SARANAC LAKE
CENTRAL SCHOOL DISTRICT
FINANCIAL REPORT
FISCAL YEAR ENDED
JUNE 30, 2021

Contents

BOULRICE & WOOD CPAS, P.C.

Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Saranac Lake Central School District, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Saranac Lake Central School District, as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 4 through 15), budgetary comparison information (pages 51 & 52), Schedule of Changes in the District's Total OPEB Liability and Related Ratios (page 55), Schedules of District's Proportionate Share of the Net Pension (Asset) Liability – ERS and TRS, and Schedules of the District's Contributions – ERS and TRS (pages 56-59) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2021, on our consideration of the Saranac Lake 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 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 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 Lake Central School District's internal control over financial reporting.

Boulrice & Wood CPAs, PC

November 18, 2021

The following is a discussion and analysis of the Saranac Lake Central School District's financial performance for the fiscal year ended June 30, 2021 as reported by the School Business Executive of the School District. This section is a summary of the School District's financial activities based on currently known facts, decisions, or conditions. It is also based on both the government-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section only serves as an introduction and should be read in conjunction with the School District's financial statements, which immediately follow this section.

Overview of the Financial Statements

Management's Discussion and Analysis introduces the District's basic financial statements. The basic financial statements include: (1) District-Wide Financial Statements, (2) Fund Financial Statements, and (3) Notes to the Financial Statements.

District-Wide Financial Statements

The Governmental Accounting Standards Board's Statement #34 requires that reporting financial status take place in a district-wide format. The District's annual report includes two such district-wide financial statements, which provide both long-term and short-term information about the District's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

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

The second district-wide statement is the Statement of Activities. This statement reports how the District's net position changed during the current fiscal year. All current revenues and expenditures are included regardless of when cash is received or paid. An important purpose for the design of the statement of activities is to show the financial reliance of the District's distinct activities or functions on revenues provided by the District's taxpayers.

Both of the district-wide financial statements distinguish government activities of the District that are principally supported by State and Federal sources, intergovernmental revenues, such as operating grants, and revenue from the local tax levy. Fiduciary activities, such as those for which the accounting occurs in the Custodial Fund, are not included in the government-wide statements since these assets are not available to fund the District programs.

The district-wide financial statements are presented on pages 16 and 17 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The District uses funds to ensure and demonstrate compliance with finance-related law and regulations. Within the basic financial statements, fund financial statements focus on the District's most significant funds rather than the District as a whole. Major funds are reported separately while all others are combined in a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of combining statements in a later section of this report. The District has two kinds of funds:

Governmental Funds are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the district-wide financial statements. However, unlike the district-wide statements, the governmental fund statements focus on the near-term inflows and outflows of resources available for spending. These statements illustrate short-term fiscal accountability in the use of such resources and the balances of such resources at the end of the fiscal year. They are useful in evaluating annual financial requirements of governmental programs and the commitment of such resources for the near-term.

Since the district-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the Government Fund Balance Sheet and the Government Fund Statement of Revenues, Expenditures, and Changes in Fund Balance have been reconciled in the Notes to the Financial Statements to assist in understanding the differences between these two perspectives.

Budgetary comparison statements are included in the supplemental financial statements for the General Fund. These statements and schedules demonstrate regulatory compliance with the District's adopted and final revised budget.

The basic governmental fund financial statements are presented on pages 18 and 19 of this report.

Fiduciary Funds Library taxes collected and remitted are reported in the fiduciary fund financial statements, but are excluded from the district-wide reporting. Fiduciary fund financial statements report resources that are not available to fund school programs.

The basic fiduciary fund financial statements are presented on page 20 of this report.

Notes to Financial Statements

Notes to Financial Statements provide information essential to a full understanding of the district-wide and fund financial statements. The notes to the financial statements begin on page 23 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also includes supplementary information beginning on page 48.

Financial Analysis of the District as a Whole

Statement of Net Position

The Statement of Net Position is a summary comparison of assets, liabilities, and net position for the prior year ended June 30, 2020 and current year ended June 30, 2021. It is shown below in **Exhibit 1**.

Exhibit 1

Summary of Net Position

	2021	Restated 2020	Percent Change
Assets			
Current and Other Assets	$ 14,540,782	$ 13,810,404	5.29
Capital Assets	29,039,103	29,219,401	(0.62)
Total Assets	43,579,885	43,029,805	
Deferred Outflows of Resources			
Pensions	8,379,188	7,429,410	12.78
Other Post Employment Benefits	31,614,313	12,669,721	149.53
Total Assets and Deferred Outflows of Resources	$ 83,573,386	$ 63,128,936	
Long-Term Liabilities	$ 148,044,862	$ 120,362,386	23.00
Other Liabilities	1,725,683	1,611,894	7.06
Total Liabilities	149,770,545	121,974,280	
Deferred Inflows of Resources			
Pensions	3,993,885	2,632,310	51.73
Other Post Employment Benefits	14,002,446	23,021,313	(39.18)
Total Deferred Inflows of Resources	17,996,331	25,653,623	
Net Position:			
Net Investment in Capital Assets	19,447,447	18,389,851	5.75
Restricted	5,833,733	3,636,008	60.44
Unrestricted	(109,474,670)	(106,524,826)	(2.77)
Total Net Position	(84,193,490)	(84,498,967)	
Total Liabilities and Net Position	$ 83,573,386	$ 63,128,936	

The largest portion of the District's net position, $19,447,447, reflects its investment in capital assets (e.g., land, buildings and improvements, and furniture and equipment), less any related debt (general obligation bonds payable and obligations under capital leases less unspent bond proceeds) used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Statement of Activities

The Statement of Activities is a summary comparison of Revenues, Expenditures and Net position for the prior year ended June 30, 2020 and current year ended June 30, 2021. It is shown below in **Exhibit 2**.

Exhibit 2

Statement of Activities and Summary of Changes in Net Position

	2020-2021	2019-2020	Percent Change
Revenues:			
Real Property Taxes	$ 21,575,577	$ 21,045,498	2.5
STAR Reimbursement	764,897	798,541	(4.2)
Other Tax Items	64,648	66,063	(2.1)
Use of Money and Property, Charges for Services, Sale Of Property, Miscellaneous	936,952	680,427	37.7
State & Federal Aid	11,821,933	10,578,365	11.8
Total Revenues	35,164,007	33,168,894	
Expenses:			
General Government Support	5,758,495	4,862,711	18.4
Instruction	15,043,736	15,977,938	(5.8)
Pupil Transportation	1,282,065	1,178,902	8.8
Community Services	97,481	148,680	100.0
Employee Benefits	12,275,317	7,247,729	69.4
Debt Service – Interest	209,218	236,609	(11.6)
School Lunch	192,218	209,619	(8.3)
Capital Outlay	-	635,486	-
Total Expenses	34,858,530	30,497,674	
Increase in Net Position	$ 305,477	$ 2,671,220	

Financial Analysis of the School District's Funds

As discussed, the District's governmental funds are reported in the fund statements on a modified accrual basis that focuses on the short-term, inflow and outflow of resources available for spending. This information is useful in assessing resources available at the end of the year in comparison with upcoming financial requirements. The major governmental funds of the District consist of the General Fund, Special Aid Fund, School Food Service Fund, Capital Projects Fund and Debt Service Fund. The total fund balances for each of these funds are as follows:

Fund	Non-spendable	Restricted	Assigned	Unassigned
General	$ -	$ 4,257,134	$ 1,405,343	$ 5,455,619
Special Aid	$ -	$ 10,492	$ -	$ -
School Food Service	$ 22,306	$ -	$ 1,496	$ -
Capital Projects	$ -	$ 175,816	$ -	$ -
Debt Service	$ -	$ 710,426	$ -	$ -
Non-Major	$ -	$ 679,865	$ -	$ -

The assigned appropriated fund balance in the General Fund is required by State law to be appropriated in the following year's budget. The District has assigned such portions of the fund balance to be used as resources for certain district-wide liabilities during 2021-22. Fund balances of capital projects and other governmental funds are restricted by State law to be spent for the purpose of the fund and are not available for spending at the District's discretion.

Balance Sheet

a. Total Assets

Total governmental fund assets as of current year ended June 30, 2021 increased from June 30, 2020 from $12,802,766 to $15,706,944. This represents a 22.7% increase. Management has continued to curtail spending. Although this District does not rely as heavily on State Aid as many of our neighboring districts, management felt that this trend in decreasing State Aid would be with us for several years and we decided to plan not only for next year but possibly for several years to come. Restricted cash increased due to reserve funding. This year there was a decrease in the amount of money due from other funds. Many times during the year the District will borrow from other funds that the District maintains until money is made available by the state or through property taxes. It is more advantageous for the District to "borrow" funds from itself instead of from a financial institution. Not only does the District save on interest charges but also on the cost of preparation of legal documents required for the District to borrow. The majority of amounts due from other funds is due from the Special Aid Fund which is discussed under the next section.

b. Total Liabilities

Total governmental fund liabilities as of June 30, 2021 decreased 16.7% from $3,586,978 to $2,988,447. The District's contribution to the two employee retirement systems has been substantial. The District's accrued liability to the New York State Employee's Retirement System increased from $112,404 to $124,237 while the District's accrued liability to the New York State Teacher's Retirement System increased from $1,043,224 to $1,115,148.

c. Fund Balance

Finally, the last major area of comparison in regards to governmental funds deals with Fund Balance. This is by far the most difficult concept for individuals to understand. A Fund Balance in simple terms is the accumulated excess of revenues over expenditures from year to year. The Fund Balance is NOT, as one might assume, a one year calculation. Rather, it is a cumulative calculation with the balance carried from one year to the next. While it is preferable to have revenues exceed expenditures it is possible to have expenditures exceed revenues in a year and possibly more than one year. However, the cumulative Fund Balance should be a positive amount.

The Fund Balance is made up of nonspendable, restricted, assigned and unassigned amounts. If the voters have approved Reserve Funds for specific purposes, then part of the total Fund Balance is said to be “restricted”. In a few instances, the school board may approve reserve funds without voter approval but this authority is extremely limited.

1. Unassigned Fund Balance

Unassigned Fund Balance is an amount that is not earmarked for any specific purpose and can be used in various ways. Some or all of it may be applied to the tax levy in the subsequent year to reduce the tax levied on property owners or it can also be retained by the District, in an amount not to exceed 4% of the next year’s budget appropriations, to be used in case of emergency.

2. Restricted Fund Balance

This District has eight Reserve Funds. The Insurance Reserve, which protects the School District against unexpected claims for unemployment benefits, property loss and worker’s compensation; the Tax Certiorari Reserve protects the School District against large court ordered property tax refund settlements due to property value assessments, the Capital Reserve, where funds are accumulated for future equipment purchases or capital projects, the Retirement Reserve where funds are accumulated for future NYS retirement premiums, the Repair Reserve, where funds are accumulated for unanticipated repairs, and the Employee Benefit Accrued Liability Reserve.

Highlights of General Fund Budget

The original budget for the General Fund for the Saranac Lake Central School District was $33,600,000. The total was increased by $350,476 of appropriated reserves, prior year encumbrances and grant proceeds.

The District had an increase of $1,063,237 from its budgeted revenue, while experiencing unencumbered balances in the appropriation budget of $3,637,293. Due to the fact that the District has little control over revenue, management feels that it is more prudent to estimate revenue conservatively in light of the fluctuation in State Aid and other economic factors and thus avoid an unexpected shortfall. The District benefited by the positive actual performance of the budget as compared with the adopted budget. Rather than dwell on the revenue performance since it is relatively insignificant, it might be helpful to review the expenditure performance for the year ended June 30, 2021.

