REPORT ON
STROUDSBURG AREA SCHOOL DISTRICT
SINGLE AUDIT REPORT
FISCAL YEAR ENDED JUNE 30, 2020

STROUDSBURG AREA SCHOOL DISTRICT

Single Audit Report

For the Fiscal Year Ended June 30, 2020

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INTRODUCTORY SECTION

GORMAN & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

Members of
American Institute of Certified Public Accountants
Pennsylvania Institute of Certified Public Accountants
Florida Institute of Certified Public Accountants

Members of the Board
Stroudsburg Area School District
123 Linden Street
Stroudsburg, PA 18360

We have performed the Single Audit of the Stroudsburg Area School District for the fiscal year ended June 30, 2020, and have enclosed the Single Audit reporting package.

The Single Audit was done to fulfill the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* which entailed:

1. An audit of the basic financial statements, and our opinion thereon;

2. A review of compliance and of internal control over financial reporting based on an audit of the financial statements performed in accordance with Governmental Auditing Standards, and our report thereon;

3. An examination of the Schedule of Expenditures of Federal Awards and our report thereon; and,

4. An opinion on compliance with requirements applicable to each major program, and a review of internal control over compliance in accordance with the Uniform Guidance, explained above, and our report thereon.

As part of our report, we have enclosed our management letter.

Respectfully submitted,

Gorman & Associates, P.C.

December 3, 2020

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Florida Institute of Certified Public Accountants

Board of School Directors
Dr. Cosmas C. Curry, Superintendent
Stroudsburg Area School District
123 Linden Street
Stroudsburg, PA 18360

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Stroudsburg Area School District for the year ended June 30, 2020, and have issued our report thereon dated December 3, 2020.

As stated in our engagement letter, our responsibility, as described by professional standards, is to express opinions about whether your financial statements are fairly presented, in all material respects, in conformity with the U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities, including having compensating controls in place to ensure our preparation of your financial statements and note disclosures are not materially misstated.

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matter on June 12, 2020.

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Stroudsburg Area School District are described in the notes to the financial statements. No new accounting policies were adopted during this past year and the existing policies were properly applied. We did not discover any transactions entered into by the District that lacked authoritative guidance or consensus. In addition, there are no significant transactions affecting the financial statements that have been recognized incorrectly in the wrong year.

Accounting estimates, which are part of the significant accounting policies, are an integral part of the financial statements and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events may differ significantly from those expected. The most sensitive estimates affecting the financial statements was depreciation taken on capital assets based upon the estimated useful life of each asset and calculated on the straight-line basis of depreciation, the actuary's estimates on Other Post-Employment Benefits and the net pension liability. We have evaluated the factors and assumptions used to develop these estimates and have determined the estimates to be reasonable in relation to the financial statements taken as a whole.

We wish to inform you that the disclosures in your financial statements are neutral, consistent, and clear. From time to time, certain disclosures are more sensitive than others due to their significance to financial statement users. The most sensitive disclosures involve capital assets, long-term debt, and net pension liability.

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We have requested certain representations from management that are included in the management representation letter provided to us on December 3, 2020. We advise the governing body to request this letter from management for their review. In conjunction with their representation, we wish to inform you we did not encounter any significant difficulties in dealing with management and had no disagreements with your management. To our knowledge, management did not find a need to converse with any other independent accountant on any related accounting or auditing issue.

In addition, the representation letter provided to us, by management, confirmed there were no uncorrected misstatements. Management has recorded all of our adjusting journal entries, and has agreed to the conversion entries necessary to convert governmental funds and proprietary funds to governmental activities and business-type activities, respectively.

In accordance with auditing standards, generally accepted in the United States of America, we have acquired a sufficient understanding of the District and its environment, including its internal control, to assess the risk of material misstatements of the financial statements whether due to error or fraud, and to design the nature, timing, and extent of further audit procedures that were necessary to express an opinion on the 2019-20 basic financial statements.

Our consideration of the District's internal control components was not designed for the purpose of making detailed recommendations and would not necessarily disclose all significant deficiencies within the components. Our audit procedures have been appropriately adjusted to compensate for any observed significant deficiencies. The following three paragraphs define the three different types of deficiencies that can occur:

> **A control 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 significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.**
>
> **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.**

As the primary purpose of our audit is to form an opinion on the basic financial statements, you will appreciate that reliance must be placed on adequate methods of internal control as your principal safeguard against errors and fraud which audit procedures may not disclose. The objective of internal control over financial reporting is to provide reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use and that financial records are reliable for preparing financial statements in accordance with generally accepted accounting principles and for maintaining the accountability for assets. The concept of reasonable assurance recognizes that the cost of internal control should not exceed the related benefits; to operationalize this concept, management is required to formulate estimates and judgments of the cost/benefit ratios of alternative controls.

There are inherent limitations that should be recognized in considering the potential effectiveness of internal control over financial reporting. Errors can result from misunderstanding of instructions, mistakes of judgment, carelessness, fatigue, and other personnel factors. Control procedures whose effectiveness depends upon the segregation of duties can be circumvented by collusion or by management. What's more, any projection of internal control evaluations to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions or due to the deterioration of the degree of compliance with control procedures.

As an adjunct to our audit, we remained alert throughout for opportunities to enhance internal controls and operating efficiency. These matters were discussed with management as the audit progressed and have subsequently been reviewed in detail to formulate practical recommendations. We wish to thank your staff for their courtesies and cooperation, which facilitated the efficient performance of audit procedures. The remainder of this letter will explain any internal control deficiencies discovered during the audit, other auditor recommendations, and other information pertinent to the District.

A control deficiency is determined to be considered a material weakness or significant deficiency based upon the magnitude of the problem as it pertains to a particular opinion unit. In other words, what is considered a significant deficiency in one fund may only be a control deficiency in another fund of greater size.

The following section in this government/management letter is separated by categories based on importance, with any material weaknesses or significant deficiencies listed in the beginning:

CONTROL DEFICIENCIES

Food Service Fund - Net Cash Resources Test

As previously reported, the Food Service Fund is not in compliance with the three months of expenditures rule found in 7CFR part 210.19. This ensures that net cash resources do not exceed three months average expenses for the school food service. Even though the District's Food Service Fund net cash resources are still in excess of 3 months average expenses, we believe this is not a finding of noncompliance as the District files a corrective action plan relating to the excess resources along with annual fund financials to the PA Department of Education on a yearly basis. Furthermore, the PA Department of Education is monitoring and approving the District's corrective action plan on an annual basis as outlined in the Code of Federal Regulations.

OTHER INFORMATION

Fiduciary Funds

GASB Statement No. 84 on Fiduciary Activities was to become effective for the 2019-20 fiscal year however was extended 12 months with GASB Statement 95. Since this date is for this fiscal year, we want to make sure you correct any recordkeeping that will be needed. When this Statement goes into effect, the Student Clubs will be considered Custodial Funds and there will be two financial statements: Statement of Net Position and Statement of Changes in Net Position. To make this easier think of a balance sheet and income statement.

Currently, most Schools report their disbursements as Deletions by School without breaking the disbursements into categories similar to the Food Service Fund. Receipts are reported as Additions without breaking out the categories of receipts. This new Statement will require management to separate receipts into revenue categories and disbursements into expense categories.

Leases

The Governmental Accounting Standards Board has issued Statement No. 87 dealing with Operating and Financing Leases. Under current accounting principles, only Financing Leases are recorded on the financial statements as assets and liabilities. Operating leases are shown as rent expense. As such, we have only been interested in capital or financing leases in past years, but the new standard below will require the need to audit all leases.

The new standard defines a lease as a contract that conveys control of the right to use another entity's non-financial asset as specified in the contract for a period of time. As such, all leases will be recorded on the financial statements as either a tangible or intangible asset with a corresponding liability for future present value of lease payments.

The effective date of this new standard was also extended with GASB Statement No. 95 pushing the date of implementation to the 2021-22 fiscal year.

This letter is required by our standards and has been combined with, what we previously referred to as the management letter. The intent of this letter is to communicate with those charged with governance on matters pertaining to the audit and includes information that we believe can help you correct or improve operating efficiency, under the limitations of staff availability, within the School District.

Respectively submitted,

Herman & Associates, P.C.

December 3, 2020

REPORT DISTRIBUTION LIST

The Stroudsburg Area School District has distributed copies of the Single Audit Act Package to the following:

ONE COPY TO: (Electronically Submitted)	BUREAU OF THE CENSUS DATA PREPARATION DIVISION
ONE COPY TO: (Electronically Submitted)	COMMONWEALTH OF PENNSYLVANIA BUREAU OF AUDITS
ONE COPY TO:	COLONIAL INTERMEDIATE UNIT #20 6 DANFORTH DRIVE EASTON, PA 18045

F I N A N C I A L S E C T I O N

GORMAN & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

Board of School Directors
Stroudsburg Area School District
123 Linden Street
Stroudsburg, PA 18360

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the general fund budgetary comparison statement of the Stroudsburg Area School District, 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 error or fraud.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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Opinions

In our 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, the aggregate remaining fund information, and the general fund budgetary comparison statement of the Stroudsburg Area School District, 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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 10-21, the Schedule of the District's Proportionate Share of Net Pension Liability and Schedule of District Contributions-Pensions, and the related schedules on Multiple Employer and Single Employer OPEB plans on pages 88-95, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Stroudsburg Area School District's basic financial statements. The *combining and individual fund statements and schedules, and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for federal awards, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The *combining and individual fund financial statements, schedules, and the schedule of expenditures of federal award, as required by Title 2 U.S. Code of Federal Regulations Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for federal awards, are the responsibility of management and were derived from and related 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 our opinion, *the combining and individual fund financial statements, schedules, and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards,* we have also issued our report dated December 3, 2020, on our consideration of the Stroudsburg Area School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Stroudsburg Area School District's internal control over financial reporting and compliance.

Respectfully submitted,

Herman & Associates, P.C.

December 3, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Required Supplementary Information (RSI)
(UNAUDITED)
June 30, 2020

The discussion and analysis of Stroudsburg Area School District'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 to enhance their understanding of the District's financial performance.

The Management Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

The main focus in preparing the 2019-20 Budget was to improve student proficiency levels while not increasing staff levels or additional programs. In the budgeting process, the Board of School Directors agreed to maintain the current tax rate of 163.30 mills ($1.6330 per $1,000 of assessed value) to our taxpayers. The major contributing factor to this budget's projected increased expenditures of 7.17% from the prior year's budget was due to anticipated increases in healthcare, pension, and potential contract settlements with the Professional Staff and Support Staff.

The District's overall financial position as of June 30, 2020 shows an increase in total net position of $5,660,952, for governmental activities. In the 2019-20 year, there was a decrease of ($1,076,020) reported to the fund balance in the General Fund on the Fund Financial Statements.

USING THE BASIC FINANCIAL STATEMENTS

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Stroudsburg Area School District as a financial whole, or as an entire operating entity.

The statement of net position and statement of activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented as a total in a single column. For Stroudsburg Area School District, the General Fund is the most significant fund.

REPORTING THE SCHOOL DISTRICT AS A WHOLE

Statement of Net Position and Statement of Activities

Figure A-1 shows how the required parts of the Financial Section are arranged and relate to one another:

Figure A-1
Required Components of Stroudsburg Area School District's Financial Report

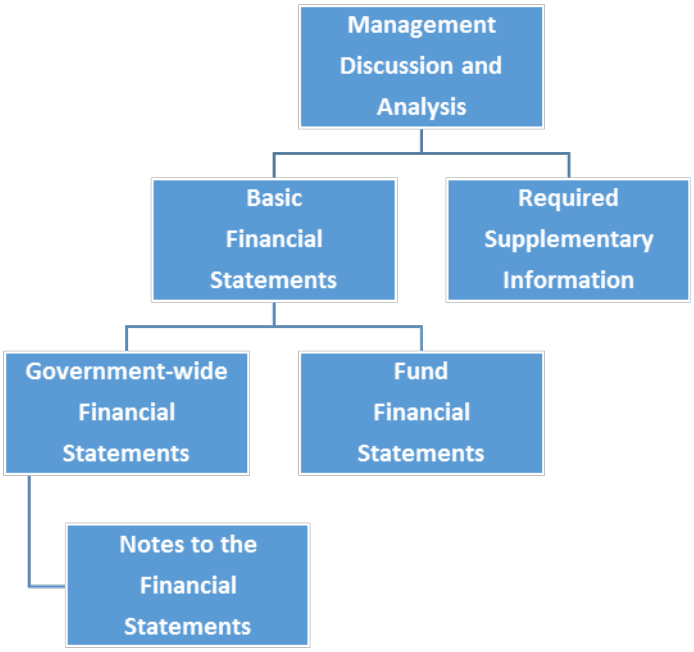


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District they cover and the types of information they contain. The remainder of this overview section of management discussion and analysis explains the structure and contents of each of the statements.

Figure A-2
Major Features of Stroudsburg Area School District's
Government-wide and Fund Financial Statements

		Fund Statements		
	Government-wide Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as education, administration and community services	Activities the District operates similar to private business – Food Services	Instances in which the District is the trustee or agent to someone else's resources – Scholarship, Activity and Other Employee Benefit Trust Funds
Required financial statements	Statement of net position Statement of activities	Balance Sheet Statement of revenues, expenditures, and changes in fund balance	Statement of net position Statement of revenues, expenses and changes in net position Statement of cash flows	Statement of fiduciary net position Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both financial and capital, short-term and long-term
Type of inflow-outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

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, deferred outflows of resources, liabilities, and deferred inflows of resources. 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 position and how they have changed. Net position, is the difference between the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources.

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, you need to consider additional factors, such as the increasing property tax base, outlook for future growth, strength of financial policies and planning, and student performance and achievement.

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.

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 and by bond requirements.

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's 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 Statement of Net Position and the Statement of Activities) 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 activates 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 scholarship funds. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net Position. We exclude these activities from the District's other financial statement because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The District's total net position was ($119,946,464) at June 30, 2020.

Table A-1
Net Position
Fiscal Year ended June 30,

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	$ 48,078,071	$ 47,498,565	$ 1,233,489	$ 1,332,086	$ 49,258,642	$ 48,830,651
Non-Current Assets	120,714,234	122,054,173	1,247,436	970,680	121,961,670	123,024,853
Deferred Outflows of Resources	24,835,996	20,746,765	-	-	24,835,996	20,746,765
Total Assets & Deferred Outflow of Resources	**$ 193,628,301**	**$ 190,299,503**	**$ 2,480,925**	**$ 2,302,766**	**$ 196,056,308**	**$ 192,602,269**
Current and other liabilities	$ 23,799,951	$ 22,868,943	$ 369,455	$ 231,585	$ 24,116,488	$ 23,100,528
Long-term liabilities	283,313,953	284,361,840	-	-	283,313,953	284,361,840
Deferred Inflows of Resources	8,572,331	10,787,606	-	-	8,572,331	10,787,606
Total Liabilities & Deferred Inflow of Resources	**$ 315,686,235**	**$ 318,018,389**	**$ 369,455**	**$ 231,585**	**$ 316,002,772**	**$ 318,249,974**
Net Position						
Net Investment in Capital Assets	$ -	$ -	$ 1,247,436	$ 970,680	$ 1,247,436	$ 970,680
Restricted	9,988,937	5,089,134	-	-	9,988,937	5,089,134
Unrestricted	(132,046,871)	(132,808,020)	864,034	1,100,501	(131,182,837)	(131,707,519)
Total Net Position	**$ (122,057,934)**	**$ (127,718,886)**	**$ 2,111,470**	**$ 2,071,181**	**$ (119,946,464)**	**$ (125,647,705)**

The results of this year's operations as a whole are reported in the Statement of Activities. All expenses are reported in the first column. 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.

Table A-2 takes the information from that Statement, rearranges it slightly, so you can see our total revenues for the year.

Table A-2
Changes in Net Position
Fiscal Year ended June 30,

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
REVENUES						
Program revenues:						
Charges for services	$ 42,981	$ 71,621	$ 1,010,893	$ 1,040,961	$ 1,053,874	$ 1,112,582
Operating grants and contributions	19,963,295	19,477,519	1,459,659	1,622,213	21,422,954	21,099,732
Capital grants and contributions	5,448,579	3,658,405	-	-	5,448,579	3,658,405
General revenues:						
Property taxes	67,509,656	69,043,443	-	-	67,509,656	69,043,443
Other taxes	4,295,511	4,358,102	-	-	4,295,511	4,358,102
Grants, subsidies and contributions, unrestricted	17,493,620	17,034,534	-	-	17,493,620	17,034,534
Other	857,378	1,408,363	10,727	18,656	868,105	1,427,019
TOTAL REVENUES	**$ 115,611,020**	**$ 115,051,987**	**$ 2,481,279**	**$ 2,681,830**	**$ 118,092,299**	**$ 117,733,817**
EXPENSES						
Instruction	67,518,259	63,456,487	-	-	67,518,259	63,456,487
Instructional student support	7,039,073	5,875,918	-	-	7,039,073	5,875,918
Administrative and financial support	8,827,132	8,141,066	-	-	8,827,132	8,141,066
Operation and maintenance of plant	10,519,347	10,597,678	-	-	10,519,347	10,597,678
Pupil transportation	5,523,393	5,588,442	-	-	5,523,393	5,588,442
Student activities	1,698,327	1,594,413	-	-	1,698,327	1,594,413
Community services	12,810	14,976	-	-	12,810	14,976
Interest on long-term debt	4,209,311	5,304,270	-	-	4,209,311	5,304,270
Unallocated depreciation expense	4,602,416	4,511,925	-	-	4,602,416	4,511,925
Food Services	-	-	2,440,990	2,428,188	2,440,990	2,428,188
TOTAL EXPENSES	**109,950,068**	**105,085,175**	**2,440,990**	**2,428,188**	**112,391,058**	**107,513,363**
Increase (decrease) in net position	**$ 5,660,952**	**$ 9,966,812**	**$ 40,289**	**$ 253,642**	**$ 5,701,241**	**$ 10,220,454**

Net Position for Governmental Activities increased $5,660,952 in 2019-20. This was caused primarily by the higher than anticipated revenues and lower overall expenditures. The Food Service operations for 2019-20 resulted in an increase in net position of $40,289. Consistent federal and state reimbursements as part of the free and reduced lunch program and expenditures remaining fairly steady contributed to the increase.

The tables below present the expenses of both the Governmental Activities and the Business-type Activities of the District.

Table A-3 shows the District's eight largest functions - instructional programs, instructional student support, administrative, operation and maintenance of plant, pupil transportation, student activities, community services, and food service along with each program's net cost (total cost less revenues generated by the activity). This table also shows the net costs offset by the other unrestricted grants, subsides and contributions to show the remaining financial needs supported by local taxes and other miscellaneous revenues.

Table A-3
Governmental Activities
Fiscal Year ended June 30,

	Total Cost of Services		Net Costs of Services	
Functions/Programs	**2020**	**2019**	**2020**	**2019**
Instruction	$ 67,518,259	$ 63,456,487	$ 53,073,774	$ 48,883,781
Instructional Student Support	7,039,073	5,875,918	5,705,329	4,981,818
Administrative	8,827,132	8,141,066	7,847,541	7,231,403
Operation and Maintenance	10,519,347	10,597,678	9,482,242	9,591,967
Pupil Transportation	5,523,393	5,588,442	3,553,221	3,606,153
Student Activities	1,698,327	1,594,413	1,469,958	1,424,717
Community Services	12,810	14,976	-	1
Interest on Long-Term Debt	4,209,311	5,304,270	(1,239,268)	1,645,865
Unallocated depreciation expense	4,602,416	4,511,925	4,602,416	4,511,925
Total governmental activities	**$ 109,950,068**	**$ 105,085,175**	**$ 84,495,213**	**$ 81,877,630**
Less: Unrestricted Grants, Subsidies			17,493,620	17,034,534
Total needs from local taxes and other revenues			**$ 67,001,593**	**$ 64,843,096**

Table A-4 reflects the activities of the Food Service program, the only Business-type activity of the District.

Table A-4
Business-Type Activities
Fiscal Year ended June 30,

	Total Cost of Services		Net Costs of Services	
Functions/Programs	**2020**	**2019**	**2020**	**2019**
Food Services	**$ 2,440,990**	**$ 2,428,188**	$ 29,562	$ 234,986
Investment Earnings			10,727	18,656
Other Revenue			-	-
Total business-type activities			**$ 40,289**	**$ 253,642**

The Statement of Revenues, Expenses, and Changes in Net Position for this proprietary fund will further detail the actual results of operations.

THE DISTRICT FUNDS

At June 30, 2020, the District's governmental funds reported a combined fund balance of $28,213,639 which is a decrease of $1,390,314 from 2018-19. The primary reasons for this change are:

General Fund

Total revenues recorded in the General Fund increased by $1,575,950 or 1.39% during this year. Revenues received from local sources, such as property taxes, continue to account for most of the District's Revenues generating $72,370,604 or approximately 63.16% of total revenues of which $1,141,744 was a decrease from the 2018-19 year. State revenue sources saw an increase of $3,325,933 or 9.49%. Total expenditures recorded in the General Fund for 2019-20 increased by $35,257. Overall, this year's activities resulted in a decrease of ($1,076,020) to the fund balance in the General Fund. Total General Fund balance at year-end totaled $23,435,054 which represents the following: $6,383,969 in Committed, $9,867,999 of Assigned, and $7,183,086 of Unassigned Fund Balances.

Capital Reserve Fund

The District established this fund in 2015 for unexpected and proposed capital projects. There was $2,376,417 in expenditures for the fiscal year, an $2,000,000 transfer from the General Fund, and interest earnings of $65,868. Fund balance at year-end totaled $4,778,585.

During the fiscal year, the Board of School Directors authorizes revisions to the original budget to accommodate differences from the original budget to the actual expenditures of the District. All adjustments are again confirmed at the time the annual audit is accepted, after the close of the fiscal year, which is permissible by state law. Transfers between specific categories of expenditures and financing uses occur during the year. A schedule showing the District's original and final budget amounts compared with amounts actually paid is shown in Table A-5.

Table A-5
General Fund Budget Comparison
Fiscal Year ended June 30, 2020

	2019-20			
	Budget	**Final Budget**	**Actual**	**Variance**
1100 Regular Instruction	$ 50,715,987	$ 47,915,387	$ 47,730,850	$ 184,537
1200 Special Education	17,315,197	18,075,697	16,970,647	1,105,050
1300 Vocational Education	1,741,933	1,741,933	1,448,768	293,165
1400 Other Instruction	531,500	558,500	420,036	138,464
1500 Non-Public	13,000	13,000	7,782	5,218
1600 Adult Education	-	-	-	-
1700 Community College	-	-	-	-
1800 Pre-Kindergarten	-	-	-	-
2100 Pupil Services	3,169,749	3,582,749	3,545,892	36,857
2200 Instructional Staff Services	1,967,003	2,342,778	2,086,594	256,184
2300 Administration	7,099,514	7,099,589	6,342,082	757,507
2400 Pupil Health	1,238,905	1,265,155	1,261,008	4,147
2500 Business Services	927,239	979,239	963,974	15,265
2600 Operation & Maintenance	11,630,515	10,863,515	10,524,801	338,714
2700 Pupil Transportation	5,577,338	5,571,338	5,495,302	76,036
2800 Central & Other Support Svcs	1,103,575	1,003,575	961,653	41,922
2900 Other Support Services	37,500	37,500	33,367	4,133
3200 Student Activities	1,647,584	1,666,584	1,636,553	30,031
3300 Community Services	14,000	14,000	12,810	1,190
4000 Capital Outlay	-	-	-	-
5100 Debt Service	14,231,251	14,231,251	14,213,865	17,386
5200 Transfers	-	-	2,000,000	(2,000,000)
5900 Budgetary Reserve	-	-	-	-
Grand Total	**$ 118,961,790**	**$ 116,961,790**	**$ 115,655,984**	**$ 1,305,806**

CAPITAL ASSET AND DEBT ADMINISTRATION

Table A-6
Capital Assets - Net of Depreciation
Governmental and Business Activities

	2020	2019
Land and Site Improvements	$ 5,320,038	$ 4,868,689
Buildings	100,204,560	101,358,467
Furniture & Equipment	6,816,343	6,485,336
Construction in Progress	-	2,427,831
Total	**$ 112,340,941**	**$ 115,140,323**

CAPITAL ASSETS

At June 30, 2020, the District had $112,340,941 invested in a broad range of capital assets, including land, buildings, furniture and equipment. Year-end totals for Construction in Progress represent the Mountaineer Drive Paving Project work being completed at the Chipperfield Campus and the on-going well project at Hamilton Elementary.

DEBT ADMINISTRATION

As of June 30, 2020, total outstanding debt amounted to $104,861,040.

