

**PRELIMINARY OFFICIAL STATEMENT**

**NEW & RENEWAL ISSUE**

**BOND ANTICIPATION NOTES**

*In the opinion of Trespasz & Marquardt, LLP, Bond Counsel to the School District, under existing status and court decisions and assuming continuing compliance with certain tax certifications described herein, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is excluded from adjusted gross income for purposes of New York State and New York City personal income taxes. Interest on the Notes is not treated as a preference item in calculating alternative minimum tax under the Code, however for tax years beginning after December 31, 2022, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual of interest on the Notes. See "TAX MATTERS" herein.*

*The Notes will be "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.*

**\$3,330,000**

**SARANAC CENTRAL SCHOOL DISTRICT  
CLINTON COUNTY, NEW YORK**



**GENERAL OBLIGATIONS  
CUSIP BASE #803225**

**\$3,330,000 Bond Anticipation Notes, 2023  
(the "Notes")**

**Dated: July 13, 2023**

**Due: July 12, 2024**

The Notes are general obligations of the Saranac Central School District, Clinton County, New York (the "School District" or "District"), all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount. See "THE NOTES – Nature of the Obligation" and "TAX LEVY LIMITATION LAW" herein.

At the option of the purchaser(s), the Notes will be issued in (i) registered form in the name of the purchaser(s) or (ii) book-entry-only form registered to Cede & Co., as the partnership nominee for The Depository Trust Company, New York, New York ("DTC").

If the Notes are issued as registered in the name of the purchaser, principal of and interest on the Notes will be payable in Federal Funds at the office of the School District. The Notes will be issued in denominations of \$5,000 or integral multiples thereof. A single note certificate will be issued for Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser at such interest rate.

If the Notes are issued in book-entry-only form, such notes will be delivered to DTC, which will act as securities depository for the Notes. Beneficial owners will not receive certificates representing their interest in the Notes. Individual purchases may be made in denominations of \$5,000 or integral multiples thereof. A single note certificate will be issued for those Notes bearing the same rate of interest and CUSIP number in the aggregate principal amount awarded to such purchaser(s) at such interest rate. Principal of and interest on said Notes will be paid in Federal Funds by the District to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to its participants for subsequent distribution to the beneficial owners of the Notes as described herein. Transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The District will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. (See "BOOK-ENTRY-ONLY SYSTEM" herein).

The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the unqualified legal opinion as to the validity of the Notes of Trespasz & Marquardt, LLP, Syracuse, New York, Bond Counsel to the School District. It is anticipated that the Notes will be available for delivery in Jersey City, New Jersey, as may be agreed upon, on or about July 13, 2023.

**ELECTRONIC BIDS for the Notes must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via [www.FiscalAdvisorsAuction.com](http://www.FiscalAdvisorsAuction.com) on June 29, 2023 until 11:00 A.M., Eastern Time, pursuant to the Notice of Sale. No other form of electronic bidding services will be accepted. No bid will be received after the time for receiving bids specified above. Bids may also be submitted by facsimile at (315) 930-2354. Once the bids are communicated electronically via Fiscal Advisors Auction or facsimile to the District, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale.**

June 22, 2023

THE SCHOOL DISTRICT DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE "RULE"), EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH SAID RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE OBLIGATIONS HEREIN DESCRIBED. THIS OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDER(S), AS MORE FULLY DESCRIBED IN THE NOTICES OF SALE WITH RESPECT TO THE OBLIGATIONS HEREIN DESCRIBED. THE SCHOOL DISTRICT WILL COVENANT IN AN UNDERTAKING TO PROVIDE NOTICE OF CERTAIN MATERIAL EVENTS AS DEFINED IN THE RULE. SEE "APPENDIX – C, MATERIAL EVENT NOTICES" HEREIN.

# SARANAC CENTRAL SCHOOL DISTRICT CLINTON COUNTY, NEW YORK

## SCHOOL DISTRICT OFFICIALS

2022-2023 BOARD OF EDUCATION

TRACY ALLEN-WAITE  
President



CHARLENE FAVARO  
Vice President

AMY BELAIR  
NORMAN LEWIS  
DANIEL ASHLINE-BEAUDET  
MICHELLE PELKEY  
VACANT

\* \* \* \* \*

JAVIER PEREZ  
Superintendent of Schools

DANIELLE MCAFEE  
Business Administrator

HOLLY WEIGHTMAN  
School District Treasurer



FISCAL ADVISORS & MARKETING, INC.  
Municipal Advisor



TRESPASZ & MARQUARDT, LLP  
BOND COUNSEL

No person has been authorized by the School District to give any information or to make any representations not contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy any of the Notes in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The information, estimates and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the School District.

**TABLE OF CONTENTS**

	<u>Page</u>		<u>Page</u>
<b>THE NOTES</b> .....	<b>1</b>	<b>STATUS OF INDEBTEDNESS (cont.)</b>	
Purpose of Issue .....	1	Cash Flow Borrowings.....	23
Nature of the Obligation.....	2	Capital Project Plans .....	23
<b>BOOK-ENTRY-ONLY SYSTEM</b> .....	<b>3</b>	Estimated Overlapping Indebtedness .....	24
Certificated Notes.....	4	Debt Ratios.....	24
<b>THE SCHOOL DISTRICT</b> .....	<b>5</b>	<b>SPECIAL PROVISIONS AFFECTING</b>	
General Information .....	5	<b>REMEDIES UPON DEFAULT</b> .....	<b>25</b>
Population .....	5	<b>CONTINUING DISCLOSURE</b> .....	<b>25</b>
Wealth and Income Indicators.....	5	Historical Compliance .....	25
Larger Employers.....	6	<b>MARKET AND RISK FACTORS</b> .....	<b>25</b>
Unemployment Rate Statistics .....	6	<b>TAX MATTERS</b> .....	<b>26</b>
Form of School Government.....	6	<b>LEGAL MATTERS</b> .....	<b>27</b>
Budgetary Procedures .....	6	<b>LITIGATION</b> .....	<b>27</b>
Investment Policy.....	7	<b>MUNICIPAL ADVISOR</b> .....	<b>27</b>
State Aid.....	7	<b>RATING</b> .....	<b>27</b>
State Aid Revenues .....	11	<b>CUSIP IDENTIFICATION NUMBERS</b> .....	<b>28</b>
District Facilities .....	12	<b>MISCELLANEOUS</b> .....	<b>28</b>
Enrollment Trends.....	12	<b>APPENDIX - A</b>	
Employees.....	12	<b>GENERAL FUND - Balance Sheets</b>	
Status and Financing of Employee Pension Benefits .....	12	<b>APPENDIX - A1</b>	
Other Post-Employment Benefits.....	15	<b>GENERAL FUND – Revenues, Expenditures and</b>	
Other Information.....	16	<b>Changes in Fund Balance</b>	
Financial Statements .....	16	<b>APPENDIX - A2</b>	
New York State Comptroller Report of Examination.....	17	<b>GENERAL FUND – Revenues, Expenditures and</b>	
The State Comptroller’s Fiscal Stress Monitoring System...	17	<b>Changes in Fund Balance - Budget and Actual</b>	
<b>TAX INFORMATION</b> .....	<b>18</b>	<b>APPENDIX – B</b>	
Taxable Assessed Valuations .....	18	<b>BONDED DEBT SERVICE</b>	
Tax Rate Per \$1,000 (Assessed).....	18	<b>APPENDIX – B1</b>	
Tax Levy and Tax Collection Record.....	18	<b>CURRENT BONDS OUTSTANDING</b>	
Tax Collection Procedure.....	18	<b>APPENDIX - C</b>	
Real Property Tax Revenues .....	19	<b>MATERIAL EVENT NOTICES</b>	
Larger Taxpayers 2022 for 2022-23 Tax Roll.....	19	<b>APPENDIX - D</b>	
STAR - School Tax Exemption.....	20	<b>AUDITED FINANCIAL STATEMENTS AND</b>	
Additional Tax Information.....	20	<b>SUPPLEMENTARY INFORMATION- JUNE 30, 2022</b>	
<b>TAX LEVY LIMITATION LAW</b> .....	<b>20</b>	<b>APPENDIX - E</b>	
<b>STATUS OF INDEBTEDNESS</b> .....	<b>21</b>	<b>FORM OF BOND COUNSEL’S OPINION</b>	
Constitutional Requirements .....	21		
Statutory Procedure .....	21		
Debt Outstanding End of Fiscal Year.....	22		
Details of Outstanding Indebtedness .....	22		
Debt Statement Summary.....	23		
Bonded Debt Service.....	23		

PREPARED WITH THE ASSISTANCE OF



Fiscal Advisors & Marketing, Inc.  
 250 South Clinton Street, Suite 502  
 Syracuse, New York 13202  
 (315) 752-0051  
<http://www.fiscaladvisors.com>

**OFFICIAL STATEMENT**  
**OF THE**  
**SARANAC CENTRAL SCHOOL DISTRICT**  
**CLINTON COUNTY, NEW YORK**  
**RELATING TO**  
**\$3,330,000 Bond Anticipation Notes, 2023**

This Official Statement, which includes the cover page, has been prepared by the Saranac Central School District, Clinton County, New York (the "School District" or "District", "County", and "State", respectively) in connection with the sale by the District of \$3,330,000 principal amount of Bond Anticipation Notes, 2023 (the "Notes").

The factors affecting the District's financial condition and the Notes are described throughout this Official Statement. Inasmuch as many of these factors, including economic and demographic factors, are complex and may influence the District tax base, revenues, and expenditures, this Official Statement should be read in its entirety, and no one factor should be considered more or less important than any other by reason of its relative position in this Official Statement.

All quotations from and summaries and explanations of provisions of the Constitution and laws of the State and acts and proceedings of the District contained herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof, and all references to the Notes and the proceedings of the District relating thereto are qualified in their entirety by reference to the definitive forms of the Notes and such proceedings.

**THE NOTES**

The Notes will be dated July 13, 2023 and will mature July 12, 2024. The Notes are not subject to redemption prior to maturity.

The Notes are general obligations of the School District and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Notes as required by the Constitution and laws of the State of New York (State Constitution, Art. VIII, Section 2: Local Finance Law, Section 100.00). All the taxable real property within the School District is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount. See "THE NOTES - Nature of the Obligation" hereunder and "TAX LEVY LIMITATION LAW" herein.

At the option of the successful bidder(s), the Notes will be registered in the name of the purchaser in the denominations of \$5,000 or multiples thereof as determined by the successful bidder(s). Principal and interest will be payable in Federal Funds at maturity at such bank(s) or trust company(ies) located and authorized to do business in the State of New York, as may be determined by such successful bidder(s) with paying agent fees, if any paid by the successful bidder(s), or as stated below.

Alternatively, at the option of the successful bidder, the Notes will be registered in the name of Cede & Co. as nominee of The Depository Trust Company (DTC), New York, New York, which will act as the securities depository for the Notes. In such case, Noteholders will not receive certificates representing their ownership interest in the notes purchased. In such case, under this option, payment of the principal of and interest on the Notes to the Beneficial Owner of the Notes will be made by DTC Participants and Indirect Participants in accordance with standing instructions and customary practices. Payment will be the responsibility of the DTC, subject to any statutory and regulatory requirements as may be in effect from time to time. See "Book-Entry-Only System" herein.

**Purpose of Issue**

On January 29, 2019, the qualified voters of the District approved a proposition authorizing renovations and improvements to all District facilities, including safety and security improvements, roof replacement, parking and athletic improvements at a maximum estimated cost of \$19,200,000, with such cost being funded with \$1,000,000 from the District's existing Capital Reserve Fund and the balance of such cost, not in excess of \$18,200,000, through the issuance of the District's serial bonds and bond anticipation notes. The Notes are being issued pursuant to a bond resolution duly adopted by the Board of Education on February 11, 2019.

The proceeds of the Notes, along with \$50,000 available funds of the District, will renew and partially redeem bond anticipation notes maturing on July 14, 2023 and will provide \$550,000 in new monies for this Capital Project.

## Nature of the Obligation

Each Note when duly issued and paid for will constitute a contract between the District and the holder thereof.

Holders of any series of notes or bonds of the District may bring an action or commence a proceeding in accordance with the civil practice law and rules to enforce the rights of the holders of such series of notes or bonds.

The Notes will be general obligations of the District and will contain a pledge of the faith and credit of the District for the payment of the principal thereof and the interest thereon as required by the Constitution and laws of the State. For the payment of such principal and interest, the District has power and statutory authorization to levy ad valorem taxes on all real property within the District subject to such taxation by the District, subject to applicable statutory limitations.

Although the State Legislature is restricted by Article VIII, Section 12 of the State Constitution from imposing limitations on the power to raise taxes to pay “interest on or principal of indebtedness theretofore contracted” prior to the effective date of any such legislation, the New York State Legislature may from time to time impose additional limitations or requirements on the ability to increase a real property tax levy or on the methodology, exclusions or other restrictions of various aspects of real property taxation (as well as on the ability to issue new indebtedness). On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (the “Tax Levy Limitation Law” or “Chapter 97”). The Tax Levy Limitation Law applies to local governments and school districts in the State (with certain exceptions) and imposes additional procedural requirements on the ability of municipalities and school districts to levy certain year-to-year increases in real property taxes.

Under the Constitution of the State, the District is required to pledge its faith and credit for the payment of the principal of and interest on the Notes and is required to raise real estate taxes, and without specification, other revenues, if such levy is necessary to repay such indebtedness. While the Tax Levy Limitation Law imposes a statutory limitation on the District’s power to increase its annual tax levy, with the amount of such increase limited by the formulas set forth in the Tax Levy Limitation Law, it also provides the procedural method to surmount that limitation. See “TAX LEVY LIMITATION LAW,” herein.

The Constitutionally-mandated general obligation pledge of municipalities and school districts in New York State has been interpreted by the Court of Appeals, the State’s highest court, in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976), as follows:

“A pledge of the City’s faith and credit is both a commitment to pay and a commitment of the City’s revenue generating powers to produce the funds to pay. Hence, an obligation containing a pledge of the City’s “faith and credit” is secured by a promise both to pay and to use in good faith the City’s general revenue powers to produce sufficient funds to pay the principal and interest of the obligation as it becomes due. That is why both words, “faith” and “credit” are used and they are not tautological. That is what the words say and this is what the courts have held they mean...So, too, although the Legislature is given the duty to restrict municipalities in order to prevent abuses in taxation, assessment, and in contracting of indebtedness, it may not constrict the City’s power to levy taxes on real estate for the payment of interest on or principal of indebtedness previously contracted...While phrased in permissive language, these provisions, when read together with the requirement of the pledge and faith and credit, express a constitutional imperative: debt obligations must be paid, even if tax limits be exceeded”.

In addition, the Court of Appeals in the Flushing National Bank (1976) case has held that the payment of debt service on outstanding general obligation bonds and notes takes precedence over fiscal emergencies and the police power of political subdivisions in New York State.

The pledge has generally been understood as a promise to levy property taxes without limitation as to rate or amount to the extent necessary to cover debt service due to language in Article VIII Section 10 of the Constitution, which provides an exclusion for debt service from Constitutional limitations on the amount of a real property tax levy, ensuring the availability of the levy of property tax revenues to pay debt service. As the Flushing National Bank (1976) Court noted, the term “faith and credit” in its context is “not qualified in any way”. Indeed, in Flushing National Bank v. Municipal Assistance Corp., 40 N.Y.2d 1088 (1977) the Court of Appeals described the pledge as a direct constitutional mandate. In Quirk v. Municipal Assistance Corp., 41 N.Y.2d 644 (1977), the Court of Appeals stated that, while holders of general obligation debt did not have a right to particular revenues such as sales tax, “with respect to traditional real estate tax levies, the bondholders are constitutionally protected against an attempt by the State to deprive the city of those revenues to meet its obligations.” According to the Court in Quirk, the State Constitution “requires the city to raise real estate taxes, and without specification other revenues, if such a levy be necessary to repay indebtedness.”

In addition, the Constitution of the State requires that every county, city, town, village, and school district in the State provide annually by appropriation for the payment of all interest and principal on its serial bonds and certain other obligations, and that, if at any time the respective appropriating authorities shall fail to make such appropriation, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. In the event that an appropriating authority were to make

an appropriation for debt service and then decline to expend it for that purpose, this provision would not apply. However, the Constitution of the State does also provide that the fiscal officer of any county, city, town, village, or school district may be required to set apart and apply such first revenues at the suit of any holder of any such obligations.

In Quirk v. Municipal Assistance Corp., the Court of Appeals described this as a “first lien” on revenues, but one that does not give holders a right to any particular revenues. It should thus be noted that the pledge of the faith and credit of a political subdivision in New York State is a pledge of an issuer of a general obligation bond or note to use its general revenue powers, including, but not limited to, its property tax levy to pay debt service on such obligations, but that such pledge may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues.

While the courts in New York State have historically been protective of the rights of holders of general obligation debt of political subdivisions, it is not possible to predict what a future court might hold.

### **BOOK-ENTRY-ONLY SYSTEM**

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Notes, if the Purchaser so elects. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Note certificate will be issued for the Notes, in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC’s records. The ownership interest of each actual purchaser of each Note (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Notes, such as redemptions, tenders, defaults, and proposed amendments to the Note documents. For example, Beneficial Owners of Notes may wish to ascertain that the nominee holding the Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Principal and interest payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the District. Under such circumstances, in the event that a successor depository is not obtained, note certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, note certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

Source: The Depository Trust Company.

THE DISTRICT CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE NOTES (1) PAYMENTS OF PRINCIPAL OF OR INTEREST ON THE NOTES; (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE NOTES; OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE NOTES, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

THE DISTRICT WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DTC, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OF DTC OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC; (2) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST ON THE NOTES; (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY NOTICE TO ANY BENEFICIAL OWNER; OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE REGISTERED HOLDER OF THE NOTES.

THE INFORMATION CONTAINED HEREIN CONCERNING DTC AND ITS BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM DTC AND THE DISTRICT MAKES NO REPRESENTATION AS TO THE COMPLETENESS OR THE ACCURACY OF SUCH INFORMATION OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

### **Certificated Notes**

DTC may discontinue providing its services with respect to the Notes at any time by giving notice to the School District and discharging its responsibilities with respect thereto under applicable law, or the School District may terminate its participation in the system of book-entry-only system transfers through DTC at any time. In the event that such book-entry-only system is discontinued, the following provisions will apply:

The Notes will be registered in the name of the purchaser in denominations of \$5,000 or integral multiples thereof. Principal of and interest on the Notes will be payable at a principal corporate trust office of a bank or trust company located and authorized to do business in the State of New York to be named by the School District.

# THE SCHOOL DISTRICT

## General Information

The Saranac Central School District, with an area of approximately 200 square miles, is located in northeastern New York State about six miles west of the City of Plattsburgh and includes the Village of Dannemora. The District includes substantial portions of the Towns of Saranac (100%), Schuyler Falls (49%) and Dannemora (43%), as well as portions of Black Brook, Beekmantown and Plattsburgh. Though the area is generally residential and agricultural in nature, there is sizable public utility valuation within the District. The New York State Electric & Gas Company, the largest taxpayer accounting for over 10.3% of the tax levy, operates two hydroelectric generating plants and a regional operations office. Other major taxpayers are the State of New York, New England Waste Services, the City of Plattsburgh, and the Village of Dannemora. Although the State Prison installation at Dannemora located in the District is not subject to taxation by the District, the supporting farm areas and state forestlands are within the District and are taxable for District purposes.

Agricultural operations include apple orchards and apple warehousing, which, with the advent of modern methods of storing apples at regulated temperatures in carbon dioxide, permits the apple producers to operate year-round rather than on a seasonal basis. Lumbering is also important, and sawmills operate within the District. Livestock raising, some dairying and show horse breeding are other agricultural pursuits in the District. The Saranac River, a fine trout fishing stream on which a public fishing station owned by New York State is located, is a featured recreational facility.

Employment opportunities are available for residents at S.U.N.Y. Plattsburgh including the University of Vermont. Various industries located near the District include Georgia Pacific Mills, Bombardier, Nova Bus, and the State Penal Institution in Dannemora and its supporting operations (1,350 persons employed). There are several smaller industries at the Air Industrial Park, which is located in close proximity to the District.

Transportation facilities include New York Highways #3 and #374, an expressway from Plattsburgh to Cadyville, New York and the Northway (Interstate Route #87), which connects, with the New York State Thruway at Albany to the Canadian border. Air travel via the Plattsburgh Airport and passenger service via the Delaware and Hudson Railroad are also available.

Source: District officials.

## Population

The population of the School District is estimated to be 13,084. (Source: U.S. Census Bureau, 2017-2021 American Community Survey 5-Year Estimates).

## Wealth and Income Indicators

Per capita income statistics are not available for the District as such. The smallest areas for which such statistics are available, which include the District, are the Towns and the County listed below. The figures set below with respect to such Towns and County are included for information only. It should not be inferred from the inclusion of such data in the Official Statement that the Towns or the County are necessarily representative of the District, or vice versa.

