

**BLOOMSBURG AREA SCHOOL DISTRICT**

**Financial Statements Together with  
Reports of Independent Public Accountants**

**For the Year Ended June 30, 2024**

# **BLOOMBURG AREA SCHOOL DISTRICT**

## **Financial Statements Together with Reports of Independent Public Accountants**

**JUNE 30, 2024**

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## **REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON THE AUDIT OF THE FINANCIAL STATEMENTS**

Board of School Directors  
Bloomsburg Area School District  
Bloomsburg, Pennsylvania

### ***Opinions***

We have audited the financial statements of the governmental activities, business-type activities and each major fund of Bloomsburg Area School District (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the governmental activities, business-type activities and each major fund of the District as of June 30, 2024, and the respective changes in financial position and the statement of revenue, expenditures, and changes in fund balance- budget and actual for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

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

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

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

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

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

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

In performing an audit in accordance with GAAS, we:

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and schedules of required pension and OPEB related required supplementary information as listed in the accompanying table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical

context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual nonmajor fund financial statements (Supplemental Information) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplemental Information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplemental Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Philadelphia, Pennsylvania  
January 16, 2025

*SB & Company, LLC*

## **BLOOMSBURG AREA SCHOOL DISTRICT**

### **Management's Discussion and Analysis Required Supplementary Information (Unaudited) For the Year Ended June 30, 2024**

The discussion and analysis of Bloomsburg Area School District's (the District) financial performance provides an overall review of the district's financial activities for the fiscal year ended June 30, 2024. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the district's financial performance.

#### **Financial Highlights**

The assets and deferred outflows of the District's governmental activities were less than its liabilities and deferred inflows at the close of the most recent fiscal year by (\$9,513,733). The governmental activities total net position has increased by \$5,109,884. The District deficit net position is primarily related to its share of the net pension liability of \$32,786,000, as of June 30, 2024.

As of June 30, 2024, unassigned unrestricted fund balance for the general fund was \$5,457,100 or 18.8% of the total general fund expenditures.

As of June 30, 2024, the District's debt consisted of the following: a \$7,220,000 General Obligation Note, Series 2013 issued May 16, 2013 with a principal balance of \$1,785,000; a \$9,995,000 General Obligation Bond, Series 2018 issued September 25, 2018 with a principal balance of \$9,965,000; a \$9,950,000 General Obligation Bond, Series 2019 issued January 9, 2019 with a principal balance of \$9,255,000; and a \$3,500,000 General Obligation Note, Series 2020 issued September 21, 2020 with a principal balance of \$2,295,340.

Other obligations include accrued vacation pay and sick leave for specific employees of the district (Compensated Absences) in the amount of \$943,188. In addition, a liability has been recognized for Net Pension Liability and Other Post-Employment Benefits. More detailed information about these long-term liabilities is included in the financial statements.

The trends of prior years' indicated that the District would experience another year of increases in the costs for regular educational instruction, special education instruction, and benefits for our employees with the largest increases coming from pension cost. In the budgeting process, the Administration and Board of School Directors were able to balance the budget with no millage increase to our taxpayers. The actual results of operation showed that expenditure and revenue projections were made with extreme precision and provided a net surplus for the year.

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

This discussion and analysis are intended to serve as an introduction to the basic financial statements of the District. The School District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

# **BLOOMSBURG AREA SCHOOL DISTRICT**

## **Management's Discussion and Analysis Required Supplementary Information (Unaudited) For the Year Ended June 30, 2024**

### **Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenditures are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused retirement incentives).

Both government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the District include most of the District's basic services, such as regular and special education, administration, and transportation. Property taxes and formula-based state aid finance most of these activities. The Food Services Fund is the sole business-type activity for the District.

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

## **BLOOMSBURG AREA SCHOOL DISTRICT**

### **Management's Discussion and Analysis Required Supplementary Information (Unaudited) For the Year Ended June 30, 2024**

#### **Governmental Funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. Governmental funds are segregated by major fund and non-major fund. The district's governmental major funds consisted of the General Fund, the Capital Projects Fund, and the Debt Service Fund. The District did not have any non-major funds.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

#### **Proprietary Funds**

The District maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses an enterprise fund to account for its Food Service Fund. Internal Service funds (the other type of proprietary fund) are used to report activities that provide supplies and services for the government's other programs and activities. The District currently does not have any internal service funds.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Food Service Fund, which is considered to be a major fund of the District.

#### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

#### **Government-wide Financial Analysis**

**Net Position:** As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, liabilities and deferred inflows exceeded assets and deferred outflows by (\$8,877,051) as of June 30, 2024.



## BLOOMSBURG AREA SCHOOL DISTRICT

### Management's Discussion and Analysis Required Supplementary Information (Unaudited) For the Year Ended June 30, 2024

Approximately 67% of the District's assets reflect its investment in capital assets (e.g. land, buildings, furniture and equipment, construction-in-progress). The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. The largest portion of the District's liabilities is its long-term debt for general obligation bonds used to finance building improvements and other capital projects. 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. Another item of note on the government-wide financial statements is the balance in cash and investments of \$13,955,870 as of June 30, 2024, which include a balance of \$13,572,356 in Governmental Activities and a balance of \$383,514 in the Business-Type Activities.

An additional portion of the District's net assets represent resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets may be used to meet the government's ongoing obligations.

The Net Position as of June 30, 2024 and 2023, for the District is summarized below.

	FY 2022-2023	FY 2023-2024	INC / (DEC)
	Governmental Activities	Governmental Activities	Governmental Activities
Current assets	\$ 13,715,545	\$ 16,930,946	\$ 3,215,401
Noncurrent assets	37,826,121	34,764,885	(3,061,236)
<b>Total assets</b>	<b>51,541,666</b>	<b>51,695,831</b>	<b>154,165</b>
<b>Deferred outflows of resources</b>	<b>5,331,947</b>	<b>5,617,931</b>	<b>285,984</b>
<b>Total assets and deferred outflows of resources</b>	<b>56,873,613</b>	<b>57,313,762</b>	<b>440,149</b>
Current liabilities	5,638,795	5,560,927	(77,868)
Noncurrent liabilities	61,490,553	58,612,501	(2,878,052)
<b>Total liabilities</b>	<b>67,129,348</b>	<b>64,173,428</b>	<b>(2,955,920)</b>
<b>Deferred inflows of resources</b>	<b>2,601,755</b>	<b>2,654,067</b>	<b>52,312</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>69,731,103</b>	<b>66,827,495</b>	<b>(2,903,608)</b>
Net Position			
Invested in capital assets - net of related debt	13,162,280	11,251,193	(1,911,087)
Restricted	412,895	515,540	102,645
Unrestricted	(26,432,665)	(21,280,466)	5,152,199
<b>Total net position</b>	<b>(12,857,490)</b>	<b>(9,513,733)</b>	<b>3,343,757</b>
<b>Total liabilities and net position</b>	<b>\$ 56,873,613</b>	<b>\$ 57,313,761</b>	<b>\$ 440,148</b>

# BLOOMSBURG AREA SCHOOL DISTRICT

## Management's Discussion and Analysis Required Supplementary Information (Unaudited) For the Year Ended June 30, 2024

	FY 2022-2023 Business-Type Activities	FY 2023-2024 Business-Type Activities	INC / (DEC) Business-Type Activities
Current assets	\$ 431,788	\$ 495,371	\$ 63,583
Noncurrent assets	132,997	153,636	20,639
<b>Total assets</b>	<b>564,785</b>	<b>649,007</b>	<b>84,222</b>
<b>Deferred outflows of resources</b>	<b>-</b>	<b>-</b>	
<b>Total assets and deferred outflows of resources</b>	<b>564,785</b>	<b>649,007</b>	<b>84,222</b>
Current liabilities	13,419	12,325	(1,094)
Noncurrent liabilities	-	-	-
<b>Total liabilities</b>	<b>13,419</b>	<b>12,325</b>	<b>(1,094)</b>
<b>Deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Position			
Invested in capital assets - net of related debt	132,997	153,636	20,639
Restricted	-	-	-
Unrestricted	418,369	483,046	64,677
<b>Total net position</b>	<b>\$ 551,366</b>	<b>\$ 636,682</b>	<b>\$ 85,316</b>

# BLOOMSBURG AREA SCHOOL DISTRICT

## Management's Discussion and Analysis Required Supplementary Information (Unaudited) For the Year Ended June 30, 2024

### Change in Net Position

The results of this year's operations are reported in the Statement of Activities in the basic financial statements. The two largest general revenues are the non-formula-based state aid received from the Commonwealth of Pennsylvania and the local taxes assessed to property owners. A comparative analysis of the change in net assets is presented in Table 2 below.

	FY 2022-2023 Governmental Activities	FY 2023-2024 Governmental Activities	INC / (DEC) Governmental Activities
Revenue			
Charges for Services	\$ 98,423	\$ 149,991	\$ 51,568
Operating Grants and Contributions	3,681,281	3,248,045	(433,236)
General Revenues			
Taxes	16,712,532	17,854,726	1,142,194
Grant, Subsidies, and Contributions	10,983,369	12,343,593	1,360,224
Other	558,609	901,268	342,659
<b>Total Revenues</b>	<b>32,034,214</b>	<b>34,497,623</b>	<b>2,463,409</b>
Expenses			
Instruction	15,953,424	14,876,888	(1,076,536)
Support services	12,583,970	12,842,000	258,030
Non-instructional services	825,980	857,140	31,160
Interest on long-term debt	904,713	811,711	(93,002)
<b>Total Expenses</b>	<b>30,268,087</b>	<b>29,387,739</b>	<b>(880,348)</b>
<b>Changes in Net Position</b>	<b>\$ 1,766,127</b>	<b>\$ 5,109,884</b>	<b>\$ 3,343,757</b>
	FY 2022-2023 Business-Type Activities	FY 2023-2024 Business-Type Activities	INC / (DEC) Business-Type Activities
Revenue			
Charges for Services	\$ 69,794	\$ 61,940	\$ (7,854)
Operating Grants and Contributions	1,085,454	1,145,072	59,618
Other	141	5,888	5,747
<b>Total Revenues</b>	<b>1,155,389</b>	<b>1,212,900</b>	<b>57,511</b>
Expenses			
Food Service	1,066,193	1,127,584	61,391
<b>Changes in Net Position</b>	<b>\$ 89,196</b>	<b>\$ 85,316</b>	<b>\$ (3,880)</b>

## **BLOOMSBURG AREA SCHOOL DISTRICT**

### **Management's Discussion and Analysis Required Supplementary Information (Unaudited) For the Year Ended June 30, 2024**

#### **Financial Analysis of the Government's Funds**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

#### **General Fund**

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2024, the District's general fund reported an ending fund balance of \$9,981,942, an increase of \$2,519,680 in comparison with prior year balance of \$7,462,262. The total unassigned Fund Balance, which is available for spending at the government's discretion, is \$5,457,100 as of June 30, 2024. The remainder of fund balance, \$4,524,842, is reserved to indicate that it is not available for new spending because it has already been committed or assigned.

#### **Capital Projects Fund**

The Capital Projects Fund accounts for construction and renovation activity associated with the District's buildings and major equipment purchases. The Capital Projects Fund receives most of its revenues from the issuance of general obligation debt and transfers from the General Fund. During the year ended June 30, 2024, the Capital Projects Fund reported a increase in fund balance of \$256,994 due to transfers in.

#### **Debt Service Fund**

The Debt Service Fund accounts for bond issuances and related debt service activity. The Debt Service Fund receives most of its revenues from the issuance of general obligation debt and transfers from the General Fund. During the year ended June 30, 2024, the Capital Projects Fund reported an increase in fund balance of \$197 due to interest received.

#### **Proprietary Funds**

The District's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. As of the end of the current fiscal year, the net position of the proprietary fund - Food Service was \$636,682. Management continually reviews the operations of the Food Service Fund and the user charges (lunch prices) to ensure that there are adequate cash reserves to meet operating needs and that the Food Service Fund is a break- even operation. With the new health and fitness requirements, this has become a difficult task. This past year as well as in the next year's budget, funds are required from the general fund to balance the budget to meet this unfunded mandate placed on schools.