Similar to 2020, the most important area for the positive performance of expenditures in 2021 was in the area of Instruction. One of the factors that contributed to this variance is the increase of funding of special grants. More of the instructional salaries were covered by the increased funding. In addition, a number of retirees in the last several years helped to keep the salaries down. When new teachers are hired to replace veteran teachers, a significant savings is achieved. The District had several veteran teachers retire and this trend is likely to continue for the next couple of years.

The District is self-insured, along with eight other school districts which make up the Franklin-Essex-Hamilton (FEH) BOCES health insurance consortium. Although the consortium has performed better than most self-insured plans and certainly better than insured plans, the District did incur a 1.00% increase in premiums.

Capital Assets and Debt Administration

The School District's investment in capital assets, net of accumulated depreciation as of June 30, 2021 was $29,039,103. This includes land, buildings and improvements, furniture, machinery and equipment, and school buses.

Exhibit 3 summarizes the comparative balances in major asset categories:

Exhibit 3

CAPITAL ASSETS
Net of Accumulated Depreciation

	June 30, 2021	June 30, 2020	Percent Change
Land	$ 358,658	$ 358,658	-
Work In Progress	601,587	-	
Site Work	1,149,070	1,149,070	-
Less Accumulated Depreciation	(1,007,193)	(980,553)	
Buildings and Improvements	38,933,830	38,795,446	0.4
Less Accumulated Depreciation	(14,101,937)	(13,243,536)	
Furniture, Equipment and vehicles	7,772,031	7,552,321	2.9
Less Accumulated Depreciation	(4,666,943)	(4,412,005)	
Total Capital Assets (Net)	$ 29,039,103	$ 29,219,401	

Long Term Debt

The District's overall debt limit as of June 30, 2021 was $223,946,869 based on New York State constitutional limit of 10% of true value of the District. At June 30, 2021 the district had serial bonds outstanding of $9,767,472 (note 7 page 36). As you can see, the District is substantially below the legal limit which should bode well for any future borrowing needs.

Fund Financial Statements

In contrast to District Wide Financial Statements detailed earlier in this report, the District also has Fund Financial Statements which pertain only to funds with a specific purpose. These include: the Special Aid Fund, the School Food Service Fund, the Capital Fund, the Debt Service Fund, and the Custodial Fund.

The Special Aid Fund

The Special Aid Fund records information regarding grants received from New York State and Federal government. These funds may be used only for the purpose for which the grant was received and special reporting must be completed to account for these revenues and expenditures. The District receives a number of grants and they are listed in the auditor's section of this report with the total amount of federal Special Aid Fund grants of $1,692,910. The three largest of these grants are IDEA ($350,869), Title I ($712,998) and Education Stabilization Fund ($557,839). The IDEA grants are used specifically to help fund programs for students with disabilities. The Title I grant is used to assist students in danger of not meeting state academic standards. The Education Stabilization Fund represents aid under the Coronavirus Aid, Relief and Economic Security Act. Other smaller grants have helped fund Pre-Kindergarten, and summer school.

The School Food Service Fund

This fund, as its name implies, records information regarding the revenues and expenditures for the operation of the Food Service Program. The District prepares and serves approximately 178 breakfast meals and approximately 298 lunches per day for children of the district. In addition, since September 2002, the School District has prepared approximately 35 lunches per day for St. Bernard's Elementary School in Saranac Lake. The School District receives reimbursement from New York State and the US Department of Agriculture to help fund the program totaling $385,027. Approximately 41.55% of the children in the District qualify for free and/or reduced meals. Another form of help for the School Lunch program comes in the form of surplus foods and commodities from the US Department of Agriculture.

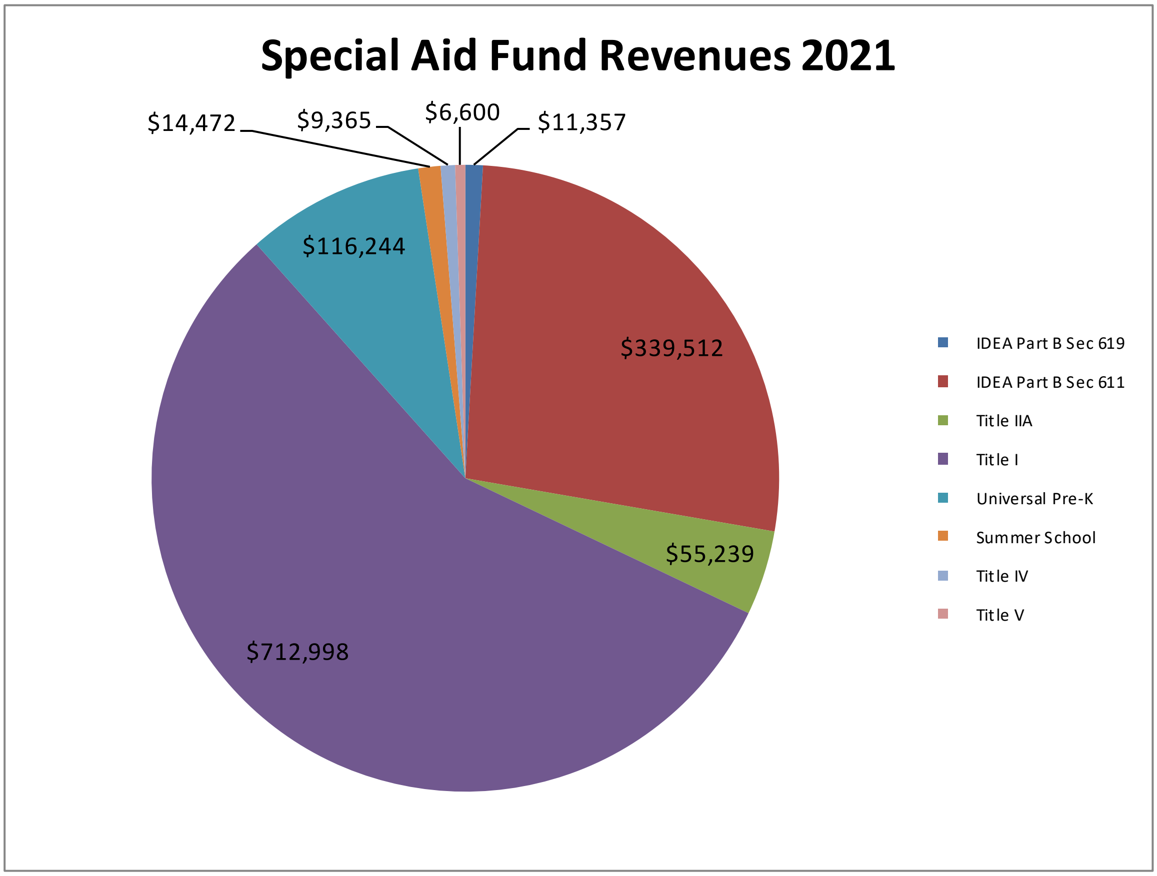
The Capital Fund

The Capital Fund records revenues and expenditures involved with building projects throughout the District. During the current year ended June 30, 2021 it incurred expenditures of $739,972; $138,385 for Phase 1B and $601,587 for Smart Schools.

Custodial Fund

This fund is a *fiduciary* fund in that it represents funds received and expended that do not belong to the District. They usually involve library taxes collected and remitted. The monies are not District monies and therefore not reported in the District-Wide Financial Statements presented earlier. The District merely acts as an agent for these monies.

Exhibit #4


Special Aid Fund Revenues 2021
$14,472
$9,365
$6,600
$11,357
$116,244
$339,512
$55,239
$712,998
IDEA Part B Sec 619
IDEA Part B Sec 611
Title IIA
Title I
Universal Pre-K
Summer School
Title IV
Title V

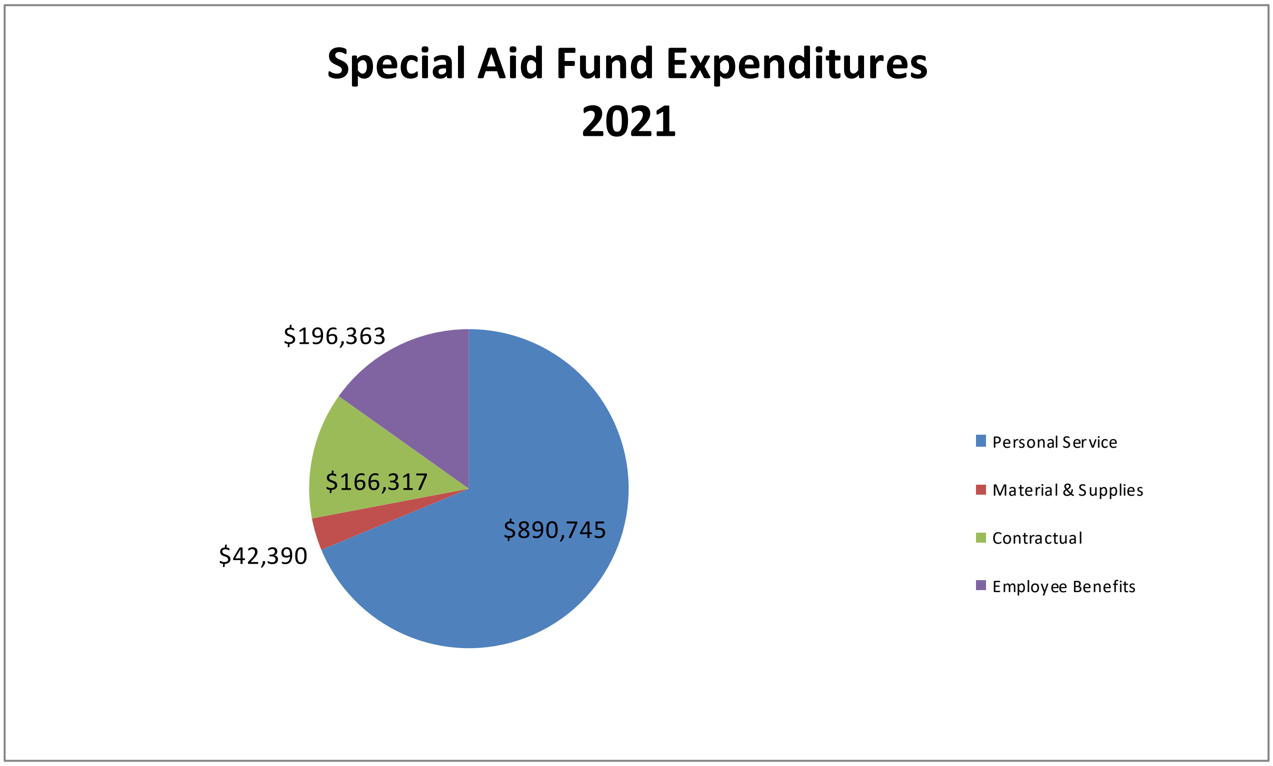
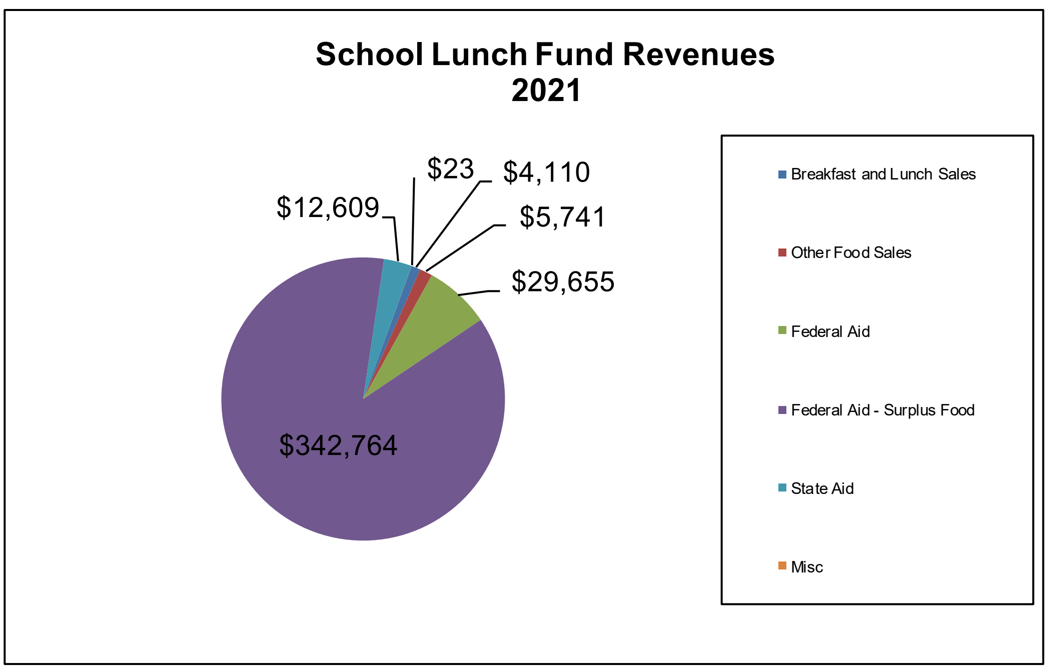
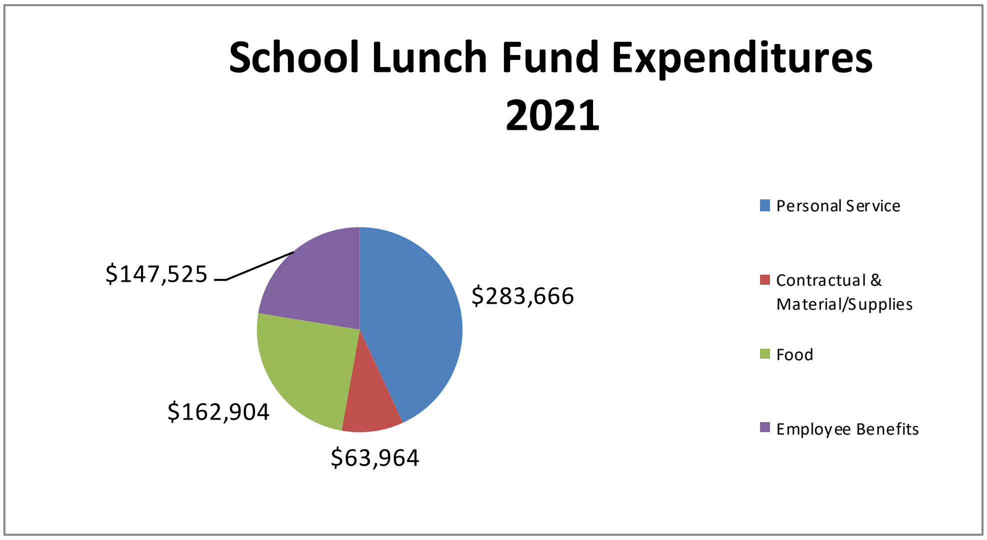

