
Charges for services	53,710	-	-	-	-	53,710
Use of money and property	233,350	-	-	-	-	233,350
Sale of property and compensation for loss	39,898	-	-	-	-	39,898
Miscellaneous	377,728	-	-	-	-	377,728
State Sources	22,077,114	-	-	-	-	22,077,114
Federal sources	3,695,274	-	-	-	-	3,695,274
Sales	239,206	-	-	-	-	239,206
<b>Total Revenues</b>	<b>41,256,857</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>41,256,857</b>
<b>EXPENDITURES</b>						
General support	4,277,307	-	770,212	-	-	5,047,519
Instruction	20,032,269	-	(244,584)	-	-	19,787,685
Pupil transportation	2,348,153	-	(3,979)	-	-	2,344,174
Employee benefits	10,830,197	10,603,787	-	-	-	21,433,984
Debt service	3,750,873	-	-	(807,762)	(2,150,000)	793,111
Capital outlay	1,162,029	-	(958,868)	-	-	203,161
Cost of sales	332,310	-	-	-	-	332,310
<b>Total Expenditures</b>	<b>42,733,138</b>	<b>10,603,787</b>	<b>(437,219)</b>	<b>(807,762)</b>	<b>(2,150,000)</b>	<b>49,941,944</b>
<b>Excess (Deficit) of Revenues over Expenditures</b>	<b>(1,476,281)</b>	<b>(10,603,787)</b>	<b>437,219</b>	<b>807,762</b>	<b>2,150,000</b>	<b>(8,685,087)</b>
<b>OTHER SOURCES AND USES</b>						
Operating transfers in	1,952,903	-	-	-	(1,952,903)	-
Operating transfers out	(1,952,903)	-	-	-	1,952,903	-
Serial Bonds	11,060,000	-	-	(11,060,000)	-	-
Bond Premium	994,577	-	-	(994,577)	-	-
BANs Redeemed	2,150,000	-	-	-	(2,150,000)	-
<b>Total Other Sources and Uses</b>	<b>14,204,577</b>	<b>-</b>	<b>-</b>	<b>(12,054,577)</b>	<b>(2,150,000)</b>	<b>-</b>
<b>Net Change for the Year</b>	<b>\$ 12,728,296</b>	<b>\$ (10,603,787)</b>	<b>\$ 437,219</b>	<b>\$ (11,246,815)</b>	<b>\$ -</b>	<b>\$ (8,685,087)</b>

See Notes to the Financial Statements.

**SARANAC CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

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**Note 1. Summary of Significant Accounting Policies**

A. Reporting entity: The Saranac Central School District (District) is governed by the Education Law and other general laws of the State of New York. The governing body is the Board of Education of Saranac Central School (Board). The Board is the basic level of government, which has oversight responsibilities and control over all activities related to the public school education in the region of Saranac Central School District. The Board receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities. However, the Board is not included in any other governmental "reporting entity" as defined in GASB pronouncements, since Board members are elected by the public and have decision making authority, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters.

B. Basis of presentation

1. District-Wide Statements

The Statement of Net Position and the Statement of Activities present financial information about the District's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, State aid, intergovernmental revenues, and other exchange and nonexchange transactions.

The Statement of Activities presents a comparison between direct expenses and program 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. Program revenues include charges paid by the recipients of good or services offered by the programs, and grants and contributions that are restricted to meeting the operations or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

2. Fund Functional Statements

The fund statements provide information about the District's funds, including fiduciary funds. Separate statements for each fund category (governmental and fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. Non-major funds are aggregated and presented in a single column. The District chooses to report all governmental funds as major funds, except for Extraclassroom Activity Funds and Scholarship fund.

**Note 1. Summary of Significant Accounting Policies (continued)**

The District reports the following major governmental funds:

General Fund - the general fund is the principal operating fund of the District and is used to account for all financial resources, except those accounted for in another fund.

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

- Special Aid Fund - Used to account for special operating projects or programs supported in whole, or in part, with Federal funds or State or Local grants.
- School Food Service Fund – Used to account for transactions of the lunch and breakfast programs.

Capital Projects Fund - the capital projects funds are to account for and report financial resources to be used for the acquisition, construction or renovation of major capital facilities, or equipment.

Debt Service - the debt service funds are to account for the accumulation of resources and the payment of general long-term debt principal and interest.

**C. Measurement Focus and Basis of Accounting**

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

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 90 days (60 days for property taxes) after the end of the fiscal year.

**Note 1. Summary of Significant Accounting Policies (continued)**

Expenditures are recorded when the related fund liability is incurred except for:

- a. Prepaids and inventory-type items are recognized at the time of purchase.
- b. Principal and interest on indebtedness are not recognized as an expenditure until due.
- c. Compensated absences, such as vacation and sick leave, which vests or accumulates, are charged as an expenditure when paid.
- d. Pension costs are recognized as an expenditure when billed by the state.
- e. The School District recognizes the cost of providing post-retirement health insurance coverage and survivor benefits by recording its share of insurance premiums as an expenditure in the year paid.

D. Inventories: Inventories of food and supplies in the School Lunch Fund are recorded at cost on a first-in, first-out basis or, in the case of surplus food, at stated value, which approximates market. Purchases of supplies in other funds are recorded as expenditures at the time of purchase, and year-end inventory balances are not maintained.

E. Capital assets: Capital assets are reported in the applicable governmental activities column in the district-wide financial statements. Capital assets are defined by the District as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of one year. Acquisitions of equipment and capital facilities are treated as expenditures in the various funds of the School District. The assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at estimated fair market value at the date of donation.

Capital assets are depreciated using the straight line method over the following estimated useful lives:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings	\$ 5,000	Straight Line	20-50 years
Land Improvements	\$ 5,000	Straight Line	15-30 years
Machinery and Equipment	\$ 5,000	Straight Line	5-20 years

F. Retirement plan: The School District provides retirement benefits for substantially all of its regular full-time employees through contributions to the New York State Teachers' Retirement System and the New York State Employees' Retirement System. These systems provide various plans and options, some of which require employee contributions.



**Note 1. Summary of Significant Accounting Policies (continued)**

- G. Property Taxes: Real property taxes are levied annually by the Board of Education no later than September 1st. Uncollected real property taxes are subsequently enforced by the County of Clinton. An amount representing uncollected real property taxes is transmitted to the county for enforcement and is paid by the county to the District no later than the forthcoming April 1st.
- H. Other Assets: In the district-wide financial statements, bond issuance costs are capitalized and amortized over the life of the debt issue. In the funds statements these same cost are netted against bond proceeds and recognized in the period of issuance.
- I. Unearned Revenue: Unearned revenues arise when potential revenues do not meet both the measurable and available criteria for recognition in the current period. Unearned revenues also arise when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the District has legal claim to the resources, the liability of unearned revenues is removed and revenues are recognized.
- J. General long-term debt: Bonds, capital notes and bond anticipation notes issued for capital projects are recognized when issued.
- K. Budgetary Procedures and Budgetary Accounting

1) General

The School District's policy relating to budgetary information as shown in the accompanying financial statements is as follows:

A public hearing is held upon completion and filing of the tentative budget. Subsequent to such public hearing, the budget is adopted by the Board of Education. The budget is then approved by the voters within the School District.

Appropriations established by adoption of the budget constitute limitations on expenditures (and encumbrances) which may be incurred.

The New York Uniform System of Accounts requires that fixed budgetary control be used for all governmental fund types.

Budget appropriations lapse at year-end.

2) Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is employed as a control in preventing over-expenditure of established appropriations. Open encumbrances are reported as part of assigned fund balance and such commitments will be honored through budget appropriations in the subsequent year. Encumbrances do not constitute expenditures or liabilities.

**Note 1. Summary of Significant Accounting Policies (continued)**

L. Equity Classifications:

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 those assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, 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 is deemed to be available for general use by the district.

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.

Fund statements:

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

**Non-spendable** fund balance – 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 Service Fund of \$24,395.

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

Capital

According to Education Law §3651, must be used to pay the cost of any object or purpose for which bonds may be issued. The creation of a capital reserve fund requires authorization by a majority of the voters establishing the purpose of the reserve, the ultimate amount, its probable term and the source of the funds. Expenditure may be made from the reserve only for a specific purpose further authorized by the voters. The form for the required legal notice for the vote on establishing and funding the reserve and the form of the proposition to be placed

**Note 1. Summary of Significant Accounting Policies (continued)**

on the ballot are set forth in §3651 of the Education Law. This reserve is accounted for in the General Fund under Restricted Fund Balance.