## BLOOMSBURG AREA SCHOOL DISTRICT

### Management's Discussion and Analysis Required Supplementary Information (Unaudited) For the Year Ended June 30, 2024

#### General Fund Budgetary Highlights

During the fiscal year, the Board of School Directors authorizes revisions to the original budget to accommodate differences from the original budget to the actual expenditures of the District. There were no adjustments made to the original budget for the year ended June 30, 2024.

#### Capital Asset and Debt Administration

Capital assets. The District's investment in capital assets for its governmental and business type activities as of June 30, 2024 and 2023 is summarized below.

	June 30, 2024		
	Governmental Activities	Business-Type Activities	Total School District
Land Improvements	\$ 12,281,128	\$ -	\$ 12,281,128
Building and Building Improvements	56,905,268	8,120	56,913,388
Furniture, Equipment, and Vehicles	9,478,259	349,001	9,827,260
Accumulated depreciation	(43,969,570)	(203,485)	(44,173,055)
<b>Total Capital Assets - Net of Depreciation</b>	<b>\$ 34,695,085</b>	<b>\$ 153,636</b>	<b>\$ 34,848,721</b>
	June 30, 2023		
	Governmental Activities	Business-Type Activities	Total School District
Land and Site Improvements	\$ 12,270,629	\$ -	\$ 12,270,629
Building and Building Improvements	56,880,818	8,120	56,888,938
Furniture and Equipment	9,382,195	300,618	9,682,813
Accumulated depreciation	(40,707,521)	(175,741)	(40,883,262)
Construction-In-Progress	-	-	-
<b>Total Capital Assets - Net of Depreciation</b>	<b>\$ 37,826,121</b>	<b>\$ 132,997</b>	<b>\$ 37,959,118</b>

Through long-term planning, the District has demonstrated its commitment to maintaining functional educational facilities that meet the needs of today's students, while also considering what is affordable for the community.

## BLOOMSBURG AREA SCHOOL DISTRICT

### Management's Discussion and Analysis Required Supplementary Information (Unaudited) For the Year Ended June 30, 2024

#### Long-term Debt

At the end of the current fiscal year, the District had total debt outstanding of \$24,663,841.

	2023	2024	Increase (Decrease)
General Obligation Bonds and Notes	\$ 24,663,841	\$ 23,513,692	\$ (1,150,149)
Net PSERS Pension Liability	33,833,000	32,786,000	(1,047,000)
Compensated Absences	1,619,717	943,188	(676,529)
Other Post-Employment Benefit Obligations	2,511,911	2,541,701	29,790
<b>Total</b>	<u>\$ 62,628,469</u>	<u>\$ 59,784,581</u>	<u>\$ (2,843,888)</u>

#### Economic Factors and Next Year's Budget and Rates

The District experienced slow growth in both property and assessments and residents. The 2024-2025 General Fund Budget, adopted in June 2024, increased budgeted expenditures approximately 2.1% over the 2023-2024 fiscal year and had an increase in special education programming and The Columbia Montour Area Vocational Technical School building renovations expenditures.

Budgeted revenue included an approximate 2.4% increase in local real estate taxes and remained within the Act 1 index. The approved final budget reflected revenue of \$32.6 million and expenditures of \$33.2 million. Budget revenues were \$590,000 lower than budgeted expenditures.

#### Request for Information

This financial report is designed to provide a general overview of the finances of the District for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Mr. David J. Marsiglio, Business Administrator, 728 E 5<sup>th</sup> Street Bloomsburg, Pennsylvania, 17815 or via email at [dmarsiglio@bloomsd.k12.pa.us](mailto:dmarsiglio@bloomsd.k12.pa.us).

# BLOOMSBURG AREA SCHOOL DISTRICT

## Statement of Net Position (Deficit) As of June 30, 2024

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 13,572,356	\$ 383,514	\$ 13,955,870
Investments	561,400	-	561,400
Taxes receivable, net	1,042,120	-	1,042,120
Internal balances	(65,082)	65,082	
Due from other governments	1,459,510	11,301	1,470,811
Other receivables	360,642	-	360,642
Inventory	-	35,474	35,474
<b>TOTAL CURRENT ASSETS</b>	<b>16,930,946</b>	<b>495,371</b>	<b>17,426,317</b>
<b>NON-CURRENT ASSETS</b>			
Construction in progress	69,800	-	69,800
Land and site improvements - net of accumulated depreciation	9,995,950	-	9,995,950
Building and building improvements - net of accumulated depreciation	24,000,073	406	24,000,479
Furniture, equipment, and automobiles - net of accumulated depreciation	699,062	153,230	852,292
<b>TOTAL NON-CURRENT ASSETS</b>	<b>34,764,885</b>	<b>153,636</b>	<b>34,918,521</b>
<b>TOTAL ASSETS</b>	<b>51,695,831</b>	<b>649,007</b>	<b>52,344,838</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>5,617,931</b>	<b>-</b>	<b>5,617,931</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>57,313,762</b>	<b>649,007</b>	<b>57,962,769</b>
<b>LIABILITIES, DEFERRED INFLOWS AND NET POSITION (DEFICIT)</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable	614,851	-	614,851
Accrued salaries, benefits and related expenses	3,409,851	-	3,409,851
Accrued interest	364,145	-	364,145
Unearned revenue	-	12,325	12,325
Current portion of long-term debt	1,172,080	-	1,172,080
<b>TOTAL CURRENT LIABILITIES</b>	<b>5,560,927</b>	<b>12,325</b>	<b>5,573,252</b>
<b>NON-CURRENT LIABILITIES</b>			
Net pension liability	32,786,000	-	32,786,000
Long-term debt - net of current maturities	22,341,612	-	22,341,612
Long-term portion of compensated absences	943,188	-	943,188
Long-term portion of other postemployment benefits	2,541,701	-	2,541,701
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>58,612,501</b>	<b>-</b>	<b>58,612,501</b>
<b>TOTAL LIABILITIES</b>	<b>64,173,428</b>	<b>12,325</b>	<b>64,185,753</b>
<b>DEFERRED INFLOWS</b>	<b>2,654,067</b>	<b>-</b>	<b>2,654,067</b>
<b>NET POSITION (DEFICIT)</b>			
Invested (deficit) in capital assets, net of related debt	11,251,193	153,636	11,404,829
Restricted	515,540	-	515,540
Unrestricted (Deficit)	(21,280,466)	483,046	(20,797,418)
<b>TOTAL NET POSITION (DEFICIT)</b>	<b>\$ (9,513,733)</b>	<b>\$ 636,682</b>	<b>\$ (8,877,051)</b>

The accompanying notes are an integral part of this statement.

# BLOOMSBURG AREA SCHOOL DISTRICT

## Statement of Activities For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>GOVERNMENTAL ACTIVITIES</b>						
Instruction	\$ 14,876,888	\$ 85,470	\$ 2,249,497	\$ (12,541,921)	\$ -	\$ (12,541,921)
Support services	12,842,000	63,414	691,099	(12,087,487)	-	(12,087,487)
Non-instructional services	857,140	1,107	307,449	(548,584)	-	(548,584)
Interest on long-term debt	811,711	-	-	(811,711)	-	(811,711)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>29,387,739</b>	<b>149,991</b>	<b>3,248,045</b>	<b>(25,989,703)</b>	<b>-</b>	<b>(25,989,703)</b>
<b>BUSINESS-TYPE ACTIVITIES</b>						
Food service	1,127,584	61,940	1,145,072	-	79,428	79,428
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>30,515,323</b>	<b>211,931</b>	<b>4,393,117</b>	<b>(25,989,703)</b>	<b>79,428</b>	<b>(25,910,275)</b>
<b>GENERAL REVENUES AND TRANSFERS</b>						
Taxes:						
Property taxes, levied for general purposes, net				13,445,122	-	13,445,122
Taxes levied for specific purposes				4,409,604	-	4,409,604
Grants, subsidies, and contributions not restricted				12,343,593	-	12,343,593
Investment earnings				739,771	5,888	745,659
Miscellaneous				161,266	-	161,266
Gain on sale of capital assets				231	-	231
<b>TOTAL GENERAL REVENUES AND TRANSFERS</b>				<b>31,099,587</b>	<b>5,888</b>	<b>31,105,475</b>
<b>CHANGE IN NET POSITION</b>				<b>5,109,884</b>	<b>85,316</b>	<b>5,195,200</b>
<b>NET POSITION (DEFICIT) - BEGINNING OF YEAR</b>				<b>(14,623,617)</b>	<b>551,366</b>	<b>(14,072,251)</b>
<b>NET POSITION (DEFICIT) - ENDING</b>				<b>\$ (9,513,733)</b>	<b>\$ 636,682</b>	<b>\$ (8,877,051)</b>

The accompanying notes are an integral part of this statement.



**BLOOMSBURG AREA SCHOOL DISTRICT****Balance Sheet  
Governmental Funds  
As of June 30, 2024**

	<u>General</u>	<u>Non-Major Funds</u>	<u>Governmental Funds</u>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>			
Cash	\$11,818,532	\$ 1,753,824	\$ 13,572,356
Investments	561,400		561,400
Taxes receivable, net	1,042,120	-	1,042,120
Intergovernmental receivables	1,459,510	-	1,459,510
Other receivables	360,642	-	360,642
<b>TOTAL ASSETS</b>	<u>\$15,242,204</u>	<u>\$ 1,753,824</u>	<u>\$ 16,996,028</u>
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Due to other funds	\$ 65,082	\$ -	\$ 65,082
Accounts payable	614,851	-	614,851
Accrued salaries and benefits	3,409,851	-	3,409,851
<b>TOTAL LIABILITIES</b>	<u>4,089,784</u>	<u>-</u>	<u>4,089,784</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>1,170,478</u>	<u>-</u>	<u>1,170,478</u>
<b>FUND BALANCES</b>			
Restricted	-	515,540	515,540
Committed	4,000,000	422	4,000,422
Assigned	524,842	1,237,862	1,762,704
Unassigned	5,457,100	-	5,457,100
<b>TOTAL FUND BALANCES</b>	<u>9,981,942</u>	<u>1,753,824</u>	<u>11,735,766</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$15,242,204</u>	<u>\$ 1,753,824</u>	<u>\$ 16,996,028</u>

The accompanying notes are an integral part of this statement.

## BLOOMSBURG AREA SCHOOL DISTRICT

### Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position (Deficit)

#### Governmental Funds

As of June 30, 2024

<b>TOTAL FUND BALANCES - GOVERNMENTAL FUNDS</b>	<b>\$ 11,735,766</b>
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Amounts reported for governmental activities in the statement  
of net assets are different because:

Capital assets used in governmental activities are not financial  
resources and, therefore, are not reported as assets in  
governmental funds.

Cost of capital assets	78,734,455
Less: accumulated depreciation	(43,969,570)

Long-term liabilities, including bonds payable, are not due and  
payable in the current period and are not reported as liabilities  
in the funds.

Compensated absences	(943,188)
Bonds payable	(23,513,692)
Net Pension Liability	(32,786,000)
Other postemployment benefits	(2,541,701)

Delinquent personal and property taxes receivable will be collected  
this year, but are not available soon enough to pay for the current  
period's expenditures and are, therefore, deferred in the funds.

1,170,478

Deferred outflows of resources related to pension/OPEB liability

5,617,931

Deferred inflows of resources related to pension/OPEB liability

(2,654,067)

Governmental funds do not report a liability for accrued interest  
until due and payable.

(364,145)

<b>TOTAL NET POSITION (DEFICIT) - GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ (9,513,733)</u></b>
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The accompanying notes are an integral part of this statement.

**BLOOMSBURG AREA SCHOOL DISTRICT****Statement of Revenues, Expenditures, and Changes in Fund Balance  
Governmental Funds  
For the Year Ended June 30, 2024**

	General	Non-Major Funds	Total Governmental Funds
<b>REVENUES</b>			
Local sources	\$ 18,629,081	\$ 307,449	\$ 18,936,530
State sources	13,082,842	-	13,082,842
Federal sources	2,070,563	-	2,070,563
<b>TOTAL REVENUES</b>	<u>33,782,486</u>	<u>307,449</u>	<u>34,089,935</u>
<b>EXPENDITURES</b>			
Instruction	18,712,393	-	18,712,393
Support services	9,645,530	3,000	9,648,530
Non-instructional services	674,260	140,623	814,883
Capital outlay	-	46,990	46,990
Debt service	-	1,977,854	1,977,854
<b>TOTAL EXPENDITURES</b>	<u>29,032,183</u>	<u>2,168,467</u>	<u>31,200,650</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	4,750,303	(1,861,018)	2,889,285
<b>OTHER FINANCING SOURCES (USES)</b>			
Sale of fixed assets	231	-	231
Transfers In(Out)	(2,230,854)	2,230,854	-
<b>NET CHANGE IN FUND BALANCES</b>	2,519,680	369,836	2,889,516
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<u>7,462,262</u>	<u>1,383,988</u>	<u>8,846,250</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 9,981,942</u>	<u>\$ 1,753,824</u>	<u>\$ 11,735,766</u>

The accompanying notes are an integral part of this statement.