Table A-7
Outstanding Debt

	2020	2019
General Obligation Bonds:		
- Improvement Series of 1998	$ 8,207,040	$ 10,663,932
- Series A of 2011	8,305,000	10,195,000
- Series B of 2011	3,210,000	4,900,000
- Series A of 2012	-	9,965,000
- Series B of 2012	145,000	240,000
- Series of 2014	-	6,175,000
- Series of 2019	5,765,000	6,650,000
- Series A of 2019	8,940,000	-
- Series B of 2019	5,500,000	-
- Series A of 2020	4,356,000	-
- Series B of 2020	9,709,000	-
General Obligation Notes:		
- Series of 2008	7,689,000	8,491,000
- Series A of 2010	11,660,000	12,280,000
- Series C of 2011	22,135,000	22,440,000
- Series of 2015	-	4,860,000
- Series of 2016	9,240,000	9,395,000
- Series of 2017	-	9,615,000
Total	**$ 104,861,040**	**$ 115,869,932**

Other obligations include accrued vacation pay and sick leave for specific employees of the District. More detailed information about our long-term liabilities is included in the Notes to Basic Financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

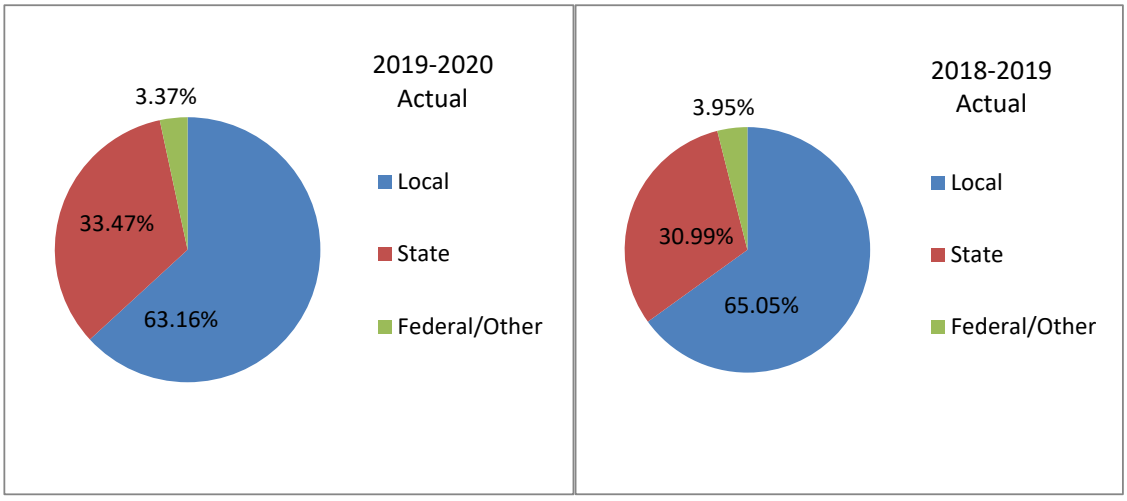
The district saw a slight increase in enrollment in 2019-20. The district still owns two vacant buildings and continues to advertise to try to sell these properties. This consolidation continues to save money in overall utilities and maintenance while staff was redirected to other district facilities. The budget for 2019-20 was approved with no change to real estate taxes with the surplus to be used to balance. The next several years will continue to be a struggle with the ongoing rise in pension obligations while still trying to maintain a well-rounded education for our students.

BUDGETED REVENUES

	2019-20	2018-19
Local	$ 74,280,242	$ 73,687,119
State	33,903,164	32,275,502
Federal/Other	3,887,000	3,775,000

ACTUAL REVENUES

	2019-20	2018-19
Local	$ 72,370,604	$ 73,512,348
State	38,349,545	35,023,612
Federal/Other	3,859,255	4,467,494

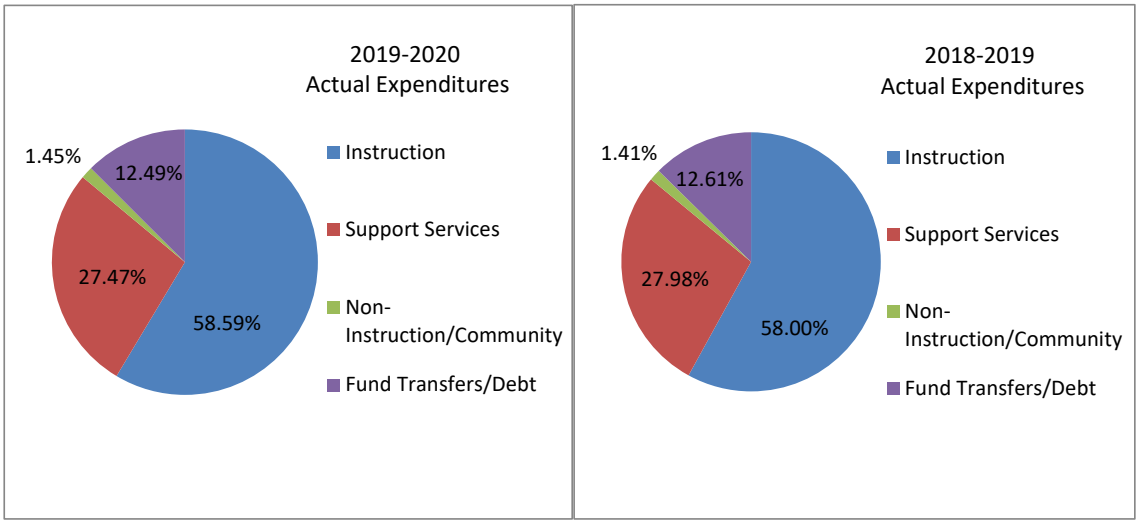


BUDGETED EXPENDITURES

	2019-20	2018-19
Instruction	$ 70,317,617	$ 65,921,550
Support Services	32,751,338	31,808,271
Non-Instruction/Community	1,661,584	1,604,947
Fund Transfers/Debt	14,231,251	11,664,869

ACTUAL EXPENDITURES

	2019-20	2018-19
Instruction	$ 66,578,083	$ 65,904,199
Support Services	31,214,673	31,786,574
Non-Instruction/Community	1,649,363	1,603,556
Fund Transfers/Debt	14,189,797	14,326,398



CONTACTING THE DISTRICT 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 for the money it receives. If you have questions about this report or wish to request additional financial information, please contact Brenda VanBuskirk, Business Manager/Board Secretary at Stroudsburg Area School District, 123 Linden Street, Stroudsburg, PA 18360, (570) 421-1990.

B A S I C F I N A N C I A L S T A T E M E N T S

Stroudsburg Area School District
Statement of Net Position
As of June 30, 2020

	PRIMARY GOVERNMENT			
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	
ASSETS				
Current Assets:				
Cash and cash equivalents	$ 33,870,730	$ 1,145,364	$ 35,016,094	
Investments	960,000	-	960,000	
Receivables, net	7,806,827	-	7,806,827	
Internal Balances	52,918	-	-	(1)
Due From Other Governments	5,165,105	43,476	5,208,581	
Other Receivables	64,982	-	64,982	
Inventories	157,509	44,649	202,158	
Prepaid Expenses	-	-	-	
Other Current Assets	-	-	-	
Total Current Assets	48,078,071	1,233,489	49,258,642	
Non-Current Assets				
Restricted Cash and Cash Equivalents		-	-	
Land	1,262,987	-	1,262,987	
Site Improvements (net of depreciation)	4,057,051	-	4,057,051	
Building and Bldg. Improvements (net of depreciation)	100,204,560	-	100,204,560	
Furniture and Equipment (net of depreciation)	5,568,907	1,247,436	6,816,343	
Library Collections (net of depreciation)	-	-	-	
Construction in Progress	-	-	-	
Long-term Receivables	9,620,729	-	9,620,729	
Total Non-Current Assets	120,714,234	1,247,436	121,961,670	
Total Assets	$ 168,792,305	$ 2,480,925	$ 171,220,312	
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows of Resources - Charges on Refundings	1,126,347	-	1,126,347	
Deferred Outflows of Resources - Related to Pension	22,415,195	-	22,415,195	
Deferred Outflows of Resources - Related to OPEB	1,294,454	-	1,294,454	
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	**$ 193,628,301**	**$ 2,480,925**	**$ 196,056,308**	
LIABILITIES				
Current Liabilities:				
Internal Balances	$ -	$ 52,918	$ -	(1)
Due to other governments	759,063	-	759,063	
Accounts Payable	352,164	255,576	607,740	
Current Portion of Long-Term Obligations	10,629,774	-	10,629,774	
Accrued Salaries and Benefits	6,756,511	-	6,756,511	
Payroll Deductions and Withholdings	4,794,012	-	4,794,012	
Prepayments	262,243	-	262,243	
Judgment Payable	-	-	-	
Insurance Claims Payable	-	-	-	
Other Current Liabilities	246,184	60,961	307,145	
Total Current Liabilities	23,799,951	369,455	24,116,488	
Non-Current Liabilities				
Bonds and Notes Payable	96,868,499	-	96,868,499	
Capital Lease Obligations	718,351	-	718,351	
Long-Term Portion of Compensated Absences	3,189,324	-	3,189,324	
Net Defined Contribution Pension Liability	-	-	-	
Net Defined Benefit Pension Liability	155,851,162	-	155,851,162	
Net OPEB Liability - Single Employer Plan	19,559,463		19,559,463	
Net OPEB Liability - Multiple Employer Plan	7,127,154	-	7,127,154	
Total Liabilities	307,113,904	369,455	307,430,441	
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows of Resources - Unearned Revenues	-	-	-	
Deferred Inflows of Resources - Related to Pension	4,763,000	-	4,763,000	
Deferred Inflows of Resources - Related to OPEB	3,809,331	-	3,809,331	
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	315,686,235	369,455	316,002,772	
NET POSITION				
Net Investment in Capital Assets	5,210,352	1,247,436	6,457,788	
Restricted For:				
Retirement of Long-Term Debt	-	-	-	
Capital Projects	4,778,585	-	4,778,585	
Other Restrictions	-	-	-	
Unrestricted (deficit)	(132,046,871)	864,034	(131,182,837)	
TOTAL NET POSITION	(122,057,934)	2,111,470	(119,946,464)	
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	**$ 193,628,301**	**$ 2,480,925**	**$ 196,056,308**	

The Accompanying Notes are an integral part of these financial statements.

(1) Internal balances represent the amount owed to or from the two types of activities within the Primary Government. Since internal balances do not represent assets or liabilities of the total Primary Government, their balances are eliminated in the "total" column (GASB Statement No. 34, para. 58).

Stroudsburg Area School District
Statement of Activities
For the Year Ended June 30, 2020

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	PROGRAM REVENUES: CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION: GOVERNMENTAL ACTIVITIES	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION: BUSINESS-TYPE ACTIVITIES	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION: TOTAL
GOVERNMENTAL ACTIVITIES:							
Instruction	$ 67,518,259	$ 12,015	$ 14,432,470	$ -	$ (53,073,774)	$ -	$ (53,073,774)
Instructional Student Support	7,039,073	-	1,333,744	-	(5,705,329)	-	(5,705,329)
Admin. & Fin'l Support Services	8,827,132	-	979,591	-	(7,847,541)	-	(7,847,541)
Oper. & Maint. of Plant Svcs.	10,519,347	-	1,037,105	-	(9,482,242)	-	(9,482,242)
Pupil Transportation	5,523,393	-	1,970,172	-	(3,553,221)	-	(3,553,221)
Student activities	1,698,327	30,966	197,403	-	(1,469,958)	-	(1,469,958)
Community Services	12,810	-	12,810	-	-	-	-
Interest on Long-Term Debt	4,209,311	-	-	5,448,579	1,239,268	-	1,239,268
Unallocated Depreciation Expense	4,602,416	-	-	-	(4,602,416)	-	(4,602,416)
TOTAL GOVERNMENTAL ACTIVITIES	109,950,068	42,981	19,963,295	5,448,579	(84,495,213)	-	(84,495,213)
BUSINESS-TYPE ACTIVITIES:							
Food Services	2,440,990	1,010,893	1,459,659	-	-	29,562	29,562
Other Enterprise Funds	-	-	-	-	-	-	-
TOTAL PRIMARY GOVERNMENT	**$ 112,391,058**	**$ 1,053,874**	**$ 21,422,954**	**$ 5,448,579**	**$ (84,495,213)**	**$ 29,562**	**$ (84,465,651)**
GENERAL REVENUES:							
Property taxes. Levied for general purposes, net					$ 67,509,656	$ -	$ 67,509,656
Taxes levied for specific purposes					4,295,511	-	4,295,511
Grants, subsidies, & contributions not restricted					17,493,620	-	17,493,620
Investment Earnings					736,253	10,727	746,980
Miscellaneous Income					120,625	-	120,625
Special item - Gain (Loss) on sale of capital assets					500	-	500
Extraordinary Items					-	-	-
Transfers					-	-	-
TOTAL GENERAL REVENUES, SPECIAL ITEMS, EXTRAORDINARY ITEMS, AND TRANSFERS					90,156,165	10,727	90,166,892
CHANGES IN NET POSITION					5,660,952	40,289	5,701,241
NET POSITION - BEGINNING					(127,718,886)	2,071,181	(125,647,705)
NET POSITION - ENDING					**$ (122,057,934)**	**$ 2,111,470**	**$ (119,946,464)**

The Accompanying Notes are an integral part of these financial statements.

Stroudsburg Area School District
Balance Sheet
Governmental Funds
As of June 30, 2020

	GENERAL	CAPITAL PROJECTS	NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash and cash equivalents	$ 29,081,775	$ 4,788,955	$ -	$ 33,870,730
Restricted Cash	-	-	-	-
Investments	960,000	-	-	960,000
Taxes Receivable, net	7,806,827	-	-	7,806,827
Due from other funds	52,918	-	-	52,918
Due from Other Governments	5,165,105	-	-	5,165,105
Other Receivables	60,588	-	-	60,588
Inventories	-	-	-	-
Prepaid Expenditures	-	-	-	-
Other Current Assets	-	-	-	-
TOTAL ASSETS	$ 43,127,213	$ 4,788,955	$ -	$ 47,916,168
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Charges on Refundings, net	-	-	-	-
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	**$ 43,127,213**	**$ 4,788,955**	**$ -**	**$ 47,916,168**
LIABILITIES				
Due to Other Funds	$ 57	$ -	$ -	$ 57
Due to Other Governments	759,063	-	-	759,063
Accounts Payable	341,736	10,370	-	352,106
Current Portion of Long-Term Debt	125,659	-	-	125,659
Judgment Payable	-	-	-	-
Accrued Salaries and Benefits	6,756,511	-	-	6,756,511
Payroll Deductions and Withholdings	4,794,012	-	-	4,794,012
Prepayments	262,243	-	-	262,243
Other Current Liabilities	-	-	-	-
TOTAL LIABILITIES	13,039,281	10,370	-	13,049,651
DEFERRED INFLOWS OF RESOURCES				
Unearned Revenue from Property Taxes/Grants	6,652,878	-	-	6,652,878
TOTAL LIABILITIES & DEFERRED INFLOWS OF RESOURCES	19,692,159	10,370	-	19,702,529
FUND BALANCES:				
Nonspendable Fund Balance	-	-	-	-
Restricted Fund Balance	-	4,778,585	-	4,778,585
Committed Fund Balance	6,383,969	-	-	6,383,969
Assigned Fund Balance	9,867,999	-	-	9,867,999
Unassigned Fund Balance	7,183,086	-	-	7,183,086
TOTAL FUND BALANCES	23,435,054	4,778,585	-	28,213,639
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	**$ 43,127,213**	**$ 4,788,955**	**$ -**	**$ 47,916,168**

The Accompanying Notes are an integral part of these financial statements.

Stroudsburg Area School District
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
As of June 30, 2020

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS			$ 28,213,639
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is $195,811,492 and the accumulated depreciation is $84,717,987.			111,093,505
Additional receivables established that do not meet the availability criteria reflected in the fund financial statements. This amount represents the difference between the prior year receivables and the current year receivables established under the accrual basis of accounting.			9,625,123
Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds.			6,652,878
This represents deferred outflows of resources resulting in deferred charges on refunding prior bond issues.			1,126,347
This represents deferred outflows of resources, net of deferred inflows of resources pertaining to the Net Pension Liability.			15,137,317
The governmental funds follow the purchase method of inventory; therefore no inventory is reflected on the balance sheet. However, the statement of net position uses the consumption method of inventory.			157,509
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:			
Bonds payable	$	(107,009,499)	
Capital Leases		(1,081,466)	
Accrued interest on the bonds		(246,184)	
Compensated absences		(3,189,324)	
Net Defined Contribution Pension Obligation		-	
Net OPEB Liability - Single Employer Plan		(19,559,463)	
Net OPEB Liability - Multiple Employer Plan		(7,127,154)	
Net Defined Benefit Pension Liability		(155,851,162)	
Accounts Payable		-	(294,064,252)
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES			**$ (122,057,934)**

The Accompanying Notes are an integral part of these financial statements.

Stroudsburg Area School District
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2020

	GENERAL	CAPITAL PROJECTS	NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES				
Local Sources	$ 72,370,604	$ 65,868	$ -	$ 72,436,472
State Sources	38,349,545	-	-	38,349,545
Federal Sources	3,859,255	-	-	3,859,255
TOTAL REVENUES	114,579,404	65,868	-	114,645,272
EXPENDITURES				
Instruction	66,578,083	-	-	66,578,083
Support Services	31,214,673	679,546	407,327	32,301,546
Operation of Non-Instructional Services	1,649,363	-	-	1,649,363
Capital Outlay	-	1,696,871	-	1,696,871
Debt Service	14,213,865	-	14,937	14,228,802
TOTAL EXPENDITURES	113,655,984	2,376,417	422,264	116,454,665
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	923,420	(2,310,549)	(422,264)	(1,809,393)
OTHER FINANCING SOURCES (USES)				
Bond Proceeds	-	-	-	-
Refunding Bond Proceeds	-	-	28,555,000	28,555,000
Bond Premium	-	-	2,148,035	2,148,035
Interfund Transfers In	-	2,000,000	-	2,000,000
Sale/Compensation for Fixed Assets	560	-	-	560
Payment to bond refunding escrow agent	-	-	(30,284,516)	(30,284,516)
Bond Discount	-	-	-	-
Refunds of Prior Year Receipts	-	-	-	-
Operating Transfers Out	(2,000,000)	-	-	(2,000,000)
TOTAL OTHER FINANCING SOURCES (USES)	(1,999,440)	2,000,000	418,519	419,079
SPECIAL/EXTRAORDINARY ITEMS				
Special Items	-	-	-	-
Extraordinary Items - Insurance Recoveries	-	-	-	-
NET CHANGE IN FUND BALANCES	(1,076,020)	(310,549)	(3,745)	(1,390,314)
FUND BALANCES - BEGINNING	24,511,074	5,089,134	3,745	29,603,953
FUND BALANCES - ENDING	**$ 23,435,054**	**$ 4,778,585**	**$ -**	**$ 28,213,639**

The Accompanying Notes are an integral part of these financial statements.

Stroudsburg Area School District
Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
to the Statement of Activities
For the Year Ended June 30, 2020

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS		$ (1,390,314)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Depreciation expense	$ 5,775,195	
less - capital outlays	2,699,056	(3,076,139)
Some of the capital assets acquired this year were financed with capital leases. The amount financed by the leases is reported in the governmental funds as a source of financing. On the other hand, the capital leases are not revenues in the statement of activities, but rather constitute long-term liabilities.		-
In the statement of activities, only the gain on the sale of the capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the costs of fixed assets sold.		-
Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered as "available" revenues in the governmental funds. Deferred inflows of resources increased by this amount this year.		981,590
Repayment of bond and lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		10,451,934
In the statement of activities, certain operating expenses--compensated absences (vacations) and special termination benefits (early retirement)--are measured by the amounts earned during the year. In the governmental funds; however, expenditures for these items are measured by the amount of financial resources used. This amount represents the difference between the amount earned versus the amount used.		(299,339)
SUB-TOTAL IN CHANGES BETWEEN BASIS OF ACCOUNTING		**$ 6,667,732**

Stroudsburg Area School District
Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
to the Statement of Activities
For the Year Ended June 30, 2020

SUB-TOTAL IN CHANGES BETWEEN BASIS OF ACCOUNTING (CONT'D)	$	6,667,732
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, interest expense is recognized as the interest accrues, regardless of when it is due. This would include accumulated interest accreted on capital appreciation bonds. The additional interest accrued in the statement of activities over the amount due is shown here.		(432,442)
In the statement of activities, certain operating revenues are recognized when earned versus the revenues using the modified accrual basis of accounting in the fund statements that are recognized when the funds are available. As such, the amount shown here represents the difference between earned revenues and revenues that are earned, but not available.		1,719,795
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Refunding bond issues becomes a use of current financial resources in governmental funds, but refundings represent payments of long-term debt in the statement of net position. This figure represents the difference between bond proceeds and refunding payments made to paying agents.		(418,520)
The difference between current year pension/OPEB expense reported on the governmental activities column of the government-wide financial statements and the pension/OPEB contributions made this past year reported as expenditures in the govrnmental funds.		(1,924,123)
The governmental funds use the purchase method of inventory, where all items purchased are charged to expenditures. However, the statement of activities is reflected on the consumption method of recording inventory type items; therefore, this adjustment reflects the inventory difference.		48,510
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	**$**	**5,660,952**

The Accompanying Notes are an integral part of these financial statements.

Stroudsburg Area School District
Statement of Fund Net Position
Proprietary Funds
As of June 30, 2020

	FOOD SERVICE	NON-MAJOR FUNDS	TOTAL
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	$ 1,145,364	$ -	$ 1,145,364
Investments	-	-	-
Due from other funds	-	-	-
Due From Other Governments	43,476	-	43,476
Other Receivables	-	-	-
Inventories	44,649	-	44,649
Prepaid expenses	-	-	-
Other Current Assets	-	-	-
TOTAL CURRENT ASSETS	1,233,489	-	1,233,489
NON-CURRENT ASSETS:			
Building & Bldg. Improvements (net)	-	-	-
Machinery & Equipment (net)	1,247,436	-	1,247,436
Other Long-Term Receivables	-	-	-
TOTAL NON-CURRENT ASSETS	1,247,436	-	1,247,436
TOTAL ASSETS	$ 2,480,925	$ -	$ 2,480,925
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows of Resources - Current Year Contributions	-	-	-
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	**$ 2,480,925**	**$ -**	**$ 2,480,925**
LIABILITIES			
CURRENT LIABILITIES:			
Due to Other Funds	$ 52,918	$ -	$ 52,918
Due to Other Governments	-	-	-
Accounts Payable	255,576	-	255,576
Current Portion of Long-Term Debt	-	-	-
Accrued Salaries and Benefits	-	-	-
Payroll Deductions and Withholdings	-	-	-
Prepayments from Students	60,961	-	60,961
TOTAL CURRENT LIABILITIES	369,455	-	369,455
NON-CURRENT LIABILITIES:			
Long-Term Portion of Compensated Absences	-	-	-
Net Pension Liability	-	-	-
Net OPEB Obligation	-	-	-
TOTAL NON-CURRENT LIABILITIES	-	-	-
TOTAL LIABILITIES	369,455	-	369,455
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows of Resources - Change in Proportion of NPL	-	-	-
TOTAL LIABILITIES & DEFERRED INFLOWS OF RESOURCES	369,455	-	369,455
FUND NET POSITION			
Net Investment in Capital Assets	1,247,436	-	1,247,436
Restricted for Legal Purposes	-	-	-
Unrestricted	864,034	-	864,034
TOTAL FUND NET POSITION	2,111,470	-	2,111,470
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND NET POSITION	**$ 2,480,925**	**$ -**	**$ 2,480,925**

The Accompanying Notes are an integral part of these financial statements.

Stroudsburg Area School District
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2020

	FOOD SERVICE	NON-MAJOR FUNDS	TOTAL
OPERATING REVENUES:			
Food Service Revenue	$ 1,010,893	$ -	$ 1,010,893
Charges for Services	-	-	-
Other Operating Revenues	-	-	-
TOTAL OPERATING REVENUES	1,010,893	-	1,010,893
OPERATING EXPENSES:			
Salaries	-	-	-
Employee benefits	-	-	-
Purchased Professional and Technical Services	-	-	-
Purchased Property Service	9,889	-	9,889
Other Purchased Services	1,725,794	-	1,725,794
Supplies	599,973	-	599,973
Depreciation	98,840	-	98,840
Dues and Fees	6,494	-	6,494
Claims and Judgments	-	-	-
Other Operating Expenses	-	-	-
TOTAL OPERATING EXPENSES	2,440,990	-	2,440,990
OPERATING INCOME (LOSS)	(1,430,097)	-	(1,430,097)
NON-OPERATING REVENUES (EXPENSES)			
Earnings on investments	10,727	-	10,727
Contributions and Donations	-	-	-
Gain or (Loss) on Sale of Fixed Assets	-	-	-
State Sources	62,193	-	62,193
Federal Sources	1,397,466	-	1,397,466
Claims and Judgments	-	-	-
Interest Expenses	-	-	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	1,470,386	-	1,470,386
INCOME (LOSS) BEFORE CONTRIBUTIONS	40,289	-	40,289
Capital contributions	-	-	-
Transfers in (out)	-	-	-
CHANGES IN FUND NET POSITION	40,289	-	40,289
FUND NET POSITION - BEGINNING	2,071,181	-	2,071,181
FUND NET POSITION - ENDING	**$ 2,111,470**	**$ -**	**$ 2,111,470**

The Accompanying Notes are an integral part of these financial statements.

