

**REPORT ON  
STROUDSBURG AREA SCHOOL DISTRICT  
SINGLE AUDIT REPORT  
FISCAL YEAR ENDED JUNE 30, 2025**

STROUDSBURG AREA SCHOOL DISTRICT

Single Audit Report

For the Fiscal Year Ended June 30, 2025

TABLE OF CONTENTS

---

	<u>Page (s)</u>
<b>Introductory Section</b>	
Transmittal Letter .....	1
Report Distribution List.....	2
<b>Financial Section</b>	
Independent Auditor's Report .....	3 - 5
Management's Discussion and Analysis .....	6 - 17
<b>Basic Financial Statements</b>	
District-wide Financial Statements:	
Statement of Net Position.....	18
Statement of Activities .....	19
Fund Financial Statements:	
Balance Sheet - Governmental Funds .....	20
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position.....	21
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.....	22
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities.....	23
Statement of Fund Net Position - Proprietary Funds.....	24
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds .....	25
Statement of Cash Flows - Proprietary Funds .....	26
Statement of Net Position - Fiduciary Funds.....	27
Statement of Changes in Fiduciary Net Position - Fiduciary Funds .....	28

STROUDSBURG AREA SCHOOL DISTRICT

Single Audit Report

For the Fiscal Year Ended June 30, 2025

TABLE OF CONTENTS (continued)

---

	<u>Page (s)</u>
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund.....	29
Notes to Basic Financial Statements.....	30 - 78
<b>Required Supplemental Information</b>	
Schedule of the District's Proportionate Share of Net Pension Liability.....	79
Schedule of the District's Contributions - Pension Plan.....	80
Schedule of the District's Proportionate Share of Net OPEB Liability - Multiple Employer OPEB Plan .....	81
Schedule of the District's Contributions - Multiple Employer OPEB Plan.....	82
Schedule of District's Proportionate Share of Net OPEB Liability - Single Employer OPEB Plan.....	83
<b>Supplemental Information</b>	
General Fund - Schedule on Tax Collectors' Receipts.....	84
General Fund - Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget vs Actual.....	85 - 87
Capital Reserve Fund - Statement of Revenues and Expenditures.....	88
Food Service Fund - Statement of Revenues, Expenses, and Changes in Fund Net Position.....	89
Food Service Fund - Reconciliation of Fund Net Position .....	89
Private-Purpose Trust Fund - Statement of Changes in Fiduciary Net Position .....	90
Private-Purpose Trust Fund - Statement of Fiduciary Net Position .....	90
Student Activity Fund - Statement of Changes in Fiduciary Net Position.....	91
Student Activity Fund - Statement of Fiduciary Net Position.....	91
General Long-Term Debt:	
Schedule on General Obligation Notes - Series of 2008 .....	92
Schedule on General Obligation Notes - Series A of 2010.....	92
Schedule on General Obligation Notes - Series C of 2011.....	92

**STROUDSBURG AREA SCHOOL DISTRICT**

**Single Audit Report**

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

**TABLE OF CONTENTS (continued)**

---

	<b><u>Page (s)</u></b>
Schedule on General Obligation Notes - Series of 2016 .....	93
Schedule on General Obligation Bonds - Series of 2019 .....	93
Schedule on General Obligation Bonds - Series A of 2019.....	93
Schedule on General Obligation Bonds - Series B of 2019.....	94
Schedule on General Obligation Notes - Series A of 2020.....	94
<b>Single Audit Section</b>	
Schedule of Expenditures of Federal Awards .....	95 - 96
Notes to the Schedule of Expenditures of Federal Awards .....	97 - 98
Independent Auditor’s Report under Government Auditing Standards.....	99 - 100
Independent Auditor’s Report under Uniform Guidance .....	101 - 103
Schedule of Findings and Questioned Costs .....	104 - 107
Corrective Action Plan .....	