## BLOOMSBURG AREA SCHOOL DISTRICT

### Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to Statement of Activities

#### Governmental Funds

For the Year Ended June 30, 2024

<b>TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS</b>	<b>\$ 2,889,516</b>
Because some property taxes will not be collected for several months after the District's year end, they are not considered as available revenues in the government funds.	407,457
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.	1,137,916
Compensated absences reported in the Statement of Activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds.	676,529
Expenses related to the Net Pension/OPEB Liability reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	3,031,475
Interest is recognized in governmental funds when paid but is accrued in the Statement of Activities.	28,227
Governmental funds report capital outlays as expenditures. In the Statement of Activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense.	200,813
Depreciation expense is recognized in the Statement of Activities but is not recognized in governmental funds.	<u>(3,262,049)</u>
<b>CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES</b>	<b><u><u>\$ 5,109,884</u></u></b>

The accompanying notes are an integral part of this statement.

# BLOOMSBURG AREA SCHOOL DISTRICT

## Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual General Fund For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance With
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
<b>REVENUES</b>				
Local sources	\$ 17,730,945	\$ 17,730,945	\$ 18,629,081	\$ 898,136
State sources	11,847,762	11,847,762	13,082,842	1,235,080
Federal sources	2,053,285	2,053,285	2,070,563	17,278
<b>TOTAL REVENUES</b>	<u>31,631,992</u>	<u>31,631,992</u>	<u>33,782,486</u>	<u>2,150,494</u>
<b>EXPENDITURES</b>				
Instruction	19,918,705	19,918,705	18,712,393	1,206,312
Support services	9,652,776	9,652,776	9,645,530	7,246
Non-instructional services	616,862	616,862	674,260	(57,398)
<b>TOTAL EXPENDITURES</b>	<u>30,188,343</u>	<u>30,188,343</u>	<u>29,032,183</u>	<u>1,156,160</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>1,443,649</u>	<u>1,443,649</u>	<u>4,750,303</u>	<u>3,306,654</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In(Out)	(2,230,469)	(2,230,469)	(2,230,854)	(385)
Other	5,000	5,000	231	(4,769)
Budgetary reserve	(100,000)	(100,000)	-	100,000
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(2,325,469)</u>	<u>(2,325,469)</u>	<u>(2,230,623)</u>	<u>94,846</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (881,820)</u>	<u>\$ (881,820)</u>	<u>\$ 2,519,680</u>	<u>\$ 3,401,500</u>

The accompanying notes are an integral part of this statement.

# BLOOMSBURG AREA SCHOOL DISTRICT

## Statement of Net Position Proprietary Funds As of June 30, 2024

	<u>Food Service</u>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	
<b>CURRENT ASSETS</b>	
Cash	\$ 383,514
Due from other funds	65,082
Due from other governments	11,301
Inventories	<u>35,474</u>
<b>TOTAL CURRENT ASSETS</b>	<u>495,371</u>
<b>NON-CURRENT ASSETS</b>	
Building improvements, net	406
Furniture and equipment, net	<u>153,230</u>
<b>TOTAL NON-CURRENT ASSETS</b>	<u>153,636</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>649,007</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION (DEFICIT)</b>	
<b>CURRENT LIABILITIES</b>	
Unearned revenue	<u>12,325</u>
<b>NET POSITION</b>	
Invested in capital assets - net of related debt	153,636
Unrestricted	<u>483,046</u>
<b>TOTAL NET POSITION</b>	<u><u>\$ 636,682</u></u>

The accompanying notes are an integral part of this statement.

**BLOOMSBURG AREA SCHOOL DISTRICT****Statement of Revenues, Expenses, and Changes in Net Position  
Proprietary Funds  
For the Year Ended June 30, 2024**

	<u>Food Service</u>
<b>OPERATING REVENUES</b>	
Food service revenues	<u>\$ 61,940</u>
<b>OPERATING EXPENSES</b>	
Personal services - salaries	335,283
Personal services - employee benefits	225,267
Purchased services	4,990
Supplies	501,460
Depreciation	27,744
Other operating expenses	<u>32,840</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>1,127,584</u>
 <b>OPERATING (LOSS)</b>	 (1,065,644)
 <b>NON-OPERATING REVENUES (EXPENSES)</b>	
Earnings on investments	5,888
State sources	144,867
Federal sources	<u>1,000,205</u>
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<u>1,150,960</u>
 <b>CHANGE IN NET POSITION</b>	 85,316
 <b>NET POSITION - BEGINNING OF YEAR</b>	 <u>551,366</u>
 <b>NET POSITION - END OF YEAR</b>	 <u><u>\$ 636,682</u></u>

The accompanying notes are an integral part of this statement.

# BLOOMSBURG AREA SCHOOL DISTRICT

## Statement of Cash Flows Proprietary Funds For the Year Ended June 30, 2024

	Food Service
<b>CASH FLOWS FROM (USER FOR) OPERATING ACTIVITIES</b>	
Cash received from customers and intergovernments	\$ 60,846
Cash paid to employees for services	(558,096)
Cash paid to suppliers for goods and services	(446,211)
<b>NET CASH FROM (USED FOR) OPERATING ACTIVITIES</b>	<u>(943,461)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>	
State sources	144,867
Federal sources	893,935
Interfund activity	(2,454)
<b>NET CASH FROM NON-CAPITAL FINANCING ACTIVITIES</b>	<u>1,036,348</u>
<b>NET CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Capital purchases	<u>(48,383)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Earnings on investments	<u>5,888</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	50,392
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<u>333,122</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><u>\$ 383,514</u></u>
<b>Reconciliation of Operating Loss to Net Cash Flows from (used for)Operating Activities</b>	
Operating loss	\$ (1,065,644)
Adjustments to reconcile operating loss to net cash used by operating activities	
Depreciation	27,744
Donated commodities	106,270
Changes in current assets and current liabilities	
(Increase) Decrease in due from other governments	(4,968)
(Increase) Decrease in inventories	(5,769)
Increase (Decrease) in unearned revenue	(1,094)
<b>TOTAL ADJUSTMENTS</b>	<u>122,183</u>
<b>TOTAL CASH FROM (USED FOR) OPERATING ACTIVITIES</b>	<u><u>\$ (943,461)</u></u>

The accompanying notes are an integral part of this statement.



# **BLOOMSBURG AREA SCHOOL DISTRICT**

## **Notes to the Financial Statements For the Year Ended June 30, 2024**

### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Bloomsburg Area School District (the District) is governed by the Bloomsburg Area School District Board of Education (the Board), which has responsibility and control over all activities related to public school education within the District. The District receives funding from local, state, and Federal government sources and must comply with all of the requirements of these funding source entities. Board members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and the primary accountability for fiscal matters.

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local government units. The Governmental Accounting Standards Board (GASS) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the District are described below.

The financial statements include:

- Management's Discussion and Analysis (MDA), providing an analysis of the District's overall financial position and results of operations.
- Financial statements prepared using full-accrual accounting for all of the District's activities.
- A change in the fund financial statements to focus on major funds.
- Required supplemental information.

#### **Reporting Entity**

The District's financial statements include the operations of all entities for which the School Board exercises oversight responsibility. Oversight responsibility is demonstrated by financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters.

The District is the lowest level of government which has oversight responsibility and control over all activities related to public school education in the Commonwealth of Pennsylvania. The District receives funding from local, state and federal government sources and must comply with the requirements of these source entities. However, the District is not included in any other governmental reporting entity since the School 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. Additionally, the District does not exercise oversight responsibility over any other entities, and consequently, no other entities have been included in the accompanying financial statements.

# **BLOOMSBURG AREA SCHOOL DISTRICT**

## **Notes to the Financial Statements For the Year Ended June 30, 2024**

### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **Basis of Presentation**

##### *District-wide statements*

The statement of Net Position and the statement of activities provide information about the financial activities of the overall district, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-Type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for each business-type activity of the District and for each function of the District's governmental activities.

- Direct Expenses are those that are clearly identifiable with a specific program.
- Program revenues include 1) charges to students or recipients who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.
- Taxes and other items not properly included among program revenues are reported as general revenues.

Depreciation expense can be specifically identified by function and is included in the direct expenses of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities. The effect of interfund activity has been removed from these statements.

##### *Fund Financial Statements*

The fund financial statements provide information about the District's funds, including fiduciary funds. Separate statements for each fund category - governmental, proprietary and fiduciary are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

# **BLOOMSBURG AREA SCHOOL DISTRICT**

## **Notes to the Financial Statements For the Year Ended June 30, 2024**

### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **Basis of Presentation (continued)**

##### *Fund Financial Statements (continued)*

Proprietary fund operating revenues, such as charges for services result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities. Enterprise fund operating revenues are related to charges for food in the District's cafeteria. The primary non-operating revenues are Federal nutrition program grants and commodities received from the U.S. Department of Agriculture.

The District reports the following major governmental fund:

The General Fund is the District's primary operating fund. It accounts for all financial resources except those required to be in another fund. Revenues are primarily derived from local property, earned income, per capita and occupational taxes, and state and federal distributions. Many of the more important activities of the District, including instruction, administration of the District and certain non-instructional services are accounted for in this fund.

The District reports the following non-major governmental funds:

The Capital Projects Fund is utilized for capital expenditures. This fund is included in the financial statements as a Special Revenue Fund. The Debt Service Fund is utilized for debt activity. The fund is included in the financial statements as a Special Revenue Fund. The Scholarships Fund is utilized for scholarship activity. The fund is included in the financial statements as a Special Revenue Fund. The Student Activities fund is utilized for student activities. The fund is included in the financial statements as a Special Revenue Fund.

The District operates one enterprise (Proprietary) fund, the Food Service Fund. This fund accounts for the activities of the District's food service program.

Proprietary funds distinguish operating revenues and expenses from non-operation items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds principal ongoing operations. The principal operating revenues of the District's enterprise fund are food service charges. Operating expenses for the District's enterprise fund include food production costs, supplies, administrative costs, and depreciation on capital assets. All revenues or expenses not meeting this definition are reported as non-operating revenues and expenses.

# **BLOOMSBURG AREA SCHOOL DISTRICT**

## **Notes to the Financial Statements For the Year Ended June 30, 2024**

### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **Basis of Presentation (continued)**

##### *Fund Financial Statements (continued)*

The District does not attempt to allocate building-wide costs to the Food Service Fund. Thus, General Fund expenditures, which partially benefit the Food Service Fund (utilities, janitorial services, insurance, etc.), are not proportionately recognized within the Food Service Fund; similarly, the Food Service Fund does not recognize a cost for the building space it occupies (no rental-of-facilities expense).

The District accounts for assets held by the District in a trustee capacity and are accounted for in the general fund per Government Accounting Standards Board (GASB) Statement 84.

#### **Basis of Accounting**

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

Governmental funds 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. The District considers all revenues reported in the governmental funds to be available if they are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities are reported as other financing sources.

All business-type activities and enterprise funds of the District follow full accrual accounting.

#### **Budgeting**

An operating budget is adopted prior to the beginning of each year for the General Fund on a modified accrual basis of accounting. The General Fund is the only fund for which a budget is legally required. The Pennsylvania School Code dictates specific procedures relative to adoption of the District's budget and reporting of its financial statements.

# **BLOOMSBURG AREA SCHOOL DISTRICT**

## **Notes to the Financial Statements For the Year Ended June 30, 2024**

### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **Budgeting (continued)**

The District, before levying annual school taxes, is required to prepare an operating budget for the succeeding fiscal year.

The District is required to publish notice by advertisement, at least once in two newspapers of general circulation in the municipality in which it is located, and within fifteen days of final action, that the proposed budget has been prepared and is available for public inspection at the Administrative Office of the District.