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2006-2010</u>	<u>2016-2020</u>	<u>2017-2021</u>	<u>2006-2010</u>	<u>2016-2020</u>	<u>2017-2021</u>
Towns of:						
Beekmantown	\$ 28,591	\$ 39,597	\$ 41,045	\$ 93,472	\$ 76,725	\$ 79,483
Black Brook	23,885	31,902	36,597	57,434	75,833	87,344
Dannemora	8,828	7,657	10,867	51,563	71,154	80,417
Plattsburgh	20,842	34,212	28,483	53,993	74,090	75,095
Saranac	24,620	34,047	31,252	67,321	80,208	89,096
County of:						
Clinton	22,660	29,960	31,726	60,280	73,838	78,839
State of:						
New York	30,948	40,898	43,208	67,405	87,270	92,731

Note: 2018-2022 American Community Survey estimates are not available as of the date of this Official Statement.

Source: 2006-2010, 2016-2020 and 2017-2021 5-Year American Community Survey 5-Year estimates.

## Larger Employers

The larger employers located within the area in and around the District include:

<u>Name</u>	<u>Type</u>	<u>Employees</u>
University of Vermont – CVPH	Medical	2,252
State University of N.Y. at Plattsburgh	Education	1,750
Advocacy and Resource Center	Medical	950
Clinton County Government	Government	851
Mold – Rite Plastics	Manufacturer	624
Walmart and Sam’s Club	Retail	550

Source: District officials.

## Unemployment Rate Statistics

Unemployment statistics are not available for the School District as such. The smallest area for which such statistics are available (which includes the School District) is the County of Clinton. The information set forth below with respect to the County is included for information purposes only. It should not be inferred from the inclusion of such data in this Official Statement that the County is necessarily representative of the School District, or vice versa.

	<u>Annual Averages</u>						
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Clinton County	5.5%	5.2%	4.4%	4.2%	7.7%	4.7%	3.3%
New York State	4.9%	4.6%	4.1%	3.9%	9.8%	7.0%	4.3%

	<u>2023 Monthly Figures</u>					
	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>
Clinton County	4.3%	3.8%	3.4%	2.8%	N/A	N/A
New York State	4.6%	4.5%	4.0%	3.7%	N/A	N/A

Note: Unemployment rates for May and June of 2023 are not available as of the date of this Official Statement.

Source: Department of Labor, State of New York. (Note: Figures not seasonally adjusted).

## Form of School Government

The Board of Education is the policy-making body of the District and consists of seven members with overlapping five-year terms so that as nearly as possible an equal number is elected to the Board each year. Each Board member must be a qualified voter of the District. The President and the Vice President are selected by the Board members.

The administrative officers of the District implement the policies of the Board of Education and supervise the operation of the school system.

## Budgetary Procedures

Pursuant to the Education Law, the Board of Education annually prepares or causes to be prepared, a budget for the ensuing fiscal year. A public hearing on such budget is held not less than seven days and not more than fourteen days prior to the vote. The Board of Education causes notice of such public hearing to be published four times beginning seven weeks prior to the vote. After the public hearing, but not less than six days prior to the budget vote, the District must mail a school budget notice to all qualified voters which contains the total budget amount, the dollar and percentage increase or decrease in the proposed budget (or contingency budget) as compared to the current budget, the percentage increase or decrease in the consumer price index, the estimated property tax levy, the basic STAR exemption impact and the date, time and place of the vote.

After the budget hearing and subsequent notice, a referendum upon the question of the adoption of the budget is held on the third Tuesday in May each year. All qualified District residents are eligible to participate.

Pursuant to Chapter 97 of the Laws of 2011 (“Chapter 97”), beginning with the 2012 – 2013 fiscal year, if the proposed budget requires a tax levy increase that does not exceed the lesser of 2% or the rate of inflation (the “School District Tax Cap”), then a majority vote is required for approval. If the proposed budget requires a tax levy that exceeds the School District Tax Cap, the budget proposition must include special language and a 60% vote is required for approval. Any separate proposition that would cause the District to exceed the School District Tax Cap must receive at least 60% voter approval.

If the proposed budget is not approved by the required margin, the Board of Education may resubmit the original budget or a revised budget to the voters on the 3rd Tuesday in June, or adopt a contingency budget (which would provide for ordinary contingent expenses, including debt service) that levies a tax levy no greater than that of the prior fiscal year (i.e. a 0% increase in the tax levy).

If the resubmitted and/or revised budget is not approved by the required margin, the Board of Education must adopt a budget that requires a tax levy no greater than that of the prior fiscal year (i.e. a 0% increase in the tax levy). For a complete discussion of Chapter 97, see “TAX LEVY LIMITATION LAW” herein.

The budget for the 2022-23 fiscal year was adopted by qualified voters on May 17, 2022 by a vote of 223 to 182. The District’s adopted budget for the 2022-23 fiscal year remained within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget called for a total tax levy increase of 2.73%, which was within the District’s tax levy limit.

The budget for the 2023-24 fiscal year was approved by qualified voters on May 16, 2023 by a vote of 230 to 92. The District’s adopted budget for the 2023-24 fiscal year remained within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget called for a tax levy increase of 3.99%, which was below the District’s tax levy limit of 4.37%.

## **Investment Policy**

Pursuant to the statutes of the State of New York, the District is permitted to invest only in the following investments: (1) special time deposit or certificates of deposits in a bank or trust company located and authorized to do business in the State of New York; (2) obligations of the United States of America; (3) obligations of agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America; (4) obligations of the State of New York; (5) with the approval of the New York State Comptroller, tax anticipation notes and revenue anticipation notes issued by any New York municipality, school district or district corporation, other than the District; (6) obligations of a New York public corporation which are made lawful investments for the District pursuant to another provision of law; (7) certain certificates of participation issued on behalf of political subdivisions of the State of New York; and, (8) in the case of District moneys held in certain reserve funds established pursuant to law, obligations issued by the District. These statutes further require that all bank deposits in excess of the amount insured under the Federal Deposit Insurance Act be secured by either a pledge of eligible securities, an eligible surety bond or an eligible letter of credit, as those terms are defined in the law.

Consistent with the above statutory limitations, it is the District's current policy to invest in: (1) certificates of deposit or time deposit accounts that are fully secured as required by statute, (2) short-term government securities or (3) repurchase agreements or other investment instruments permitted by law, subject to the investment regulations approved by the Board of Education.

## **State Aid**

The District receives financial assistance from the State. In its adopted budget for the 2023-2024 fiscal year, approximately 59.03% of the revenues of the District are estimated to be received in the form of State aid. If the State should not adopt its budget in a timely manner, in any year, municipalities and school districts in the State, including the District, may be affected by a delay in the payment of State aid.

In addition to the amount of State Aid budgeted annually by the District, the State makes payments of STAR aid representing tax savings provided by school districts to their taxpayers under the STAR Program.

The State is not constitutionally obligated to maintain or continue State aid to the District. No assurance can be given that present State aid levels will be maintained in the future. State budgetary restrictions which could eliminate or substantially reduce State aid could have a material adverse effect upon the District, requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures (See also “MARKET AND RISK FACTORS”).

There can be no assurance that the State appropriation for building aid and other State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid, including building aid appropriated and apportioned to the School District, can be paid only if the State has such monies available therefor. The availability of such monies and the timeliness of such payment could be affected by a delay in the adoption of the State budget or their elimination therefrom.

There can be no assurance that the State's financial position will not change materially and adversely from current projections. If this were to occur, the State would be required to take additional gap-closing actions. Such actions may include, but are not limited to: reductions in State agency operations; delays or reductions in payments to local governments or other recipients of State aid including school districts in the State. Reductions in the payment of State aid could adversely affect the financial condition of school districts in the State.

The amount of State aid to school districts can vary from year to year and is dependent in part upon the financial condition of the State. During the 2011 to 2019 fiscal years of the State, State aid to school districts was paid in a timely manner; however, during the State's 2010 and 2020 fiscal years, State budgetary restrictions resulted in delayed payments of State aid to school districts in the State. In addition, the availability of State aid and the timeliness of payment of State aid to school districts could be affected by a delay in adoption of the State budget, which is due at the start of the State's fiscal year of April 1. Since the 2010-11 State fiscal year, the State budgets have been generally adopted on or before April 1, with the exception of the 2016-17 State budget which was not adopted until April 9, 2017. The State's 2023-24 Enacted Budget was adopted late on May 3, 2023. No assurance can be given that the State will not experience delays in the adoption of the budget in future fiscal years. Significant delays in the adoption of the State budget could result in delayed payment of State aid to school districts in the State which could adversely affect the financial condition of school districts in the State.

Should the District fail to receive State aid expected from the State in the amounts and at the times expected, occasioned by a delay in the payment of such monies or by a mid-year reduction in State aid, the District is authorized by the Local Finance Law to provide operating funds by borrowing in anticipation of the receipt of uncollected State aid.

#### *Federal Aid Received by the State*

President Biden has signed into law the American Rescue Plan, a \$1.9 trillion COVID-19 relief package that includes \$350 billion to state, local and territorial governments to keep their frontline workers employed, distribute the vaccine, increase testing, reopen schools and maintain vital services. The American Rescue Plan also includes an additional \$1,400 payment to eligible individuals and families, enhanced unemployment aid, rental and utility assistance to low and moderate income households, an increase in food stamp benefits, additional funding for child care and an increase in child care tax credits.

The State receives a substantial amount of federal aid for other health care, education, transportation and other governmental purposes, as well as federal funding to respond to, and recover from, severe weather events and other disasters. Many of the policies that drive this federal aid may be subject to change under the federal administration and Congress. Current federal aid projections, and the assumptions on which they rely, are subject to revision in the future as a result of changes in federal policy, the general condition of the global and national economies and other circumstances, including the diversion of federal resources to address the COVID-19 outbreak.

Reductions in Federal funding levels could have a materially adverse impact on the State budget. In addition to the potential fiscal impact of policies that may be proposed and adopted by the new administration and Congress, the State budget may be adversely affected by other actions taken by the Federal government, including audits, disallowances, and changes to Federal participation rates or other Medicaid rules.

#### *Building Aid*

A portion of the District's State aid consists of building aid which is related to outstanding indebtedness for capital project purposes. In order to receive building aid, the District must have building plans and specifications approved by the Facilities Planning Unit of the State Education Department. A maximum construction and incidental cost allowance is computed for each building project that takes into account a pupil construction cost allowance and assigned pupil capacity. For each project financed with debt obligations, a bond percentage is computed. The bond percentage is derived from the ratio of total approved cost allowances to the total principal borrowed. Approved cost allowances are estimated until a project final cost report is completed.

Building Aid is paid over fifteen years for reconstruction work, twenty years for building additions, or thirty years for new building construction. Building Aid for a specific building project is eligible to begin eighteen months after State Commissioner of Education approval date, for that project, and is paid over the previously described timeframe, assuming all necessary building aid forms are filed with the State in a timely manner. The building aid received is equal to the assumed debt service for that project, which factors in the bond percent, times the building aid ratio that is assigned to the District and amortized over the predefined timeframe. The building aid ratio is calculated based on a formula that involves the full valuation per pupil in the District compared to a State-wide average.

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. Since the gross indebtedness of the District is within the debt limit, the District is not

required to apply for a Building Aid Estimate. Based on 2023-2024 preliminary building aid ratios, the District State Building aid of approximately 86.9% for debt service on State Education Department approved expenditures from July 1, 2004 to the present.

The State building aid ratio is calculated each year based upon a formula which reflects Resident Weighted Average Daily Attendance (RWADA) and the full value per pupil compared with the State average. Consequently, the estimated aid will vary over the life of each issue. State building aid is further dependent upon the continued apportionment of funds by the State Legislature.

#### *State Aid History*

State aid to school districts within the State has declined in some recent years before increasing again in more recent years.

*School District Fiscal Year (2018-2019):* The State 2018-19 Enacted Budget included nearly \$1 billion in additional education funding, representing a 3.9% increase over 2017-18. Approximately \$859 million of that increase is comprised of traditional public school aid, including increased Foundation Aid and full-funding of expense-based aids. Formula-based school aid now stands at \$26.03 billion statewide, a 3.4% increase over the last year. The State 2018-19 Enacted Budget included an increase of \$618 million in Foundation Aid for school districts. Foundation Aid totaled nearly \$17.8 billion statewide. For the seventh consecutive year, the Foundation Aid increase was distributed using a one year, off formula methodology. The State 2018-19 Enacted Budget guaranteed that all school districts received an increase in Foundation Aid over their 2017-18 levels. \$50 million of the Foundation Aid increase was “set aside” for certain school districts to fund community schools. The State 2018-19 Enacted Budget fully funded all expense-based aid for 2018-19, including building, transportation, BOCES and special education aid. These categories serve as State reimbursements for school district expenses made in the prior year, based on school district-specific aid ratios. A total of \$240 million was approved for increases in all expense-based aids in 2018-19. The State 2018-19 Enacted Budget allows the Governor to reduce aid to school districts mid-year if receipts from the federal government were less than what was expected.

*School District Fiscal Year (2019-2020):* The State 2019-2020 Enacted Budget included a total of \$27.69 billion for School Aid, a year-to-year funding increase of \$956 million or 3.6 percent and will provide additional funding for Foundation Aid of \$338.0 million and \$409.65 million in reimbursements for expense-based aids. In addition, the 2019-2020 Enacted Budget increases the Community Schools set-aside funding amount by \$49.99 million to a total of \$250.0 million. This increased funding is targeted to districts with failing schools and/or districts experiencing significant growth in English language learners. The State 2019-2020 Enacted Budget increases the minimum community schools funding amount from \$75,000 to \$100,000. This ensures all high-need districts across the State can apply the funds to a wide-range of activities.

*School district fiscal year (2020-2021):* Due to the anticipated impact of the COVID-19 pandemic on State revenues, State aid in the State’s 2020-2021 Enacted Budget was 3.7 percent lower than in the State’s 2019-2020 Enacted Budget but was offset in part with increased Federal support. This reduction in State Operating Funds support was offset by approximately \$1.1 billion in funding provided to the State through the Federal CARES Act, including the Elementary and Secondary School Emergency Education Relief Fund and the Governor’s Emergency Education Relief Fund. With these Federal funds, State aid in the school district fiscal year 2020-2021 was approximately \$27.9 billion, an annual increase of approximately \$100 million or 0.4 percent. The State’s 2020-2021 Enacted Budget continued prior year funding levels for existing programs, including Foundation Aid, Community Schools and Universal Prekindergarten. The 2020-2021 Enacted Budget also provided over \$200 million in support for competitive grant programs, including \$1 million for development of a new Civics Education curriculum and \$10 million for a Student Mental Health program. Funding for expense-based aids, such as Building Aid, Transportation Aid, and Boards of Cooperative Educational Services (BOCES) Aid was continued under existing aid formulas. Out-year growth in School Aid reflects current projections of the ten-year average growth in State personal income. The State’s 2020-2021 Enacted Budget authorized the State’s Budget Director to make periodic adjustments to State Aid, in the event that actual State revenues come in below 99% percent of estimates or if actual disbursements exceed 101% of estimates. Pursuant to that provision, in October, 2020, the State announced that, in the absence of Federal funding to offset such lost revenue, the State had begun to take steps to reduce spending, including but not limited to, temporarily holding back 20% of most aid payments to local governments and school districts. However, the 2020-2021 State aid declines were offset, in part, by \$1.1 billion of increased federal funding through the Coronavirus Aid, Relief, and Economic Security Act. With these federal funds, State aid totaled \$27.9 billion in the State’s 2020-2021 Enacted Budget, an annual increase of approximately \$100 million or 0.4 percent from the 2019-2020 Enacted Budget. As of February 1, 2021, the State Education Department (“SED”) advised school districts that the State Division of the Budget would, at some point, provide approval for SED to make the payments to school districts for State aid and other Pre-K-12 grant programs that had been subject to the above-referenced 20% withholding. Such approval was received and the State released all of the withheld funds prior to June 30, 2021.

*School district fiscal year (2021-2022):* The State’s 2021-22 Enacted Budget included \$29.5 billion in State aid to school districts, and significantly increased funding for schools and local governments, including a \$1.4 billion increase in Foundation Aid and a three-year phase-in of the full restoration to school districts of Foundation Aid that was initially promised in 2007. Additionally, the budget included the use of \$13 billion of federal funds for emergency relief, along with the Governor’s Emergency Education Relief, which included, in part, the allocation of \$629 million to school districts as targeted grants in an effort

to address learning loss as a result of the loss of enrichment and after-school activities. In addition, \$105 million of federal funds were allocated to expand full-day kindergarten programs. Under the budget, school districts were reimbursed for the cost of delivering school meals and instructional materials in connection with COVID-19-related school closures in spring 2020, along with the costs of keeping transportation employees and contractors on stand-by during the short-term school closures prior to the announcement of the closure of schools for the remainder of the 2019-20 year. Under the budget, local governments also received full restoration of proposed cuts to Aid and Incentives for Municipalities (AIM) funding, and full restoration of \$10.3 million in proposed Video Lottery Terminal (VLT) aid cuts, where applicable.

*School district fiscal year (2022-2023):* The State’s 2022-23 Enacted Budget provided \$31.5 billion in State funding to school districts for the 2022-23 school year, the highest level of State aid ever. This represented an increase of \$2.1 billion or 7.2 percent compared to the 2021-22 school year, and included a \$1.5 billion or 7.7 percent Foundation Aid increase. The State’s 2022-23 Enacted Budget also programmed \$14 billion of federal Elementary and Secondary School Emergency Relief and Governor’s Emergency Education Relief funds to public schools. This funding, available for use over multiple years, was designed to assist public schools to reopen for in-person instruction, address learning loss, and respond to students’ academic, social, and emotional needs due to the disruptions of the COVID-19 pandemic. The State’s 2022-23 Enacted Budget allocated \$100 million over two years for a new State matching fund for school districts with the highest needs to support efforts to address student well-being and learning loss. In addition, the State’s 2022-23 Enacted Budget increased federal funds by \$125 million to expand access to full-day prekindergarten programs for four-year-old children in school districts statewide in the 2022-23 school year.

*School District fiscal year (2023-2024):* The State’s 2023-24 Enacted Budget includes \$34.5 billion for school aid, an increase of \$3.1 billion or 10%, which is the highest level of State aid to date. The States 2023-24 Budget also provides a \$2.6 billion increase in Foundation Aid, fully funding the program for the first time in history. The State’s 2023-24 Enacted Budget provides \$134 million to increase access to free school meals. An additional \$20 million in grant funding will establish new Early College High School and Pathways in Technology Early College High School Programs. An investment of \$10 million over two years in competitive funding for school districts, boards of cooperative educational services, and community colleges will be made to promote job readiness. An additional \$150 million will be used to expand high-quality full-day prekindergarten, resulting in universal prekindergarten to be phased into 95% of the State.

### *State Aid Litigation*

In January 2001, the State Supreme Court issued a decision in Campaign for Fiscal Equity v. New York mandating that the system of apportionment of State aid to school districts within the State be restructured by the Governor and the State Legislature. On June 25, 2002, the Appellate Division of the State Supreme Court reversed that decision. On June 26, 2003, the State Court of Appeals, the highest court in the State, reversed the Appellate Division, holding that the State must, by July 30, 2004, ascertain the actual cost of providing a sound basic education, enact reforms to the system of school funding and ensure a system of accountability for such reforms. The Court of Appeals further modified the decision of the Appellate Division by deciding against a Statewide remedy and instead limited its ruling solely to the New York City school system.

After further litigation, on appeal in 2006, the Court of Appeals held that \$1.93 billion of additional funds for the New York City schools – as initially proposed by the Governor and presented to the Legislature as an amount sufficient to provide a sound basic education – was reasonably determined. State legislative reforms in the wake of The Campaign for Fiscal Equity decision included increased accountability for expenditure of State funds and collapsing over 30 categories of school aid for school districts in the State into one classroom operating formula referred to as foundation aid. The stated purpose of foundation aid is to prioritize funding distribution based upon student need. As a result of the Court of Appeals ruling schools were to receive \$5.5 billion increase in foundation aid over a four fiscal year phase-in covering 2007 to 2011.

In school district fiscal year 2009-2010, foundation aid funding was frozen by the State Legislature to the prior fiscal year level, and in the fiscal year thereafter foundation aid funding was reduced through a “gap elimination adjustment” as described above, and other aid adjustments. The final phase-in of foundation aid as originally projected has not occurred as of this date.

A case related to the Campaign for Fiscal Equity, Inc. v. State of New York was heard on appeal on May 30, 2017 in New Yorkers for Students’ Educational Rights v. State of New York (“NYSER”) and a consolidated case on the right to a sound basic education. The NYSER lawsuit asserts that the State has failed to comply with the original decision in the Court of Appeals in the Campaign for Fiscal Equity case, and asks the Court of Appeals to require the State to develop new methodologies, formulas and mechanisms for determining State aid, to fully fund the foundation aid formula, to eliminate the supermajority requirement for voter approval of budgets which increase school district property tax levies above the property tax cap limitation, and related matters. On June 27, 2017, the Court of Appeals held that the plaintiffs’ causes of action were properly dismissed by the earlier Appellate Division decision except insofar as two causes of action regarding accountability mechanisms and sufficient State funding for a “sound basic education” as applicable solely to the school districts in New York City and Syracuse. The Court emphasized its previous ruling in the Campaign for Fiscal Equity case that absent “gross education inadequacies”, claims regarding state funding

for a “sound basic education” must be made on a district-by-district basis based on the specific facts therein. On October 14, 2021 Governor Kathy Hochul announced that New York State has reached an agreement to settle and discontinue the New Yorkers for Students' Educational Rights v. New York State case, following through on the State's commitment to fully fund the current Foundation Aid formula to New York's school districts over three years and ending the State's prior opposition to providing this much-needed funding to our students. The litigation, which has been ongoing since 2014, sought to require New York State to fully fund the Foundation Aid formula that was put into place following the historic Campaign for Fiscal Equity cases, and had been previously opposed by the State. Foundation Aid was created in 2007, and takes school district wealth and student need into account to create an equitable distribution of state funding to schools. However, New York State has never fully funded Foundation Aid. The new settlement requires New York State to phase-in full funding of Foundation Aid by the FY 2024 budget. In the FY 2022 Enacted State Budget approved in April, the Executive and Legislature agreed to fully fund Foundation Aid by the FY 2024 budget and enshrined this commitment into law. A breakdown of currently anticipated Foundation Aid funding is available below:

- FY 2022: \$19.8 billion, covering 30% of the existing shortfall
- FY 2023: Approximately \$21.3 billion, covering 50% of the anticipated shortfall
- FY 2024: Approximately \$23.2 billion, eliminating the anticipated shortfall, and funding the full amount of Foundation Aid for all school districts

There can be no assurance that the State appropriation for building aid and other State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid, including building aid appropriated and apportioned to the District, can be paid only if the State has such monies available therefor. The availability of such monies and the timeliness of such payment could be affected by a delay in the adoption of the State budget or their elimination therefrom.