Debt Service

According to General Municipal Law §6-1, the Mandatory Reserve for Debt 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 School District property or capital improvement.

Retirement Contributions

According to General Municipal Law §6-r, must be used for financing retirement contributions. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the Board.

Tax Certiorari

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

Unemployment Insurance

According to General Municipal Law §6-m, must be used to pay the cost of reimbursement to 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 School District elects to convert to tax (contribution) basis, excess resources in the fund over the sum sufficient to pay pending claims may be transferred to any other reserve fund.

Workers' Compensation

According to General Municipal Law §6-j, 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 any fiscal year, excess amounts may either be transferred to another reserve or the excess gets applied to appropriations of the next succeeding fiscal year's budget.

**Note 1. Summary of Significant Accounting Policies (continued)**

**Committed** – Includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the school districts highest level of decision making authority, i.e., the Board of Education. The School District has no committed fund balances as of June 30, 2023.

**Assigned** – Includes amounts that are constrained by the school district's intent to be used for specific purposes, but are neither restricted nor committed. All encumbrances of the General fund are classified as Assigned Fund Balance in the General Fund.

**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 School District.

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

**Order of Use of Fund Balance:**

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

- M. Reclassifications: Certain amounts in the 2022 financial statements may have been reclassified to conform to the 2023 presentation.
- N. Events Occurring After Reporting Date: The District has evaluated events and transactions that occurred between June 30, 2023 and September 30 2023, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.
- O. Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, potential contingent liabilities and useful lives of long-lived assets.

**Note 1. Summary of Significant Accounting Policies (continued)**

- P. 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 differences between expected the actual experience and changes of assumptions, the net difference between projected and actual earnings on pension plan investments, and changes in proportion. The second item is District contributions to the pension systems (TRS and ERS Systems) subsequent to the measurement date. The third item relates to OPEB reporting in the district-wide statement of Net Position. This amount represents employer contributions subsequent to the measurement date, differences between expected and actual experience, and changes of assumptions.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualifies for reporting in this category. The first item is related to pensions reported in the district-wide Statement of Net position. This represents the differences between expected and actual experience, changes of assumptions and changes in proportion. The second item is related to OPEB reported in the district-wide Statement of Net Position. This amount represents changes in assumptions or other inputs.

- Q. New Accounting Standards:

The District has adopted and implemented all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable as of June 30, 2023, including GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*.

**Note 2. Explanation of Certain Differences Between Governmental Fund Statements and District-wide Statements**

Due to the differences in the measurement focus and basis of accounting used in the governmental fund statements and the District-wide statements, certain financial transactions are treated differently. The differences result primarily from the economic focus of the Statement of Activities, compared with the current financial resources of the governmental funds.

- A. Total fund balances of governmental funds vs. net assets of governmental activities:

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

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**Note 2. Explanation of Certain Differences Between Governmental Fund Statements and District-wide Statements (continued)**

The costs of building and acquiring capital assets (land, buildings and equipment) financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the Balance Sheet. However, the Statement of Net Position includes those capital assets among the assets of the District as a whole, with their original costs capitalized and depreciation expensed annually over their useful lives.

Because the governmental funds focus on short-term financing, some assets will not be available to pay for current-period expenditures. Those assets (for example, receivables) are offset by deferred revenue in the governmental funds, and thus are not included in the fund balance. They are, however, included in the net position of the governmental activities. As of June 30, 2023 the District did not have any assets unavailable to pay for current-period expenditures.

Long-term liabilities are reported in the Statements of Net Position, but not in the governmental funds, because they are not due and payable in the current period. Balances at year-end were:

Explanation of Differences Between Governmental Fund Balances and District Wide Net Assets

Ending fund balance reported on governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balance (Exhibit 3)	\$ 14,800,232
Capital assets net of related depreciation	34,022,571
Deferred outflows:	
Pensions - TRS	7,578,729
Pensions - ERS	1,622,001
Other post employment benefits	31,996,533
Liabilities, long term	
Accrued bond interest	(80,927)
Bonds payable, including bond premium, and installment notes payable	(15,545,226)
Other post employment benefits	(133,617,628)
Compensated absences	(940,145)
Net pension liability	(3,795,404)
Deferred inflows:	
Pensions - TRS	(910,991)
Pensions - ERS	(135,887)
Other post employment benefits	(15,016,513)
Ending net position reported on Statement of Activities for governmental activities (Exhibit 1)	<u>\$ (80,022,655)</u>

**Note 2. Explanation of Certain Differences Between Governmental Fund Statements and District-wide Statements (continued)**

Statement of Revenues, Expenditures and Changes in Fund Balance vs. Statement of Activities.

Differences between the governmental funds Statement of Revenues, Expenditures and

Changes in Fund Balance and the Statement of Activities fall into one of three broad categories. The amounts shown below represent:

1. Long-Term Revenue 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.

2. Capital Related Differences

Capital related differences include the difference between proceeds for the sale of capital assets reported on governmental 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 governmental fund statements and depreciation expense on those items as recorded in the Statement of Activities.

3. Long-Term Debt Transaction Differences

Long-term debt transaction differences occur as a result of proceeds from serial bonds reflected as revenue in governmental funds whereas they are a liability on the statement of net position. Also both interest and principal payments are recorded as expenditures in the governmental 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.

4. Other Post-Employment Benefits Differences

Other post-employment benefits occur because retiree health insurance premiums are paid and recorded as expenditures in the governmental fund statements as incurred. GASB 75 requires an actuarial calculation of the future liability and to record the OPEB Obligation in the Statement of Net Position.

**Note 2. Explanation of Certain Differences Between Governmental Fund Statements and District-wide Statements (continued)**

5. 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.

Following are reconciliations of revenues and expenditures Governmental Funds to Statement of Activities.

Explanation of Differences Between Governmental Funds Operating Statement  
and the Statement of Activities

Total Revenues and other Funding Sources

Total revenues and other funding sources of governmental funds (Exhibit 4)	\$ 41,256,857
No changes	<u>-</u>
Total revenues of governmental activities in the Statement of Activities (Exhibit 6)	<u><u>\$ 41,256,857</u></u>

Total Expenditures/Expenses

Total expenditures reported in governmental funds (Exhibit 4)	\$ 42,733,138
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In the Statement of Activities, certain operating expenses (compensated absences) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). Compensated absences used was greater than the amount earned during the year. (Exhibit 6)

(39,004)

When the purchase or construction of capital assets is financed through governmental funds, the resources expended for those assets are reported as expenditures in the years they are incurred. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation/ amortization expense. This is the amount by which capital expenditures exceeded depreciation expense in the current year. (Exhibit 6)

(437,219)

In the Statement of Activities, accrued interest expense is measured by the amount accrued at the end of the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). Accrued interest was more than the amount accrued during the prior year. (Exhibit 6)

(173,590)



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**Note 2. Explanation of Certain Differences Between Governmental Fund Statements and District-wide Statements (continued)**

In the Statement of Activities, accrued interest expense is measured by the amount accrued at the end of the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). Accrued interest was more than the amount accrued during the prior year. (Exhibit 6)

(173,590)

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.

9,643,983

(Increases) decreases in proportionate share of net pension asset/liability reported in the Statement of Activities do not provide for, or require, the use of current financial resources and therefore are not reported as revenues or expenditures in governmental funds.

Teachers' Retirement System

459,924

Employees' Retirement System

538,884

The following items are reported as expenditures and other uses in the governmental funds, but reduce long-term liabilities in the Statement of Net Assets, and does not effect the Statement of Activities: (Exhibit 2)

Repayment of bonds

(457,171)

Repayment of BANs

(2,150,000)

Bond amortization

(177,001)

Total expenses reported on the Statement of Activities (Exhibit 6)

\$ 49,941,944

Other Sources and Uses:

Total other sources and uses in governmental funds (Exhibit 4)

\$ 14,204,577

Proceeds from long term debt are other sources of income in the Capital Projects Fund, but are removed from the Statement of Activities and shown as a long term liability on the Statement of Net Position.