Notice that public hearings will be held on the proposed operating budget must be included in the advertisement; such hearings are required to be scheduled at least ten days prior to when the final action on adoption is taken by the Board.

Legal budgetary control is maintained at the sub-function/major-object level. The Board of School Directors may make transfers of funds appropriated to any particular item of expenditure by legislative action in accordance with the Pennsylvania School Code. Management may amend the budget at the sub-function/sub-object level without Board approval. Appropriations lapse at the end of the fiscal period. Budgetary information reflected in the financial statements is presented at or below the level of budgetary control and includes the effect of approved budget amendments.

#### **Deposits and Investments**

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments with a maturity of one year or less at the time of purchase are recorded at cost or amortized cost. Those with a maturity of greater than one year are reported at fair value. Changes in the fair value of investments are recorded as investment income.

#### **Taxes Assessed**

Taxes are assessed at a rate of 47.30 mills. The following is the tax calendar showing levy date, payment periods and delinquent dates for the above listed taxes:

July 1	Levy date
July 1- August 31	2% discount period
September 1 – October 31	Face payment period
November 1 – December 31	10% penalty period

# BLOOMSBURG AREA SCHOOL DISTRICT

## Notes to the Financial Statements For the Year Ended June 30, 2024

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Taxes Assessed (continued)

Taxes which remain unpaid are classified as delinquent taxes receivable. Revenue from these delinquent taxes that is not collected within 60 days of year-end is deferred in the fund based financial statements because it is not known to be available to finance the operations of the District in the current year. An allowance has been established to recognize the uncollectible portion.

#### Inventory

Inventory are recorded using the consumption method of accounting and consist of purchased food, supplies, and surplus commodities received from the federal government. Food and supply purchases are recorded at invoice cost, computed on a first-in, first-out method. Surplus commodities are stated at standard costs, as determined by the U.S. Department of Agriculture.

#### Capital Assets

Capital assets, which include land, buildings and improvements, and furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction is not capitalized.

Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated lives</u>
Land improvements	15 years
Buildings and building improvements	20-40 years
Vehicles	4 years
Furniture and equipment	5-20 years

# **BLOOMSBURG AREA SCHOOL DISTRICT**

## **Notes to the Financial Statements For the Year Ended June 30, 2024**

### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **Compensated Absences**

Compensated absences are those for which employees receive pay. A liability is recorded through the use of estimates, which apply historical data to current factors. The District maintains records of unused absences and applies current and/or contracted compensation rates to the various types of compensated absences. Sick leave is recorded using the termination payment method, which has no current maximum per employee. The District allows only restricted sabbatical leave and therefore, has no recorded liability in advance of the sabbatical.

#### **Accrued Liabilities and Long-Term Obligations**

In government-wide financial statements as well as proprietary fund financial statements, all accrued liabilities and long-term debt are reported as liabilities in the statement of Net Position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

#### **Use of Estimates**

Management uses estimates and assumptions in preparing financial statements. These estimates and assumptions affect the reported amounts of assets and liabilities and the reported revenues and expenditures.

#### **Net Position**

Net Position represents the difference between assets and liabilities in the District-wide financial statements. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets.

# **BLOOMSBURG AREA SCHOOL DISTRICT**

## **Notes to the Financial Statements For the Year Ended June 30, 2024**

### **2. DEPOSITS AND INVESTMENTS**

#### **Custodial Credit Risk**

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned. The District does not have a policy for custodial credit risk on deposits. As of June 30, 2024, the carrying amount of the District's deposits was \$13,955,870 and the bank balance was \$14,191,471. Federal depository covered \$1,202,004 of the bank balance insurance, and \$11,788,809 was exposed to custodial credit risk because it was uninsured and the collateral held by the depository's agent was not in the District's name. It should be noted that the District's deposits are collateralized in accordance with Pennsylvania Act 72.

A portion of the District's bank balances (\$5,315,628) are in the Pennsylvania Local Government Investment Trust (PLGIT), the Pennsylvania School District Liquid Asset Fund (PSDLAF), and the Commonwealth of Pennsylvania Treasurer's INVEST Program for Local Governments. Although not registered with the Securities and Exchange Commission and not subject to regulatory oversight, PLGIT and INVEST act like a money market mutual fund in that its objective is to maintain a stable net asset value of \$1 per share, is rated by a nationally recognized statistical rating organization, and is subject to an independent annual audit.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. The District has no investments subject to custodial credit risk.

#### **Investments**

Statutes authorize the District to invest in U.S. Treasury bills, time or share accounts of institutions insured by the Federal Deposit Insurance Corporation or Federal Savings and Loan Insurance Corporation or in certificates of deposit when they are secured by proper bond or collateral, repurchase agreements, state treasurer's investment pools or mutual funds. As of June 30, 2024, the District had \$561,400 invested in certificate of deposits.

#### **Interest Rate Risk**

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. It is the practice of the District to limit its interest rate risk by investing in securities with maturity dates under one year.

#### **Credit Risk**

The District has no investment policy that would limit its investment choices to those with certain credit ratings.



# BLOOMSBURG AREA SCHOOL DISTRICT

## Notes to the Financial Statements For the Year Ended June 30, 2024

### 2. DEPOSITS AND INVESTMENTS (continued)

#### Concentration Risk

The District does not have a policy that would limit the amount it may invest in any one issuer.

### 3. CAPITAL ASSETS

A summary of capital asset activity during the fiscal year follows:

	Balance June 30, 2023	Additions	Disposals	Balance June 30, 2024
<b>Governmental activities</b>				
Capital assets not being depreciated				
Construction in progress	\$ -	\$ 69,800	\$ -	\$ 69,800
Capital assets being depreciated				
Land improvements	12,270,629	10,499	-	12,281,128
Buildings and improvements	56,880,818	24,450	-	56,905,268
Furniture, equipment, and vehicles	9,382,195	96,064	-	9,478,259
Total capital assets being depreciated	78,533,642	131,013	-	78,664,655
Accumulated depreciation for				
Land improvements	1,795,135	490,043	-	2,285,178
Buildings and improvements	30,592,310	2,312,885	-	32,905,195
Furniture, equipment, and vehicles	8,320,076	459,121	-	8,779,197
Total accumulated depreciation	40,707,521	3,262,049	-	43,969,570
Government activities capital assets, net	<u>\$ 37,826,121</u>	<u>\$ (3,061,236)</u>	<u>\$ -</u>	<u>\$ 34,764,885</u>
<b>Business-Type Activities</b>				
Buildings and improvements	\$ 8,120	\$ -	\$ -	\$ 8,120
Furniture, equipment, and vehicles	300,618	48,383	-	349,001
Accumulated depreciation	(175,741)	(27,744)	-	(203,485)
	<u>\$ 132,997</u>	<u>\$ 20,639</u>	<u>\$ -</u>	<u>\$ 153,636</u>

Depreciation was charged to governmental activities as follows:

Governmental activities	
Instruction	\$ 26,322
Support services	3,193,470
Non-instructional services	<u>42,257</u>
Total governmental activities	<u>\$ 3,262,049</u>

## BLOOMSBURG AREA SCHOOL DISTRICT

### Notes to the Financial Statements For the Year Ended June 30, 2024

#### 4. CHANGES IN GENERAL LONG-TERM DEBT

A summary of General Long-Term Debt is as follows:

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024	Balance Due Within One Year
General obligation bonds and notes	\$ 24,423,256	\$ -	\$ 1,137,916	\$ 23,285,340	\$ 1,172,080
Bond premium	240,585	-	12,233	228,352	-
Net PSERS pension liability	33,833,000	-	1,047,000	32,786,000	-
Other post employment benefits liability	2,511,911	29,790	-	2,541,701	-
Compensated absences	1,619,717	-	676,529	943,188	-
Total	\$ 62,628,469	\$ 29,790	\$ 2,873,678	\$ 59,784,581	\$ 1,172,080

General obligation bonds and notes are secured by the full faith, credit and taxing power of the District.

#### Compensated Absences

Under the terms of the School District's employment policies, employees are reimbursed for accrued vacation upon retirement or other termination of employment. The reimbursement rate is established by the employment contract and varies by employee classification. In addition, employees are granted sick days per school year and any unused sick days are permitted to be carried over to future years. Upon retirement from the School District, employees are reimbursed for accumulated sick days equal to the number of unused days multiplied by a pre-established amount per the employment contract. The employees are also offered options regarding retirement payouts as prescribed in the contract if certain conditions are met.

#### General Obligation Note, Series of 2013

On May 16, 2013, the District issued a General Obligation Note – Series 2013 in the principal amount of \$7,220,000. The proceeds were used for the refunding of the District's General Obligation Note of 2007. The note mature on April 1 of each year through 2027 and bear interest at 2.7%. Interest is payable semiannually on October 1 and April 1.

\$1,785,000

#### General Obligation Bonds – Series of 2018

On September 25, 2018, the School District issued a General Obligation Bonds Series 2018 in the principal amount of \$9,995,000. The proceeds were used for additions and improvements to District buildings and facilities and pay the costs of issuance. The bonds mature on September 1 of each year through 2043 and bear interest at rates ranging from 2.25% to 3.625%. Interest is payable semiannually on March 1 and September 1.

\$9,950,000

# BLOOMSBURG AREA SCHOOL DISTRICT

## Notes to the Financial Statements For the Year Ended June 30, 2024

### 4. CHANGES IN GENERAL LONG-TERM DEBT (continued)

#### General Obligation Bonds – Series of 2019

On January 9, 2019, the District issued \$9,705,000 in General Obligation Bonds, Series of 2019. The proceeds were used for additions and improvements to District buildings and facilities and pay the costs of issuance. The bonds mature on September 1 of each year through 2043 and bear interest at rates ranging from 2.25% to 5.0%. Interest is payable semiannually on March 1 and September 1.

\$9,255,000

#### General Obligation Note – Series of 2020

On September 21, 2020, the District issued \$3,500,000 in General Obligation Note, Series of 2020. The proceeds were used for additions and improvements to District buildings and facilities and pay the costs of issuance. Principal and interest is due on the first day of each month, commencing October 1, 2020 through September 1, 2030. The bonds bear interest at a fixed rate of 2.63%.

\$2,295,340

A summary of Long-Term Debt principal maturities and interest requirements follows:

	General Obligation Note, Series of 2013	General Obligation Bonds, Series of 2018	General Obligation Bonds, Series of 2019	General Obligation Note, Series of 2020	Total
<b>Principal</b>					
Year Ending June 30,					
2025	\$ 575,000	\$ 15,000	\$ 240,000	\$ 342,080	\$ 1,172,080
2026	595,000	15,000	250,000	351,314	1,211,314
2027	615,000	20,000	250,000	360,797	1,245,797
2028	-	445,000	355,000	370,463	1,170,463
2029	-	460,000	370,000	380,537	1,210,537
2030-2034	-	2,510,000	2,105,000	490,149	5,105,149
2035-2039	-	2,960,000	2,555,000	-	5,515,000
2040-2044	-	3,525,000	3,130,000	-	6,655,000
Total	<u>\$ 1,785,000</u>	<u>\$ 9,950,000</u>	<u>\$ 9,255,000</u>	<u>\$ 2,295,340</u>	<u>\$ 23,285,340</u>

# BLOOMSBURG AREA SCHOOL DISTRICT

## Notes to the Financial Statements For the Year Ended June 30, 2024

### 4. CHANGES IN GENERAL LONG-TERM DEBT (continued)

<u>Interest</u>	<u>General Obligation Note, Series of 2013</u>	<u>General Obligation Bonds, Series of 2018</u>	<u>General Obligation Bonds, Series of 2019</u>	<u>General Obligation Note, Series of 2020</u>	<u>Total</u>
Year Ending June 30,					
2025	\$ 48,195	\$ 334,235	\$ 365,400	\$ 57,054	\$ 804,884
2026	32,670	333,823	355,600	47,820	769,913
2027	16,605	333,341	345,600	38,337	733,883
2028	-	326,391	333,500	28,670	688,561
2029	-	312,816	319,000	27,365	659,181
2030-2034	-	1,342,191	1,354,500	-	2,696,691
2035-2039	-	893,506	889,300	-	1,782,806
2040-2044	-	328,516	323,400	-	651,916
Total	<u>\$ 97,470</u>	<u>\$ 4,204,819</u>	<u>\$ 4,286,300</u>	<u>\$ 199,246</u>	<u>\$ 8,787,835</u>

  

<u>Total Payments</u>	<u>General Obligation Note, Series of 2013</u>	<u>General Obligation Bonds, Series of 2018</u>	<u>General Obligation Bonds, Series of 2019</u>	<u>General Obligation Note, Series of 2020</u>	<u>Total</u>
Year Ending June 30,					
2025	\$ 623,195	\$ 349,235	\$ 605,400	\$ 399,134	\$ 1,976,964
2026	627,670	348,823	605,600	399,134	1,981,227
2027	631,605	353,341	595,600	399,134	1,979,680
2028	-	771,391	688,500	399,133	1,859,024
2029	-	772,816	689,000	407,902	1,869,718
2030-2034	-	3,852,191	3,459,500	490,149	7,801,840
2035-2039	-	3,853,506	3,444,300	-	7,297,806
2040-2044	-	3,853,516	3,453,400	-	7,306,916
Total	<u>\$ 1,882,470</u>	<u>\$ 14,154,819</u>	<u>\$ 13,541,300</u>	<u>\$ 2,494,586</u>	<u>\$ 32,073,175</u>

### 5. JOINTLY GOVERNED ORGANIZATIONS

The District participates in the Columbia-Montour Area Vocational-Technical School (CMAVTS) which is governed by a joint operating committee. The committee is composed of fourteen members, two appointed annually from each of the seven member school districts. The CMAVTS provides vocational and technical education for students of the seven member school districts. Each member school district pays tuition to the CMAVTS based upon its relative enrollment percentage at the school. The member school districts approve the budget of the CMAVTS.