## INTRODUCTORY SECTION



# GORMAN & ASSOCIATES, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

Members of  
American Institute of Certified Public Accountants  
Pennsylvania 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, 2025, 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 audit 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.*

February 20, 2026

***REPORT DISTRIBUTION LIST***

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

ONE COPY TO:                      FEDERAL AUDIT CLEARINGHOUSE  
(Electronically Submitted)      GENERAL SERVICES ADMINISTRATION

ONE COPY TO:                      COMMONWEALTH OF PENNSYLVANIA  
(Electronically Submitted)      BUREAU OF AUDITS

ONE COPY TO:                      COLONIAL INTERMEDIATE UNIT #20  
6 DANFORTH DRIVE  
EASTON, PA 18045

## FINANCIAL SECTION



GORMAN & ASSOCIATES, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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

## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Stroudsburg Area School District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Stroudsburg Area School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Stroudsburg Area School District, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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

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

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

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

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

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6-17, the schedules associated with the District's Defined Benefit Pension Plan, and the Schedules of the District's OPEB Plans, on pages 79-83, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's

responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

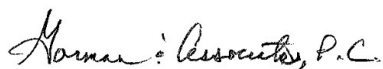
***Supplementary Information***

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2025, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Stroudsburg Area School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Stroudsburg Area School District's internal control over financial reporting and compliance.

Respectfully submitted,



Northampton, Pennsylvania  
November 13, 2025

**Stroudsburg Area School District  
Management's Discussion and Analysis**

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**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
Required Supplementary Information (RSI)  
(UNAUDITED)  
June 30, 2025**

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, 2025. 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 2024-2025 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 27.405 (\$0.027405 per \$1,000 of assessed value) to our taxpayers. The major contributing factor to this budget's projected increased expenditures of 5.09% from the prior year's budget was due to anticipated increases in healthcare, pension, cyber/charter tuition, and potential contract settlements with the Professional Staff and Support Staff.

The District's overall financial position as of June 30, 2025 shows an increase in total net position of \$8,825,540, for governmental activities. In the 2024-25 year, there was an increase of \$14,845,294 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.

**Stroudsburg Area School District  
Management's Discussion and Analysis**

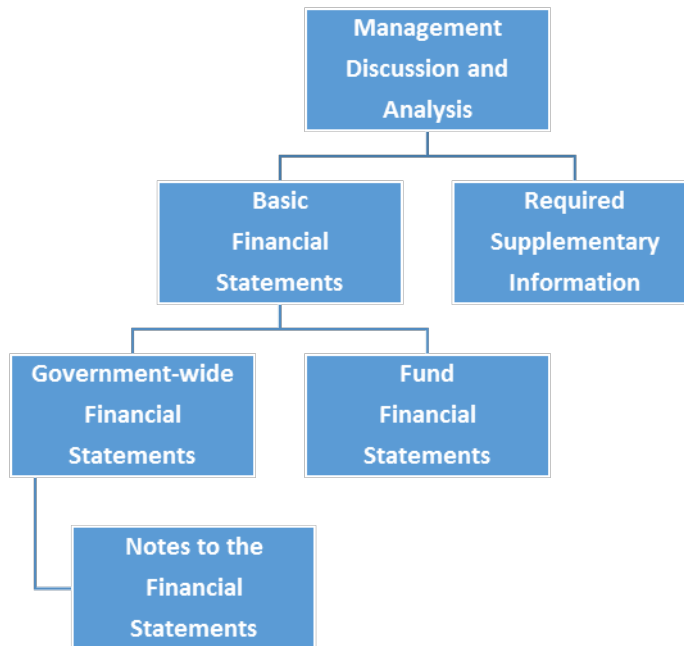
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**REPORTING THE SCHOOL DISTRICT AS A WHOLE**

***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**



**Stroudsburg Area School District  
Management's Discussion and Analysis**

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**

	<b>Government-wide Statements</b>	<b>Fund Statements</b>		
		<b>Governmental Funds</b>	<b>Proprietary Funds</b>	<b>Fiduciary Funds</b>
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

**Stroudsburg Area School District  
Management's Discussion and Analysis**

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**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.

**Stroudsburg Area School District  
Management's Discussion and Analysis**

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

Fiduciary funds - The District is the trustee, or fiduciary, for some 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 (\$55,606,939) at June 30, 2025.