Special Aid Fund Expenditures
2021
$196,363
$166,317
$890,745
$42,390
Personal Service
Material & Supplies
Contractual
Employee Benefits

Exhibit #5


School Lunch Fund Revenues
2021
$23
$4,110
$12,609
$5,741
$29,655
$342,764
Breakfast and Lunch Sales
Other Food Sales
Federal Aid
Federal Aid - Surplus Food
State Aid
Misc



Projected Enrollment

Enrollment in grades 7-12 is averaging 93 students while in grades K-6 the average is approximately 76. The graduating class in June 30, 2021 was 79.

Projecting enrollments in a rural area is difficult because of migration of families from one district to another especially when three districts in the area are less than 28 miles apart.

Fiscal Year	Actual 2020-2021	Projected 2021-2022
Kindergarten	76	68
Grades 1-3	200	202
Grades 4-6	263	260
Grades 7-12	559	565
Total Students	**1,098**	**1,095**

Other Information

Tax Certiorari

From time to time the School District is involved in tax certiorari proceedings from residents petitioning to have their assessed taxable values lowered. The District is aware of various taxpayer petitions for tax certiorari proceedings which could result in refunds of $104,098 in school taxes. A Reserve for tax certiorari currently exists for $70,691.

This Management Discussion and Analysis is designed to give a general overview of the School District's finances and to comply with current finance laws and regulations. If you desire other information or have questions regarding this report or the Auditor's statements, report and findings, please contact the School Business Executive at 79 Canaras Avenue, Saranac Lake, New York 12983.

SARANAC LAKE CENTRAL SCHOOL DISTRICT **SCHEDULE 1**

STATEMENT OF NET POSITION
June 30, 2021

ASSETS		
Cash:		
Unrestricted	$	6,108,317
Restricted		5,831,685
Receivables:		
Accounts receivable		942
State and federal aid receivable		2,577,532
Inventories		22,306
Capital assets, net		29,039,103
Total Assets		43,579,885
DEFERRED OUTFLOWS OF RESOURCES		
Pensions		8,379,188
Other post employment benefits		31,614,313
Total Deferred Outflows of Resources		39,993,501
Total Assets and Deferred Outflows of Resources	$	83,573,386
LIABILITIES		
Payables:		
Accounts payable	$	418,341
Accrued liabilities		56,475
Due to other governments		49
Overpayments		11,433
Due to teachers' retirement system		1,115,148
Due to employees' retirement system		124,237
Long-Term Liabilities:		
Due and payable within one year:		
Bonds payable and other long-term debt, current		1,290,000
Compensated absences payable		107,677
Due and payable after one year:		
Bonds payable and other long-term debt, non-current		8,477,472
Compensated absences payable		877,061
Other post employment benefits		135,492,257
Net pension liability-proportionate share		1,800,395
Total Liabilities		149,770,545
DEFERRED INFLOWS OF RESOURCES		
Pensions		3,993,885
Other post employment benefits		14,002,446
Total Deferred Inflows of Resources		17,996,331
NET POSITION		
Net investment in capital assets		19,447,447
Restricted		5,833,733
Unrestricted net position		(109,474,670)
Total Net Position		(84,193,490)
Total Liabilities, Deferred Inflows, and Net Position	$	83,573,386

See Notes to the Financial Statements

SARANAC LAKE CENTRAL SCHOOL DISTRICT **SCHEDULE 2**

STATEMENT OF ACTIVITIES
Year Ended June 30, 2021

		PROGRAM REVENUES		NET (EXPENSE)
Functions/Programs:	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS	REVENUE AND CHANGES IN NET POSITION
General support	$ (5,758,495)	$ -	$ -	$ (5,758,495)
Instruction	(15,043,736)	-	1,265,787	(13,777,949)
Pupil transportation	(1,282,065)	-	-	(1,282,065)
Community services	(97,481)	-	-	(97,481)
Employee benefits	(12,275,317)	-	-	(12,275,317)
Debt service	(209,218)	-	-	(209,218)
School lunch	(192,218)	4,204	385,027	197,013
Total Functions and Programs	$ (34,858,530)	$ 4,204	$ 1,650,814	(33,203,512)
General Revenues:				
Real property taxes				21,575,577
Other tax items				829,545
Other districts and governments				79,355
Use of money and property				40,515
Sale of property and compensation for loss				38,793
Miscellaneous				774,085
State sources				9,568,301
Federal sources				602,818
Total General Revenues				33,508,989
Change in Net Position				305,477
Total Net Position - Beginning of year, as previously reported				(85,635,496)
Prior period adjustment (Note 16)				1,136,529
Total Net Position - Beginning of year, as restated				(84,498,967)
Total Net Position - End of year				$ (84,193,490)

See Notes to the Financial Statements.

SARANAC LAKE CENTRAL SCHOOL DISTRICT

SCHEDULE 3

BALANCE SHEET-GOVERNMENTAL FUNDS
June 30, 2021

	GENERAL FUND	SPECIAL AID	SCHOOL FOOD SERVICE	CAPITAL PROJECTS	DEBT SERVICE	NON-MAJOR	TOTAL
ASSETS							
Cash	$ 5,928,948	$ 163,482	$ 15,887	$ -	$ -	$ -	**$ 6,108,317**
Restricted cash	4,257,134	-	-	179,941	710,426	684,184	**5,831,685**
Due from other funds	1,166,162	-	-	-	-	-	**1,166,162**
Receivables	280	-	662	-	-	-	**942**
State and federal aid receivable	1,554,415	949,979	73,138	-	-	-	**2,577,532**
Inventories	-	-	22,306	-	-	-	**22,306**
Total Assets	$ 12,906,939	$ 1,113,461	$ 111,993	$ 179,941	$ 710,426	$ 684,184	**$ 15,706,944**
LIABILITIES							
Accounts payable	$ 400,352	$ 9,317	$ 228	$ 4,125	$ -	$ 4,319	**$ 418,341**
Accrued liabilities	41,429	2,937	1,034	-	-	-	**45,400**
Due to other funds	-	1,090,715	75,447	-	-	-	**1,166,162**
Due to other governments	-	-	49	-	-	-	**49**
Compensated absences	107,677	-	-	-	-	-	**107,677**
Due to teachers' retirement system	1,115,148	-	-	-	-	-	**1,115,148**
Due to employees' retirement system	124,237	-	-	-	-	-	**124,237**
Overpayments	-	-	11,433	-	-	-	**11,433**
Total Liabilities	1,788,843	1,102,969	88,191	4,125	-	4,319	**2,988,447**
FUND BALANCES							
Fund Balances:							
Nonspendable:							
Inventories	-	-	22,306	-	-	-	**22,306**
Restricted:							
Special aid	-	10,492	-	-	-	-	**10,492**
Capital reserve - capital improvement	2,247,542	-	-	175,816	-	-	**2,423,358**
Capital reserve - transportation & maintenance equipment	1,113,899	-	-	-	-	-	**1,113,899**
Repair reserve	350,001	-	-	-	-	-	**350,001**
Workers compensation	50,001	-	-	-	-	-	**50,001**
Unemployment insurance	15,000	-	-	-	-	-	**15,000**
Retirement contributions - ERS	85,000	-	-	-	-	-	**85,000**
Retirement contributions - TRS	270,000	-	-	-	-	-	**270,000**
Property loss	20,000	-	-	-	-	-	**20,000**
Tax certiorari	70,691	-	-	-	-	-	**70,691**
Employee benefit accrued liability	35,000	-	-	-	-	-	**35,000**
Debt Service	-	-	-	-	710,426	-	**710,426**
Other	-	-	-	-	-	679,865	**679,865**
Assigned:							
Appropriated fund balance	1,316,151	-	-	-	-	-	**1,316,151**
Other (Note 11)	89,192	-	1,496	-	-	-	**90,688**
Unassigned	5,455,619	-	-	-	-	-	**5,455,619**
Total Fund Balances	11,118,096	10,492	23,802	175,816	710,426	679,865	**12,718,497**
Total Liabilities and Fund Balances	$ 12,906,939	$ 1,113,461	$ 111,993	$ 179,941	$ 710,426	$ 684,184	**$ 15,706,944**

See Notes to the Financial Statements.