Stroudsburg Area School District
Statement of Cash Flows
Proprietary Funds
As of June 30, 2020

	FOOD SERVICE	NON-MAJOR FUNDS	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Users	$ 1,035,058	$ -	$ 1,035,058
Cash Received from Assessments made to Other Funds	-	-	-
Cash Received from Earnings on Investments	-	-	-
Cash Received from Other Operating Revenue	-	-	-
Cash Payments to Employees for Services	-	-	-
Cash Payments for Insurance Claims	-	-	-
Cash Payments to Suppliers for Goods and Services	(2,014,560)	-	(2,014,560)
Cash Payments to Other Operating Expenses	(6,494)	-	(6,494)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	(985,996)	-	(985,996)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Local Sources	-	-	-
State Sources	63,354	-	63,354
Federal Sources	1,187,237	-	1,187,237
Notes and Loans Received	-	-	-
Interest Paid on Notes/Loans	-	-	-
Operating Transfers In (Out)	-	-	-
NET CASH PROVIDED BY (USED FOR) NON-CAPITAL FINANCING ACTIVITIES	1,250,591	-	1,250,591
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Facilities Acquisition/Const./Improvement Svcs.	(375,595)	-	(375,595)
Capital Contributions	-	-	-
Gain/Loss on Sale of Fixed Assets (Proceeds)	-	-	-
NET CASH PROVIDED BY (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	(375,595)	-	(375,595)
CASH FLOWS FROM INVESTING ACTIVITIES			
Earnings on Investments	10,727	-	10,727
Purchase of Investment Securities/Deposits to Investment Pools	-	-	-
Withdrawals from Investment Pools	-	-	-
Proceeds from Sale and Maturity of Investment Securities	-	-	-
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	10,727	-	10,727
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(100,273)	-	(100,273)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	1,245,637	-	1,245,637
CASH AND CASH EQUIVALENTS - END OF YEAR	**$ 1,145,364**	**$ -**	**$ 1,145,364**

Stroudsburg Area School District
Statement of Cash Flows
Proprietary Funds
As of June 30, 2020

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES

	FOOD SERVICE	NON-MAJOR FUNDS	TOTAL
OPERATING INCOME (LOSS)	$ (1,430,097)	$ -	$ (1,430,097)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES			
Depreciation and Net Amortization	98,840	-	98,840
Provision for Uncollectible Accounts	-	-	-
Donated Commodities Used	205,947	-	205,947
CHANGE IN ASSETS AND LIABILITIES:			
(Increase) Decrease in Accounts Receivable	-	-	-
(Increase) Decrease in Advances to Other Funds	-	-	-
(Increase) Decrease in Inventories	1,444	-	1,444
(Increase) Decrease in Prepaid Expenses	-	-	-
(Increase) Decrease in Other Current Assets	-	-	-
(Increase) Decrease in Deferred Outflows of Resources - Current Year Contributions	-	-	-
Increase (Decrease) in Accounts Payable	118,754	-	118,754
Increase (Decrease) in Accrued Salaries and Benefits	-	-	-
Increase (Decrease) in Net Pension Liability	-	-	-
Increase (Decrease) in Deferred Inflows of Resources - Diff. in Projected vs Actual Invest. Earnings	-	-	-
Increase (Decrease) in Deferred Inflows of Resources - Diff. in Projected vs Actual Contributions	-	-	-
Increase (Decrease) in Deferred Inflows of Resources - Change in Proportion of NPL	-	-	-
Increase (Decrease) in Advances from Other Funds	(5,049)	-	(5,049)
Increase (Decrease) in Prepayments from Students	24,165	-	24,165
TOTAL ADJUSTMENTS	444,101	-	444,101
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	**$ (985,996)**	**$ -**	**$ (985,996)**

The Accompanying Notes are an integral part of these financial statements.

Stroudsburg Area School District
Statement of Net Position
Fiduciary Funds
As of June 30, 2020

	PRIVATE-PURPOSE TRUST	OTHER EMPLOYEE BENEFIT TRUST	AGENCY FUNDS
ASSETS			
Cash and cash equivalents	$ 112,533	$ -	$ 248,953
Investments	91,766	-	-
Due from Other Funds	1,057	-	-
Other Receivables	-	-	-
Prepaid Expenses	-	-	-
Other Current Assets	-	-	-
TOTAL ASSETS	205,356	-	248,953
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charges on Refundings, net	-	-	-
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	**$ 205,356**	**$ -**	**$ 248,953**
LIABILITIES			
Accounts Payable	$ -	$ -	$ 25,254
Due to Other Funds	1,000	-	-
Due to Student Clubs	-	-	223,699
Other Current Liabilities	-	-	-
TOTAL LIABILITIES	1,000	-	248,953
DEFERRED INFLOWS OF RESOURCES			
Unearned Revenue	-	-	-
TOTAL LIABILITIES & DEFERRED INFLOWS OF RESOURCES	**1,000**	**-**	**248,953**
NET POSITION			
Restricted	204,356	-	-
Unrestricted	-	-	-
TOTAL NET POSITION	**$ 204,356**	**$ -**	**$ -**

The Accompanying Notes are an integral part of these financial statements.

Stroudsburg Area School District
Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended June 30, 2020

	PRIVATE-PURPOSE TRUST FUND	OTHER EMPLOYEE BENEFIT TRUST FUND
ADDITIONS		
Contributions	$ 4,249	$ -
Transfers from other funds	-	-
Investment Earnings:		
Interest and Dividends	14,525	-
Net increase (decrease) in fair value of investments	-	-
Less investment expense	-	-
TOTAL ADDITIONS	18,774	-
DEDUCTIONS		
Administrative Fees	-	-
Payments to Retirees	-	-
Scholarships	21,599	-
TOTAL DEDUCTIONS	21,599	-
CHANGES IN NET POSITION	(2,825)	-
NET POSITION - BEGINNING OF YEAR	207,181	-
NET POSITION - END OF YEAR	**$ 204,356**	**$ -**

The Accompanying Notes are an integral part of these financial statements.

Stroudsburg Area School District
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended June 30, 2020

	BUDGETED AMOUNTS		ACTUAL (BUDGETARY	VARIANCE WITH FINAL BUDGET POSITIVE	BUDGET TO GAAP	ACTUAL AMOUNTS
	ORIGINAL	FINAL	BASIS)	(NEGATIVE)	DIFFERENCE	GAAP BASIS
REVENUES						
Local Sources	$ 74,280,242	$ 74,280,242	$ 72,370,604	$ (1,909,638)	$ -	$ 72,370,604
State Sources	33,903,164	33,903,164	38,349,545	4,446,381	-	38,349,545
Federal Sources	3,887,000	3,887,000	3,859,255	(27,745)	-	3,859,255
TOTAL REVENUES	112,070,406	112,070,406	114,579,404	2,508,998	-	114,579,404
EXPENDITURES						
Regular Instruction	50,715,987	47,915,387	47,730,850	184,537	-	47,730,850
Special Programs	17,315,197	18,075,697	16,970,647	1,105,050	-	16,970,647
Vocational Programs	1,741,933	1,741,933	1,448,768	293,165	-	1,448,768
Other Instructional Programs	531,500	558,500	420,036	138,464	-	420,036
Nonpublic School Programs	13,000	13,000	7,782	5,218	-	7,782
Adult Education Programs	-	-	-	-	-	-
Community/Junior College Ed. Programs	-	-	-	-	-	-
Pre-Kindergarten	-	-	-	-	-	-
Pupil Personnel Services	3,169,749	3,582,749	3,545,892	36,857	-	3,545,892
Instructional Staff Services	1,967,003	2,342,778	2,086,594	256,184	-	2,086,594
Administrative Services	7,099,514	7,099,589	6,342,082	757,507	-	6,342,082
Pupil Health	1,238,905	1,265,155	1,261,008	4,147	-	1,261,008
Business Services	927,239	979,239	963,974	15,265	-	963,974
Operation & Maintenance of Plant Services	11,630,515	10,863,515	10,524,801	338,714	-	10,524,801
Student Transportation Services	5,577,338	5,571,338	5,495,302	76,036	-	5,495,302
Central Support Services	1,103,575	1,003,575	961,653	41,922	-	961,653
Other Support Services	37,500	37,500	33,367	4,133	-	33,367
Student Activities	-	323,476	322,712	764	-	322,712
School Sponsored Athletics	1,647,584	1,343,108	1,313,841	29,267	-	1,313,841
Community Services	14,000	14,000	12,810	1,190	-	12,810
Facilities, Acquisition and Construction	-	-	-	-	-	-
Debt Service	14,231,251	14,231,251	14,213,865	17,386	-	14,213,865
TOTAL EXPENDITURES	118,961,790	116,961,790	113,655,984	3,305,806	-	113,655,984
Excess (deficiency) of revenues over expenditures	(6,891,384)	(4,891,384)	923,420	5,814,804	-	923,420
OTHER FINANCING SOURCES (USES)						
Proceeds From Extended Term Financing	-	-	-	-	-	-
Interfund Transfers In	-	-	-	-	-	-
Sale/Compensation for Fixed Assets	25,000	25,000	560	(24,440)	-	560
Fund Transfers Out	-	(2,000,000)	(2,000,000)	-	-	(2,000,000)
Budgetary Reserve	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	25,000	(1,975,000)	(1,999,440)	(24,440)	-	(1,999,440)
Special Items	-	-	-	-	-	-
Extraordinary Items - Insurance Recoveries	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	(6,866,384)	(6,866,384)	(1,076,020)	5,790,364	-	(1,076,020)
FUND BALANCE - JULY 1, 2019	23,435,810	23,435,810	24,511,074	1,075,264	-	24,511,074
FUND BALANCE - JUNE 30, 2020	**$ 16,569,426**	**$ 16,569,426**	**$ 23,435,054**	**$ 6,865,628**	**$ -**	**$ 23,435,054**

The Accompanying Notes are an integral part of these financial statements.

Note 1 - Description of the School District and Reporting Entity

School District

The Stroudsburg Area School District is located in the Pocono Mountains area of northeastern Pennsylvania. The Borough of Stroudsburg, which is also home of the county seat for Monroe County, is a small town surrounded by many rural communities. Students living in the Borough of Stroudsburg, the Borough of Delaware Water Gap, the Township of Hamilton or the Township of Stroud attend school in the Stroudsburg Area School District. The total district population is currently at approximately 5200 students. Approximately 750 administrative, professional and support staff provide the educational and support services to ensure a positive and comfortable environment for learning.

The Stroudsburg Area School District is a unit established, organized and empowered by the Commonwealth of Pennsylvania for the express purpose of carrying out, on the local level, the Commonwealth's obligation to public education, as established by the constitution of the Commonwealth and by the School Law Code of the same (Article II; Act 150, July 8, 1968).

As specified under the School Law Code of the Commonwealth of Pennsylvania, this and all other school districts of the state "shall be and hereby are vested as, bodies corporate, with all necessary powers to carry out the provisions of this act." (Article II, Section 211).

Board of School Directors

The public school system of the Commonwealth shall be administered by a board of school directors, to be elected or appointed, as hereinafter provided. At each election of school directors, each qualified voter shall be entitled to cast one vote for each school director to be elected.

The Stroudsburg Area School District is governed by a board of nine School Directors who are residents of the School District and who are elected every two years, on a staggered basis, for a four-year term.

The Board of School Directors has the power and duty to establish, equip, furnish, and maintain a sufficient number of elementary, secondary, and other schools necessary to educate every person, residing in such district, between the ages of six and twenty-one years, who may attend.

In order to establish, enlarge, equip, furnish, operate, and maintain any schools herein provided, or to pay any school indebtedness which the school district is required to pay, or to pay any indebtedness that may at any time hereafter be created by the school district, the board of school directors are vested with all the necessary authority and power annually to levy and collect the necessary taxes required and granted by the legislature, in addition to the annual State appropriation, and are vested with all necessary power and authority to comply with and carry out any or all of the provisions of the Public School Code of 1949.

Administration

The Superintendent shall be the executive officer of the Board of School Directors and, in that capacity shall administer the School District in conformity with Board policies and the School Laws of Pennsylvania. The Superintendent shall be directly responsible to, and therefore appointed by, the Board of School Directors. The Superintendent shall be responsible for the overall administration, supervision, and operation of the School District.

The Business Manager, recommended by the Superintendent and appointed by the Board of School Directors, shall supervise and coordinate all business aspects of the School District. In this capacity, he or she shall be responsible to insure that all work accomplished by him/her, or by persons under his/her supervision, is in the best interests of the Stroudsburg Area School District. The Business Manager is directly responsible to the Superintendent.

Reporting Entity

A reporting entity is comprised of the primary government, component units, and other organizations that are included to insure that the financial statements of the School District are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the School District. For Stroudsburg Area School District, this includes general operations, food service, and student related activities of the School District.

Stroudsburg Area School District is a municipal Corporation governed by an elected nine-member board. As required by accounting principles, generally accepted in the United States of America, these financial statements are to present Stroudsburg Area School District (the primary government) and organizations for which the primary government is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are financially dependent on the School District in that the School District approved the budget, the issuance of debt, or the levying of taxes. The Stroudsburg Area School District does not have any component units.

Joint Ventures

Monroe Career & Technical Institute

The School District is a participating member of the Monroe Career & Technical Institute (MCTI). The MCTI is run by a joint committee consisting of members from each participating district. The board of directors of each participating district must approve the MCTI's annual operating budget. Each participating district pays a pro-rata share of the MCTI's operating costs based on the number of students attending the MCTI for each District. The District's share of the MCTI's operating costs for 2019-20 was $1,448,768.

On dissolution of the Monroe Career & Technical Institute, the net position of MCTI will be shared on a pro-rata basis of each participating district's current market value of taxable real property as certified by the Pennsylvania State Tax Equalization Board. However, the District does not have an equity interest in MCTI as defined by GASB Statement No. 14, except a residual interest in the net position upon dissolution that should not be reflected on the basic financial statements. Complete financial statements for the MCTI's can be obtained from the MCTI's administrative office at Laurel Lake Drive, Bartonsville, PA 18321.

Jointly Governed Organizations

Colonial Intermediate Unit

The School District is a participating member of the Colonial Intermediate Unit (CIU). The CIU is run by a joint committee consisting of members from each participating district. No participating district appoints a majority of the joint committee. The board of directors of each participating district must approve the CIU's annual operating budget. The CIU is a self-sustaining organization that provides services for fees to participating districts. As such, the District has no on-going financial interest or financial responsibility in the CIU. The CIU contracts with participating districts to supply special education services, computer services, and acts as a conduit for certain federal programs.

Note 2 - Summary of Significant Accounting Policies

The financial statements of 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 standard-setting body for governmental accounting and financial reporting. On June 15, 1987, the GASB issued a codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of these accounting policies are described below and, where appropriate, subsequent pronouncements will be referenced. GASB Statement No. 62 was issued to include all prior Financial Accounting Standards Board's statements and interpretations, along with predecessors' statements and interpretations pertaining to governments into the hierarchy of the Governmental Accounting Standards Board's jurisdiction.

A. Basis of Presentation

The School District's basic financial statements consist of government-wide statements, including a statement of net position, a statement of activities, and fund financial statements which provide a more detailed level of financial information.

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 include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities.

The statement of net position presents the financial condition of the governmental and business-type activities of the School District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities and for one business-type activity of the School District. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business activity or governmental function is self-financing or draws from the general revenues of the School District.

Fund Financial Statements During the year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. The fiduciary funds are reported by type.

B. Fund Accounting

The School District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary.

Governmental Funds Governmental funds are those through which most governmental functions typically are financed. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Deferred outflows of resources is recorded in a particular governmental fund where costs are spent for a future period. Current Liabilities are assigned to the governmental fund from which they will be paid. Deferred inflows of resources is recorded in a particular governmental fund that has received resources for a future period. The difference between the sum of assets and deferred outflows of resources minus the sum of liabilities and deferred inflows of resources is reported as fund balance. The following are the School District's major governmental funds:

General Fund

The general fund should be used to account for and report all financial resources not accounted for and reported in another fund.

Special Revenue Fund

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term proceeds of specific revenue sources establish that one or more specific restricted or committed revenues should be the foundation for a special revenue fund. The restricted or committed proceeds of specific revenue sources should be expected to continue to comprise a substantial portion of the inflows reported in the fund. Other resources also may be reported in the fund if those resources are restricted, committed, or assigned to the specified purpose of the fund.

Under this definition, the District does not have any special revenue funds.

Capital Projects Fund

Capital project funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital project funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments. The District has the following Capital Project Funds:

Capital Reserve Fund

This fund was created in accordance with Section 1432 of the Municipal Code. The Municipal Code restricts how the resources are spent within this fund.

Proprietary Funds Proprietary funds focus on the determination of changes in net position, financial position, and cash flows and are classified as enterprise funds. The Proprietary Funds of the School District have operating and nonoperating revenues and/or expenses. Transactions for which cash flows are reported as capital and related financing activities, noncapital financing activities, or investing activities are reported as nonoperating revenues and/or expenses, including subsidies received from the state and federal government for school lunches, donated commodities, and amounts received for FICA and retirement subsidies. Operating revenues reported are consistent with the fees or charges incurred based on the intent of the individual proprietary fund.

Enterprise Funds

Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services.

The School District's major enterprise fund is:

Food Service Fund

This fund accounts for the financial transactions related to the food service operations of the School District.

Fiduciary Funds Fiduciary funds reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. The School District's trust funds consist of a private purpose trust fund. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

C. Measurement Focus

Government-wide Financial Statements The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of the School District are included on the statement of net position.

Fund Financial Statements All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet, along with deferred outflows of resources or deferred inflows of resources required to be reported. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliation's with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all enterprise funds are accounted for on a flow of economic resources measurement focus. All assets and all liabilities, including required deferred outflows of resources or required deferred inflows of resources, associated with the operation of these funds are included on the statement of fund net position. The statement of revenues, expenses, and changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its enterprise activities.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows of resources, and in the presentation of expenses versus expenditures.

Revenues - **Exchange and Non-Exchange Transactions**. Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

E. Budgetary Process

An operating 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.

In accordance with Act 1 of 2006, the Board shall annually, but not later than the first business meeting of January, decide the budget option to be used for the following fiscal year. The Board shall approve either the Accelerated Budget Process Option or the Board Resolution Option.

Accelerated Budget Process Option

Under this option, a preliminary budget must be prepared 150 days prior to the primary election. Under this Option, the preliminary budget must be available for public inspection at least 110 days prior to the primary election. The Board shall give public notice of its intent to adopt the preliminary budget at least 10 days prior to the adoption. The adoption must occur at least 90 days prior to the primary election.

If the preliminary budget exceeds the increase authorized by the Index, an application for an exception may be filed with either a Court of Common Pleas with jurisdiction or PDE and made available for public inspection. The Board may opt to forego applying for an exception by submitting a referendum question seeking voter approval for a tax increase, in accordance with Act 1.

The final budget shall include any necessary changes from the adopted preliminary budget. Any reduction required as the result of the failure of referendum shall be clearly stated. The final budget shall be made available for public inspection at least 20 days prior to final adoption. The Board shall annually adopt the final budget by a majority vote of all members of the Board prior to June 30.

Board Resolution Option

Under the Board Resolution Option, the Board shall adopt a resolution that it will not raise the rate of any tax for the following fiscal year by more than the Index. Such resolution shall be adopted no later than 110 days prior to the primary election. At least 30 days prior to adoption of the final budget the Board shall prepare a proposed budget. The proposed budget shall be available for public inspection at least 20 days prior to adoption of the budget. The Board shall give public notice of its intent to adopt at least 10 days prior to adoption of the proposed budget. The Board shall annually adopt the final budget by a majority vote of all members of the Board by June 30.

Under the Board Resolution Option, the Board shall adopt a resolution that it will not raise the rate of any tax for the following fiscal year by more than the Index. Such resolution shall be adopted no later than 110 days prior to the primary election. At least 30 days prior to adoption of the final budget the Board shall prepare a proposed budget. The proposed budget shall be available for public inspection at least 20 days prior to adoption of the budget. The Board shall give public notice of its intent to adopt at least 10 days prior to adoption of the proposed budget. The Board shall annually adopt the final budget by a majority vote of all members of the Board by June 30.

Legal budgetary control is maintained at the sub-function/major object level. The PA School Code allows the School Board to make budgetary transfers between major function and major object codes only within the last nine months of the fiscal year, unless there is a two-thirds majority of the Board approving the

transfer. 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.

The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the PDE 2028 when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts after all 2019-20 budget transfers.

F. Use of Estimates

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.

G. Changes in Accounting Principles

During the 2019-20 fiscal year the District had not implemented any new generally accepted accounting principles.

H. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public School Employees' Retirement System and additions to/deductions from the Public School Employees' Retirement System's fiduciary net position have been determined on the same basis as they are reported by the Public School Employees' Retirement System. 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.

I. Other Postemployment Benefits

Multiple Employer Cost Sharing OPEB Plan

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.

Single Employer OPEB Plan

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information was obtained from the Actuary Report conducted by Conrad Siegel. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. The single employer plan is not funded.

J. Assets, Liabilities, and Net Position

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Proprietary Fund type considers all highly liquid investments with a maturity of three months or less, when purchased, to be cash equivalents.

Investments

In accordance to GASB Statement No. 72, investments generally are to be measured at fair value. An investment is defined as a security or other asset that (a) a government holds primarily for the purpose of income or profit and (b) has the present service capacity based solely on its ability to generate cash or to be sold to generate cash. Investments not measured at fair value continue to include, for example, money market investments, 2a7-like external investment pools, investments in life insurance contracts, common stock meeting the criteria for applying the equity method, unallocated insurance contracts, and synthetic guaranteed investment contracts.

A government is permitted in certain circumstances to establish the fair value of an investment that does not have a readily determinable fair value by using the net asset value per share of the investment. This Statement requires measurement at acquisition value (an entry price) for donated capital assets, donated works of art, historical treasures, and similar assets. These assets were previously required to be measured at fair value.

Fair Value is measured using a hierarchy of inputs using valuation techniques. The hierarchy has three levels. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are inputs, other than quoted prices, that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs.

The valuation techniques should be consistent with one or more of the following approaches: the market approach, the cost approach, or the income approach. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. The cost approach reflects the amount that would be required to replace the present service capacity of an asset. The income approach converts future amounts (such as cash flows or income and expenses) to a single current (discounted) amount.

Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Property Tax Levy

Property taxes, which were levied during the fiscal year ended June 30, 2020, are recognized as revenue in the fund financial statements when received by the District during the fiscal year and also estimated to be received by the District within sixty (60) days after the fiscal year ended.

Property taxes that were levied during the current fiscal year, which are not estimated to be received within sixty (60) days after the fiscal year-end, are recorded as receivable and deferred inflows of resources in the fund financial statements.

In the government-wide financial statements, all property taxes levied during the fiscal year are recognized as revenue, net of estimated uncollectible amount.

Inventories

On government-wide financial statements, inventories are presented in the governmental activities and business-type activities columns. A physical inventory taken at June 30, 2020, shows $157,509 as an asset in the governmental activities column and $44,649 in the business-type activities column of the government-wide financial statements.

Inventory type items in governmental funds utilize the purchase method; that is, they are charged to expenditures when purchased; therefore, there is no inventory shown on the governmental funds balance sheet.

Inventory type items in Proprietary Funds use the consumption method, in which items are purchased for inventory and charged to expenses when used. The only Proprietary Fund of the District is the Food Service Fund. Inventory within this fund consists of donated commodities, which are valued at U.S.D.A.'s approximate costs, purchased food, and supplies.

Inventories on hand at June 30, 2020, consist of:

Purchased Food	$	11,810
Supplies		13,611
Donated Commodites		19,228
	$	**44,649**

Prepaid Expenses

In both the government-wide and fund financial statements, prepaid expenses are recorded as assets in the specific governmental fund in which future benefits will be derived.

Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements. Capital assets utilized by the enterprise funds are reported both in the business-type activities column of the government-wide statement of net position and in the respective funds.

As a result of the prior auditor refusing to turn over capital asset records, the School District contracted with Industrial Appraisal Company, in December 2015, to re-appraise and re-value at estimated historical cost all capital assets of the District. All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their acquisition values as of the date received. The School District maintains a capitalization threshold of five thousand ($5,000) dollars. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets utilized by the enterprise funds is also capitalized.

All reported capital assets except land, certain land improvements, collectibles, and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Buildings and Improvements	25 -50 years	25 - 50 years
Furniture and Equipment	5 - 20 years	5 -20 years
Vehicles	8 years	N/A

Compensated Absences

The School District reports compensated absences in accordance with the provisions of GASB No. 16, "Accounting for Compensated Absences". Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued as a liability using the termination method. An accrual for earned sick leave is made to the extent that it is probable that benefits will result in termination payments. The liability is an estimate based on the School District's past experience of making termination payments.

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental funds, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. In enterprise funds, the entire amount of compensated absences is reported as a fund liability.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type statement of net position. Bond premiums and discounts, and deferred amounts on refundings are deferred and amortized over the life of the bonds using modification of the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Any deferred amount on refundings are reported as deferred outflows of resources and amortized over the life of the bond issue. Bond issuance costs are expensed in the year they are incurred.

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 while discounts and premiums on debt issuances are reported as other financing uses and other financing sources, respectively. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as support service expenditures.

Reclassification

Certain amounts have been reclassified to conform to the June 30, 2020, presentation of government-wide financial statements on the accrual basis of accounting versus the governmental fund financial statements reported on the modified accrual basis of accounting.

Net Position

Net Position represents the difference between assets, deferred outflows of resources less liabilities and deferred inflows of resources. Net Investment in Capital Assets component of Net Position is comprised of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. In addition, any deferred outflows of resources and/or deferred inflows of resources related to such capital assets or liabilities associated with the capital assets should also be added or deducted from the overall Net Investment in Capital Assets. The restricted component of Net Position is used when there are limitations imposed on their use either through the enabling legislation adopted by a higher governmental authority or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The remaining component of Net Position is unrestricted.

The School District applies restricted resources first when an expense is incurred for purposes for which both the restricted and unrestricted components of net position are available.

Fund Balance Categories

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Below are the potential categories of fund balance the government may use with their definitions, the actual categories used is explained in Note 8 to the financial statements:

Nonspendable Fund Balance

This category includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance

Fund balance should be reported as restricted when constraints placed on the use of resources are externally imposed by creditors, grantors, contributors, or other government laws or regulations, or the constraint is imposed by enabling legislation or constitutional provisions.

Committed Fund Balance

This category pertains to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. The committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action.

This government's governing body is the School Board and the formal action taken to commit resources is done by resolution.

Assigned Fund Balance

This category includes all remaining amounts that are reported in governmental funds, except the general fund, that are not classified in one of the above-mentioned categories. In the general fund, this category represents the District's intent to use resources for a specific purpose, which does not require formal action by the governing body. The District's policy dictates the Superintendent and Business manager are responsible to make these assignments.

Unassigned Fund Balance

This category of fund balance represents the residual classification for the general fund after segregating resources used in the other categories listed above. Unassigned fund balance will only be shown in other governmental funds if those governmental funds have a negative net fund balance.

