

**SCHOOL DISTRICT OF  
BOROUGH OF BRISTOL**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED [JUNE 30, 2020](#)**

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**INDEPENDENT AUDITORS' REPORT**

Board Members  
School District of Borough of Bristol  
Bristol, Pennsylvania

**Report on the Financial Statements**

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the School District of Borough of Bristol as of and for the year ended [June 30, 2020](#), and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

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

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

***Opinions***

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the School District of Borough of Bristol, as of [June 30, 2020](#), and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters******Report on Summarized Comparative Information***

I have previously audited the School District of Borough of Bristol's [2019](#) financial statements and my report thereon dated [November 25, 2019](#) expressed unmodified opinions on those audited financial statements. In my opinion, the summarized comparative information presented herein as of and for the

year ended [June 30, 2019](#) is consistent, in all, material respects, with the audited financial statements from which it has been derived.

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, District's proportionate share of the net pension liability, District contributions to the pension plan, District's proportionate share of the net OPEB (HIPAP) liability, District contributions to the OPEB (HIPAP) plan, and changes in total OPEB (District Plan) liability and related ratios, as identified in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

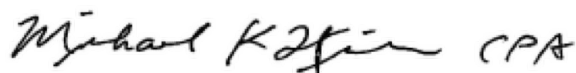
*Other Information*

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District of Borough of Bristol's basic financial statements. The supplementary information, as identified in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 my opinion, the 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*, I have also issued my report dated [December 18, 2020](#), on my consideration of the School District of Borough of Bristol's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District of Borough of Bristol's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District of Borough of Bristol's internal control over financial reporting and compliance.



[December 18, 2020](#)

**SCHOOL DISTRICT OF BOROUGH OF BRISTOL  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

(Unaudited)  
**JUNE 30, 2020**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

The discussion and analysis of the School District of Borough of Bristol's financial performance provides an overall review of the District's financial activities for the fiscal year ended **June 30, 2020**. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the District's financial performance.

**OVERVIEW OF FINANCIAL STATEMENTS**

Government-wide Statements:

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two government-wide statements report the District's net assets and how they have changed. Net position, the difference between the District's assets and deferred outflows and liabilities and deferred inflows, are one way to measure the District's financial health or position.

Over time, increases or decreases in the District's net position are an indication of whether its financial health is improving or deteriorating, respectively.

To assess the overall health of the District, the reader needs to consider additional non-financial factors, such as changes in the District's property tax base and the performance of the students.

The government-wide financial statements of the District are divided into two categories:

- **Governmental activities** – All of the District's basic services are included here, such as instruction, administration and community services. Property taxes and state and federal subsidies and grants finance most of these activities.
- **Business type activities** – The District operates a food service operation and charges fees to staff, students and visitors to help it cover the costs of the food service operation.

**SCHOOL DISTRICT OF BOROUGH OF BRISTOL  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

(Unaudited)  
**JUNE 30, 2020**

**Fund Financial Statements**

The District's fund financial statements provide detailed information about the most significant funds –not the District as a whole. Some funds are required by state law.

*Governmental funds* – Most of the District's activities are reported in governmental funds, which focus on the determination of financial position and change in financial position, not on income determination. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District operations and the services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The relationship (or differences) between governmental activities (reported in the Combined Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balance) and governmental funds is reconciled in the financial statements.

*Proprietary funds* – These funds are used to account for the District activities that are similar to business operations in the private sector; or where the reporting is on determining net income, financial position, changes in financial position and a significant portion of funding through user charges. When the District charges customers for services it provides – whether to outside customers or to other units in the district – these services are generally reported in proprietary funds. The Food Service Fund is the District's proprietary fund and is the same as the business-type activities we report in the government-wide statements, but provide more detail and additional information, such as cash flows.

*Fiduciary funds* – The District is the trustee, or fiduciary, for some activity and scholarship funds. All of the District's fiduciary activities are reported in the separate Fiduciary Fund statements. We exclude these assets from the District's government-wide statements as they are not available to finance its operations.

**FINANCIAL ANALYSIS**

The District's total net position was (\$22,075,248) at **June 30, 2020**. The total assets and deferred outflows are \$39,903,807 consisting of \$3,058,029 of current assets and \$36,845,778 of non-current assets and deferred outflows. Current assets are cash, investments and receivables. Non-current assets are buildings, capital improvements, furniture and equipment.

Total liabilities and deferred inflows are \$61,979,055, consisting of \$2,757,615 of current liabilities and \$59,221,440 of noncurrent liabilities and deferred inflows. Current liabilities consist of obligations due within one year, such as account payables and accrued salaries and benefits. Noncurrent liabilities are those obligations that are not due in one year and will take more than one year to fulfill. Examples are bonds payable, accumulated absences and early retirement incentive liabilities.

**SCHOOL DISTRICT OF BOROUGH OF BRISTOL  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

(Unaudited)  
**JUNE 30, 2020**

Below is a brief summary of the net position as of **June 30, 2020**:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Government</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>ASSETS:</b>						
Current & other assets	\$ 3,153,655	\$ 3,331,387	\$ (95,626)	\$ (99,524)	\$ 3,153,655	\$ 3,331,387
Capital & noncurrent assets & deferred outflows	<u>36,674,680</u>	<u>38,062,059</u>	<u>171,098</u>	<u>196,478</u>	<u>38,233,157</u>	<u>38,258,537</u>
<b>Total Assets &amp; Deferred Outflows</b>	<u>41,215,714</u>	<u>41,393,446</u>	<u>171,098</u>	<u>196,478</u>	<u>41,386,812</u>	<u>41,589,924</u>
<b>LIABILITIES:</b>						
Current & other liabilities	2,757,615	2,550,390	0	0	2,757,615	2,550,390
Noncurrent liabilities & deferred inflows	<u>58,195,876</u>	<u>59,675,290</u>	<u>1,025,564</u>	<u>1,024,799</u>	<u>60,700,089</u>	<u>60,700,089</u>
<b>Total Liabilities &amp; Deferred Inflows</b>	<u>62,432,905</u>	<u>62,225,680</u>	<u>1,024,799</u>	<u>1,024,799</u>	<u>63,457,704</u>	<u>63,250,479</u>
<b>NET POSITION:</b>						
Invested in capital assets, net of related debt	12,036,296	11,444,364	41,365	51,846	12,077,661	11,496,210
Restricted	97,844	96,682	0	0	97,844	96,682
Unrestricted	<u>(33,259,296)</u>	<u>(32,373,280)</u>	<u>(991,457)</u>	<u>(979,691)</u>	<u>(34,250,753)</u>	<u>(33,352,971)</u>
<b>TOTAL NET POSITION</b>	<u>(\$21,125,156)</u>	<u>(\$20,832,234)</u>	<u>(\$950,092)</u>	<u>(\$927,845)</u>	<u>(\$22,075,248)</u>	<u>(\$21,760,079)</u>

Restricted net position represents amounts that can be spent only for specific purposes because of externally imposed conditions by grantors, creditors, laws, regulations, enabling legislation or cannot be spent either because they are in a nonexpendable form or are contractually required to be maintained intact. Unrestricted net position is a combination of designated and undesignated amounts. Designated balances are amounts set aside to fund future purchases of the District.

The total net position represents the difference between total assets and deferred outflows and total liabilities and deferred inflows. In our case, we have a negative net position of \$(22,075,248) which indicates that liabilities exceed assets. GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, was implemented by the District for the fiscal year ending **June 30, 2018** resulting in a significant increase in net other post employment benefits liability and negative adjustment to net position. GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, was implemented by the District for the fiscal year ending **June 30, 2015** resulting in a significant increase in net pension liability and negative adjustment to net position.

The results of this year's operations as a whole are reported in the Statement of Activities. Specific charges, grants, revenues and subsidies that directly relate to specific expense categories are represented to determine the final amount of the District's activities that are supported by other general revenues. The two largest general revenues are the Basic Education Subsidy provided by the State of Pennsylvania, and the local taxes assessed to community taxpayers.

**SCHOOL DISTRICT OF BOROUGH OF BRISTOL  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

(Unaudited)  
**JUNE 30, 2020**

**Revenue**

Program revenue of the School District during 2019-2020 came from two major program sources. These program sources included charges for services (\$517,723) and operating grants and contributions from both the state and federal governments (\$7,227,006). In addition to program sources, the District also had revenues from general non-categorical sources including local property taxes (\$11,242,587), other taxes (\$193,228), state aid for general operations (\$7,379,775) and investment earnings (\$22,864). These revenue sources provided the funding for the School District of Borough of Bristol during the past year.

The District funding sources are as follows: Local 46%, State 47%, Federal 7%.

The District balanced the budget without increasing the 2019-2020 tax rate which remained at 154.0 mills. Assessed value remained unchanged. Delinquent real estate tax collections remained stable. Overall real estate tax collections increased by \$119,261. The collection rate for current real estate taxes was 96 percent. This compares with 95 percent in 2018-19.

**Program Expenditures**

General fund expenditures can be categorized in terms of major program, that is, the general purposes of the expenditures. The two major examples are instruction and support services. A summary of general fund major program expenditures follows:

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>Difference</u>
Instruction	\$ 18,056,630	\$ 17,820,994	\$ 235,636
Support Services	5,345,809	5,244,196	101,613
Non-instructional services	293,023	328,037	(35,014)
Capital Outlay	398,510	245,188	153,322
Debt Service	2,064,139	2,060,776	3,363
Fund Transfers	177,737	180,887	(3,150)
Refund Prior Year Revenue	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL</b>	<b><u>\$ 26,335,848</u></b>	<b><u>\$ 25,880,078</u></b>	<b><u>\$ 455,770</u></b>

Instructional expenditures comprise 69 percent of the entire budget. These expenditures include: teachers and aides' salaries and benefits, special education services, vo-tech tuition, and all instructional supplies and books.

Support services make up 20 percent of the budget. Support services are: guidance services, student accounting services, board services, administration, legal services, library services, staff development, maintenance and operations, transportation and technology.

Debt services make up 8 percent of the budget. Debt services include payments on bond debt and Vo-tech School debt.

The remaining areas of non-instructional, capital outlay and fund transfers account for 3 percent. These areas are student activities, building and equipment purchases, athletics and transfers to other funds.

**SCHOOL DISTRICT OF BOROUGH OF BRISTOL  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

(Unaudited)  
**JUNE 30, 2020**

**Fund Balance**

Fund Balance in the balance sheet – governmental funds is the difference between revenue and expenditures at the end of the year, combined with the fund balance from the beginning of the year. The governmental funds include:

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>Difference</u>
Fund Balance	\$ 1,098,513	\$ 1,374,352	(\$ 275,839)

For the year ended **June 30, 2020** the fund balance decreased **\$275,839** over the prior year's period. The School District attempts to maintain a reasonable fund balance to protect against receipt of revenue shortfalls and/or emergency expenditures.

**Labor Relations**

The Professional staff of the Bristol Borough School district is represented by Bristol Borough Education Association (BBEA), an affiliation of the Pennsylvania State Education Association (PSEA). The Professional staff consists of Teachers, Counselors, Librarians and the School Nurse. The current 5 year contract expires on **August 22, 2022**.

The Operation and Maintenance Staff, which consists of Custodians, Groundskeepers, and Maintenance workers are represented by AFSCME. The current 4 year contract expires **June 30, 2022**.

The Support Staff consisting of Clerical, Technology, Instructional and non Instructional Aides, Security, Bus and Van Drivers and Cafeteria workers are represented by Bristol Borough Education Support Professional Association (BBESPA) which is affiliated with Pennsylvania State Education Association (PSEA). The current 3 year contract expires **June 30, 2023**.

Principals and Vice principals are represented by The Bristol Borough Educational Administrators' Association. The current 5 year contract expires on **June 30, 2024**.

**SCHOOL DISTRICT OF BOROUGH OF BRISTOL  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

(Unaudited)  
**JUNE 30, 2020**

**Health Care Benefits**

On **June 30, 2018** The Bristol Borough School District exited the Bucks and Montgomery County Schools Health Care Consortium to go to The Delaware Valley Health Trust. The Delaware Valley Health Trust is made up of certain municipalities, school districts, charter schools, counties, authorities and various intergovernmental entities (including commissions and school district intermediate units), volunteer fire companies and other local government units, agencies and instrumentalities (including public nonprofit entities). The desire is to create a governmental multiple employer welfare agreement and/or public employer health benefits trust pursuant to all applicable federal and state laws. The trust is not self-insured because losses are shared pro rata to premiums.

The purpose of joining The Delaware Valley Health Trust is to provide comprehensive, high quality health benefits on a pooled basis for the employees and their dependents, and retirees of the municipalities, school districts, charter schools, counties, authorities and intergovernmental entities, volunteer fire companies and other local government units, agencies and instrumentalities, who are parties to the agreement, while allowing them to better control the cost and availability of those health care benefits. The agreement which began on **July 1, 2018** runs through **July 1, 2021**.