SARANAC LAKE CENTRAL SCHOOL DISTRICT

SCHEDULE 4

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Years Ended June 30, 2021

	GENERAL FUND	SPECIAL AID	SCHOOL FOOD SERVICE	CAPITAL PROJECTS	DEBT SERVICE	NON-MAJOR	TOTAL
REVENUES							
Real property taxes	$ 21,575,577	$ -	$ -	$ -	$ -	$ -	**$ 21,575,577**
Other tax items	829,545	-	-	-	-	-	**829,545**
Other districts and governments	79,355	-	-	-	-	-	**79,355**
Use of money and property	40,139	-	23	-	10	343	**40,515**
Sale of property and compensation for loss	38,793	-	-	-	-	-	**38,793**
Miscellaneous	526,209	-	5,648	-	-	242,228	**774,085**
State sources	8,966,714	130,715	12,609	601,587	-	-	**9,711,625**
Federal sources	602,818	1,135,072	372,418	-	-	-	**2,110,308**
Sales	-	-	4,204	-	-	-	**4,204**
Total Revenues	32,659,150	1,265,787	394,902	601,587	10	242,571	**35,164,007**
EXPENDITURES							
General support	4,007,787	1,099,452	318,315	-	-	145,513	**5,571,067**
Instruction	14,240,026	-	-	-	-	-	**14,240,026**
Pupil transportation	1,352,933	-	-	-	-	-	**1,352,933**
Community services	97,481	-	-	-	-	-	**97,481**
Employee benefits	8,673,313	196,363	147,526	-	-	-	**9,017,202**
Debt service	1,586,928	-	-	-	-	-	**1,586,928**
Cost of sales	-	-	192,218	-	-	-	**192,218**
Capital outlay	-	-	-	739,972	-	-	**739,972**
Total Expenditures	29,958,468	1,295,815	658,059	739,972	-	145,513	**32,797,827**
Excess (Deficit) of Revenues over Expenditures	2,700,682	(30,028)	(263,157)	(138,385)	10	97,058	**2,366,180**
OTHER SOURCES AND USES							
Interfund Transfers In	-	30,028	235,495	-	-	-	**265,523**
Interfund Transfers Out	(265,523)	-	-	-	-	-	**(265,523)**
Total Other Sources	(265,523)	30,028	235,495	-	-	-	**-**
Excess (Deficit) of Revenues and Other Sources over Expenditures	2,435,159	-	(27,662)	(138,385)	10	97,058	**2,366,180**
Fund Balances, Beginning of Year restated (Note 16)	8,682,937	10,492	51,464	314,201	710,416	582,807	**10,352,317**
Fund Balances, Ending of Year	$ 11,118,096	$ 10,492	$ 23,802	$ 175,816	$ 710,426	$ 679,865	**$ 12,718,497**

See Notes to the Financial Statements

SARANAC LAKE CENTRAL SCHOOL DISTRICT **EXHIBIT 5**

STATEMENT OF FIDUCIARY NET POSITION
June 30, 2021

	Custodial
ASSETS	
Cash	$ -
Total Assets	$ -
NET POSITION	
Net Position	$ -
Total Liabilities and Net Position	$ -

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
Year ended June 30, 2021

ADDITIONS	
Library tax collected	$ 294,389
DEDUCTIONS	
Payment to library	294,389
Change in Net Position	-
Net Position, Beginning	-
Net Position, Ending	$ -

See Notes to the Financial Statements

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2021

	TOTAL GOVERNMENT FUNDS	LONG-TERM ASSETS, LIABILITIES	RECLASSIFICATION AND ELIMINATIONS	STATEMENT OF NET POSITION TOTALS
ASSETS				
Cash	$ 6,108,317	$ -	$ -	$ 6,108,317
Restricted cash	5,831,685	-	-	5,831,685
Due from other funds	1,166,162	-	(1,166,162)	-
Receivables	942	-	-	942
State and federal aid receivable	2,577,532	-	-	2,577,532
Inventories	22,306	-	-	22,306
Capital assets, net	-	29,039,103	-	29,039,103
Total Assets	15,706,944	29,039,103	(1,166,162)	43,579,885
DEFERRED OUTFLOWS OF RESOURCES				
Pensions	-	8,379,188	-	8,379,188
Other post employment benefits	-	31,614,313	-	31,614,313
Total Deferred Outflows of Resources	-	39,993,501	-	39,993,501
Total Assets and Deferred Outflows of Resources	$ 15,706,944	$ 69,032,604	$ (1,166,162)	$ 83,573,386
LIABILITIES				
Accounts payable	$ 418,341	$ -	$ -	$ 418,341
Accrued liabilities	45,400	11,075	-	56,475
Due to other funds	1,166,162	-	(1,166,162)	-
Due to other governments	49	-	-	49
Due to teachers' retirement system	1,115,148	-	-	1,115,148
Due to employees' retirement system	124,237	-	-	124,237
Overpayment	11,433	-	-	11,433
Long-term debt, other than compensated absences	-	9,767,472	-	9,767,472
Compensated absences	107,677	877,061	-	984,738
Other post employment benefits	-	135,492,257	-	135,492,257
Net pension liability- proportionate share	-	1,800,395	-	1,800,395
Total Liabilities	2,988,447	147,948,260	(1,166,162)	149,770,545
DEFERRED INFLOWS OF RESOURCES				
Pensions	-	3,993,885	-	3,993,885
Other post employment benefits	-	14,002,446	-	14,002,446
Total Deferred Inflows of Resources	-	17,996,331	-	17,996,331
FUND BALANCE/NET POSITION				
Total Fund Balance/Net Position	12,718,497	(96,911,987)	-	(84,193,490)
Total Liabilities, Deferred Inflows and Fund Balance/Net Position	$ 15,706,944	$ 69,032,604	$ (1,166,162)	$ 83,573,386

See Notes to the Financial Statements

SARANAC LAKE CENTRAL SCHOOL DISTRICT

SCHEDULE 7

RECONCILIATION OF GOVERNMENTAL FUNDS-REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE TO STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021

	TOTAL GOVERNMENT FUNDS	LONG-TERM REVENUE EXPENSES	CAPITAL RELATED ITEMS	LONG-TERM DEBT TRANSACTION	RECLASSIFICATION AND ELIMINATIONS	STATEMENT OF ACTIVITIES TOTALS
REVENUES						
Real property taxes	$ 21,575,577	$ -	$ -	$ -	$ -	$ 21,575,577
Other tax items	829,545	-	-	-	-	829,545
Other districts and governments	79,355	-	-	-	-	79,355
Use of money and property	40,515	-	-	-	-	40,515
Sale of property and compensation for loss	38,793	-	-	-	-	38,793
Miscellaneous	774,085	-	-	-	-	774,085
State sources	9,711,625	-	-	-	-	9,711,625
Federal sources	2,110,308	-	-	-	-	2,110,308
Sales	4,204	-	-	-	-	4,204
Total Revenues	35,164,007	-	-	-	-	35,164,007
EXPENDITURES						
General support	5,571,067	-	187,428	-	-	5,758,495
Instruction	14,240,026	-	803,710	-	-	15,043,736
Pupil transportation	1,352,933	-	(70,868)	-	-	1,282,065
Community services	97,481	-	-	-	-	97,481
Employee benefits	9,017,202	3,258,115	-	-	-	12,275,317
Debt service	1,586,928	(1,431)	-	(1,376,279)	-	209,218
Cost of sales	192,218	-	-	-	-	192,218
Capital outlay	739,972	-	(739,972)	-	-	-
Total Expenditures	32,797,827	3,256,684	180,298	(1,376,279)	-	34,858,530
Excess (Deficit) of Revenues over Expenditures	2,366,180	(3,256,684)	(180,298)	1,376,279	-	305,477
OTHER SOURCES AND USES						
Transfers In	265,523	-	-	-	(265,523)	-
Transfers Out	(265,523)	-	-	-	265,523	-
Total other sources and uses	-	-	-	-	-	-
Net change for the Year	$ 2,366,180	$ (3,256,684)	$ (180,298)	$ 1,376,279	$ -	$ 305,477

See Notes to the Financial Statements

Note 1. Summary of Significant Accounting Policies

A. Reporting entity: The Saranac Lake 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 Lake 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 Lake Central School District. The District receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities. However, the District 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. Nonmajor funds are aggregated and presented in a single column. The District elects to report all governmental funds as major funds, except for the Extraclassroom Activity Fund and Scholarship Fund.

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 - special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts, or major capital projects) that are legally restricted to expenditure for specified purposes. Special revenue funds include the following funds:

Note 1. Summary of Significant Accounting Policies (continued)

- School Food Service Fund - used to account for transactions for the lunch and breakfast programs.

- Special Aid Fund - used to account for special operating projects or programs supported in whole, or in part, with federal funds or state grants.

Capital Projects Fund - the capital projects fund accounts for and reports 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.

3. Fiduciary Fund - the fiduciary fund consists of custodial funds and is used to account for and report assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or funds. Custodial funds are used to account for property taxes collected on behalf of and payment to the local library. These activities are not included in the District-wide financial statements, because their resources do not belong to the District, and are not available to be used.

C. Measurement Focus and Basis of Accounting

The District-wide and fiduciary fund 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. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants and donations. On a modified accrual basis, revenue from property taxes is recognized by estimating how much will be collected during the ensuing fiscal year. Revenue from grants and donations is 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.

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.

Note 1. Summary of Significant Accounting Policies (continued)

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 Food Service 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 $1,500 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, and are also reflected in the general fixed asset group of accounts. 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:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Buildings	$1,500	Straight Line	50 years
Furniture, Equipment & Vehicles	$1,500	Straight Line	5-20 years

F. 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 for unearned revenues is removed and revenues are recognized.

G. Retirement plan: The 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.

H. General long-term debt: Bonds, capital notes and bond anticipation notes issued for capital projects are recognized when issued.

I. Property taxes: Real property taxes are levied annually by the Board of Education. The Counties of Franklin, Essex, and Clinton subsequently enforce uncollected real property taxes. The Counties pay an amount representing uncollected real property taxes transmitted to the Counties for enforcement to the District no later than the forthcoming April 1st.

J. Budgetary Procedures and Budgetary Accounting

Note 1. Summary of Significant Accounting Policies (continued)

a. 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. The budget is then approved by the voters within the 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.

b. 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.

K. 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, construction or improvements of those assets.

Restricted net position - reports net position when constraints placed on the assets or deferred outflows of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position – reports the balance of net position that does not meet the definition of the above two classifications and 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.

Note 1. Summary of Significant Accounting Policies (continued)

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 Food Service Fund of $22,306.

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 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.

Liability Claims and Property Loss
According to Education Law §1709(8) (c), must be used to pay for liability claims and property loss incurred. Separate funds for liability claims and property loss are required and these reserves may not in total exceed 3% of the annual budget or $15,000, whichever is greater. This type of reserve fund may be utilized only by school districts, except city school districts with a population greater than 125,000.

Tax Certiorari
General Municipal Law §3651.1-a, permits the establishment of 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

Note 1. Summary of Significant Accounting Policies (continued)

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.

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.