The District's policy on fund balance does not dictate which category of unrestricted fund balance is spent first, when resources are available to be spent in various categories. As such, committed amounts will be reduced first, followed by assigned amounts, and then unassigned amounts. The District's policy also does not dictate whether restricted (nonspendable or restricted) or unrestricted (committed, assigned, and unassigned) is spent first when resources are available in both categories. As such, in these circumstances, restricted will be assumed to have been spent first followed by the unrestricted categories.

Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of fixed assets, or from grants or outside contributions of resources restricted to capital acquisition and construction. There were no capital contributions this past fiscal year in the proprietary fund.

Note 3 - Reconciliation of Government-Wide and Fund Financial Statements

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.

The governmental fund balance sheet includes reconciliation between "fund balance -total governmental funds" and "net position - governmental activities" as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

The details of the $294,064,252 difference are:

Bonds payable	$ 104,861,040
Less: Issuance discount (to be amortized as interest expense)	(162)
Add: Issuance premiums (to be amortized as a contra of interest expense)	2,148,621
Capital Leases	1,081,466
Accrued Interest Payable	246,184
Compensated absences	3,189,324
Net Defined Benefit Pension Liability	155,851,162
Net OPEB Liability - Single Employer Plan	19,559,463
Net OPEB Liability - Multiple Employer Plan	7,127,154
Net adjustment to reduce "fund balance - total governmental funds" to arrive at "net position - governmental activities"	**$ 294,064,252**

B. Explanation of Differences between Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the Statement of Activities

Due to the differences in the measurement focus and basis of accounting used on the government fund statements and district-wide statements certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items. Differences between the governmental funds statement of revenues, expenditures, and changes in fund balance and the statement of activities fall into one of three broad categories. The amounts shown in the columns on the following page represent long-term revenue differences arise because governmental funds report revenues only when they are considered "available", whereas the statement of activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis whereas the accrual basis of accounting is used on the statement of activities. The long-term expenses reported below recognize the change in vested employee benefits.

a) Long-term revenue differences arise because governmental funds report revenues only when they are considered “available”, whereas the statement of activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the statement of activities. The long-term expenses reported below recognize the change in vested employee benefits.

b) Capital related differences include (1) the difference between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the statement of activities, and (2) the difference between recording an expenditure for the purchase of capital items in the governmental fund statements, and capitalization and recording of depreciation expense on those items as recorded in the statement of activities.

c) Long-term debt transaction differences occur because long-term debt proceeds are recorded as revenue and both interest and principal payments are recorded as expenditures in the governmental fund statements. In the statement of activities, long-term debt proceeds are recorded as a liability; principal payments are recorded as a reduction of liabilities.

Explanation of Differences between Governmental Fund Statements and District-Wide Statements

	TOTAL GOVERN-MENTAL FUNDS	LONG-TERM REVENUES/ EXPENSES	CAPITAL RELATED ITEMS	LONG-TERM DEBT TRANS-ACTIONS	TOTAL FOR STATEMENT OF ACTIVITIES
REVENUES AND OTHER SOURCES					
LOCAL SOURCES:					
Property Taxes	$ 66,528,066	$ 981,590	$ -	$ -	$ 67,509,656
Taxes levied for specific purposes	4,295,511	-	-	-	4,295,511
Interest and investment earnings	752,657	(16,404)	-	-	736,253
Miscellaneous	111,630	-	560	-	112,190
Contributions and Donations	8,934	-	-	-	8,934
Charges for Services	42,981	-	-	-	42,981
Grants, subsidies & contributions not restricted	17,493,620	-	-	-	17,493,620
Transfers In	-	-	-	-	-
INTERMEDIATE SOURCES:					
Charges for Services	-	-	-	-	-
Operating grants and contributions	-	-	-	-	-
STATE SOURCES:					
Operating and Capital grants and contributions	20,855,925	-	-	-	20,855,925
FEDERAL SOURCES:					
Operating and Capital grants and contributions	4,555,949	-	-	-	4,555,949
OTHER FINANCING USES:					
Bond Issue Proceeds	28,555,000	-	-	(28,555,000)	-
Bond Premiums	2,148,035	-	-	(2,148,035)	-
Proceeds from Extended Term Financing	-	-	-	-	-
SPECIAL AND EXTRAORDINARY ITEMS:					
Insurance Recoveries	-	-	-	-	-
Gain or (Loss) on disposal of assets	560	-	(560)	-	-
TOTAL REVENUES	145,348,868	965,186	-	(30,703,035)	115,611,019
EXPENDITURES/EXPENSES					
Instruction	66,578,082	447,994	492,182	-	67,518,258
Instructional Student Support	6,893,494	27,792	117,787	-	7,039,073
Admin. & Fin'l Support Services	8,708,404	101,162	17,566	-	8,827,132
Oper. & Maint. Of Plant Svcs.	10,544,347	(84,406)	59,406	-	10,519,347
Pupil Transportation	6,155,302	(73,978)	(557,931)	-	5,523,393
Student activities	1,636,553	20,190	41,584	-	1,698,327
Community Services	12,810	-	-	-	12,810
Capital Outlay	1,696,872	-	(1,696,872)	-	-
Debt Service	44,513,318	-	-	(40,304,007)	4,209,311
Transfers Out	-	-	-	-	-
Extraordinary Loss	-	-	-	-	-
Depreciation - unallocated	-	-	4,602,416	-	4,602,416
TOTAL EXPENDITURES/EXPENSES	146,739,182	438,754	3,076,138	(40,304,007)	109,950,067
NET CHANGE FOR THE YEAR	**$ (1,390,314)**	**$ 526,432**	**$ (3,076,138)**	**$ 9,600,972**	**$ 5,660,952**

Note 4 - Stewardship, Compliance, and Accountability

A. Compliance with finance related legal and contractual provisions

The District has no material violations of finance related legal and contractual provisions.

B. Deficit fund balance or net position of individual funds

No individual fund contains a deficit fund balance or net position at June 30, 2020, except the governmental activities has a deficit of $122,057,934.

C. Excess of expenditures over appropriations in individual funds

No individual fund, which had a legally adopted budget, had excess expenditures over appropriations.

D. Budgetary compliance

The District's only legally adopted budget is for the General Fund. All budgetary transfers were made within the last nine months of the fiscal year. The District cancels all purchase orders open at year-end; therefore, it does not have any outstanding encumbrances at June 30, 2020. In addition, the District includes a portion of the prior year's fund balance represented by unappropriated liquid assets remaining in the fund as budgeted revenue in the succeeding year. The results of operations on a GAAP basis do not recognize the fund balance allocation as revenue as it represents prior period's excess of revenues over expenditures.

Note 5 - Detailed notes on all funds and account groups

Assets

Cash

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District does not have a policy for custodial credit risk. As of June 30, 2020, $3,604,410 of the District's bank balance of $4,151,911 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	$ 748
Collateralized with securities held by the pledging financial institution	-
Uninsured and collateral held by the pledging bank's trust department not in the District's name	3,603,662
TOTAL	**$ 3,604,410**

Reconciliation to Financial Statements

Uncollateralized Amount Above	$ 3,604,410
Plus: Insured Amount	547,501
Less: Outstanding Checks	(604,871)
Carrying Amount - Bank balances	3,547,040
Plus: Petty Cash	1,550
Deposits in Investment Pools Considered Cash Equivalents	31,828,990
Deposits in Money Market Mutual Funds Considered Cash Equivalents	-
Less: Certificates of Deposit considered Investment by School Code	-
Total Cash Per Financial Statements	**$ 35,377,580**

Investments

Permitted investments for Stroudsburg Area School District are defined in the Public School Code of 1949, as amended by Act 10 of 2016 as:

1. United States Treasury Bills;
2. Short-term obligations of the United States Government or its agencies or instrumentalities;
3. Deposits in savings accounts or time deposits or share accounts of institutions insured by the F.D.I.C; and,
4. Obligations of the United States of America or any of its agencies or instrumentalities, the Commonwealth of Pennsylvania or any of its agencies or instrumentalities or any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities.
5. Obligations, participations or other instruments of any Federal Agency, instrumentality or United States government sponsored enterprise, including those issued or fully guaranteed as the principal and interest by Federal agencies, instrumentalities or United States government sponsored enterprises, if the debt obligations are rated at least "A" or its equivalent by at least two nationally recognized statistical ratings organizations.
6. Repurchase agreements with respect to United States Treasury bills or obligations, participations or other instruments of or guaranteed by the United States or any Federal agency, instrumentality or United States government sponsored enterprise.
7. Negotiable certificates of deposit or other evidences of deposit, with a remaining maturity of three years or less, issued by a nationally or State-chartered bank, a Federal or State savings and loan association or a State-licensed branch of a foreign bank. For obligations with a maturity of one year or less, the debt obligations of the issuing institution or its parent must be rated in the top short-term rating category by at least two nationally recognized statistical ratings organizations. For obligations with a maturity in excess of one year, the senior debt obligations of the issuing institution or its parent must be rated at least "A" or its equivalent by at least two nationally recognized statistical ratings organizations.
8. Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as bankers' acceptances, if the bankers' acceptances do not exceed 180 days maturity and the accepting bank is rated in the top short-term category by at least two nationally recognized statistical ratings organizations.
9. Commercial paper issued by corporations or other business entities organized in accordance with Federal or State law, with a maturity not to exceed 270 days, if the paper is rated in the top short-term category by at least two nationally recognized statistical ratings organizations.
10. Shares of an investment company registered under the Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933 and, if all of the following conditions are met:

    - The investments of the company are the authorized investments listed above.
    - The investment company is managed in accordance with 17 CFR 270.2a-7 (related to money market funds.
    - The investment company is rated in the highest category by a nationally recognized rating agency.

11. Savings or demand deposits placed in accordance with the following conditions:

- The money is initially deposited and invested through a federally insured institution having a place of business in this Commonwealth, which is selected by the public corporation or municipal authority.
- The selected institution arranges for the redeposit of the money in savings or demand deposits in one or more financial institutions insured by the Federal Deposit Insurance Corporation, for the account of the public corporation or municipal authority.
- The full amount of principal and any accrued interest of each such deposit is insured by the Federal Deposit Insurance Corporation.
- On the same date that the money is redeposited pursuant to above, the selected institution receives an amount of deposits from customers of other financial institutions equal to or greater than the amount of money initially invested through the selected institution by the public corporation or municipal authority.

As of June 30, 2020, the District had the following investments:

Investment	**Maturities**	**Fair Value**
PA School District Liquid Asset Fund - MAX		$ 19,097,837
PA Local Government Investment Trust		1,153
PA School District Liquid Asset Fund		12,730,000
Dreyfus Research Growth fund - Class Z		59,553
Columbia Short Term Bond Fd - A		32,213
Certificates of Deposit - PSDLAF		960,000
TOTAL		**$ 32,880,756**

Interest Rate Risk

The District has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

The District has no investment policy that would limit its investment choices to certain credit ratings. As of June 30, 2020, the District's investments in PLGIT an PSDLAF were rated AAA by Standard & Poor's.

Concentration of Credit Risk

The District places no limit on the amount the District may invest in any one issuer. Of the General Fund's Investments, 3.64% were held in Certificates of Deposit with various banks through PSDLAF. Of the Fiduciary Fund's Investments, 98.76% were held in mutual funds.

Reconciliation to Financial Systems

Total Investments Above	$ 32,880,756
Less: Deposits in Investment Pool Considered Cash Equivalents	(31,828,990)
Deposits in Money Market Mutual Funds Considered Cash Equivalents	-
Total Investments Per Financial Statements	**$ 1,051,766**

Fair Value Reporting

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District did not have any recurring fair value investments at June 30, 2020. The District did have Cash Equivalents in 2a7-like external investment pools, which GASB Statement No. 72 allows to be recorded at amortized cost, along with non-negotiable Certificates of Deposit as provided in paragraph 16 of GASB Statement No. 31.

The Fiduciary Activities of the District, specifically the Private Purpose Trust Funds, holds investments that are measured at fair value on a recurring basis. Because investing in these fiduciary funds is not part of the District's operations, the District determines that the disclosures related to these investments only need to be disaggregated by major type. The District chooses a narrative format for the fair value disclosures.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District has the following recurring fair value measurements as of June 30, 2020:

- 3,440.359 shares in Dreyfus Research Growth Fund totaling $59,552.61 valued using quoted market prices (Level 1 inputs).
- 3,250.597 shares in Columbia Short Term Bond Fund totaling $32,213 valued using quoted market prices (Level 1 inputs).

Property Taxes

Property taxes are levied on July 1, on the assessed value listed, as of that date, for all taxable real property located in the District. Assessed values are established by the County Board of Assessments. All taxable real property was assessed at $433,478,940. The tax rate for the year was $16.33 per $100 of assessed valuation or 163.30 mills. In accordance with Act 1 of 2006, the District received $2,667,567 in property tax reduction funds for the 2019-20 fiscal year.

The property tax calendar is:

August 1	-	Full year tax assessed for current year.
August 1 - September 30	-	Discount period during which a 2% discount is allowed.
October 1 - November 30	-	Face amount of tax is due
December 1 - December 31	-	A 10% penalty is added to all payments.
January 1	-	All unpaid taxes become delinquent and are turned over to the County Tax Claim Bureau for Collection.

The School District, in accordance with GAAP, recognized the delinquent and unpaid taxes receivable reduced by an allowance for uncollectible taxes as determined by the administration. A portion of the net 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.

Receivables

Receivables, as of year end, for the government's individual major funds and non-major and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are:

Schedule on Receivables for major, nonmajor, and fiduciary funds

	GENERAL FUND	CAPITAL RESERVE FUND	CAPITAL PROJECT FUNDS	FOOD SERVICE FUND	NON-MAJOR FUNDS	FIDUCIARY FUNDS	TOTAL
RECEIVABLES:							
Interest	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Taxes	7,806,827	-	-	-	-	-	7,806,827
Accounts	60,588	-	-	-	-	-	60,588
Intergovernmental	5,165,105	-	-	43,476	-	-	5,208,581
GROSS RECEIVABLES	13,032,520	-	-	43,476	-	-	13,075,996
Less: Allowance for Uncollectibles	-	-	-	-	-	-	-
NET RECEIVABLES	**$ 13,032,520**	**$ -**	**$ -**	**$ 43,476**	**$ -**	**$ -**	**$ 13,075,996**

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred inflows of resources and unearned revenue reported in the governmental funds were:

Schedule on Deferred Inflows of Resources - Unavailable and Unearned

	UNAVAILABLE	UNEARNED
Delinquent Property Taxes - General Fund	$ 6,652,878	$ -
Grants drawdowns prior to meeting eligibility requirements	-	-
TOTAL	**$ 6,652,878**	**$ -**

Capital Assets

Capital asset balances and activity for the year ending June 30, 2020, were*:*

	BEGINNING BALANCE	INCREASES	DECREASES	ENDING BALANCE
GOVERNMENTAL ACTIVITIES:				
Capital Assets not being depreciated:				
Land	$ 1,262,987	$ -	$ -	$ 1,262,987
Construction in Progress	2,427,831	1,328,338	(3,756,169)	-
Total Capital Assets not being depreciated	3,690,818	1,328,338	(3,756,169)	1,262,987
Capital Assets being depreciated:				-
Library Collections	3,630,722	-	-	3,630,722
Site Improvements	7,567,002	814,891	-	8,381,893
Buildings and Bldg. Improvements	159,798,656	3,237,228	-	163,035,884
Furniture and Equipment	18,496,346	1,074,770	(71,108)	19,500,008
TOTAL CAPITAL ASSETS BEING DEPRECIATED	189,492,726	5,126,889	(71,108)	194,548,507
Less accumulated depreciation for:				
Library Collections	(3,630,722)	-	-	(3,630,722)
Site Improvements	(3,961,300)	(363,542)	-	(4,324,842)
Buildings and Bldg. Improvements	(58,440,189)	(4,391,135)	-	(62,831,324)
Furniture and Equipment	(12,981,690)	(1,020,519)	71,108	(13,931,101)
TOTAL ACCUMULATED DEPRECIATION	(79,013,901)	(5,775,196)	71,108	(84,717,989)
TOTAL CAPITAL ASSETS BEING DEPRECIATED NET OF ACCUMULATED DEPRECIATION	110,478,825	(648,307)	-	109,830,518
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION	**$ 114,169,643**	**$ 680,031**	**$ (3,756,169)**	**$ 111,093,505**
BUSINESS-TYPE ACTIVITIES:				
Capital Assets being depreciated:				
Furniture and Equipment	$ 2,013,931	$ 375,596	$ -	$ 2,389,527
Less accumulated depreciation	(1,043,251)	(98,840)	-	(1,142,091)
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION	**$ 970,680**	**$ 276,756**	**$ -**	**$ 1,247,436**

*** DEPRECIATION EXPENSE WAS CHARGED TO GOVERNMENTAL FUNCTIONS AS FOLLOWS:**	
Regular Instruction	$ 526,677
Special Instruction	2,353
Vocational Instruction	16,492
Other Instruction	-
Adult Instruction	-
Community College Instruction	-
Pupil Services	5,183
Instructional Staff Svcs.	109,131
Administrative Services	10,211
Health Services	3,473
Business Services	1,676
Operation & Maintenance of Plant Svcs.	44,478
Pupil Transportation	405,842
Central Services	5,680
Other Support Services	-
Student Activities	41,584
Community Services	-
Depreciation - unallocated	4,602,416
TOTAL DEPRECIATION FOR GOVERNMENTAL ACTIVITIES	**$ 5,775,196**

The District disposed of $71,108 in equipment for governmental activities during the year, with accumulated depreciation of $71,108, leaving $0 of gain on disposition. The business-type activities did not dispose of any equipment.

Commitments

Encumbrances

Any encumbrances outstanding at year-end do not represent GAAP expenditures or liabilities but represent budgetary accounting controls. The General Fund Budget is maintained on the modified accrual basis of accounting, except that budgetary basis expenditures include any encumbrances issued for goods or services not received at year-end and not terminated.

The actual results of operations are presented in accordance with GAAP and the District's accounting policies do not recognize encumbrances as expenditures until the period in which the goods or services are actually received and a liability is incurred. If budgetary encumbrances exist at year-end, they are included in the fund financial statements to reflect actual revenues and expenditures on a budgetary basis consistent with the District's legally adopted budget.

Long-term construction commitments

The District has the following construction commitments in the Capital Projects Fund:

	CONTRACT AMOUNT	EXPENDED TO 6/30/20	OUTSTANDING COMMITMENTS
Junior High School Roof			
Mountaineer Drive Paving Project	$ 249,413	$ -	$ 249,413
GRAND TOTAL	$ 249,413	$ -	$ 249,413

Short-Term Debt

Interfund receivables and payables

The following interfund receivables and payables were in existence on June 30, 2020:

	INTERFUND RECEIVABLES	INTERFUND PAYABLES
General Fund	$ 52,918	$ 57
Enterprise (Food Service) Fund	-	52,918
Capital Project (Capital Reserve) Fund	-	-
Agency (Activity) Fund	-	-
Agency (Payroll) Fund	-	-
Private Purpose Trust Fund	57	-
TOTAL	**$ 52,975**	**$ 52,975**

Interfund Transfers

The District also made the following interfund transfers during the fiscal year ended June 30, 2020:

	TRANSFER IN	TRANSFER OUT
General Fund	$ -	$ 2,000,000
Capital Project (Capital Reserve) Fund	2,000,000	-
TOTAL	**$ 2,000,000**	**$ 2,000,000**

Long-Term Liabilities

Long-term liability balances and activity for the year ended June 30, 2020, were:

CHANGES IN LONG-TERM LIABILITIES

	BEGINNING BALANCE	ADDITIONS	REDUCTIONS	ENDING BALANCE	AMOUNTS DUE WITHIN ONE YEAR
GOVERNMENTAL ACTIVITIES					
General Obligation Debt:					
Bonds and notes payable:					
Capital Projects	$ 116,070,651	$ 31,302,068	$ 40,363,221	$ 107,009,498	$ 10,141,000
Lease Rental Obligations	1,456,400	-	374,934	1,081,466	363,115
Total general obligation debt	117,527,051	31,302,068	40,738,155	108,090,964	10,504,115
Other liabilities:					
Judgment Payable	-	-	-	-	-
Vested employee benefits:					
Vacation pay	60,005	30,706	-	90,711	44,875
Sick pay	2,962,975	261,298	-	3,224,273	80,784
Net Defined Benefit Pension	145,297,620	10,553,542	-	155,851,162	-
Net OPEB Liability - Single Employer Plan	22,744,651	-	3,185,188	19,559,463	-
Net OPEB Liability - Multiple Employer Plan	6,364,467	762,687	-	7,127,154	-
Net Defined Contribution Pension	-	-	-	-	-
Total other liabilities	177,429,718	11,608,233	3,185,188	185,852,763	125,659
TOTAL GOVERNMENTAL ACTIVITY LONG-TERM LIABILITIES	**$ 294,956,769**	**$ 42,910,301**	**$ 43,923,343**	**$ 293,943,727**	**$ 10,629,774**
BUSINESS-TYPE ACTIVITIES					
Other liabilities:					
Vested employee benefits					
Vacation pay	$ -	$ -	$ -	$ -	$ -
Sick pay	-	-	-	-	-
Other liabilities:					
Net Defined Benefit Pension	-	-	-	-	-
Net Defined Contribution Pension	-	-	-	-	-
TOTAL BUSINESS-TYPE ACTIVITY LONG-TERM LIABILITIES	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Payments on bonds and notes are made by the general fund. Vested employee benefits will be liquidated by several of the governmental funds and the proprietary (food service) fund.

Total Interest paid and accrued during the year:

GOVERNMENTAL ACTIVITIES	EXPENSE	PAID
General obligation debt	$ 4,163,872	$ 3,731,430
Refund of Prior Year Receipts	45,439	45,439
Short-term borrowings	-	-
TOTAL INTEREST PAID BY GOVERNMENTAL ACTIVITIES	**$ 4,209,311**	**$ 3,776,869**

General Obligation Bonds - Series of 1998

On May 1, 1998, the District issued $10,194,409.55 of the General Obligation Bonds - Improvement Series of 1998. The proceeds of the Improvement Bonds were used (1) to finance improvements, additions and renovations to the Stroudsburg Middle School (2) to finance other capital programs of the School District and (3) to pay the costs of issuing the Improvement Bonds.

In accordance with the Local Governmental Unit Debt Act, a sinking fund has been established with the paying agent. The bonds mature from October 1, 2013 to April 1, 2023. Interest rates ranging from 5.25% to 5.40% with total interest indebtedness of $19,125,590.45.

The remaining outstanding debt service requirements at June 30, 2020:

FISCAL YEAR	PRINCIPAL
2020-21	$ 3,000,000
2021-22	3,000,000
2022-23	3,000,000
TOTAL MATURED PRINCIPAL	**$ 9,000,000**
Less: Unamortized Discount	(792,960)
TOTAL OUTSTAINDING	**$ 8,207,040**

General Obligation Notes - Series of 2008

On June 9, 2008, the District issued $15,000,000 of the General Obligation Notes - Series of 2008. The notes were issued through the Delaware Valley Regional Finance Authority. The proceeds of the Notes were used (1) to pay for construction costs of the High School Project; and, (2) to pay the costs of issuing the Notes.

In accordance with the Local Governmental Unit Debt Act, a sinking fund has been established with the paying agent. The notes mature from May 25, 2010 to May 25, 2028. Interest rate is variable and is governed by a qualified interest rate management plan.

On March 25, 2020 the District worked with the Delaware Valley Regional Finance Authority to convert the GON Series 2008 from a variable interest rate to a fixed rate of 1.07% for the remaining life of the Notes.

The remaining outstanding debt service requirements at June 30, 2020, are:

FISCAL YEAR	PRINCIPAL	INTEREST
2020-21	$ 835,000	$ 82,272
2021-22	868,000	73,338
2022-23	903,000	64,050
2023-24	939,000	54,388
2024-25	976,000	44,341
2025-28	3,168,000	68,673
SUB-TOTAL	$ 7,689,000	**$ 387,062**
Add: Unamoritized Premium	-	
TOTAL OUTSTANDING	**$ 7,689,000**	

General Obligation Notes – Series A of 2010

On October 6, 2010, the District issued $17,000,000 of the General Obligation Notes - Series of 2010, a Qualified School Construction Bond through the State Public School Building Authority. The proceeds of the Notes were used (1) to pay for construction costs of the High School Project; and, (2) to pay the costs of issuing the Notes.

In accordance with the Local Governmental Unit Debt Act, a sinking fund has been established with the paying agent. The notes mature from September 1, 2011 to September 1, 2027. Interest rate is set at 5.0% with total interest indebtedness of $14,400,417.

The remaining outstanding debt service requirements at June 30, 2020, are:

FISCAL YEAR	PRINCIPAL	INTEREST
2020-21	$ 840,000	$ 850,000
2021-22	820,000	850,000
2022-23	800,000	850,000
2023-24	1,335,000	850,000
2024-25	1,440,000	850,000
2025-28	6,425,000	2,125,000
SUB TOTAL	**$ 11,660,000**	**$ 6,375,000**
Add: Unamortized Premium	-	
TOTAL OUTSTANDING	**$ 11,660,000**	

General Obligation Bonds - Series A of 2011

On March 29, 2011, the District issued $30,645,000 of the General Obligation Bonds - Series A of 2011. The proceeds of the Bonds were used (1) to finance various capital projects of the School District; and (2) to pay the costs of issuing the Bonds.

In accordance with the Local Governmental Unit Debt Act, a sinking fund has been established with the paying agent. The bonds mature from June 1, 2012 to June 1, 2027. Interest rates ranging from 0.84% to 5.25% with total interest indebtedness of $13,611,295.

On December 19, 2016, the District refunded a portion of the Series A of 2011 ($8,365,000), with interest rates ranging from 5.0% to 5.25%, with new debt in the amount of $9,790,000, with a fixed interest rate of 1.82%.