### State Aid Revenues

The following table illustrates the percentage of total General Fund revenues of the District for each of the last five completed fiscal years, the budgeted and unaudited figures for the 2022-2023 fiscal year and budgeted figures for the 2023-2024 fiscal year comprised of State aid.

<u>Fiscal Year</u>	<u>Total Revenues</u> <sup>(1)</sup>	<u>Total State Aid</u> <sup>(1)</sup>	<u>Percentage of Total Revenues Consisting of State Aid</u>
2017-2018	\$ 31,581,298	\$ 18,056,205	57.17%
2018-2019	32,631,122	18,598,053	56.99
2019-2020	33,978,493	19,808,379	58.30
2020-2021	33,665,523	18,564,801	55.16
2021-2022	33,888,964	19,230,787	56.75
2022-2023 (Budgeted)	35,783,758	20,978,905	58.63
2022-2023 (Unaudited)	38,370,902	21,445,879	55.89
2023-2024 (Budgeted)	37,664,462	22,232,596	59.03

<sup>(1)</sup> General Fund only.

Source: Audited Financial Statements for the 2017-2018 fiscal year through and including the 2021-2022 fiscal year, the adopted budget and unaudited figures for the 2022-2023 fiscal year and budgeted figures for the 2023-2024 fiscal year. This table is not audited.

Note: The unaudited figures for the 2022-2023 fiscal year are based upon certain assumptions and estimates, and the audited results may vary therefrom.

THE REMAINDER OF THIS PAGE IS LEFT INTENTIONALLY BLANK

## District Facilities

The District currently operates the following facilities:

<u>Name</u>	<u>Grades</u>	<u>Capacity</u>	<u>Year(s) Built/Additions</u>
Saranac High School	9-12	615	1996, '04, '12, '13, '14, '20
Saranac Middle School	6-8	305	1966, '96, '13, '14, '20
Saranac Elementary	K-5	439	1939, '50, '55, '94, '04, '11, '13, '14, '20
Bus Garage	N/A	N/A	1961, '13, '14
Morrisonville Elementary School	K-5	315	1961, '93, '94, '04, '13, '14, '20
District Office	N/A	N/A	1965, '13
Maintenance Building	N/A	N/A	1948, '55, '13, '14

Source: District officials.

## Enrollment Trends

<u>School Year</u>	<u>Actual Enrollment</u>	<u>School Year</u>	<u>Projected Enrollment</u>
2018-2019	1,487	2023-2024	1,475
2019-2020	1,452	2024-2025	1,485
2020-2021	1,442	2025-2026	1,485
2021-2022	1,449	2026-2027	1,485
2022-2023	1,454	2027-2028	1,485

Source: District officials.

## Employees

The District provides services to approximately 323 employees. Information regarding the various bargaining units and administrative employee agreements is as follows:

<u>Employees</u>	<u>Union Representation</u>	<u>Contract Expiration Date</u>
173	Saranac Teachers' Association	June 30, 2024
134	Civil Service Employees' Association (CSEA)	June 30, 2025
4	Non-Teaching Supervisory Unit	June 30, 2027
7	Saranac Administrative Unit	June 30, 2025
3	Managerial Confidential Staff	June 30, 2024
1	Business Administrator	June 30, 2025
1	Superintendent of Schools	June 30, 2024

Source: District officials.

## Status and Financing of Employee Pension Benefits

Substantially all employees of the District are members of either the New York State and Local Employees' Retirement System ("ERS") (for non-teaching and non-certified administrative employees) or the New York State Teachers' Retirement System ("TRS") (for teachers and certified administrators). (Both Systems are referred to together hereinafter as the "Retirement Systems" where appropriate.) These Retirement Systems are cost-sharing multiple public employer retirement systems. The obligation of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement and Social Security Law (the "Retirement System Law"). The Retirement 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 benefits and optional methods of benefit payments. All benefits generally had vested after ten years of credited service; however, this was changed to five years as of April 9, 2022. The Retirement System Law generally provides that all participating employers in each retirement system are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement Systems. The Retirement Systems are

non-contributory with respect to members hired prior to July 27, 1976. All members working less than ten years must contribute 3% (ERS) or 3.5% (TRS) of gross annual salary towards the cost of retirement programs.

On December 12, 2009, a new Tier V was signed into law. The legislation created a new Tier V pension level, the most significant reform of the State’s pension system in more than a quarter-century. Key components of Tier V include:

- Raising the minimum age at which most civilians can retire without penalty from 55 to 62 and imposing a penalty of up to 38% for any civilian who retires prior to age 62.
- Requiring ERS employees to continue contributing 3% of their salaries and TRS employees to continue contributing 3.5% toward pension costs so long as they accumulate additional pension credits.
- Increasing the minimum years of service required to draw a pension from 5 years to 10 years, which has since been changed to 5 years as of April 9, 2022.
- Capping the amount of overtime that can be considered in the calculation of pension benefits for civilians at \$15,000 per year, and for police and firefighters at 15% of non-overtime wages.

On March 16, 2012, the Governor signed into law the new Tier VI pension program, effective for new ERS and TRS employees hired after April 1, 2012. The Tier VI legislation provides for increased employee contribution rates of between 3% and 6% and contributions at such rates continue so long as such employee continues to accumulate pension credits, an increase in the retirement age from 62 years to 63 years, a readjustment of the pension multiplier, and a change in the time period for the final average salary calculation from 3 years to 5 years. Tier VI employees would vest in the system after ten years of employment; and employees will continue to make employee contribution throughout employment. As of April 9, 2022, vesting requirements were modified, resulting in employees becoming vested after five years.

The District is required to contribute at an actuarially determined rate. The actual contributions for the fiscal years 2018-2019 through and including 2022-2023 and budgeted figures for the 2023-2024 fiscal year are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2018-2019	\$ 386,582	\$ 1,231,760
2019-2020	392,909	1,021,774
2020-2021	381,559	1,043,110
2021-2022	410,404	1,120,689
2022-2023	380,000	1,170,000
2023-2024 (Budgeted)	464,001	1,289,773

Source: District records.

Pursuant to various laws enacted between 1991 and 2002, the State Legislature authorized local governments to make available certain early retirement incentive programs to its employees. The District does not currently have any early retirement incentive programs.

Historical Trends and Contribution Rates. Historically there has been a State mandate requiring full (100%) funding of the annual actuarially required local governmental contribution out of current budgetary appropriations. With the strong performance of the Retirement System in the 1990s, the locally required annual contribution declined to zero. However, with the subsequent decline in the equity markets, the pension system became underfunded. As a result, required contributions increased substantially to 15% to 20% of payroll for the employees' and the police and fire retirement systems, respectively. Wide swings in the contribution rate resulted in budgetary planning problems for many participating local governments.

A chart of average ERS and TRS rates as a percent of payroll (2019 to 2024) is shown below:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2018-19	14.9%	10.62%
2019-20	14.6	8.86
2020-21	14.6	9.53
2021-22	16.2	9.80
2022-23	11.6	10.29
2023-24	13.1	9.76*

\*Estimated

In 2003, Chapter 49 of the Laws of 2003 amended the Retirement and Social Security Law and the Local Finance Law. The amendments empowered the State Comptroller to implement a comprehensive structural reform program for ERS. The reform program established a minimum contribution for any local governmental employer equal to 4.5% of pensionable salaries for bills which were due December 15, 2003 and for all fiscal years thereafter, as a minimum annual contribution where the actual rate would otherwise be 4.5% or less due to the investment performance of the fund. In addition, the reform program instituted a billing system to match the budget cycle of municipalities and school districts that will advise such employers over one year in advance concerning actual pension contribution rates for the next annual billing cycle. Under the previous method, the requisite ERS contributions for a fiscal year could not be determined until after the local budget adoption process was complete. Under the new system, a contribution for a given fiscal year is based on the valuation of the pension fund on the prior April 1 of the calendar year preceding the contribution due date instead of the following April 1 in the year of contribution so that the exact amount may now be included in a budget.

Chapter 57 of the Laws of 2010 (Part TT) amended the Retirement and Social Security Law to authorize participating employers, if they so elect, to amortize an eligible portion of their annual required contributions to ERS when employer contribution rates rise above certain levels. The option to amortize the eligible portion began with the annual contribution due February 1, 2011. The amortizable portion of an annual required contribution is based on a "graded" rate by the State Comptroller in accordance with formulas provided in Chapter 57. Amortized contributions are to be paid in equal annual installments over a ten-year period, but may be prepaid at any time. Interest is to be charged on the unpaid amortized portion at a rate to be determined by the State Comptroller, which approximates a market rate of return on taxable fixed rate securities of a comparable duration issued by comparable issuers. The interest rate is established annually for that year's amortized amount and then applies to the entire ten years of the amortization cycle of that amount. When in any fiscal year, the participating employer's graded payment eliminates all balances owed on prior amortized amounts, any remaining graded payments are to be paid into an employer contribution reserve fund established by the State Comptroller for the employer, to the extent that amortizing employer has no currently unpaid prior amortized amounts, for future such use.

The District is not amortizing any pension payments, nor does it intend to do so in the foreseeable future.

Stable Rate Pension Contribution Option. The 2013-14 State Budget included a provision that provides local governments and school districts, including the District, with the option to "lock-in" long-term, stable rate pension contributions for a period of years determined by the State Comptroller and ERS and TRS. The stable rates would be 12% for ERS and 14% for TRS. The pension contribution rates under this program would reduce near-term payments for employers, but will require higher than normal contributions in later years.

The District did not participate in the Stable Rate Pension Contribution Option, nor does it intend to do so in the foreseeable future.

The investment of monies, and assumptions underlying same, of the Retirement Systems covering the District's employees is not subject to the direction of the District. Thus, it is not possible to predict, control or prepare for future unfunded accrued actuarial liabilities of the Retirement Systems ("UAALs"). The UAAL is the difference between total actuarially accrued liabilities and actuarially calculated assets available for the payment of such benefits. The UAAL is based on assumptions as to retirement age, mortality, projected salary increases attributed to inflation, across-the-board raises and merit raises, increases in retirement benefits, cost-of-living adjustments, valuation of current assets, investment return and other matters. Such UAALs could be substantial in the future, requiring significantly increased contributions from the District which could affect other budgetary matters. Concerned investors should contact the Retirement Systems administrative staff for further information on the latest actuarial valuations of the Retirement Systems.

The State's 2019-2020 Enacted Budget, which was signed into law as Chapter 59 of the Laws of 2019, includes a provision that will allow school districts in the State to establish a reserve fund for the purpose of funding the cost of TRS contributions, as a sub-fund of retirement contribution reserve funds presently authorized for amounts payable to the ERS by a school district. School districts will be permitted to pay into such reserve fund during any particular fiscal year, an amount not to exceed two percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year; provided that the balance of such fund may not exceed ten percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year. The District established such a fund.

THE REMAINDER OF THIS PAGE IS LEFT INTENTIONALLY BLANK

## Other Post-Employment Benefits

Healthcare Benefits. It should also be noted that the District provides employment healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. There is now an accounting rule that requires governmental entities, such as the District, to account for employment healthcare benefits as it accounts for vested pension benefits.

School districts and Boards of Cooperative Educational Services, unlike other municipal units of government in the State, have been prohibited from reducing health benefits received by or increasing health care contributions paid by retirees below the level of benefits or contributions afforded to or required from active employees since the implementation of Chapter 729 of the Laws of 1994. Legislative attempts to provide similar protection to retirees of other local units of government in the State have not succeeded as of this date. Nevertheless, many such retirees of all varieties of municipal units in the State do presently receive such benefits.

OPEB. OPEB refers to "other post-employment benefits," meaning other than pension benefits, disability benefits and OPEB consist primarily of health care benefits, and may include other benefits such as disability benefits and life insurance. Until now, these benefits have generally been administered on a pay-as-you-go basis and have not been reported as a liability on governmental financial statements.

GASB 75. In 2015, the Governmental Accounting Standards Board ("GASB") released new accounting standards for public Other Post-Employment Benefits ("OPEB") plans and participating employers. These standards, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75"), have substantially revised the valuation and accounting requirements previously mandated under GASB Statements No. 43 and 45. The District implemented GASB 75 for the fiscal year ended June 30, 2018. The implementation of this statement requires school districts to report OPEB liabilities, OPEB expenses, deferred outflow of resources and deferred inflow of resources related to OPEB. GASB Statement No. 75 replaced GASB Statement 45, which also required the District to calculate and report a net OPEB obligation. However, under GASB 45, school districts could amortize the OPEB liability over a period of years, whereas GASB 75 requires school districts to report the entire OPEB liability on the statement of net position.

The District contracted with EBS-RMSCO, Inc., an actuarial firm, to calculate its actuarial valuation under GASB 75. The following outlines the changes to the Total OPEB Liability during the below fiscal years, by source.

	Balance beginning at June 30:	2020	2021
<u>Changes for the year:</u>		\$ 89,988,036	\$ 138,123,195
Service cost		2,798,262	5,087,710
Interest		3,203,088	3,126,091
Differences between expected and actual experience		13,049,191	-
Changes in assumptions or other inputs		31,623,613	1,058,497
Changes of benefit terms		-	-
Benefit payments		(2,538,995)	(3,517,659)
Net Changes		\$ 48,135,159	\$ 5,754,639
	Balance ending at June 30:	2021	2022
		\$ 138,123,195	\$ 143,877,834

Source: Audited Financial Statements of the District. See "APPENDIX – D" herein.

There is no authority in current State law to establish a trust account or reserve fund for this liability. The District has reserved \$0 towards its OPEB liability. The District funds this liability on a pay-as-you-go basis.

The District's unfunded actuarial accrued OPEB liability could have a material adverse impact upon the District's finances and could force the District to reduce services, raise taxes or both.

Under GASB 75, an actuarial valuation will be required every 2 years for all plans, however, the Alternative Measurement Method continues to be available for plans with less than 100 members.

THE REMAINDER OF THIS PAGE IS LEFT INTENTIONALLY BLANK

## Other Information

The statutory authority for the power to spend money for the object or purpose, or to accomplish the object or purpose, for which the Notes are to be issued is the Education Law and the Local Finance Law.

The District is in compliance with the procedure for the publication of the estoppel notice with respect to the Notes as provided in Title 6 of Article 2 of the Local Finance Law.

No principal or interest upon any obligation of the District is past due.

The fiscal year of the District is July 1 to June 30.

Except for as shown under "STATUS OF INDEBTEDNESS – Estimated Overlapping Indebtedness", this Official Statement does not include the financial data of any political subdivision having power to levy taxes within the District.

## Financial Statements

The District retains independent Certified Public Accountants. The last audit report covers the period ending June 30, 2022 and may be found attached hereto as "APPENDIX – D" to this Official Statement. Certain financial information of the District can be found attached as Appendices to this Official Statement.

The District complies with the Uniform System of Accounts as prescribed for school districts in New York State by the State. This system differs from generally accepted accounting principles as prescribed by the American Institute of Certified Public Accountants' Industry Audit Guide, "Audits of State and Local Governmental Units", and codified in Government Accounting, Auditing and Financial Reporting (GAAFR), published by the Governmental Accounting Standards Board (GASB).

Beginning with the fiscal year ending June 30, 2003 the District is required to issue its financial statements in accordance with GASB Statement No. 34. This statement includes reporting of all assets including infrastructure and depreciation in the Government Wide Statement of Activities, as well as the Management's Discussion and Analysis. The District is currently in full compliance with GASB Statement No. 34.

Boulrice & Woods CPAs, PC, the independent auditor for the District, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. Boulrice & Woods CPAs, PC also has not performed any procedures relating to this Official Statement.

### *Unaudited Results for Fiscal Year Ending June 30, 2023:*

The District expects to end the fiscal year ending June 30, 2023 with an unassigned fund balance of \$7,106,881

Summary anticipated unaudited information for the General Fund for the period ending June 30, 2023 is as follows:

Revenues:	\$ 38,370,902
Expenditures:	<u>\$ 37,566,527</u>
Excess (Deficit) Revenues Over Expenditures:	\$ 804,375
Total Fund Balance at June 30, 2022:	\$ 12,319,373
Total Fund Balance at June 30, 2023:	\$ 12,551,629

Note: These projections are based upon certain current assumptions and estimates and the audited results may vary therefrom.

THE REMAINDER OF THIS PAGE IS LEFT INTENTIONALLY BLANK

## New York State Comptroller Report of Examination

The State Comptroller's office, i.e., the Department of Audit and Control, periodically performs a compliance review to ascertain whether the District has complied with the requirements of various State and Federal statutes. These audits can be found by visiting the Audits of Local Governments section of the Office of the State Comptroller website.

The State Comptroller's office released an audit report of the District on March 23, 2021. The purpose of the audit was to determine if the District's website provided the public with transparent and comprehensive financial information.

Key Findings: District officials maintained a website but certain financial information was not posted, causing a lack of transparency. Information that was posted was limited in comprehensiveness. This prevents taxpayers and other interested parties from readily accessing and reviewing documents to make informed decisions. Officials did not post the:

- Budget-to-actual results or external audit report corrective to action plan (CAP)
- Multiyear financial plan
- Comprehensive appended property tax report card or CAP to the Office of the State Comptroller's (OSC's) audit that included the specific corrective action per audit recommendation

Key Recommendations:

- Ensure that budget-to-actual results, comprehensive budget documents, a multiyear financial plan and detailed CAPs are on the website.

The District provided a complete response to the State Comptroller's office on January 27, 2021. A copy of the complete report and response can be found via the website of the Office of the New York State Comptroller.

The State Comptroller's Office is currently in the process of an audit, however, as of the date of this Official Statement, it is not available and it anticipated that it will be published to the Office of the New York State Comptroller website upon completion.

Note: Reference to website implies no warranty of accuracy of information therein, and the website is not incorporated herein by reference.

## The State Comptroller's Fiscal Stress Monitoring System

The New York State Comptroller has reported that New York State's school districts and municipalities are facing significant fiscal challenges. As a result, the Office of the State Comptroller has developed a Fiscal Stress Monitoring System ("FSMS") to provide independent, objectively measured and quantifiable information to school district and municipal officials, taxpayers and policy makers regarding the various levels of fiscal stress under which the State's school districts and municipalities are operating.

The fiscal stress scores are based on financial information submitted as part of each school district's ST-3 report filed with the State Education Department annually, and each municipality's annual report filed with the State Comptroller. Using financial indicators that include year-end fund balance, cash position and patterns of operating deficits, the system creates an overall fiscal stress score which classifies whether a school district or municipality is in "Significant Fiscal Stress", in "Moderate Fiscal Stress," as "Susceptible Fiscal Stress" or "No Designation". Entities that do not accumulate the number of points that would place them in a stress category will receive a financial score but will be classified in a category of "No Designation." This classification should not be interpreted to imply that the entity is completely free of fiscal stress conditions. Rather, the entity's financial information, when objectively scored according to the FSMS criteria, did not generate sufficient points to place them in one of the three established stress categories.

The reports of the State Comptroller for the past three fiscal years of the District are as follows:

<u>Fiscal Year Ending</u>	<u>Stress Designation</u>	<u>Fiscal Score</u>
2022	No Designation	0.0
2021	No Designation	0.0
2020	No Designation	0.0

Source: Website of the Office of the New York State Comptroller.