Repair Reserve Fund
According to General Municipal Law §6-d, expenditures made from the repair reserve fund must be used to pay the cost of repairs to capital improvements or equipment, which repairs are of a type not recurring annually. The Board of Education, without voter approval, may establish a repair reserve fund by a majority vote of its members. Voter approval is required to fund this reserve. Expenditures from this reserve may be made only after a public hearing has been held, except in emergency situations. If no hearing is held, the amount expended must be repaid to the reserve fund over the next two subsequent fiscal years. This reserve is accounted for in the General Fund.

Employee Benefit Accrued Liability
According to General Municipal Law §6-p, must be used for the payment of accrued employee benefit due to an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated.

Restricted-other
Represents amounts restricted for scholarships and extraclassroom activites.

Note 1. Summary of Significant Accounting Policies (continued)

Committed – Includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the school districts highest level of decision making authority, i.e., the Board of Education. The School District has no committed fund balances as of June 30, 2021.

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. Encumbrances reported in the General Fund amounted to $89,192.

Unassigned – Includes all other General Fund net position 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.

L. Events Occurring After Reporting Date: The District has evaluated events and transactions that occurred between June 30, 2021 and November 18, 2021 which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

M. Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, potential contingent liabilities and useful lives of long-lived assets.

Note 1. Summary of Significant Accounting Policies (continued)

N. Deferred Outflows and Inflows of Resources: In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has three items that qualify for reporting in this category. The first item is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension asset or liability and difference during the measurement period between the District's contributions and its proportion share of total contributions to the pension system not included in pension expense. The second item is the District's 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 State of New Position. This amount represents contributions subsequent to the measurement date, difference between expected and actual experience, and changes of assumptions or other inputs.

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 qualify for reporting in this category. The first relates to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension liability (ERS System) and difference during the measurement periods between the District's contributions and its proportion share of total contributions to the pension systems not included in the pension expense. The second item is related to OPEB reported in the district-wide Statement of Net Position. This represents the effects of the changes in assumptions or other inputs and differences between expected and actual experience.

O. 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, 2021, including GASB Statement No. 84, Fiduciary Activities.

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 position of governmental activities:

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

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

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

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.

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

Ending fund balance reported on Balance Sheet - Governmental Funds (Exhibit 3)	$ 12,718,497
Capital assets net of related depreciation	29,039,103
Deferred outflows:	
Pensions - TRS	6,238,465
Pensions - ERS	2,140,723
OPEB (GASB 75)	31,614,313
Accrued interest	(11,075)
Liabilities, long term:	
Bonds payable	(9,767,472)
Other post employment benefits	(135,492,257)
Compensated absences	(877,061)
Net pension liability	(1,800,395)
Deferred inflows:	
Pensions - TRS	(1,128,297)
Pensions - ERS	(2,865,588)
OPEB (GASB 75)	(14,002,446)
Ending net position reported on Statement of Net Position (Exhibit 1)	$ (84,193,490)

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

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 transactions differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas interest payments are recorded in the Statement of Activities as incurred, and principal payments are recorded as a reduction of liabilities in the Statement of Net Position.

4. Other Post-Employment Benefits

   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.

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

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

Total Revenues and other Funding Sources		
Total revenues of governmental funds (Schedule 4)	$	35,164,007
No current period adjustments		-
Total revenues of governmental activities in the Statement of Activities (Schedule 8)	$	35,164,007
Total Expenditures/Expenses		
Total expenditures reported in governmental funds (Schedule 4)	$	32,797,827
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 earned was more than the amount used during the year.		(15,031)
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 expense. This is the amount by which net capital expenditures exceeded depreciation expense in the current year.		180,298
Accrued interest on long term debt is an expense on the Statement of Activities, but not on governmental funds.		(1,431)
Repayment of bond principal is an expenditure in the governmental funds, but reduces long-term liabilities in the Statement of Net Assets, and does not effect the Statement of Activities.		(1,270,000)
Amortization of bond premium		(106,279)
The payment of Other Post-Employment Benefits (OPEB) is recorded in the governmental funds as expenditures when incurred. However, in the Statement of Activities, the current cost plus the actuarial cost of future benefits are combined and recognized as an expense. This is the amount by which the premiums paid exceeded the Annual OPEB Cost.		2,068,238
(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		1,387,388
Employees' Retirement System		(182,480)
Total expenses reported on the Statement of Activities (Schedule 2)	$	34,858,530

Note 3. Cash and Investments

According to the New York State Education Law, the Board may invest the District's money in special time-deposit accounts or certificates of deposit; however, such time-deposit accounts or certificates of deposit must be made in the name of the school district and payable in time for the proceeds to be available to meet expenditures for which the money was obtained. Furthermore, the time-deposit account or certificates of deposit must be secured "by a pledge of obligations of the United States of America... or obligations of the State of New York or obligations of any municipal corporation, school district or district corporation of the State of New York".

Investments also may be made in obligations of the United States of America or in obligations of New York State or, with the approval of the state comptroller, in certain obligations of municipalities, school districts or district corporations other than the one investing the money.

The District may make a variety of short-term investments that include the purchase of United States Treasury bills, United States Treasury certificates of indebtedness or United States Treasury notes and bonds. In addition, it may invest in negotiable certificates of deposit.

All bank balances of deposits as of the balance sheet date are entirely insured or collateralized with securities held by financial institutions in the District's name.

Note 4. Interfund Balances and Activity

Interfund balances and activity at June 30, 2021 and for the fiscal year then ended, were as follows:

Fund Type	Interfund Receivable	Interfund Payable	Interfund Revenues	Interfund Expenditures
General	$ 1,166,162	$ -	$ -	$ 265,523
Capital	-	-	-	-
Special Aid	-	1,090,715	30,028	-
School Food Service	-	75,447	235,495	-
Debt Service	-	-	-	-
Total	$ 1,166,162	$ 1,166,162	$ 265,523	$ 265,523

Interfund receivables and payables, other than between governmental activities and fiduciary funds, 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.

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

The District typically transfers from the General Fund to the Special Aid Fund, to cover its share of summer school expenditures.

The District made a transfer of $235,495 from the General Fund to the School Food Service Fund to partially offset its operating loss.

Note 5. Capital Assets

Capital asset balances and activity for the year ended June 30, 2021, were as follows:

	June 30, 2020 Balance	Additions	Deletions	**June 30, 2021 Balance**
Governmental Activities				
Capital assets that are not Depreciated:				
Land	$ 358,658	$ -	$ -	**$ 358,658**
Construction in Progress	-	601,587	-	**601,587**
	358,658	601,587	-	**960,245**
Capital Assets that are Depreciated:				
Site Work	1,149,070	-	-	**1,149,070**
Buildings	38,795,446	138,384	-	**38,933,830**
Furniture, Equipment & Vehicles	7,552,321	453,024	233,314	**7,772,031**
Total Depreciable Historical Cost	47,496,837	591,408	233,314	**47,854,931**
Less Accumulated Depreciation:				
Site Work	980,553	26,640	-	**1,007,193**
Buildings	13,243,536	858,401	-	**14,101,937**
Furniture, Equipment & Vehicles	4,412,005	488,252	233,314	**4,666,943**
Total Accumulated Depreciation	18,636,094	1,373,293	233,314	**19,776,073**
Total Depreciable Historical Cost, Net	28,860,743	(781,885)	-	**28,078,858**
Total Capital Assets	$ 29,219,401	$ (180,298)	$ -	**$ 29,039,103**

Depreciation expense was charged to governmental functions as follows:

General	$ 241,240
Instruction	903,534
Pupal Transportation	228,519
	$ 1,373,293

Note 6. Compensated Absences

Compensated absences are determined as follows:

1) Certain employees accrue vacation leave based on length of service to a maximum of 25 days per year.

2) Certain employees accrue sick leave at a rate of 15 days per year and may accumulate sick credits up to a total of 225 days. Certain employees who retire with a minimum of 10 years of service are paid based on 60% of the accumulated days in excess of 100 days, at their final pay rate. Other employee who retire with a minimum of 15 years of service are paid based on 34% of the accumulated days in excess of 100 days, at their final pay rate.

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 had no BANs as described above for the year June 30, 2021.

Long-Term Debt: Interest Expense on bond obligations for the year ended June 30, 2021 is derived as follows:

Interest Paid	$ 316,928
Accrued Interest Decrease	(1,431)
Amortization - Bond Premium	(106,279)
Total Interest Expense	$ 209,218

The changes in the District's indebtedness during the year ended June 30, 2021 are summarized as follows:

	Balance 6/30/2020	Additions	Deletions	**Balance 6/30/2021**
Serial Bonds	$ 10,550,000	$ -	$ 1,270,000	**$ 9,280,000**
Bond Premium, net of amort	593,751	-	106,279	**487,472**
Compensated Absences	892,092	-	15,031	**877,061**
Other Post Employment Benefits	105,460,560	30,031,697	-	**135,492,257**
	$ 117,496,403	$ 30,031,697	$ 1,391,310	**$ 146,136,790**

Additions and deletions to compensated absences are shown net since it is impractical to determine these amounts separately.

Serial Bonds are comprised of the following:

Description of Issue	Issue Date	Final Maturity	Interest Rate	**Outstanding 6/30/2021**
Serial Bonds	7/1/2011	7/8/2026	3.125%-3.75%	**$ 420,000**
Serial Bonds	6/18/2019	6/15/2034	3.0%	**8,860,000**
Bond Premium, net of amort				**487,472**
		Total Long-Term Debt		**9,767,472**
		Less Current Portion		**(1,290,000)**
		Long-Term Portion		**$ 8,477,472**

Note 7. Indebtedness (continued)

b) The following is a summary of maturing debt service requirements:

Fiscal Year Ending June 30	Principal	Interest	Total
2022	$ 1,290,000	$ 279,231	$ 1,569,231
2023	1,250,000	240,281	1,490,281
2024	1,015,000	202,344	1,217,344
2025	965,000	171,416	1,136,416
2026	995,000	141,787	1,136,787
2027-2031	2,890,000	330,600	3,220,600
2032-2034	875,000	49,800	924,800
	$ 9,280,000	$ 1,415,459	$ 10,695,459

Note 8. Restricted Cash and Investments

The District's general fund has restricted cash of $4,257,134, which represents $70,691 of tax certiorari reserves, $20,000 property loss reserves, $50,001 worker's compensation reserves, $3,361,441 capital reserves, $355,000 employee retirement reserves, $350,001 repair reserves, $15,000 of unemployment insurance reserves and $35,000 of employee benefit accrued liability reserve as of June 30, 2021.

Note 9. Pensions

Pension Obligations
New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement (TRS) (the Systems.)

Plan Descriptions and Benefits Provided

Teachers' Retirement System (TRS)
The District participates in the New York Teachers' retirement System (TRS). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as, death and disability benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. The System is governed by a 10 member Board of Trustees. System benefits are established under New York State Law. 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 of by referring to the NYSSTR Comprehensive Annual Financial report which can be found on the System's website at www.nystrs.org.