**Table A-1  
Net Position  
Fiscal Year ended June 30, 2025**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Current and other assets	\$ 60,229,438	\$ 60,012,955	\$ 3,076,608	\$ 2,946,041	\$ 63,306,046	\$ 59,980,777
Non-Current Assets	102,491,160	106,915,768	953,646	986,060	103,444,806	107,901,828
Deferred Outflows of Resources	21,255,402	24,573,272	-	-	21,255,402	24,573,272
<b>Total Assets &amp; Deferred Outflow of Resources</b>	<b>\$ 183,976,000</b>	<b>\$ 191,501,995</b>	<b>\$ 4,030,254</b>	<b>\$ 3,932,101</b>	<b>\$ 188,006,254</b>	<b>\$ 192,455,877</b>
Current and other liabilities	\$ 28,371,313	\$ 24,954,477	\$ 181,434	\$ 162,308	\$ 28,552,747	\$ 25,116,785
Long-term liabilities	204,045,556	221,568,137	-	-	204,045,556	221,568,137
Deferred Inflows of Resources	11,014,890	13,868,457	-	-	11,014,890	13,868,457
<b>Total Liabilities &amp; Deferred Inflow of Resources</b>	<b>\$ 243,431,759</b>	<b>\$ 260,391,071</b>	<b>\$ 181,434</b>	<b>\$ 162,308</b>	<b>\$ 243,613,193</b>	<b>\$ 260,553,379</b>
<b>Net Position</b>						
Net Investment in Capital Assets	\$ 39,883,971	\$ 31,757,353	\$ 953,646	\$ 986,060	\$ 40,837,617	\$ 32,743,413
Restricted	16,902,113	15,655,900	-	-	16,902,113	15,655,900
Unrestricted	(116,241,843)	(116,302,329)	2,895,174	2,783,733	(113,346,669)	(113,518,596)
<b>Total Net Position</b>	<b>\$ (59,455,759)</b>	<b>\$ (68,889,076)</b>	<b>\$ 3,848,820</b>	<b>\$ 3,769,793</b>	<b>\$ (55,606,939)</b>	<b>\$ (65,119,283)</b>

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.

**Stroudsburg Area School District  
Management's Discussion and Analysis**

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  
Fiscal Year ended June 30, 2025  
Changes in Net Position**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
<b>REVENUES</b>						
<i>Program revenues:</i>						
Charges for services	\$ 40,504	\$ 31,979	\$ 408,831	\$ 944,969	\$ 449,335	\$ 976,948
Operating grants and contributions	23,496,281	23,404,828	2,548,493	2,189,088	26,039,781	25,593,916
Capital grants and contributions	3,232,847	3,407,186	-	-	3,232,847	3,407,186
<i>General revenues:</i>						
Property taxes	71,669,089	70,894,870	-	-	71,669,089	70,894,870
Other taxes	5,947,808	5,941,719	-	-	5,947,808	5,941,719
Grants, subsidies and contributions, unrestricted	25,541,305	23,818,129	-	-	25,541,305	23,818,129
Other	3,210,236	3,591,493	110,670	86,951	3,320,906	3,678,444
<b>TOTAL REVENUES</b>	<b>\$ 133,138,070</b>	<b>\$ 131,090,204</b>	<b>\$ 3,067,994</b>	<b>\$ 3,221,008</b>	<b>\$ 136,201,071</b>	<b>\$ 134,311,212</b>
<b>EXPENSES</b>						
Instruction	78,964,472	72,442,812	-	-	78,020,870	72,442,812
Instructional student support	8,677,486	7,601,039	-	-	8,677,486	7,601,039
Administrative and financial support	9,179,420	9,945,943	-	-	9,179,420	9,945,943
Operation and maintenance of plant	11,460,936	11,181,125	-	-	11,460,936	11,181,125
Pupil transportation	7,515,170	6,010,770	-	-	7,515,170	6,010,770
Student activities	1,958,424	1,755,083	-	-	1,958,424	1,755,083
Community services	25,313	18,172	-	-	25,313	18,172
Interest on long-term debt	1,980,499	3,151,777	-	-	1,980,499	3,151,777
Unallocated depreciation expense	4,550,810	4,633,407	-	-	4,550,810	4,633,407
Food Services	-	-	2,988,967	2,725,790	2,988,967	2,725,790
<b>TOTAL EXPENSES</b>	<b>124,312,530</b>	<b>116,740,128</b>	<b>2,988,967</b>	<b>2,725,790</b>	<b>126,357,895</b>	<b>119,465,918</b>
<b>Increase (decrease) in net position</b>	<b>\$ 8,825,540</b>	<b>\$ 14,350,076</b>	<b>\$ 79,027</b>	<b>\$ 495,218</b>	<b>\$ 9,843,176</b>	<b>\$ 14,845,294</b>