This joint venture does not meet the criteria for inclusion within the reporting entity because the CMAVTS is separately chartered from the school districts it serves, its joint operating committee controls the employment of personnel, its joint operating committee has the power to approve all operating expenditures of the CMAVTS, and the CMAVTS is maintained as a separate operating unit.

## BLOOMSBURG AREA SCHOOL DISTRICT

### Notes to the Financial Statements For the Year Ended June 30, 2024

#### 5. JOINTLY GOVERNED ORGANIZATIONS (continued)

For the year ended June 30, 2024, the member school districts and the percentage of tuition received from each member school district were as follows:

Berwick	27.80%
Bloomsburg	15.09%
Central Columbia	16.77%
Danville	21.73%
Millville	7.00%
Southern Columbia	11.61%
	<u>100.00%</u>

The School District's share of the joint venture is not determinable. The CMAVTS financial information for the years ended June 30, 2024 and 2023 will be available at a later date and would be available by contacting Tony Lylo, Business Manager, Columbia-Montour Area Vocational-Technical School, Bloomsburg, PA. A summary of this information, for all funds and the component unit based on the accrual basis of accounting as of June 30, 2022, is presented below:

Assets and deferred outflows of resources	\$ 6,906,791
Liabilities and deferred inflows of resources	<u>16,788,268</u>
Net position	<u>\$ (9,881,477)</u>
Revenues	\$ 10,568,758
Expenses	<u>9,246,612</u>
Change in net position	<u>\$ 1,322,146</u>

The School District made tuition payments and building renovation payments to CMAVTS of \$1,177,806 and \$533,819, respectively, for the year ended June 30, 2024. No amounts were due to/from CMAVTS as of June 30, 2024. The CMAVTS capital assets as of June 30, 2022 are valued at a historical cost of \$6,875,784 with accumulated depreciation of \$6,252,273, resulting in net capital assets of \$623,511. CMAVTS balances as of June 30, 2024 are not available.

## BLOOMSBURG AREA SCHOOL DISTRICT

### Notes to the Financial Statements For the Year Ended June 30, 2024

#### 6. TAXES RECEIVABLE AND DUE FROM OTHER GOVERNMENTS

A summary of the taxes receivable and related accounts as of June 30, 2024 follows:

Taxes receivable	\$ 1,070,548
Estimated uncollectible taxes	<u>(28,428)</u>
Taxes receivable, net	<u>\$ 1,042,120</u>

A summary of due from other governments as of June 30, 2024 follows:

	<b>General Fund</b>	<b>Proprietary Fund</b>	<b>Total</b>
Federal	\$ 672,085	\$ 10,986	\$ 683,071
State	<u>787,425</u>	<u>315</u>	<u>787,740</u>
Total	<u>\$ 1,459,510</u>	<u>\$ 11,301</u>	<u>\$ 1,470,811</u>

#### 7. INTERFUND ACTIVITY

Individual fund receivable and payable balances as of June 30, 2024, are as follows:

	<b>Interfund Receivables</b>	<b>Interfund Payables</b>
Governmental activities- General Fund	\$ -	\$ 65,082
Business-Type Activities- Food Service	65,082	-

All balances are for operating expenditures and are considered current and payable within one year. The General Fund transferred \$2,230,854 to the Debt Service Fund to fund debt service expenditures.

#### 8. FUND BALANCE

GAAP establishes criteria for classifying fund balances into specifically defined classifications that should be based on hierarchy that reflects the extent to which the government is bound to honor constraints on how those funds can be spent. Established classifications are as follows:

*Nonexpendable* - Amounts that cannot be spend because they are either in a nonspendable form or are legally or contractually required to be maintained intact.

## BLOOMSBURG AREA SCHOOL DISTRICT

### Notes to the Financial Statements For the Year Ended June 30, 2024

#### 8. FUND BALANCE (continued)

*Restricted* - Amounts constrained to be used for a specific purpose stipulated by constitution, external resource providers or through enabling legislation.

*Committed* - Amounts constrained to be used for a specific purpose determined by a formal action of the School District Board of Directors (the district's highest level of decision-making authority).

*Assigned* - Amounts intended to be used for a specific purpose by the finance committee or an individual authorized by the governing body.

*Unassigned* - Residual amounts available for any purpose not contained in other classifications.

#### Order of Fund Balance Spending Policy

The District's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year by adjusting entries.

First, non-spendable fund balances are determined. Then, restricted fund balances for the non-general funds are classified as restricted fund balance.

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Scholarships</u>	<u>School Activities</u>	<u>Total</u>
Restricted	\$ -	\$ -	\$ -	\$ 346,682	\$ 168,858	\$ 515,540
Committed						
Compensated absences	250,000	-	-	-	-	250,000
PSERS	3,500,000	-	-	-	-	3,500,000
Other post employment benefits	250,000	-	-	-	-	250,000
Debt service	-	-	422	-	-	422
Assigned						
Capital improvements	524,842	1,237,862	-	-	-	1,762,704
Unassigned	<u>5,457,100</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,457,100</u>
Total	<u>\$ 9,981,942</u>	<u>\$ 1,237,862</u>	<u>\$ 422</u>	<u>\$ 346,682</u>	<u>\$ 168,858</u>	<u>\$ 11,735,766</u>

#### 9. RELATED ORGANIZATIONS

Not included in the District's financial statements are any Parent-Teacher Associations (PTA), Parent-Teacher Organizations (PTO), and athletic and band booster clubs. These agencies provide services to students and employees of the District but are separate legal entities having sufficient autonomy in the management of their own affairs to distinguish them as separate from the administrative organization of the District. The District does not account for these entities as component units or joint ventures; it does not maintain an ongoing financial interest or have responsibility for these entities.

## BLOOMSBURG AREA SCHOOL DISTRICT

### Notes to the Financial Statements For the Year Ended June 30, 2024

#### 10. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS - DISTRICT

##### Plan Description

The Bloomsburg Area School District Postemployment Benefits Plan (the Plan) is a single employer defined benefit healthcare plan administered by the School Board. The Plan provides postemployment healthcare benefits to eligible retirees of the District in accordance with the various labor contracts and personnel policies. Inasmuch as the Plan has no assets, reporting another employee benefit trust fund in the accompanying financial statements is not required nor was a separate or stand-alone report issued.

##### Funding Policy

The contribution requirements of plan members and the District are established and may be amended by the School Board, subject to applicable labor contracts and benefit plans. Employees are not required to contribute to the Plan.

For the year ended June 30, 2024, the District made no contributions and instead elected to continue funding on a pay-as-you-go basis, which amounted to \$42,000 for the year ended June 30, 2024. These costs are recognized as an expense when claims or premiums are paid.

##### Plan membership

Inactive plan member or beneficiaries currently receiving benefits	7
Inactive plan members entitled to but not yet receiving benefits	0
Active plan members	<u>187</u>
Total	<u><u>194</u></u>

##### Components of the net OPEB liability

Total OPEB liability	\$ 1,208,701
Plan fiduciary net position	<u>-</u>
Net OPEB liability	<u><u>\$ 1,208,701</u></u>



## BLOOMSBURG AREA SCHOOL DISTRICT

### Notes to the Financial Statements For the Year Ended June 30, 2024

#### 10. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS – DISTRICT (continued)

##### Funding Policy (continued)

The following represents the sensitivity of the net OPEB liability to a 1% change in the discount rate and the healthcare cost trend rate:

##### Sensitivity of the Net OPEB liability to changes in the discount rate

	<u>1% Decrease</u> <u>3.13%</u>	<u>Current</u> <u>4.13%</u>	<u>1% increase</u> <u>5.13%</u>
Net OPEB liability	\$ 1,308,091	\$ 1,208,701	\$ 1,114,411

##### Sensitivity of the Net OPEB liability to changes in the healthcare cost trend rate

	<u>1% Decrease</u>	<u>Current</u>	<u>1% increase</u>
Net OPEB liability	\$ 1,056,595	\$ 1,208,701	\$ 1,389,010

##### Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of potential occurrences of certain events in the future. Examples include assumption about future employment, mortality, healthcare costs trends, inflation, etc. Amounts determined regarding the funded status of the plan and the annual required contributions of the District are subject to constant changes and modifications as actual results are compared with past expectations and new estimates and assumptions are formed regarding the future. Projections of retiree benefits for financial reporting purposes are based on current plan activities as it is handled by the District and the benefits are received by the eligible plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the District and plan members. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2024 actuarial valuation, the individual entry age normal actuarial cost method was used. The health care cost trend rate starts at 5.5% and gradually decreases from 5.4% in 2024 to 4.0% in 2075. Mortality rates are the rates assumed in the PSERS defined benefit pension plan actuarial valuation.

## BLOOMSBURG AREA SCHOOL DISTRICT

### Notes to the Financial Statements For the Year Ended June 30, 2024

#### 10. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS – DISTRICT (continued)

##### OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Inflows of Resources Related to OPEB

For the year ended June 30, 2024, the District recognized OPEB expense of \$98,038. As of June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB as follows:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences between expected and actual experience	\$ 13,435	\$ 254,780
Changes of assumptions	34,730	439,287
Benefit payments subsequent to measurement date	<u>49,115</u>	<u>-</u>
	<u>\$ 97,280</u>	<u>\$ 694,067</u>

Benefit payments subsequent to measurement date of \$57,714 will be recognized during the year ended June 30, 2024. The remaining amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (income) as follows:

<u>Year Ending June 30,</u>	
2025	\$ (59,239)
2026	(59,239)
2027	(59,239)
2028	(59,239)
2029	(59,239)
Thereafter	<u>(349,707)</u>
Total	<u>\$(645,902)</u>

# **BLOOMSBURG AREA SCHOOL DISTRICT**

## **Notes to the Financial Statements For the Year Ended June 30, 2024**

### **11. PENSION**

#### *Summary of Significant Accounting Policies*

##### **Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public School Employees' Retirement System (PSERS) and additions to/deductions from PSERS's fiduciary net position have been determined on the same basis as they are reported by PSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms investments are reported at fair value.

#### *General Information about the Pension Plan*

PSERS is a governmental cost-sharing, multi-employer defined benefit pension plan that provides retirement benefits to public school employees of the Commonwealth of Pennsylvania. The members eligible to participate in the System include all full-time public school employees, part-time hourly public school employees who render at least 500 hours of service in the school year, and part-time per diem public school employees who render at least 80 days of service in the school year in any of the reporting entities in Pennsylvania. PSERS issues a publicly available financial report than can be obtained at [www.pasers.state.pa.us](http://www.pasers.state.pa.us).