**CONTACTING THE DISTRICT FINANCIAL MANAGEMENT**

The Bristol School Board, administration and staff are strongly committed to continue providing a high quality education and sound financial management.

Our financial report is designed to provide our citizens, taxpayers, parents, students, investors and creditors with a general overview of the District's finances and to show the Board's accountability to the money it receives. If you have questions about this report or wish to request additional financial information, please contact Christopher McHugh, Business Administrator, at School District of Borough of Bristol, 1776 Farragut Avenue, Bristol, Pennsylvania 19007, or call Christopher McHugh, Business Manager, at (215) 781-1000 extension 1017.

**SCHOOL DISTRICT OF BOROUGH OF BRISTOL**  
**STATEMENT OF NET POSITION**

June 30, 2020

(WITH COMPARATIVE TOTALS AT JUNE 30, 2019)

	<b>2020</b>			<b>2019</b>
	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>	
<b>ASSETS</b>				
Cash, Cash Equivalents & Investments	\$ 97,844	\$ 71,001	\$ 168,845	\$ 139,072
Taxes Receivable	933,664	-	933,664	1,011,357
Prepaid Expenses	305,944	-	305,944	305,944
Deposits	-	-	-	-
Internal balances-Due from/to Other Funds	206,992	(206,992)	-	-
Due From Other Governments	1,609,211	12,338	1,621,549	1,754,035
Other Receivables	-	14,793	14,793	5,719
Inventories	-	13,234	13,234	15,736
<b>Total Current Assets</b>	<u>3,153,655</u>	<u>(95,626)</u>	<u>3,058,029</u>	<u>3,231,863</u>
Capital Assets - Net of Accumulated Depreciation (Note 5)	31,328,876	41,365	31,370,241	32,269,339
Long Term Prepayments - Net of Accumulated Amortization	34,331	-	34,331	40,889
<b>Total Noncurrent Assets</b>	<u>31,363,207</u>	<u>41,365</u>	<u>31,404,572</u>	<u>32,310,228</u>
<b>Total Assets</b>	<u>34,516,862</u>	<u>(54,261)</u>	<u>34,462,601</u>	<u>35,542,091</u>
<b>DEFERRED OUTFLOWS</b>				
Deferred loss on refunding - Net of Accumulated Amortization	348,459	-	348,459	415,020
Deferred amounts related to pensions	4,777,306	124,781	4,902,087	5,391,191
Deferred amounts related to Other Post Employment Benefits	185,708	4,952	190,660	142,098
<b>Total Assets and Deferred Outflows</b>	<u>\$ 39,828,335</u>	<u>\$ 75,472</u>	<u>\$ 39,903,807</u>	<u>\$ 41,490,400</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 211,886	\$ -	\$ 211,886	\$ 382,221
Accrued interest	216,138	-	216,138	229,713
Current Portion of Long Term Debt-Bonds Payable	1,420,000	-	1,420,000	1,375,000
Accrued Salaries, Benefits & Withholdings	896,469	-	896,469	563,456
Unearned Revenue	13,122	-	13,122	-
<b>Total Current Liabilities</b>	<u>2,757,615</u>	<u>-</u>	<u>2,757,615</u>	<u>2,550,390</u>
Bonds Payable, net of premium/discount	18,221,039	-	18,221,039	19,813,149
Net Pension Liability	35,463,358	933,644	36,397,002	36,820,000
Net Other Post Employment Benefits Liability	1,716,538	41,939	1,758,477	1,704,337
Long Term Portion of Compensated Absences	655,608	-	655,608	673,584
Long Term Portion of Termination Benefits	164,275	-	164,275	61,002
<b>Total Noncurrent Liabilities</b>	<u>56,220,818</u>	<u>975,583</u>	<u>57,196,401</u>	<u>59,072,072</u>
<b>Total Liabilities</b>	<u>58,978,433</u>	<u>975,583</u>	<u>59,954,016</u>	<u>61,622,462</u>
<b>DEFERRED INFLOWS</b>				
Deferred amounts related to pensions	1,887,578	47,463	1,935,041	1,518,017
Deferred amounts related to Other Post Employment Benefits	87,480	2,518	89,998	110,000
<b>Total Deferred Inflows</b>	<u>\$ 1,975,058</u>	<u>\$ 49,981</u>	<u>\$ 2,025,039</u>	<u>\$ 1,628,017</u>
<b>NET POSITION</b>				
Invested in Capital Assets Net of Related Debt	12,036,296	41,365	12,077,661	11,496,210
Restricted-nonexpendable	-	-	-	-
Restricted for capital projects	97,844	-	97,844	96,682
Unrestricted	(33,259,296)	(991,457)	(34,250,753)	(33,352,971)
<b>Total Net Position</b>	<u>(21,125,156)</u>	<u>(950,092)</u>	<u>(22,075,248)</u>	<u>(21,760,079)</u>
<b>Total Liabilities, Deferred Inflows &amp; Net Position</b>	<u>\$ 39,828,335</u>	<u>\$ 75,472</u>	<u>\$ 39,903,807</u>	<u>\$ 41,490,400</u>

See accompanying notes to Financial Statements

**SCHOOL DISTRICT OF BOROUGH OF BRISTOL**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2020**  
**(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2019)**

Functions	2020						2019
	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Total Governmental Activities	Total Business-type Activities	Total	Total
<b>Governmental Activities:</b>							
Instruction	\$ 19,157,374	\$ -	\$ 5,989,339	\$ (13,168,035)	\$ -	\$ (13,168,035)	\$ (13,231,982)
Instructional Student Support	1,071,366	-	189,152	(882,214)	-	(882,214)	(938,542)
Administrative & Financial Support Services	2,320,274	-	267,183	(2,053,091)	-	(2,053,091)	(1,834,485)
Operations and Maintenance of Plant Services	2,149,401	18,913	121,383	(2,009,105)	-	(2,009,105)	(1,937,340)
Pupil Transportation	581,527	-	173,542	(407,985)	-	(407,985)	(355,902)
Student Activities	313,800	7,469	30,318	(276,013)	-	(276,013)	(314,632)
Community Services	305	346,589	-	346,284	-	346,284	364,893
Interest Expense	503,454	-	-	(503,454)	-	(503,454)	(526,805)
Total Governmental Activities	\$ 26,097,501	\$ 372,971	\$ 6,770,917	(18,953,613)	-	(18,953,613)	(18,774,795)
<b>Business-type Activities:</b>							
Food Services (Business-type Activity)	800,852	144,752	456,089	-	(200,011)	(200,011)	(185,171)
Other	-	-	-	-	-	-	-
Total Business-type Activities	\$ 800,852	\$ 144,752	\$ 456,089	\$ -	\$ (200,011)	\$ (200,011)	\$ (185,171)
Total Primary Government	\$ 26,898,353	\$ 517,723	\$ 7,227,006	\$ (18,953,613)	\$ (200,011)	\$ (19,153,624)	\$ (18,959,966)
Component Units	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Primary Government & Component Units	\$ 26,898,353	\$ 517,723	\$ 7,227,006	\$ (18,953,613)	\$ (200,011)	\$ (19,153,624)	\$ (18,959,966)
<b>General Revenues:</b>							
Taxes:							
Property taxes, levied for general purposes, net				11,242,587	-	11,242,587	11,211,832
Other taxes levied				193,228	-	193,228	202,731
Grants, subsidies, contributions not restricted and Reimbursements				7,379,775	-	7,379,775	7,169,196
Investment earnings				22,839	25	22,864	32,855
Refund of prior year expense/revenues				-	-	-	-
Transfers				(177,737)	177,737	-	-
Total General Revenues, special items and transfers				18,660,692	177,762	18,838,454	18,616,614
Change in Net Position				(292,921)	(22,249)	(315,170)	(343,352)
Net Position - Beginning of Year				(20,832,235)	(927,843)	(21,760,078)	(21,416,727)
Net Position - End of Year				\$ (21,125,156)	\$ (950,092)	\$ (22,075,248)	\$ (21,760,079)

See accompanying notes to Financial Statements

**SCHOOL DISTRICT OF BOROUGH OF BRISTOL**  
**BALANCE SHEET – GOVERNMENTAL FUNDS**  
**June 30, 2020**  
**(WITH COMPARATIVE TOTALS AT JUNE 30, 2019)**

	<b>2020</b>				<b>2019</b>			
	General	Capital Reserve	Capital Projects	Total Governmental	General	Capital Reserve	Capital Projects	Total Governmental
	Fund (10)	Fund (22)(32)	Fund (30)(39)	Funds	Fund (10)	Fund (22)(32)	Fund (30)(39)	Funds
<b>ASSETS</b>								
Cash, Cash Equivalents & Investments	\$ -	\$ 97,842	\$ 2	\$ 97,844	\$ -	\$ 96,680	\$ 2	\$ 96,682
Taxes Receivable	933,664	-	-	933,664	1,011,357	-	-	1,011,357
Prepaid Expenses	305,944	-	-	305,944	305,944	-	-	305,944
Deposits	-	-	-	-	-	-	-	-
Due From Other Funds	206,993	-	-	206,993	177,738	-	-	177,738
Due From Other Governments	1,609,211	-	-	1,609,211	1,739,667	-	-	1,739,667
<b>Total Assets</b>	<b><u>\$ 3,055,812</u></b>	<b><u>\$ 97,842</u></b>	<b><u>\$ 2</u></b>	<b><u>\$ 3,153,656</u></b>	<b><u>\$ 3,234,706</u></b>	<b><u>\$ 96,680</u></b>	<b><u>\$ 2</u></b>	<b><u>\$ 3,331,388</u></b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>								
<b>LIABILITIES</b>								
Due to Other Funds	\$ -	\$ -	\$ 2	\$ 2	\$ -	\$ -	\$ 2	\$ 2
Due to Other Government	-	-	-	-	-	-	-	-
Accounts Payable	211,886	-	-	211,886	382,221	-	-	382,221
Unearned revenue	13,122	-	-	13,122	-	-	-	-
Accrued Salaries, Benefits & Withholdings	896,469	-	-	896,469	563,456	-	-	563,456
<b>Total Liabilities</b>	<b><u>1,121,477</u></b>	<b><u>-</u></b>	<b><u>2</u></b>	<b><u>1,121,479</u></b>	<b><u>945,677</u></b>	<b><u>-</u></b>	<b><u>2</u></b>	<b><u>945,679</u></b>
<b>DEFERRED INFLOWS</b>								
Unavailable Revenue-property taxes	933,664	-	-	933,664	1,011,357	-	-	1,011,357
<b>FUND BALANCES</b>								
Nonspendable	305,944	-	-	305,944	305,944	-	-	305,944
Restricted for capital projects	-	97,842	-	97,842	-	96,680	-	96,680
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	694,727	-	-	694,727	971,728	-	-	971,728
<b>Total Fund Balances</b>	<b><u>1,000,671</u></b>	<b><u>97,842</u></b>	<b><u>-</u></b>	<b><u>1,098,513</u></b>	<b><u>1,277,672</u></b>	<b><u>96,680</u></b>	<b><u>-</u></b>	<b><u>1,374,352</u></b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b><u>\$ 3,055,812</u></b>	<b><u>\$ 97,842</u></b>	<b><u>\$ 2</u></b>	<b><u>\$ 3,153,656</u></b>	<b><u>\$ 3,234,706</u></b>	<b><u>\$ 96,680</u></b>	<b><u>\$ 2</u></b>	<b><u>\$ 3,331,388</u></b>

See accompanying notes to Financial Statements

**SCHOOL DISTRICT OF BOROUGH OF BRISTOL**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUND**  
**TO THE STATEMENT OF NET POSITION**  
**June 30, 2020**  
**(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2019)**