(11,060,000)

Bond Premium is other source of income in the Debt Service Fund and Capital Projects Fund, but is removed from the Statement of Activities and shown as a long term liability on the Statement of Net Position. Activities. (Exhibit 8)

(994,577)

Repayment of bond anticipation notes is an expenditure in the General Fund and other sources of income in the Capital Projects fund. A reclassifying entry to offset these amounts reduces both expenditures and other sources of income in the Statement of Activities.

(2,150,000)

Total other sources and uses in the Statement of Activities (Exhibit 6)

\$ -

**SARANAC CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
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**Note 3. Cash and Investments**

The District's investment policies are governed by State statutes and the District's own written policy. District monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. The treasurer is authorized to use demand accounts and certificates of deposits. Permissible investments include obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements, and obligations of New York State or its localities.

Collateral is required for demand and time deposits and certificates of deposits not covered by Federal Deposit Insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of New York State and its municipalities and Districts.

At June 30, 2023, the District's bank balances totaled \$18,541,521, of which \$1,000,000 was covered by Federal depository insurance and \$17,541,521 was covered by collateral held by the pledging banks in the District's name.

**Note 4. Interfund Balances and Activity**

Interfund balances and activity at June 30, 2023 and for the fiscal year then ended, were as follows:

Fund Type	Interfund Receivable	Interfund Payable	Interfund Revenues	Interfund Expenditures
General	\$ 1,172,256	\$ 10,622	\$ 1,818,431	\$ 134,454
School Food Service	-	-	19,097	-
Special aid	6,652	1,091,986	15,357	-
Capital	-	76,457	100,018	1,449
Debt service	157	-	-	1,817,000
Total	<u>\$ 1,179,065</u>	<u>\$ 1,179,065</u>	<u>\$ 1,952,903</u>	<u>\$ 1,952,903</u>

Interfund receivables and payables are eliminated on the statement of Net Position.

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

The District typically transfers money from the General Fund to the Special Aid Fund for its share of special aid programs.

The District transferred money from the General Fund to the Capital Projects Fund for its share of capital projects.

The District transfers money from the General Fund to the Cafeteria Fund to cover any operational shortages.

The District transferred money from the Debt Service Fund to the General Fund to make principal and interest payments

All interfund payables are expected to be repaid within one year.

**SARANAC CENTRAL SCHOOL DISTRICT**  
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**Note 5. Capital Assets**

The following is a summary of changes in capital assets:

Capital Assets	June 30, 2022		June 30, 2023	
	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Governmental activities				
Capital assets that are not depreciated:				
Land	\$ 323,700	\$ -	\$ -	\$ 323,700
Construction in progress	14,507,113	593,263	14,627,802	472,574
	<u>14,830,813</u>	<u>593,263</u>	<u>14,627,802</u>	<u>796,274</u>
Capital assets that are depreciated:				
Buildings	34,820,959	14,629,800	-	49,450,759
Land improvements	1,285,450	-	-	1,285,450
Machinery and equipment	3,162,264	552,119	296,091	3,418,292
Licensed Vehicles	3,430,125	404,443	148,874	3,685,694
Total depreciable historical cost	<u>42,698,798</u>	<u>15,586,362</u>	<u>444,965</u>	<u>57,840,195</u>
Less accumulated depreciation:				
Buildings	18,330,121	753,961	-	19,084,082
Land improvements	1,147,749	16,251	-	1,164,000
Machinery and equipment	2,189,891	309,533	116,550	2,382,874
Licensed Vehicles	1,910,893	400,464	328,415	1,982,942
Total accumulated depreciation	<u>23,578,654</u>	<u>1,480,209</u>	<u>444,965</u>	<u>24,613,898</u>
Total depreciable historical cost, net	<u>19,120,144</u>	<u>14,106,153</u>	<u>-</u>	<u>33,226,297</u>
Total Capital Assets	<u>\$ 33,950,957</u>	<u>\$ 14,699,416</u>	<u>\$ 14,627,802</u>	<u>\$ 34,022,571</u>

Depreciation expense was charged to governmental

General support	\$ 770,212
Instruction	309,533
Pupil transportation	400,464
Total Depreciation	<u>\$ 1,480,209</u>

**SARANAC CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

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**Note 6. Compensated Absences**

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.

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.

**Note 7. Indebtedness**

Short-term Debt:

Bond Anticipation Notes – Notes issued in anticipation of proceeds from the subsequent sale of bonds are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of the bonds. Such notes may be classified as long-term debt when (1) the intention is to refinance the debt on a long-term basis and (2) the intention can be substantiated through a post balance-sheet issuance of long-term debt or by an acceptable financing agreement. State law requires that bond anticipation notes issued for capital purposes be converted to long-term financing within five years after the original issue date. The School District currently has one BAN as described above. The interest rate on the BAN is 2.59%. The BAN has an outstanding balance of \$2,800,000 at June 30, 2023.

The following is a summary of changes in short-term debt:

	6/30/2022	Additions	Deletions	6/30/2023
Bond Anticipation Notes	\$ 16,800,000	\$ 2,800,000	\$ 16,800,000	\$ 2,800,000

BANs are comprised of the following:

Payee	Rate	Issued	Date	Purpose	6/30/2023
Cede & Co.	2.59%	7/14/2022	7/14/2023	Improvements	<u>\$2,800,000</u>

Interest expense on the District's BAN obligations amounted to \$252,000 for 2022-2023.

**SARANAC CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
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**Note 7. Indebtedness (continued)**

Long-term Debt: The following is a summary of changes in long-term debt:

	Balance 6/30/2022	Additions	Deletions	Balance 6/30/2023
Serial Bond 2014	\$ 2,875,000	\$ -	\$ 330,000	\$ 2,545,000
Installment Purchase 2013	952,935	-	122,171	830,764
Serial Bond 2022	-	11,060,000	5,000	11,055,000
Compensated Absences	979,149	-	39,004	940,145
Other Post Employment Benefits	143,877,834	-	10,260,206	133,617,628
Bond premiums, net of amortization	296,886	994,577	177,001	1,114,462
Total	<u>\$ 148,981,804</u>	<u>\$ 12,054,577</u>	<u>\$ 10,933,382</u>	<u>\$ 150,102,999</u>

Description of Issue	Issue Date	Final Maturity	Interest Rate	Outstanding at 6/30/23
Serial Bond 2014	6/10/2014	6/15/2030	5.00%	\$ 2,545,000
Installment Purchase 2013	9/6/2013	4/15/2029	3.540%	830,764
Serial Bond 2022	6/15/2022	6/15/2037	5.000%	11,055,000
Plus: Bond premium, net of amortization				1,114,462
Total				<u>\$ 15,545,226</u>

The following is a summary of maturing debt service requirements:

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	\$ 1,031,553	\$ 707,741	\$ 628,045
2025	1,086,093	657,952	1,744,045
2026	1,140,796	605,499	1,746,295
2027	1,195,667	550,378	1,746,045
2028	1,250,714	492,581	1,743,295
2029-2033	4,760,941	1,653,854	6,414,795
2034-2038	3,965,000	507,750	4,472,750
	<u>\$ 14,430,764</u>	<u>\$ 5,175,755</u>	<u>\$ 18,495,270</u>

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

Interest paid	\$ 891,702
Less: interest accrued in the prior year	(254,517)
amortization of bond premium	(177,001)
Plus: interest accrued in the current year	<u>80,927</u>
	<u>\$ 541,111</u>

## Note 8. Pensions

### General information

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

### Provisions and administrations

#### **Teachers' Retirement System (TRS)**

The System is governed by a 10 member Board of Trustees. 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 State statute. Additional information regarding the System, may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395 or by referring to the NYSSTR Comprehensive Annual Financial report which can be found on the System's website at [www.nystrs.org](http://www.nystrs.org).

#### **Employees' Retirement System (ERS)**

The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. 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 State statute. The District also participated in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

### Funding policies

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 to 3.5 percent of their salary for

**SARANAC CENTRAL SCHOOL DISTRICT**  
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**Note 8. Pensions (continued)**

their entire length of service. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education law.