The remaining outstanding debt service requirements at June 30, 2020, are:

FISCAL YEAR	PRINCIPAL	INTEREST
2020-21	$ 1,995,000	$ 370,222
2021-22	2,110,000	279,785
2022-23	2,230,000	193,275
2023-24	1,970,000	98,500
SUB TOTAL	**$ 8,305,000**	**$ 941,782**
Add: Unamortized Premium	46,001	
TOTAL OUTSTANDING	**$ 8,351,001**	

General Obligation Bonds - Series B of 2011

On October 11, 2011, the District issued $13,770,000 of the General Obligation Bonds - Series B of 2011. The proceeds of the Bonds were used (1) to advance refund the outstanding General Obligation Bonds, Series A of 2001 of the School District; and, (2) pay the costs of issuing and insuring the Bonds.

In accordance with the Local Governmental Unit Debt Act, a sinking fund has been established with the paying agent. The bonds mature from April 1, 2012 to April 1, 2022. Interest rates ranging from 1.00% to 4.00% with total interest indebtedness of $2,630,619.

The remaining outstanding debt service requirements at June 30, 2020, are:

FISCAL YEAR	PRINCIPAL	INTEREST
2020-21	$ 1,730,000	$ 102,595
2021-22	1,480,000	48,100
SUB TOTAL	**$ 3,210,000**	**$ 150,695**
Add: Unamortized Premium	5,814	
TOTAL OUTSTANDING	**$ 3,215,814**	

General Obligation Notes - Series C of 2011

On November 3, 2011, the District issued $25,665,000 of the General Obligation Notes - Series C of 2011, a Qualified School Construction Bond through the State Public School Building Authority. The proceeds of the Notes were used (1) to pay for construction costs of the High School Project; and, (2) to pay the costs of issuing the Notes.

In accordance with the Local Governmental Unit Debt Act, a sinking fund has been established with the paying agent. The notes mature from September 1, 2012 to September 1, 2029. Interest rate is set at 5.0% with total interest indebtedness of $23,330,922.

The remaining outstanding debt service requirements at June 30, 2020, are:

FISCAL YEAR	PRINCIPAL	INTEREST
2020-21	$ 60,000	$ 1,305,834
2021-22	50,000	1,305,834
2022-23	30,000	1,305,834
2023-24	65,000	1,305,834
2024-25	55,000	1,305,834
2025-30	21,875,000	5,876,253
SUB TOTAL	**$ 22,135,000**	**$ 12,405,423**
Add: Unamortized Premium	-	
TOTAL OUTSTANDING	**$ 22,135,000**	

General Obligation Bonds – Series A of 2012

On April 2, 2012, the District issued $10,000,000 of the General Obligation Bonds - Series A of 2012. The proceeds of the Bonds were used (1) to currently refund a portion of the outstanding General Obligation Bonds - Series of 2006 currently outstanding in the amount of $9,965,000 of which $9,690,000 will be refunded; and (2) to pay the costs of issuing the Bonds.

In accordance with the Local Governmental Unit Debt Act, a sinking fund has been established with the paying agent. The bonds mature from April 1, 2013 to April 1, 2027. Interest rates ranging from 0.55% to 3.00% with total interest indebtedness of $3,780,820.

On September 10, 2019 the District refunded the General Obligation Bonds Series A of 2012 in the principal amount of $9,965,000, with interest rates ranging from 2.50% - 3.00% with the General Obligation Bonds Series A of 2019 in the amount of $8,895,000 with fixed interest rates ranging from 1.20% to 4.00%. The economic gain calculation is as follows:

SOURCES		
Gross Proceeds of Bonds	$ 8,985,000	
Plus: Accrued Interest		
Premium	1,269,323	
Less: Original Issue Discount	-	
Underwriter's Discount	(78,619)	
TOTAL SOURCES	**$ 10,175,704**	
USES		
Escrow Deposit	$ 10,087,602	
Issuance Costs	79,915	
Sinking Fund Deposit	8,187	
TOTAL USES	**$ 10,175,704**	
DIFFERENCE IN CASH FLOW REQUIREMENTS		
Old Debt Service Cash Flows		$ 11,801,600
Cash Flows From New Debt:		
New Debt Service Cash Flow	$ 11,126,305	
Less: Sinking Fund Deposit	(8,187)	
Net Cash Flows From New Debt		11,118,118
Net Difference in Cash Flows		**$ 683,482**
ECONOMIC GAIN/LOSS		
Present Value of Old Debt Service Cash Flows		$ 10,710,748
Present Value of New Debt Service Cash Flows	$ 10,095,790	
Less: Sinking Fund Deposit	(8,187)	
TOTAL		10,087,603
ECONOMIC LOSS		**$ 623,145**

General Obligation Bonds – Series B of 2012

On April 19, 2012, the District issued $9,990,000 of the General Obligation Bonds - Series B of 2012. The proceeds of the Bonds were used (1) to currently refund a portion of the outstanding General Obligation Bonds - Series of 2007 currently outstanding in the amount of $9,965,000 of which $9,670,000 will be refunded; and (2) to pay the costs of issuing the Bonds.

In accordance with the Local Governmental Unit Debt Act, a sinking fund has been established with the paying agent. The bonds mature from April 1, 2013 to April 1, 2025. Interest rates ranging from 0.55% to 3.00% with total interest indebtedness of $3,473,036.

On January 11, 2017, the District refunded a portion of the Series B of 2012 ($9,525,000), with interest rates ranging from 2.625% to 3.00%, with new debt in the amount of $9,750,000, with a fixed interest rate of 1.85%.

The remaining outstanding debt service requirements at June 30, 2020, are:

FISCAL YEAR	PRINCIPAL	INTEREST
2020-21	$ 95,000	$ 3,806
2021-22	50,000	1,312
SUB TOTAL	**$ 145,000**	**$ 5,118**
Less: Unamortized Discount	(162)	
TOTAL OUTSTANDING	**$ 144,838**	

General Obligation Bonds - Series of 2014

On August 14, 2014, the District issued $6,200,000 of the General Obligation Bonds - Series of 2014. The proceeds of the Bonds were used (1) to finance various capital projects of the School District including energy projects, and (2) to pay the costs of issuing and insuring the Bonds.

In accordance with the Local Governmental Unit Debt Act, a sinking fund has been established with the paying agent. The bonds mature from June 1, 2015 to June 1, 2030. Interest rates ranging from 0.30% to 4.00% with total interest indebtedness of $3,729,865.

On September 10, 2019 the District refunded the General Obligation Bonds Series of 2014 in the aggregate principal amount of $6,175,000, with interest rates ranging from 2.125% - 4.00% with the General Obligation Bonds Series B of 2019 in the amount of $5,505,000 with fixed interest rates ranging from 1.20% to 4.00%. The economic gain calculation is as follows:

SOURCES				
Gross Proceeds of Bonds	$	5,505,000		
Plus: Accrued Interest				
Premium		878,712		
Less: Original Issue Discount		-		
Underwriter's Discount		(48,168)		
TOTAL SOURCES	**$**	**6,335,544**		
USES				
Escrow Deposit	$	6,270,558		
Issuance Costs		61,981		
Sinking Fund Deposit		3,005		
TOTAL USES	**$**	**6,335,544**		
DIFFERENCE IN CASH FLOW REQUIREMENTS				
Old Debt Service Cash Flows			$	8,769,131
Cash Flows From New Debt:				
New Debt Service Cash Flow	$	7,849,953		
Less: Sinking Fund Deposit		(3,005)		
Net Cash Flows From New Debt				7,846,948
Net Difference in Cash Flows			**$**	**922,183**
ECONOMIC GAIN/LOSS				
Present Value of Old Debt Service Cash Flows			$	7,012,777
Present Value of New Debt Service Cash Flows	$	6,273,563		
Less: Sinking Fund Deposit		(3,005)		
TOTAL				6,270,558
ECONOMIC LOSS			**$**	**742,219**

General Obligation Notes – Series of 2015

On July 14, 2014, the District issued $6,870,000 of the General Obligation Notes - Series of 2015. The proceeds of the Notes were used (1) to refund the School District's General Obligation Bonds, Series of 2010, and (2) to pay the costs of issuance.

In accordance with the Local Governmental Unit Debt Act, a sinking fund has been established with the paying agent. The notes mature from April 1, 2016 to April 1, 2027. Interest rate at 2.35% with total interest indebtedness of $1,067,002. The remaining outstanding debt service requirements at June 30, 2019, are*:*

On May 18, 2020 the District refunded the General Obligation Notes Series of 2015 in the aggregate principal amount of $4,300,000, with fixed interest rate of 2.35% with the General Obligation Notes Series A of 2020 in the amount of $4,356,000 with a fixed interest rate of 0.824%. The economic gain calculation is as follows:

SOURCES				
Gross Proceeds of Bonds	$	4,356,000		
Plus: Accrued Interest				
Premium		-		
Less: Original Issue Discount		-		
Underwriter's Discount		-		
TOTAL SOURCES	**$**	**4,356,000**		
USES				
Escrow Deposit	$	4,313,193		
Issuance Costs		42,807		
Sinking Fund Deposit		-		
TOTAL USES	**$**	**4,356,000**		
DIFFERENCE IN CASH FLOW REQUIREMENTS				
Old Debt Service Cash Flows			$	4,713,953
Cash Flows From New Debt:				
New Debt Service Cash Flow	$	4,502,719		
Less: Sinking Fund Deposit		-		
Net Cash Flows From New Debt				4,502,719
Net Difference in Cash Flows			**$**	**211,234**
ECONOMIC GAIN/LOSS				
Present Value of Old Debt Service Cash Flows			$	4,524,872
Present Value of New Debt Service Cash Flows	$	4,313,193		
Less: Sinking Fund Deposit		-		
TOTAL				4,313,193
ECONOMIC LOSS			**$**	**211,679**

General Obligation Notes – Series of 2016

On December 19, 2016, the District issued $9,790,000 of General Obligation Notes – Series of 2016. The proceeds of the Notes were used (1) to refund a portion of the School District's General Obligation Bonds, Series A of 2011, and (2) to pay the costs of the issuance.

In accordance with the Local Governmental Unit Debt Act, a sinking fund has been established with the paying agent. The notes mature from June 1, 2017 to June 1, 2027. Interest rate at 1.820% with a total interest indebtedness of $1,557,292.

The remaining outstanding debt service requirements at June 30, 2020, are:

FISCAL YEAR	PRINCIPAL	INTEREST
2020-21	$ 160,000	$ 168,168
2021-22	160,000	165,256
2022-23	165,000	162,344
2023-24	565,000	159,341
2024-25	2,660,000	149,058
2025-27	5,530,000	151,606
TOTAL OUTSTANDING	**$ 9,240,000**	**$ 955,773**

General Obligation Notes – Series A of 2017

On January 11, 2017, the District issued $9,750,000 of the General Obligation Notes – Series A of 2017. The proceeds of the Notes were us (1) to refund a portion of the School District's General Obligation Bonds, Series B of 2012, and (2) to pay the costs of issuance.

In accordance with the Local Governmental Unit Debt Act a sinking fund has been established with the paying agent. The notes mature from April 1, 2017 to April 1, 2025. Interest rate at 1.850% with a total interest indebtedness of $1,323,058.

On May 18, 2020 the District refunded the General Obligation Notes Series of A 2017 in the aggregate principal amount of $9,590,000, with a fixed interest rate of 1.85% with the General Obligation Notes Series B of 2020 in the amount of $9,709,000 with a fixed interest rate of 0.824%. The economic gain calculation is as follows:

SOURCES				
Gross Proceeds of Bonds	$	9,709,000		
Plus: Accrued Interest				
Premium		-		
Less: Original Issue Discount		-		
Underwriter's Discount		-		
TOTAL SOURCES	**$**	**9,709,000**		
USES				
Escrow Deposit	$	9,613,163		
Issuance Costs		95,837		
Sinking Fund Deposit		-		
TOTAL USES	**$**	**9,709,000**		
DIFFERENCE IN CASH FLOW REQUIREMENTS				
Old Debt Service Cash Flows			$	10,337,955
Cash Flows From New Debt:				
New Debt Service Cash Flow	$	10,042,321		
Less: Sinking Fund Deposit		-		
Net Cash Flows From New Debt				10,042,321
Net Difference in Cash Flows			**$**	**295,634**
ECONOMIC GAIN/LOSS				
Present Value of Old Debt Service Cash Flows			$	9,911,825
Present Value of New Debt Service Cash Flows	$	9,613,163		
Less: Sinking Fund Deposit		-		
TOTAL				9,613,163
ECONOMIC LOSS			**$**	**298,662**

General Obligation Bonds – Series of 2019

On March 27, 2019, the District issued $6,650,000 of the General Obligation Bonds – Series of 2019. The proceeds of the Notes were used (1) current fund of the outstanding GOB Series B of 2009, (2) current refund of the outstanding g GOB Series of 2013, and (3) to pay the cost of issuing and insuring the Bonds.

In accordance with the Local Governmental Unit Debt Act, a sinking fund has been established with the paying agent. The Bonds mature from November 1, 2019 to November 1, 2023. Interest rates range from 2.0% to 4.0% with total interest indebtedness of $1,015,692.

The remaining outstanding debt service requirements at June 30, 2020 are:

FISCAL YEAR	PRINCIPAL	INTEREST
2020-21	$ 945,000	$ 172,731
2021-22	1,000,000	133,831
2022-23	1,050,000	92,832
2023-24	330,000	66,281
2024-25	225,000	58,481
2025-30	1,245,000	211,892
2030-34	970,000	59,293
SUB TOTAL	**$ 5,765,000**	**$ 795,341**
Add: Unamortized Premium	120,465	
TOTAL OUTSTANDING	**$ 5,885,465**	

General Obligation Bonds – Series A of 2019

On September 10, 2019 the District issued $8,985,000 of General Obligation Bonds - Series A of 2019. The proceeds of the Bonds were used (1) to currently refund the outstanding General Obligation Bonds, Series A of 2012, and (2) pay the cost of issuing and issuing the 2019 A Bonds. The bonds mature from April 1, 2020 to April 1, 2027. Interest rates range from 2.5% to 3.0% with total interest indebtedness of $2,471,512.50.

The remaining outstanding debt service requirements at June 30, 2020 are:

FISCAL YEAR	PRINCIPAL	INTEREST
2020-21	$ 5,000	$ 338,439
2021-22	5,000	338,377
2022-23	5,000	338,312
2023-24	2,255,000	338,245
2024-25	5,000	266,670
2025-27	6,665,000	332,000
SUB TOTAL	**$ 8,940,000**	**$ 1,952,043**
Add: Unamortized Premium	1,157,132	
TOTAL OUTSTANDING	**$ 10,097,132**	

General Obligation Bonds – Series B of 2019

On September 10, 2019 the District issued $5,505,000 of the General Obligation Bonds - Series B of 2019. The proceeds of the Bonds were used (1) to currently refund the outstanding General Obligation Bonds, Series of 2014 and (2) pay the cost of issuing and issuing the 2019 B Bonds. The bonds mature from June 1, 2020 to June 1, 2030. Interest rates range from 1.2% to 4.0% with total interest indebtedness of $2,344,953.

The remaining outstanding debt service requirements at June 30, 2020 are:

FISCAL YEAR	PRINCIPAL	INTEREST
2020-21	$ 5,000	$ 218,962
2021-22	5,000	218,899
2022-23	5,000	218,834
2023-24	5,000	218,768
2024-25	5,000	218,700
2025-30	5,475,000	1,092,000
SUB TOTAL	**$ 5,500,000**	**$ 2,186,163**
Add: Unamortized Premium	819,209	
TOTAL OUTSTANDING	**$ 6,319,209**	

General Obligation Notes – Series A of 2020

On May 18, 2020 the District issued $4,356,000 of General Obligation Notes - Series A of 2020. The proceeds of the Note where used (1) to currently refund the outstanding General Obligation Notes, Series of 2015 and (2) pay the cost of issuing the 2020 A Notes. The Notes mature from May 25, 2021 to May 25, 2027. Interest rate is fixed at 0.824% with total interest indebtedness of $146,719.

The remaining outstanding debt service requirements at June 30, 2020 are:

FISCAL YEAR	PRINCIPAL	INTEREST
2020-21	$ 470,000	$ 38,614
2021-22	615,000	30,754
2022-23	620,000	25,676
2023-24	675,000	20,454
2024-25	420,000	15,417
2025-27	1,556,000	15,804
SUB TOTAL	**$ 4,356,000**	**$ 146,719**
Add: Unamortized Premium	-	
TOTAL OUTSTANDING	**$ 4,356,000**	

General Obligation Notes – Series B of 2020

On May 18, 2020 the District issued $9,709,000 of General Obligation Notes - Series B of 2020. The proceeds of the Note where used (1) to currently refund the outstanding General Obligation Notes, Series A of 2017 and (2) pay the cost of issuing the 2020 B Notes. The notes mature from March 25, 2021 to March 25, 2025. Interest rate is fixed at 0.824% with total interest indebtedness of $333,321.

The remaining outstanding debt service requirements at June 30, 2020 are:

FISCAL YEAR	PRINCIPAL	INTEREST
2020-21	$ 1,000	$ 88,223
2021-22	190,000	79,603
2022-23	1,750,000	74,823
2023-24	2,590,000	58,673
2024-25	5,178,000	32,000
SUB TOTAL	**$ 9,709,000**	**$ 333,322**
Add: Unamortized Premium	-	
TOTAL OUTSTANDING	**$ 9,709,000**	

Capital Lease – 10 New Buses

On June 15, 2019, the District entered into a lase purchase agreement with Daimler Truck Financial to lease 10 New 2020 Thomas Saf-T Liner 81 Passenger School Buses. The present value of lease rental payments is $828,400, with interest rate of 3.411% per year.

The annual lease rental requirement at June 30, 2020 are:

FISCAL YEAR	PRINCIPAL	INTEREST
2020-21	$ 157,464	$ 22,537
2021-22	162,819	17,182
2022-23	168,356	11,645
2023-24	174,081	5,920
Total Outstanding	**$ 662,719**	**$ 57,285**

Capital Lease – Used Buses

On June 15, 2019, the District entered into a lease purchase agreement with Daimler Truck Financial to lease 10 Used 2018 Thomas Saf-T-Liner 72 Passenger School Buses. The present value of lease rental payments is $628,000, with an interest rate of 3.637% per year.

The annual lease rental requirements at June 30, 2020, are:

FISCAL YEAR	PRINCIPAL	INTEREST
2020-21	$ 205,651	$ 15,158
2021-22	213,095	7,714
Total Outstanding	**$ 418,746**	**$ 22,872**

Combined Long-Term Debt

The combined long-term debt principal obligations for subsequent years, excluding compensated absences and other post-employment benefits, are:

PRINCIPAL REQUIREMENTS

FISCAL YEAR	GOB SERIES OF 1998	GON SERIES OF 2008	GON SERIES A OF 2010	GOB SERIES A OF 2011	GOB SERIES B OF 2011	GON SERIES C OF 2011	GOB SERIES B OF 2012	GON SERIES OF 2016	GOB SERIES OF 2019	GOB SERIES A OF 2019	GOB SERIES B OF 2019	GOB SERIES A OF 2020	GOB SERIES B OF 2020	TOTAL PRINC. PYMTS
2020-21	$ 3,000,000	$ 835,000	$ 840,000	$ 1,995,000	$ 1,730,000	$ 60,000	$ 95,000	$ 160,000	$ 945,000	$ 5,000	$ 5,000	$ 470,000	$ 1,000	$ 10,141,000
2021-22	3,000,000	868,000	820,000	2,110,000	1,480,000	50,000	50,000	160,000	1,000,000	5,000	5,000	615,000	190,000	10,353,000
2022-23	3,000,000	903,000	800,000	2,230,000	-	30,000	-	165,000	1,050,000	5,000	5,000	620,000	1,750,000	10,558,000
2023-24	-	939,000	1,335,000	1,970,000	-	65,000	-	565,000	330,000	2,255,000	5,000	675,000	2,590,000	10,729,000
2024-25		976,000	1,440,000			55,000	-	2,660,000	225,000	5,000	5,000	420,000	5,178,000	10,964,000
2025-30	-	3,168,000	6,425,000	-	-	21,875,000	-	5,530,000	1,245,000	6,665,000	5,475,000	1,556,000	-	51,939,000
2030-35	-	-	-	-	-	-	-	-	970,000	-	-	-	-	970,000
2035-39	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	9,000,000	7,689,000	11,660,000	8,305,000	3,210,000	22,135,000	145,000	9,240,000	5,765,000	8,940,000	5,500,000	4,356,000	9,709,000	105,654,000
LESS: UNAMORTIZED DISCOUNT	(792,960)													(792,960)
LESS: PAYABLE WITHIN ONE YR	3,000,000	835,000	840,000	1,995,000	1,730,000	60,000	95,000	160,000	945,000	5,000	5,000	470,000	1,000	9,660,000
PRINCIPAL DUE AFTER ONE YR	**$ 5,207,040**	**$ 6,854,000**	**$ 10,820,000**	**$ 6,310,000**	**$ 1,480,000**	**$ 22,075,000**	**$ 50,000**	**$ 9,080,000**	**$ 4,820,000**	**$ 8,935,000**	**$ 5,495,000**	**$ 3,886,000**	**$ 9,708,000**	**$ 95,201,040**

PRINCIPAL AND INTEREST REQUIREMENTS

FISCAL YEAR	GOB SERIES OF 1998	GON SERIES OF 2008	GON SERIES A OF 2010	GOB SERIES A OF 2011	GOB SERIES B OF 2011	GON SERIES C OF 2011	GOB SERIES B OF 2012	GON SERIES OF 2016	GOB SERIES OF 2019	GOB SERIES A OF 2019	GOB SERIES B OF 2019	GOB SERIES A OF 2020	GOB SERIES B OF 2020	TOTAL DEBT SVC. PYMTS
2020-21	$ 3,000,000	$ 917,272	$ 1,690,000	$ 2,365,222	$ 1,832,595	$ 1,365,834	$ 98,806	$ 328,168	$ 1,117,731	$ 343,439	$ 223,962	$ 508,614	$ 89,223	$ 13,880,866
2021-22	3,000,000	941,338	1,670,000	2,389,785	1,528,100	1,355,834	51,312	325,256	1,133,831	343,377	223,899	645,754	269,603	13,878,089
2022-23	3,000,000	967,050	1,650,000	2,423,275	-	1,335,834	-	327,344	1,142,832	343,312	223,834	645,676	1,824,823	13,883,980
2023-24	-	993,388	2,185,000	2,068,500	-	1,370,834	-	724,341	396,281	2,593,245	223,768	695,454	2,648,673	13,899,484
2024-25		1,020,341	2,290,000			1,360,834	-	2,809,058	283,481	271,670	223,700	435,417	5,210,000	13,904,501
2025-30	-	3,236,673	8,550,000	-	-	27,751,253	-	5,681,606	1,456,892	6,997,000	6,567,000	1,571,804	-	61,812,228
2030-35	-	-	-	-	-	-	-	-	1,029,293			-	-	1,029,293
2035-39	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	**$ 9,000,000**	**$ 8,076,062**	**$ 18,035,000**	**$ 9,246,782**	**$ 3,360,695**	**$ 34,540,423**	**$ 150,118**	**$ 10,195,773**	**$ 6,560,341**	**$ 10,892,043**	**$ 7,686,163**	**$ 4,502,719**	**$ 10,042,322**	**$ 132,288,441**

Compensated Absences

Sick-Pay

Under the District's various bargaining agreements and plans, professional and eligible support personnel accumulate unused sick days from year to year based on their classification. These accumulated sick days are vesting during the employee's tenure. Upon retirement, the following groups of employees are also eligible for remuneration for unused sick days under the following bargaining agreements:

1.	Administrative Plan Members	- $150 per day
2.	Superintendent/Asst. Superintendent	- $150 per day
3.	Support Staff	- $ 70 per day

The District maintains records of each employee's accumulated sick days and years of service that are vested with employees who are eligible to retire. In accordance with GASB Statement No. 16, $80,784 including FICA tax (net of reimbursement), which will use currently available financial resources, has been recorded in the General Fund for governmental employees, and as a current liability in the governmental activities' column of the government-wide statement of net position. The remaining sick leave termination benefit of $3,143,489 including FICA tax (net of reimbursement), is recorded as a long-term liability in the governmental activities' column of the government-wide statement of net position.

Vacation Leave

Unused vacation leave is paid upon an employee's termination. The District maintains records of each employee's accumulated vacation days. In accordance with GASB Statement No. 16, the portion of vacation pay earned at June 30, 2020, that will use currently available financial resources is $44,875, including FICA tax and retirement contributions (net of reimbursement), which has been recorded in the General Fund and as a current liability in the governmental activities' column of the government-wide statement of net position. The remaining vacation pay earned at June 30, 2020, of $45,836, including FICA tax and retirement contributions (net of reimbursement), is recorded as a long-term liability in the governmental activities column of the government-wide statement of net position.

Defined Benefit Pension Plans

The Government Accounting Standards Board (GASB) requires that state and local governmental employers disclose in their notes to financial statements, certain information about the public employee retirement systems to which they contribute.

General Information about the Pension Plan

Plan Description

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

Benefits provided

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

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

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

Contributions

Member Contributions

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

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

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

Members who joined the System after June 30, 2011, automatically contribute at the Membership Class T-E rate of 7.5% (base rate) of the member's qualifying compensation. All new hires after June 30, 2011 who elect Class T-F membership contributes at 10.3% (base rate) of the member's qualifying compensation. Membership Class T-E and T-F are affected by a "shared risk" provision in Act 120 of 2010 that in future fiscal years could cause the Membership Class T-E contribution rate to fluctuate between 7.5% and 9.5% and Membership Class T-F contribution rate to fluctuate between 10.3% and 12.3%.