	2020	2019
<b>Total Fund Balances for Governmental Funds</b>	\$ 1,098,513	\$ 1,374,352
Total Net Assets Reported for Governmental Activities in the Statement of Net Position is Different because:		
Capital assets used in governmental funds are not financial resources and, therefore, are not reported as assets in Governmental funds.	31,328,876	32,217,493
Property taxes received after year end but not available soon enough to pay for the current period expenditures and therefore are deferred in the Governmental Fund.	933,664	1,011,357
Bond issuance costs-long term prepayments and loss on refunding shown as noncurrent asset/deferred outflows in the Statement of Net Position are applicable to future periods and, therefore, are not reported in the funds	382,790	455,909
Deferred outflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds	4,777,306	5,250,362
Deferred outflows of resources related to Other Post Employment Benefits are applicable to future periods and, therefore, are not reported in the funds	185,708	138,295
Bonds payable (face value net of premiums and discounts) long term liabilities are not due and payable in the current period and therefore, are not reported as liabilities in the Governmental Fund.	(19,641,039)	(21,188,149)
Accrued interest on bonds payable - long term liabilities are not due and payable in the current period and therefore, are not reported as liabilities in the Governmental Fund.	(216,138)	(229,713)
Net Pension Liability are liabilities not payable in the current year and therefore are not reported as liabilities in the Governmental Fund.	(35,463,358)	(35,875,544)
Net Other Post Employment Benefits Liability are liabilities not payable in the current year and therefore are not reported as liabilities in the Governmental Fund.	(1,716,538)	(1,663,828)
Accumulated compensated absences are liabilities not payable in the current year and therefore are not reported as liabilities in the Governmental Fund.	(655,608)	(673,584)
Accumulated long term termination benefits are liabilities not payable in the current year and therefore are not reported as liabilities in the Governmental Fund.	(164,275)	(61,002)
Deferred intflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds	(1,887,578)	(1,481,212)
Deferred intflows of resources related to Other Post Employment Benefits are applicable to future periods and, therefore, are not reported in the funds	(87,479)	(106,970)
<b>Total Net Position of Governmental Activities</b>	<b>\$ (21,125,156)</b>	<b>\$ (20,832,234)</b>

*See accompanying notes to Financial Statements*

**SCHOOL DISTRICT OF BOROUGH OF BRISTOL**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUND**  
**YEAR ENDED JUNE 30, 2020**  
**(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2019)**

	<u>2020</u>			<u>2019</u>	
	General Fund (10)	Capital Reserve Fund (22)(32)	Capital Projects Fund (30)(39)	Total Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Local Sources	\$ 12,188,091	\$ 1,162	\$ -	\$ 12,189,253	\$ 12,145,904
State Sources	12,407,543	-	-	12,407,543	11,605,330
Federal Sources	<u>1,463,213</u>	<u>-</u>	<u>-</u>	<u>1,463,213</u>	<u>1,430,003</u>
Total Revenues	<u>26,058,847</u>	<u>1,162</u>	<u>-</u>	<u>26,060,009</u>	<u>25,181,237</u>
<b>EXPENDITURES</b>					
Instruction	18,056,630	-	-	18,056,630	17,820,994
Support Services	5,345,809	-	-	5,345,809	5,244,196
Non-instructional Services	293,023	-	-	293,023	328,037
Capital Outlay	398,510	-	-	398,510	245,188
Debt Service	2,064,139	-	-	2,064,139	2,060,776
Refund of prior year receipts	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>26,158,111</u>	<u>-</u>	<u>-</u>	<u>26,158,111</u>	<u>25,699,191</u>
<b>REVENUES IN EXCESS OF EXPENDITURES</b>	(99,264)	1,162	-	(98,102)	(517,954)
<b>OTHER FINANCING SOURCES AND USES</b>					
Transfers in	-	-	-	-	-
Transfers out	<u>(177,737)</u>	<u>-</u>	<u>-</u>	<u>(177,737)</u>	<u>(180,887)</u>
<b>TOTAL OTHER FINANCING SOURCES AND USES</b>	<u>(177,737)</u>	<u>-</u>	<u>-</u>	<u>(177,737)</u>	<u>(180,887)</u>
<b>REVENUES AND OTHER FINANCING SOURCES AND USES IN EXCESS OF EXPENDITURES</b>					
	(277,001)	1,162	-	(275,839)	(698,841)
Fund Balance - Beginning of Year	<u>1,277,672</u>	<u>96,680</u>	<u>-</u>	<u>1,374,352</u>	<u>2,073,193</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 1,000,671</u>	<u>\$ 97,842</u>	<u>\$ -</u>	<u>\$ 1,098,513</u>	<u>\$ 1,374,352</u>

*See accompanying notes to Financial Statements*

**SCHOOL DISTRICT OF BOROUGH OF BRISTOL**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES OF GOVERNMENT FUND TO THE STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2020**  
**(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2019)**

	<b>2020</b>	<b>2019</b>
<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ (275,839)</b>	<b>\$ (698,841)</b>
Amounts Reported for Governmental Activities in the Statement of Activities are Different because:		
Amount by which General Fund depreciation exceeded capital outlays in the current period. Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense.	(888,617)	(889,272)
Governmental funds report pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned, net of employee contributions, is reported as pension expense.	(467,236)	(302,609)
Governmental funds report Other Post Employment Benefits contributions as expenditures. However in the Statement of Activities, the cost of Other Post Employment Benefits earned, net of employee contributions, is reported as expense.	14,194	27,963
(Increase) Decrease in long term Compensated Absences is expensed on the Entity Wide Statement of Activities but not recognized in the Governmental Fund Statements.	17,976	1,344
(Increase) Decrease in long term termination benefits is expensed on the Entity Wide Statement of Activities but not recognized in the Governmental Fund Statements.	(103,273)	53,653
Increase (Decrease) in Real Estate Tax unavailable revenue. Because some property taxes will not be collected for several months after the District's fiscal year end, they are not considered as 'available' revenues in the government funds and are instead counted as unavailable revenues. They are, however, recorded as revenues in the Entity Wide Statement of Activities.	(77,693)	10,814
The Governmental Fund Statements report repayment of debt principal as expenditures but the repayments reduces long term liabilities in the Statement of Net Position.	1,375,000	1,345,000
Interest on long-term debt is recognized as an expenditure in the Governmental Fund Statements when due. In the Statement of Activities, interest expense is recognized as the interest accrues, regardless of when it is due.	13,575	8,879
Bond premium is amortized and treated as a reduction of interest expense on the Entity Wide Statements but is not recognized as a reduction of interest expense on the Governmental Fund Statements.	172,110	180,093
Bond issuance costs-long term prepayments and loss on refunding are amortized over the life of the bonds as an expense on the Entity Wide Statements but is recognized as an expense in the year incurred on the Governmental Fund Statements.	(73,118)	(76,509)
<b>Change in Net Position of Governmental Activities</b>	<b>\$ (292,921)</b>	<b>\$ (339,485)</b>

*See accompanying notes to Financial Statements*

**SCHOOL DISTRICT OF BOROUGH OF BRISTOL**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND**  
**June 30, 2020**  
**(WITH COMPARATIVE TOTALS AT JUNE 30, 2019)**

	<b>2020</b>	<b>2019</b>
<b>ASSETS</b>	Food Service Fund	Food Service Fund
Cash and Cash Equivalents	\$ 71,001	\$ 42,390
Due From Other Governments	12,338	14,368
Other Receivables	14,793	5,719
Inventories	13,234	15,736
Total Current Assets	111,366	78,213
Capital Assets - Net of Accumulated Depreciation	41,365	51,846
Total Assets	152,731	130,059
<b>DEFERRED OUTFLOWS</b>		
Deferred amounts related to pensions	124,781	140,829
Deferred amounts related to Other Post Employment Benefits	4,952	3,803
Total Assets and Deferred Outflows	\$ 282,464	\$ 274,691
<b>LIABILITIES</b>		
Due to Other Funds	\$ 206,992	\$ 177,737
Accounts Payable	-	-
Accrued Salaries, Benefits & Withholdings	-	-
Unearned Revenues	-	-
Total Current Liabilities	206,992	177,737
Net Pension Liability	933,644	944,456
Net Other Post Employment Benefits Liability	41,939	40,509
Total Noncurrent Liabilities	975,583	984,965
Total Liabilities	1,182,575	1,162,702
<b>DEFERRED INFLOWS</b>		
Deferred amounts related to pensions	47,463	36,805
Deferred amounts related to Other Post Employment Benefits	2,518	3,029
Total Deferred Inflows	49,981	39,834
<b>NET POSITION</b>		
Invested in Capital Assets	41,365	51,846
Unrestricted	(991,457)	(979,691)
Total Net Position	(950,092)	(927,845)
Total Liabilities, Deferred Inflows & Net Position	\$ 282,464	\$ 274,691

*See accompanying notes to Financial Statements*

**SCHOOL DISTRICT OF BOROUGH OF BRISTOL**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUND**  
**YEAR ENDED JUNE 30, 2020**  
**(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2019)**

	<u>2020</u>	<u>2019</u>
	Food Service Fund	Food Service Fund
<b>OPERATING REVENUES</b>		
Food Service Revenue	\$ 144,752	\$ 107,477
Total Operating Revenues	<u>144,752</u>	<u>107,477</u>
<b>OPERATING EXPENSES</b>		
Salaries	299,831	292,366
Employee Benefits	154,782	155,247
Professional & Technical Services	3,010	3,215
Property Services	12,656	51,306
Other Purchased Service	-	-
Supplies	306,592	319,766
Depreciation	<u>23,981</u>	<u>22,954</u>
Total Operating Expenses	<u>800,852</u>	<u>844,854</u>
<b>OPERATING (LOSS)</b>	<u>(656,100)</u>	<u>(737,377)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Earnings on Investments	25	417
State Sources	17,282	22,136
Federal Sources	<u>438,809</u>	<u>530,070</u>
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<u>456,116</u>	<u>552,623</u>
<b>(LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	(199,984)	(184,754)
<b>CONTRIBUTIONS AND TRANSFERS</b>		
Capital contributions	-	-
Transfers in	<u>177,737</u>	<u>180,887</u>
<b>CHANGE IN NET POSITION</b>	(22,247)	(3,867)
<b>NET POSITION - BEGINNING OF YEAR</b>	<u>(927,845)</u>	<u>(923,978)</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ (950,092)</u>	<u>\$ (927,845)</u>

*See accompanying notes to Financial Statements*

**SCHOOL DISTRICT OF BOROUGH OF BRISTOL**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND**  
**YEAR ENDED JUNE 30, 2020**  
**(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2019)**

	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from users	\$ 135,678	\$ 101,582
Cash paid to employees	(92,839)	(114,629)
Cash paid to suppliers	(420,333)	(473,563)
Net cash flows from operating activities	<u>\$ (377,494)</u>	<u>\$ (486,610)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
State Sources	\$ 17,581	\$ 22,633
Federal Sources	401,999	492,523
Principal paid on notes payable	-	-
Interest paid on noncapital debt	-	-
Net cash flows provided from noncapital financing activities	<u>\$ 419,580</u>	<u>\$ 515,156</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchases of/payments for capital assets- property and equipment	\$ (13,500)	\$ (12,000)
Capital contributions	-	-
Interest paid on capital debt	-	-
Net cash flows (used in) capital and related financing activities	<u>\$ (13,500)</u>	<u>\$ (12,000)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest and investment income received	\$ 25	\$ 417
Net cash flows from investing activities	<u>\$ 25</u>	<u>\$ 417</u>
Net increase in cash	\$ 28,611	\$ 16,963
Cash, beginning	42,390	25,427
Cash, ending	<u>\$ 71,001</u>	<u>\$ 42,390</u>

<b>Schedule reconciling operating income (loss) to net cash flow from operating activities:</b>		
Net (loss) from operations	\$ (656,100)	\$ (737,377)
Noncash expenses, revenues, losses and gain included in income		
Depreciation expense	23,981	22,954
Donated Commodities	38,541	48,094
(Increase) Decrease in Accounts Receivable	(9,074)	(5,719)
Decrease (Increase) in Inventories	2,502	(4,690)
Decrease (Increase) in Deferred Outflows	14,899	41,621
(Decrease) Increase in Accounts Payable & Accrued Expenses	-	-
Increase (Decrease) in Due to Other Funds	206,992	177,737
(Decrease) Increase in Unearned Revenues	-	(176)
(Decrease) Increase in Net Pension Liability	(10,812)	(63,616)
Increase (Decrease) in Net Other Post Employment Benefits Liability	1,430	(504)
Increase (Decrease) in Deferred Inflows	10,147	35,066
Net cash flows from operating activities	<u>\$ (377,494)</u>	<u>\$ (486,610)</u>

<b>Noncash transactions</b>		
Federal Sources-Donated Commodities (noncapital financing activities)	\$ 38,541	\$ 48,094
Suppliers-Donated Commodities (operating activities)	(38,541)	(48,094)
Capital contributions	-	-
Capital assets acquired through capital contributions	-	-
Net cash used - noncash transactions	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to Financial Statements

**SCHOOL DISTRICT OF BOROUGH OF BRISTOL**  
**STATEMENT OF NET POSITION**  
**FIDUCIARY FUND**  
**June 30, 2020**  
**(WITH COMPARATIVE TOTALS AT JUNE 30, 2019)**

	<b>2020</b>	<b>2019</b>
	Trust & Activity Funds	Trust & Activity Funds
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 365,055	\$ 328,194
Total Assets	365,055	328,194
<b>LIABILITIES</b>		
Due to student Groups	\$ 114,926	\$ 91,700
Total Liabilities	114,926	91,700
<b>NET POSITION</b>		
Invested in Capital Assets	-	-
Reserved for scholarships	250,129	236,494
Unrestricted	-	-
Total Net Position	250,129	236,494
Total Liabilities & Net Position	\$ 365,055	\$ 328,194

**SCHOOL DISTRICT OF BOROUGH OF BRISTOL**  
**STATEMENT OF CHANGES IN NET POSITION**  
**FIDUCIARY FUND**  
**YEAR ENDED JUNE 30, 2020**  
**(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2019)**

	Trust Funds	Trust Funds
<b>Additions</b>		
Donations	\$ 82,300	\$ 46,675
Interest	2,085	3,365
Total additions	84,385	50,040
<b>Deductions</b>		
Scholarships awarded	70,750	58,537
Change in Net Position	13,635	(8,497)
Net Position-Beginning	236,494	244,991
Net Position-Ending	\$ 250,129	\$ 236,494

*See accompanying notes to Financial Statements*

**SCHOOL DISTRICT OF BOROUGH OF BRISTOL**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Summary of Significant Accounting Policies**

The School District of Borough of Bristol operates under current standards prescribed by the Pennsylvania Department of Education in accordance with the provisions of the School Laws of Pennsylvania as a school district of the third class. The District operates under a locally elected nine-member Board form of Government.