Net Position for Governmental Activities increased \$8,825,540 in 2024-25. This was caused primarily by the higher than anticipated revenues and lower overall expenditures. The Food Service operations for 2024-25 resulted in an increase in net position of \$79,027.

**Stroudsburg Area School District  
Management's Discussion and Analysis**

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, subsidies and contributions to show the remaining financial needs supported by local taxes and other miscellaneous revenues.

**Table A-3  
Fiscal Year ended June 30, 2025  
Governmental Activities**

<b>Functions/Programs</b>	<b>Total Cost of Services</b>		<b>Net Costs of Services</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Instruction	\$ 78,964,472	\$ 72,442,812	\$ 61,606,992	\$ 55,434,521
Instructional Student Support	8,677,486	7,601,039	7,376,048	6,521,880
Administrative	9,179,420	9,945,943	7,988,104	8,536,207
Operation and Maintenance	11,460,936	11,181,125	10,179,502	9,882,112
Pupil Transportation	7,515,170	6,010,770	4,892,039	3,650,964
Student Activities	1,958,424	1,755,083	1,693,461	1,492,453
Community Services	25,313	18,172	-	-
Interest on Long-Term Debt	1,980,499	3,151,777	(744,058)	(255,409)
Unallocated depreciation expense	4,550,810	4,633,407	4,550,810	4,633,407
<b>Total governmental activities</b>	<b>\$ 124,312,530</b>	<b>\$ 116,740,128</b>	<b>\$ 97,542,898</b>	<b>\$ 89,896,135</b>
Less: Unrestricted Grants, Subsidies			25,541,305	23,818,129
<b>Total needs from local taxes and other revenues</b>			<b>\$ 72,001,593</b>	<b>\$ 66,078,006</b>

**Stroudsburg Area School District  
Management's Discussion and Analysis**

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

**Table A-4  
Fiscal Year ended June 30, 2025**

<b>Functions/Programs</b>	<b>Total Cost of Services</b>		<b>Net Costs of Services</b>	
	<b><u>2025</u></b>	<b><u>2024</u></b>	<b><u>2025</u></b>	<b><u>2024</u></b>
Food Services	<b><u>\$ 2,988,967</u></b>	<b><u>\$ 2,725,790</u></b>	\$ (31,643)	\$ 408,267
Investment Earnings			110,670	86,951
Other Revenue			-	-
<b>Total business-type activities</b>			<b><u>\$ 79,027</u></b>	<b><u>\$ 495,218</u></b>

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, 2025, the District's governmental funds reported a combined fund balance of \$37,850,928 which is a decrease of \$5,005,367 over 2024-25. The primary reasons for this change are:

***General Fund:***

Total revenues recorded in the General Fund increased by \$18,240 during this year. Revenues received from local sources, such as property taxes, continue to account for most of the District's Revenues generating \$79,853,820 or approximately 60% of total revenues of which \$1,627,414 was a decrease from the 2023-2024 year. State revenue sources saw an increase of \$2,174,754 or 4.77%. Total expenditures recorded in the General Fund for 2024-2025 increased by \$8,575,624 or 6.69%. Overall, this year's activities resulted in a \$5,128,393 decrease to the fund balance in the General Fund. Total General Fund balance at year-end totaled \$20,948,815 which represents the following: \$11,740,073 in Committed, \$2,746,503 of Assigned, and \$6,462,239 of Unassigned Fund Balances.

***Capital Reserve Fund:***

The District established this fund in 2015 for unexpected and proposed capital projects. There was \$462,272 in expenditures for the fiscal year and interest earnings of \$585,298. Fund balance at year-end totaled \$16,902,113.