Note: Reference to website implies no warranty of accuracy of information therein and the website is not incorporated herein by reference

## TAX INFORMATION

### Taxable Assessed Valuations

<u>Fiscal Year Ending June 30:</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Towns of:					
Beekmantown	\$ 11,883,452	\$ 11,833,771	\$ 13,153,809	\$ 13,258,252	\$ 15,426,521
Black Brook	18,059,590	18,776,629	19,702,751	20,266,336	23,677,763
Dannemora	45,795,638	45,411,632	49,448,323	48,868,047	58,444,988
Plattsburgh	207,684,910	209,898,360	212,070,725	244,874,251	249,940,604
Saranac	239,691,867	241,502,149	245,017,669	261,994,286	296,746,933
Schuyler Falls	127,841,459	128,381,790	129,039,687	130,167,959	130,743,569
<b>Total Assessed Values</b>	<b>\$ 650,956,916</b>	<b>\$ 655,804,331</b>	<b>\$ 668,432,964</b>	<b>\$ 719,429,131</b>	<b>\$ 774,980,378</b>

### State Equalization Rates

Towns of:					
Beekmantown	100.00%	100.00%	100.00%	100.00%	100.00%
Black Brook	100.00%	100.00%	100.00%	100.00%	100.00%
Dannemora	100.00%	100.00%	100.00%	100.00%	100.00%
Plattsburgh	100.00%	100.00%	90.00%	100.00%	100.00%
Saranac	100.00%	100.00%	100.00%	100.00%	100.00%
Schuyler Falls	100.00%	100.00%	95.00%	95.00%	85.00%
<b>Total Taxable Full Valuation</b>	<b>\$ 650,956,916</b>	<b>\$ 655,804,331</b>	<b>\$ 698,787,940</b>	<b>\$ 726,280,076</b>	<b>\$ 798,052,773</b>

### Tax Rate Per \$1,000 (Assessed)

<u>Fiscal Year Ending June 30:</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Towns of:					
Beekmantown	\$ 20.10	\$ 20.53	\$ 19.91	\$ 19.49	\$ 18.21
Black Brook	20.10	20.53	19.91	19.49	18.21
Dannemora	20.10	20.53	19.87	19.49	18.21
Plattsburgh	20.10	20.53	22.12	19.49	18.18
Saranac	20.10	20.53	19.90	19.48	18.21
Schuyler Falls	20.10	20.53	20.94	20.50	21.42

### Tax Levy and Tax Collection Record

<u>Fiscal Year Ending June 30:</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Total Tax Levy	\$ 13,093,223	\$ 13,472,926	\$ 13,910,568	\$ 14,153,144	\$ 14,529,153
Amount Uncollected <sup>(1)</sup>	791,715	807,576	826,994	835,886.04	847,818.78
% Uncollected	6.05%	5.99%	5.95%	5.91%	5.84%

<sup>(1)</sup> As of the end of the local collection period. See "Tax Collection Procedure" herein.

### Tax Collection Procedure

Tax payments are due around September 1<sup>st</sup>. There is no penalty charge for the first thirty days after taxes are due, but a 2% penalty is charged from October 1<sup>st</sup> to October 31<sup>st</sup>. After November 15<sup>th</sup>, uncollected taxes are returnable to Clinton County for collection. The District receives this amount from said County prior to the end of the District's fiscal year, thereby assuring 100% tax collection annually. Tax sales are held annually by said County.

## Real Property Tax Revenues

The following table illustrates the percentage of total General Fund revenues of the District for each of the last five completed fiscal years and the budgeted and unaudited figures for the 2022-2023 fiscal year and the budgeted figures for the 2023-2024 fiscal year comprised of Real Property Taxes and Tax Items.

<u>Fiscal Year</u>	<u>Total Revenues</u>	<u>Total Property Tax Levy</u>	<u>Percentage of Total Revenues Consisting of Real Property Tax</u>
2017-2018	\$ 31,581,298	\$ 10,608,307	33.59%
2018-2019	32,631,122	11,004,442	33.72
2019-2020	33,978,493	11,471,119	33.76
2020-2021	33,655,523	11,964,931	35.55
2021-2022	33,888,964	14,138,460	41.72
2022-2023 (Budgeted)	35,783,758	14,538,653	40.63
2022-2023 (Unaudited)	38,370,902	14,540,575	37.89
2023-2024 (Budgeted)	37,664,462	15,118,366	40.14

Source: Audited Financial Statements for the 2017-2018 fiscal year through and including the 2021-2022 fiscal year, the adopted budget and unaudited figures for the 2022-2023 fiscal year and budgeted figures for the 2023-2024 fiscal year. This table is not audited.

Note: The unaudited figures for the 2022-2023 fiscal year are based upon certain assumptions and estimates, and the audited results may vary therefrom.

## Larger Taxpayers 2022 Tax Roll for 2022-23

<u>Name</u>	<u>Type</u>	<u>Full Valuation</u>
NYS Electric & Gas Corporation	Utility	\$ 82,181,938
New York State	State Land	18,328,491
New England Waste Service, Inc.	Utility	11,937,200
City of Plattsburgh	Utility	5,649,520
Village of Dannemora	Utility	3,221,911
Verizon New York Inc.	Utility	2,625,324
G. W. Bertrand	Real Estate	2,570,900
Mountain Harbor Properties LLC	Real Estate	1,925,000
Joseph J. Claus	Resident	1,466,900
Norman Baker	Real Estate	1,165,600

The larger taxpayers listed have a total taxable full valuation of \$131,072,784, which represents 16.42% of the tax base of the District for the 2022-23 fiscal year.

The District was notified in July 2022 that R2D2 Housing Development Fund and SLIC Network Solutions, Inc., taxpayers not listed above, have filed tax certiorari claims. In October 2019 the District was notified that CenturyLink Communications Ltd., also a taxpayer not listed above, has filed a tax certiorari claim. The District does not have any other pending or outstanding tax certioraris that are known or believed could have a material impact on the finances of the District.

Source: District tax rolls.

THE REMAINDER OF THIS PAGE IS LEFT INTENTIONALLY BLANK

## STAR – School Tax Exemption

The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. School districts are reimbursed by the State for real property taxes exempted pursuant to the STAR Program.

The STAR program provides State-funded exemptions from school property taxes to homeowners for their primary residences. Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and individual retirement annuities (“STAR Adjusted Gross Income”) of \$90,550 or less in 2021-22 and \$92,000 or less in 2022-2023, increased annually according to a cost of living adjustment, are eligible for a “full value” exemption of the first \$70,700 for the 2021-22 school year and \$74,900 for the 2022-23 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross income not in excess of \$250,000 (\$500,000 in the case of a STAR credit, as discussed below) are eligible for a \$30,000 “full value” exemption on their primary residence.

The 2022-23 Enacted State Budget provided \$2.2 billion in State funding for a new property tax relief credit, the Homeowner Tax Rebate Credit, for eligible low- and middle-income households, as well as eligible senior households. Under this program, basic STAR exemption and credit beneficiaries with incomes below \$250,000 and Enhanced STAR recipients are eligible for the property tax rebate where the benefit is a percentage of the homeowners’ existing STAR benefit.

The below table lists the basic and enhanced exemption amounts for the municipalities applicable to the District:

<u>Towns of:</u>	<u>Enhanced Exemption</u>	<u>Basic Exemption</u>	<u>Date Certified</u>
Beekmantown	\$ 81,400	\$ 30,830	4/6/2023
Black Brook	81,400	30,640	4/6/2023
Dannemora	81,400	31,030	4/6/2023
Plattsburgh	81,400	30,000	4/6/2023
Saranac	81,400	30,030	4/6/2023

\$1,800,943 of the District’s \$14,529,153 school tax levy for the 2022-23 fiscal year was exempted by the STAR Program. The District received full reimbursement of such exempt taxes from the State by January 2023.

Approximately \$1,800,000 of the District’s \$15,108,866 school tax levy for the 2023-2024 fiscal year is expected to be exempt by the STAR Program. The District anticipates receiving full reimbursement of such exempt taxes from the State by January 2024.

## Additional Tax Information

Real property located in the District is assessed by the Towns.

Senior citizens' exemptions are offered to those who qualify.

Total assessed valuation of the District is estimated to be categorized as follows: Residential-50%, Agricultural-40% and Commercial-10%.

The estimated total annual property tax bill of a typical \$75,000 market value residential property located in the District is approximately \$2,448 including County, Town and School District taxes.

## TAX LEVY LIMITATION LAW

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (“Chapter 97” or the “Tax Levy Limitation Law”). The Tax Levy Limitation Law applies to all local governments, including school districts (with the exception of New York City, and the counties comprising New York City and school districts in New York City, Buffalo, Rochester, Syracuse, and Yonkers, the latter four of which are indirectly affected by applicability to their respective City.)

Prior to the enactment of the Tax Levy Limitation Law, there was no statutory limitation on the amount of real property taxes that a school district could levy as part of its budget if its budget had been approved by a simple majority of its voters. In the event the budget had been defeated by the voters, the school district was required to adopt a contingency budget. Under a contingency budget, school budget increases were limited to the lesser of four percent (4%) of the prior year’s budget or one hundred twenty percent (120%) of the consumer price index (“CPI”).

Chapter 97 requires that a school district submit its proposed tax levy to the voters each year beginning with the 2012-2013 fiscal year.

Chapter 97 restricts, among other things, the amount of real property taxes that may be levied by or on behalf of a school district in a particular year. It was set to expire on June 15, 2020, however, recent legislation has made it permanent. Pursuant to the Tax Levy Limitation Law, the tax levy of a school district cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the CPI, over the amount of the prior year's tax levy. Certain adjustments are permitted for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A school district can exceed the tax levy limitation for the coming fiscal year only if the voters of such school district first approve a tax levy by at least 60% affirmative vote of those voting to override such limitation for such coming fiscal year only. Tax levies that do not exceed the limitation will only require approval by at least 50% of those voting. In the event that the voters reject a tax levy and the district does not go out for a second vote, or if a second vote is likewise defeated, Chapter 97 provides that the tax levy for the new fiscal year may not exceed the tax levy for the prior fiscal year.

A school district's calculation of each fiscal year's tax levy limit is subject to review by the Commissioner of Education and the Commissioner of Taxation and Finance prior to adoption of each fiscal year budget.

There are exceptions for school districts to the tax levy limitation provided in Chapter 97, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees' Retirement System and the Teachers' Retirement System. School districts are also permitted to carry forward a certain portion of their unused levy limitation from a prior year.

There is also an exception for school districts for "Capital Local Expenditures" subject to voter approval where required by law. This term is defined in a manner that does not include certain items for which a school district may issue debt, including the payment of judgments or settled claims, including tax certiorari payments, and cashflow borrowings, including tax anticipation notes, revenue anticipation notes, budget notes and deficiency notes. "Capital Local Expenditures", are defined as "the taxes associated with budgeted expenditures resulting from the financing, refinancing, acquisition, design, construction, reconstruction, rehabilitation, improvement, furnishing and equipping of or otherwise providing for school district capital facilities or school district capital equipment, including debt service and lease expenditures, and transportation capital debt service, subject to the approval of the qualified voters where required by law". The portion of the tax levy necessary to support "Capital Local Expenditures" is defined as the "Capital Tax Levy", and is an exclusion from the tax levy limitation, applicable to the Notes.

See "State Aid" for a discussion of the New Yorkers for Students' Educational Rights v. State of New York case which includes a challenge to the supermajority requirements regarding school district property tax increases.

## STATUS OF INDEBTEDNESS

### Constitutional Requirements

The New York State Constitution limits the power of the District (and other municipalities and certain school districts of the State) to issue obligations and to contract indebtedness. Such constitutional limitations in summary form and as generally applicable to the District include the following:

Purpose and Pledge. The District shall not give or loan any money or property to or in aid of any individual or private undertaking or give or loan its credit to or in aid of any of the foregoing or any public corporation.

The District may contract indebtedness only for a District purpose and shall pledge its faith and credit for the payment of principal of and interest thereon.

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within three fiscal year periods, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statute; unless substantially level or declining annual debt service is utilized, no installment may be more than fifty percent in excess of the smallest prior installment. The District is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and such required annual installments on its notes.

### Statutory Procedure

In general, the State Legislature has, by the enactment of the Local Finance Law, authorized the powers and procedure for the District to borrow and incur indebtedness subject, of course, to the constitutional provisions set forth above. The power to spend money, however, generally derives from other law, including the Education Law.

The District has the power to contract indebtedness for any District purpose provided that the aggregate principal amount thereof shall not exceed ten per centum of the full valuation of the taxable real estate of the District as required by the Local Finance Law and subject to certain enumerated deductions such as State aid for building purposes. The statutory method for determining full valuation is by dividing the assessed valuation of taxable real estate for the last completed assessment rolls by the equalization rates established by the State Office of Real Property Services in accordance with applicable State law.

The District is generally required by such laws to submit propositions for the expenditure of money for capital purposes to the qualified electors of the District. Upon approval thereby, the Board of Education may adopt a bond resolution authorizing the issuance of bonds, and notes in anticipation of the bonds. No down payment is required in connection with the issuance of District obligations.

Each bond resolution usually authorizes the construction, acquisition or installation of the object or purpose to be financed, sets forth the plan of financing and specifies the maximum maturity of the bonds subject to the legal (Constitution, Local Finance Law and case law) restrictions relating to the period of probable usefulness with respect thereto.

The Local Finance Law also provides that where a bond resolution is published with a statutory form of notice, the validity of the bonds authorized thereby, including bond anticipation notes issued in anticipation of the sale thereof, may be contested only if:

- (1) Such obligations are authorized for a purpose for which the District is not authorized to expend money, or
- (2) There has not been substantial compliance with the provisions of law which should have been complied within the authorization of such obligations and an action contesting such validity, is commenced within twenty days after the date of such publication or,
- (3) Such obligations are authorized in violation of the provisions of the Constitution.

The District has complied with this estoppel procedure in connection with the Notes.

The Board of Education, as the finance board of the District, has the power to enact bond resolutions. In addition, such finance board has the power to authorize the sale and issuance of obligations. However, such finance board may delegate the power to sell the obligations to the President of the Board of Education, the chief fiscal officer of the District, pursuant to the Local Finance Law.

The District is further subject to constitutional limitation by the general constitutionally imposed duty on the State Legislature to restrict the power of taxation and contracting indebtedness; however, the State Legislature is prohibited by a specific constitutional provision from restricting the power of the District to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted.

### Debt Outstanding End of Fiscal Year

<u>Fiscal Years Ending:</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Bonds <sup>(1)</sup>	\$ 4,295,000	\$ 3,775,000	\$ 3,490,000	\$ 3,190,000	\$ 13,935,000
Bond Anticipation Notes	0	0	0	16,800,000	2,800,000
Installment Purchase Debt	<u>1,400,751</u>	<u>1,294,644</u>	<u>1,184,731</u>	<u>1,070,875</u>	<u>952,935</u>
Total Debt Outstanding	<u>\$ 5,695,751</u>	<u>\$ 5,069,644</u>	<u>\$ 21,474,731</u>	<u>\$ 21,060,875</u>	<u>\$ 17,687,935</u>

<sup>(1)</sup> Does not include EPC indebtedness.

### Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District as of June 22, 2023.

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Amount</u>
<u>Bonds:</u>	2023-2037	\$ 13,600,000
<u>Bond Anticipation Notes:</u>		
Capital Project	July 14, 2023	<u>2,800,000</u>
	Total	<u>\$ 16,400,000</u>

**Debt Statement Summary**

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of June 22, 2023:

Full Valuation of Taxable Real Property .....	\$ 798,052,773
Debt Limit – 10% thereof .....	79,805,277

Inclusions:

Bonds .....	\$ 13,600,000	
Bond Anticipation Notes .....	0	
Principal of this Issue .....	<u>3,330,000</u>	
Total Inclusions .....		<u>\$ 16,930,000</u>

Exclusions:

Building Aid <sup>(1)</sup> .....	\$ <u>0</u>	
Total Exclusions .....		<u>\$ 0</u>

Total Net Indebtedness .....	<u>\$ 16,930,000</u>
Net Debt-Contracting Margin .....	<u>\$ 62,875,277</u>
The percent of debt contracting power exhausted is .....	21.21%

<sup>(1)</sup> Pursuant to the Provisions of Chapter 760 of the Laws of New York State of 1963, the School District receives aid on existing bonded debt. Since the gross indebtedness of the School District is within the debt limit, the School District is not required to apply for a Building aid Estimate. Over the years the building aid ratio has been adjusted based on State legislative changes with an effective date tied to voter authorization dates. Based on 2023-24 Building Aid Ratios, the School District anticipates State Building aid of 86.9% for debt service on SED approved expenditures from July 1, 2004 to the present. The School District has no reason to believe that it will not ultimately receive all of the Building aid it anticipates, however, no assurance can be given as to when and how much Building aid the School District will receive in relation to its capital project indebtedness.

Note: The State Constitution does not provide for the inclusion of tax anticipation or revenue anticipation notes in the computation of the net indebtedness of the School District.

**Bonded Debt Service**

A schedule of bonded debt service may be found in “APPENDIX – B” to this Official Statement.

**Cash Flow Borrowings**

The District, historically, does not issue tax anticipation notes and/or revenue anticipation notes, and does not expect to issue such notes in the current fiscal year.

**Capital Project Plans**

District voters approved a \$19.2 million capital project consisting of improvements to the Saranac Elementary School, Morrisville Elementary School, and the District’s High School building. The District had \$16,800,000 bond anticipation notes maturing on July 14, 2022 which were redeemed with proceeds of \$11,060,000 serial bonds issued through the Dormitory Authority of the State of New York in June of 2022, \$2,150,000 available funds of the District and proceeds of \$2,800,000 bond anticipation notes issued July 14, 2022. The proceeds of the Notes, along with a \$50,000 paydown, will redeem and renew the bond anticipation notes currently outstanding and maturing on July 14, 2023 and will provide new monies for the aforementioned purpose. Serial bonds are expected to be issued in June 2024 to permanently finance the bond anticipation notes.

The District has no other authorized and/or unissued indebtedness for capital or other purposes.

## Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue obligations and to levy taxes or cause taxes to be levied on taxable real property in the District. Estimated bonds and bond anticipation notes are listed as of the close of the respective fiscal years of the below municipalities.

<u>Municipality</u>	<u>Status of Debt as of</u>	<u>Gross Indebtedness</u> <sup>(1)</sup>	<u>Exclusions</u> <sup>(2)</sup>	<u>Net Indebtedness</u>	<u>District Share</u>	<u>Applicable Indebtedness</u>
County of:						
Clinton	12/31/2021	\$ 54,668,108	\$ 5,389,481	\$ 49,278,627	13.29%	\$ 6,549,130
Town of:						
Beekmantown	12/31/2021	3,147,143	3,147,143	-	3.14%	-
Black Brook	12/31/2021	1,064,000	1,000,000	64,000	11.71%	7,494
Dannemora	12/31/2021	2,670,529	51,130	2,619,399	29.39%	769,841
Plattsburgh	12/31/2021	19,772,017	19,394,999	377,018	17.99%	67,826
Saranac	12/31/2021	210,000	210,000	-	98.66%	-
Schuyler Falls	12/31/2021	312,066	312,066	-	42.88%	-
Village of:						
Dannemora	5/31/2022	677,482	120,000	557,482	100.00%	<u>557,482</u>
Total:						<u>\$ 7,951,773</u>

<sup>(1)</sup> Bonds and bond anticipation notes are as of the close of the respective fiscal years and are not adjusted to include subsequent bond sales, if any.

<sup>(2)</sup> Water and sewer debt and appropriations. Pursuant to the Local Finance Law, this indebtedness is excluded from the constitutional debt limit.

Source: Comptroller's Special Report on Municipal Affairs for Local Finance Years Ended in 2021 and 2022.

## Debt Ratios

The following table sets forth certain ratios relating to the School District's indebtedness as of June 22, 2023:

	<u>Amount of Indebtedness</u>	<u>Per Capita (a)</u>	<u>Percentage of Full Valuation (b)</u>
Net Indebtedness <sup>(c)</sup>	\$ 16,930,000	\$ 1,293.95	2.12%
Net Indebtedness Plus Net Overlapping Indebtedness <sup>(d)</sup>	24,881,773	1,901.69	3.12%

Note: <sup>(a)</sup> The School District's estimated population is 13,084. (See "Population" herein.)

<sup>(b)</sup> The School District's full valuation of taxable real estate for 2022-2023 is \$798,052,773. (See "Valuations, Rates and Tax Levies" herein.)

<sup>(c)</sup> See "Debt Statement Summary" herein.

<sup>(d)</sup> The School District's estimated applicable share of net underlying indebtedness is \$7,951,773. (See "Overlapping Indebtedness" herein.)

THE REMAINDER OF THIS PAGE IS LEFT INTENTIONALLY BLANK

## **SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT**

In the event of a default in the payment of the principal of and/or interest on the Notes, the State Comptroller is required to withhold, under certain conditions prescribed by Section 99-b of the State Finance Law, state aid and assistance to the District and to apply the amount thereof so withheld to the payment of such defaulted principal and/or interest, which requirement constitutes a covenant by the State with the holders from time to time of the Notes.

Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the District upon any judgment or accrued claim against it shall not exceed nine per centum per annum. This provision might be construed to have application to the holders of the Notes in the event of a default in the payment of the principal of or interest on the Notes.

In accordance with the general rule with respect to municipalities, judgments against the District may not be enforced by levy and execution against property owned by the District.

The Federal Bankruptcy Code allows public bodies such as the District recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Section 85.80 of the Local Finance Law contains specific authorization for any municipality in the State to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness. While the provisions of the Local Finance Law do not apply to school districts, there can be no assurance that they will not be made so applicable in the future.

There are separate State law provisions regarding debt service moratoriums enacted into law in 1975.

At the Extraordinary Session of the State Legislature held in November, 1975, legislation was enacted which purported to suspend the right to commence or continue an action in any court to collect or enforce certain short-term obligations of The City of New York. The effect of such act was to create a three-year moratorium on actions to enforce the payment of such obligations. On November 19, 1976, the Court of Appeals, the State's highest court, declared such act to be invalid on the ground that it violates the provisions of the State Constitution requiring a pledge by such City of its faith and credit for the payment of such obligations.

As a result of the Court of Appeals decision, the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law enacted at the 1975 Extraordinary Session of the State legislature authorizing any county, city, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has been declared with respect to the District.