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

CONTRIBUTIONS

	ERS	TRS
2023	\$ 335,298	\$ 1,276,704
2022	\$ 452,383	\$ 1,198,066
2021	\$ 404,184	\$ 1,155,963

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

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

At June 30, 2023 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 March 31, 2023 for ERS and June 30, 2022 for TRS. 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 System relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and TRS Systems in reports provided to the District.

	ERS	TRS
Measurement Date	3/31/2023	6/30/2022
Net Pension asset/(liability)	\$ (2,384,275)	\$ (1,411,129)
District's portion of the Plan's total net pension asset/(liability)	-0.0111186%	-0.073539%
Change in proportion since the prior measurement date	\$ (3,258,950)	\$ (13,515,136)

For the year ended June 30, 2023, the District's recognized pension (income) expense of \$870,461 for ERS and \$1,784,598 for TRS. At June 30, 2023 the District's reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

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**Note 8. Pensions (continued)**

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	TRS	ERS	TRS
Differences between expected and actual experience	\$ 253,944	\$ 1,478,685	\$ 66,959	\$ 28,277
Changes of assumptions	1,157,958	2,737,352	12,798	568,443
Net difference between projected and actual earnings on pension plan investments	-	1,823,313	14,008	-
Changes in proportion and differences between the Districts' contributions and proportionate share of contributions	93,096	173,510	42,122	314,271
District's contributions subsequent to the measurement date	117,003	1,365,869	-	-
Total	<u>\$ 1,622,001</u>	<u>\$ 7,578,729</u>	<u>\$ 135,887</u>	<u>\$ 910,991</u>

District contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset (liability) in the year ending June 30, 2023. Other amounts reported as deferred outflows or resources and deferred inflows of resources related to pension will be recognized in pension expense as follow:

	ERS	TRS
Year ended:		
2023	\$ -	\$ 1,031,441
2024	335,366	520,350
2025	(111,126)	(270,233)
2026	497,981	3,580,450
2027	646,890	439,098
Thereafter	-	763
Total	<u>\$ 1,369,111</u>	<u>\$ 5,301,869</u>

**Actuarial Assumptions**

The total pension asset (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 total pension asset (liability) to the measurement date.



**Note 8. Pensions (continued)**

The actuarial valuation used the following actuarial assumptions:

	<u>ERS</u>	<u>TRS</u>
Measurement date	3/31/2023	6/30/2022
Actuarial valuation date	4/1/2022	6/30/2021
Interest rate	5.9%	6.95%
Salary scale	4.4%	1.95%-5.18%
Decrement tables	April 1, 2015- March 31, 2020 System's Experience	July 1, 2015- June 30, 2020 System Experience
Inflation rate	2.9%	2.40%

For ERS, annuitant mortality rates are based on April 1, 2015 - March 31, 2020 System's experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2021. For TRS, annuitant mortality rates are based on plan member experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2021.

For ERS, the Actuarial assumptions used in the April 1, 2022 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020. For TRS, the actuarial assumptions used in the June 30, 2021 valuation are based on the results of an actuarial experience study for the period July 1, 2015 – June 30, 2020.

The long-term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for each major asset class as well as historical investment data and plan performance. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below:

**Note 8. Pensions (continued)**

	<u>ERS</u>	<u>TRS</u>
Measurement Date	3/31/2023	6/30/2022
Asset Type:	%	%
Domestic equity	4.30	6.50
International equity	6.85	7.20
Private equity	7.50	9.90
Real estate	4.60	6.20
Domestic fixed income securities	1.50	1.10
Opportunistic/ARS portfolio	5.38	-
Credit	5.43	-
Real assets	5.84	-
Cash equivalents	-	(0.30)
Private debt	-	5.30
Global equities	-	6.90
Global bonds	-	0.60
High-yield bonds	-	3.30
Real estate debt	-	2.40

Discount Rate

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

Sensitivity of the Proportionate Share 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 5.9% for ERS and 6.95% 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% lower (4.9% for ERS and 5.95% for TRS) or 1% higher (6.9% for ERS and 7.95% for TRS) than the current rate:

**SARANAC CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

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**Note 8. Pensions (continued)**

ERS	1% Decrease 4.9%	Current Assumption 5.9%	1% Increase 6.9%
Employer's proportionate share of the net pension asset (liability)	\$ (5,761,769)	\$ (2,384,275)	\$ 438,015
TRS	1% Decrease 5.95%	Current Assumption 6.95%	1% Increase 7.95%
Employer's proportionate share of the net pension asset (liability)	\$ (13,011,275)	\$ (1,411,129)	\$ 8,344,517

**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, 2023 represent the projected employer contribution for the period of April 1, 2023 through June 30, 2023 based on paid ERS wages multiplied by the employers' contribution rate, by tier. Accrued retirement contributions as of June 30, 2023 amounted to \$117,003.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2023 are paid to the System in September, October and November 2023 through a state aid intercept. Accrued retirement contributions for the fiscal year ended June 30, 2023 are based on paid TRS wages multiplied by the employer's contribution rate and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2023 amounted to \$1,470,655.

**Note 9. Post-Employment (Health Insurance) Benefits**

The District provides post-employment (health insurance, etc.) coverage to retired employees in accordance with the provisions of various employment contracts. The benefit levels, employee contributions and employer contributions are governed by the District's contractual agreements. Post-employment benefits aggregating \$3,656,651 for 202 employees were charged to expenses/ expenditures in the Governmental Funds in the current year.

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

*Plan Description* – The District's defined benefit OPEB plan, provides OPEB for all permanent full-time 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

**Note 9. Post-Employment (Health Insurance) Benefits (continued)**

employee falls under. The specifics of each contract are on file at the District offices and are available upon request.

*Employees Covered by Benefit Terms* – At June 30, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	212
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>260</u>
	<u><u>472</u></u>

**B. Total OPEB Liability**

The District's total OPEB liability of \$133,671,628 was measured as of July 1, 2022, and was determined by an actuarial valuation as July 1, 2022.

*Actuarial Assumptions and Other Inputs* – The total OPEB liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5 percent
Salary Increases	3.4 percent
Discount Rate	3.54 percent
Healthcare Cost Trend Rates	7.80 percent for 2024, decreasing annually to an ultimate rate of 3.94 percent for 2083 and later years

The discount rate was based on Bond Buyer Weekly 20-Bond GO Index.

Mortality rates were based on the Pub-2010 Mortality Table and adjusted for mortality improvements with scale MP-2021 on a generational basis.

**SARANAC CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**Note 9. Post-Employment (Health Insurance) Benefits (continued)**

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

Balance at June 30, 2022	<u>\$ 143,877,834</u>
<u>Changes for the Year-</u>	
Service Cost	5,011,561
Interest	3,147,056
Changes of benefit terms	188,356
Differences between expected and actual experience	2,108,242
Changes in assumptions or other inputs	(17,054,000)
Benefit payments	<u>(3,661,421)</u>
Net Changes	<u>(10,260,206)</u>
Balance at June 30, 2023	<u><u>\$ 133,617,628</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.14% percent in 2022 to 3.54% percent in 2023.

*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 (2.54 percent) or 1 percentage point higher (4.54 percent) than the current discount rate:

	1% Decrease 2.54%	Discount Rate 3.54%	1% Increase 4.54%
Total OPEB Liability	<u>\$ 157,276,546</u>	<u>\$ 133,617,628</u>	<u>\$ 114,716,801</u>

*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 or 1 percentage point higher than the current healthcare cost trend rate:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability	<u>\$ 112,706,265</u>	<u>\$ 133,617,628</u>	<u>\$ 160,730,387</u>

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

**SARANAC CENTRAL SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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**Note 9. Post-Employment (Health Insurance) Benefits (continued)**

For the year ended June 30, 2023, the District recognized OPEB expense of \$13,586,725. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 10,589,001	\$ -
Changes of assumptions or other inputs	17,464,790	15,016,513
Contributions subsequent to the measurement date	<u>3,942,742</u>	<u>-</u>
Total	<u><u>\$ 31,996,533</u></u>	<u><u>\$ 15,016,513</u></u>

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

Fiscal Year Ending June 30,	Amount
2024	\$ 6,693,959
2025	5,701,028
2026	5,191,644
2027	(1,372,462)
2028	(2,330,905)
2029 and Thereafter	<u>(845,986)</u>
	<u><u>\$ 13,037,278</u></u>

**Note 10. Assigned Fund Balance – Encumbrances**

Assigned Fund Balance – Encumbrances as follows:

<u>General Fund</u>	<u>2023</u>
Finance	\$ 8,600
Central Services	5,720
Instructional Media	<u>5,297</u>
	<u><u>\$ 19,617</u></u>

**Note 11. Commitments and Contingencies**

Risk Financing and Related Insurance - The Saranac Central School District is exposed to the risk of various types of loss which includes torts; theft of, damage to, and destruction of assets; and injuries to employees and students. These risks, and settled claims, 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 the Clinton-Essex-Warren-Washington BOCES Health Insurance Consortium, a non-risk-retained public entity risk pool for its employee health and accident insurance coverage. The pool is operated for the benefit of the individual governmental units located within the pool's geographic area, and is considered a self-sustaining risk pool that will provide unlimited coverage for its members per insured event. The pool obtains independent coverage for insured events, and the District has essentially transferred all related risk to the pool.