Note 9. Pensions (continued)

Employees' Retirement System (ERS)
The District participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer retirement system. 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. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). 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 or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

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 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
2021	$ 437,132	$ 974,544
2020	$ 431,316	$ 1,174,113
2019	$ 409,294	$ 1,012,889

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, 2021 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, 2021 for ERS and June 30, 2020 for TRS. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial

Note 9. Pensions (continued)

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	3/31/2021	6/30/2020
Net Pension asset/(liability)	$ (9,674)	$ (1,790,721)
District's portion of the Plan's total net pension asset/(liability)	-0.0097158%	-0.064804%
Change in proportion since the prior measurement date	$ (2,718,397)	$ (3,511,508)

For the year ended June 30, 2021, the District's recognized pension expense of $266,482 for ERS and $2,423,759 for TRS. At June 30, 2021 the District's reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	TRS	ERS	TRS
Differences between expected and actual experience	$ 118,151	$ 1,569,030	$ -	$ 91,771
Changes of assumptions	1,778,812	2,264,846	33,549	807,299
Net difference between projected and actual earnings on pension plan investments	-	1,169,498	2,779,060	-
Changes in proportion and differences between the Districts' contributions and proportionate share of contributions	119,523	199,280	52,979	229,227
District's contributions subsequent to the measurement date	124,237	1,035,811	-	-
Total	$ 2,140,723	$ 6,238,465	$ 2,865,588	$ 1,128,297

District contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows or resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Note 9. Pensions (continued)

	ERS	TRS
Year ended:		
2021	$ -	$ 710,402
2022	(133,390)	1,421,005
2023	(34,283)	1,142,107
2024	(140,358)	694,344
2025	(541,071)	13,530
Thereafter	-	92,969
Total	$ (849,102)	$ 4,074,357

Actuarial Assumptions

The total pension liability as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward to total pension liability to the measurement date. The actuarial valuation used the following actuarial assumptions.

	ERS	TRS
Measurement date	3/31/2021	6/30/2020
Actuarial valuation date	4/1/2020	6/30/2019
Interest rate	5.9%	7.10%
Salary scale	4.4%	1.90%-4.72%
Decrement tables	April1, 2015- March 31, 2020 System's Experience	July 1, 2009- June 30,2014 System Experience
Inflation rate	2.7%	2.20%

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-2018. For TRS, annuitant mortality rates are based on plan member experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP2019.

For ERS, the Actuarial assumptions used in the April 1, 2020 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, 2019 valuation are based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014.

The Long term rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by each target asset allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below:

Note 9. Pensions (continued)

	ERS	TRS
Measurement Date	3/31/2021	6/30/2020
Asset Type:	%	%
Domestic equity	4.05	7.10
International equity	6.30	7.70
Private equity	6.75	10.40
Real estate	4.95	6.80
Domestic fixed income securities	-	1.80
Opportunistic/ ARS portfolio	4.50	-
Credit	3.63	-
Real assets	5.95	-
Cash	0.50	0.70
Private debt	-	5.20
Global equities	-	7.40
Global bonds	-	1.00
High-yield bonds	-	3.90
Real estate debt	-	3.60

Discount Rate

The discount rate used to calculate the total pension liability was 5.9% for ERS and 7.1% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions form 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 positon 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 liability calculated using the discount rate of 5.9% for ERS and 7.1% 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 6.1% for TRS) or 1% higher (6.9% for ERS and 8.1% for TRS) than the current rate:

Note 9. Pensions (continued)

ERS	1% Decrease 4.90%	Current Assumption 5.90%	1% Increase 6.90%
Employer's proportionate share of the net pension asset (liability)	$ (2,685,242)	$ (9,674)	$ 2,457,825

TRS	1% Decrease 6.10%	Current Assumption 7.10%	1% Increase 8.10%
Employer's proportionate share of the net pension asset (liability)	$ (11,311,369)	$ (1,790,721)	$ 6,199,515

Pension Plan Fiduciary Net Position

The components of the current-year net pension asset / (liability) of the employers as of the respective valuation dates, were as follows:

	ERS	TRS	Total
Valuation date	3/31/2021	6/30/2020	
Employers' total pension asset/(liability)	$ (220,680,157)	$ (123,242,776,215)	$ (123,463,456,372)
Plan Net Position	220,580,583	120,479,505,380	120,700,085,963
Employers' net pension asset/(liability)	$ (99,574)	$ (2,763,270,835)	$ (2,763,370,409)
Ratio of plan net position to the Employers' total pension asset / (liability)	-99.95%	-97.76%	-97.76%

Payables to the Pension Plan

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2021 represent the projected employer contribution for the period of April 1, 2021 through June 30, 2021 based on paid ERS wages multiplied by the employers' contribution rate, by tier. Accrued retirement contributions as of June 30, 2021 amounted to $124,237.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2021 are paid to the System in September, October and November 2021 through a state aid intercept. Accrued retirement contributions for the fiscal year ended June 30, 2021 based on paid TRS wages multiplied by the employer's contribution rate and employee contribution for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2021 amounted to $1,115,148.

Note 10. Post-Employment 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 $2,494,230 for 263 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 general and public safety employees of the District. The plan is a single-employer defined benefit OPEB plan administered by the District. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the District Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

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

Employees Covered by Benefit Terms – At June 30, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	264
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	252
	516

B. Total OPEB Liability

The District's total OPEB liability of $135,492,257 was measured as of July 1, 2020, and was determined by an actuarial valuation as of July 1, 2019.

Actuarial Assumptions and Other Inputs – The total OPEB liability in the July 1, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Note 10. Post-Employment Benefits (continued)

Inflation	2.4 percent
Salary Increases	3.0 percent
Discount Rate	2.21 percent
Healthcare Cost Trend Rates	6.0 percent for 2020, decreasing to a rate of 3.94 percent for 2079 and later years

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

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

C. Changes in the Total OPEB Liability

Balance at June 30, 2020	$ 105,460,560
Changes for the Year	
Service Cost	3,039,031
Interest	3,741,163
Changes of benefit terms	(53,698)
Differences between expected and actual experience	-
Changes in assumptions or other inputs	26,523,638
Benefit payments	(3,218,437)
Net Changes	30,031,697
Balance at June 30, 2021	$ 135,492,257

Changes of assumptions and other inputs reflect a change in the discount rate from 3.50% in 2020 to 2.21% in 2021.

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 (1.21 percent) or 1 percentage point higher (3.21 percent) than the current discount rate:

	1% Decrease 1.21%	Discount Rate 2.21%	1% Increase 3.21%
Total OPEB Liability	$ 162,607,881	$ 135,492,257	$ 114,255,238

Note 10. Post-Employment Benefits (continued)

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability	$ 111,252,226	$ 135,492,257	$ 167,500,454

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

For the year ended June 30, 2021, the District recognized OPEB expense of $5,293,486. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 5,318,185	$ 6,794,585
Changes of assumptions or other inputs	23,070,880	7,207,861
Contributions subsequent to the measurement period	3,225,248	-
Total	$ 31,614,313	$ 14,002,446

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

Fiscal Year Ending June 30,	Amount
2022	$ (1,433,010)
2023	2,952,292
2024	7,235,843
2025	5,368,886
2026	262,608
	$ 14,386,619

Note 11. Assigned Fund Balance – Other

Assigned Fund Balance - Other includes the following:

General Fund	2021
Encumbrances:	
Finance	$ 6,604
Central services	5,597
Teaching-regular	13,769
Program for children with handicaps	3,201
Instructional media	12,195
Pupil service	21,001
Pupil transportation	100
Community services	26,725
	$ 89,192

Note 12. Contingent Liabilities

The Saranac Lake Central School District is exposed to various risk of loss related to damage to and destruction of assets, injuries to employees and students, errors and omissions, natural disasters, etc. These risks are covered by commercial insurance purchased from independent third parties.

From time to time the District is involved in tax certiorari proceedings from residents petitioning to have their assessed taxable values lowered. The District is aware of various petitions for tax certiorari proceedings which could result in refunds of $104,098 in school taxes subsequent to June 30, 2021. A reserve for tax certiorari currently exists for $70,691.

Note 13. Tax Abatements

The Counties of Franklin and Essex entered into various property tax abatement programs for the purpose of economic development. The School District property tax revenue was reduced $144,453. The District received Payment in Lieu of Tax (PILOT) revenue totaling $11,509.

Note 14. Stewardship, Compliance and Accountability

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, 2021 was $5,455,619 which represents 16.19% of next year's budget. The excess amounted to $4,107,619.

Note 15. Joint Venture

The Saranac Lake Central School is one of 10 component school districts in the Franklin-Essex-Hamilton 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.

Note 15. Joint Venture (continued)

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.

During the year ended June 30, 2021, the Saranac Lake Central School District was billed $2,827,255 for BOCES administrative and program costs. Participating school districts issue debt on behalf of BOCES. During the year ended June 30, 2021, the Saranac Lake Central School District issued no serial bonds on behalf of BOCES. General-purpose financial statements for the Franklin-Essex-Hamilton BOCES are available from BOCES administrative office at 23 Huskie Lane, Malone, New York. The District's share of BOCES income amounted to $503,247. BOCES also refunded the District $88,240 for excess expenses billed in prior years.

The Franklin-Essex-Hamilton BOCES has an ongoing capital project. The Saranac Lake Central School District paid a total of $2,613,598 towards the project, of which $915,199 had been expended during the year ended June 30, 2021. Fund balance was used for all of the BOCES capital project payments.

Note 16. Prior period adjustment

The District implemented GASB 84, *Fiduciary Activities* during the year ended June 30, 2021. As such, certain amounts historically reported in the Fiduciary Fund were moved to the Governmental Funds. In addition, certain amounts reported in the Trust and Agency Fund were properly moved to the General Fund.

	General Fund	Non-Major Fund	Total Governmental
Trust and Agency Fund	$ 553,722	$ -	$ 553,722
Scholarship Fund	-	498,882	498,882
Extraclassroom Activities Fund	-	83,925	83,925
Total prior period adjustment	553,722	582,807	1,136,529
Fund Balance, as previously reported	8,129,215	-	9,215,788
Fund Balance restated	$ 8,682,937	$ 582,807	$ 10,352,317

SARANAC LAKE CENTRAL SCHOOL DISTRICT

COMBINING BALANCE SHEET - NON-MAJOR FUNDS
June 30, 2021

	SCHOLARSHP FUND	EXTRACLASSROOM ACTIVITIES FUND	**Total**
ASSETS			
Cash	$ 599,252	$ 84,932	**$ 684,184**
Total Assets	$ 599,252	$ 84,932	**$ 684,184**
LIABILITIES			
Accounts Payable	$ 4,319	$ -	**$ 4,319**
Total Liabilities	$ 4,319	$ -	**$ 4,319**
FUND BALANCES			
Fund Balances	$ 594,933	$ 84,932	**$ 679,865**
Total Liabilities and Fund Balances	$ 599,252	$ 84,932	**$ 684,184**

See Independent Auditor's Report.