There is in the Constitution of the State, Article VIII, Section 2, the following provision relating to the annual appropriation of monies for the payment of due principal of and interest on indebtedness of every county, city, town, village and school district in the State: "If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness."

The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

No principal or interest on District indebtedness is past due. The District has never defaulted in the payment of principal of or interest on any indebtedness.

## **CONTINUING DISCLOSURE**

### **Historical Compliance**

In order to assist the purchasers in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), the District will enter into an Undertaking to provide Material Event Notices, a description of which is attached hereto as "APPENDIX – C".

Except as noted below, the District is in compliance within the last five years with all previous undertakings made pursuant to the Rule 15c2-12:

On July 14, 2022, the District had an event notice in connection with the Incurrence of a financial obligation. The filing was due on July 28, 2022, but the filing was not made until August 9, 2022. A material event notice disclosing the late filing was submitted to EMMA on November 3, 2022.

## MARKET AND RISK FACTORS

The financial condition of the District as well as the market for the Notes could be affected by a variety of factors, some of which are beyond the District's control. There can be no assurance that adverse events in the State or in other jurisdictions in the country, including, for example, the seeking by a municipality or large taxable property owner of remedies pursuant to the Federal Bankruptcy Code or otherwise, will not occur which might affect the market price of and the market for the Notes. If a significant default or other financial crisis should occur in the affairs of the State or any of its agencies or political subdivisions thereby further impairing the acceptability of obligations issued by borrowers within the State, both the ability of the District to arrange for additional borrowings, and the market for and market value of outstanding debt obligations, including the Notes, could be adversely affected.

The District is dependent in part on financial assistance from the State. However, if the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the District, in any year, the District may be affected by a delay, until sufficient taxes have been received by the State to make State aid payments to the District. In several recent years, the District has received delayed payments of State aid which resulted from the State's delay in adopting its budget and appropriating State aid to municipalities and school districts, and consequent delay in State borrowing to finance such appropriations. (See also "THE SCHOOL DISTRICT – State Aid").

The enactment of the Tax Levy Limitation Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the District could have an impact upon the market price of the Notes. See "TAX LEVY LIMITATION LAW" herein.

Future legislative proposals, if enacted into law, or clarification of the Code or court decisions may cause interest on the Notes to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent the beneficial owners of the Notes from realizing the full current benefit of the tax status of such interest. No assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of the Notes, or the tax status of interest on the Notes. See "TAX MATTERS" herein.

*Cybersecurity.* The District, like many other public and private entities, relies on a large and complex technology environment to conduct its operations. As such, it may face multiple cybersecurity threats including, but not limited to, hacking, viruses, malware and other attacks on computer or other sensitive digital systems and networks. There can be no assurances that any security and operational control measures implemented by the District will be completely successful to guard against and prevent cyber threats and attacks. The result of any such attacks could impact business operations and/or digital networks and systems and the costs of remedying any such damage could be significant.

## TAX MATTERS

In the opinion of Trespasz & Marquardt, LLP ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is excluded from adjusted gross income for purposes of New York State and New York City personal income taxes. Interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however for tax years beginning after December 31, 2022, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. A complete copy of the proposed form of opinion of Bond Counsel is set forth in "APPENDIX – E".

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Notes. The District has covenanted to comply with certain restrictions designed to ensure that interest on the Notes will not be included in federal gross income. Failure to comply with these covenants will result in interest on the Notes being included in gross income for federal income tax purposes as well as adjusted gross income for purposes of personal income taxes imposed by the State of New York or the City of New York, from the date of original issuance of the Notes. The opinion of Bond Counsel assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Notes may adversely affect the value of, or the tax status of interest on, the Notes. Further, no assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of, or the tax status of interest on, the Notes.

Certain requirements and procedures contained or referred to in the Arbitrage Certificate, and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Notes) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel expresses no opinion as to any Notes or the interest thereon if any such change occurs or action is taken or omitted.

Although Bond Counsel is of the opinion that interest on the Notes is excluded from gross income for federal income tax purposes and is excluded from adjusted gross income for federal income taxes imposed by the State of New York and the City of New York, the ownership or disposition of, or the accrual or receipt of interest on, the Notes may otherwise affect an Owner's federal or state tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the Owner or the Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, or clarification of the Code or court decisions may cause interest on the Notes to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. Proposals have been made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the Notes. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Notes. Prospective purchasers of the Notes should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, and regarding the impact of future legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

## **LEGAL MATTERS**

Legal matters incident to the authorization, issuance and sale of the Notes are subject to the approving legal opinions of Trespasz & Marquardt, LLP, Bond Counsel. Bond Counsel's opinion will be in substantially the form attached hereto as APPENDIX – E".

## **LITIGATION**

The District is subject to a number of lawsuits in the ordinary conduct of its affairs. The District does not believe, however, that such suits, individually or in the aggregate, are likely to have a material adverse effect on the financial condition of the District.

There is no action, suit, proceedings or investigation, at law or in equity, before or by any court, public board or body pending or, to the best knowledge of the District, threatened against or affecting the District to restrain or enjoin the issuance, sale or delivery of the Notes or the levy and collection of taxes or assessments to pay same, or in any way contesting or affecting the validity of the Notes or any proceedings or authority of the District taken with respect to the authorization, issuance or sale of the Notes or contesting the corporate existence or boundaries of the District.

## **MUNICIPAL ADVISOR**

Fiscal Advisors & Marketing, Inc. (the "Municipal Advisor") is a Municipal Advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent financial advisor to the District on matters relating to debt management. The Municipal Advisor is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the Notes. The advice on the plan of financing and the structuring of the Bonds was based on materials provided by the District and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the District or the information set forth in this Official Statement or any other information available to the District with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement. The fees to be paid by the District to Fiscal Advisors are partially contingent on the successful closing of the Notes.

## **RATING**

The Notes are not rated. The purchaser(s) of the Notes may choose to have a rating completed after the sale pending the approval of the District and at the expense of the purchaser(s), including any fees to be incurred by the District, as such rating action will result in a material event notification to be posted to EMMA which is required by the District's Continuing Disclosure Undertakings. (See "APPENDIX - C" herein.).

The District does not currently have an underlying rating on its general obligation indebtedness.

Generally, rating agencies base their ratings on the information and materials furnished to it and on investigations, studies and assumptions by the respective rating agency. There is no assurance that a particular rating will apply for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing the rating, circumstances so warrant. Any downward revision or withdrawal of the rating of the outstanding bonds may have an adverse effect on the market price of the outstanding bonds.

### **CUSIP IDENTIFICATION NUMBERS**

It is anticipated that CUSIP (an acronym that refers to Committee on Uniform Security Identification Procedures) identification numbers will be printed on the Notes. All expenses in relation to the printing of CUSIP numbers on the Notes will be paid for by the District provided, however; the District assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers.

### **MISCELLANEOUS**

So far as any statements made in this Official Statement involve matters of opinion or estimates whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holders of the Notes.

Statements in this Official Statement, and the documents included by specific reference, that are not historical facts are forward-looking statements, which are based on the District management's beliefs as well as assumptions made by, and information currently available to, the District's management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the District's files with the repositories. When used in District documents or oral presentation, the words "anticipate", "estimate", "expect", "objective", "projection", "forecast", "goal", or similar words are intended to identify forward-looking statements.

To the extent any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holder of the Notes.

Trespasz & Marquardt, LLP, Syracuse, New York, Bond Counsel to the District, expresses no opinions as to the accuracy or completeness of information in any documents prepared by or on behalf of the District for use in connection with the offer and sale of the Notes, including but not limited to, the financial or statistical information in this Official Statement.

References herein to the Constitution of the State and various State and federal laws are only brief outlines of certain provisions thereof and do not purport to summarize or describe all of such provisions.

Concurrently with the delivery of the Notes, the District will furnish a certificate to the effect that as of the date of the Official Statement, the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading, subject to a limitation as to information in the Official Statement obtained from sources other than the District.

The Official Statement is submitted only in connection with the sale of the Notes by the District and may not be reproduced or used in whole or in part for any other purpose.

The District hereby disclaims any obligation to update developments of the various risk factors or to announce publicly any revision to any of the forward-looking statements contained herein or to make corrections to reflect future events or developments except to the extent required by Rule 15c2-12 promulgated by the Securities and Exchange Commission.

Fiscal Advisors & Marketing, Inc. may place a copy of this Official Statement on its website at [www.fiscaladvisors.com](http://www.fiscaladvisors.com). Unless this Official Statement specifically indicates otherwise, no statement on such website is included by specific reference or constitutes a part of this Official Statement. Fiscal Advisors & Marketing, Inc. has prepared such website information for convenience, but no decisions should be made in reliance upon that information. Typographical or other errors may have occurred in converting original source documents to digital format, and neither the District nor Fiscal Advisors & Marketing, Inc. assumes any liability or

responsibility for errors or omissions on such website. Further, Fiscal Advisors & Marketing, Inc. and the District disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website. Fiscal Advisors & Marketing, Inc. and the District also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

The District's Bond Counsel information is as follows: Theodore A. Trespasz Jr. Esq., Trespasz & Marquardt, LLP, 251 West Fayette Street, Syracuse, New York 13202, Phone: (315) 466-4444 Ext. 1, Fax: (315) 466-5555, Email: [ttrespasz@lawtm.com](mailto:ttrespasz@lawtm.com).

The District contact information is as follows: Ms. Danielle McAfee, Business Administrator, Saranac Central School District, 32 Emmons Street, Dannemora, New York 12929, Phone: (518) 565-5612 , Fax: (518) 565-5617 , Email: [dmcafee@saranac.org](mailto:dmcafee@saranac.org).

Additional copies of the Notice of Sale and the Official Statement may be obtained upon request from the offices of Fiscal Advisors & Marketing, Inc., Phone: (315) 752-0051, or at [www.fiscaladvisors.com](http://www.fiscaladvisors.com).

**SARANAC CENTRAL SCHOOL DISTRICT**

**Dated: June 22, 2023**

**TRACY ALLEN-WAITE**  
**PRESIDENT OF THE BOARD OF EDUCATION AND**  
**CHIEF FISCAL OFFICER**

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b>ASSETS</b>					
Unrestricted Cash	\$ 7,859,266	\$ 7,187,654	\$ 4,858,567	\$ 9,259,777	\$ 9,349,951
Restricted Cash	2,397,326	1,980,061	2,228,110	2,624,594	2,864,325
Accounts Receivable	4,205	-	-	7,999	190
Due From Other Funds	300,373	337,298	1,574,262	862,390	1,253,963
Due From Fiduciary Funds	-	-	-	-	-
State and Federal Aid Receivable	558,564	543,075	539,350	1,147,925	1,076,378
Due From Other Governments	413,102	462,153	1,569,133	-	-
Prepaid Expenditures	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 11,532,836</b>	<b>\$ 10,510,241</b>	<b>\$ 10,769,422</b>	<b>\$ 13,902,685</b>	<b>\$ 14,544,807</b>
<b>LIABILITIES AND FUND EQUITY</b>					
Accounts Payable	\$ 244,444	\$ 200,879	\$ 251,582	\$ 502,754	\$ 279,250
Accrued Interest Payable	-	-	27,352	-	-
Accrued Liabilities	15,012	30,346	-	93,982	404,364
Due To Other Funds	127	818	50,552	2,330	10,916
Due To Other Governments	-	-	-	68,581	68,581
Due To Teachers' Retirement System	1,241,183	1,384,159	1,160,625	1,199,782	1,350,119
Due To Employees' Retirement System	97,884	87,096	120,812	130,251	113,204
Overpayments	166,404	-	-	-	-
Deferred Revenues	2,075	14,587	-	-	-
<b>TOTAL LIABILITIES</b>	<b>1,767,129</b>	<b>1,717,885</b>	<b>1,610,923</b>	<b>1,997,680</b>	<b>2,226,434</b>
<b>FUND EQUITY</b>					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	2,256,365	1,980,061	2,228,110	2,624,594	2,864,325
Assigned	923,120	1,841,008	1,178,826	1,526,224	2,728,324
Unassigned	6,586,222	4,971,287	5,751,563	7,754,187	6,726,724
<b>TOTAL FUND EQUITY</b>	<b>9,765,707</b>	<b>8,792,356</b>	<b>9,158,499</b>	<b>11,905,005</b>	<b>12,319,373</b>
<b>TOTAL LIABILITIES &amp; FUND EQUITY</b>	<b>\$ 11,532,836</b>	<b>\$ 10,510,241</b>	<b>\$ 10,769,422</b>	<b>\$ 13,902,685</b>	<b>\$ 14,545,807</b>

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending June 30:	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<b>REVENUES</b>					
Real Property Taxes	\$ 10,556,642	\$ 10,608,307	\$ 11,004,442	\$ 11,471,119	\$ 11,964,931
Other Tax Items	2,200,454	2,148,198	2,088,585	2,005,368	1,936,267
Charges for Services	57,342	43,777	70,402	140,523	30,555
Use of Money & Property	17,712	13,513	77,950	63,736	5,292
Sale of Property and Compensation for Loss	31,503	181,654	110,774	25,248	29,272
Miscellaneous	562,802	451,316	528,728	340,249	758,103
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	17,209,755	18,056,205	18,598,053	19,808,379	18,564,801
Revenues from Federal Sources	53,003	78,328	152,188	123,871	366,302
Total Revenues	<u>\$ 30,689,213</u>	<u>\$ 31,581,298</u>	<u>\$ 32,631,122</u>	<u>\$ 33,978,493</u>	<u>\$ 33,655,523</u>
Other Sources:					
Interfund Transfers	<u>-</u>	<u>-</u>	<u>10,721</u>	<u>39,993</u>	<u>139,522</u>
Total Revenues and Other Sources	<u>30,689,213</u>	<u>31,581,298</u>	<u>32,641,843</u>	<u>34,018,486</u>	<u>33,795,045</u>
<b>EXPENDITURES</b>					
General Support	\$ 3,196,102	\$ 3,619,261	\$ 4,227,708	\$ 5,111,246	\$ 3,133,189
Instruction	15,710,429	16,761,720	16,978,033	16,842,316	15,939,949
Pupil Transportation	1,463,921	1,652,410	1,509,468	1,519,104	1,433,618
Community Services	20,362	26,839	16,799	18,242	-
Employee Benefits	7,694,111	8,024,975	9,040,545	9,489,053	9,707,405
Debt Service	884,245	884,445	881,545	628,045	628,795
Total Expenditures	<u>\$ 28,969,170</u>	<u>\$ 30,969,650</u>	<u>\$ 32,654,098</u>	<u>\$ 33,608,006</u>	<u>\$ 30,842,956</u>
Other Uses:					
Interfund Transfers	<u>105,779</u>	<u>18,907</u>	<u>1,127,500</u>	<u>44,337</u>	<u>205,583</u>
Total Expenditures and Other Uses	<u>29,074,949</u>	<u>30,988,557</u>	<u>33,781,598</u>	<u>33,652,343</u>	<u>31,048,539</u>
Excess (Deficit) Revenues Over Expenditures	<u>1,614,264</u>	<u>592,741</u>	<u>(1,139,755)</u>	<u>366,143</u>	<u>2,746,506</u>
<b>FUND BALANCE</b>					
Fund Balance - Beginning of Year	7,558,702	9,172,966	9,932,111 <sup>(1)</sup>	8,792,356	9,158,499
Prior Period Adjustments (net)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 9,172,966</u>	<u>\$ 9,765,707</u>	<u>\$ 8,792,356</u>	<u>\$ 9,158,499</u>	<u>\$ 11,905,005</u>

<sup>(1)</sup> The difference between the 2018 ending balance and the 2019 beginning balance was caused by a prior year adjustment to remove a prior year overpayment from the liability portion of the District's balance sheet.

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Fiscal Years Ending June 30:	2022			2023	2024
	Adopted Budget	Modified Budget	Actual	Adopted Budget	Adopted Budget
<b>REVENUES</b>					
Real Property Taxes	\$ 12,264,806	\$ 12,264,806	\$ 12,269,820	\$ 12,779,153	\$ 13,308,866
Other Tax Items	1,887,136	1,887,136	1,868,640	1,759,500	1,809,500
Charges for Services	50,500	50,500	42,148	30,500	32,000
Use of Money & Property	11,000	11,000	9,500	7,700	50,000
Sale of Property and Compensation for Loss	15,000	15,000	12,622	15,000	13,000
Miscellaneous	163,000	163,000	239,242	138,000	133,500
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	19,565,250	19,565,250	19,230,787	20,978,905	22,232,596
Revenues from Federal Sources	170,459	170,459	216,205	75,000	85,000
<b>Total Revenues</b>	<b>\$ 34,127,151</b>	<b>\$ 34,127,151</b>	<b>\$ 33,888,964</b>	<b>\$ 35,783,758</b>	<b>\$ 37,664,462</b>
Other Sources:					
Appropriated Reserves	\$ 1,264,400	\$ 1,526,180		\$ -	\$ 2,591,874
Interfund Transfers	1,889,135	1,889,135		1,950,000	160,000
<b>Total Revenues and Other Sources</b>	<b>37,280,686</b>	<b>37,542,466</b>	<b>33,888,964</b>	<b>37,733,758</b>	<b>40,416,336</b>
<b>EXPENDITURES</b>					
General Support	\$ 3,417,793	\$ 3,868,286	\$ 3,614,917	\$ 3,943,602	\$ 4,275,955
Instruction	18,334,983	18,278,603	16,810,289	18,709,421	19,704,052
Pupil Transportation	1,752,229	1,879,870	1,766,698	2,076,457	2,206,187
Community Services	19,300	2,500	-	-	-
Employee Benefits	11,230,586	10,857,412	10,133,096	11,954,319	12,059,346
Debt Service	2,385,795	2,385,795	880,795	3,472,995	2,020,796
<b>Total Expenditures</b>	<b>\$ 37,140,686</b>	<b>\$ 37,272,466</b>	<b>\$ 33,205,795</b>	<b>\$ 40,156,794</b>	<b>\$ 40,266,336</b>
Other Uses:					
Interfund Transfers	140,000	270,000	268,801	147,000	150,000
<b>Total Expenditures and Other Uses</b>	<b>37,280,686</b>	<b>37,542,466</b>	<b>33,474,596</b>	<b>40,303,794</b>	<b>40,416,336</b>
Excess (Deficit) Revenues Over Expenditures	-	-	414,368	(2,570,036)	-
<b>FUND BALANCE</b>					
Fund Balance - Beginning of Year			11,905,005	2,570,036	
Prior Period Adjustments (net)		-	-		
<b>Fund Balance - End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 12,319,373</b>	<b>\$ -</b>	<b>\$ -</b>

Source: Audited financial report and budgets of the District. This Appendix is not itself audited.

**APPENDIX - B**  
**Saranac CSD**

**BONDED DEBT SERVICE**

Fiscal Year Ending June 30th	Principal	Interest	Total
2023	\$ 335,000	\$ 859,577.78	\$ 1,194,577.78
2024	905,000	680,000.00	1,585,000.00
2025	955,000	634,750.00	1,589,750.00
2026	1,005,000	587,000.00	1,592,000.00
2027	1,055,000	536,750.00	1,591,750.00
2028	1,105,000	484,000.00	1,589,000.00
2029	1,125,000	428,750.00	1,553,750.00
2030	980,000	372,500.00	1,352,500.00
2031	795,000	323,500.00	1,118,500.00
2032	835,000	283,750.00	1,118,750.00
2033	875,000	242,000.00	1,117,000.00
2034	920,000	198,250.00	1,118,250.00
2035	965,000	152,250.00	1,117,250.00
2036	1,015,000	104,000.00	1,119,000.00
2037	1,065,000	53,250.00	1,118,250.00
<b>TOTALS</b>	<b>\$ 13,935,000</b>	<b>\$ 5,940,327.78</b>	<b>\$ 19,875,327.78</b>

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2014 DASNY			2022A DASNY		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 330,000	\$ 143,750.00	\$ 473,750.00	\$ 5,000	\$ 715,827.78	\$ 720,827.78
2024	345,000	127,250.00	472,250.00	560,000	552,750.00	1,112,750.00
2025	365,000	110,000.00	475,000.00	590,000	524,750.00	1,114,750.00
2026	385,000	91,750.00	476,750.00	620,000	495,250.00	1,115,250.00
2027	400,000	72,500.00	472,500.00	655,000	464,250.00	1,119,250.00
2028	420,000	52,500.00	472,500.00	685,000	431,500.00	1,116,500.00
2029	405,000	31,500.00	436,500.00	720,000	397,250.00	1,117,250.00
2030	225,000	11,250.00	236,250.00	755,000	361,250.00	1,116,250.00
2031	-	-	-	795,000	323,500.00	1,118,500.00
2032	-	-	-	835,000	283,750.00	1,118,750.00
2033	-	-	-	875,000	242,000.00	1,117,000.00
2034	-	-	-	920,000	198,250.00	1,118,250.00
2035	-	-	-	965,000	152,250.00	1,117,250.00
2036	-	-	-	1,015,000	104,000.00	1,119,000.00
2037	-	-	-	1,065,000	53,250.00	1,118,250.00
<b>TOTALS</b>	<b>\$ 2,875,000</b>	<b>\$ 640,500.00</b>	<b>\$3,515,500.00</b>	<b>\$ 11,060,000</b>	<b>\$ 5,299,827.78</b>	<b>\$ 16,359,827.78</b>

### MATERIAL EVENT NOTICES

In accordance with the provisions of Rule 15c2-12, as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the Securities and Exchange Commission (the "Commission") pursuant to the Securities Exchange Act of 1934, the School District has agreed to provide or cause to be provided, in a timely manner not in excess of ten (10) business days after the occurrence of the event, during the period in which the Note is outstanding, to the Electronic Municipal Market Access ("EMMA") system of the Municipal Securities Rulemaking Board ("MSRB") or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, notice of the occurrence of any of the following events with respect to the Notes:

- (a) principal and interest payment delinquencies
- (b) non-payment related defaults, if material
- (c) unscheduled draws on debt service reserves reflecting financial difficulties
- (d) in the case of credit enhancement, if any, provided in connection with the issuance of the Notes, unscheduled draws on credit enhancements reflecting financial difficulties
- (e) substitution of credit or liquidity providers, or their failure to perform
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes
- (g) modifications to rights of Note holders, if material
- (h) note calls, if material and tender offers
- (i) defeasances
- (j) release, substitution, or sale of property securing repayment of the Notes
- (k) rating changes
- (l) bankruptcy, insolvency, receivership or similar event of the School District
- (m) the consummation of a merger, consolidation, or acquisition involving the School District or the sale of all or substantially all of the assets of the School District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material
- (o) incurrence of a "financial obligation" of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the School District, any of which affect security holders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

Event (c) is included pursuant to a letter from the SEC staff to the National Association of Bond Lawyers dated September 19, 1995. However, event (c) is not applicable, since no "debt service reserves" will be established for the Notes.