The District participates in the Clinton-Essex-Warren-Washington BOCES Workers Compensation Insurance Consortium, a risk-sharing pool, 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 has no liability as of June 30, 2023.

The District has received Federal and State Aid/Grants which are subject to audit by agencies of the Federal and State governments. Such audits may result in disallowances and a request for a return of funds to the Federal and State governments. The District believes disallowances, not previously provided for, if any, will be immaterial.

**Note 12. Joint Venture**

The Saranac Central School is one of 16 component school districts in the Clinton-Essex-Warren-Washington Board of Cooperative Educational Services (BOCES). A BOCES is a voluntary, cooperative association of school districts in a geographic area that share planning, services, and programs which provide educational and support activities.

BOCES are organized under Section 1950 of the Education Law. A BOCES Board is considered a corporate body. All BOCES property is held by the BOCES Board as a corporation (Section 1950(6)). In addition, BOCES Boards are also considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under Section 119-n(a) of the General Municipal Law.

A BOCES' budget is comprised of separate budgets for administrative, program, and capital costs. Each component school district's share of administrative and capital cost is determined by resident public school district enrollment as defined in Education Law, Section 1950(4)(b)(7).

There is no authority or process by which a school district can terminate its status as a BOCES component. In addition, component school districts pay tuition or a service fee for programs in

which its students participate. Members of a BOCES Board are nominated and elected by their component member boards in accordance with provisions of Section 1950 of the Education Law.

**SARANAC CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

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**Note 12. Joint Venture (continued)**

During the year ended June 30, 2023, the Saranac Central School District was billed \$3,705,923 for BOCES administrative and program costs. Participating school districts issue debt on behalf of BOCES. During the year ended June 30, 2023, the Saranac Central School District issued no serial bonds on behalf of BOCES. General-purpose financial statements for the Clinton-Essex-Warren-Washington BOCES are available from BOCES administrative office at P.O. Box 485, Plattsburgh, New York. The District's share of BOCES income amounted to \$1,157,461. BOCES also refunded the District \$60,307 for excess expenses billed in prior years.

**Note 13. Stewardship**

The District's unassigned general fund balance was in excess of the New York State Real Property Tax Law Section 1318 limit, which restricts it to an amount not greater than 4% of the District's budget for the upcoming school year. The unassigned fund balance at June 30, 2023 was \$7,694,322 which represents 19.04% of next year's budget. The excess amounted to \$6,077,669.



**SARANAC CENTRAL SCHOOL DISTRICT**

**COMBINING BALANCE SHEET - NON-MAJOR FUNDS**

**June 30, 2023**

	SCHOLARSHIP FUND	EXTRACLASSROOM ACTIVITIES FUND	Total
<b>ASSETS</b>			
Cash	\$ 154,537	\$ 56,482	\$ 211,019
<b>Total assets</b>	<b>\$ 154,537</b>	<b>\$ 56,482</b>	<b>\$ 211,019</b>
<b>Net Position</b>			
<b>Total Net Position</b>	<b>\$ 154,537</b>	<b>\$ 56,482</b>	<b>\$ 211,019</b>

See Independent Auditor's Report.

**SARANAC CENTRAL SCHOOL DISTRICT**

**COMBINING STATEMENT OF REVENUES AND EXPENDITURES - NON-MAJOR FUNDS**

**Year Ended June 30, 2023**

	SCHOLARSHIP FUND	EXTRACLASROOM ACTIVITIES FUND	Total
<b>REVENUES</b>			
Gifts and contributions	\$ 8,350	\$ -	\$ 8,350
Miscellaneous Revenue	-	58,185	58,185
Use of money and property	78	-	78
<b>Total revenues</b>	<u>8,428</u>	<u>58,185</u>	<u>66,613</u>
<b>EXPENDITURES</b>			
Scholarship and awards	8,000	-	8,000
Disbursements - extraclassroom	-	53,883	53,883
<b>Total expenditures</b>	<u>8,000</u>	<u>53,883</u>	<u>61,883</u>
<b>Change in Net Position</b>	428	4,302	4,730
<b>Net Position, Beginning of Year</b>	<u>154,109</u>	<u>52,180</u>	<u>206,289</u>
<b>Net Postion, End of Year</b>	<u>\$ 154,537</u>	<u>\$ 56,482</u>	<u>211,019</u>

See Independent Auditor's Report.

**SARANAC CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET  
AND THE REAL PROPERTY TAX LIMIT**

**For the Year Ended June 30, 2023**

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Adopted budget		\$ 40,303,794
Additions:		
Encumbrances - fiscal year 2022	\$	158,288
Gifts and donations		14,677
State grant		30,000
<b>Total additions</b>		<u>202,965</u>
Revised budget		<u><u>\$ 40,506,759</u></u>

**SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION**

2023-24 expenditure budget	<u><u>\$ 40,416,336</u></u>
Maximum allowed (4% of 2023-24 budget)	<u><u>1,616,653</u></u>

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

Unrestricted fund balance:		
Committed fund balance	\$	-
Assigned fund balance		2,611,491
Unassigned fund balance		<u>7,836,423</u>
Total unrestricted fund balance		<u>10,447,914</u>
Less:		
Appropriated fund balance	\$	2,591,874
Insurance recovery reserve		-
Tax reduction reserve		142,101
Encumbrances included in assigned fund balance		<u>19,617</u>
Total adjustments		<u>2,753,592</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		<u><u>\$ 7,694,322</u></u>
Actual percentage		<u><u>19.04%</u></u>

See Independent Auditor's Report.

**SARANAC CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF GENERAL FUND REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**

**Year Ended June 30, 2023**

	Adopted Budget	Final Budget	Actual (Budgetary Basis)	Final Budget Variance with Budgetary Actual
Revenues:				
Local Sources:				
Real property taxes	\$ 12,779,153	\$ 12,779,153	\$ 12,728,882	\$ (50,271)
Other tax items	1,759,500	1,759,500	1,811,695	52,195
Charges for services	30,500	30,500	53,710	23,210
Use of money and property	7,700	7,700	212,795	205,095
Sale of property and compensation for loss	15,000	15,000	39,898	24,898
Miscellaneous	138,000	152,677	298,770	146,093
State sources	20,978,905	21,008,905	21,537,226	528,321
Federal sources	75,000	75,000	159,858	84,858
<b>Total Revenues</b>	<b>35,783,758</b>	<b>35,828,435</b>	<b>36,842,834</b>	<b>1,014,399</b>
Other Financing Sources				
Interfund transfers	1,950,000	1,950,000	1,818,431	
<b>Total Other Financing Sources</b>	<b>1,950,000</b>	<b>1,950,000</b>	<b>1,818,431</b>	
Appropriated Fund Balance:				
Prior year appropriated surplus	2,570,036	2,570,036	-	
Prior year encumbrances	-	158,288	-	
<b>Total Appropriated Fund Balance</b>	<b>2,570,036</b>	<b>2,728,324</b>	<b>-</b>	
<b>Total Revenues and Appropriated Fund Balance</b>	<b>\$ 40,303,794</b>	<b>\$ 40,506,759</b>	<b>\$ 38,661,265</b>	