Employer Contributions

The school districts' contractually required contribution rate for fiscal year ended June 30, 2020 was 33.45% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the District were $15,815,350 for the year ended June 30, 2020.

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

At June 30, 2020, the District reported a liability of $155,851,162 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 0.3338 percent, which was an increase of 0.0288 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2020, the District recognized pension expense of $16,779,734. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Sources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Proportionate Share vs Actual Paid Separately Finance Liabilities	$ 43,914	$ -
Changes in Assumptions	1,493,000	-
Net difference between projected and actual contributions made	107,931	-
Net difference between projected and actual earnings on pension plan investments	-	447,000
Difference between expected and actual experience	-	4,316,000
Changes in proportion of the Net Pension Liability	4,955,000	-
District contributions subsequent to the measurement date	15,815,350	-
Total	$ 22,415,195	$ 4,763,000

$15,815,350 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:

Year ended June 30:	Amount
2020	$ 1,172,000
2021	(1,589,576)
2022	1,856,765
2023	317,147
Thereafter	80,509
Total	$ 1,836,845

Actuarial assumptions

The total pension liability as of June 30, 2019, 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 return – 7.25%, includes inflation at 2.75%
- Salary inceases – Effective average of 5.00%, which reflects an allowance for inflation of 2.75%, and 2.25% for real wage growth and for merit or seniority increases
- Mortality rates were based on the RP-2014 Combined Healthy Annuitant Tables (male and female) adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale. For disabled annuitants 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.

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

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.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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)	-20.0%	0.7%
	100%	

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

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, using the net pension liability reported by PSERS before adjusting for differences on projected vs contributions made.

	1% Decrease 6.25%	Current Disount Rate 7.25%	1% Increase 8.25%
District's proportionate share of the net pension liability	$ 194,515,000	$ 156,160,000	$ 123,683,000

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Public School Employees' Retirement System's *Comprehensive Annual Financial Report* (CAFR) that includes financial statements and required supplementary information for the plan, which can be found at www.psers.state.pa.us.

OTHER POST-EMPLOYMENT BENEFITS

General Information about the Health Insurance Premium Assistance Program – Multiple Employer OPEB Plan

Health Insurance Premium Assistance Program

The System provides Premium Assistance which, is a governmental cost sharing, multiple-employer other postemployment benefit plan (OPEB) for all eligible retirees who qualify and elect to participate. Employer contribution rates for Premium Assistance are established to provide reserves in the Health Insurance Account that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Effective January 1, 2002 under the provisions of Act 9 of 2001, participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of $100 per month or their out-of- pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS' Health Options Program. As of June 30, 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.

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 year ended June 30, 2020 was 0.84% 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 $397,157 for the year ended June 30, 2020.

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 $7,127,154 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 0.3338 percent, which was an increase of 0.0288 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2020, the District recognized OPEB expense of $362,927. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Sources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Proportionate Share vs Actual Paid Separately Finance Liabilities	$ 1,957	$ -
Changes in Assumptions	24,000	-
Net difference between projected and actual contributions made	8,785	-
Net difference between projected and actual investment earnings	12,000	-
Difference between expected and actual experience	40,000	-
Changes in proportion of the Net OPEB Liability	216,000	-
District contributions subsequent to the measurement date	397,157	-
Total	$ 699,899	$ -

$397,157 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 resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	Amount
2020	$ 15,000
2021	16,927
2022	14,927
2023	13,927
2024	127,929
Thereafter	114,032
Total	$ 302,742

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.
- 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 results of an actuarial 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.

OPEB - Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	13.2%	0.2%
US Core Fixed Income	83.1%	1.0%
Non-US Developed Fixed	3.7%	0.0%
	100%	

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 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 health cost trends were 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (Between 4% to 6.50%)	Current Trend Rate (Between 5% to 7.50%)	1% Increase (Between 6% to 8.50%)
System net OPEB liability	$ 7,098,000	$ 7,099,000	$ 7,100,000

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:

	1% Decrease 1.79%	Current Disount Rate 2.79%	1% Increase 3.79%
District's proportionate share of the net OPEB liability	$ 8,088,000	$ 7,099,000	$ 6,280,000

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.

Single Employer OPEB Plan

In accordance with the PA School Code of 1949, as amended, medical coverage is provided to eligible retirees and spouses with the retiree paying the full active premium rate for coverage until age 65.

Plan Description: Stroudsburg Area School District has one single-employer defined benefit plan with the pertinent descriptions shown on the tables below:

Summary of Plan Provisions			
Group	***Eligibility***	***Coverage and Premium Sharing***	***Duration***
I. PROFESSIONAL ADMINISTRATORS	Must be eligible for PSERS Retirement	• Coverage: Medical and Prescription Drug. • Premium Sharing: Upon retirement, if member has at least 30 years of PSERS service with at least 15 years of District Service, member can choose between two options: Option A: District creates a pool of money equal to 40% of member's final salary, which must be used for premiums. Pool of money can be used to pay for the premium due to coverage of member, spouse and/or eligible dependents. If pool of money runs out prior to member reaching Medicare age, member can continue coverage by paying the full premium. Option B: District pays full premium for single coverage for the member only. Member must pay for any additional premiums due to spouse and/or eligible dependents. If member does not have at least 30 years of PSERS service with at least 15 years of District service, then member can only elect Option A described above. • Dependents: Spouse and Family included. Upon the death of a retiree who elected Option A, the spouse and any eligible dependents are able to continue Medical and Prescription Drug until the pool of money runs out. Special Retiree Benefit: One retiree is eligible to receive single coverage for himself and his spouse by contributing only the active premium share.	• Coverage for member continues until member reaches Medicare age. • Coverage for spouse continues until earlier of: i) spouse reaches Medicare age, or ii) later of member reaches Medicare age or pool of money runs out.
II. NON-PROFESSIONAL ADMINISTRATORS	Act 110/43	• Coverage: Medical and Prescription Drug • Premium Sharing: If member has at least 30 years of PSERS service with at least 15 years of District Service, District pays full premium for single coverage for member only. Member must pay any additional premiums due to coverage of a spouse and/or any eligible dependents. If the member does not meet the requirements for the District subsidy but requirements are met for the Act 110/43 benefit, the member and spouse may continue coverage by paying the full premium as determined by COBRA. • Dependents: Spouse and Family included	• Coverage for member continues until member reaches Medicare age. • Coverage for spouse continues until earlier of spouse reaches Medicare age or member reaches Medicare age.

Summary of Plan Provisions (Continued)			
Group	***Eligibility***	***Coverage and Premium Sharing***	***Duration***
III. TEACHERS			
A) Retired before 6/20/2018	Act 110/43	Same as II	Same as II
B) Retired after 6/20/2018	Act 110/43	• Coverage: Medical and Prescription Drug • Premium Sharing: If member has at least 30 years of PSERS service with at least 15 years of District service, District pays full premium less the 1% contribution from the member, capped at $32 per month. Member must pay any additional premiums due to coverage of a spouse and/or any eligible dependents. If the member does not meet the requirements for the District subsidy but requirements are met for the Act 110/43 benefit, the member and spouse may continue coverage by paying the full premium as determined by COBRA. • Dependents: Spouse and Family included	Same as II
IV. SUPPORT STAFF	Act 110/43	• Coverage: Medical and Prescription Drug • Premium Sharing: If a member retires under PSERS superannuation, District pays 7% for each year of District Service of the premium for the single coverage for the member only. Member must pay the remainder of the premium for single coverage plus any additional premiums due to coverage of a spouse and/or any eligible dependents. If the member does not meet the requirements for the District subsidy but requirements are met for the Act 110/43 benefit, the member and spouse may continue coverage by paying the full premium as determined for the purpose of COBRA. • Dependents: Spouse and Family included	Same as II

Notes: Act 110/43 Eligibility: All employees are eligible for this benefit upon retirement with 30 years of PSERS service or upon superannuation retirement.

Act 110/43 Coverage and Premium Sharing: Retired employees are allowed to continue coverage for themselves and their dependents in the employer's group health plan until the retired employee reaches Medicare age. In order to obtain coverage, retired employees must provide payment equal to the premium determined for the purpose of **COBRA**.

PSERS Retirement

1) For Individuals who were members of PSERS prior to July 1, 2011, an employee is eligible for PSERS retirement if he (or she) is eligible for either: 1) PSERS early retirement while under 62 with 5 years of PSERS service or 2) PSERS superannuation retirement upon reaching age 60 with 30 years of PSERS service, age 62 with 1 year or 35 years of PSERS service regardless of age.

2) For Individuals who became members of PSERS on or after July 1, 2011, an employee is eligible for PSERS superannuation retirement if he (or she) is eligible for either: 1) PSERS early retirement while under 65 with 10 years of PSERS service or 2) PSERS superannuation retirement upon reaching age 65 with 3 years of PSERS service or upon attainment of a total combination of age plus service equal to or greater than 92 with a minimum of 35 years of PSERS service.

3) All individuals are eligible for a special retirement upon reaching age 55 with 25 years of PSERS service.

Employees Covered by Benefit Terms

At June 30, 2020, the following employees were covered by the benefit terms:

Active Participants	682
Vested Former Participants	0
Retired Participants	44
Total	726

Total OPEB Liability

The School's total OPEB liability under this single employer plan of $19,559,463, was measured as of June 30, 2020, and was determined by an actuarial valuation as of July 1, 2019.

Actuarial Assumptions and Other Inputs

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the benefits and the annual required contributions of the employer are subject to continual revision, actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress, presented as required supplementary information, provides multiyear trend information that shows whether the actuarial value of plan Net Position is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the district and the plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

	Single Employer OPEB Healthcare Benefit
Actuarial Valuation Date	7/1/2019
Actuarial Cost Method	Entry Age Normal
Interest Rate	3.36%
Projected salary increases	2.50% to 6.25%
Healthcare inflation rate	6.0% in 2018, and 5.5% in 2019 through 2021. Rates gradually decrease from 5.4% in 2022 to 3.8% in 2075 and later based on the Society of Actuaries Long-Run Medical Cost Trend Model.
Asset Valuation Method	pay as you go basis

The discount rate is based on S&P Municipal Bond 20-year high grade rate index at July 1, 2019.

Mortality rates are assumed pre-retirement and post-retirement using the rates assumed in the PSERS defined benefit pension plan actuarial valuation. Incorporated into our retirement table are rates projected generationally by the Buck Modified 2016 projection scale to reflect mortality improvement.

Changes in the Total OPEB Liability

Total OPEB Liability	
Service Cost	$ 1,234,502
Interest	702,819
Changes in Benefit Terms	(92,854)
Difference between expected and actual experience	(3,748,160)
Changes in assumptions	(552,990)
Benefit payments	(728,505)
Net change in total OPEB Liability	(3,185,188)
Total OPEB Liability - beginning	22,744,651
Total OPEB Liability - ending	$ 19,559,463
Covered employee payroll	$ 42,066,797
Total OPEB Liability as a percentage of covered employee payroll	46.50%

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

For the year ended June 30, 2020, the School recognized OPEB expense of $1,479,533. At June 30, 2020, the School reported deferred outflows of resource and deferred inflows of resources related to this single employer OPEB plan from the following sources:

Sources	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	$ 108,991	$ -
Net difference between projected and actual investment earnings	-	-
Difference between expected and actual experience	-	3,809,331
Changes in proportion of the Net OPEB Liability	-	-
District contributions subsequent to the measurement date	485,564	-
Total	$ 594,555	$ 3,809,331

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

Year ended June 30:	Amount
2021	$ (364,934)
2022	(364,934)
2023	(364,934)
2024	(364,934)
2025	(364,934)
Thereafter	(1,875,670)
Total	$ (3,700,340)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the School's single employer OPEB plan, as well as what the School's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.36%) or 1-percentage point higher (4.36%) than the current discount rate:

	1% Decrease 2.36%	Current Disount Rate 3.36%	1% Increase 4.36%
District's proportionate share of the net OPEB liability	$ 21,034,489	$ 19,559,463	$ 18,153,718

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the School's single employer OPEB plan, as well as what the School's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rates:

	1% Decrease 4.50%	Current Trend Rate 5.50%	1% Increase 6.50%
System net OPEB liability	$ 17,351,214	$ 19,559,463	$ 22,163,406

Combined Deferred Outflows/Inflows on Pensions and OPEB

As a result of having multiple pension and other post-employment benefit plans, the following schedule is prepared to illustrate the individual components reflected on the Statement of Net Position:

GOVERNMENTAL ACTIVITIES

RECONCILIATION OF NET CHANGE IN DEFERRED OUTFLOWS/INFLOWS	*Pension - GASB 68* DR OR (CR) CURRENT YR BALANCE	*Single Employer OPEB - GASB 75* DR OR (CR) CURRENT YR BALANCE	*Multiple Employer OPEB - GASB 75* DR OR (CR) CURRENT YR BALANCE	*Pension & OPEB Total* DR OR (CR) CURRENT YR BALANCE
Change in Proportion	$ 4,955,000	$ -	$ 216,000	$ 5,171,000
Current Year Contributions	15,815,350	485,564	397,157	16,698,071
Change in Assumption	1,493,000	108,991	24,000	1,625,991
Diff in Projected Vs Actual Contributions	107,931	-	8,785	116,716
Difference in Investment Earnings	(447,000)	-	12,000	(435,000)
Diff. between Expected vs Actual Experience	(4,316,000)	(3,809,331)	40,000	(8,085,331)
Diff. between Prop. Share vs Actual POS	43,914	-	1,957	45,871
Net Pension Liability	**$ 155,851,162**	**$ -**	**$ -**	**$ 155,851,162**
Net OPEB Liability	**$ -**	**$ 19,559,463**	**$ 7,127,154**	**$ 26,686,617**

BUSINESS-TYPE ACTIVITIES

RECONCILIATION OF NET CHANGE IN DEFERRED OUTFLOWS/INFLOWS	*Pension - GASB 68* DR OR (CR) CURRENT YR BALANCE	*Single Employer OPEB - GASB 75* DR OR (CR) CURRENT YR BALANCE	*Multiple Employer OPEB - GASB 75* DR OR (CR) CURRENT YR BALANCE	*Pension & OPEB Total* DR OR (CR) CURRENT YR BALANCE
Change in Proportion	$ -	$ -	$ -	$ -
Current Year Contributions	-	-	-	-
Change in Assumption	-	-	-	-
Diff in Projected Vs Actual Contributions	-	-	-	-
Difference in Investment Earnings	-	-	-	-
Diff. between Expected vs Actual Experience	-	-	-	-
Diff. between Prop. Share vs Actual POS	-	-	-	-
Net Pension Liability	**$ -**	**$ -**	**$ -**	**$ -**
Net OPEB Liability	**$ -**	**$ -**	**$ -**	**$ -**

STATEMENT OF NET POSITION

Governmental & Business-Type Activities RECONCILIATION OF NET CHANGE IN DEFERRED OUTFLOWS/INFLOWS	*Total* DR OR (CR) CURRENT YR BALANCE
Change in Proportion	$ 5,171,000
Current Year Contributions	16,698,071
Change in Assumption	1,625,991
Diff in Projected Vs Actual Contributions	116,716
Difference in Investment Earnings	(435,000)
Diff. between Expected vs Actual Experience	(8,085,331)
Diff. between Prop. Share vs Actual POS	45,871
Net Pension Liability	**$ 155,851,162**
Net OPEB Liability	**$ 26,686,617**

RECONCILIATION TO FINANCIAL STATEMENTS

Pension Plan	Governmental Activities	Business-Type Activities
Net Pension Liability	$ 155,851,162	$ -
Deferred Outflow Related to Pension	(22,415,195)	-
Deferred Inflows Related to Pension	4,763,000	-
Total liab. Net deferred inflows/outflows	**$ 138,198,967**	**$ -**
OPEB - Single & Multiple Employer Plans		
Net OPEB Liability	$ 26,686,617	$ -
Deferred Outflows Related to OPEB	(1,294,454)	-
Deferred Inflows Related to OPEB	3,809,331	-
Total liab. Net deferred inflows/outflows	**$ 29,201,494**	**$ -**

Self Insurance - Health Care

The Stroudsburg Area School District is a member of the Employee Benefit Trust of Eastern Pennsylvania which provides hospitalization, medical, dental, and prescription drug benefits to District employees. The Trust manages a schedule of benefits as determined by its respective members, ensures the Trust is adequately funded, reviews claim administration and obtains excess catastrophic insurance.

The Trust has appointed NCAS Pennsylvania to provide the administrative services for the Trust. NCAS Pennsylvania is a Pennsylvania Corporation with insurance and consulting experience in administration of health and welfare plans. The Trust has entered into an agreement with the Pennsylvania Trust to provide stop loss insurance coverage beginning at $130,000 for School District members of the Trust and $65,000 for the MCTI, thus maintaining the financial security of the Trust.

Based upon an estimate provided by the Trust, the District has recorded a long-term receivable of $9,620,729 in the government activities column of the government-wide statement of net position, for excess deposits on June 30, 2020.

Note 6 - Risk Management

The District is subject to risk of loss from employee acts, property damage, personal injury auto accidents, theft, and etc. The District covers those risks through the purchase of commercial insurance. The District's worker's compensation policy is a retrospectively rated policy; the final total premium is based on the actual payroll for the policy year and is determined by the insurance company. Any settlements received or paid by the District are recorded as revenue or expenditures (expenses) in the subsequent year.

Note 7 - Fund Balance Allocations

Restricted Fund Balance

The Capital Reserve Fund’s $4,778,585 fund balance at year end is restricted because of enabling legislation under the Municipal Code in Pennsylvania. Section 1432 of this Code restricts the use of resources for limited purposes.

Committed Fund Balance

The School Board has committed $1,000,000 for future projects, $540,000 for the Cyber Education Program, $75,000 for band uniforms, $1,500,000 for MCTI upgrades and $3,268,969 for future technology needs.

Assigned Fund Balance

The District has assigned $9,867,999 of fund balance to balance the 2020-21 general fund budget.

Note 8 - Restricted Net Position

Net Investment in Capital Assets

The components of this restriction are total capital assets of $111,093,504, with related debt of $105,883,152, which includes unamortized bond discounts, premiums, and deferred refunding charges. The business-type activities column reflects $1,247,436 invested in capital assets with no related debt.

Note 9 - Contingencies

Grants

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and a condition specified in the grant agreements, and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund, or other applicable funds. However, in the opinion of management any such disallowed claims will not have a material adverse effect on the overall financial position of the School District as of June 30, 2020.

Litigation

The School District is party to legal proceedings. The School District is of the opinion that ultimate disposition of claims will not have a material effect, if any, on the financial condition of the School District.

Note 10 - New Accounting Pronouncements

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

- Statement No. 84, *Fiduciary Activities* - This Statement is designed to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Effective date: Periods beginning after December 15, 2019. Implementation of this standard was postponed 12 months with Statement No 95. The original effective date was December 15, 2018.

- Statement No. 87, *Leases* – The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement requires certain lease assets and liabilities for leases that previously were 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 an underlying asset. Effective date: Periods beginning after June 15, 2021. Implementation of this standard was postponed 18 months with Statement No 95. The original effective date was December 15, 2019.

- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* – The objectives of the statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before construction ends. This standard requires expensing interest costs when incurred rather than capitalizing the costs. Effective date: Periods beginning after December 15, 2020. Implementation of this standard was postponed 12 months with Statement No 95. The original effective date was December 15, 2019

- Statement No. 90, *Accounting and Financial Reporting for Majority Equity Interests* – The primary objective is to improve consistency and comparability when a government has a majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. Effective date: Periods beginning after December 15, 2018. Periods beginning after December 15, 2021. Implementation of this standard was postponed 12 months with Statement No 95. The original effective date was December 15, 2019.

- Statement No. 91, *Conduit Debt Obligations* – The primary objective is to provide a single method of reporting conduit debt obligations by issuers associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. Effective date: Periods beginning after December 15, 2021. Implementation of this standard was postponed 12 months with Statement No 95. The original effective date was December 15, 2020.

- Statement No. 92, *Omnibus 2020* – The primary objective is to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including (1) effective date of Statement No 87, Leases for interim financial reports (2) Reporting of intra-entity transfers between primary government employer and a component unit defined benefit pension plan or defined benefit OPEB plan (3) Applicability of certain requirements of Statement No 84 (4) Measurement of liabilities related to AROs (5) Reporting risk pools for amounts that are recoverable from reinsurers or excess insurers (6) Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature. (7) Terminology used to refer to derivative instruments. Effective date: Periods beginning after June 15, 2021. The original effective date was June 15, 2020.

- Statement No. 93, *Replacement of Interbank Offered Rates* – The primary objective of this Statement is to address the issue the London Interbank Offered Rate (LIBOR) is being replaced with an interbank offered rate (IBOR). Effective date: Periods beginning after June 15, 2021. Implementation of this standard was postponed 12 months with Statement No 95. The original effective date was June 15, 2021.

- Statement No. 94, *PPP's* – The primary objective of this Statement is to improve financial reporting related to public-private and public-public partnership arrangements (PPPs). A PPP is defined in which (1) the operator collects and is compensated by fees from third parties: (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services: and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. Effective date: Periods beginning after June 15, 2022.

REQUIRED SUPPLEMENTAL INFORMATION

STROUDSBURG AREA SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM
CUMULATIVE TEN FISCAL YEARS REPORT
FOR THE YEAR ENDED JUNE 30, 2020

	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
District's proportion of the net pension liability (asset)	0.3338%	0.3050%	0.3085%	0.3290%	0.3371%	0.3416%
District's proportionate share of the net pension liability (asset)	$ 156,160,000	$ 146,415,000	$ 152,363,000	$ 163,042,000	$ 146,016,000	$ 135,208,000
District's covered employee payroll	47,280,567	44,705,543	41,450,029	40,753,027	42,323,308	43,097,584
District's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	330.28%	327.51%	367.58%	400.07%	345.00%	313.73%
Plan fiduciary net position as a percentage of the total pension liability	55.66%	54.00%	51.84%	50.14%	54.36%	57.24%

STROUDSBURG AREA SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS
PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM
CUMULATIVE TEN FISCAL YEARS REPORT
FOR THE YEAR ENDED JUNE 30, 2020

	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
Contractually required contribution	$ 15,815,350	$ 14,574,007	$ 13,156,239	$ 11,899,884	$ 10,580,827	$ 8,835,005	$ 5,797,108	$ 4,114,091	$ 2,777,009	$ 1,249,284
Contributions in relation to the contractually required contribution	15,815,350	14,574,007	13,156,239	11,899,884	10,580,827	8,835,005	5,797,108	4,114,091	2,777,009	1,249,284
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered employee payroll	$ 47,280,567	$ 44,705,543	$ 41,450,029	$ 40,753,027	$ 42,323,308	$ 43,097,584	$ 36,231,925	$ 35,774,704	$ 34,712,608	$ 24,985,676
Contributions as a percentage of covered employee payroll	33.45%	32.60%	31.74%	29.20%	25.00%	20.50%	16.00%	11.50%	8.00%	5.00%

STROUDSBURG ARE SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF NET OPEB LIABILITY
MULTIPLE EMPLOYER OPEB PLAN
CUMULATIVE TEN FISCAL YEARS REPORT
FOR THE YEAR ENDED JUNE 30, 2020

	2019-20	2018-19	2017-18	2016-17
District's proportion of the net OPEB liability	0.3338%	0.3050%	0.3085%	0.3290%
District's proportionate share of the net OPEB liability (asset)	$ 7,099,000	$ 6,359,000	$ 6,285,000	$ 7,087,000
District's covered-employee payroll	47,280,567	44,705,543	41,450,029	40,753,027
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered employee payroll	15.01%	14.22%	15.16%	17.39%
Plan fiduciary net position as a percentage of the total OPEB liability	5.56%	5.56%	5.73%	5.47%

STROUDSBURG ARE SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS
MULTIPLE EMPLOYER OPEB PLAN
CUMULATIVE TEN FISCAL YEARS REPORT
FOR THE YEAR ENDED JUNE 30, 2020

	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
Contractually required contribution	$ 397,157	$ 371,056	$ 344,035	$ 338,250	$ 355,515	$ 387,879	$ 336,959	$ 307,660	$ 225,628	$ 159,910
Contributions in relation to the contractually required contribution	397,157	371,056	344,035	338,250	355,515	387,879	336,959	307,660	225,628	159,910
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered employee payroll	$ 47,280,567	$ 44,705,543	$ 41,450,029	$ 40,753,027	$ 42,323,308	$ 43,097,584	$ 36,231,925	$ 35,774,704	$ 34,712,608	$ 24,985,676
Contributions as a percentage of covered employee payroll	0.84%	0.83%	0.83%	0.83%	0.84%	0.90%	0.93%	0.86%	0.65%	0.64%

STROUDSBURG AREA SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF NET OPEB LIABILITY
SINGLE EMPLOYER HEALTH INSURANCE PLAN
CUMULATIVE TEN FISCAL YEARS REPORT
FOR THE YEAR ENDED JUNE 30, 2020

	2019-20	2018-19	2017-18
Total OPEB Liability			
Service Cost	$ 1,234,502	$ 1,140,309	$ 1,250,168
Interest	702,819	698,591	523,385
Changes in Benefit Terms	(92,854)	-	-
Difference between expected and actual experience	(3,748,160)	-	(552,630)
Changes in assumptions	(552,990)	12,747	826,760
Benefit payments	(728,505)	(623,787)	(655,004)
Net change in total OPEB Liability	(3,185,188)	1,227,860	1,392,679
Total OPEB Liability - beginning	22,744,651	21,516,791	20,124,112
Total OPEB Liability - ending	$ 19,559,463	$ 22,744,651	$ 21,516,791
Covered employee payroll	$ 42,066,797	$ 37,537,711	$ 37,537,711
Total OPEB Liability as a percentage of covered employee payroll	46.50%	60.59%	57.32%

Public School Employees' Retirement System

Changes of Benefit Terms

None

Changes in Assumptions

During this fiscal year, there were no changes in assumptions used in the prior reporting period.