With respect to event (d) the District does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Notes.

With respect to event (l) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

With respect to events (o) and (p), the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

The District may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above, if the District determines that any such other event is material with respect to the Notes; but the District does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

The District reserves the right to terminate its obligation to provide the aforescribed notices of material events, as set forth above, if and when the District no longer remains an obligated person with respect to the Notes within the meaning of the Rule. The District acknowledges that its undertaking pursuant to the Rule described under this heading is intended to be for the benefit of the holders of the Notes (including holders of beneficial interests in the Notes). The right of holders of the Notes to enforce the provisions of the undertaking will be limited to a right to obtain specific enforcement of the District’s obligations under its material event notices undertaking and any failure by the District to comply with the provisions of the undertaking will neither be a default with respect to the Notes nor entitle any holder of the Notes to recover monetary damages.

The District reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the District; provided that the District agrees that any such modification will be done in a manner consistent with the Rule.

THE REMAINDER OF THIS PAGE IS LEFT INTENTIONALLY BLANK

**SARANAC CENTRAL SCHOOL DISTRICT  
CLINTON COUNTY, NEW YORK**

**FINANCIAL STATEMENTS  
AND OTHER FINANCIAL INFORMATION**

**JUNE 30, 2022**

**The Audited Financial Statements, including opinion, were prepared as of date thereof and have not been reviewed and/or updated in connection with the preparation and dissemination of this Preliminary Official Statement.**

**SARANAC CENTRAL SCHOOL DISTRICT**

**FINANCIAL REPORT**

**JUNE 30, 2022**

## Contents

<hr/>	
<b>INDEPENDENT AUDITOR'S REPORT</b>	<b>1-3</b>
Management's Discussion and Analysis	4-12
Statement of Net Position	13
Statement of Activities	14
Balance Sheets - Governmental Funds	15
Combined Statement of Revenues, Expenditures and Changes in Fund Balance	16-17
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position	18
Reconciliation of Governmental Funds - Revenues, Expenditures and Changes in Fund Balance to Statement of Activities	19
Notes to Financial Statements	20-46
<hr/>	
<b>SUPPLEMENTARY INFORMATION</b>	
Non-Major Funds	
Combining Balance Sheet - Non-Major Funds	47
Combining Statement of Revenues and Expenditures - Non-Major Funds	48
General Fund:	
Schedule of Change from Adopted Budget to Final Budget and Real Property Tax Limit	49
Schedule of General Fund Revenues and Expenditures - Budget and Actual	50-51
Schedule of Project Expenditures - Capital Projects Fund	52
Schedule of Changes in the District's Total OPEB Liability and Related Ratios	53
Schedule of Net Investment in Capital Assets	54
Schedule of District's Proportionate Share of the Net Pension Liability - NYSERS	55
Schedule of the District's Contributions - NYSERS	56
Schedule of District's Proportionate Share of the Net Pension Liability - NYSTRS	57
Schedule of the District's Contributions - NYSTRS	58
Schedule of Expenditures of Federal Awards	59
Notes to Schedule of Expenditures of Federal Awards	60
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	61-62
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	63-65
Schedule of Findings and Questioned Costs	66-69
Extraclassroom Activity Fund:	
Independent Auditor's Report	70-71
Statement of Assets, Liabilities and Fund Balance - Cash Basis	72
Statement of Cash Receipts, Disbursements and Ending Balances	73
Notes to Financial Statements	74
<hr/>	

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

## ***Certified Public Accountants***

---

***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, 2022, 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, 2022, 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 54) 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 19, 2022, 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, 2022

---

**Saranac Central School District  
Management's Discussion & Analysis  
For the Fiscal Year Ended June 30, 2022**

---

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, 2022. 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 2021-2022**

- Revenues totaled more than \$37.8 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 \$414,368.
- Fund equity for the school food service fund increased by \$272,552.

### **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

	6/30/2022	6/30/2021
Current and other assets	<b>\$ 34,476,412</b>	\$ 23,109,774
Capital assets	<b>33,950,990</b>	31,040,381
Total Assets	<b>68,427,402</b>	54,150,155
Deferred Outflows of Resources		
OPEB (GASB 75)	<b>39,546,483</b>	47,952,252
Pensions	<b>8,975,008</b>	9,045,959
Total Assets and Deferred Outflows of Resources	<b>\$ 116,948,893</b>	\$ 111,148,366
Other Liabilities	<b>\$ 19,680,311</b>	\$ 19,574,544
Long Term Liabilities	<b>149,347,442</b>	145,712,359
Total Liabilities	<b>169,027,753</b>	165,286,903
Deferred Inflow of Resources		
OPEB (GASB 75)	<b>2,662,274</b>	4,680,588
Pensions	<b>16,596,434</b>	4,011,070
Total Liabilities and Deferred Inflows of Resources	<b>19,258,708</b>	8,691,658
<b>NET POSITION</b>		
Net Investment in capital assets	<b>16,760,596</b>	16,154,685
Restricted	<b>5,489,244</b>	4,383,644
Unrestricted	<b>(93,587,408)</b>	(83,368,524)
Total Net Position	<b>(71,337,568)</b>	(62,830,195)
Total Liabilities, Deferred Inflows and Net Position	<b>\$ 116,948,893</b>	\$ 111,148,366

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 increased from 2020-2021 to 2021-2022. This is primarily the result of the capital project.

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, 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 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.
- The Teachers' Retirement System sub reserve was increased by \$237,000 to work towards fully funding the reserve for future retirement payments.

There was a decrease of \$10,217,884 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	<u>6/30/2022</u>	<u>6/30/2021</u>
Program Revenues:		
Charges for services	\$ 38,433	\$ 4,185
Operating grants	3,629,575	2,082,237
General Revenues:		
Real property taxes	12,269,820	11,964,931
Other tax items	1,868,640	1,936,267
Charges for services	42,148	30,555
Use of money and property	13,671	10,588
Sale of property and compensation for loss	12,622	29,272
Miscellaneous	515,396	959,677
State Sources	19,467,680	18,614,045
Federal sources	216,205	366,302
Total Revenues	<u>38,074,190</u>	<u>35,998,059</u>
 EXPENSES		
General support	4,595,825	4,030,247
Instruction	18,916,876	17,476,924
Pupil transportation	1,713,638	1,384,598
Employee benefits	20,397,736	21,360,698
Debt service	403,661	412,308
Capital outlay	238,748	78,773
School lunch program	315,079	226,802
Total Expenses	<u>46,581,563</u>	<u>44,970,350</u>
Increase (Decrease) in Net Position	<u>\$ (8,507,373)</u>	<u>\$ (8,972,291)</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 \$19,467,680, 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, \$20,396,736. The District has a decrease in net position of (\$8,506,373). This primarily resulted from the increase in instruction.

There was a increase in most expense areas except for employee benefits.

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 \$414,368 (15%) from 2020-2021 to 2021-2022.

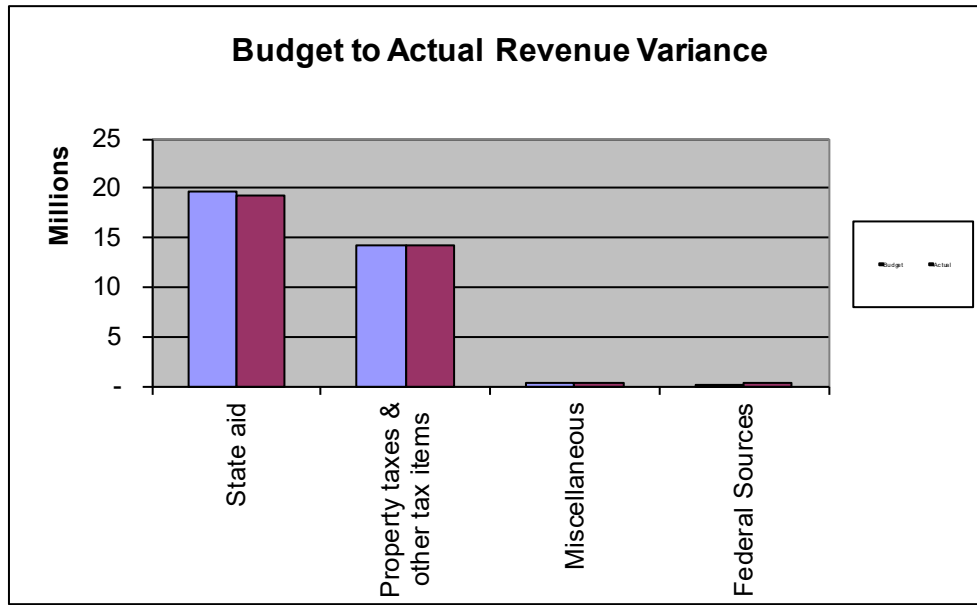
Cafeteria Fund. Under the Families First Coronavirus Response Act all students were eligible for free meals during the 2021-2022 school year. Since this change, has been an increase in the number of students purchasing school meals. Since reimbursement is higher when meals are free the cafeteria fund equity increased \$272,552 from the prior year.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

The District's general fund budget is prepared according to New York State law. During the 2021-2022 school year the original budget increased \$261,030. The increases were from prior year encumbrances.

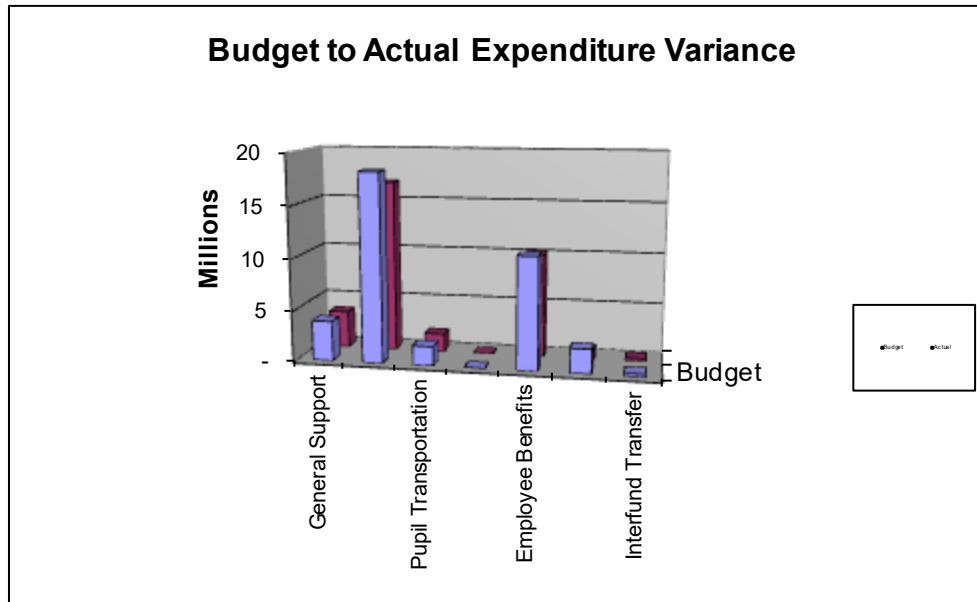
The budget increased 8.6% from 2020-2021 to 2021-2022, \$34,329,522 to \$37,280,686.

General fund actual revenues were under the budgeted amount by \$238,937. This was primarily due to receiving less Excess Cost Aid than budgeted for.



	Budget	Actual	Variance
State aid	19,565,250	19,230,787	(334,463)
Property taxes & other tax items	14,151,942	14,138,460	(13,482)
Miscellaneous	239,500	303,512	64,012
Federal Sources	170,459	216,205	45,746
<b>Total</b>	<b>34,127,151</b>	<b>33,888,964</b>	<b>(238,187)</b>

General fund actual expenditures were less than the final budget by \$3,908,383. A portion of the savings, \$1,070,017 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, \$1,505,000, was debt service. A budgeted payment on BAN debt outstanding was never made.



	Budget	Actual	Variance
General Support	3,868,286	3,614,917	(253,369)
Instructional	18,278,603	16,810,289	(1,468,314)
Pupil Transportation	1,879,870	1,766,698	(113,172)
Community Services	2,500	-	(2,500)
Employee Benefits	10,857,412	10,133,096	(724,316)
Debt Service	2,385,795	880,795	(1,505,000)
Interfund Transfer	270,000	268,801	(1,199)
<b>Total</b>	<b>37,542,466</b>	<b>33,474,596</b>	<b>(4,067,870)</b>

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

The District's capital assets as of June 30, 2022, are as follows:

#### CAPITAL ASSETS

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Non-Depreciable Assets:		
Land	\$ 323,700	\$ 323,700
Construction in Process	14,507,113	11,291,829
Depreciable Assets:		
Building and Improvements	36,106,409	36,106,409
Machinery and Equipment	<u>6,592,422</u>	<u>5,935,732</u>
Total	<u>\$ 57,529,644</u>	<u>\$ 53,657,670</u>

The total increase in capital assets was \$3,871,974.

### Debt

The District's total outstanding debt, as of June 30, 2022 was \$3,827,935, with \$452,171 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	\$ 3,190,000	\$ 2,875,000
Installment Purchase Obligation	1,070,875	952,935
	<u>\$ 4,260,875</u>	<u>\$ 3,827,935</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.

### Cafeteria

The Families First Coronavirus Response Act allowing all students to be eligible for free meals continues in the 2021-2022 school year. The District continues to have a strong and increased participation for both breakfast and lunch programs. Starting in September 2022, the District is required to begin charging for meals again.

## **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, 2022

## ASSETS

Cash:		
Unrestricted	\$	9,349,951
Restricted		10,348,091
Receivables:		
Accounts receivable		7,243
State and federal aid		1,768,759
Inventories		23,686
Capital assets, net		33,950,990
Net pension asset-proportionate share		12,978,682
<b>Total Assets</b>		<b>68,427,402</b>

## DEFERRED OUTFLOWS OF RESOURCES

Other post employment benefits		39,546,483
Pensions		8,975,008
<b>Total Deferred Outflows of Resources</b>		<b>48,521,491</b>

**Total Assets and Deferred Outflow of Resources****\$ 116,948,893**

## LIABILITIES

Payables:		
Accounts payable	\$	298,255
Accrued liabilities		424,902
Bond Anticipation notes payable		16,800,000
Due to other governments		68,789
Due to teacher's retirement system		1,386,502
Due to employee's retirement system		120,711
Unearned revenue		326,635
Accrued bond interest		254,517
Long-term liabilities		
Due and payable within one year:		
Retainage payable	\$	365,638
Bonds payable - current		330,000
Installment purchase - current		122,171
Due and payable after one year		
Bonds payable - non-current, including amortized bond premium		2,841,886
Installment purchase - non-current		830,764
Compensated absences payable		979,149
Other post employment benefits		143,877,834
<b>Total Liabilities</b>		<b>169,027,753</b>

## DEFERRED INFLOWS OF RESOURCES

Other post employment benefits		2,662,274
Pensions		16,596,434
<b>Total Deferred Inflows of Resources</b>		<b>19,258,708</b>

## NET POSITION

Net investment in capital assets		16,760,596
Restricted		5,489,244
Unrestricted		(93,587,408)
<b>Total Net Position</b>		<b>(71,337,568)</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Net Position</b>	<b>\$</b>	<b>116,948,893</b>

See Notes to the Financial Statements.

SARANAC CENTRAL SCHOOL DISTRICT

EXHIBIT 2

STATEMENT OF ACTIVITIES

Year Ended June 30, 2022

FUNCTIONS/ PROGRAMS	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION	
	EXPENSES	CHARGES FOR SERVICES		OPERATING GRANTS
General support	\$ (4,595,825)	\$ -	\$ -	\$ (4,595,825)
Instruction	(18,916,876)	-	2,708,833	(16,208,043)
Pupil transportation	(1,713,638)	-	-	(1,713,638)
Employee benefits	(20,397,736)	-	-	(20,397,736)
Debt service	(403,661)	-	-	(403,661)
Capital outlay	(238,748)	-	-	(238,748)
School lunch program	(315,079)	38,433	920,742	644,096
<b>Total Functions and Programs</b>	<b>\$ (46,581,563)</b>	<b>\$ 38,433</b>	<b>\$ 3,629,575</b>	<b>(42,913,555)</b>
<b>GENERAL REVENUES</b>				
Real property taxes				12,269,820
Other tax items				1,868,640
Charges for services				42,148
Use of money and property				13,671
Sale of property and compensation for loss				12,622
Miscellaneous				515,396
State Sources				19,467,680
Federal Sources				216,205
<b>Total General Revenues</b>				<b>34,406,182</b>
<b>Change in Net Position</b>				<b>(8,507,373)</b>
<b>Total Net Position - Beginning of Year</b>				<b>(62,830,195)</b>
<b>Total Net Position - End of Year</b>				<b>\$ (71,337,568)</b>

See Notes to the Financial Statements.