	Adopted Budget	Final Budget	Actual (Budgetary Basis)	Year-end Encumbrances	Final Budget Variance with Budgetary Actual and Encumbrances
Expenditures:					
General support:					
Board of education	\$ 16,860	\$ 14,860	\$ 12,870	\$ -	\$ 1,990
Central administration	236,357	226,294	223,806	-	2,488
Finance	343,563	353,596	340,842	8,600	4,154
Staff	98,837	178,132	174,922	-	3,210
Central services	2,346,688	2,439,029	2,262,825	5,720	170,484
Special items	901,297	900,712	897,717	-	2,995
Instructional:					
Instruction, administration and improvement	985,805	984,466	937,470	-	46,996
Teaching - regular school	8,158,851	8,171,851	8,041,510	-	130,341
Programs for Children with Handicapping	6,387,478	6,382,493	5,050,852	-	1,331,641
Occupational Education	821,341	825,952	825,952	-	-
Instructional media	804,071	812,778	704,974	5,297	102,507
Pupil service	1,551,875	1,584,408	1,519,284	-	65,124
Pupil transportation	2,076,457	2,175,158	2,136,298	-	38,860
Community Services	-	-	-	-	-
Employee benefits	11,954,319	11,474,157	10,301,974	-	1,172,183
Debt Service	3,472,995	3,835,873	3,750,873	-	85,000
<b>Total Expenditures</b>	<b>40,156,794</b>	<b>40,359,759</b>	<b>37,182,169</b>	<b>19,617</b>	<b>3,157,973</b>
Other uses:					
Interfund transfer	147,000	147,000	134,454	-	12,546
<b>Total Expenditures and Other Uses</b>	<b>\$ 40,303,794</b>	<b>\$ 40,506,759</b>	<b>37,316,623</b>	<b>\$ 19,617</b>	<b>\$ 3,170,519</b>
 <b>Net Change in Fund Balance</b>			1,344,642		
 <b>Fund Balance - Beginning</b>			12,319,373		
 <b>Fund Balance - Ending</b>			<u>\$ 13,664,015</u>		

See Independent Auditor's Report.

**SARANAC CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND**  
**Year Ended June 30, 2023**

Project Title	Original Appropriation	Revised Appropriation	Prior Years	Current Year	Total	(Over-expended) Unexpended Balance	Methods of Financing			Total	Fund Balance June 30, 2023
							Proceeds of Obligations	State Aid	Local Sources		
Capital Project Phase I	\$ 19,200,000	\$ 14,841,505	\$ 14,072,779	\$ 768,726	\$ 14,841,505	\$ -	\$ 12,054,577	\$ -	\$ 2,786,928	\$ 14,841,505	\$ -
Capital Project Phase II	4,655,000	4,655,000	-	240,437	240,437	4,414,563	-	-	382,714	382,714	142,277
Electrical Project	100,000	100,000	6,002	75,309	81,311	18,689	-	-	100,000	100,000	18,689
Elevator Project	130,000	130,000	54,084	75,916	130,000	-	-	-	130,000	130,000	-
UV Replacement	100,000	100,000	-	3,090	3,090	96,910	-	-	100,000	100,000	96,910
Smart Schools	1,738,450	1,738,450	1,240,157	-	1,240,157	498,293	-	1,240,157	-	1,240,157	-
Total Project	<u>\$ 25,923,450</u>	<u>\$ 21,564,955</u>	<u>\$ 15,373,022</u>	<u>\$ 1,163,478</u>	<u>\$ 16,536,500</u>	<u>\$ 5,028,455</u>	<u>\$ 12,054,577</u>	<u>\$ 1,240,157</u>	<u>\$ 3,499,642</u>	<u>\$ 16,794,376</u>	<u>\$ 257,876</u>

See Independent Auditor's Report.

**SARANAC CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS**  
**Year Ended June 30, 2023**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Measurement Date	July 1, 2022	July 1, 2021	July 1, 2020	July 1, 2019	July 1, 2018	July 1, 2017
<b>Total OPEB Liability:</b>						
Service Cost	\$ 5,011,561	\$ 5,087,710	\$ 2,798,262	\$ 2,808,156	\$ 2,437,243	\$ 3,164,420
Interest	3,147,056	3,126,091	3,203,088	3,327,995	2,662,287	2,302,372
Changes in benefit terms	188,356	-	-	-	-	-
Differences between expected and actual experience in the Measurement of the total OPEB liability	2,108,242	-	13,049,191	-	11,288,603	-
Changes of assumptions or other inputs	(17,054,000)	1,058,497	31,623,613	1,855,022	(2,601,551)	(9,732,010)
Benefit payments	<u>(3,661,421)</u>	<u>(3,517,659)</u>	<u>(2,538,995)</u>	<u>(2,379,376)</u>	<u>(1,851,049)</u>	<u>(1,829,227)</u>
Net change in total OPEB liability	(10,260,206)	5,754,639	48,135,159	5,611,797	11,935,533	(6,094,445)
Total OPEB liability - beginning	<u>143,877,834</u>	<u>138,123,195</u>	<u>89,988,036</u>	<u>84,376,239</u>	<u>72,440,706</u>	<u>78,535,151</u>
Total OPEB liability - Ending	<u>\$ 133,617,628</u>	<u>\$ 143,877,834</u>	<u>\$ 138,123,195</u>	<u>\$ 89,988,036</u>	<u>\$ 84,376,239</u>	<u>\$ 72,440,706</u>
Covered payroll	<u>\$ 17,506,256</u>	<u>\$ 15,646,029</u>	<u>\$ 16,175,567</u>	<u>\$ 16,175,567</u>	<u>\$ 16,331,362</u>	<u>\$ 16,250,580</u>
Total OPEB liability as a percentage of covered payroll	763%	920%	854%	551%	572%	446%

10 years of historical information will not be available upon implementation. An additional year of historical information will be added each year subsequent to the year of implementation until 10 years of historical data is available.

Changes of assumptions and other inputs reflects the change in the discount rate from 2.14% to 3.54% at the current measurement date.

See Independent Auditor's Report.

**SARANAC CENTRAL SCHOOL DISTRICT**

**NET INVESTMENT IN CAPITAL ASSETS**

**Year Ended June 30, 2023**

Capital Assets, Net	\$ 34,022,571
Deduct:	
Bond anticipation notes	(2,800,000)
Short-term portion of bonds and other long-term debt	(1,031,553)
Long-term portion of bonds other long-term debt	(13,399,211)
Premiums included with bonds payable	<u>(1,114,462)</u>
Net investment in capital assets	<u><u>\$ 15,677,345</u></u>



**SARANAC CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**Year Ended June 30, 2023**

NYSERS Pension Plan  
 Last 10 Fiscal Years\*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability (asset)	0.0111186%	-0.0106999%	0.0096807%	0.0095705%	0.0094059%	0.0100000%	0.0094871%	0.0096412%	0.0098124%	
District's proportionate share of the net pension liability (asset)	\$ 2,384,275	\$ (874,675)	\$ 9,639	\$ 2,534,332	\$ 666,433	\$ 302,105	\$ 891,425	\$ 1,547,443	\$ 331,488	
District's covered- employee payroll	\$ 4,338,401	\$ 4,460,983	\$ 3,504,193	\$ 3,667,824	\$ 3,525,571	\$ 3,039,227	\$ 2,690,714	\$ 2,870,811	\$ 2,782,289	
Districts proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	54.96%	-19.61%	0.28%	69.10%	18.90%	9.94%	33.13%	53.90%	11.91%	
Plan fiduciary net position as a percentage of the total pension liability	90.78%	-103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.95%	

\* The amounts presented for each fiscal year were determined as of 06/30

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the District is presenting information for those years for which information is available.

See Independent Auditor's Report

**SARANAC CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS**

**Year Ended June 30, 2023**

NYSERS Pension Plan  
Last 10 Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 335,298	\$ 452,383	\$ 404,184	\$ 402,583	\$ 428,639	\$ 425,816	\$ 418,769	\$ 477,165	\$ 529,606	\$ 531,585
Contributions in relation to the contractually required contribution	\$ 335,298	\$ 452,383	\$ 404,184	\$ 402,583	\$ 428,639	\$ 425,816	\$ 418,769	\$ 477,165	\$ 529,606	\$ 531,585
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Districts covered-employee payroll	\$ 4,338,401	\$ 4,460,983	\$ 4,460,983	\$ 3,504,193	\$ 3,667,824	\$ 3,525,571	\$ 3,039,227	\$ 2,870,811	\$ 2,782,289	
Contributions as a percentage of covered employee payroll	7.7%	10.1%	9.1%	11.5%	11.7%	12.1%	13.8%	16.6%	19.0%	

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the District is presenting information for those years for which information is available.