The financial statements of the School District of Borough of Bristol (the District) have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the authoritative standard-setting body for the establishment of governmental accounting and financial reporting principles. The more significant of these accounting policies are as follows:

**Reporting Entity**

The Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity", established the criteria for determining the activities, organizations and functions of government to be included in the financial statements of the reporting entity. In evaluating the District as a reporting entity, management has addressed all potential component units which may or may not fall within the District's financial accountability. The criteria used to evaluate component units for possible inclusion as part of the District's reporting entity are financial accountability and the nature and significance of the relationship. The School District of Borough of Bristol is considered to be an independent reporting entity and has no component units.

**Joint Ventures**

The District participates in a joint venture with six other school districts of Lower Bucks County, Pennsylvania in the operation of a Comprehensive Vocational-Technical School (the "Vo-Tech School"). The Vo-Tech School is governed by nine members. Each member must be a citizen of a school district which sends students to the Vo-Tech School.

The financial statements of the Comprehensive Vocational-Technical School are available from Bucks Technical High School located at 610 Wistar Road, Fairless Hills, Pennsylvania 19301.

**Basis of Presentation**

**Government-Wide Financial Statements**

The statement of net position and the statement of activities display information about the School District as a whole. These statements distinguish between activities that are governmental and those that are considered business-type. These statements include the financial activities of the primary government, except for fiduciary funds.

**SCHOOL DISTRICT OF BOROUGH OF BRISTOL**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 1 BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting as further defined under proprietary funds below. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements of governmental funds.

The government-wide statement of activities presents a comparison between expenses and program revenues for each segment of the business-type activities of the District and for each governmental program. Expenses are those that are specifically associated with a service or program and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributes that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program is self-financing or draws from the general revenues of the District.

Internal activity is limited to interfund transfers that are eliminated to avoid "doubling up" revenues and expenses. Net position is reported as restricted when constraints placed on net position use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The net position restricted for other purposes result from special revenue and capital projects funds and the restrictions on their net position use.

**Fund Financial Statements**

During the school year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements report detailed information about the District. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Fiduciary fund financial statements are presented by fund type.

**Governmental Fund**

All governmental funds are accounted for using the modified accrual basis of accounting and the current financial resources measurement focus. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable. The District reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Capital Reserve Fund is used to reserve funds for the anticipation of future capital projects and purchases.

The Capital Projects Fund accounts for major capital acquisition and construction activities.

**SCHOOL DISTRICT OF BOROUGH OF BRISTOL**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 1 BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue Recognition**

In applying the "susceptible to accrual concept" under the modified accrual basis, revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers tax revenue to be available if collected within the current period. Revenue from federal, state and other grants designated for payment of specific school district expenditures is recognized when the related expenditures are incurred; accordingly, when such funds are received, they are reported as deferred revenues until earned.

Other revenues, including certain other charges for services and miscellaneous revenues are recorded as revenue when received in cash because they are generally immeasurable until actually received.

**Expenditure Recognition**

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred. However, principal and interest on long-term debt, which has not matured, are recognized when paid. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds.

**Proprietary Funds**

Proprietary funds are accounted for using the accrual basis of accounting. These funds account for operations that are primarily financed by user charges. The economic resource focus concerns determining costs as a means of maintaining the capital investment and management control. Revenues are recognized when they are earned and expenses are recognized when they are incurred. Allocations of certain costs, such as depreciation, are recorded in proprietary funds. The District does not attempt to allocate all "building-wide costs" to the enterprise fund. Thus, general fund expenditures which partially benefit the enterprise fund (utilities, janitorial services, insurance, etc.) are not proportionately recognized with the enterprise fund. Similarly, the enterprise fund does not recognize a cost for the building space it occupies.

These funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the School District's enterprise fund are food service charges. Operating expenses for the School District's enterprise fund include food production costs, supplies and administrative costs. All revenues or expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for us, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

**SCHOOL DISTRICT OF BOROUGH OF BRISTOL**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 1 BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fiduciary Funds**

Fiduciary funds account for the assets held by the School District as a trustee or agent for individuals, private organization and/or governmental units and are, therefore, not available to support the District's own programs. The District accounts for these assets in a private-purpose trust and agency fund. Accordingly, revenues and expenditures of this fund are not included in the revenues and expenditures of the District.

The private-purpose trust fund accounts for activities in various scholarship accounts, whose sole purpose is to provide annual scholarships to particular students as described by donor stipulations. The measurement focus and basis of accounting for the private-purpose trust fund is the same as for proprietary funds.

The agency fund accounts for the receipts and disbursements of monies from student activity organizations. The agency fund is custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

**Cash and Cash Equivalents**

To improve cash management, all cash received by the School District is pooled under ACT 72 of the Pennsylvania General Assembly of 1971. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained throughout the District's records.

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**

Investments are reported at fair value, except for repurchase agreements and nonnegotiable certificates of deposit which are reported at cost. Fair value is based on quoted market prices. Mutual funds are reported at current share price.

**Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

The District does not record an allowance for uncollectible taxes because it is considered to be immaterial.

**Prepaid Items and Inventories**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

All inventories are valued at the lower of cost (first-in, first-out method) or market. The costs for inventories of governmental activities are recorded as expenditures at the time individual inventory items are purchased.

**SCHOOL DISTRICT OF BOROUGH OF BRISTOL**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 1 BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Property Taxes**

The tax on real estate, as levied by the School Board, was 154.0 mills (\$154.00 per \$1,000 of assessed valuation) for fiscal 2019-20. Assessed valuation of property is established by the Board of Assessments, and the elected or appointed tax collectors are responsible for collection. Real property in the District for the July 1, 2019 levy was assessed at \$73,244,751. The schedule for real estate taxes levied for each fiscal year is as follows:

July 1	Levy date
July 1– September 30	2% discount period
October 1– November 30	Face value period
December 1– December 31	10% penalty period
January 1	Lien date

For government-wide financial statements, the school district, in accordance with GAAP, recognized the delinquent and unpaid taxes receivable. A portion of the amount estimated to be collectible, which was measurable and available within 60 days, was recognized as revenue and the balance deferred in the fund financial statements.

**Capital Assets**

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide and proprietary fund financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$2,500 and an estimated useful life in excess of two years. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed, inclusive of ancillary costs.

Property, plant and equipment of the District is depreciated using the straight-line method over the following estimated useful lives:

School buildings	40-50 years	Machinery and tools	10-15 years
Kitchen equipment	10-15 years	Audio Visual	7-10 years
Portable classrooms	20-25 years	Business Machines	5-10 years
HVAC systems	20-25 years	Communication equipment	5-10 years
Interior construction	25-30 years	Custodial equipment	5-7 years
Sprinkler/fire system	20-25 years	Copiers	3-6 years
Outdoor equipment	15-20 years	Computers	3-5 years
Furniture and accessories	15-20 years		

**SCHOOL DISTRICT OF BOROUGH OF BRISTOL**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 1 BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Compensated Absences**

The District's policies regarding vacation and sick time permit certain employees to accumulate earned but unused vacation leave. The liability for these compensated absences is recorded as long term debt in the government-wide financial statements. The current portion of this debt is estimated based on historical trends. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources.

**Termination Benefits**

Termination benefits are incentives for early retirement designed to reduce personnel costs. The full discounted liability for these incentives is recorded in the government-wide financial statements. The current portion of this debt is estimated based on historical trends. In the fund financial statements, governmental funds report only the termination benefits liability payable from expendable available financial resources.

**Deferred Inflows**

General Fund deferred inflows represent primarily delinquent taxes not collected within 60 days subsequent to the District's year end. It is expected that these receivables will be collected and included in revenues in future fiscal years. On governmental fund financial statements, these receivables are reported as unavailable revenue.

**Long-Term Obligations**

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

Bond issuance costs, except for insurance, are expensed in the year in which they are incurred. Insurance is reported as long term prepayments and amortized over the term of the related debt.

In the 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 uses, issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures, except for refunding paid from proceeds which are reported as other financing uses.

**Use of Estimates in the Preparation of Financial Statements**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**SCHOOL DISTRICT OF BOROUGH OF BRISTOL**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 1 BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund Balance Policies**

In the fund financial statements, fund balance is reported in classifications that comprise a hierarchy based on constraints on the specific purposes for which resources in those funds can be spent. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first and then unrestricted resources, as they are needed. Within unrestricted resources, committed and assigned are considered spent before unassigned amounts.

**Restricted classifications:**

- Nonspendable—Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- Restricted—Amounts that can be spent only for specific purposes because of externally imposed conditions by grantors, creditors, laws and regulations of other governments, or laws through constitutional provisions or enabling legislation.

**Unrestricted classifications:**

- Committed—Self imposed limitations by the Board. Amounts that can be used only for specific purposes determined by a formal action by the School District Board via ordinance or resolution. This includes Budget Reserve Accounts. Board approval is required to rescind the commitment.
- Assigned—Self imposed limitations by management. Amounts that are designated by the Business Manager for a particular purpose but are not spendable until a budget ordinance is passed or there is a majority vote approval (for capital projects or debt service) by City Council. Also, in funds other than the general fund, the excess (positive amount) of residual net resources over nonspendable, restricted and committed is considered assigned by virtue of being included in a separate fund.
- Unassigned—The residual net resources in excess of the other classifications, i.e., all amounts not included in other classifications. The general fund is the only fund that can report a positive unassigned fund balance. Any governmental fund can report a negative unassigned fund balance.

**Comparative Data**

Certain comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations. However, complete comparative data in accordance with generally accepted accounting principles has not been presented since its inclusion would make the financial statements unduly complex and difficult to read.

**Deferred Outflows/Inflows of Resource**

GASB Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in the statement of financial position and related disclosures. In compliance with GASB 63, the Statement of Net Assets was renamed the Statement of Net Position and includes four components: assets, deferred outflows of resources, liabilities, and deferred inflows of resources.

GASB Statement 65, *Items Previously Reported as Assets and Liabilities*, clarifies the appropriate reporting of deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. The District implemented the statement beginning with the 2013 financial statements.

**SCHOOL DISTRICT OF BOROUGH OF BRISTOL**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 1 BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. Items that qualify for reporting in this category are the deferred loss on refunding and deferred amounts related to pensions (Note 8) and other post employment benefits (Note 11) reported in the government-wide statement of net position and proprietary fund. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred over the shorter of the life of the refunded or refunding debt.

Deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item which arises only under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, this item, unavailable revenue-property taxes, is reported only in the governmental funds balance sheet. The District also has deferred amounts related to pensions (Note 8) and other post employment benefits (Note 11) reported in the government-wide statement of net position and proprietary fund. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

GASB Statement 65 also states that bond issuance costs, except for insurance, should be expensed in the year in which they are incurred.

**Pension Accounting and Reporting**

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, was issued by the GASB in June 2012 and was effective for the District's fiscal year ending June 30, 2015. The Statement requires governments that participate in defined benefit pension plans to report a net pension liability in their statement of net position. The net pension liability is the difference between the total pension liability (the present value of projected benefit payments to employees based on their past service) and the assets (mostly investments reported at fair value) set aside in a trust and restricted to paying benefits to current employees, retirees, and their beneficiaries. GASB Statement No. 68 requires cost-sharing employers to record a liability and expense equal to their proportionate share of the collective net pension liability and expense for the cost-sharing plan. GASB Statement No. 68 improves the comparability and consistency of how governments calculate pension liabilities and expense.