SARANAC LAKE CENTRAL SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - NON-MAJOR FUNDS
Year Ended June 30, 2021

	SCHOLARSHIP FUND	EXTRACLASSROOM ACTIVITIES FUND	**Total**
REVENUES			
Gifts and contributions	$ 218,746	$ -	**$ 218,746**
Miscellaneous revenue	-	23,482	**23,482**
Investment earnings	343	-	**343**
Total Revenues	219,089	23,482	**242,571**
EXPENDITURES			
Scholarships and awards	123,038	-	**123,038**
Disbursements-extraclassroom	-	22,475	**22,475**
Total Expenditures	123,038	22,475	**145,513**
Changes in Fund Balances	96,051	1,007	**97,058**
Fund Balances, Beginning of Year	498,882	83,925	**582,807**
Fund Balances, End of Year	$ 594,933	$ 84,932	**$ 679,865**

See Independent Auditor's Report

SARANAC LAKE CENTRAL SCHOOL DISTRICT

SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET AND THE REAL PROPERTY TAX LIMIT
Year Ended June 30, 2021

Change From Adopted Budget to Final Budget

Adopted budget	$ 33,600,000
Add: Prior year's encumbrances	52,749
Budget revisions: Bus purchases	297,727
Final budget	$ 33,950,476

SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION

2021-2022 expenditure budget		$ 33,700,000
Maximum allowed (4% of 2021-2022 budget)		
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		
Unrestricted fund balance		
Assigned fund balance	1,405,343	
Unassigned fund balance	5,455,619	
Total Unrestricted fund balance	6,860,962	
Less:		
Appropriated fund balance	1,316,151	
Encumbrances included in committed and assigned fund balance	89,192	
Total adjustments	1,405,343	
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law		$ 5,455,619
Actual percentage		16.19%

See Independent Auditor's Report

SARANAC LAKE CENTRAL SCHOOL DISTRICT

SCHEDULE OF GENERAL FUND REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
Year Ended June 30, 2021

	Adopted Budget	Final Budget	Actual (Budgetary Basis)	Final Budget Variance with Budgetary Actual
REVENUES				
Local sources:				
Real property tax items	$ 22,340,644	$ 22,340,644	$ 21,575,577	$ (765,067)
Other tax items	35,606	35,606	829,545	793,939
Charges for services	500	500	-	(500)
Other districts and governments	-	-	79,355	79,355
Use of money and property	51,000	51,000	40,139	(10,861)
Sale of property and compensation for loss	-	-	38,793	38,793
Miscellaneous	189,993	189,993	526,209	336,216
State sources	8,395,698	8,395,698	8,966,714	571,016
Federal sources	582,472	582,472	602,818	20,346
Total Revenues	31,595,913	31,595,913	32,659,150	1,063,237
Other Financing Sources				
Appropriated reserves	-	52,749	-	-
Interfund transfer	-	-	-	-
	-	52,749	-	-
Total Revenues and Appropriated Fund Balance	$ 31,595,913	$ 31,648,662	$ 32,659,150	$ 1,063,237

	Adopted Budget	Final Budget	Actual (Budgetary Basis)	Year-end Encumbrances	Final Budget Variance with Budgetary Actual and Encumbrances
EXPENDITURES					
General support:					
Board of education	$ 32,913	$ 29,913	$ 22,857	$ -	$ 7,056
Central administration	220,572	223,572	219,179	-	4,393
Finance	489,560	502,686	460,660	6,604	35,422
Staff	72,970	89,940	84,383	-	5,557
Central services	2,243,976	2,262,926	1,856,123	5,597	401,206
Special items	1,413,098	1,382,557	1,364,585	-	17,972
Instructional:					
Instruction, administration and improvement	670,446	666,313	653,387	-	12,926
Teaching - Regular	7,211,075	6,850,238	6,554,012	13,769	282,457
Programs for children with handicapping	4,071,041	4,048,186	3,463,851	3,201	581,134
Occupational education	865,331	865,331	797,418	-	67,913
Special schools	8,000	8,000	4,749	-	3,251
Instructional media	1,240,601	1,574,981	1,401,409	12,195	161,377
Pupil service	1,772,572	1,870,243	1,365,200	21,001	484,042
Pupil transportation	1,209,103	1,572,377	1,352,933	100	219,344
Community services	113,814	131,814	97,481	26,725	7,608
Employee benefits	9,922,999	9,828,975	8,673,313	-	1,155,662
Debt service	1,586,929	1,586,929	1,586,928	-	1
Total Expenditures	33,145,000	33,494,981	29,958,468	89,192	3,447,321
Other Uses:					
Interfund transfer	455,000	455,495	265,523	-	189,972
Total Expenditures and Other Uses	33,600,000	33,950,476	30,223,991	$ 89,192	$ 3,637,293
Net Change in Fund Balance	(2,004,087)	(2,301,814)	2,435,159		
Fund Balance - Beginning	8,682,937	8,682,937	8,682,937		
Fund Balance - Ending	$ 6,678,850	$ 6,381,123	$ 11,118,096		

See Independent Auditor’s Report.

SARANAC LAKE CENTRAL SCHOOL DISTRICT

SCHEDULE OF PROJECT EXPENDITURES - CAPITAL PROJECTS FUND
Year Ended June 30, 2021

			Expenditures				Methods of Financing				
Project Title	Original Appropriation	Revised Appropriation	Prior Years	Current Year	Total	Unexpended Balance	Proceeds of Obligations	State Aid	Local Sources	Total	Balance 6/30/2021
Phase 1B Capital Project	$ 8,686,645	$ 12,364,184	$ 9,584,375	$ 138,385	$ 9,722,760	$ 2,641,424	$ 9,273,576	$ -	$ 625,000	$ 9,898,576	$ 175,816
Smart Schools	796,558	796,558	-	601,587	601,587	194,971	-	601,587	-	601,587	-
Totals	$ 9,483,203	$ 13,160,742	$ 9,584,375	$ 739,972	$ 10,324,347	$ 2,836,395	$ 9,273,576	$ 601,587	$ 625,000	$ 10,500,163	$ 175,816

See Independent Auditor’s Report.

SARANAC LAKE CENTRAL SCHOOL DISTRICT

NET INVESTMENT IN CAPITAL ASSETS
Year Ended June 30, 2021

Capital Assets, Net	$ 29,039,103
Deduct:	
Premium on bonds payable	(487,472)
Short-term portion of bonds payable	(1,290,000)
Long-term portion of bonds payable	(7,990,000)
Less: unspent bond proceeds	175,816
Net investment in capital assets	$ 19,447,447

See Independent Auditor's Report.

SARANAC LAKE CENTRAL SCHOOL DISTRICT

SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
Year Ended June 30, 2021

	2021	2020	2019	2018
Measurement Date	July 1, 2020	July 1, 2019	July 1, 2018	July 1, 2017
Service Cost	$ 3,039,031	$ 2,619,131	$ 2,900,777	$ 4,307,047
Interest	3,741,163	3,536,353	3,310,163	3,786,595
Changes in benefit terms	(53,698)	-	-	-
Differences between expected and actual experience in the Measurement of the total OPEB liability	-	8,805,521	-	(25,283,249)
Changes of assumption or other inputs	26,523,638	2,979,414	(4,073,554)	(19,976,403)
Benefit payments	(3,218,437)	(2,478,746)	(2,373,425)	(2,310,000)
Net change in total OPEB liability	30,031,697	15,461,673	(236,039)	(39,476,010)
Total OPEB liability - beginning	105,460,560	89,998,887	90,234,926	129,710,936
Total OPEB liability - Ending	$ 135,492,257	$ 105,460,560	$ 89,998,887	$ 90,234,926
Covered payroll	$ 14,959,657	$ 15,206,571	$ 14,158,312	$ 13,579,507
Total OPEB liability as a percentage of covered payroll	906%	694%	636%	664%

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 reflect the change in the discount rate from 3.5% to 2.21% at the current measurement date.

SARANAC LAKE CENTRAL SCHOOL DISTRICT

SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Year Ended June 30, 2021

NYSERS Pension Plan
Last 10 Fiscal Years*

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
District's proportion of the net pension liability (asset)	0.0097158%	0.0103022%	0.0093646%	0.0089233%	0.0089315%	0.0092336%	0.0091174%			
District's proportionate share of the net pension liability (asset)	$ 9,674	$ 2,728,071	$ 663,511	$ 287,996	$ 839,225	$ 1,482,017	$ 308,007			
District's covered- employee payroll	$ 3,892,598	$ 3,665,071	$ 3,689,170	$ 3,417,087	$ 3,090,998	$ 2,735,775	$ 2,735,893			
Districts proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.25%	74.43%	17.99%	8.43%	27.15%	54.17%	11.26%			
Plan fiduciary net position as a percentage of the total pension liability	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%			

* 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.

SARANAC LAKE CENTRAL SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
Year Ended June 30, 2021

NYSERS Pension Plan
Last 10 Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	$ 437,132	$ 431,316	$ 409,307	$ 384,930	$ 411,061	$ 461,012	$ 498,821	$ 506,303	$ 519,391	$ 427,813
Contributions in relation to the contractually required contribution	$ 437,132	$ 431,316	$ 409,307	$ 384,930	$ 411,061	$ 461,012	$ 498,821	$ 506,303	$ 519,391	$ 427,813
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Districts covered-employee payroll	$ 3,892,598	$ 3,665,071	$ 3,689,170	$ 3,417,087	$ 3,417,087	$ 3,090,998	$ 2,735,893			
Contributions as a percentage of covered-employee payroll	11.23%	11.77%	11.09%	11.26%	12.03%	14.91%	18.23%			

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 LAKE CENTRAL SCHOOL DISTRICT

SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION (ASSET) LIABILITY
Year Ended June 30, 2021

NYSTRS Pension Plan
Last 10 Fiscal Years*

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
District's proportion of the net pension liability (asset)	0.064804%	-0.066235%	-0.063452%	-0.062441%	0.061031%	-0.064237%	-0.068780%	-0.070951%		
District's proportionate share of the net pension liability (asset)	$ 1,790,721	$ (1,720,787)	$ (1,147,377)	$ (474,613)	$ 653,662	$ (6,672,137)	$ (7,661,698)	$ (467,039)		
District's covered- employee payroll	$ 10,868,949	$ 11,294,585	$ 11,055,678	$ 10,335,598	$ 9,894,959	$ 9,417,621	$ 9,649,211			
Districts proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	16.48%	-15.24%	-10.38%	-4.59%	6.61%	-70.85%	-79.40%			
Plan fiduciary net position as a percentage of the total pension liability (asset)	97.76%	-102.17%	-101.53%	-100.66%	99.01%	-110.46%	-111.50%			

* 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.

SARANAC LAKE CENTRAL SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
Year Ended June 30, 2021

NYSTRS Pension Plan
Last 10 Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	$ 974,544	$ 1,174,113	$ 1,012,889	$ 1,159,674	$ 1,248,777	$ 1,691,507	$ 1,650,988	-	-	-
Contributions in relation to the contractually required contribution	$ 974,544	$ 1,174,113	$ 1,012,889	$ 1,159,674	$ 1,248,777	$ 1,691,507	$ 1,650,988	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	-	-
Districts covered-employee payroll	$ 10,868,949	$ 11,294,585	$ 11,055,678	$ 10,335,598	$ 10,335,598	$ 9,894,959	$ 9,649,211			
Contributions as a percentage of covered-employee payroll	8.97%	10.40%	9.16%	11.22%	12.08%	17.09%	17.11%			

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 LAKE CENTRAL SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education:			
Pass-Through New York State Department of Education:			
Special Education Cluster:			
IDEA - Part B, Section 611	84.027A	0032-21-0262	$ 339,512
IDEA - Part B, Section 619	84.173A	0033-21-0262	11,357
Total Special Education Cluster			350,869
Title - PT A Imprv Acad Achmt F/Disad	84.010A	0021-21-0930	531,393
Title I, School Improvement	84.010A	0011-21-2184	173,533
Title I, School Improvement - Enhanced	84.010A	0011-21-2385	8,072
Title IIA, Teach/Prin Trng/Recruitmt	84.367A	0147-21-0930	55,239
Title V Rural & Low Income Schools	84.358B	0006-21-0930	6,600
Title IV SSAE Allocation	84.424A	0204-21-0930	9,365
Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act - ESSERF	84.425D	5890-21-0930	477,157
Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act - GEER	84.425C	5895-21-0930	80,682
Total Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act			557,839
Total Department of Education			1,692,910
U.S. Department of Agriculture:			
Pass-through New York State Department of Education			
National School Lunch Program- cash	10.555	N/A	6,427
National School Lunch Program- commodities	10.555	N/A	23,227
School Breakfast Program	10.553	N/A	-
COVID-19 Summer Food Service Program	10.559	N/A	342,764
Total Child Nutrition Cluster			372,418
Total Department of Agriculture			372,418
Total Federal Assistance Expended			$ 2,065,328

See Note to Schedule of Expenditures of Federal Awards.