See Independent Auditor's Report

**SARANAC CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**Year Ended June 30, 2023**

	NYSTRS Pension Plan Last 10 Fiscal Years*									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability (asset)	0.073539%	-0.069848%	0.072652%	-0.074542%	-0.070726%	-0.071953%	0.071985%	-0.073911%	-0.075852%	-0.075199%
District's proportionate share of the net pension liability (asset)	\$ 1,411,129	\$ (12,104,007)	\$ 2,007,559	\$ (1,936,610)	\$ (1,278,921)	\$ (546,912)	\$ 770,988	\$ (7,677,012)	\$ (8,449,478)	\$ (494,997)
District's covered- employee payroll	\$ 13,708,887	\$ 11,755,105	\$ 12,112,035	\$ 12,507,743	\$ 12,709,287	\$ 11,708,690	\$ 11,323,099	\$ 11,292,665	\$ 11,262,739	
Districts proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	10.29%	-102.97%	16.57%	-15.48%	-10.06%	-4.67%	6.81%	-67.98%	-75.02%	
Plan fiduciary net position as a percentage of the total pension liability	98.6%	-113.3%	97.8%	-102.2%	-101.5%	-100.7%	99.0%	-110.5%	-111.5%	

\* The amounts presented for each fiscal year were determined as of 06/30

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the District is presenting information for those years for which information is available.

See Independent Auditor's Report

**SARANAC CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS**

**Year Ended June 30, 2023**

NYSTRS Pension Plan  
Last 10 Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 1,276,704	\$ 1,129,826	\$ 1,092,144	\$ 1,321,372	\$ 1,129,013	\$ 1,336,329	\$ 1,472,919	\$ 1,946,261	\$ 1,820,743	\$ 1,350,592
Contributions in relation to the contractually required contribution	\$ 1,276,704	\$ 1,129,826	\$ 1,092,144	\$ 1,321,372	\$ 1,129,013	\$ 1,336,329	\$ 1,472,919	\$ 1,946,261	\$ 1,820,743	\$ 1,350,592
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Districts covered-employee payroll	\$ 13,708,887	\$ 11,755,105	\$ 11,755,105	\$ 12,112,035	\$ 12,507,743	\$ 12,709,287	\$ 11,708,690	\$ 11,292,665		
Contributions as a percentage of covered employee payroll	9.31%	9.61%	9.29%	10.91%	9.03%	10.51%	12.58%	17.23%		

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the District is presenting information for those years for which information is available.

See Independent Auditor's Report

**SARANAC CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**Year Ended June 30, 2023**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b>U.S. Department of Education</b>			
<b>Pass-Through New York State Department of Education:</b>			
Special Education Cluster:			
IDEA Part B Section 611	84.027A	0032-23-0141	\$ 450,699
Covid 19 IDEA Part B Section 611 - ARP	84.027X	5532-22-0141	54,275
IDEA Part B Section 619	84.173A	0033-23-0141	19,302
Covid 19 IDEA Part B Section 619 - ARP	84.173X	5533-22-0141	7,494
Total Special Education Cluster			<u>531,770</u>
 Title I	84.010A	0021-23-0515	<u>330,990</u>
Title II Principal & Teacher	84.367A	0147-23-0515	<u>38,706</u>
Title IV SSAE Allocation	84.424A	0204-23-0515	<u>23,469</u>
 COVID 19 - Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act - Learning Loss	84.425U	5884-21-0515	103,783
COVID 19 - Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act - ESSER 2	84.425D	5891-21-0515	793,250
COVID 19 - Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act - GEER 2	84.425C	5896-21-0515	9,843
COVID 19 - Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act - ARP - ESSER 3	84.425U	5880-21-0515	1,160,043
COVID 19 - Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act - ARP - Summer Enrichment	84.425U	5882-21-0515	17,485
COVID 19 - Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act - ARP - After School	84.425U	5883-21-0515	81,701
Total Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act			<u>2,166,105</u>
 <b>Total U.S. Department of Education</b>			<u>3,091,040</u>
<b>U.S. Department of Homeland Security</b>			
<b>Pass-Through New York State Homeland Security and Emergency Services:</b>			
Disaster Grants - Public Assistance	97.036		<u>78,422</u>
 Total U.S. Department of Homeland Security			<u>78,422</u>
<b>U.S. Department of Agriculture:</b>			
<b>Pass-Through New York State Department of Education:</b>			
National School Breakfast Program	10.553		90,232
National School Lunch Program	10.555		316,336
National School Lunch Program - Surplus	10.555		37,808
Total Child Nutrition Cluster			<u>444,376</u>
 <b>Total Department of Agriculture</b>			<u>444,376</u>
 <b>Total Federal Assistance Expended</b>			<u>\$ 3,613,838</u>

See Notes to Schedule of Expenditures of Federal Rewards

## **SARANAC CENTRAL SCHOOL DISTRICT**

### **NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**June 30, 2023**

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#### **Note 1. Summary of Certain 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 the requirements of Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). 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 that they are included in the federal financial reports used as the source for the data presented. The District's policy is not to charge federal award programs with indirect costs.

# ***BOULRICE & WOOD CPAS, P.C.***

***Certified Public Accountants***

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***MICHAEL L. BOULRICE, CPA***

***STEPHEN P. WOOD, CPA***

## **INDEPENDENT AUDITOR'S 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 Board of Education  
Saranac Central School District  
Saranac, New York 12981

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, the business-type activities, each major fund and the aggregate remaining fund information of Saranac Central School District as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Saranac Central School District's basic financial statements and have issued our report thereon dated September 30, 2023.

### **Report on Internal Control Over Financial Reporting**

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Saranac Central School District'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 the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We identified certain deficiencies in internal control, described in the accompanying Schedule of

Findings and Questions Costs as item 2023-001 that we consider to be significant deficiencies.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Saranac Central School 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 instances of noncompliance or other matters that are required to be reported under Government *Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2023-001.

## **District's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Saranac Central School District's response to the findings identified in our audit and described in the accompanying schedule of finding and questions costs. The Saranac Central School District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and accordingly we express no opinion on the response.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

*Boulrice & Wood CPAs, PC*

September 30, 2023



# ***BOULRICE & WOOD CPAS, P.C.***

## ***Certified Public Accountants***

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***MICHAEL L. BOULRICE, CPA***

***STEPHEN P. WOOD, CPA***

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

To the Board of Education  
Saranac Central School District  
Saranac, New York 12981

#### **Report on Compliance for Each Major Federal Program**

#### **Opinion on Each Major Federal Program**

We have audited Saranac Central School District's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Saranac Central School District's major federal programs for the year ended June 30, 2023. Saranac Central School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Saranac Central School 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, 2023.

#### ***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

#### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the

requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Saranac Central School District's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

### **Report on Internal Control over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over

compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

*Boulrice & Wood CPAs, PC*

September 30, 2023

**SARANAC CENTRAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2023**

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**SECTION I - SUMMARY OF AUDIT RESULTS**

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Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

· Material weakness(es) identified? ☐ yes ☒ no

· Significant deficiencies identified that are not considered to be material weaknesses? ☒ yes ☐ none reported

Noncompliance material to financial statements noted? ☐ yes ☒ no

Federal Awards

Internal control over major programs:

· Material weakness(es) identified? ☐ yes ☒ no

· Significant deficiencies identified not considered to be a material weakness? ☐ yes ☒ 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 2 CFR Section 200.516(a) ☐ yes ☒ no

Identification of Major Programs

CFDA Number(s)

Name of Federal Program or Cluster

84.425U	COVID 19 - Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act - Learning Loss
84.425D	COVID 19 - Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act - ESSER 2
84.425C	COVID 19 - Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act - GEER 2
84.425U	COVID 19 - Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act - ARP - ESSER 3
84.425U	COVID 19 - Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act - ARP - Summer Enrichment
84.425U	COVID 19 - Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act - ARP - After School

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

Auditee qualified as low-risk Auditee? ☒ yes ☐ no

**SARANAC CENTRAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
JUNE 30, 2023**

**SECTION II – FINANCIAL STATEMENTS**

**2023-001 Excess Fund Balance**

Condition: The District's unassigned general fund balance was 19.04% of the 2023-2024 budget.