Methods and Assumptions Used in Calculations of Actuarially Determined Contributions

The actuarially determined contributions, by PSERS, are calculated as of the June 30 preceding the fiscal year in which contributions are made. It does not include an adjustment made for the difference between projected vs actual contributions or separately financed liabilities. The following methods and assumptions were used to determine contribution rates reported:

- Investment return – 7.25%, includes inflation at 2.75%.
- Salary increases – Effective average of 5.0%, which reflects an allowance for inflation of 2.75%, and 2.25% for real wage growth and merit or seniority increases.
- Benefit payments – no postretirement benefit increases assumed in the future.
- Multiple decrement tables – mortality, vesting, retirement age, and withdrawal estimates are based upon tables provided by the actuary.

Proportionate Share of the Net Pension Liability

The amount reported as the District's proportionate share of the net pension liability (asset) does not include the adjustment for the difference between projected vs actual contributions made and the adjustment for the difference between proportionate share vs actual paid separately financed liabilities.

Other Postemployment Benefits – Teachers Health Insurance Assistance

Changes of Benefit Terms

None

Changes in Assumptions

The discount rate used to measure the Total OPEB liability decreased from 2.98% as of June 30, 2019 to 2.79% as of June 30, 2020.

Methods and Assumptions Used in Calculations of Actuarially Determined Contributions

The actuarially determined contributions, by PSERS, are calculated as of the June 30 preceding the fiscal year in which contributions are made. It does not include an adjustment made for the difference between projected vs actual contributions or separately financed liabilities. The following methods and assumptions were used to determine contribution rates reported:

- Investment return – 2.79% - S&P 20 Year Municipal Bond Rate.
- Salary increases – Effective average of 5.0%, which reflects an allowance for inflation of 2.75%, and 2.25% for real wage growth and merit or seniority increases.
- Premium Assistance reimbursement is capped at $1,200 per year.
- Assumed Healthcare cost trends were applied to retirees with less than $1,200 in premium assistance per year.
- Mortality rates were based on 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 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.)

Proportionate Share of the Net OPEB Liability

The amount reported as the District's proportionate share of the net opeb liability (asset) does not include the adjustment for the difference between projected vs actual contributions made and the adjustment for the difference between proportionate share vs actual paid separately financed liabilities.

Other Postemployment Benefits – Single Employer Healthcare Plan

Changes in Assumptions

The discount rate changed from 2.98% to 3.36%. The trend assumption was updated. Assumptions for salary, mortality, withdrawal and retirement were updated based on new PSERS assumptions.

Methods and Assumptions Used in Calculations of Actuarially Determined Contributions

- Actuarial Cost Method – Entry Age Normal
- Salary Increases – 3.50% to 5.25%
- Healthcare cost trend rate – 6.0% in 2018, and 5.5% in 2019 to 2021. Rates gradually decrease from 5.4% in 2022 to 3.8% in 2075 based on the Society of Actuaries Long-Run Medical Cost Trend Model
- Asset Valuation Method – Pay as you go basis
- Discount Rate – The rate of 3.36% is based on S&P Municipal Bond 20-year high grade rate index at July 1, 2019.

SUPPLEMENTAL INFORMATION SECTION

Stroudsburg Area School District
Combining Balance Sheet - All Non-Major Governmental Funds
As of June 30, 2020

	2019 BOND FUND	2019A BOND FUND	2019B BOND FUND	2020A BOND FUND	2020B BOND FUND	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
ASSETS						
Cash and cash equivalents	$ -	$ -	$ -	$ -	$ -	$ -
Investments	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Accrued Interest Receivables	-	-	-	-	-	-
Prepaid Expenditures	-	-	-	-	-	-
Other Current Assets	-	-	-	-	-	-
TOTAL ASSETS	$ -	$ -	$ -	$ -	$ -	$ -
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Charges on Refundings, net	-	-	-	-	-	-
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
LIABILITIES						
Due to Other Funds	$ -	$ -	$ -	$ -	$ -	$ -
Accounts Payable	-	-	-	-	-	-
Intergovernmental Payables	-	-	-	-	-	-
Prepayments	-	-	-	-	-	-
Other Current Liabilities	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-	-
DEFERRED INFLOWS OF RESOURCES						
Unearned/Unavailable Revenue	-	-	-	-	-	-
	-	-	-	-	-	-
FUND BALANCES:						
Restricted Fund Balance	-	-	-	-	-	-
Assigned Fund Balance	-	-	-	-	-	-
TOTAL FUND BALANCES	-	-	-	-	-	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Stroudsburg Area School District
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
All Non-Major Governmental Funds
For the Year Ended June 30, 2020

	2019 BOND FUND	2019A BOND FUND	2019B BOND FUND	2020A BOND FUND	2020B BOND FUND	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
REVENUES						
Local Sources	$ -	$ -	$ -	$ -	$ -	$ -
State Sources	-	-	-	-	-	-
Federal Sources	-	-	-	-	-	-
TOTAL REVENUES	-	-	-	-	-	-
EXPENDITURES						
Instruction	-	-	-	-	-	-
Support Services	-	158,534	110,149	42,807	95,837	407,327
Operation of Non-Instructional Services	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Debt Service	3,745	8,187	3,005	-	-	14,937
TOTAL EXPENDITURES	3,745	166,721	113,154	42,807	95,837	422,264
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,745)	(166,721)	(113,154)	(42,807)	(95,837)	(422,264)
OTHER FINANCING SOURCES (USES)						
Bond Proceeds	-	-	-	-	-	-
Refunding Bond Proceeds	-	8,985,000	5,505,000	4,356,000	9,709,000	28,555,000
Bond Discount	-	-	-	-	-	-
Interfund Transfers In	-	-	-	-	-	-
Bond Premium	-	1,269,323	878,712	-	-	2,148,035
Sale/Compensation for Fixed Assets	-	-	-	-	-	-
Payment to bond refunding escrow agent	-	(10,087,602)	(6,270,558)	(4,313,193)	(9,613,163)	(30,284,516)
Refunds of Prior Year Receipts	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	166,721	113,154	42,807	95,837	418,519
SPECIAL/EXTRAORDINARY ITEMS						
Special Items	-	-	-	-	-	-
Extraordinary Items	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	(3,745)	-	-	-	-	(3,745)
FUND BALANCES - BEGINNING	3,745	-	-	-	-	3,745
FUND BALANCES - ENDING	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Stroudsburg Area School District
Combining Statement of Fiduciary Net Position
Private-Purpose Trust Funds
For the Year Ended June 30, 2020

	ALUMNUS CLASS OF 1954 AWARD	HOWARD CRAIN AWARD	SAMUEL DREHER AWARD	INFAITH COMMUNITY AWARD	CASSIE KAMMERER AWARD	EDITH LUKENS AWARD	BRUCE MACINTIRE AWARD	VERNA MAYNARD AWARD
ASSETS & DEFERRED OUTFLOWS OF RESOURCES								
Cash	$ -	$ -	$ 8,832	$ -	$ 4,844	$ -	$ 4,473	$ 2,118
Investments	59,553	-	-	-	-	-	-	-
Accounts Receivable	-	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	1,000	-	57	-
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	**$ 59,553**	**$ -**	**$ 8,832**	**$ -**	**$ 5,844**	**$ -**	**$ 4,530**	**$ 2,118**
LIABILITIES & DEFERRED INFLOWS OF RESOURCES								
Accounts Payable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Interfund Payables	-	-	-	-	-	-	-	-
TOTAL LIABILITIES & DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-	-	-	-
NET POSITION								
Held in Trust for future recipients	**$ 59,553**	**$ -**	**$ 8,832**	**$ -**	**$ 5,844**	**$ -**	**$ 4,530**	**$ 2,118**

Combining Statement of Changes in Fiduciary Net Position
Private-Purpose Trust Funds
For the Year Ended June 30, 2020

	ALUMNUS CLASS OF 1954 AWARD	HOWARD CRAIN AWARD	SAMUEL DREHER AWARD	INFAITH COMMUNITY AWARD	CASSIE KAMMERER AWARD	EDITH LUKENS AWARD	BRUCE MACINTIRE AWARD	VERNA MAYNARD AWARD
ADDITIONS:								
Contributions	$ -	$ 3,000	$ -	$ 749	$ -	$ -	$ -	$ -
Transfer from Other Scholarship Funds	-	-	-	-	-	-	-	-
INVESTMENT EARNINGS:								
Interest, dividends, & gains (loss) investments	13,292	-	57	-	37	-	86	18
TOTAL ADDITIONS	13,292	3,000	57	749	37	-	86	18
DEDUCTIONS:								
Transfer to Other Scholarship Funds	-	-	-	-	-	-	-	-
Awards	15,000	3,000	500	749	-	-	-	100
TOTAL DEDUCTIONS	15,000	3,000	500	749	-	-	-	100
CHANGES IN NET POSITION	(1,708)	-	(443)	-	37	-	86	(82)
NET POSITION - BEG. OF THE YEAR	61,261	-	9,275	-	5,807	-	4,444	2,200
NET POSITION - END OF THE YEAR	**$ 59,553**	**$ -**	**$ 8,832**	**$ -**	**$ 5,844**	**$ -**	**$ 4,530**	**$ 2,118**

RUSSELL MERVINE AWARD	GENERAL SCHOLAR. AWARD	SM SCHOONOVER AWARD	M & R SERFASS AWARD	SILENT SERVICE AWARD	ROBERT STETLER AWARD	JAMES WELSH AWARD	THE COMMUNITY AWARD	JOHN BRUCE DUNLOP AWARD	TOTAL
$ 21,630	$ 1,153	$ 42,154	$ 748	$ 8	$ 827	$ 1,565	$ -	$ 24,181	$ 112,533
-	-	-	32,213	-	-	-	-	-	91,766
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	1,057
$ 21,630	**$ 1,153**	**$ 42,154**	**$ 32,961**	**$ 8**	**$ 827**	**$ 1,565**	**$ -**	**$ 24,181**	**$ 205,356**
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	1,000	-	-	-	-	-	1,000
-	-	-	1,000	-	-	-	-	-	1,000
$ 21,630	**$ 1,153**	**$ 42,154**	**$ 31,961**	**$ 8**	**$ 827**	**$ 1,565**	**$ -**	**$ 24,181**	**$ 204,356**

RUSSELL MERVINE AWARD	GENERAL SCHOLAR. AWARD	SM SCHOONOVER AWARD	M & R SERFASS AWARD	SILENT SERVICE AWARD	ROBERT STETLER AWARD	JAMES WELSH AWARD	THE COMMUNITY AWARD	JOHN BRUCE DUNLOP AWARD	TOTAL
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 500	$ -	$ 4,249
-	-	-	-	-	-	-	-	-	-
139	19	265	445	-	5	10	-	152	14,525
139	19	265	445	-	5	10	500	152	18,774
-	-	-	-	-	-	-	-	-	-
-	200	-	1,000	-	400	150	500	-	21,599
-	200	-	1,000	-	400	150	500	-	21,599
139	(181)	265	(555)	-	(395)	(140)	-	152	(2,825)
21,491	1,334	41,889	32,516	8	1,222	1,705	-	24,029	207,181
$ 21,630	**$ 1,153**	**$ 42,154**	**$ 31,961**	**$ 8**	**$ 827**	**$ 1,565**	**$ -**	**$ 24,181**	**$ 204,356**

Stroudsburg Area School District
General Fund
Schedule on Tax Collectors' Receipts
For the Year Ended June 30, 2020

	BOROUGH OF STROUDSBURG	DELAWARE WATER GAP BOROUGH	HAMILTON TOWNSHIP	STROUD TOWNSHIP	TOTAL
CURRENT REAL ESTATE TAXES					
Assessed Value	$ 55,979,160	$ 7,317,680	$ 104,123,890	$ 266,058,210	$ 433,478,940
Millage Rate	0.16330	0.16330	0.16330	0.16330	0.16330
Total Tax to be Collected	$ 9,141,395	$ 1,194,977	$ 17,003,425	$ 43,447,293	$ 70,787,090
Less: Act 1 Deduction	257,950	43,676	785,177	1,580,764	2,667,567
Total Tax per Duplicate	$ 8,883,445	$ 1,151,301	$ 16,218,248	$ 41,866,529	$ 68,119,523
Plus - Additions	15,981	-	105	-	16,086
- Penalties	24,527	2,173	37,070	83,010	146,780
Total Taxes to be Collected	8,923,953	1,153,474	16,255,423	41,949,539	68,282,389
Less - Discounts	136,104	18,208	252,766	694,170	1,101,248
- Reductions	7,061	-	653	-	7,714
- Refunds	-	-	-	-	-
- Senior Citizen Rebates	-	-	-	-	103,987
- NSF	-	-	-	-	-
- Exemptions	13,600	-	-	42,116	55,716
- Returned to County	648,437	73,910	1,055,017	2,047,574	3,824,938
NET CURRENT REAL ESTATE TAXES COLLECTED	$ 8,118,751	$ 1,061,356	$ 14,946,987	$ 39,165,679	$ 63,188,786
CURRENT INTERIM REAL ESTATE TAXES COLLECTED	$ 1,063	$ 570	$ 22,127	$ 36,543	$ 60,303

Stroudsburg Area School District
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget vs Actual
For the Year Ended June 30, 2020

		Budget	Actual	Variance
6000 - Revenue from Local Sources				
6111	Current Real Estate Taxes	$ 63,164,512	$ 63,188,786	$ 24,274
6112	Interim Real Estate Taxes	195,500	60,303	(135,197)
6113	Public Utility Realty Tax	75,000	65,860	(9,140)
6114	Payment in Lieu of Taxes	35,000	43,021	8,021
6143	Local Services Tax	77,500	83,114	5,614
6151	Earned Income Tax	3,400,000	3,378,626	(21,374)
6153	Real Estate Transfer Tax	725,000	724,890	(110)
6411	Delinquent Real Estate Taxes	4,836,315	3,278,977	(1,557,338)
6510	Interest	865,415	686,788	(178,627)
6710	Admissions	35,000	30,966	(4,034)
6740	Fees	-	-	-
6832	Fed Rev Rec From Other Fed Sources	654,000	696,694	42,694
6910	Rentals	45,000	69,863	24,863
6920	Contributions	35,000	8,934	(26,066)
6942	Summer School	7,500	12,015	4,515
6944	Receipts From Other LEAs in PA - Education	25,000	-	(25,000)
6961	Services Provided Other PA LEAs - Transp.	-	-	-
6991	Refunds of Prior Yr. Expenditures	77,500	12,081	(65,419)
6992	Energy Efficiency Revenues	10,000	18,856	8,856
6999	Other Revenues Not Specified Above	17,000	10,830	(6,170)
	TOTAL REVENUE FROM LOCAL SOURCES	$ 74,280,242	$ 72,370,604	$ (1,909,638)
7000 - Revenue from State Sources				
7111	Basic Ed Funding - Formula	14,189,000	14,828,415	639,415
7112	Basic Ed Funding - Social Security	1,829,000	2,013,858	184,858
7160	Orphan Tuition	200,000	120,731	(79,269)
7220	Vocational Education	-	35,481	35,481
7271	Special Education	3,025,025	3,077,750	52,725
7299	Program revenues not listed previously in the 7200	-	-	-
7311	Transportation (Regular and Additional)	1,450,000	1,359,344	(90,656)
7312	Transportation (Nonpublic and Charter Schools)	80,000	90,475	10,475
7320	Rentals	1,400,000	3,450,323	2,050,323
7330	Health Services	90,000	93,598	3,598
7340	State Property Tax Reduction	2,665,205	2,665,205	-
7361	School Safety and Security Grants	-	267,750	267,750
7505	Ready to Learn Grant	776,707	776,707	-
7506	PASmart Grants	-	35,000	35,000
7820	Retirement Revenue	8,198,227	9,534,908	1,336,681
	TOTAL REVENUE FROM STATE SOURCES	33,903,164	38,349,545	4,446,381
8000 - Revenue from Federal Sources				
8514	ESEA Title I	1,150,000	1,097,132	(52,868)
8515	Title IIA and Title IID	175,000	140,243	(34,757)
8516	Title III	30,000	27,112	(2,888)
8517	Title IV	20,000	88,198	68,198
8732	ARRA - Qualified School Construction Bonds	1,992,000	1,998,256	6,256
8741	ESSER	-	268,279	268,279
8810	Medical Assistance Reimbursements (Access)	495,000	200,249	(294,751)
8820	Medical Assistance Reimbursment for Health-Related	25,000	39,786	14,786
	TOTAL REVENUE FROM FEDERAL SOURCES	3,887,000	3,859,255	(27,745)
9000 - Other Financing Sources				
9290	Proceeds from Extended Term Financing	-	-	-
9330	Capital Projects Fund Transfers	-	-	-
9400	Sale of Fixed Assets	25,000	560	(24,440)
	TOTAL OTHER FINANCING SOURCES	25,000	560	(24,440)
	TOTAL REVENUES AND OTHER FINANCING SOURCES	$ 112,095,406	$ 114,579,964	$ 2,484,558

Stroudsburg Area School District
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget vs Actual
For the Year Ended June 30, 2020

		Budget	Actual	Variance
1000 - Instruction				
1110	Regular Programs - Elem./Secondary	47,915,387	47,730,850	184,537
1211	Life Skills Support - Public	817,652	817,373	279
1221	Deaf or Hearing Impaired Support	250,500	236,582	13,918
1224	Blind or Visually Impaired Support	265,000	229,647	35,353
1225	Speech & Language Impaired	1,075,300	1,074,832	468
1231	Emotional Support - Public	2,281,219	2,280,693	526
1232	Emotional Support - PRRI	199,000	198,724	276
1233	Autistic Support	600,000	544,552	55,448
1240	Academic Support	9,207,707	8,789,976	417,731
1243	Gifted Support	1,266,593	709,986	556,607
1260	Physical Support	75,500	56,929	18,571
1270	Multi-handicapped Support	110,000	104,839	5,161
1280	Early Intervention Support	16,000	15,826	174
1290	Other Support	1,911,226	1,910,688	538
1390	Other Vocational Education Programs	1,741,933	1,448,768	293,165
1420	Summer School	114,317	90,298	24,019
1430	Homebound Instruction	80,448	35,284	45,164
1441	Adjudicated/Court Placed Programs	50,000	-	50,000
1442	Alternative Education Program	177,000	176,584	416
1450	After School	58,866	42,535	16,331
1490	Additional Other Instructional Ptograms	77,869	75,335	2,534
1500	Nonpublic School Programs	13,000	7,782	5,218
1690	Other Adult Education Programs	-	-	-
1700	Community College Programs	-	-	-
1801	Pre-Kindergarten - Instruction	-	-	-
	Total Instruction	68,304,517	66,578,083	1,726,434
2000 - Support Serivces				
2122	Counseling Services	2,414,498	2,414,003	495
2143	Psychological Counseling Services	900,251	864,139	36,112
2160	Social Work Services	268,000	267,750	250
2220	Technology Support Services	35,750	35,557	193
2250	School Library Services	868,218	613,345	254,873
2260	Instructional & Curriculum Dev. Service	999,535	999,444	91
2270	Instructional Staff Professional Development Servi	438,775	437,812	963
2280	Nonpublic Support Services	500	436	64
2310	Board Services	183,900	147,260	36,640
2330	Tax Assessment & Collection Service	369,345	240,255	129,090
2340	Staff Relations	225,000	19,506	205,494
2350	Legal Services	275,000	187,534	87,466
2360	Office of the Superintendent Services	1,214,735	1,185,694	29,041
2380	Office of the Principal Services	4,831,609	4,561,833	269,776
2420	Medical Services	353,000	352,012	988
2430	Dental Services	3,200	770	2,430
2440	Nursing Services	908,955	908,226	729
2510	Fiscal Services	486,906	486,046	860
2511	Supervision of Fiscal Services	-	-	-
2512	Budgeting Services	302,083	289,769	12,314
2514	Payroll Services	190,250	188,159	2,091
2610	Supervision of Operation and Maintenance of Plant	394,604	394,179	425
2620	Operation of Building Services	6,991,576	6,948,437	43,139
2640	Care and Upkeep of Equipment Services	296,000	218,141	77,859
2650	Vehicle Operation and Maint. Services	56,000	24,960	31,040
2660	Security Services	1,650,135	1,547,997	102,138
2690	Other Operation and Maint. of Plant Services	1,475,200	1,391,087	84,113
2710	Supervision of Student Transportation Services	515,629	512,154	3,475
2711	Supervision of Student Transportation Services - Head	-	-	-
2720	Vehicle Operation Services	3,984,139	3,983,247	892
	Sub-Total - Support Services	30,632,793	29,219,752	1,413,041

Stroudsburg Area School District
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget vs Actual
For the Year Ended June 30, 2020

		Budget	Actual	Variance
	Sub-Total - Support Services (carried forward)	30,632,793	29,219,752	1,413,041
2740	Vehicle Servicing and Maint. Services	982,070	923,599	58,471
2750	Nonpublic Transportaion	-	-	-
2790	Other Student Transportation Services	89,500	76,302	13,198
2813	Evaluation Services	-	-	-
2818	System-Wide Technology Services	1,003,575	961,653	41,922
2900	Other Support Services	37,500	33,367	4,133
	Total Support Services	32,745,438	31,214,673	1,530,765
3000 - Operation of Non-Instructional Services				
3210	Student Activities	323,476	322,712	764
3250	School Sponsored Athletics	1,343,108	1,313,841	29,267
3300	Community Services	14,000	12,810	1,190
	Total Non-Instructional Services	1,680,584	1,649,363	31,221
4000 - Facilities Acquisition, Construction, and Improvement Svs.				
4500	Building Acquisition and Construction Services	-	-	-
4600	Existing Building Improvement Services	-	-	-
	Total Facilities Acquisition, Construction, and Improvement Services	-	-	-
5000 - Other Expenditures and Financing Uses				
5110	Debt Service	14,185,751	14,168,426	17,325
5130	Refund of Prior Yr. Receipts	45,500	45,439	61
5230	Capital Projects Fund Transfers	2,000,000	2,000,000	-
	Total Other Expenditures and Financing Uses	16,231,251	16,213,865	17,386
	TOTAL EXPENDITURES AND OTHER FINANCING USES	$ 118,961,790	$ 115,655,984	$ 3,305,806
	TOTAL REVENUES AND OTHER FINANCING SOURCES	$ 112,095,406	$ 114,579,964	$ 2,484,558
	TOTAL EXPENDITURES AND OTHER FINANCING USES	118,961,790	115,655,984	3,305,806
	NET REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	$ (6,866,384)	$ (1,076,020)	$ 5,790,364
	Special Items	-	-	-
	Extraordinary Items - Insurance Recoveries	-	-	-
	NET REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES AFTER SPECIAL ITEMS AND EXTRAORDINARY ITEMS	(6,866,384)	(1,076,020)	5,790,364
	FUND BALANCE - JULY 1, 2019	23,435,810	24,511,074	1,075,264
	FUND BALANCE - JUNE 30, 2020	**$ 16,569,426**	**$ 23,435,054**	**$ 6,865,628**

Stroudsburg Area School District
Capital Reserve Fund
Statement of Revenues and Expenditures
For the Year Ended June 30, 2020

REVENUES AND OTHER FINANCING SOURCES		
Interest Revenue	$ 65,868	
Transfer from Capital Project Fund	-	
Transfer from General Fund	2,000,000	
TOTAL REVENUES AND OTHER FINANCING SOURCES		$ 2,065,868
EXPENDITURES AND OTHER FINANCING USES		
INSTRUCTIONAL SERVICES:		
Supplies	-	
Equipment	-	
SUPPORT SERVICES:		
Professional Services	-	
Repairs and Maintenance	-	
Equipment	679,546	
Advertising	-	
Dues and Fees	-	
FACILITIES ACQUISITION, CONSTRUCTION AND IMPROVEMENT:		
Professional Services	214,523	
Construction	1,482,348	
Land & Improvements	-	
Dues and Fees	-	
TOTAL EXPENDITURES AND OTHER FINANCING USES		2,376,417
EXCESS REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES		(310,549)
FUND BALANCE - JULY 1, 2019		5,089,134
FUND BALANCE - JUNE 30, 2020		**$ 4,778,585**

Stroudsburg Area School District
2019 Bond Fund
Statement of Revenues and Expenditures
For the Year Ended June 30, 2020

REVENUES AND OTHER FINANCING SOURCES		
Proceeds from Refunding Bond Issues	$ -	
Bond Premiums	-	
Transfer from General Fund	-	
TOTAL REVENUES AND OTHER FINANCING SOURCES		$ -
EXPENDITURES AND OTHER FINANCING USES		
INSTRUCTIONAL SERVICES:		
Supplies	-	
Equipment	-	
SUPPORT SERVICES:		
Professional Services	-	
Insurance	-	
Printing	-	
FACILITIES ACQUISITION, CONSTRUCTION AND IMPROVEMENT:		
Professional Services	-	
Construction	-	
DEBT SERVICE:		
Debt Service - Interest	3,745	
Debt Service - Principal	-	
OTHER FINANCING USES:		
Payment to Refunded Bonds Escrow Agent	-	
Bond Discount	-	3,745
EXCESS REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES		(3,745)
FUND BALANCE - JULY 1, 2019		3,745
FUND BALANCE - JUNE 30, 2020		**$ -**

Stroudsburg Area School District
2019 A Bond Fund
Statement of Revenues and Expenditures
For the Year Ended June 30, 2020