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.

**SCHOOL DISTRICT OF BOROUGH OF BRISTOL**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 1 BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Other Postemployment Benefits**

Postemployment benefits are benefits earned and recognized when the employee provides services but that cannot be used until the employee is no longer working. Increases in the liability are recorded in the government-wide financial statements. In the fund financial statements, governmental funds report only the postemployment benefits liability payable from expendable available financial resources.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* was issued by the GASB in June 2015 and was effective for the District's fiscal year ending June 30, 2018. The Statement requires governments that provide postemployment benefits (OPEB) to report the full OPEB liability in their statement of net position. The full OPEB liability is the difference between the total OPEB liability (the present value of projected benefit payments to employees based on their past service) and the assets (mostly investments reported at fair value) set aside in trust and restricted to paying benefits. GASB Statement No. 75 requires cost-sharing employers to record a liability and expense equal to their proportionate share of the collective OPEB liability and expense for the cost-sharing plan. Prior to GASB Statement No. 75, governments reported an OPEB liability equal to cumulative unpaid annual required contributions.

For purposes of measuring the OPEB 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.

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgetary Information:**

An annual budget is adopted prior to the beginning of each year for the general fund on the modified accrual basis of accounting. The general fund is the only fund for which a budget is legally required, although project-length financial plans are adopted for all capital project funds. 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.

**SCHOOL DISTRICT OF BOROUGH OF BRISTOL**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 3 CASH & INVESTMENTS**

**Deposits & Investments**

Deposits are permitted to be secured on a pooled basis with other public funds which the banking institution has on deposit in excess of the Federal Depository Insurance Limit. These may be bonds of the United States, States of the United States, political subdivisions of Pennsylvania, authorities created by the Commonwealth of Pennsylvania or insured by the Federal Deposit Insurance Corporation.

Investments are permitted consistent with sound business practices in obligations of the United States or any of its agencies or instrumentalities, the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth, or any political subdivision or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision.

*Credit risk:* the District has no investment policy that would limit its investment choices to certain credit ratings.

*Interest rate risk* is the risk that changes in interest rates will adversely affect an investment's value. The District does not have a formal investment policy regarding interest rate risk.

*Concentration of Credit Risk* is risk that a concentration of investments in any one single issuer of debt securities presents a greater risk for loss in the event the issuer fails on its obligations. The District does not have a formal policy regarding concentration of credit risk. Concentrations of the District's investments in excess of 5% at [June 30, 2020](#), are as follows:

<u>Investment</u>	<u>Percent of Government Wide Investments</u>
PA School District Liquid Asset Fund	100%

The PA School District Liquid Asset Fund is rated 'AAAm' by S&P Global. The fund uses a principal investment strategy of investing in short-term money-market instruments and maintaining a constant net asset value (NAV) of \$1.00 per share. The weighted average maturity of the fund is 33 days.

*Custodial credit risk* for deposits is the risk that in the event of a bank failure, the District's deposits may not be returned to it. Custodial credit risk for investments is the risk that, in the event of 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 School District's policy is to deposit funds in institutions that hold collateral in the depository's agent, but not in the School District's name. As of [June 30, 2020](#), the School District's bank balances and investments were exposed to custodial credit risk as follows:

	<u>Governmental funds</u>	<u>Cafeteria Fund</u>	<u>Total</u>
Uncollateralized Amount	\$ 0	\$ 0	\$ 0
Plus: Insured Amount	250,000	20,109	270,109
Plus: Collateral held by entity other than pledging institution	1,378,461	50,959	1,429,420
Plus: Collateral held by depository's agent	103,306	1,150	104,456
Less: Outstanding Checks	(1,635,373)	(1,217)	(1,636,590)
Plus: Deposits in Transit	<u>0</u>	<u>0</u>	<u>0</u>
Carrying Amount - Bank Balances	96,394	71,001	167,395
Plus: Petty Cash	<u>1,450</u>	<u>0</u>	<u>1,450</u>
Total Cash, Cash Equivalents & Investments per Financial Statements	<u>\$ 97,844</u>	<u>\$ 71,001</u>	<u>\$ 168,845</u>

**SCHOOL DISTRICT OF BOROUGH OF BRISTOL**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 4 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

The composition of interfund balances as of June 30, 2020 is as follows:

<u>Receivable Fund</u>	<u>Amount</u>	<u>Payable Fund</u>	<u>Amount</u>
Food Service Fund	\$ 0	General Fund	\$ 0
Capital Reserve Fund	0	Capital Projects Fund	2
General Fund	206,993	Food Service Fund	206,991
Capital Projects Fund	<u>0</u>	General Fund	<u>0</u>
	<u>\$ 206,993</u>		<u>\$ 206,993</u>

Interfund balances between funds result from the time lag between the dates that 1) interfund goods and service are provided or reimbursable expenditure occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made.

Interfund Transfers: Are used to move amounts between funds. \$177,737 was transferred from the General Fund to Food Service Fund during the year ended June 30, 2020.

**NOTE 5 CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2020 was as follows:

	Balance <u>6/30/19</u>	<u>Deletions</u>	<u>Additions</u>	Balance <u>6/30/20</u>
<b>Governmental Activities:</b>				
Capital Assets not being depreciated:				
Land	<u>\$ 542,076</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 542,076</u>
Capital Assets being depreciated:				
Building & building improvements	\$ 41,991,434	\$ -	\$ 31,020	\$ 42,022,454
Furniture, machinery and Equipment	<u>2,595,905</u>	<u>-</u>	<u>-</u>	<u>2,595,905</u>
Total capital assets being depreciated	44,587,339	-	31,020	44,618,359
Less: Accumulated Depreciation	<u>(12,911,922)</u>	<u>-</u>	<u>(919,637)</u>	<u>(13,831,559)</u>
Total Governmental activities capital assets being depreciated, net	<u>\$ 31,675,417</u>	<u>\$ -</u>	<u>\$ (888,617)</u>	<u>\$ 30,786,800</u>
Governmental activities capital assets, net	<u>\$ 32,217,493</u>	<u>\$ -</u>	<u>\$ (888,617)</u>	<u>\$ 31,328,876</u>
<b>Business-Type Activities</b>				
Furniture, machinery and Equipment	372,787	-	13,500	386,287
Less: Accumulated Depreciation	<u>(320,941)</u>	<u>-</u>	<u>(23,981)</u>	<u>(344,922)</u>
Business-Type activities capital assets, net	<u>\$ 51,846</u>	<u>\$ -</u>	<u>\$ (10,481)</u>	<u>\$ 41,365</u>

Depreciation expense was charged to governmental functions/programs as follows:

Instruction	\$ 669,064
Instructional student support	37,417
Administrative and financial support services	81,035
Operation and maintenance of plant services	62,233
Transportation	51,064
Student Activities	<u>18,824</u>
Total Depreciation Expense - Government Activities	<u>\$ 919,637</u>

**SCHOOL DISTRICT OF BOROUGH OF BRISTOL**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 6 AUTHORITY RENTALS/JOINT VENTURES**

The District participates in joint ventures for the operation of the Bucks County Technical School ("School") and the Bucks County Technical School Authority ("Authority"). The School provides vocational-technical training and education to students of the participating school districts. The Authority oversees acquiring, holding, constructing, improving and maintaining school buildings for the School. The School and Authority are controlled by joint boards comprised of representative school board members of the participating school districts in accordance with terms specified under Articles of Agreement that expire June 30, 2021.

The District's share of operating costs for the School fluctuates based on the District's percentage of enrollment.

The participating school districts have entered into a long-term lease agreement with the Authority to provide rental payments sufficient to retire the Authority's outstanding debt obligations. The agreement expired on August 15, 2018.

Future Authority rental payments are:

<u>Year Ending June 30</u>	
2021	\$ 0
2022	0
2023	0
2024	0
2025	0
Thereafter	0
	<u>\$ 0</u>

Financial statements for the School and Authority are available to the public from their administrative offices located at 610 Wistar Road, Fairless Hills, PA 19030.

**NOTE 7 LONG TERM DEBT / BONDS PAYABLE**

During the fiscal year ended **June 30, 2020**, general long-term debt changed as follows:

	Balances			Balances	Due Within
	<u>7/1/19</u>	<u>Increases</u>	<u>Decreases</u>	<u>6/30/20</u>	<u>One Year</u>
General Obligation Bonds	\$ 20,115,000	\$ -	\$ (1,375,000)	\$ 18,740,000	\$ 1,420,000
Bond premium	1,073,149	-	(172,110)	901,039	-
Compensated Absences	744,717	38,440	-	783,157	127,549
Termination Benefits	104,149	151,156	-	255,305	91,030
	<u>                  </u>	<u>                  </u>	<u>                  </u>	<u>                  </u>	<u>                  </u>
Total	\$ 22,037,015	\$ 189,596	\$ (1,547,110)	\$ 20,679,501	\$ 1,638,579

On June 9, 2016, the District issued \$9,285,000 in General Obligation Bonds, Series A of 2016 and on June 23, 2016, the District issued \$15,025,000 in General Obligation Bonds, Series B of 2016 to advance refund the \$34,935,000 General Obligation Bonds Series of 2007. The District used \$25,501,550 to purchase U.S. government securities. These securities were deposited in an irrevocable trust to provide for all future debt service on the refunded 2007 series bonds. As a result, the 2007 series bonds are considered defeased, and the District has removed the liability from its accounts. The 2007 series bonds were redeemed on September 1, 2016, and therefore are no longer outstanding.

**SCHOOL DISTRICT OF BOROUGH OF BRISTOL**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 7 LONG TERM DEBT / BONDS PAYABLE (CONTINUED)**

Following is a description and schedule of debt service requirements to maturity on the series of 2016 A & B bonds:

General Obligation Bonds Series of 2016 A & B. Original principal amount of \$24,310,000, maturing March 1, 2031, bearing interest from 0.77% to 5.00%. Interest is paid semi-annually on September 1 and March 1.	<u>Outstanding Balance</u> \$18,740,000
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Year Ended <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 1,420,000	\$ 648,414	\$ 2,068,414
2022	1,470,000	592,594	2,062,594
2023	1,525,000	541,894	2,066,894
2024	1,600,000	466,844	2,066,844
2025	1,675,000	388,044	2,063,044
2026	1,730,000	321,844	2,051,844
2027	1,800,000	253,444	2,053,444
2028	1,830,000	204,894	2,034,894
2029	1,850,000	161,419	2,011,419
2030	1,895,000	115,163	2,010,163
2031	<u>1,945,000</u>	<u>58,331</u>	<u>2,003,331</u>
	<u>\$ 18,740,000</u>	<u>\$ 3,752,885</u>	<u>\$ 22,492,885</u>

**NOTE 8 PENSION PLAN**

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**

*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).

**SCHOOL DISTRICT OF BOROUGH OF BRISTOL**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 8 PENSION PLAN (CONTINUED)**

Benefits provided:

PSERS provides retirement, disability, and death benefits. Members are eligible for unreduced monthly retirement benefits based on their membership class as follows:

<u>Membership Class</u>	<u>Membership Dates</u>	<u>Eligibility for unreduced monthly retirement benefits</u>	<u>Vesting Requirements</u>
T-C & T-D	Prior to 7/1/11	<ul style="list-style-type: none"> <li>• age 62 with at least 1 year of credited service; or</li> <li>• age 60 with 30 or more years of credited service; or</li> <li>• 35 or more years of service regardless of age.</li> </ul>	<ul style="list-style-type: none"> <li>• at least five years of service with at least one year of qualifying service rendered or</li> <li>• age 62 or older at termination of employment with at least one year of qualifying service</li> </ul>
T-E & T-F	7/1/11 to 6/30/19	<ul style="list-style-type: none"> <li>• age 65 with a minimum of 3 years of service or</li> <li>• attain a total combination of age and service that totals 92 with at 35 years of service</li> </ul>	<ul style="list-style-type: none"> <li>• at least 10 years of qualifying service or</li> <li>• age 65 or older at termination of employment with at least three years of service</li> </ul>
T-G	7/1/19 to present	<ul style="list-style-type: none"> <li>• age 67 with a minimum of 3 years of service or</li> <li>• attain a total combination of age and service that totals 97 with at 35 years of service</li> </ul>	<ul style="list-style-type: none"> <li>• at least 10 years of qualifying service or</li> <li>• age 67 or older at termination of employment with at least three years of service</li> </ul>
T-H	7/1/19 to present	<ul style="list-style-type: none"> <li>• age 67 with a minimum of 3 years of service or</li> </ul>	<ul style="list-style-type: none"> <li>• at least 10 years of qualifying service or</li> <li>• age 67 or older at termination of employment with at least three years of service</li> </ul>
DC	7/1/19 to present	<ul style="list-style-type: none"> <li>• N/A</li> </ul>	<ul style="list-style-type: none"> <li>• Immediate 100% vesting</li> </ul>

Defined monthly retirement benefits are calculated by multiplying the member's number of years of credited service times final average salary (FAS) times the benefit percentage.