Effect: The District's unassigned general fund balance was 15.04% or \$6,077,669 over the amount allowable by law.

Cause: Actual expenditures are significantly less than budgeted amounts.

Criteria: According to New York State Real Property Tax Law Section 1318, a district's unappropriated fund balance may not exceed an amount equal to 4% of next year's budget.

Recommendation: We recommend the District keep this law in mind when preparing the next year's budget.

View of Responsible Officials and Planned Corrective Action: The Board of Education plans to use fund balance in future budgets to provide stability to taxpayers in a fiscally responsible manner. Each year the Superintendent, Business Manager, and Board of Education will review fund balance and designate an amount that will continue to maintain the educational programs of the District.

**SECTION III – MAJOR FEDERAL AWARDS**

There were no current period findings or questioned costs.



# Saranac Central School District

PO Box B, Saranac, New York 12981 • Tel: (518) 565-5600 • Fax: (518) 565-5617

October 2, 2023

To Whom It May Concern:

On behalf of the Saranac Central School District, this letter serves as the District's corrective action plan for the Financial Report and Management Letter for the audit period July 1, 2022 through June 30, 2023.

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 in 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.

## Audit Finding #23-D01

The audit finding reported is excess fund balance.

## Criteria

According to New York State Real Property Tax Law Section 1316, a district's unappropriated fund balance may not exceed an amount equal to 4% of next year's budget.

## Audit Recommendation

We recommend the district keep in mind this rule when preparing next year's budget.

## Corrective Action Plan

The Board of Education plans to use fund balance in future budgets to provide stability to taxpayers in a fiscally responsible manner. Each year the Superintendent, Business Manager and Board of Education will review fund balance and designate an amount that will continue to maintain the educational programs of the district.

## Person Responsible

The Superintendent of Schools, Javier Perez, will annually review the fund balance with the Board of Education and Business Manager to determine the amount to appropriate for the following budget year.

## Completion Date

The plan is to reduce fund balance to 4% over the next few years. The District hopes to accomplish this by June 30, 2026.

## Audit Comment – ERS Retirement Reserve

It was suggested that the District consult with an attorney regarding the reasonableness of the reserve balance.

Administration: Javier Perez, Superintendent of Schools – Danielle McAfee, Business Manager  
Officers of Board: Amber Parotte, Clerk – Holly Weighman, Treasurer  
Board of Education: Tracy Allen-Waite, Pres – Charlene Favara, Vice-Pres. – Amy Bolan – Don Ashline – Beaudet – Norman Lewis – Michelle Polkey

Corrective Action Plan

For the District's attorney there is no cap or maximum amount permitted to be held in this reserve fund. Based upon this information the attorney recommended that the District maintain the fund at or about its current amount and not put any further funds into this reserve fund until disbursements are made from it.

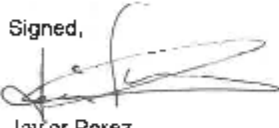
Person Responsible

The Superintendent of Schools, Javier Perez, will annually review the fund balance reserve with the Board of Education and Business Manager.

Completion Date

February 13, 2023.

Signed,

A handwritten signature in black ink, appearing to be 'Javier Perez', written over a horizontal line.

Javier Perez  
Superintendent of Schools

**SARANAC CENTRAL SCHOOL DISTRICT  
SUMMARY OF PRIOR YEAR AUDIT FINDINGS  
JUNE 30, 2023**

Finding 2022-001: Excess Fund Balance

Condition: The finding was a compliance finding, whereby, the District's unassigned general fund balance was 16.34% of the 2022-2023 budget.

Recommendation: The auditor recommended to keep this law in mind when preparing next year's budget.

Current Status: A similar finding was noted in the 2023 audit and is referenced as 2023-001.



# ***BOULRICE & WOOD CPAS, P.C.***

## ***Certified Public Accountants***

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***MICHAEL L. BOULRICE, CPA***

***STEPHEN P. WOOD, CPA***

### **INDEPENDENT AUDITOR'S REPORT**

To the School Board  
Saranac Central School District  
Saranac, New York

#### **Opinions**

We have audited the accompanying statements of assets, liabilities and fund balance – cash basis and the related statement of receipts, disbursements and ending balances – cash basis of the Extraclassroom Activity Funds of the Saranac Central School District as of and for the year June 30, 2023, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund balance – cash basis of the Extraclassroom Activity Funds of the Saranac Central School District as of June 30, 2023, and its receipts, disbursements and ending balances – cash basis thereof for the year then ended in accordance with the basis of accounting as described in Note 1

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Saranac Central School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Emphasis of Matter—Basis of Accounting**

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are 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 opinions are not modified with respect to this matter.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1, and for 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 Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

*Boulrice & Wood CPAs, PC*

Boulrice & Wood CPAs, PC  
September 30, 2023

**SARANAC CENTRAL SCHOOL DISTRICT  
EXTRACLASSROOM ACTIVITY FUNDS**

**STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE - CASH BASIS  
June 30, 2023 and 2022**

	<u><b>6/30/2023</b></u>	<u><b>6/30/2022</b></u>
Assets		
Cash	<u><b>\$ 56,482</b></u>	<u><b>\$ 52,180</b></u>
Total Assets	<u><b>\$ 56,482</b></u>	<u><b>\$ 52,180</b></u>
Fund Balance		
Extraclassroom Activity	<u><b>\$ 56,482</b></u>	<u><b>\$ 52,180</b></u>
Total Fund Balance	<u><b>\$ 56,482</b></u>	<u><b>\$ 52,180</b></u>

See Notes to the Financial Statements – Extraclassroom Activity Funds

**SARANAC CENTRAL SCHOOL DISTRICT  
EXTRACLASSROOM ACTIVITY FUNDS**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND ENDING BALANCES  
Year Ended June 30, 2023**

Activity	Balance June 30, 2022	Receipts	Disbursements	Balance June 30, 2023
Saranac HS Art Club	\$ 49	\$ 200	\$ 247	\$ 2
Saranac HS Band	609	-	220	389
Saranac HS Class of 2022	2,424	-	2,424	-
Saranac HS Class of 2023	8,349	2,945	6,457	4,837
Saranac HS Class of 2024	9,300	7,499	10,658	6,141
Saranac HS Class of 2025	2,032	11,904	6,430	7,506
Saranac HS Class of 2026	-	4,455	-	4,455
Saranac HS Drama Club	4,087	8,456	6,647	5,896
Saranac HS Key Club	3,169	311	489	2,991
Saranac HS Library Club	779	2,350	149	2,980
Saranac HS NHS	208	1,441	1,558	91
Saranac HS Multicultural Club	536	1,750	763	1,523
Saranac HS Student Council	1,484	3,982	3,792	1,674
Saranac HS Outdoor Club	1,871	-	-	1,871
Saranac HS Yearbook	7,268	7,813	11,181	3,900
Saranac MS Student Council	1,322	2,336	1,026	2,632
Saranac MS Drama	7,487	2,314	1,304	8,497
Saranac MS Builders Club	896	74	208	762
Saranac HS SADD	310	355	330	335
	<u>\$ 52,180</u>	<u>\$ 58,185</u>	<u>\$ 53,883</u>	<u>\$ 56,482</u>

. See Notes to the Financial Statements – Extraclassroom Activity Funds

**SARANAC CENTRAL SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

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**Note 1. Summary of Significant Accounting Policies**

Basis of Accounting: The books and records of the Saranac Central School District's Extraclassroom Activity Funds are maintained on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Under this basis of accounting, revenues are recognized when cash is received and expenditures are recognized when cash is disbursed.

Basis of Presentation: The Extraclassroom Activity Funds of the Saranac Central School District represent funds of the students of the District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the District with respect to its financial transactions and the designation of student management. The cash and investment balances are reported in the Trust and Agency Funds of the District.

Cash Equivalents: For financial statement purposes all highly liquid investments having maturities of three months or less are considered as cash equivalents.