REVENUES AND OTHER FINANCING SOURCES		
Proceeds from Refunding Bond Issues	$ 8,985,000	
Bond Premiums	1,269,323	
Transfer from General Fund	-	
TOTAL REVENUES AND OTHER FINANCING SOURCES		$ 10,254,323
EXPENDITURES AND OTHER FINANCING USES		
INSTRUCTIONAL SERVICES:		
Supplies	-	
SUPPORT SERVICES:		
Professional Services	134,416	
Insurance	18,692	
Printing	5,426	
FACILITIES ACQUISITION, CONSTRUCTION AND IMPROVEMENT:		
Construction	-	
DEBT SERVICE:		
Debt Service - Interest	8,187	
Debt Service - Principal	-	
OTHER FINANCING USES:		
Payment to Refunded Bonds Escrow Agent	10,087,602	
Bond Discount	-	10,254,323
EXCESS REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES		-
FUND BALANCE - JULY 1, 2019		-
FUND BALANCE - JUNE 30, 2020		**$ -**

Stroudsburg Area School District
2019 B Bond Fund
Statement of Revenues and Expenditures
For the Year Ended June 30, 2020

REVENUES AND OTHER FINANCING SOURCES		
Proceeds from Refunding Bond Issues	$ 5,505,000	
Bond Premiums	878,712	
Transfer from General Fund	-	
TOTAL REVENUES AND OTHER FINANCING SOURCES		$ 6,383,712
EXPENDITURES AND OTHER FINANCING USES		
INSTRUCTIONAL SERVICES:		
Supplies	-	
SUPPORT SERVICES:		
Professional Services	93,637	
Insurance	13,188	
Printing	3,324	
FACILITIES ACQUISITION, CONSTRUCTION AND IMPROVEMENT:		
Construction	-	
DEBT SERVICE:		
Debt Service - Interest	3,005	
Debt Service - Principal	-	
OTHER FINANCING USES:		
Payment to Refunded Bonds Escrow Agent	6,270,558	
Bond Discount	-	6,383,712
EXCESS REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES		-
FUND BALANCE - JULY 1, 2019		-
FUND BALANCE - JUNE 30, 2020		**$ -**

Stroudsburg Area School District
2020 A Bond Fund
Statement of Revenues and Expenditures
For the Year Ended June 30, 2020

REVENUES AND OTHER FINANCING SOURCES		
Proceeds from Refunding Bond Issues	$ 4,356,000	
Bond Premiums	-	
Transfer from General Fund	-	
TOTAL REVENUES AND OTHER FINANCING SOURCES		$ 4,356,000
EXPENDITURES AND OTHER FINANCING USES		
INSTRUCTIONAL SERVICES:		
Supplies	-	
SUPPORT SERVICES:		
Professional Services	41,368	
Insurance	-	
Printing	1,439	
FACILITIES ACQUISITION, CONSTRUCTION AND IMPROVEMENT:		
Construction	-	
DEBT SERVICE:		
Debt Service - Interest	-	
Debt Service - Principal	-	
OTHER FINANCING USES:		
Payment to Refunded Bonds Escrow Agent	4,313,193	
Bond Discount	-	4,356,000
EXCESS REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES		-
FUND BALANCE - JULY 1, 2019		-
FUND BALANCE - JUNE 30, 2020		**$ -**

Stroudsburg Area School District
2020 B Bond Fund
Statement of Revenues and Expenditures
For the Year Ended June 30, 2020

REVENUES AND OTHER FINANCING SOURCES		
Proceeds from Refunding Bond Issues	$ 9,709,000	
Bond Premiums	-	
Transfer from General Fund	-	
TOTAL REVENUES AND OTHER FINANCING SOURCES		$ 9,709,000
EXPENDITURES AND OTHER FINANCING USES		
INSTRUCTIONAL SERVICES:		
Supplies	-	
SUPPORT SERVICES:		
Professional Services	92,205	
Insurance	-	
Printing	3,632	
FACILITIES ACQUISITION, CONSTRUCTION AND IMPROVEMENT:		
Construction	-	
DEBT SERVICE:		
Debt Service - Interest	-	
Debt Service - Principal	-	
OTHER FINANCING USES:		
Payment to Refunded Bonds Escrow Agent	9,613,163	
Bond Discount	-	9,709,000
EXCESS REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES		-
FUND BALANCE - JULY 1, 2019		-
FUND BALANCE - JUNE 30, 2020		**$ -**

Stroudsburg Area School District
Food Service Fund
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended June 30, 2020

REVENUES		
Student Sales - Lunch	$ 547,420	
Adult Sales - Lunch	21,163	
Daily Breakfast Sales	25,735	
Ala Carte Sales	390,478	
Special Events	26,097	
Other Food Service Revenue	-	
Miscellaneous	-	
Capital Contributions	-	
Gain or (Loss) on Sale of Fixed Assets	-	
State Subsidies	62,193	
Federal Subsidies	1,179,271	
Donated Commodities	218,195	
Transfer from General Fund	-	
Interest	10,727	
TOTAL REVENUES		$ 2,481,279
COST OF GOODS SOLD		
Opening Inventory	33,846	
Purchases - Supplies	337,544	
Purchases - Donated Commodities	218,194	
Food Management Services - Food	587,620	
Ending Inventory	(44,649)	1,132,555
GROSS PROFIT		1,348,724
OPERATING EXPENSES		
Salaries	-	
Employee Benefits	-	
Professional Education Svcs.	-	
Printing and Binding	-	
Disposal Services	1,041	
Repairs and Maintenance	8,848	
Food Management Services - Non-Food	1,138,174	
Natural Gas	-	
Electricity	52,918	
Supplies and Fees - Technology	2,120	
Depreciation	98,840	
Dues and Fees	6,494	
Miscellaneous Expense	-	1,308,435
CHANGES FUND IN NET POSITION		40,289
FUND NET POSITION - JULY 1, 2019		2,071,181
FUND NET POSITION - JUNE 30, 2020		**$ 2,111,470**

Stroudsburg Area School District
Food Service Fund
Reconciliation of Fund Net Position
For the Year Ended June 30, 2020

RECONCILIATION OF FUND NET POSITION		
Cash and Equivalents	$ 1,145,364	
State and Federal Subsidies Receivable	43,476	
Inventories	44,649	
Accounts Receivable	-	
Due from Other Funds	-	
Prepaid Expenses	-	
Equipment, net of accumulated depreciation	1,247,436	
Deferred Outflows of Resources - Current Year Contributions	-	
Deferred Inflows of Resources - Diff. in Projected vs Actual Invest. Earnings	-	
Deferred Inflows of Resources - Diff. in Projected vs Actual Contributions	-	
Deferred Inflows of Resources - Change in Proportion of NPL	-	
Due to General Fund	(52,918)	
Accounts Payable	(255,576)	
Accrued Salaries and Benefits	-	
Net OPEB Obligation	-	
Net Pension Liability	-	
Prepayments from Students	(60,961)	
Accrued Compensated Absences	-	
Deposits Payable	-	
TOTAL FUND NET POSITION		**$ 2,111,470**

Stroudsburg Area School District
Schedule on General Obligation Bonds - Improvement Series of 1998
For the Year Ended June 30, 2020

FISCAL YEAR	COUPON RATE	PRINCIPAL MATURITY
2020-21	5.40%	$ 3,000,000
2021-22	5.40%	3,000,000
2022-23	5.40%	3,000,000
TOTAL PRINCIPAL		**$ 9,000,000**
Less: Unamortized Discount		**(792,960)**
TOTAL OUTSTANDING		**$ 8,207,040**

Schedule on General Obligation Notes - Series of 2008
For the Year Ended June 30, 2020

FISCAL YEAR	COUPON RATE	INTEREST	PRINCIPAL
2020-21	1.070%	$ 82,272	$ 835,000
2021-22	1.070%	73,338	868,000
2022-23	1.070%	64,050	903,000
2023-24	1.070%	54,388	939,000
2024-25	1.070%	44,341	976,000
2025-26	1.070%	33,898	1,015,000
2026-27	1.070%	23,037	1,056,000
2027-28	1.070%	11,738	1,097,000
TOTAL OUTSTANDING		**$ 387,062**	**$ 7,689,000**

Stroudsburg Area School District
Schedule on General Obligation Notes - Series A of 2010
For the Year Ended June 30, 2020

FISCAL YEAR	COUPON RATE	INTEREST	PRINCIPAL
2020-21	5.00%	$ 850,000	$ 840,000
2021-22	5.00%	850,000	820,000
2022-23	5.00%	850,000	800,000
2023-24	5.00%	850,000	1,335,000
2024-25	5.00%	850,000	1,440,000
2025-26	5.00%	850,000	1,165,000
2026-27	5.00%	850,000	2,105,000
2027-28	5.00%	425,000	3,155,000
TOTAL OUTSTANDING		**$ 6,375,000**	**$ 11,660,000**

Schedule on General Obligation Bonds - Series A of 2011
For the Year Ended June 30, 2020

FISCAL YEAR	COUPON RATE	INTEREST	PRINCIPAL
2020-21	3.75% to 5.00%	$ 370,222	$ 1,995,000
2021-22	4.10%	279,785	2,110,000
2022-23	4.25%	193,275	2,230,000
2023-24	5.00%	98,500	1,970,000
TOTAL OUTSTANDING		**$ 941,782**	**$ 8,305,000**

Schedule on General Obligation Bonds - Series B of 2011
For the Year Ended June 30, 2020

FISCAL YEAR	COUPON RATE	INTEREST	PRINCIPAL
2020-21	3.15%	$ 102,595	$ 1,730,000
2021-22	3.25%	48,100	1,480,000
TOTAL OUTSTANDING		**$ 150,695**	**$ 3,210,000**

Stroudsburg Area School District
Schedule on General Obligation Notes - Series C of 2011
For the Year Ended June 30, 2020

FISCAL YEAR	COUPON RATE	INTEREST	PRINCIPAL
2020-21	5.00%	$ 1,305,834	$ 60,000
2021-22	5.00%	1,305,834	50,000
2022-23	5.00%	1,305,834	30,000
2023-24	5.00%	1,305,834	65,000
2024-25	5.00%	1,305,834	55,000
2025-26	5.00%	1,305,834	80,000
2026-27	5.00%	1,305,834	2,745,000
2027-28	5.00%	1,305,834	7,335,000
2028-29	5.00%	1,305,834	11,710,000
2029-30	5.00%	652,917	5,000
TOTAL OUTSTANDING		**$ 12,405,423**	**$ 22,135,000**

Schedule on General Obligation Bonds - Series B of 2012
For the Year Ended June 30, 2020

FISCAL YEAR	COUPON RATE	INTEREST	PRINCIPAL
2020-21	2.625%	$ 3,806	$ 95,000
2021-22	2.625%	1,312	50,000
TOTAL OUTSTANDING		**$ 5,118**	**$ 145,000**

Stroudsburg Area School District
Schedule on General Obligation Notes - Series of 2016
For the Year Ended June 30, 2020

FISCAL YEAR	COUPON RATE	INTEREST	PRINCIPAL
2020-21	1.820%	$ 168,168	$ 160,000
2021-22	1.820%	165,256	160,000
2022-23	1.820%	162,344	165,000
2023-24	1.820%	159,341	565,000
2024-25	1.820%	149,058	2,660,000
2025-26	1.820%	100,646	2,730,000
2026-27	1.820%	50,960	2,800,000
TOTAL OUTSTANDING		**$ 955,773**	**$ 9,240,000**

Schedule on General Obligation Bonds - Series of 2019
For the Year Ended June 30, 2020

FISCAL YEAR	COUPON RATE	INTEREST	PRINCIPAL
2020-21	4.000%	$ 172,731	$ 945,000
2021-22	4.000%	133,831	1,000,000
2022-23	4.000%	92,832	1,050,000
2023-24	4.000%	66,281	330,000
2024-25	2.000%	58,481	225,000
2025-26	2.125%	53,582	240,000
2026-27	2.125%	48,475	250,000
2027-28	2.250%	42,838	265,000
2028-29	2.375%	36,472	285,000
2029-30	2.500%	30,525	205,000
2030-31	2.750%	24,937	220,000
2031-32	2.750%	18,681	235,000
2032-33	3.000%	11,700	250,000
2033-34	3.000%	3,975	265,000
TOTAL OUTSTANDING		**$ 795,341**	**$ 5,765,000**

Stroudsburg Area School District
Schedule on General Obligation Bonds - Series A of 2019
For the Year Ended June 30, 2020

FISCAL YEAR	COUPON RATE	INTEREST	PRINCIPAL
2020-21	1.200%	$ 338,439	$ 5,000
2021-22	1.250%	338,377	5,000
2022-23	1.300%	338,312	5,000
2023-24	1.330%	338,245	2,255,000
2024-25	1.5% - 4.0%	266,670	5,000
2025-26	1.400%	266,600	5,030,000
2026-27	4.000%	65,400	1,635,000
TOTAL OUTSTANDING		**$ 1,952,043**	**$ 8,940,000**

Schedule on General Obligation Bonds - Series B of 2019
For the Year Ended June 30, 2020

FISCAL YEAR	COUPON RATE	INTEREST	PRINCIPAL
2020-21	1.250%	$ 218,962	$ 5,000
2021-22	1.300%	218,899	5,000
2022-23	1.330%	218,834	5,000
2023-24	1.350%	218,768	5,000
2024-25	2.000%	218,700	5,000
2025-26	2.000%	218,600	5,000
2026-27	2.000%	218,500	5,000
2027-28	2.000%	218,400	5,000
2028-29	2.000%	218,300	5,000
2029-30	4.000%	218,200	5,455,000
TOTAL OUTSTANDING		**$ 2,186,163**	**$ 5,500,000**

Stroudsburg Area School District
Schedule on General Obligation Notes - Series A of 2020
For the Year Ended June 30, 2020

FISCAL YEAR	COUPON RATE	INTEREST	PRINCIPAL
2020-21	0.824%	$ 38,614	$ 470,000
2021-22	0.824%	30,754	615,000
2022-23	0.824%	25,676	620,000
2023-24	0.824%	20,454	675,000
2024-25	0.824%	15,417	420,000
2025-26	0.824%	11,163	805,000
2026-27	0.824%	4,641	751,000
TOTAL OUTSTANDING		**$ 146,719**	**$ 4,356,000**

Schedule on General Obligation Notes - Series B of 2020
For the Year Ended June 30, 2020

FISCAL YEAR	COUPON RATE	INTEREST	PRINCIPAL
2020-21	0.824%	$ 88,223	$ 1,000
2021-22	0.824%	79,603	190,000
2022-23	0.824%	74,823	1,750,000
2023-24	0.824%	58,673	2,590,000
2024-25	0.824%	32,000	5,178,000
TOTAL OUTSTANDING		**$ 333,322**	**$ 9,709,000**

SINGLE AUDIT SECTION

Stroudsburg Area School District
Schedule of Expenditures of Federal Awards
Fiscal Year Ended June 30, 2020

FEDERAL GRANTOR PROJECT TITLE	SOURCE CODE	FEDERAL CFDA NO.	PASS THROUGH GRANTOR NUMBER	GRANT PERIOD	AWARD AMOUNT	TOTAL RECEIVED	ACCRUED OR (DEFERRED) 7/1/19	REVENUE	EXPEND.	ACCRUED OR (DEFERRED) 6/30/20	FOOTNOTES
U.S. DEPT. OF EDUCATION											
PASSED THROUGH THE PDE											
TITLE IA - IMPROVING BASIC PROGRAMS	I	84.010	013-19-0422 A	07/1/18 - 09/30/19	$ 1,178,418	$ (21,216)	$ (21,216)	$ -	$ -	$ -	6
TITLE IA - IMPROVING BASIC PROGRAMS	I	84.010	013-20-0422 A	07/1/19 - 09/30/20	$ 1,097,132	1,097,132	-	1,097,132	1,097,132	-	
TOTAL TITLE I PROGRAM						1,075,916	(21,216)	1,097,132	1,097,132	-	
PASSED THROUGH THE PDE											2
TITLE IIA - SUPPORTING EFFECTIVE INSTRUCTION	I	84.367	020-19-0422 A	07/1/18 - 09/30/19	$ 187,706	(2,852)	(2,852)	-	-	-	7
TITLE IIA - SUPPORTING EFFECTIVE INSTRUCTION	I	84.367	020-20-0422 A	07/1/19 - 09/30/20	$ 140,243	121,091	-	140,243	140,243	19,152	
TOTAL TITLE II PROGRAM						118,239	(2,852)	140,243	140,243	19,152	
PASSED THROUGH THE PDE											2
TITLE III - LANGUAGE INSTRUCTION FOR ENGLISH LEARNERS	I	84.365	010-19-0422 A	07/1/18 - 09/30/19	$ 30,601	4,371	4,371	-	-	-	
TITLE III - LANGUAGE INSTRUCTION FOR ENGLISH LEARNERS	I	84.365	010-20-0422 A	07/1/19 - 09/30/20	$ 27,112	27,112	-	27,112	27,112	-	
TOTAL TITLE III PROGRAM						31,483	4,371	27,112	27,112	-	
PASSED THROUGH THE PDE											2
TITLE IVA - STUDENT SUPPORT AND ACADEMIC ENRICHMENT	I	84.424	144-19-0422 A	07/1/18 - 09/30/19	$ 83,733	29,905	29,905	-	-	-	
TITLE IVA - STUDENT SUPPORT AND ACADEMIC ENRICHMENT	I	84.424	144-20-0422 A	07/1/19 - 09/30/20	$ 88,198	88,198	-	88,198	88,198	-	
TOTAL TITLE IV PROGRAM						118,103	29,905	88,198	88,198	-	
PASSED THROUGH THE PDE											2
COVID-19 ELEMENTARY & SECONDARY SCHOOL EMERGENCY RELIEF FUND	I	84.425D	200-20-0422	3/13/20 -9/30/21	$ 901,123	-	-	268,279	268,279	268,279	
PASSED THROUGH THE COLONIAL I.U.											2
IDEA	I	84.027	N/A	07/1/18 - 09/30/19	$ 675,089	-	-	-	-	-	1
IDEA	I	84.027	N/A	07/1/19 - 09/30/20	$ 692,723	692,723	-	692,723	692,723	-	1
IDEA - SECTION 619	I	84.173	N/A	07/1/18 - 09/30/19	$ 4,263	-	-	-	-	-	1
IDEA - SECTION 619	I	84.173	N/A	07/1/19 - 09/30/20	$ 3,971	3,971	-	3,971	3,971	-	1
TOTAL IDEA CLUSTER						696,694	-	696,694	696,694	-	
	TOTAL U. S. DEPARTMENT OF EDUCATION					2,040,435	10,208	2,317,658	2,317,658	287,431	
U.S DEPARTMENT OF HEALTH AND HUMAN SERVICES											
PASSED THROUGH THE PA											
DEPARTMENT OF PUBLIC WELFARE											2
TITLE 19 MEDICAID REIMBURSEMENT	I	93.778	N/A	10/1/19 - 09/30/20	N/A	34,503	18,812	39,787	39,787	24,096	
	TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					34,503	18,812	39,787	39,787	24,096	
U.S. DEPT. OF AGRICULTURE											
PASSED THROUGH THE PDE											2
NATIONAL SCHOOL LUNCH	I	10.555	N/A	07/1/18 - 06/30/19	N/A	40,781	40,781	-	-	-	
NATIONAL SCHOOL LUNCH	I	10.555	N/A	07/1/19 - 06/30/20	N/A	915,376	-	941,041	941,041	25,665	
FEDERAL BREAKFAST W/ SN	I	10.553	N/A	07/1/18 - 06/30/19	N/A	9,045	9,045	-	-	-	
FEDERAL BREAKFAST W/ SN	I	10.553	N/A	07/1/19 - 06/30/20	N/A	222,036	-	238,230	238,230	16,194	
PASSED THROUGH THE PA DEPT.											
OF AGRICULTURE:											2
NATIONAL SCHOOL LUNCH - USDA COMMODITIES	I	10.555	N/A	07/1/19 - 06/30/20	N/A	218,195	(6,980)	205,947	205,947	(19,228)	3,4
TOTAL CHILD NUTRITION CLUSTER						1,405,433	42,846	1,385,218	1,385,218	22,631	
	TOTAL U.S. DEPARTMENT OF AGRICULTURE					1,405,433	42,846	1,385,218	1,385,218	22,631	
	TOTAL FEDERAL FINANCIAL AWARDS					$ 3,480,371	$ 71,866	$ 3,742,663	$ 3,742,663	$ 334,158	

SOURCE: D -DIRECT; I -INDIRECT

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of Stroudsburg Area School District 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 the 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 Stroudsburg Area School District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Stroudsburg Area School District.

Note 2 - Significant Accounting Policies

The accompanying Schedule of Expenditures of Federal Awards is presented on the modified accrual basis of accounting for all federal awards charged to governmental funds and on the accrual basis of accounting for all federal awards charged to proprietary funds, as contemplated by accounting principles, generally accepted in the United States of America.

Note 3 - Organization and Scope

The District recognized 2.1% of its total general fund revenue in federal awards, and 55.8% of its total enterprise fund revenue.

Note 4 - Indirect Costs

The District did not charge any indirect costs to any of their federal grants and programs during this fiscal year. As such, the District did not use the 10% de minimis cost rate.

Note 5 - Program Disclosure - Footnotes

1. The federal awards passed through the Colonial and other Intermediate Units, under the U.S. Department of Education heading, is part of a consortium of participating school districts. In accordance with directions from the Commonwealth of Pennsylvania, these awards are reported on the basic financial statements as local source revenue.

2. The Federal Grants were passed through the following entities in the totals below:

Passed through	Total Awards	Total Expenditures
PA Department of Education	$ 3,734,266	$ 2,800,235
Colonial I.U. #20	1,376,046	696,694
PA Department of Public Welfare	N/A	39,787
PA Department of Agriculture	N/A	205,947
Totals	**$ 5,110,312**	**$ 3,742,663**

3. The District received non-monetary assistance from the U.S. Department of Agriculture of $218,195 in the form of commodities. These commodities are valued at U.S.D.A.'s approximate costs. During the 2019-20 fiscal-year, the District used $205,947 in commodities and established a year-end inventory of $19,228 at June 30, 2020.

4. The amount recognized as revenue in the Schedule of Expenditures of Federal Awards, under the U.S. Department of Agriculture heading, represents the commodities used, versus the commodities received, which are recognized as revenue in the basic financial statements.

5. The Medical Access grant passed though the PA Department of Education is reflected as federal source revenue on the basic financial statements; however, pursuant to instructions from the Commonwealth of PA, it is not reported as revenue on the Schedule of Expenditures of Federal Awards.

6. The Pennsylvania Department of Education (PDE) over-paid the District $21,216 for the Title I Program. This amount was owed back to PDE as of June 30, 2019. This amount was paid back to PDE in September 2019 via a reduction to the Title I Program.

7. The Pennsylvania Department of Education (PDE) over-paid the District $2,852 for the Title II Program. This amount was owed back to PDE as of June 30, 2019. This amount was paid back to PDE in September 2019 via a reduction to the Title II Program.

FINANCIAL STATEMENT RECONCILIATION		
General Fund Federal Source Revenue	$	3,859,255
Federal Revenue Received From Local Sources		696,694
Food Service Fund Federal Revenue		1,397,467
Total Federal Revenue, per financial statements		5,953,416
Less: Medical Access		(200,249)
Less: ARRA - Qualified School Construction Bonds		(1,998,256)
Change in Donated Commodities		(12,248)
Total Federal Revenue Reported to SEFA	**$**	**3,742,663**

GORMAN & ASSOCIATES, P.C.
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Florida Institute of Certified Public Accountants

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 of School Directors
Stroudsburg Area School District
123 Linden Street
Stroudsburg, PA 18360

We have audited, in accordance with the auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparison statement of the general fund of the Stroudsburg Area School District, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Stroudsburg Area School District's basic financial statements, and have issued our report thereon dated December 3, 2020.

Internal Control over Financial Reporting

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

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

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

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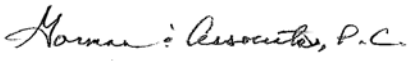
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Stroudsburg Area School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

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

Respectfully submitted,



December 3, 2020

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

Board of School Directors
Stroudsburg Area School District
123 Linden Street
Stroudsburg, PA 18360

Report on Compliance for Each Major Federal Program

We have audited Stroudsburg Area School District'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 Stroudsburg Area School District's major federal programs for the year ended June 30, 2020. Stroudsburg Area School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Stroudsburg Area School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain 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 Stroudsburg Area School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, Stroudsburg Area School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

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Report on Internal Control over Compliance

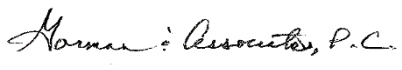
Management of Stroudsburg Area School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Stroudsburg Area School District's internal control over compliance with the 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, we do not express an opinion on the effectiveness of Stroudsburg Area School District's internal control over compliance.

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

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

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

Respectfully submitted,



December 3, 2020

Section I - Summary of Auditor Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) Identified? ☐ yes ☒ no
- Significant Deficiencies identified that are not considered to be material weaknesses? ☐ yes ☒ none reported

Noncompliance material to financial statements noted? ☐ yes ☒ no

Federal Awards

Internal control over major programs:

- Material weakness(es) Identified? ☐ yes ☒ no
- Significant Deficiencies identified that are not considered to be material weaknesses? ☐ yes ☒ none reported

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

Any audit findings disclosed that are required to be reported in accordance with section 200.516 of the Uniform Guidance? ☐ yes ☒ no

Identification of major program:

CFDA Number(s)	Name of Federal Program or Cluster
84.010	Title I Program
84.425D	COVID-19 – ESSER

Percentage of programs tested to total awards 36.5%

Dollar threshold used to distinguish between type A and type B program: $ 750,000

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

Section II – Financial Statement Findings

There were no findings discovered, relating to the financial statements, which are required to be reported in accordance with generally accepted government auditing standards.

Section III – Findings and Questioned Costs for Federal Awards

There were no findings discovered, relating to federal awards, which are required to be reported in accordance with Uniform Guidance Section 200.516.

Audit Follow-Up Procedures

We did not perform follow-up procedures on prior year findings, since there were no prior year findings reported.