Defined benefit participants are eligible for disability retirement benefits after completion of five years of credited service. Such benefits are generally equal to years of credited service times FAS times the benefit percentage, subject to a minimum but not greater than the benefit the member would have had at normal retirement age. Members over normal retirement age may apply for disability benefits.

Values for determining FAS, benefit percentages and disability minimums for each class are as follows:

<u>Membership Class</u>	<u>FAS</u>	<u>Retirement Benefit %</u>	<u>Disability Benefit %</u>	<u>Disability minimum</u>
T-C & T-E	Highest 3- years	2.00%	2.00%	1/3 of salary
T-D & T-F	Highest 3- years	2.50%	2.50%	40% of salary
T-G	Highest 5- years	1.25%	2.00%	\$100 per yr. of service
T-H	Highest 5- years	1.00%	2.00%	\$100 per yr. of service
DC	N/A	N/A	N/A	N/A

**SCHOOL DISTRICT OF BOROUGH OF BRISTOL**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 8 PENSION PLAN (CONTINUED)**

Death benefits are payable upon the death of a member. For a vested member, the death benefit is equal to the present value of the member's account, which is determined based on years of credited service, final average salary, and age at the time of death. For a non vested member, the death benefit is equal to the member's contributions and interest.

Contributions:

*Member Contributions:*

Following are current required member contributions by class:

<b>Membership Class</b>	<b>Membership Join Dates</b>	<b>Member Defined Benefit Contribution %</b>	<b>Member Defined Contribution %</b>
T-C	Prior to 7/22/83	5.25%	N/A
T-C	7/22/83 to 7/1/01	6.25%	N/A
T-D	Prior to 7/22/83	6.50%	N/A
T-D	7/22/83 to 6/30/19	7.50%	N/A
T-E	7/1/11 to 6/30/19	7.50% with shared risk cap of 9.5%	N/A
T-F	7/1/11 to 6/30/19	10.30% with shared risk cap of 12.3%	N/A
T-G	7/1/19 to present	5.50% with shared risk/gain	2.75%
T-H	7/1/19 to present	4.50% with shared risk/gain	3.00%
DC	7/1/19 to present	N/A	7.50%

*Employer Contributions:*

The school districts' contractually required contribution rate for the years ended [June 30, 2020 and 2019](#) was **33.45%** and **32.60%** of covered payroll, respectively, 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.

In accordance with Act 29 of 1994, the Commonwealth of Pennsylvania pays school entities a subsidy for contributions made to the System based on the formula in Act 29 of 1994, but not less than one-half of the School District's contributions. The School District's contributions to the Plan for the years ended [June 30, 2020 and 2019](#) totaled \$3,650,027 and \$3,499,423, respectively. The subsidy amounted to \$2,263,058 and \$2,148,831 for the years ended [June 30, 2020 and 2019](#), respectively.

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

At [June 30, 2020](#), the School District reported a liability of \$36,397,002 for its proportionate share of the net pension liability. The net pension liability was measured as of [June 30, 2019](#), and the total pension liability used to calculate the net pension liability was determined by rolling forward the System's total pension liability as of [June 30, 2018](#) to [June 30, 2019](#). 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. At [June 30, 2020](#), the District's proportion was 0.0778%, which increased from 0.0767% as of [June 30, 2019](#).

**SCHOOL DISTRICT OF BOROUGH OF BRISTOL**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 8 PENSION PLAN (CONTINUED)**

For the year ended **June 30, 2020**, the District recognized pension expense of \$4,131,355. At **June 30, 2020**, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	205,000	1,202,632
Changes of assumptions	350,625	-
Net difference between projected and actual earnings on pension plan investments	-	102,409
Changes in proportion	631,914	630,000
Differences between District contributions and proportionate share of contributions	64,522	
District contributions subsequent to the measurement date	<u>3,650,026</u>	<u>-</u>
<b>Total</b>	<b><u>\$ 4,902,087</u></b>	<b><u>\$ 1,935,041</u></b>

\$3,650,026 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, 2021**. 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>	
2021	\$ 188,068
2022	(710,048)
2023	(226,000)
2024	65,000
2025	0
Thereafter	0
	<u><u>(\$ 682,980)</u></u>

**Actuarial Assumptions**

The total pension liability in the **June 30, 2019** actuarial valuation was determined by rolling forward the System's total pension liability as of **June 30, 2018** to **June 30, 2019** using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method: Entry Age Normal - level % of pay
- Investment rate of return: 7.25%, including inflation at 2.75%
- Salary growth: Effective average of 5.00%, comprised of inflation of 2.75% and real wage growth of 2.25% for real wage growth and for merit or seniority increases.
- Mortality rates: RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale.

The actuarial assumptions used in the June 30, 2019 valuation were based on the experience study that was performed for the five-year period ending June 30, 2015.

**SCHOOL DISTRICT OF BOROUGH OF BRISTOL**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 8 PENSION PLAN (CONTINUED)**

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.

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Global public equity	20.0%	5.6%
Fixed income	36.0%	1.9%
Commodities	8.0%	2.7%
Absolute return	10.0%	3.4%
Risk parity	10.0%	4.1%
Infrastructure/MLPs	8.0%	5.5%
Real estate	10.0%	4.1%
Alternative investments	15.0%	7.4%
Cash	3.0%	0.3%
Financing (LIBOR)	<u>(20.0%)</u>	0.7%
	<u>100%</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, 2019](#).

*Discount rate:* The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from school districts 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

*Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate:* The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
	<b>6.25%</b>	<b>7.25%</b>	<b>8.25%</b>
District's proportionate share of the net pension liability	\$ 45,336,000	\$ 36,397,000	\$ 28,827,000

*Pension 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).

**SCHOOL DISTRICT OF BOROUGH OF BRISTOL**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 9 RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District carries commercial insurance for risks other than health insurance, including property and liability. There has been no significant reduction in insurance coverage from the previous year in the School's policies for other risks. Settled claims resulting from these risks have not exceeded commercial insurance coverage in the past three years.

Health insurance is provided through The Delaware Valley Health Trust, a public entity risk pool, effective July 1, 2018 through July 1, 2021. The trust is governed by a board of trustees. The Trust is administered by a third party. The District pays contributions to the Trust based on actuarial estimates of the amounts needed to pay prior and current year claims and to establish a reserve for catastrophe losses. Additional assessments proportional to annual contributions of all participants may be made by the trust to preserve fiscal and actuarial soundness and to eliminate deficits. Such assessments cannot exceed two times the District's annual contribution. A liability for additional assessments is reported if information indicates that it is probable that a liability for an assessment has been incurred at the date of the financial statements and the amount can be reasonably estimated. Prior to July 1, 2018 the District participated in the Bucks and Montgomery County Schools Health Care Consortium.

**NOTE 10 TERMINATION BENEFITS – RETIREMENT INCENTIVES**

The District has entered into several agreements in 2006, 2009, 2015 and 2020 designed to reduce overall personnel costs. The agreements provided incentive to eligible employees who met years of service requirements to voluntarily retire. 15 employees are currently covered under the agreements which provide for payment of up to \$55,000 in either a lump sum or for medical premium reimbursement. The District uses a discount rate of 3.5% to estimate the effect of making the cash payments over periods ranging from 1 to 10 years.

**NOTE 11 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

The District provides postemployment benefits under two plans.

**Pennsylvania Public School Employees' Retirement System (PSERS) plan**

Health insurance premium assistance payments are provided through the Public School Employees' Retirement System (PSERS), a cost-sharing multiple-employer defined benefit pension plan administered by the Pennsylvania Public School Employees' Retirement System.

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.

**SCHOOL DISTRICT OF BOROUGH OF BRISTOL**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 11 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)**

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

Health Insurance Premium Assistance Program (HIPAP)

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, 2019](#) 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 24 ½ 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, 2019](#) there were no assumed future benefit increases to participating eligible retirees

Employer Contributions:

The school districts' contractually required contribution rate for the fiscal years ended [June 30, 2020 and 2019](#), respectively, was 0.84% and 0.83% 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 \$91,660 and \$89,096 for the years ended [June 30, 2020 and 2019](#), respectively.

**SCHOOL DISTRICT OF BOROUGH OF BRISTOL**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 11 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

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

At **June 30, 2020**, the District reported a liability of \$1,654,998 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of **June 30, 2019**, and the total OPEB liability used to calculate the net OPEB liability was determined by rolling forward the System's total OPEB liability as of **June 30, 2018** to **June 30, 2019**. 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. At **June 30, 2020**, the District's proportion was 0.0778% which increased from 0.0767% as of **June 30, 2019**.

For the year ended **June 30, 2020**, the District recognized OPEB expense of \$80,896. At **June 30, 2020**, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	8,000	-
Changes of assumptions	54,000	49,000
Net difference between projected and actual earnings on pension plan investments	2,000	-
Changes in proportion and differences between District contributions and proportionate share of contributions	35,000	40,998
District contributions subsequent to the measurement date	<u>91,660</u>	<u>-</u>
Total	<u>\$ 190,660</u>	<u>\$ 89,998</u>

\$91,660 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, 2020**. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in OPEB expense as follows:

<u>Year Ending June 30</u>	
2021	(\$ 2,000)
2022	(2,000)
2023	(3,000)
2024	-
2025	7,000
Thereafter	<u>9,002</u>
	<u><u>\$ 9,002</u></u>

***Actuarial Assumptions***

The Total OPEB Liability as of **June 30, 2019**, was determined by rolling forward the System's Total OPEB Liability as of **June 30, 2018** to **June 30, 2019** using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method - Entry Age Normal - level % of pay.
- Investment return – 2.79% - S&P 20 Year Municipal Bond Rate.
- Salary growth - Effective average of 5.00%, comprised of inflation of 2.75% and 2.25% for real wage growth and for merit or seniority increases.
- Premium Assistance reimbursement is capped at \$1,200 per year.

**SCHOOL DISTRICT OF BOROUGH OF BRISTOL**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 11 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

- Assumed Healthcare cost trends were applied to retirees with less than \$1,200 in premium assistance per year.
- Mortality rates were based on the RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 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%

The actuarial assumptions used in the June 30, 2017 valuation were based on the experience study that was performed for the five-year period ending June 30, 2015.

The following assumptions were used to determine the contribution rate:

- The results of the actuarial valuation as of **June 30, 2016** determined the employer contribution rate for fiscal year **2019**.
- 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 rates and retirement ages were based on the RP-2000 Combined Healthy Annuitant Tables with age set back 3 for both males and females for healthy annuitants and for dependent beneficiaries. For disabled annuitants, the RP-2000 Combined Disabled Tables with age set back 7 years for males and 3 years for females for disabled annuitants. (A unisex table based on the RP-2000 Combined Healthy Annuitant Tables with age set back 3 years for both genders assuming the population consists of 25% males and 75% females is used to determine actuarial equivalent benefits.)

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

The OPEB 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.

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Cash	13.2%	0.02%
US Core Fixed income	83.1%	1.0%
Non-US Developed Fixed	<u>3.7%</u>	0.0%
	<u>100%</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, 2019**.

**SCHOOL DISTRICT OF BOROUGH OF BRISTOL**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 11 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

Discount rate

The discount rate used to measure the Total OPEB Liability was 2.79%. 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 OPEB 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 2.79% which represents the S&P 20 year Municipal Bond Rate at [June 30, 2019](#), 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, 2019](#), 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, 2019](#), 93,339 retirees were receiving the maximum amount allowed of \$1,200 per year. As of [June 30, 2019](#), 780 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, 2019](#), calculated using current Healthcare cost trends as well as what the System net OPEB liability would be if it health cost trends were 1-percentage point lower or 1-percentage point higher than the current rate:

	<b>1% Decrease</b>	<b>Current Trend Rate</b>	<b>1% Increase</b>
System net OPEB liability	\$ 1,654,000	\$ 1,655,000	\$ 1,655,000

Sensitivity of the District’s proportionate share of the net OPEB liability to changes in the discount rate

The following presents the net OPEB liability, calculated using the discount rate of 2.79%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (1.79%) or 1-percentage-point higher (3.79%) than the current rate:

	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
	<b>1.79%</b>	<b>2.79%</b>	<b>3.79%</b>
District’s proportionate share of the net OPEB liability	\$ 1,885,000	\$ 1,655,000	\$ 1,464,000

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).