##### **Benefits Provided**

PSERS provides retirement, disability, and death benefits. Members are eligible for monthly retirement benefits upon reaching (a) age 62 with at least 1 year of credited service; (b) age 60 with 30 or more years of credited service; or (c) 35 or more years of service regardless of age. Act 120 of 2010 (Act 120) preserves the benefits of existing members and introduced benefit reductions for individuals who become new members on or after July 1, 2011. Act 120 created two new membership classes, Membership Class T-E (Class T-3) and Membership Class T-F (Class T-F). To qualify for normal retirement, Class T-E and Class T-F members must work until age 65 with a minimum of 3 years of service or attain a total combination of age and service that is equal to or greater than 92 with a minimum of 35 years of service. Benefits are generally equal to 2% or 2.5%, depending upon membership class, of the member's final average salary (as defined in the Code) multiplied by the number of years of credited service. For members whose membership started prior to July 1, 2011, after completion of five years of service, a member's right to the defined benefits is vested and early retirement benefits may be elected. For Class T-E and Class T-F members, the right to benefits is vested after ten years of service.

## **BLOOMSBURG AREA SCHOOL DISTRICT**

### **Notes to the Financial Statements For the Year Ended June 30, 2024**

#### **11. PENSION (continued)**

##### **Benefits Provided (continued)**

Participants are eligible for disability retirement benefits after completion of five years of credited service. Such benefits are generally equal to 2% or 2.5%, depending upon membership class, of the member's final average salary (as defined in the Code) multiplied by the number of years of credited service, but not less than one-third of such salary nor greater than the benefit the member would have had at normal retirement age. Members over normal retirement age may apply for disability benefits.

Death benefits are payable upon the death of an active member who has reached age 62 with at least one year of credited service (age 65 with at least three years of credited service for Class T-E and Class T-F members) or who has at least five years of credited service (ten years for Class T-E and Class T-F members). Such benefits are actuarially equivalent to the benefit that would have been effective if the member had retired on the day before death.

##### **Contributions**

###### *Member Contributions*

Active members who joined the System prior to July 22, 1983, contribute at 5.25% (Membership Class T-C or at 6.50%) (Membership Class T-D) of the member's qualifying compensation.

Members who joined the System on or after July 22, 1983, and who were active or inactive as of July 1, 2001, contribute at 6.25% (Membership Class T-C) or at 7.50% (Membership Class T-D) of the member's qualifying compensation.

Members who joined the System after June 30, 2001 and before July 1, 2011, contribute at 7.50% (automatic Membership Class T-D). For all new hires and for members who elected Class T-D membership, the higher contribution rates began with service rendered on or after January 1, 2002.

Members who joined the System after June 30, 2011, automatically contributed at the Membership Class T-E rate of 7.50% (base rate) of the member's qualifying compensation. All new hires after June 30, 2011, who elected Class T-F membership, contribute at 10.30% (base rate) of the member's qualifying compensation. Membership Class T-E and Class T-F are affected by a "shared risk" provision in Act 120 of 2010 that in future fiscal years could cause the Membership Class T-E contribution rate to fluctuate between 7.50% and 9.50% and Membership Class T-F contribution rate to fluctuate between 10.30% and 12.30%.

# BLOOMSBURG AREA SCHOOL DISTRICT

## Notes to the Financial Statements For the Year Ended June 30, 2024

### 11. PENSION (continued)

#### Contributions (continued)

##### *Employer Contributions*

The District's contractually required contribution rate for fiscal year ended June 30, 2023, was 34.14% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan by the District were \$3,791,052 for the year ended June 30, 2024.

#### **Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

As of June 30, 2024, the District reported a liability of \$32,786,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023. The District's proportion of the net pension liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. As of June 30, 2023, the District proportion was 0.0737%, which is approximately .004% less from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the District recognized pension expense of \$2,628,000. As of June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences between expected and actual experience	\$ 7,000	\$ 449,000
Changes of assumptions	489,000	-
Changes in proportion	-	1,179,000
Net difference between projected and actual investment earnings	928,000	-
Contributions subsequent to measurement date	3,860,651	-
	<u>\$ 5,284,651</u>	<u>\$ 1,628,000</u>

## BLOOMSBURG AREA SCHOOL DISTRICT

### Notes to the Financial Statements For the Year Ended June 30, 2024

#### 11. PENSION (continued)

##### **Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

\$3,891,052 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	
2025	\$ 30,840
2026	(939,607)
2027	690,099
2028	<u>14,668</u>
Total	<u>\$ (204,000)</u>

The total pension liability as of June 30, 2023 was determined by using the following actuarial assumptions applied to all periods included in the measurement:

- Actuarial cost method - Entry Age Normal - level % of pay.
- Investment return - 7.0%, includes inflation at 2.5%
- Salary Growth - Effective average of 4.5%, comprised of inflation of 2.5% and 2.0% for real wage growth and for merit or seniority increases.
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Mortality Improvement Scale.

The long-term expected 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 pension plan 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 the target asset allocation percentage and by adding expected inflation.

The pension plan's policy in regard to the allocation of invested plan assets is established and may be amended by the Board. Plan assets are managed with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension.

## BLOOMSBURG AREA SCHOOL DISTRICT

### Notes to the Financial Statements For the Year Ended June 30, 2024

#### 11. PENSION (continued)

##### **Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Global public equity	30.0%	5.2%
Private equity	12.0%	7.9%
Fixed income	33.0%	3.2%
Commodities	7.5%	2.7%
Infrastructure/MLPs	10.0%	5.4%
Real estate	11.0%	5.7%
Absolute return	4.0%	4.1%
Cash	3.0%	1.2%
Leverage	-10.5%	1.2%
	<u>100.00%</u>	

The above was the Board's adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2023.

#### **Discount Rate**

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

## BLOOMSBURG AREA SCHOOL DISTRICT

### Notes to the Financial Statements For the Year Ended June 30, 2024

#### 11. PENSION (continued)

##### **Sensitivity of The District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the net pension liability, calculated using the discount rate of 7.25%, as well as what the net position liability would be if it were calculated using a discount rate that is one percentage point lower (6.0%) or one percentage point higher (8.0%) than the current rate:

	<b>1% Decrease 6.00%</b>	<b>Current 7.00%</b>	<b>1% increase 8.00%</b>
District's proportionate share of net pension liability	\$42,500,000	\$32,786,000	\$24,591,000

##### **Pension Plan Fiduciary Net Position**

Detailed information about PSER's fiduciary net position is available in PSERS Comprehensive Annual Financial Report which can be found on the System's website at [www.psers.pa.gov](http://www.psers.pa.gov).

#### 12. OTHER POSTEMPLOYMENT BENEFITS - PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM (PSERS)

##### **Summary of Significant Accounting Policies**

###### *Other Postemployment Benefits*

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Public School Employees' Retirement System (PSERS) and additions to/deductions from PSERS's fiduciary net position have been determined on the same basis as they are reported by PSERS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.



## **BLOOMSBURG AREA SCHOOL DISTRICT**

### **Notes to the Financial Statements For the Year Ended June 30, 2024**

#### **12. OTHER POSTEMPLOYMENT BENEFITS - PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM (PSERS) (continued)**

##### **General Information about the Health Insurance Premium Assistance Program**

###### *Health Insurance Premium Assistance Program*

The System provides Premium Assistance which, is a governmental cost sharing, multiple-employer other postemployment benefit plan (OPEB) for all eligible retirees who qualify and elect to participate. Employer contribution rates for Premium Assistance are established to provide reserves in the Health Insurance Account that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Effective January 1, 2002, under the provisions of Act 9 of 2001, participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of \$100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS Health Options Program. As of June 30, 2023, there were no assumed future benefit increases to participating eligible retirees.

##### **Premium Assistance Eligibility Criteria**

Retirees of the System can participate in the Premium Assistance program if they satisfy the following criteria:

- Have 24½ or more years of service, or
- Are a disability retiree, or
- Have 15 or more years of service and retired after reaching superannuation age, and
- Participate in the HOP or employer-sponsored health insurance program.

##### **Pension Plan Description**

PSERS is a governmental cost-sharing multiple-employer defined benefit pension plan that provides retirement benefits to public school employees of the Commonwealth of Pennsylvania. The members eligible to participate in the System include all full-time public school employees, part-time hourly public school employees who render at least 500 hours of service in the school year, and part-time per diem public school employees who render at least 80 days of service in the school year in any of the reporting entities in Pennsylvania. PSERS issues a publicly available financial report that can be obtained at [www.psers.pa.gov](http://www.psers.pa.gov).

##### **Benefits Provided**

Participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of \$100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS Health Options Program. As of June 30, 2023, there were no assumed future benefit increases to participating eligible retirees.

## BLOOMSBURG AREA SCHOOL DISTRICT

### Notes to the Financial Statements For the Year Ended June 30, 2024

#### 12. OTHER POSTEMPLOYMENT BENEFITS - PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM (PSERS) (continued)

##### Employer Contributions

The School District's contractually required contribution rate for the fiscal year ended June 30, 2024 was 0.0775% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the OPEB plan from the District were \$92,000 for the year ended June 30, 2024.

##### OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

As of June 30, 2024, the District reported a liability of \$1,836,000 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2024. The District's proportion of the net OPEB liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. As of June 30, 2024, the District's proportion was .0737% percent, which was a decrease of .004% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2024, the District recognized OPEB expense of \$34,000. As of June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences between expected and actual experience	\$ 9,000	\$ 13,000
Changes of assumptions	115,000	252,000
Net difference between projected and actual investment earnings	3,000	-
Changes in proportion	17,000	67,000
Contributions subsequent to measurement date	92,000	-
	<u>\$ 236,000</u>	<u>\$ 332,000</u>

## BLOOMSBURG AREA SCHOOL DISTRICT

### Notes to the Financial Statements For the Year Ended June 30, 2024

#### 12. OTHER POSTEMPLOYMENT BENEFITS - PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM (PSERS) (continued)

##### OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)

\$92,000 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	
2025	\$ (35,182)
2026	(41,076)
2027	(46,980)
2028	(52,339)
2029	<u>(12,423)</u>
Total	<u>\$ (188,000)</u>

##### Actuarial Assumptions

The Total OPEB Liability as of June 30, 2023, was determined using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method - Entry Age Normal - level % of pay.
- Investment return - 2.18% - S&P 20 Year Municipal Bond Rate.
- Salary growth - Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.
- Premium Assistance reimbursement is capped at \$1,200 per year.
- Assumed Healthcare cost trends were applied to retirees with less than \$1,200 in premium assistance per year.
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2023 Mortality Improvement Scale.
- Participation rate:
  - Eligible retirees will elect to participate Pre age 65 at 50%
  - Eligible retirees will elect to participate Post age 65 at 70%

## BLOOMSBURG AREA SCHOOL DISTRICT

### Notes to the Financial Statements For the Year Ended June 30, 2024

#### 12. OTHER POSTEMPLOYMENT BENEFITS - PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM (PSERS) (continued)

##### Actuarial Assumptions (continued)

The following assumptions were used to determine the contribution rate:

- The results of the actuarial valuation as of June 30, 2019 determined the employer contribution rate for fiscal year 2024.
- Cost Method: Amount necessary to assure solvency of Premium Assistance through the third fiscal year after the valuation date.
- Asset valuation method: Market Value.
- Participation rate: 63% of eligible retirees are assumed to elect premium assistance.
- Mortality tables for males and females, adjusted to reflect PSERS' experience and projected using a modified version of the MP2015 Mortality Improvement Scale.

Investments consist primarily of short term assets designed to protect the principal of the plan assets. The expected rate of return on OPES plan investments was determined using the OPES asset allocation policy and best estimates of geometric real rates of return for each asset class.

The OPES plan's policy in regard to the allocation of invested plan assets is established and may be amended by the Board. Under the program, as defined in the retirement code employer contribution rates for Premium Assistance are established to provide reserves in the Health Insurance Account that are sufficient for the payment of Premium Assistance benefits for each succeeding year.

	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash	100.0%	1.2%

The above was the Board's adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2023.