SARANAC LAKE SCHOOL DISTRICT

NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2021

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 Lake Central School District
Saranac Lake, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards,* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Saranac Lake Central School District as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Saranac Lake Central School District's basic financial statements and have issued our report thereon dated November 18, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Saranac Lake Central School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not the purpose of expressing an opinion on the effectiveness of Saranac Lake Central School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Saranac Lake 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Saranac Lake Central School Districts financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or 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 exists 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

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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 did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiencies. The finding is referenced as 2021-001.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Saranac Lake 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 2021-001.

District's Response to Findings

Saranac Lake Central School District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Saranac Lake Central School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

This purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government *Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Boulrice & Wood CPAs, PC

November 18, 2021

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 Lake Central School District
Saranac Lake, New York

Report on Compliance for Each Major Federal Program

We have audited Saranac Lake Central School District's compliance with the types of compliance requirements described in OMB Compliance Supplement that could have a direct and material effect on Saranac Lake Central School District's major federal programs for the year ended June 30, 2021. Saranac Lake 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Saranac Lake Central School District's major federal programs based on our audit of the types of compliance requirements referred to above We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States: and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Saranac Lake Central School District's compliance with those requirements and performing such other procedures as we consider necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Saranac Lake Central School District's compliance.

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Opinion on Each Major Federal Program

In our opinion, Saranac Lake 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, 2021.

Report on Internal Control over Compliance

Management of Saranac Lake Central School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Saranac Lake Central School District's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Saranac Lake Central School District’s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing 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

November 18, 2021

SARANAC LAKE CENTRAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2021

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	X no
· Significant deficiencies that are not considered to be material weaknesses?	X yes	____ none reported
Noncompliance material to financial statements noted?	____ yes	X no

Federal Awards

Internal control over major programs:		
· Material weakness(es) identified?	____ yes	X no
· Significant deficiencies identified not considered to be a material weakness?	____ yes	X none reported
Type of auditor's report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)	____ yes	X no

Identification of Major Programs

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

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000	
Auditee qualified as low-risk Auditee?	X yes	____ no

Section II – Financial Statement Findings

2021-001 Excess Fund Balance

Condition: The District's unassigned general fund balance was 16.19% of next year's budget.

Effect: The District's unassigned general fund balance was 12.19% or $4,107,619 over the amount allowable by law.

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 in mind this rule when preparing the next year's budget.

Corrective Action: The District expects to use fund balance exceeding the 4% state established limit in future budgets to provide stability to taxpayers in a fiscally responsible manner. It is especially important during these uncertain times due to COVID-19 that the District have a healthy fund balance. Costs in general have increased substantially in the past year. Fund balance will be used to bridge the gap between continued losses in state aid and revenues, as well as increases in operating costs in 2021-22. Two (2) buses and one (1) suburban will be purchased in 2021-22 utilizing up to $310,000 in fund balance.

Section III – Major Federal Awards

None

SARANAC LAKE CENTRAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2021

No prior audit findings.

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 Lake Central School District
Saranac Lake, New York

We have audited the accompanying statement 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 Lake Central School District as of and for the year June 30, 2021, and the related notes to the financial statements.

Management's Responsibility 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; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and minimum program procedures established by the New York State Department of Education. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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Opinion

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 Lake Central School District as of June 30, 2021, 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 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 opinion is not modified with respect to that matter.

Boulrice & Wood CPAs, PC

November 18, 2021

SARANAC LAKE CENTRAL SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUNDS

STATEMENTS OF ASSETS, LIABILITIES AND FUND BALANCE - CASH BASIS
June 30, 2021 and 2020

	6/30/2021	6/30/2020
Assets		
Cash	**$ 84,932**	$ 83,925
Total Assets	**$ 84,932**	$ 83,925
Fund Balance		
Extraclassroom Activity	**$ 84,932**	$ 83,925
Total Fund Balance	**$ 84,932**	$ 83,925

See Notes to the Financial Statements – Extraclassroom Activity Funds.

SARANAC LAKE CENTRAL SCHOOL DISTRICT
EXTRACLASSROOM ACTIVITY FUNDS

STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND ENDING BALANCES - CASH BASIS
Year Ended June 30, 2021

Activity	Balance June 30, 2020	Receipts	Disbursements	Balance June 30, 2021
High School				
Class of 2021	$ 4,660	$ -	$ 4,660	$ -
Class of 2022	5,047	43	96	4,994
Class of 2023	3,258	-	-	3,258
Class of 2024	706	732	-	1,438
Art Club	15	-	-	15
Band	4,089	1,000	684	4,405
Canaras	5,580	10,802	12,027	4,355
Chorus	9,515	1,662	840	10,337
Cooking Club	187	-	-	187
Environmental club	2,930	-	86	2,844
F.R.E.E.	225	-	-	225
French Club	10,091	1,429	-	11,520
Honor Society	396	-	-	396
Key Club	1,197	-	130	1,067
Model UN	1,415	-	97	1,318
Music Theater	13,057	6,081	2,543	16,595
Nature's Gifts	2,114	-	-	2,114
Outdoor Club	649	-	-	649
Play	590	-	-	590
Sales Tax - HS	18	-	18	-
Spanish Club	2,980	-	-	2,980
Student Council	3,785	783	379	4,189
Middle School				
Middle School Art Club	421	-	-	421
Middle School Homework Haven	691	-	-	691
Middle School Yearbook	1,086	950	915	1,121
Yenga	9,223	-	-	9,223
	$ 83,925	$ 23,482	$ 22,475	$ 84,932

See Notes to the Financial Statements – Extraclassroom Activity Funds.

SARANAC LAKE CENTRAL SCHOOL DISTRICT

EXTRACLASSROOM ACTIVITY FUNDS
NOTES TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
JUNE 30, 2021

Note 1. Summary of Significant Accounting Policies

Basis of Accounting: The books and records of the Saranac Lake 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 Lake 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 reported in the Governmental Funds of the District as Non-Major funds.

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

Saranac Lake
CENTRAL SCHOOL DISTRICT
CINDY MOODY, SCHOOL BUSINESS EXECUTIVE
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November 18, 2021

Boulrice & Wood CPAs, PC
206 West Bay Plaza
Plattsburgh, NY 12901

This representation letter is provided in connection with your audit of the financial statements of Saranac Lake Central School District, which comprise the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of November 18, 2021, the following representations made to you during your audit.

Financial Statements

1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated June 16, 2021, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
3) We acknowledge our responsibility 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.
4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements or in the schedule of findings and questioned costs.
8) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.

9) Guarantees, whether written or oral, under which the school district is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

10) We have provided you with:

    a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters [and all audit or relevant monitoring reports, if any, received from funding sources].

    b) Additional information that you have requested from us for the purpose of the audit.

    c) Unrestricted access to persons within the school district from whom you determined it necessary to obtain audit evidence.

    d) Minutes of the meetings of Board of Education or summaries of actions of recent meetings for which minutes have not yet been prepared.

11) All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards.

12) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

13) We have no knowledge of any fraud or suspected fraud that affects the school district and involves:

    - Management,
    - Employees who have significant roles in internal control, or
    - Others where the fraud could have a material effect on the financial statements.

14) We have no knowledge of any allegations of fraud or suspected fraud affecting the school district's financial statements communicated by employees, former employees, regulators, or others.

15) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.

16) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.

17) We have disclosed to you the identity of the school district's related parties and all the related party relationships and transaction, including any side agreements.

Government—specific

18) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

19) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.

20) We have a process to track the status of audit findings and recommendations.

21) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.

22) The school district has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity

23) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and legal and contractual provisions for reporting specific activities in separate funds.

24) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.

25) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.

26) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.

27) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.

28) As part of your audit, you assisted with preparation of the financial statements and related notes and schedule of expenditures of federal awards. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes and schedule of expenditures of federal awards.

29) The school district has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.

30) The school district has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

31) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.

32) The financial statements include all fiduciary activities required by GASBS No. 84.

33) The financial statements properly classify all funds and activities, in accordance with GASBS Statement No. 34, as amended.

34) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.

35) Components of net position (net investment in capital assets; restricted; and unrestricted) , and components of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.

36) Investments, derivative instruments, and land and other real estate held by endowments are properly valued.

37) Provisions for uncollectible receivables have been properly identified and recorded.

38) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.

39) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.

40) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.

41) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.

42) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.

43) We have appropriately disclosed the school district's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.

44) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.

45) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

46) With respect to 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, and Net Investment In Capital Assets

    a) We acknowledge our responsibility for presenting 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, and Net Investment In Capital Assets in accordance with accounting principles generally accepted in the United States of America, and we believe the Combining Non-Major Fund financial statements, the Schedule of Change from Original Budget to Final Budget and the Real Property Tax Limit, Schedule of Project Expenditures, and Net Investment In Capital Assets, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the Combining Non-Major Fund financial statements, he Schedule of Change from Original Budget to Final Budget and the Real Property Tax Limit, Schedule of Project Expenditures, and Net Investment In Capital Assets have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

    b) If the Combining Non-Major Fund financial statements, the Schedule of Change from Original Budget to Final Budget and the Real Property Tax Limit, Schedule of Project Expenditures, and Net Investment In Capital Assets is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

47) With respect to federal award programs

    a) We are responsible for understanding and complying with and have complied with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), including requirements relating to preparation of the schedule of expenditures of federal awards.

    b) We acknowledge our responsibility for presenting the schedule of expenditures of federal awards (SEFA) in accordance with the requirements of the Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA.

c) If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditor's report thereon.

d) We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance, and have included in the SEFA expenditures made during the audit period for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.

e) We are responsible for understanding and complying with, and have complied with, the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal programs and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major program.

f) We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing our federal awards in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.

g) We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.

h) We have received no requests from a federal agency to audit one or more specific programs as a major program.

i) We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the *OMB Compliance Supplement*, relating to federal awards and have identified and disclosed to you all amounts questioned and all known noncompliance with the direct and material compliance requirements of federal awards.

j) We have disclosed any communications from grantors and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.

k) We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.

l) Amounts claimed or used for matching were determined in accordance with relevant guidelines in Uniform Guidance (2 CFR part 200, subpart E) [and OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, if applicable].

m) We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.

n) We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.

o) We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.

p) There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.

q) No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance, subsequent to the date as of which compliance was audited.

r) Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.

s) The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.

t) We have monitored subrecipients to determine that they have expended pass-through assistance in accordance with applicable laws and regulations and have met the requirements of the Uniform Guidance.

u) We have taken appropriate action, including issuing management decisions, on a timely basis after receipt of subrecipients' auditor's reports that identified noncompliance with laws, regulations, or the provisions of contracts or grant agreements and have ensured that subrecipients have taken the appropriate and timely corrective action on findings.

v) We have charged costs to federal awards in accordance with applicable cost principles.

w) We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.

x) We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.

y) We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.

z) We are responsible for taking corrective action on each audit finding of the compliance audit and have developed a corrective action plan that meets the requirements of the Uniform Guidance.

Signed: Cindy Moody

Title: School Business Executive