**SCHOOL DISTRICT OF BOROUGH OF BRISTOL**  
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**NOTE 11 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

**District Post Employment Health Insurance Plan (District Plan)**

***General Information about the District Plan***

*Plan description.* The District Plan is a single employer defined benefit OPEB plan administered by the District. The plan is funded on a pay-as-you-go basis. No assets are accumulated in a trust and no funds are segregated from other assets of the District.

*Benefits provided.* The District provides single person coverage only health insurance to specified employees for the period from date of retirement to date of eligibility for Medicare (the 'Plan').

*Employees covered.* Benefits are provided to certain administrative employees as specified through employment contracts. At June 30, 2020, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	1
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	<u>5</u>
	<u>6</u>

***Total District Plan OPEB Liability***

The District's total District Plan OPEB liability of \$103,479 was measured as of [June 30, 2020](#) and was determined using the alternative measurement method as of that date. As the District's OPEB Plan is unfunded, the total OPEB liability is equal to the net OPEB liability.

Changes in the Total OPEB Liability

Service cost	\$ 11,574
Interest	3,681
Changes of assumptions or other inputs	(4,618)
Benefit payments	<u>(12,495)</u>
Net Change in total OPEB Liability	(1,858)
Total OPEB Liability at <a href="#">June 30, 2019</a>	<u>105,337</u>
Total OPEB Liability at <a href="#">June 30, 2020</a>	<u>\$103,479</u>

***Actuarial assumptions and other inputs***

The total District Plan OPEB liability was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00%
Salary increases average, including inflation	3.00%
Discount rate	2.66%
Healthcare Cost Trend Rate	6.00%
Retirees share of benefit related costs	0.00%

The discount rate was based on the S&P Municipal Bond 20 Year High Grade Rate Index.

**SCHOOL DISTRICT OF BOROUGH OF BRISTOL**  
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**JUNE 30, 2020**

**NOTE 11 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

Mortality rates were based on mortality tables at the National Center for Health Statistics website (www.cdc.gov). The 2017 United States Life Tables for Males and Females were used. Life expectancies that included partial years were rounded to the nearest whole year. For example, 47.6 years was rounded to 48 years. The calculation of projected benefit payments for each year is based on the assumption that all participants will live until their expected age as displayed in the mortality tables.

Turnover - The probability that an active employee will remain employed until the assumed age at which benefit payments will begin to be made was determined using gender-specific age-based turnover derived from data maintained by the U.S. Office of Personnel Management regarding the most recent experience of the employee group covered by the Federal Employees Retirement System.

Sensitivity of the District Plan Net OPEB Liability to Change in Healthcare Cost Trend Rates

The following presents the District Plan net OPEB liability for **June 30, 2020**, calculated using current Healthcare cost trends as well as what the net OPEB liability would be if it health cost trends were 1-percentage point lower or 1-percentage point higher than the current rate:

	<b>1% Decrease</b>	<b>Current Trend Rate</b>	<b>1% Increase</b>
District net OPEB liability	\$ 98,096	\$103,479	\$ 109,741

Sensitivity of the District Plan net OPEB liability to changes in the discount rate

The following presents District Plan net OPEB liability, calculated using the discount rate of 2.66%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (1.66%) or 1-percentage-point higher (3.66%) than the current rate:

	<b>1% Decrease 1.66%</b>	<b>Current Discount Rate 2.66%</b>	<b>1% Increase 3.66%</b>
District's proportionate share of the net OPEB liability	\$ 106,763	\$103,479	\$ 99,829

***Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to District Plan OPEB***

For the year ended **June 30, 2020** the District recognized District Plan OPEB expense of \$10,637.

There were no deferred outflows or inflows of resources at **June 30, 2020**.

**SCHOOL DISTRICT OF BOROUGH OF BRISTOL**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 12 RENTALS UNDER LEASES**

The District is a lessor of land on a long-term basis and classroom space on a year to year basis. Minimum future rentals on noncancelable leases in effect at June 30, 2020 are as follows:

<u>Year Ending June 30</u>	
2021	\$ 85,065
2022	62,005
2023	62,005
2024	62,005
2025	10,334
2026 and thereafter	-

**NOTE 13 TAX ABATEMENTS**

The District enters into property tax abatement agreements with local businesses under the LERTA (Local Economic Revitalization Tax Assistance) program that reduces property tax revenues. Under the LERTA Act, localities may grant property tax abatements of up to 50% of a business' property tax bill for the purposes of improving the property located within their jurisdictions.

For the fiscal year ended June 30, 2020, no property taxes were abated under the LERTA program.

**NOTE 14 UPCOMING ACCOUNTING PRONOUNCEMENTS**

The Governmental Accounting Standards Board (GASB) has issued the following standards that have not yet been implemented:

Statement No. 84, *Fiduciary Activities*, was issued by the GASB in January 2017 and will be effective for the District's in fiscal year end June 30, 2021. This statement establishes criteria for identifying fiduciary activities and describes four types of fiduciary funds. An activity meeting certain criteria should be reported in a fiduciary fund in the basic financial statements. Districts with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. The criteria include whether or not a government is controlling the assets of the fiduciary activity. A liability to beneficiaries is recognized when an event has occurred that compels the government to disburse fiduciary resources.

Statement No. 87, *Leases*, was issued by the GASB in June 2017 and will be effective for the District's fiscal year end June 30, 2022. This statement requires recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use the underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

**NOTE 15 SUBSEQUENT EVENTS**

Date of management evaluation: management has evaluated subsequent events through December 18, 2020, the date on which the financial statements were available to be issued.

## SUPPLEMENTARY INFORMATION

*REQUIRED SUPPLEMENTARY INFORMATION*  
**SCHOOL DISTRICT OF BOROUGH OF BRISTOL**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual Amounts	Over (Under) Final Budget
	Original	Final		
<b>REVENUES</b>				
Local Sources	\$ 11,809,754	\$ 11,809,754	\$ 12,188,091	\$ 378,337
State Sources	11,643,820	11,643,820	12,407,543	763,723
Federal Sources	945,188	945,188	1,463,213	518,025
Total Revenues	<u>24,398,762</u>	<u>24,398,762</u>	<u>26,058,847</u>	<u>1,660,085</u>
<b>EXPENDITURES</b>				
Instruction	16,866,922	16,882,471	18,056,630	1,174,159
Support Services	5,351,761	5,329,104	5,345,809	16,705
Non-Instructional Services	340,960	304,558	293,023	(11,535)
Capital Outlay	392,490	436,000	398,510	(37,490)
Debt Service & other financing	2,064,138	2,064,138	2,064,139	1
Refund of prior year receipts	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>25,016,271</u>	<u>25,016,271</u>	<u>26,158,111</u>	<u>1,141,840</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ (617,509)</b>	<b>\$ (617,509)</b>	<b>\$ (99,264)</b>	<b>\$ 518,245</b>
<b>OTHER FINANCING SOURCES AND USES</b>				
Transfers in	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>(177,737)</u>	<u>(177,737)</u>
<b>Net change in fund balance</b>	<u>(617,509)</u>	<u>(617,509)</u>	<u>(277,001)</u>	<u>340,508</u>
Fund Balance - Beginning of Year			<u>1,277,672</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 1,000,671</u>	

*See accompanying notes to Financial Statements*

*REQUIRED SUPPLEMENTARY INFORMATION*  
**SCHOOL DISTRICT OF BOROUGH OF BRISTOL**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**YEAR ENDED JUNE 30, 2020**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Measurement date	2019	2018	2017	2016	2015	2014	2013
District's proportion of the net pension liability	0.0778%	0.0767%	0.0794%	0.0784%	0.0777%	0.0757%	0.0745%
District's proportionate share of the net pension liability	\$ 36,397,000	\$ 36,820,000	\$ 39,214,000	\$ 38,852,551	\$ 33,656,149	\$ 29,962,603	\$ 30,497,510
District's covered-employee payroll	\$ 10,725,140	\$ 10,326,467	\$ 10,565,219	\$ 10,152,812	\$ 9,995,047	\$ 9,663,787	\$ 9,559,880
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	339.36%	356.56%	371.16%	382.68%	336.73%	310.05%	319.02%
Plan fiduciary net position as a percentage of the total pension liability	55.66%	54.00%	51.84%	50.14%	54.36%	57.24%	54.49%

*REQUIRED SUPPLEMENTARY INFORMATION*  
**SCHOOL DISTRICT OF BOROUGH OF BRISTOL**  
**SCHEDULE OF DISTRICT CONTRIBUTIONS TO THE PENSION PLAN**  
**YEAR ENDED JUNE 30, 2020**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 3,650,027	\$ 3,499,423	\$ 3,271,116	\$ 3,095,085	\$ 2,601,865	\$ 2,187,052	\$ 1,638,863
Contributions in relation to the contractually required contribution	<u>\$ 3,650,027</u>	<u>\$ 3,499,423</u>	<u>\$ 3,271,116</u>	<u>\$ 3,095,085</u>	<u>\$ 2,601,865</u>	<u>\$ 2,187,052</u>	<u>\$ 1,638,863</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered employee payroll	\$ 10,894,292	\$ 10,725,140	\$ 10,326,467	\$ 10,565,219	\$ 10,152,182	\$ 9,995,047	\$ 9,663,787
Contributions as a percentage of covered employee payroll	33.50%	32.63%	31.68%	29.30%	25.63%	21.88%	16.96%

**Notes to Required Supplementary Information**  
**YEAR ENDED JUNE 30, 2020**

*Changes of benefit terms:* None

*Changes of assumptions:* None.

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

*See accompanying notes to Financial Statements*

*REQUIRED SUPPLEMENTARY INFORMATION*  
**SCHOOL DISTRICT OF BOROUGH OF BRISTOL**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB (HIPAP) LIABILITY**  
**YEAR ENDED JUNE 30, 2020**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Measurement date	2019	2018	2017	2016
District's proportion of the net OPEB (HIPAP) liability	0.0778%	0.0767%	0.0794%	0.0784%
District's proportionate share of the net OPEB (HIPAP) liability	\$ 1,655,000	\$ 1,599,000	\$ 1,618,000	\$ 1,689,000
District's covered-employee payroll	\$ 10,725,140	\$ 10,326,467	\$ 10,565,219	\$ 10,152,812
District's proportionate share of the net OPEB (HIPAP) liability as a percentage of its covered-employee payroll	15.43%	15.48%	15.31%	16.64%
Plan fiduciary net position as a percentage of the total OPEB (HIPAP) liability	5.56%	5.56%	5.73%	5.47%

*REQUIRED SUPPLEMENTARY INFORMATION*  
**SCHOOL DISTRICT OF BOROUGH OF BRISTOL**  
**SCHEDULE OF DISTRICT CONTRIBUTIONS TO THE OPEB (HIPAP) PLAN**  
**YEAR ENDED JUNE 30, 2020**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 91,660	\$ 89,906	\$ 85,539	\$ 87,977
Contributions in relation to the contractually required contribution	\$ 91,660	\$ 89,906	\$ 85,539	\$ 87,977
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered employee payroll	\$ 10,894,292	\$ 10,725,140	\$ 10,326,467	\$ 10,565,219
Contributions as a percentage of covered employee payroll	0.84%	0.84%	0.83%	0.83%

**Notes to Required Supplementary Information**  
**YEAR ENDED JUNE 30, 2020**

*Changes of benefit terms:* None.

*Changes of assumptions:*

The discount rate changed from 2.98% to 2.79%.