## BLOOMSBURG AREA SCHOOL DISTRICT

### Notes to the Financial Statements For the Year Ended June 30, 2024

#### 12. OTHER POSTEMPLOYMENT BENEFITS - PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM (PSERS) (continued)

##### Actuarial Assumptions (continued)

###### *Discount rate*

The discount rate used to measure the Total OPEB Liability was 4.09%. Under the plan's funding policy, contributions are structured for short term funding of Premium Assistance. The funding policy sets contribution rates necessary to assure solvency of Premium Assistance through the third fiscal year after the actuarial valuation date. The Premium Assistance account is funded to establish reserves that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Due to the short term funding policy, the OPES plan's fiduciary net position was not projected to be sufficient to meet projected future benefit payments, therefore the plan is considered a "pay-as-you-go" plan. A discount rate of 4.09% which represents the S&P 20 year Municipal Bond Rate at June 30, 2024, was applied to all projected benefit payments to measure the total OPEB liability.

###### *Sensitivity of the System Net OPEB Liability to Change in Healthcare Cost Trend Rates*

Healthcare cost trends were applied to retirees receiving less than \$1,200 in annual Premium Assistance. As of June 30, 2023, retirees Premium Assistance benefits are not subject to future healthcare cost increases. The annual Premium Assistance reimbursement for qualifying retirees is capped at a maximum of \$1,200. As of June 30, 2023, 93,693 retirees were receiving the maximum amount allowed of \$1,200 per year. As of June 30, 2023, 688 members were receiving less than the maximum amount allowed of \$1,200 per year. The actual number of retirees receiving less than the \$1,200 per year cap is a small percentage of the total population and has a minimal impact on Healthcare Cost Trends as depicted below.

The following presents the System net OPEB liability for June 30, 2023, calculated using current discount rate and Healthcare cost trends as well as what the System net OPES liability would be if the discount rate and health cost trends were 1-percentage point lower or 1-percentage point higher than the current rate:

##### **Sensitivity of the Net OPEB liability to changes in the discount rate**

	<b>1% Decrease</b>	<b>Current</b>	<b>1% increase</b>
	<b>3.09%</b>	<b>4.09%</b>	<b>5.09%</b>
Net OPEB liability	\$1,508,000	\$1,333,000	\$1,188,000

##### **Sensitivity of the Net OPEB liability to changes in the healthcare cost trend rate**

	<b>1% Decrease</b>	<b>Current</b>	<b>1% increase</b>
Net OPEB liability	\$1,333,000	\$1,333,000	\$1,333,000

## **BLOOMSBURG AREA SCHOOL DISTRICT**

### **Notes to the Financial Statements For the Year Ended June 30, 2024**

#### **12. OTHER POSTEMPLOYMENT BENEFITS - PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM (PSERS) (continued)**

##### **Actuarial Assumptions (continued)**

##### *OPEB plan fiduciary net position*

Detailed information about PSERS' fiduciary net position is available in PSERS Comprehensive Annual Financial Report which can be found on the System's website at [www.psers.pa.gov](http://www.psers.pa.gov).

#### **13. COMMITMENTS AND CONTINGENCIES**

##### **Grants**

Most grants and cost-reimbursable contracts specify the types of expenditures for which the grant or contract funds may be used. The expenditures made by the District under some of these grants and contracts are subject to audit. To date, the District has not been notified of any significant unallowable costs relating to its grants or contracts. In the opinion of management, adjustments for unallowable costs, if any, resulting from such audits will not have a material effect on the accompanying financial statements.

##### **Risk Management**

The School District is exposed to various risks of loss related to theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The School District has purchased various insurance policies to safeguard its assets from risk of loss. Insurance coverage appears to be consistent with previous years. During the year ended June 30, 2024, and the three previous fiscal years, no settlements exceeded insurance coverage.

## **REQUIRED SUPPLEMENTARY INFORMATION**

## BLOOMSBURG AREA SCHOOL DISTRICT

### Schedule of District's Proportionate Share of the Net Pension Liability For the Year Ended June 30, 2024

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
District's portion of the net pension liability	0.074%	0.078%	0.078%	0.078%	0.078%	0.076%	0.075%	0.075%	0.074%	0.074%
District's proportionate share of the net pension liability	\$ 32,786,000	\$ 33,833,000	\$ 31,819,000	\$ 38,406,000	\$ 36,303,000	\$ 36,436,000	\$ 37,041,000	\$ 37,069,000	\$ 32,054,000	\$ 29,211,000
District's covered-employee payroll	\$ 11,285,780	\$ 11,177,720	\$ 10,981,533	\$ 10,953,441	\$ 10,702,031	\$ 10,224,959	\$ 9,990,308	\$ 9,693,625	\$ 9,526,640	\$ 9,411,220
Districts proportionate share of the net pension liability as a percentage of its covered-employee payroll	290.51%	302.68%	289.75%	350.63%	339.22%	356.34%	370.77%	382.41%	336.47%	310.38%
Plan fiduciary net position as a percentage of the total pension liability	61.85%	61.34%	63.67%	63.67%	54.32%	55.66%	54.00%	51.84%	50.14%	54.40%

\*Ultimately, this schedule should present information for the last ten years. However, until ten years of Information can be complied, information is presented for as many years as is available.



# BLOOMSBURG AREA SCHOOL DISTRICT

## Schedule of District Contributions For the Year Ended June 30, 2024

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Contractually required contribution	\$ 3,860,651	\$ 3,891,772	\$ 3,791,052	\$ 3,673,940	\$ 3,876,289	\$ 3,393,408	\$3,274,155	\$ 2,933,600	\$ 2,424,228
Contributions in relation to the contractually required contribution	<u>(3,860,651)</u>	<u>(3,891,772)</u>	<u>(3,791,052)</u>	<u>(3,673,940)</u>	<u>(3,876,289)</u>	<u>(3,393,408)</u>	<u>(3,274,155)</u>	<u>(2,933,600)</u>	<u>(2,424,228)</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 11,285,780	\$ 11,177,720	\$ 10,981,533	\$ 10,953,441	\$ 10,702,031	\$10,224,959	\$9,990,308	\$ 9,693,625	\$ 9,526,640
Contributions as a percentage of covered-employee payroll	34.21%	34.82%	34.52%	33.54%	36.22%	33.19%	32.77%	30.26%	25.45%

\*Ultimately, this schedule should present information for the last ten years. However, until ten years of Information can be complied, information is presented for as many years as is available.

## BLOOMSBURG AREA SCHOOL DISTRICT

### Schedule of District's Proportionate Share of the Net OPEB PSERS Liability For the Year Ended June 30, 2024

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
District's portion of the net OPEB-PSERS liability	0.0737%	0.0776%	0.0775%	0.0780%	0.0776%	0.0759%	0.0750%
District's proportionate share of the net OPEB-PSERS liability	\$ 1,333,000	\$ 1,399,000	\$ 1,836,000	\$ 1,685,000	\$ 1,650,000	\$ 1,582,000	\$ 1,528,000
District's covered-employee payroll	\$ 11,285,780	\$ 11,177,720	\$ 10,981,533	\$ 10,953,441	\$ 10,702,031	\$ 10,224,959	\$ 9,990,308
Districts proportionate share of the net OPEB-PSERS liability as a percentage of its covered-employee payroll	11.81%	12.52%	16.72%	15.38%	15.42%	15.47%	15.29%
Plan fiduciary net position as a percentage of the total OPEB-PSERS liability	7.22%	6.86%	5.30%	5.69%	5.56%	5.56%	5.73%

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information is presented for as many years as is available.

# BLOOMSBURG AREA SCHOOL DISTRICT

## Schedule of District Contributions – OPEB PSERS For the Year Ended June 30, 2024

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Contractually required contribution	\$ 92,000	\$ 92,000	\$ 89,000	\$ 92,484	\$ 97,578	\$ 86,397	\$ 83,437
Contributions in relation to the contractually required contribution	<u>(92,000)</u>	<u>(92,000)</u>	<u>(89,000)</u>	<u>(92,484)</u>	<u>(97,578)</u>	<u>(86,397)</u>	<u>(83,437)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	<u>\$ 11,285,780</u>	<u>\$ 11,177,720</u>	<u>\$ 10,981,533</u>	<u>\$ 10,953,441</u>	<u>\$ 10,702,031</u>	<u>\$ 10,224,959</u>	<u>\$ 9,990,308</u>
Contributions as a percentage of covered-employee payroll	0.82%	0.82%	0.81%	0.84%	0.91%	0.84%	0.84%

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information is presented for as many years as is available.

# BLOOMSBURG AREA SCHOOL DISTRICT

## Schedule of the District Contributions – OPEB - District For the Year Ended June 30, 2024

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
<b>Total OPEB Liability</b>							
Service cost	\$ 71,135	\$ 121,426	\$ 123,278	\$ 109,921	\$ 111,438	\$ 101,816	\$ 98,674
Interest	47,216	37,109	29,091	55,892	48,059	47,122	35,250
Difference between expected and actual experience	-	(146,300)	-	(183,384)	-	24,949	-
Changes of assumptions	16,355	(392,163)	(51,861)	(49,150)	(51,025)	(375)	42,537
Benefit payments	<u>(38,916)</u>	<u>(29,051)</u>	<u>(42,264)</u>	<u>(50,567)</u>	<u>(62,906)</u>	<u>(91,237)</u>	<u>(88,062)</u>
Net Change	95,790	(408,979)	58,244	(117,288)	45,566	82,275	88,399
Total OPEB liability- beginning	<u>1,112,911</u>	<u>1,521,890</u>	<u>1,463,646</u>	<u>1,580,934</u>	<u>1,535,368</u>	<u>1,453,093</u>	<u>1,364,694</u>
Total OPEB liability- ending	<u>\$ 1,208,701</u>	<u>\$ 1,112,911</u>	<u>\$ 1,521,890</u>	<u>\$ 1,463,646</u>	<u>\$ 1,580,934</u>	<u>\$ 1,535,368</u>	<u>\$ 1,453,093</u>
Covered employee payroll	<u>\$ 10,202,065</u>	<u>\$ 10,202,065</u>	<u>\$ 9,772,567</u>	<u>\$ 9,772,567</u>	<u>\$ 9,036,383</u>	<u>\$ 9,036,383</u>	<u>\$ 8,554,944</u>
Total OPEB liability as a % of covered-employee payroll	11.85%	10.91%	15.57%	14.98%	17.50%	16.99%	16.99%

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information is presented for as many years as is available.

Note: schedule of contributions is not provided as required contributions have not been calculated.

**COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS**

**BLOOMSBURG AREA SCHOOL DISTRICT****Combing Balance Sheet- Non-Major Funds  
As of June 30, 2024**

	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Scholarships</u>	<u>Student Activities</u>	<u>Governmental Funds</u>
<b>ASSETS</b>					
Cash	<u>\$ 1,237,862</u>	<u>\$ 422</u>	<u>\$ 346,682</u>	<u>\$ 168,858</u>	<u>\$ 1,753,824</u>
<b>LIABILITIES and FUND BALANCES</b>					
<b>FUND BALANCES</b>					
Restricted	-	-	346,682	168,858	515,540
Committed	-	422	-	-	422
Assigned	<u>1,237,862</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,237,862</u>
<b>TOTAL FUND BALANCES</b>	<u>1,237,862</u>	<u>422</u>	<u>346,682</u>	<u>168,858</u>	<u>1,753,824</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 1,237,862</u>	<u>\$ 422</u>	<u>\$ 346,682</u>	<u>\$ 168,858</u>	<u>\$ 1,753,824</u>

# BLOOMSBURG AREA SCHOOL DISTRICT

## Combing Statement of Revenues, Expenditures, and Changes in Fund Balance- Non-Major Funds For the Year Ended June 30, 2024

	Capital Projects	Debt Service	Scholarships	Student Activities	Total Governmental Funds
<b>REVENUES</b>					
Local sources	\$ 53,984	\$ 197	\$ 130,181	\$ 123,087	\$ 307,449
<b>EXPENDITURES</b>					
Support services	-	3,000	-	-	3,000
Non-instructional services	-	-	28,661	111,962	140,623
Capital outlay	46,990	-	-	-	46,990
Debt service	-	1,977,854	-	-	1,977,854
<b>TOTAL EXPENDITURES</b>	<u>46,990</u>	<u>1,980,854</u>	<u>28,661</u>	<u>111,962</u>	<u>2,168,467</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	6,994	(1,980,657)	101,520	11,125	(1,861,018)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In(Out)	<u>250,000</u>	<u>1,980,854</u>	<u>-</u>	<u>-</u>	<u>2,230,854</u>
<b>NET CHANGE IN FUND BALANCES</b>	256,994	197	101,520	11,125	369,836
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<u>980,868</u>	<u>225</u>	<u>245,162</u>	<u>157,733</u>	<u>1,383,988</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 1,237,862</u>	<u>\$ 422</u>	<u>\$ 346,682</u>	<u>\$ 168,858</u>	<u>\$ 1,753,824</u>

**BLOOMSBURG AREA SCHOOL DISTRICT**

**Single Audit Together with  
Reports of Independent Public Accountants**

**For the Year Ended June 30, 2024**



# **BLOOMBURG AREA SCHOOL DISTRICT**

## **Single Audit Together with Reports of Independent Public Accountants**

**JUNE 30, 2024**

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## **REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON THE AUDIT OF THE FINANCIAL STATEMENTS**

Board of School Directors  
Bloomsburg Area School District  
Bloomsburg, Pennsylvania

### ***Opinions***

We have audited the financial statements of the governmental activities, business-type activities, each major fund of Bloomsburg Area School District (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the governmental activities, business-type activities and each major fund of the District as of June 30, 2024, and the respective changes in financial position and the statement of revenue, expenditures, and changes in fund balance- budget and actual for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

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

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

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

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

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

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and schedules of required pension and OPEB related supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain

limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Matters***

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 16, 2025, on our consideration of the 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 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 the District's internal control over financial reporting and compliance.