## SARANAC CENTRAL SCHOOL DISTRICT

EXHIBIT 3

## BALANCE SHEET-GOVERNMENTAL FUNDS

June 30, 2022

	GENERAL	SPECIAL AID	SCHOOL FOOD SERVICE	DEBT SERVICE	CAPITAL PROJECTS	NON-MAJOR	TOTAL
<b>ASSETS</b>							
Unrestricted cash	\$ 9,349,951	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,349,951
Restricted cash	2,864,325	911,554	284,149	1,973,317	4,108,457	206,289	10,348,091
Accounts receivable	190	-	7,053	-	-	-	7,243
Due from other funds	1,253,963	4,328	7,296	99	-	-	1,265,686
State and federal aid receivable	1,076,378	433,481	182,600	-	76,300	-	1,768,759
Inventories	-	-	23,686	-	-	-	23,686
<b>Total Assets</b>	<u>\$ 14,544,807</u>	<u>\$ 1,349,363</u>	<u>\$ 504,784</u>	<u>\$ 1,973,416</u>	<u>\$ 4,184,757</u>	<u>\$ 206,289</u>	<u>\$ 22,763,416</u>
<b>LIABILITIES</b>							
Accounts payable	\$ 279,250	\$ 18,722	\$ -	\$ -	\$ 283	\$ -	\$ 298,255
Accrued liabilities	403,364	161	21,377	-	-	-	424,902
Bond anticipation notes payable	-	-	-	-	16,800,000	-	16,800,000
Due to other governments	68,581	-	208	-	-	-	68,789
Due to other funds	10,916	967,462	6,792	-	280,516	-	1,265,686
Due to teachers' retirement system	1,350,119	36,383	-	-	-	-	1,386,502
Due to employees' retirement system	113,204	-	7,507	-	-	-	120,711
Unearned revenue	-	326,635	-	-	-	-	326,635
<b>Total Liabilities</b>	<u>2,225,434</u>	<u>1,349,363</u>	<u>35,884</u>	<u>-</u>	<u>17,080,799</u>	<u>-</u>	<u>20,691,480</u>
<b>FUND BALANCES</b>							
Nonspendable:							
Inventories	-	-	23,686	-	-	-	23,686
Restricted:							
Workers' Compensation	150,000	-	-	-	-	-	150,000
Retirement contributions - ERS	1,141,423	-	-	-	-	-	1,141,423
Retirement contributions - TRS	948,000	-	-	-	-	-	948,000
Unemployment insurance	202,622	-	-	-	-	-	202,622
Capital reserve	422,280	-	-	-	-	-	422,280
Debt reserve	-	-	-	1,973,416	-	-	1,973,416
School lunch	-	-	445,214	-	-	-	445,214
Other	-	-	-	-	-	206,289	206,289
Assigned:							
Appropriated fund balance	2,570,036	-	-	-	-	-	2,570,036
Encumbrances (Note 10)	158,288	-	-	-	-	-	158,288
Unassigned:							
Tax reduction reserve	141,380	-	-	-	-	-	141,380
Unassigned fund balance	6,585,344	-	-	-	(12,896,042)	-	(6,310,698)
<b>Total Fund Balances</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>2,071,936</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 14,544,807</u>	<u>\$ 1,349,363</u>	<u>\$ 504,784</u>	<u>\$ 1,973,416</u>	<u>\$ 4,184,757</u>	<u>\$ 206,289</u>	<u>\$ 22,763,416</u>

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, 2022

	General	Special Aid	School Food Service	Debt Service	Capital Projects	Non-Major	TOTAL
<b>REVENUES</b>							
Real property taxes	\$ 12,269,820	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,269,820
Other tax items	1,868,640	-	-	-	-	-	1,868,640
Charges for services	42,148	-	-	-	-	-	42,148
Use of money and property	9,500	-	61	4,025	7	78	13,671
Sale of property and compensation for loss	12,622	-	-	-	-	-	12,622
Miscellaneous	239,242	-	6,337	-	-	59,476	305,055
State Sources	19,230,787	624,854	16,198	-	236,893	-	20,108,732
Federal sources	216,205	2,083,979	904,544	-	-	-	3,204,728
Sales	-	-	38,433	-	-	-	38,433
<b>Total Revenues</b>	<b>33,888,964</b>	<b>2,708,833</b>	<b>965,573</b>	<b>4,025</b>	<b>236,900</b>	<b>59,554</b>	<b>37,863,849</b>
<b>EXPENDITURES</b>							
General support	3,614,917	-	322,078	-	-	58,684	3,995,679
Instruction	16,810,289	2,341,387	-	-	-	-	19,151,676
Pupil transportation	1,766,698	-	-	-	-	-	1,766,698
Employee benefits	10,133,096	406,247	55,864	-	-	-	10,595,207
Debt service	880,795	-	-	-	-	-	880,795
Capital outlay	-	-	-	-	3,088,394	-	3,088,394
Cost of sales	-	-	315,079	-	-	-	315,079
<b>Total Expenditures</b>	<b>33,205,795</b>	<b>2,747,634</b>	<b>693,021</b>	<b>-</b>	<b>3,088,394</b>	<b>58,684</b>	<b>39,793,528</b>
<b>Excess (Deficit) of Revenues over Expenditures</b>	<b>683,169</b>	<b>(38,801)</b>	<b>272,552</b>	<b>4,025</b>	<b>(2,851,494)</b>	<b>870</b>	<b>(1,929,679)</b>

**OTHER SOURCES AND USES**

Operating transfers in	-	38,801	-	-	230,000	-	<b>268,801</b>
Operating transfers (out)	(268,801)	-	-	-	-	-	<b>(268,801)</b>
BAN Premium	-	-	-	210,341	-	-	<b>210,341</b>
<b>Total Other Sources and Uses</b>	<u>(268,801)</u>	<u>38,801</u>	<u>-</u>	<u>210,341</u>	<u>230,000</u>	<u>-</u>	<u><b>210,341</b></u>
<b>Excess (Deficiency) Revenues and Other Sources over Expenditures and Other Uses</b>	414,368	-	272,552	214,366	(2,621,494)	870	<b>(1,719,338)</b>
<b>Fund Balances, Beginning of Year</b>	<u>11,905,005</u>	<u>-</u>	<u>196,348</u>	<u>1,759,050</u>	<u>(10,274,548)</u>	<u>205,419</u>	<u><b>3,791,274</b></u>
<b>Fund Balances, End of Year</b>	<u><b>\$ 12,319,373</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 468,900</b></u>	<u><b>\$ 1,973,416</b></u>	<u><b>\$(12,896,042)</b></u>	<u><b>\$ 206,289</b></u>	<u><b>\$ 2,071,936</b></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, 2022

	TOTAL GOVERNMENT FUNDS	LONG-TERM ASSETS, LIABILITIES	RECLASSIFICATION AND ELIMINATIONS	STATEMENT OF NET ASSETS TOTALS
<b>ASSETS</b>				
Unrestricted cash	\$ 9,349,951	\$ -	\$ -	\$ 9,349,951
Restricted cash	10,348,091	-	-	10,348,091
Accounts receivable	7,243	-	-	7,243
Due from other funds	1,265,686	-	(1,265,686)	-
State and federal aid receivable	1,768,759	-	-	1,768,759
Inventories	23,686	-	-	23,686
Fixed assets	-	33,950,990	-	33,950,990
Net pension asset-proportionate share	-	12,978,682	-	12,978,682
<b>Total Assets</b>	<b>22,763,416</b>	<b>46,929,672</b>	<b>(1,265,686)</b>	<b>68,427,402</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Other post employment benefits	-	39,546,483	-	39,546,483
Pensions	-	8,975,008	-	8,975,008
<b>Total Deferred Outflows of Resources</b>	<b>-</b>	<b>48,521,491</b>	<b>-</b>	<b>48,521,491</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>22,763,416</b>	<b>95,451,163</b>	<b>(1,265,686)</b>	<b>116,948,893</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 298,255	\$ -	\$ -	\$ 298,255
Accrued liabilities	424,902	-	-	424,902
Accrued bond interest	-	254,517	-	254,517
Bond anticipation notes payable	16,800,000	-	-	16,800,000
Due to other funds	1,265,686	-	(1,265,686)	-
Due to other governments	68,789	-	-	68,789
Due to teachers' retirement system	1,386,502	-	-	1,386,502
Due to employees' retirement system	120,711	-	-	120,711
Retainage payable	-	365,638	-	365,638
Unearned revenue	326,635	-	-	326,635
Bonds payable and other long-term debt	-	4,124,821	-	4,124,821
Compensated absences	-	979,149	-	979,149
Other post employment benefits	-	143,877,834	-	143,877,834
<b>Total Liabilities</b>	<b>20,691,480</b>	<b>149,601,959</b>	<b>(1,265,686)</b>	<b>169,027,753</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Other post employment benefits	-	2,662,274	-	2,662,274
Pensions	-	16,596,434	-	16,596,434
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>19,258,708</b>	<b>-</b>	<b>19,258,708</b>
<b>FUND EQUITY/NET POSITION</b>				
<b>Total Fund Equity/ Net Position</b>	<b>2,071,936</b>	<b>(73,409,504)</b>	<b>-</b>	<b>(71,337,568)</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Equity/NetPosition</b>	<b>\$ 22,763,416</b>	<b>\$ 95,451,163</b>	<b>\$ (1,265,686)</b>	<b>\$ 116,948,893</b>

See Notes to the Financial Statements.

SARANAC CENTRAL SCHOOL DISTRICT

EXHIBIT 6

RECONCILIATION OF GOVERNMENTAL FUNDS-REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE TO STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2022

	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	\$ 12,269,820	\$ -	\$ -	\$ -	\$ -	\$ 12,269,820
Other tax items	1,868,640	-	-	-	-	1,868,640
Charges for services	42,148	-	-	-	-	42,148
Use of money and property	13,671	-	-	-	-	13,671
Sale of property and compensation for loss	12,622	-	-	-	-	12,622
Miscellaneous	305,055	-	-	-	-	305,055
State Sources	20,108,732	-	-	-	-	20,108,732
Federal sources	3,204,728	-	-	-	-	3,204,728
Sales	38,433	-	-	-	-	38,433
<b>Total Revenues</b>	<b>37,863,849</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>37,863,849</b>
<b>EXPENDITURES</b>						
General support	3,995,679	-	600,146	-	-	4,595,825
Instruction	19,151,676	7,611	(242,411)	-	-	18,916,876
Pupil transportation	1,766,698	-	(53,060)	-	-	1,713,638
Employee benefits	10,595,207	9,802,529	-	-	-	20,397,736
Debt service	880,795	-	-	(477,134)	-	403,661
Capital outlay	3,088,394	-	(2,849,646)	-	-	238,748
Cost of sales	315,079	-	-	-	-	315,079
<b>Total Expenditures</b>	<b>39,793,528</b>	<b>9,810,140</b>	<b>(2,544,971)</b>	<b>(477,134)</b>	<b>-</b>	<b>46,581,563</b>
<b>Excess (Deficit) of Revenues over Expenditures</b>	<b>(1,929,679)</b>	<b>(9,810,140)</b>	<b>2,544,971</b>	<b>477,134</b>	<b>-</b>	<b>(8,717,714)</b>
<b>OTHER SOURCES AND USES</b>						
Operating transfers in	268,801	-	-	-	(268,801)	-
Operating transfers out	(268,801)	-	-	-	268,801	-
BAN Premium	210,341	-	-	-	-	210,341
<b>Total Other Sources and Uses</b>	<b>210,341</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>210,341</b>
<b>Net Change for the Year</b>	<b>\$ (1,719,338)</b>	<b>\$ (9,810,140)</b>	<b>\$ 2,544,971</b>	<b>\$ 477,134</b>	<b>\$ -</b>	<b>\$ (8,507,373)</b>

See Notes to the Financial Statements.

**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 \$23,686.

**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:

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)**

Restricted-other

Represents amounts restricted for scholarships and extraclassroom activities.

**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, 2022.

**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 2021 financial statements may have been reclassified to conform to the 2022 presentation.
- N. Events Occurring After Reporting Date: The District has evaluated events and transactions that occurred between June 30, 2022 and September 30 2022, 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

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

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.

- 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 and actual experience and changes of assumptions. 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, changes in proportion, and net difference between projected and actual earnings on pension plan investments. 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, 2022, including GASB Statement No. 87, *Leases*.

**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.

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, 2022 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)	\$ 2,071,936
Capital assets net of related depreciation	33,950,990
Net pension asset	12,978,682
Deferred outflows:	
Pensions - TRS	7,208,525
Pensions - ERS	1,766,483
Other post employment benefits	39,546,483

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

Liabilities, long term	
Accrued bond interest	(254,517)
Bonds payable, including bond premium, and installment notes payable	(4,124,821)
Other post employment benefits	(143,877,834)
Compensated absences	(979,149)
Retainage payable	(365,638)
Deferred inflows:	
Pensions - TRS	(13,595,999)
Pensions - ERS	(3,000,435)
Other post employment benefits	(2,662,274)
Ending net position reported on Statement of Activities for governmental activities (Exhibit 1)	<u>\$ (71,337,568)</u>

**B. 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

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

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.

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)	\$ 37,863,849
No changes	<u>-</u>
Total revenues of governmental activities in the Statement of Activities (Exhibit 6)	<u>\$ 37,863,849</u>

Total Expenditures/Expenses

Total expenditures reported in governmental funds (Exhibit 4)	\$ 39,793,528
---	---------------

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)

7,611

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)

(2,544,971)

**SARANAC CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

---

**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)

(1,527)

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.

12,142,094

(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	(1,980,802)
Employees' Retirement System	(358,763)

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	(432,940)
Bond amortization	(42,667)
	(475,607)

Total expenses reported on the Statement of Activities (Exhibit 6)	\$ 46,581,563
--	---------------

**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, 2022, the District's bank balances totaled \$21,052,431, of which \$1,000,000 was covered by Federal depository insurance and \$20,052,431 was covered by collateral held by the pledging banks in the District's name.

**SARANAC CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

---

**Note 4. Interfund Balances and Activity**

Interfund balances and activity at June 30, 2022 and for the fiscal year then ended, were as follows:

Fund Type	Interfund Receivable	Interfund Payable	Interfund Revenues	Interfund Expenditures
General	\$ 1,253,963	\$ 10,916	\$ -	\$ 268,801
School Food Service	7,296	6,792	-	-
Special aid	4,328	967,462	38,801	-
Capital	-	280,516	230,000	-
Debt service	99	-	-	-
Total	<u>\$ 1,265,686</u>	<u>\$ 1,265,686</u>	<u>\$ 268,801</u>	<u>\$ 268,801</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.

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

**SARANAC CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**Note 5. Capital Assets**

The following is a summary of changes in capital assets:

Capital Assets

	June 30, 2021		June 30, 2022	
	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Governmental activities				
Capital assets that are not depreciated:				
Land	\$ 323,700	\$ -	\$ -	\$ 323,700
Construction in progress	11,291,829	3,215,284	-	14,507,113
	<u>11,615,529</u>	<u>3,215,284</u>	<u>-</u>	<u>14,830,813</u>
Capital assets that are depreciated:				
Buildings	34,820,959	-	-	34,820,959
Land improvements	1,285,450	-	-	1,285,450
Machinery and equipment	2,641,889	570,254	49,879	3,162,264
Licensed Vehicles	3,293,843	441,350	305,035	3,430,158
Total depreciable historical cost	<u>42,042,141</u>	<u>1,011,604</u>	<u>354,914</u>	<u>42,698,831</u>
Less accumulated depreciation:				
Buildings	17,746,226	583,895	-	18,330,121
Land improvements	1,131,498	16,251	-	1,147,749
Machinery and equipment	1,911,927	327,843	49,879	2,189,891
Licensed Vehicles	1,827,638	388,290	305,035	1,910,893
Total accumulated depreciation	<u>22,617,289</u>	<u>1,316,279</u>	<u>354,914</u>	<u>23,578,654</u>
Total depreciable historical cost, net	<u>19,424,852</u>	<u>(304,675)</u>	<u>-</u>	<u>19,120,177</u>
Total Capital Assets	<u>\$ 31,040,381</u>	<u>\$ 2,910,609</u>	<u>\$ -</u>	<u>\$ 33,950,990</u>

Depreciation expense was charged to governmental functions as follows:

General support	\$ 600,146
Instruction	327,843
Pupil transportation	388,290
Total Depreciation	<u>\$ 1,316,279</u>

**SARANAC CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

---

**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 1.5%. The BAN has an outstanding balance of \$16,800,000 at June 30, 2022.

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

	<u>6/30/2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>6/30/2022</u>
Bond Anticipation Notes	\$ 16,800,000	\$ -	\$ -	\$ 16,800,000

BANs are comprised of the following:

<u>Payee</u>	<u>Rate</u>	<u>Issued</u>	<u>Date</u>	<u>Purpose</u>	<u>6/30/2022</u>
Jefferies,	1.50%	7/14/2021	7/14/2022	Improvements	<u>\$16,800,000</u>

Interest expense on the District's BAN obligations amounted to \$252,000 for 2021-2022.

**SARANAC CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**Note 7. Indebtedness (continued)**

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

	Balance 6/30/2021	Additions	Deletions	Balance 6/30/2022
Serial Bond 2014	\$ 3,190,000	\$ -	\$ 315,000	\$ 2,875,000
Installment Purchase 2013	1,070,875	-	117,940	952,935
Compensated Absences	971,538	7,611	-	979,149
Other Post Employment Benefits	138,123,195	5,754,639	-	143,877,834
Bond premiums, net of amortization	339,553	-	42,667	296,886
Total	<u>\$ 143,695,161</u>	<u>\$ 5,762,250</u>	<u>\$ 475,607</u>	<u>\$ 148,981,804</u>

Description of Issue	Issue Date	Final Maturity	Interest Rate	Outstanding at 6/30/22
Serial Bond 2014	6/10/2014	6/15/2030	5.00%	\$ 2,875,000
Installment Purchase 2013	9/6/2013	4/15/2029	3.540%	952,935
Plus: Bond premium, net of amortization				296,886
Total				<u>\$ 4,124,821</u>

The following is a summary of maturing debt service requirements:

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	\$ 452,171	\$ 175,874	\$ 628,045
2024	471,554	154,991	626,545
2025	496,093	133,202	629,295
2026	520,796	110,249	631,045
2027	540,667	86,127	626,794
2028-2032	1,346,654	107,186	1,453,840
	<u>\$ 3,827,935</u>	<u>\$ 767,629</u>	<u>\$ 4,595,564</u>

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

Interest paid	\$ 195,855
Less: interest accrued in the prior year	(256,045)
amortization of bond premium	(42,667)
Plus: interest accrued in the current year	<u>254,517</u>
	<u>\$ 151,660</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  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

---

**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
2022	\$ 452,383	\$ 1,198,066
2021	\$ 404,184	\$ 1,155,963
2020	\$ 402,583	\$ 1,383,715

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, 2022 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, 2022 for ERS and June 30, 2021 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	3/31/2022	6/30/2021
Net Pension asset/(liability)	\$ 874,675	\$ 12,104,007
District's portion of the Plan's total net pension asset/(liability)	0.0106999%	0.069848%
Change in proportion since the prior measurement date	\$ 884,314	\$ 14,111,566

For the year ended June 30, 2022, the District's recognized pension (income) expense of \$87,634 for ERS and (\$664,809) for TRS. At June 30, 2022 the District's reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

**SARANAC CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

**Note 8. Pensions (continued)**

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	TRS	ERS	TRS
Differences between expected and actual experience	\$ 66,240	\$ 1,668,409	\$ 85,917	\$ 62,885
Changes of assumptions	1,459,734	3,981,261	24,631	705,023
Net difference between projected and actual earnings on pension plan investments	-	-	2,864,194	12,668,096
Changes in proportion and differences between the Districts' contributions and proportionate share of contributions	119,798	241,576	25,693	159,995
District's contributions subsequent to the measurement date	120,711	1,317,279	-	-
Total	<u>\$ 1,766,483</u>	<u>\$ 7,208,525</u>	<u>\$ 3,000,435</u>	<u>\$ 13,595,999</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:		
2022	\$ -	\$ (1,533,372)
2023	(184,197)	(1,821,574)
2024	(298,845)	(2,307,417)
2025	(728,808)	(3,059,017)
2026	(142,813)	600,106
Thereafter	-	416,521
Total	<u>\$ (1,354,663)</u>	<u>\$ (7,704,753)</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.

**SARANAC CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

---

**Note 8. Pensions (continued)**

The actuarial valuation used the following actuarial assumptions:

	<u>ERS</u>	<u>TRS</u>
Measurement date	3/31/2022	6/30/2021
Actuarial valuation date	4/1/2021	6/30/2020
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	2.7%	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-2020. For TRS, annuitant mortality rates are based on plan member experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2020.

For ERS, the Actuarial assumptions used in the April 1, 2021 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, 2020 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:

**SARANAC CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

---

**Note 8. Pensions (continued)**

	<u>ERS</u>	<u>TRS</u>
Measurement Date	3/31/2022	6/30/2021
Asset Type:	%	%
Domestic equity	3.30	6.80
International equity	5.85	7.60
Private equity	6.00	10.00
Real estate	5.00	3.30
Domestic fixed income securities	-	1.30
Opportunistic/ARS portfolio	4.10	-
Credit	3.78	-
Real assets	5.58	-
Cash equivalents	-1.00	(0.20)
Private debt	-	5.90
Global equities	-	7.10
Global bonds	-	0.80
High-yield bonds	-	3.80
Real estate debt	-	3.60

**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 Districts' 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, 2022**

---

**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)	\$ (2,251,404)	\$ 874,675	\$ 3,489,489
	1% Decrease 5.95%	Current Assumption 6.95%	1% Increase 7.95%
Employer's proportionate share of the net pension asset (liability)	\$ 1,270,139	\$ 12,104,007	\$ 21,209,088

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, 2022 represent the projected employer contribution for the period of April 1, 2022 through June 30, 2022 based on paid ERS wages multiplied by the employers' contribution rate, by tier. Accrued retirement contributions as of June 30, 2022 amounted to \$120,711.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2022 are paid to the System in September, October and November 2022 through a state aid intercept. Accrued retirement contributions for the fiscal year ended June 30, 2022 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, 2022 amounted to \$1,386,502.

**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 \$3,697,167 for 212 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

**SARANAC CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

---

**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, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	206
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>246</u>
	<u><u>452</u></u>

**B. Total OPEB Liability**

The District’s total OPEB liability of \$143,877,834 was measured as of July 1, 2021, and was determined by an actuarial valuation as July 1, 2020.

*Actuarial Assumptions and Other Inputs* – The total OPEB liability in the July 1, 2020 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	2.14 percent
Healthcare Cost Trend Rates	7.25 percent for 2023, decreasing annually to an ultimate rate of 4.04 percent for 2082 and later years

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

Mortality rates were based on the RPH-2014 Mortality Table, as appropriate, with generational mortality adjusted to 2006 using scale MP-2014.

**SARANAC CENTRAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022**

---

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

C. Changes in the Total OPEB Liability

Balance at June 30, 2021	<u>\$ 138,123,195</u>
<u>Changes for the Year-</u>	
Service Cost	5,087,710
Interest	3,126,091
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	1,058,497
Benefit payments	<u>(3,517,659)</u>
Net Changes	<u>5,754,639</u>
Balance at June 30, 2022	<u><u>\$ 143,877,834</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.21% percent in 2021 to 2.14% percent in 2022.

*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 (1.14 percent) or 1 percentage point higher (3.14 percent) than the current discount rate:

	1% Decrease <u>1.14%</u>	Discount Rate <u>2.14%</u>	1% Increase <u>3.14%</u>
Total OPEB Liability	<u>\$ 170,422,935</u>	<u>\$ 143,877,834</u>	<u>\$ 122,707,484</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 <u>        </u>	Healthcare Cost Trend Rates <u>        </u>	1% Increase <u>        </u>
Total OPEB Liability	<u>\$ 118,851,673</u>	<u>\$ 143,877,834</u>	<u>\$ 176,824,739</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, 2022**

---

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

For the year ended June 30, 2022, the District recognized OPEB expense of \$15,803,515. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 12,771,638	\$ -
Changes of assumptions or other inputs	23,113,424	2,662,274
Contributions subsequent to the measurement date	<u>3,661,421</u>	<u>-</u>
Total	<u><u>\$ 39,546,483</u></u>	<u><u>\$ 2,662,274</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,	<u>Amount</u>
2023	\$ 7,589,714
2024	9,043,921
2025	8,050,990
2026	7,541,606
2027	977,500
2028 and Thereafter	<u>19,057</u>
	<u><u>\$ 33,222,788</u></u>

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

Assigned Fund Balance – Encumbrances as follows:

<u>General Fund</u>	<u>2022</u>
Finance	\$ 1,280
Central Services	110,696
Admin & Improvement	173
Teaching - Regular School	1,400
Instructional Media	4,324
Pupil Services	15,645
Pupil Transportation	<u>24,770</u>
	<u><u>\$ 158,288</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, 2022.