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

*See accompanying notes to Financial Statements*

*REQUIRED SUPPLEMENTARY INFORMATION*  
**SCHOOL DISTRICT OF BOROUGH OF BRISTOL**  
**SCHEDULE OF CHANGES IN TOTAL OPEB (DISTRICT PLAN) LIABILITY AND RELATED RATIOS**  
**YEAR ENDED JUNE 30, 2020**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>Total OPEB Liability:</u>			
Service cost	\$ 11,574	\$ 5,951	\$ 7,228
Interest	3,681	3,669	4,089
Changes of assumptions or other inputs	(4,618)	(17,451)	4,636
Benefit payments	<u>(12,495)</u>	<u>-</u>	<u>(22,774)</u>
Net Change in total OPEB Liability	(1,858)	(7,831)	(6,821)
Total OPEB Liability - Beginning	<u>105,337</u>	<u>113,168</u>	<u>119,989</u>
Total OPEB Liability - Ending	<u>\$ 103,479</u>	<u>\$ 105,337</u>	<u>\$ 113,168</u>
Covered-employee payroll	\$ 565,995	\$ 522,470	\$ 505,870
Total OPEB Liability as a percentage of covered-employee payroll	18.28%	20.16%	22.37%

**Notes to Required Supplementary Information**  
**SCHOOL DISTRICT OF BOROUGH OF BRISTOL**

*Changes of benefit terms:* None

*Changes of assumptions:*

The discount rate changed from 2.79% to 2.66%

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

*See accompanying notes to Financial Statements*

**SCHOOL DISTRICT OF BOROUGH OF BRISTOL**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**  
 Page 1 of 1

Grantor Program Title	Source Code	Federal CFDA Number	Pass Thru Grantor's Number	Grant Period		Program or Award Amount	Total Receipts For the Year	Accrued or (Deferred) Revenue 7/1/2019	Revenue Recognized	Expenditures	Accrued or (Deferred) Revenue 6/30/2020	Passed Through To Subrecipients
				Beginning Date	Ending Date							
<b>U.S. DEPT. OF EDUCATION</b>												
<i>Passed thru the PA Dept. of Education:</i>												
Title I - IBP	I	84.010	13-190048	July 1, 2018	Sept. 30, 2019	\$ 457,906	\$ 131,433	\$ 85,482	\$ 45,951	\$ 45,951	\$ -	\$ -
Title I - IBP	I	84.010	13-200048	July 1, 2019	Sept. 30, 2020	\$ 455,006	\$ 292,524	\$ -	\$ 382,171	\$ 382,171	\$ 89,647	\$ -
						<b>\$ 912,912</b>	<b>\$ 423,957</b>	<b>\$ 85,482</b>	<b>\$ 428,122</b>	<b>\$ 428,122</b>	<b>\$ 89,647</b>	<b>\$ -</b>
Title II - Supporting Effective Instruction	I	84.367	20-190048	July 1, 2018	Sept. 30, 2019	\$ 62,499	\$ 17,872	\$ 17,872	\$ -	\$ -	\$ -	\$ -
Title II - Supporting Effective Instruction	I	84.367	20-200048	July 1, 2019	Sept. 30, 2020	\$ 57,170	\$ 56,669	\$ -	\$ 82,983	\$ 82,983	\$ 26,314	\$ -
						<b>\$ 119,669</b>	<b>\$ 74,541</b>	<b>\$ 17,872</b>	<b>\$ 82,983</b>	<b>\$ 82,983</b>	<b>\$ 26,314</b>	<b>\$ -</b>
Title IV - SS & AE	I	84.424	144-190048	July 1, 2018	Sept. 30, 2019	\$ 27,869	\$ 3,894	\$ 3,894	\$ -	\$ -	\$ -	\$ -
Title IV - SS & AE	I	84.424	144-200048	July 1, 2019	Sept. 30, 2020	\$ 34,328	\$ 33,915	\$ -	\$ 20,793	\$ 20,793	\$ (13,122)	\$ -
						<b>\$ 62,197</b>	<b>\$ 37,809</b>	<b>\$ 3,894</b>	<b>\$ 20,793</b>	<b>\$ 20,793</b>	<b>\$ (13,122)</b>	<b>\$ -</b>
Title IV -21st Century Community Learning Centers	I	84.287C		Jan. 01, 2019	Dec. 31, 2019	\$ 471,935	\$ 415,433	\$ 57,870	\$ 427,817	\$ 427,817	\$ 70,254	\$ 358,066
Title IV -21st Century Community Learning Centers	I	84.287C		Oct., 1, 2018	Sept. 30, 2019	\$ 399,600	\$ 445,896	\$ 81,571	\$ 396,084	\$ 396,084	\$ 31,759	\$ 341,251
Title IV -21st Century Community Learning Centers	I	84.287C		July 1, 2019	June 30, 2020	\$ 165,000	\$ 45,774	\$ -	\$ 55,647	\$ 55,647	\$ 9,873	\$ 34,555
						<b>\$ 1,036,535</b>	<b>\$ 907,103</b>	<b>\$ 139,441</b>	<b>\$ 879,548</b>	<b>\$ 879,548</b>	<b>\$ 111,886</b>	<b>\$ 733,872</b>
<i>Passed thru the Bucks Co. I.U. #22</i>												
IDEA-B	I	84.027	062-20-022	July 1, 2019	Sept. 30, 2020	\$ 279,320	\$ 279,320	\$ -	\$ 279,320	\$ 279,320	\$ -	\$ -
IDEA-Sec. 619	I	84.173	131-19-022	July 1, 2019	June 30, 2020	\$ 616	\$ 616	\$ -	\$ 616	\$ 616	\$ -	\$ -
IDEA-B Cluster Sub-total						<b>\$ 279,936</b>	<b>\$ 279,936</b>	<b>\$ -</b>	<b>\$ 279,936</b>	<b>\$ 279,936</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TOTAL U.S. DEPT. OF EDUCATION</b>						<b>\$ 2,411,249</b>	<b>\$ 1,723,346</b>	<b>\$ 246,689</b>	<b>\$ 1,691,382</b>	<b>\$ 1,691,382</b>	<b>\$ 214,725</b>	<b>\$ 733,872</b>
<b>U.S. DEPT. OF AGRICULTURE</b>												
<i>Passed thru the PA Dept. of Education</i>												
National School Lunch	I	10.555	1-22-09130-3		N/A	N/A	\$ 331,452	\$ 10,227	\$ 333,220	\$ 333,220	\$ 11,995	\$ -
National School Breakfast	I	10.553	1-22-09130-3		N/A	N/A	\$ 70,546	\$ 3,500	\$ 67,046	\$ 67,046	\$ -	\$ -
<i>Passed thru the PA Dept. of Agriculture</i>												
National School Lunch												
Donated Commodities	I	10.555	1-22-09130-3		N/A	\$ 47,971	\$ 38,541	\$ -	\$ 38,541	\$ 38,541	\$ -	\$ -
<b>TOTAL U.S. DEPT. OF AGRICULTURE (Cluster Total)</b>						<b>\$ 47,971</b>	<b>\$ 440,539</b>	<b>\$ 13,727</b>	<b>\$ 438,807</b>	<b>\$ 438,807</b>	<b>\$ 11,995</b>	<b>\$ -</b>
<b>TOTAL FEDERAL ASSISTANCE</b>						<b>\$ 2,459,220</b>	<b>\$ 2,163,885</b>	<b>\$ 260,416</b>	<b>\$ 2,130,189</b>	<b>\$ 2,130,189</b>	<b>\$ 226,720</b>	<b>\$ 733,872</b>

SCHOOL DISTRICT OF BOROUGH OF BRISTOL  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2020

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**NOTE A-BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of School District of Bristol Borough under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of School District of Bristol Borough, it is not intended to and does not present the financial position or changes in net position of School District of Bristol Borough.

**NOTE B-SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting under generally accepted accounting principles applicable to governments. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts (if any) shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

**NOTE C—INDIRECT COST RATE**

The School District of Bristol Borough has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board Members  
School District of Borough of Bristol  
Bristol, Pennsylvania

I 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, the major funds and the aggregate remaining fund information of the School District of Borough of Bristol as of and for the year ended [June 30, 2020](#), and the related notes to the financial statements which collectively comprise the School District of Bristol Borough's basic financial statements and have issued my report thereon dated [December 18, 2020](#)

**Internal Control over Financial Reporting**

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

My 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 and therefore, significant deficiencies or material weaknesses may exist that were not identified. Given these limitations, during my audit I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses. I did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items [2020-001](#) and [2020-002](#) that I consider to be significant deficiencies.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether School District of Borough of Bristol's financial statements are free from material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**School District of Borough of Bristol's Response to Findings**

School District of Borough of Bristol's response to the findings identified in my audit is described in the accompanying schedule of findings and questioned costs. School District of Borough of Bristol's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of my 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.

*Michael K. Wieber CPA*

December 18, 2020

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO  
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE  
UNIFORM GUIDANCE**

Board Members  
School District of Borough of Bristol  
Bristol, Pennsylvania

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

I have audited the School District of Borough of Bristol's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of School District of Borough of Bristol's major federal programs for the year ended [June 30, 2020](#). School District of Borough of Bristol's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

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

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide a legal determination on School District of Borough of Bristol's compliance.

**Opinion on Each Major Program**

In my opinion, School District of Borough of Bristol complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended [June 30, 2020](#).

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

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

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

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

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

*Michael K. Wieber CPA*

December 18, 2020

**SCHOOL DISTRICT OF BOROUGH OF BRISTOL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS and SUMMARY SCHEDULE OF PRIOR  
AUDIT FINDINGS  
YEAR ENDED **JUNE 30, 2020****

**Section I- Summary of Auditor's Results**

**Financial Statements**

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP: **Unmodified**

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ Yes        X   No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_   X   Yes      \_\_\_\_\_ None reported

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes        X   No

**Federal Awards**

Internal control over major programs:

- Significant deficiency(ies) identified? \_\_\_\_\_ Yes        X   No
- Reportable condition(s) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes        X   none reported

Type of auditor's report issued on compliance for major programs: **Unmodified**

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? \_\_\_\_\_ Yes        X   No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
84.287C	Title IV -21st Century Community Learning Centers

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

Auditee qualified as low-risk auditee? \_\_\_\_\_   X   Yes      \_\_\_\_\_ No

**SCHOOL DISTRICT OF BOROUGH OF BRISTOL**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS and SUMMARY SCHEDULE OF PRIOR**  
**AUDIT FINDINGS**  
**YEAR ENDED JUNE 30, 2020**

**Section II- Financial Statement Findings**

**Finding 2020-001**

**Criteria:** The District must be able to prepare its financial statements, related footnote disclosures and required adjustments under GASB 34 in accordance with Generally Accepted Accounting Principles.

**Condition:** The auditor assisted in preparing the financial statements, the footnote disclosures and required adjustments under GASB 34 in accordance with Generally Accepted Accounting Principles. In the auditor's judgment, management possesses the necessary expertise to prepare the financial statements, but has chosen to hire the auditor to perform this service.

**Effect:** No effect on the financial statements.

**Cause:** The district relies on the auditor to prepare the financial statements and related footnote disclosures.

**Recommendation:** The District should continue to evaluate the duties of their internal staff to determine whether staff is available to fully implement their internal control policy over annual financial reporting.

**Explanation of Disagreement with Audit Finding:** There is no disagreement with the audit finding.

**Actions Planned in Response to Finding:** The District continually evaluates its assignment of duties to determine whether staff is available to fully implement their internal control policy over annual financial reporting. Management has evaluated the cost/benefit and determined that it is more cost effective to have the auditor prepare the financial statements. Management is provided with explanations of all adjustments and approves and accepts them, the financial statements and footnote disclosures as their responsibility.

**Finding 2020-002**

**Criteria:** Duties should be segregated by assigning different people the responsibilities of authorizing transactions, recording transactions, and maintaining custody of related assets.

**Condition:** A single individual prepares checks, reconciles bank accounts, performs accounts payable duties, has access to the check signing machine and maintains the general ledger.

**Effect:** No effect on the financial statements.

**Cause:** Due to the limited number of personnel in the District's administrative office, there are inherent limitations to segregation of duties among the District's personnel.

**Recommendation:** The District should continue to evaluate the duties of their internal staff to determine whether staff is available to fully segregate duties.

**Explanation of Disagreement with Audit Finding:** There is no disagreement with the audit finding.

**Actions Planned in Response to Finding:** The District continually evaluates its assignment of duties to determine whether staff is available to fully segregate duties. Management has evaluated the cost/benefit and determined that it is not feasible to hire more personnel to mitigate this issue. Management presents a list of accounts payable to the board for approval as additional oversight.

**Section III- Federal Award Programs Findings**

None

**SCHOOL DISTRICT OF BOROUGH OF BRISTOL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS and SUMMARY SCHEDULE OF PRIOR  
AUDIT FINDINGS  
YEAR ENDED JUNE 30, 2020**

**Summary Schedule of Prior Audit Findings**

**Finding 08-01**

**Criteria:** The District must be able to prepare its financial statements, related footnote disclosures and required adjustments under GASB 34 in accordance with Generally Accepted Accounting Principles.

**Condition:** The auditor assisted in preparing the financial statements, the footnote disclosures and required adjustments under GASB 34 in accordance with Generally Accepted Accounting Principles. In the auditor's judgment, management possesses the necessary expertise to prepare the financial statements, but has chosen to hire the auditor to perform this service.

**Effect:** No effect on the financial statements.

**Cause:** The district relies on the auditor to prepare the financial statements and related footnote disclosures.

**Recommendation:** The District should continue to evaluate the duties of their internal staff to determine whether staff is available to fully implement their internal control policy over annual financial reporting.

**Explanation of Disagreement with Audit Finding:** There is no disagreement with the audit finding.

**Actions Planned in Response to Finding:** The District continually evaluates its assignment of duties to determine whether staff is available to fully implement their internal control policy over annual financial reporting. Management has evaluated the cost/benefit and determined that it is more cost effective to have the auditor prepare the financial statements. Management is provided with explanations of all adjustments and approves and accepts them, the financial statements and footnote disclosures as their responsibility.