Philadelphia, Pennsylvania  
January 16, 2025





**REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS 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***

Board of School Directors  
Bloomsburg Area School District  
Bloomsburg, Pennsylvania

We have audited, 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, the financial statements of the governmental activities, the business-type activities, and each major fund of the Bloomsburg Area School District (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 16, 2025.

***Report on Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 or significant deficiencies may exist that were not identified.



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

As part of obtaining reasonable assurance about whether the District's financial statements are free from 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 financial statements. 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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

Philadelphia, Pennsylvania  
January 16, 2025

*SB + Company, LLC*



## **REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROLS OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

Board of School Directors  
Bloomsburg Area School District  
Bloomsburg, Pennsylvania

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

We have audited the Bloomsburg Area School District's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2024. The District's major federal programs are identified in the summary of independent public accountants' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the 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, 2024.

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

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

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.



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

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

### **Report on Internal Control Over Compliance**

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





combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

Philadelphia, Pennsylvania  
January 16, 2025

*SB + Company, LLC*

# BLOOMSBURG AREA SCHOOL DISTRICT

## Schedule of Expenditures of Federal and State Awards For the Year Ended June 30, 2024

Federal Grantor/Pass Through Grantor/Program Title	Federal Assistance	Grantor's Pass Thru	Program or	Grant Period Beginning/ Ending Date	Total Received For Year	Accrued or (Deferred) 7/1/2023	Revenue Recognized	Expenditures	Accrued or (Deferred) 6/30/2024
US DEPARTMENT OF EDUCATION	Listing	Number	Award Amt.						
<b>PASSED THROUGH PA DEPARTMENT OF EDUCATION:</b>									
Title I	84.010	013-22-0041	\$ 449,725	07/01/21-09/30/22	\$ 329,798	\$ 329,798	\$ -	\$ -	\$ -
Title I	84.010	013-23-0041	443,623	07/01/22-09/30/23	348,561	348,561	-	-	-
Title I	84.010	013-24-0041	554,360	07/01/23-09/30/24	401,178	-	477,769	477,769	76,591
					1,079,537	678,359	477,769	477,769	76,591
Title II	84.367	020-23-0041	58,255	07/01/22-09/30/23	45,772	45,772	-	-	-
Title II	84.367	020-24-0041	67,394	07/01/23-09/30/24	57,562	-	67,394	67,394	9,832
<b>TOTAL TITLEII</b>					103,334	45,772	67,394	67,394	9,832
Title IV	84.424	144-23-0041	35,288	07/01/22-09/30/23	27,726	27,726	-	-	-
Title IV	84.424	144-24-0041	34,730	07/01/23-09/30/24	29,769	-	34,730	34,730	4,961
<b>TOTAL TITLEIV</b>					57,495	27,726	34,730	34,730	4,961
Education Stablization Fund (ESSER III)	84.425	N/A	2,779,203	03/11/21-09/30/24	847,689	314,523	1,150,875	1,150,875	303,186
ARP ESSER	84.425U	N/A	154,290	03/13/21-09/30/24	6,836	110,985	12,447	12,447	5,611
ARP ESSER	84.425U	N/A	30,858	03/13/21-09/30/24	19,314	4,250	15,956	15,956	(3,358)
ARP ESSER	84.425U	N/A	30,858	03/13/21-09/30/24	5,503	18,062	6,625	6,625	1,122
<b>Total Passed Through the Pennsylvania Department of Education</b>					2,119,708	1,199,677	1,765,796	1,765,796	397,945
<b>SPECIAL EDUCATION CLUSTER PASSED THROUGH CENTRAL SUSQUEHANNA INTERMEDIATE UNIT:</b>									
IDEA -Part B	84.027	062-23-0016	269,416	07/01/22-06/30/23	147,173	147,173	-	-	-
IDEA -Part B	84.027	062-24-0016	296,237	07/01/23-06/30/24	-	-	296,237	296,237	296,237
<b>TOTAL IDEA-Part B</b>					147,173	147,173	296,237	296,237	296,237
IDEA- 619	84.173	062-23-0016	529	07/01/22-06/30/23	3,462	3,462	-	-	-
IDEA- 619	84.173	062-24-0016	1,188	07/01/23-06/30/24	-	-	1,188	1,188	1,188
<b>TOTAL IDEA-619</b>					3,462	3,462	1,188	1,188	1,188
<b>Total Special Education Cluster</b>									
<b>Total Passed Through the Central Susquehanna Intermediate Unit</b>					150,635	150,635	297,425	297,425	297,425
<b>TOTAL DEPARTMENT OF EDUCATION</b>					2,270,343	1,350,312	2,063,221	2,063,221	695,370

# BLOOMSBURG AREA SCHOOL DISTRICT

## Schedule of Expenditures of Federal and State Awards For the Year Ended June 30, 2024

Federal Grantor/Pass Through Grantor/Program Title	Federal Assistance Listing	Grantor's Pass Thru Number	Program or Award Amt.	Grant Period Beginning/ Ending Date	Total Received For Year	Accrued or (Deferred) 7/1/2023	Revenue Recognized	Expenditures	Accrued or (Deferred) 6/30/2024
<b>US DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>									
<b>PASSED THROUGH PA DEPARTMENT OF PUBLIC WELFARE</b>									
Medical Admin Claims Title XIX	93.778	N/A	6,830	07/01/23-06/30/24	\$ 4,492	\$ -	\$ 4,492	\$ 4,492	\$ -
<b>Total U.S. Department of Health and Human Services</b>					4,492	-	4,492	4,492	-
<b>US DEPARTMENT OF AGRICULTURE –</b>									
<b>CHILD NUTRITION CLUSTER</b>									
<b>PASSED THROUGH PA DEPARTMENT</b>									
<b>OF EDUCATION:</b>									
National School Lunch Program	10.555	N/A	N/A	07/01/22-06/30/23	5,138	5,138	-	-	-
National School Lunch Program	10.555	N/A	N/A	07/01/23-06/30/24	647,297	-	657,019	657,019	9,722
Supply Chain Assistance	10.555	N/A	N/A	07/01/23-06/30/24	-	-	40,339	40,339	-
P-EBT Local Admin Funds	10.649	N/A	N/A	07/01/23-06/30/24	-	-	3,256	3,256	-
School Breakfast Program	10.553	N/A	N/A	07/01/22-06/30/23	1,017	1,017	-	-	-
School Breakfast Program	10.555	N/A	N/A	07/01/23-06/30/24	192,057	-	193,321	193,321	1,264
					845,509	6,155	893,935	893,935	10,986
<b>PASSED THROUGH PA DEPARTMENT</b>									
<b>OF AGRICULTURE:</b>									
National School Lunch-USDA Commodities	10.555	N/A	N/A	07/01/23-06/30/24	106,270	(19,060)	109,120	109,120	(16,210)
					106,270	(19,060)	109,120	109,120	(16,210)
<b>TOTAL CHILD NUTRITION CLUSTER</b>					951,779	(12,905)	1,003,055	1,003,055	(5,224)
<b>TOTAL FEDERAL FINANCIAL ASSISTANCE</b>					\$ 3,226,614	\$ 1,337,407	\$ 3,070,768	\$ 3,070,768	\$ 690,146

Note- No amounts passed through to subrecipients

# BLOOMSBURG AREA SCHOOL DISTRICT

## Notes to the Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2024

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

All Federal grant operations of Bloomsburg Area School District (the District) are included in the scope of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Single Audit). The Single Audit was performed in accordance with the provisions of the OMB Compliance Supplement (the Compliance Supplement). Compliance testing of all requirements, as described in the Compliance Supplement, was performed for the major grant program noted below. The programs on the Schedule of Expenditures of Federal and State Awards (the Schedule) represent all Federal and State award programs and other grants with fiscal year 2024 cash or non-cash expenditure activities. For our single audit testing, we tested the Federal award program below with fiscal year 2024 cash and non-cash expenditures to ensure coverage of at least 40% of Federally granted funds. Our actual coverage was approximately 48%.

Expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance), wherein certain types of expenditures are not allowable or are limited as to reimbursement. The District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

<b>Major Program</b>	<b>Assistance Listing</b>	<b>Federal Expenditures</b>
Education Stabilization Fund (ESSER III)	84.425	\$ 1,150,875
ARP ESSER	84.425U	12,447
ARP ESSER	84.425U	15,956
ARP ESSER	84.425U	6,625
<b>Special Education Cluster</b>		
IDEA -Part B	84.027	296,237
IDEA- 619	84.173	1,188
Total Special Education Cluster		<u>\$ 297,425</u>

### 2. BASIS OF PRESENTATION

The accompanying Schedule includes the Federal and State award activity of the District under programs of the Federal and State government for the year ended June 30, 2024, and is reported on the accrual basis of accounting. The information in the Schedule is presented in accordance with Uniform Guidance. Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the District.

## **BLOOMSBURG AREA SCHOOL DISTRICT**

### **Notes to the Schedule of Expenditures of Federal Awards (continued) For the Year Ended June 30, 2024**

#### **3. PRIOR PERIOD REPORTING**

Pennsylvania Commission on Crime and Delinquency (PCCD) grant 33872 was mistakenly excluded from the SEFA report for the period ending 06/30/2020. The grant expenditure for PCCD should have been reported as follows:

Grant Number: 33872

ALN: 21.019

Expenditure Amount: \$184,575

# BLOOMSBURG AREA SCHOOL DISTRICT

## Schedule of Findings and Questioned Costs For the Year Ended June 30, 2024

### Section I - Summary of Independent Public Accountants' Results

#### Financial Statements

Type of Independent Public Accountants' report issued	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None Reported
Noncompliance material to the financial statements noted?	No

#### Federal Awards

Type of Independent Public Accountants' report issued on compliance for major Federal program:	Unmodified
Internal control over major Federal program:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None Reported
Audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)?	No

#### Identification of Major Program:

<u>Major Program</u>	<u>Assistance Listing</u>	<u>Federal Expenditures</u>
Education Stabilization Fund (ESSER III)	84.425	\$ 1,150,875
ARP ESSER	84.425U	12,447
ARP ESSER	84.425U	15,956
ARP ESSER	84.425U	6,625
Special Education Cluster		
IDEA -Part B	84.027	296,237
IDEA- 619	84.173	1,188
Total Special Education Cluster		<u>\$ 297,425</u>

Threshold for distinguishing between Type A and B programs	<u>\$ 750,000</u>
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Did the District qualify as a low risk auditee?	No
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**BLOOMSBURG AREA SCHOOL DISTRICT**

**Schedule of Findings and Questioned Costs (continued)**  
**For the Year Ended June 30, 2024**

**Section II – Financial Statement Findings**

None noted.

**Section III – Federal Award Findings**

None noted.

**BLOOMSBURG AREA SCHOOL DISTRICT**

**Schedule of Prior Year Audit Findings and Questioned Costs  
For the Year Ended June 30, 2024**

There were no prior year findings in the June 30, 2023, single audit report.