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, 2022**

---

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

During the year ended June 30, 2022, the Saranac Central School District was billed \$3,177,070 for BOCES administrative and program costs. Participating school districts issue debt on behalf of BOCES. During the year ended June 30, 2022, 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 \$1,029,594. BOCES also refunded the District \$22,022 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, 2022 was \$6,585,344 which represents 16.34% of next year's budget. The excess amounted to \$4,973,192.

**SARANAC CENTRAL SCHOOL DISTRICT**

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

**June 30, 2022**

	SCHOLARSHIP FUND	EXTRACLASSROOM ACTIVITIES FUND	Total
<b>ASSETS</b>			
Cash	\$ 154,109	\$ 52,180	\$ <b>206,289</b>
<b>Total assets</b>	<b>\$ 154,109</b>	<b>\$ 52,180</b>	<b>\$ 206,289</b>
<b>Net Position</b>			
<b>Total Net Position</b>	<b>\$ 154,109</b>	<b>\$ 52,180</b>	<b>\$ 206,289</b>

See Independent Auditor's Report.

**SARANAC CENTRAL SCHOOL DISTRICT**

**COMBINING STATEMENT OF REVENUES AND EXPENDITURES - NON-MAJOR FUNDS**  
**Year Ended June 30, 2022**

	SCHOLARSHIP FUND	EXTRACLASROOM ACTIVITIES FUND	Total
<b>REVENUES</b>			
Gifts and contributions	\$ 7,725	\$ -	\$ 7,725
Miscellaneous Revenue	-	51,751	51,751
Use of money and property	78	-	78
<b>Total revenues</b>	<u>7,803</u>	<u>51,751</u>	<u>59,554</u>
<b>EXPENDITURES</b>			
Scholarship and awards	10,075	-	10,075
Disbursements - extraclassroom	-	48,609	48,609
<b>Total expenditures</b>	<u>10,075</u>	<u>48,609</u>	<u>58,684</u>
<b>Change in Net Position</b>	(2,272)	3,142	870
<b>Net Position, Beginning of Year</b>	<u>156,381</u>	<u>49,038</u>	<u>205,419</u>
<b>Net Postion, End of Year</b>	<u>\$ 154,109</u>	<u>\$ 52,180</u>	<u>206,289</u>

**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, 2022**

Adopted budget		\$ 37,280,686
Additions:		
Encumbrances - fiscal year 2021	\$ 261,780	
Gifts and donations	-	
Capital project	-	
<b>Total additions</b>		<u>261,780</u>
Revised budget		<u><u>\$ 37,542,466</u></u>

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

2022-23 expenditure budget	<u>\$ 40,303,794</u>
Maximum allowed (4% of 2022-23 budget)	<u><u>1,612,152</u></u>

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

Unrestricted fund balance:		
Committed fund balance	\$ -	
Assigned fund balance	2,728,324	
Unassigned fund balance	<u>6,726,724</u>	
Total unrestricted fund balance		<u>9,455,048</u>
Less:		
Appropriated fund balance	\$ 2,570,036	
Insurance recovery reserve	-	
Tax reduction reserve	141,380	
Encumbrances included in assigned fund balance	<u>158,288</u>	
Total adjustments		<u>2,869,704</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		<u><u>\$ 6,585,344</u></u>
Actual percentage		<u><u>16.34%</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, 2022**

	Adopted Budget	Final Budget	Actual (Budgetary Basis)	Final Budget Variance with Budgetary Actual
Revenues:				
Local Sources:				
Real property taxes	\$ 12,264,806	\$ 12,264,806	\$ 12,269,820	\$ 5,014
Other tax items	1,887,136	1,887,136	1,868,640	(18,496)
Charges for services	50,500	50,500	42,148	(8,352)
Use of money and property	11,000	11,000	9,500	(1,500)
Sale of property and compensation for loss	15,000	15,000	12,622	(2,378)
Miscellaneous	163,000	163,000	239,242	76,242
State sources	19,565,250	19,565,250	19,230,787	(334,463)
Federal sources	170,459	170,459	216,205	45,746
<b>Total Revenues</b>	<b>34,127,151</b>	<b>34,127,151</b>	<b>33,888,964</b>	<b>(238,187)</b>
Other Financing Sources				
Interfund transfers	1,889,135	1,889,135	-	
<b>Total Other Financing Sources</b>	<b>1,889,135</b>	<b>1,889,135</b>	<b>-</b>	
Appropriated Fund Balance:				
Prior year appropriated surplus	1,264,400	1,264,400	-	
Prior year encumbrances	-	261,780	-	
<b>Total Appropriated Fund Balance</b>	<b>1,264,400</b>	<b>1,526,180</b>	<b>-</b>	
<b>Total Revenues and Appropriated Fund Balance</b>	<b>\$ 37,280,686</b>	<b>\$ 37,542,466</b>	<b>\$ 33,888,964</b>	

	Adopted Budget	Final Budget	Actual (Budgetary Basis)	Year-end Encumbrances	Final Budget Variance with Budgetary Acutal and Encumbrances
<b>Expenditures:</b>					
General support:					
Board of education	\$ 15,467	\$ 8,805	\$ 8,781	\$ -	\$ 24
Central administration	203,415	201,928	201,922	-	6
Finance	317,264	324,414	323,134	1,280	-
Staff	88,041	114,185	113,018	-	1,167
Central services	1,958,915	2,382,240	2,131,925	110,696	139,619
Special items	834,691	836,714	836,137	-	577
Instructional:					
Instruction, administration and improvement	839,753	929,912	905,200	173	24,539
Teaching - regular school	8,097,988	8,020,215	7,818,353	1,400	200,462
Programs for Children with Handicapping	6,098,617	5,989,593	4,919,576	-	1,070,017
Occupational Education	796,464	774,011	771,852	-	2,159
Instructional media	765,527	852,170	787,095	4,324	60,751
Pupil service	1,736,634	1,712,702	1,608,213	15,645	88,844
Pupil transportation	1,752,229	1,879,870	1,766,698	24,770	88,402
Community Services	19,300	2,500	-	-	2,500
Employee benefits	11,230,586	10,857,412	10,133,096	-	724,316
Debt Service	2,385,795	2,385,795	880,795	-	1,505,000
<b>Total Expenditures</b>	<b>37,140,686</b>	<b>37,272,466</b>	<b>33,205,795</b>	<b>158,288</b>	<b>3,908,383</b>
Other uses:					
Interfund transfer	140,000	270,000	268,801	-	1,199
<b>Total Expenditures and Other Uses</b>	<b>\$ 37,280,686</b>	<b>\$ 37,542,466</b>	<b>33,474,596</b>	<b>\$ 158,288</b>	<b>\$ 3,909,582</b>

**Net Change in Fund Balance**

414,368

**Fund Balance - Beginning**

11,905,005

**Fund Balance - Ending**

\$ 12,319,373

See Independent Auditor's Report.

**SARANAC CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND**

**Year Ended June 30, 2022**

Project Title	Original Appropriation	Revised Appropriation	Prior Years	Current Year	Total	(Over-expended) Unexpended Balance	Methods of Financing			Fund Balance June 30, 2022	
							Proceeds of Obligations	State Aid	Local Sources		
Upgrades Phase 3 Capital Project	\$ 499,330	\$ 610,837	\$ 610,837		\$ 610,837	\$ -	\$ 600,000	\$ -	\$ 21,557	\$ 621,557	\$ 10,720
Electrical Project	19,200,000	19,200,000	11,282,937	2,789,842	14,072,779	5,127,221	-	-	996,103	996,103	(13,076,676)
Elevator Project	100,000	100,000	-	6,002	6,002	93,998	-	-	100,000	100,000	93,998
Smart Schools	130,000	130,000	-	54,084	54,084	75,916	-	-	130,000	130,000	75,916
Total Project	1,738,450	1,738,450	1,003,254	236,893	1,240,147	498,303	-	1,240,147	-	1,240,147	-
	<u>\$ 21,667,780</u>	<u>\$ 21,779,287</u>	<u>\$ 12,897,028</u>	<u>\$ 3,086,821</u>	<u>\$ 15,983,849</u>	<u>\$ 5,795,438</u>	<u>\$ 600,000</u>	<u>\$ 1,240,147</u>	<u>\$ 1,247,660</u>	<u>\$ 3,087,807</u>	<u>\$ (12,896,042)</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, 2022**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Measurement Date	July 1, 2021	July 1, 2020	July 1, 2019	July 1, 2018	July 1, 2017
<b>Total OPEB Liability:</b>					
Service Cost	\$ 5,087,710	\$ 2,798,262	\$ 2,808,156	\$ 2,437,243	\$ 3,164,420
Interest	3,126,091	3,203,088	3,327,995	2,662,287	2,302,372
Changes in benefit terms	-	-	-	-	-
Differences between expected and actual experience in the Measurement of the total OPEB liability	-	13,049,191	-	11,288,603	-
Changes of assumptions or other inputs	1,058,497	31,623,613	1,855,022	(2,601,551)	(9,732,010)
Benefit payments	<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	5,754,639	48,135,159	5,611,797	11,935,533	(6,094,445)
Total OPEB liability - beginning	<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><u>\$ 143,877,834</u></u>	<u><u>\$ 138,123,195</u></u>	<u><u>\$ 89,988,036</u></u>	<u><u>\$ 84,376,239</u></u>	<u><u>\$ 72,440,706</u></u>
Covered payroll	<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	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 2.21% to 2.14% at the current measurement date.

See Independent Auditor's Report.

**SARANAC CENTRAL SCHOOL DISTRICT**

**NET INVESTMENT IN CAPITAL ASSETS**

**Year Ended June 30, 2022**

Capital Assets, Net	\$ 33,950,990
Deduct:	
Bond anticipation notes	(16,800,000)
Short-term portion of bonds and notes payable	(452,171)
Long-term portion of bonds and notes payable	(3,375,764)
Add back unspent BAN proceeds	3,734,427
Premiums included with bonds payable	<u>(296,886)</u>
Net investment in capital assets	<u>\$ 16,760,596</u>

**SARANAC CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**Year Ended June 30, 2022**

NYSERS Pension Plan  
 Last 10 Fiscal Years\*

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of the net pension liability (asset)	-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)	\$ (874,675)	\$ 9,639	\$ 2,534,332	\$ 666,433	\$ 302,105	\$ 891,425	\$ 1,547,443	\$ 331,488		
District's covered- employee payroll	\$ 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	-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	-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, 2022**

NYSERS Pension Plan  
Last 10 Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 452,383	\$ 404,184	\$ 402,583	\$ 428,639	\$ 425,816	\$ 418,769	\$ 477,165	\$ 529,606	\$ 531,585	\$ 543,262
Contributions in relation to the contractually required contribution	\$ 452,383	\$ 404,184	\$ 402,583	\$ 428,639	\$ 425,816	\$ 418,769	\$ 477,165	\$ 529,606	\$ 531,585	\$ 543,262
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Districts covered-employee payroll	\$ 4,460,983	\$ 3,504,193	\$ 3,667,824	\$ 3,525,571	\$ 3,039,227	\$ 2,690,714	\$ 2,870,811	\$ 2,782,289		
Contributions as a percentage of covered employee payroll	10.1%	11.5%	11.0%	12.2%	14.0%	15.6%	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.

**SARANAC CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

**Year Ended June 30, 2022**

NYSTRS Pension Plan  
Last 10 Fiscal Years\*

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of the net pension liability (asset)	-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)	\$ (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	\$ 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	-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	-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, 2022**

NYSTRS Pension Plan  
Last 10 Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 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	\$ 1,250,047
Contributions in relation to the contractually required contribution	\$ 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	\$ 1,250,047
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Districts covered-employee payroll	\$ 11,755,105	\$ 12,112,035	\$ 12,507,743	\$ 12,709,287	\$ 11,708,690	\$ 11,323,099	\$ 11,292,665			
Contributions as a percentage of covered employee payroll	9.61%	9.02%	10.56%	8.88%	11.41%	13.01%	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.

**SARANAC CENTRAL SCHOOL DISTRICT**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**Year Ended June 30, 2022**

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	0032-22-0141	\$ 438,916
IDEA Part B Section 619	84.173A	0033-22-0141	19,414
Total Special Education Cluster			<u>458,330</u>
 Title I	 84.010A	 0021-22-0515	 <u>337,957</u>
Title II Principal & Teacher	84.367A	0147-22-0515	51,207
Title IV SSAE Allocation	84.424A	0204-22-0515	<u>15,469</u>
 COVID 19 - Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act - GEER	 84.425C	 5895-21-0515	 3,620
COVID 19 - Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act - ESSERF	84.425D	5890-21-0515	110,980
COVID 19 - Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act - ESSER 2	84.425D	5891-21-0515	525,010
COVID 19 - Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act - GEER 2	84.425C	5896-21-0515	24,000
COVID 19 - Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act - ARP - ESSER 3	84.425U	5880-21-0515	555,909
COVID 19 - Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act - ARP - Summer Enrichment	84.425U	5882-21-0515	107,373
COVID 19 - Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act - ARP - After School	84.425U	5883-21-0515	8,724
Total Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act			<u>1,335,616</u>
 <b>Total U.S. Department of Education</b>			 <u>2,198,579</u>
<b>U.S. Department of Agriculture:</b>			
<b>Pass-Through New York State Department of Education:</b>			
National School Breakfast Program	10.553		225,236
National School Lunch Program - Commodities	10.555		48,552
National School Lunch Program	10.555		575,796
COVID-19 Summer Food Service Program	10.559		54,960
Total Child Nutrition Cluster			<u>904,544</u>
 <b>Total Department of Agriculture</b>			 <u>904,544</u>
 <b>Total Federal Assistance Expended</b>			 <u>\$ 3,103,123</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, 2022**

---

**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***

---

***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, 2022, 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, 2022.

### **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 2022-001 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 2022-001.

### **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.

*Boubrice & Wood CPAs, PC*

September 30, 2022

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

## ***Certified Public Accountants***

---

***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, 2022. 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, 2022.

#### ***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, 2022

**SARANAC CENTRAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2022**

**SECTION I - SUMMARY OF AUDIT RESULTS**

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

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.425C	COVID 19 - Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act - GEER
84.425D	COVID 19 - Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act - ESSERF
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

**SARANAC CENTRAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED  
JUNE 30, 2022**

**SECTION II – FINANCIAL STATEMENTS**

**2022-001 Excess Fund Balance**

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

Effect: The District's unassigned general fund balance was 12.34% or \$4,973,192 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 8, Saranac New York 12987 -Tel: (518)688-8600-Fax: (518) 565-5617



September 22, 2022

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, 2021 through June 30, 2022.

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

Audit Finding #22-001

The audit finding reported is excess fund balance.

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.

Audit Recommendation

We recommend the district keep in mind this rule when preparing the 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, 2025.

Signed,

Javier Perez  
Superintendent of Schools

---

Administration: Javier Perez, Superintendent of Schools -- Danielle McAlary, Business Manager  
Officers of Board: Amber Pinotti, Clerk -- Holly Weigeltum, Treasurer  
Board of Education: Tracy Allen-Wake, Pres-Cherlene Davara, Vice-Pres- Amy Delair-Dan Ashline-Brooks-Jules LaPoint-Norman Lewis

**SARANAC CENTRAL SCHOOL DISTRICT  
SUMMARY OF PRIOR YEAR AUDIT FINDINGS  
JUNE 30, 2022**

Finding 2021-001: Excess Fund Balance

Condition: The finding was a compliance finding, whereby, the District's unassigned general fund balance was 20.42% of the 2021-2022 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 2022 audit and is referenced as 2022-001.

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

*Certified Public Accountants*

---

*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, 2022, 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, 2022, 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, 2022

**SARANAC CENTRAL SCHOOL DISTRICT  
EXTRACLASSROOM ACTIVITY FUNDS**

**STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE - CASH BASIS  
June 30, 2022 and 2021**

	<u>6/30/2022</u>	<u>6/30/2021</u>
Assets		
Cash	<u>\$ 52,180</u>	<u>\$ 49,038</u>
Total Assets	<u>\$ 52,180</u>	<u>\$ 49,038</u>
 Fund Balance		
Extraclassroom Activity	<u>\$ 52,180</u>	<u>\$ 49,038</u>
Total Fund Balance	<u>\$ 52,180</u>	<u>\$ 49,038</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, 2022**

Activity	Balance June 30, 2021	Receipts	Disbursements	Balance June 30, 2022
Saranac HS Art Club	\$ 81	\$ -	\$ 32	\$ 49
Saranac HS Band	2,840	-	2,231	609
Saranac HS Class of 2021	3,171	-	3,171	-
Saranac HS Class of 2022	4,959	7,926	10,461	2,424
Saranac HS Class of 2023	6,119	10,088	7,858	8,349
Saranac HS Class of 2024	4,550	7,347	2,597	9,300
Saranac HS Class of 2025	-	4,676	2,644	2,032
Saranac HS Drama Club	3,541	3,107	2,561	4,087
Saranac HS Home & Careers	1,738	298	2,036	-
Saranac HS Key Club	2,818	702	351	3,169
Saranac HS Library Club	866	1,842	1,929	779
Saranac HS NHS	419	2,626	2,837	208
Saranac HS Multicultural Club	645	242	351	536
Saranac HS Student Council	1,303	3,125	2,944	1,484
Saranac HS Outdoor Club	1,971	-	100	1,871
Saranac HS Yearbook	3,219	6,792	2,743	7,268
Saranac MS Student Council	1,352	-	30	1,322
Saranac MS Drama	7,937	2,359	2,809	7,487
Saranac MS Builders Club	775	121	-	896
Saranac HS SADD	734	500	924	310
	<u>\$ 49,038</u>	<u>\$ 51,751</u>	<u>\$ 48,609</u>	<u>\$ 52,180</u>

. See Notes to the Financial Statements – Extraclassroom Activity Funds

**SARANAC CENTRAL SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

---

**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.

## FORM OF OPINION OF BOND COUNSEL

July 13, 2023

Saranac Central School District  
32 Emmons Street  
Dannemora, New York 12929

Re: Saranac Central School District, Clinton County, New York  
\$3,330,000 Bond Anticipation Notes, 2023 CUSIP No.: 834430

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of \$3,330,000 Bond Anticipation Notes, 2023 (the "Notes") of Saranac Central School District, County of Clinton, State of New York (the "District"). The Notes are dated July 13, 2023 and are being issued pursuant to the Constitution and laws of the State of New York, including the Education Law and Local Finance Law, resolutions of the District and a Certificate of Determination dated on or before July 13, 2023 of the President of the Board of Education relative to the form and terms of the Notes.

In our opinion, the Notes are valid and legally binding general obligations of the District for which the District has validly pledged its faith and credit and, unless paid from other sources, all taxable real property within the District is subject to levy of ad valorem real estate taxes to pay the Notes and interest thereon without limitation of rate or amount. The enforceability of rights or remedies with respect to the Notes may be limited by bankruptcy, insolvency, or other laws affecting creditors' rights or remedies heretofore or hereinafter enacted.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Notes in order that interest on the Notes be and remain excluded from gross income under Section 103 of the Code. The President of the Board of Education of the District, in executing the Arbitrage and Use of Proceeds Certificate, has certified to the effect that the District will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure that interest on the Notes is excluded from gross income under Section 103 of the Code. We have examined such Arbitrage and Use of Proceeds Certificate of the District delivered concurrently with the delivery of the Notes, and, in our opinion, such certificate contains provisions and procedures under which such requirements can be met.

In our opinion, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Code and is excluded from adjusted gross income for purposes of New York State and New York City personal income taxes. Interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however for tax years beginning after December 31, 2022, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Notes.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. Our engagement with respect to the Notes has concluded with their issuance, and we disclaim any obligation to update this opinion. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents. Furthermore, we have assumed compliance with all covenants and agreements contained in the Arbitrage and Use of Proceeds Certificate, including without limitation covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Notes to be included in gross income for federal income tax purposes or adjusted gross income for purposes of personal income taxes imposed by the State of New York and the City of New York. We call attention to the fact that the rights and obligations under the Notes and the Arbitrage and Use of Proceeds Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against New York municipal corporations such as the School District. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, or waiver provisions contained in the foregoing documents.

The scope of our engagement in relation to the issuance of the Notes has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. The opinions expressed herein are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the School District, together with other legally available sources of revenue, if any, will be sufficient to enable the School District to pay the principal of or interest on the Notes as the same respectively become due and payable. Reference should be made to the Official Statement for factual information, which, in the judgment of the School District would materially affect the ability of the School District to pay such principal and interest. We have not verified the accuracy, completeness or fairness of the factual information contained in the Official Statement and, accordingly, no opinion is expressed by us as to whether the School District, in connection with the sale of the Notes, has made any untrue statement of a material fact, or omitted to state a material fact necessary in order to make any statements made, in light of the circumstances under which they were made, not misleading.

We have examined the first executed Note of each said issue and, in our opinion, the form of said Note and its execution are regular and proper.

Very truly yours,

Trespasz & Marquardt, LLP