**Stroudsburg Area School District  
Management's Discussion and Analysis**

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  
Fiscal Year ended June 30, 2025  
General Fund Budget Comparison**

	<b>2024-2025</b>			<b>Variance</b>
	<b>Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
1100 Regular Instruction	\$ 57,613,257	\$ 57,613,257	\$ 56,529,209	\$ 1,084,048
1200 Special Education	21,400,060	21,400,060	24,248,218	(2,848,158)
1300 Vocational Education	2,000,000	2,000,000	1,336,140	663,860
1400 Other Instruction	364,000	364,000	286,797	77,203
1500 Non-Public	3,000	3,000	2,964	36
1600 Adult Education	-	-	-	-
1700 Community College	-	-	-	-
1800 Pre-Kindergarten	-	-	-	-
2100 Pupil Services	4,576,978	4,576,978	4,484,676	92,302
2200 Instructional Staff Services	2,820,137	2,820,137	3,000,882	(180,745)
2300 Administration	8,106,467	8,106,467	7,112,799	993,668
2400 Pupil Health	1,407,288	1,407,288	1,543,438	(136,150)
2500 Business Services	1,146,724	1,146,724	885,951	260,773
2600 Operation & Maintenance	12,776,687	12,776,687	12,869,929	(93,242)
2700 Pupil Transportation	6,839,211	6,839,211	7,588,346	(749,135)
2800 Central & Other Support Svcs	2,296,226	2,296,226	1,400,126	896,100
2900 Other Support Services	35,000	35,000	32,956	2,044
3200 Student Activities	1,842,856	1,842,856	2,049,576	(206,720)
3300 Community Services	-	-	25,313	(25,313)
4000 Capital Outlay	-	-	-	-
5100 Debt Service	14,304,585	14,304,585	13,437,956	866,629
5200 Transfers	-	-	-	-
5900 Budgetary Reserve	-	-	-	-
<b>Grand Total</b>	<b>\$ 137,532,476</b>	<b>\$ 137,532,476</b>	<b>\$ 136,835,276</b>	<b>\$ 697,200</b>

**Stroudsburg Area School District  
Management's Discussion and Analysis**

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**CAPITAL ASSET AND DEBT ADMINISTRATION**

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

	<u>2025</u>	<u>2024</u>
Land and Site Improvements	\$ 4,470,833	\$ 4,597,823
Buildings	80,142,582	83,983,193
Furniture & Equipment	8,499,256	7,326,020
Intangible right-to-use Equipment	669,235	631,787
Construction in Progress	263,229	315,102
<b>Total</b>	<b>\$ 94,045,135</b>	<b>\$ 96,853,925</b>

**Capital Assets**

At June 30, 2025, the District had \$94,045,135 invested in a broad range of capital assets, including land, buildings, furniture and equipment.

**Debt Administration**

As of June 30, 2025, total outstanding debt amounted to \$52,909,000.

**Table A-7  
Outstanding Debt**

	<u>2025</u>	<u>2024</u>
<b>General Obligation Bonds:</b>		
- Series of 2019	\$ 2,215,000	\$ 2,440,000
- Series A of 2019	6,665,000	6,670,000
- Series B of 2019	5,475,000	5,480,000
<b>General Obligation Notes:</b>		
- Series of 2008	3,168,000	4,144,000
- Series A of 2010	6,425,000	7,865,000
- Series C of 2011	21,875,000	21,930,000
- Series of 2016	5,530,000	8,190,000
- Series A of 2020	-	1,976,000
- Series B of 2020	1,556,000	5,178,000
<b>Total</b>	<b>\$ 52,909,000</b>	<b>\$ 63,873,000</b>

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.

**Stroudsburg Area School District  
Management's Discussion and Analysis**

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**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The district saw an increase in enrollment in 2024-25. The district still owns two vacant buildings. This consolidation continues to save money in overall utilities and maintenance while staff was redirected to other district facilities. The budget for 2024-25 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 and outside charter/cyber tuition while still trying to maintain a well-rounded education for our students.

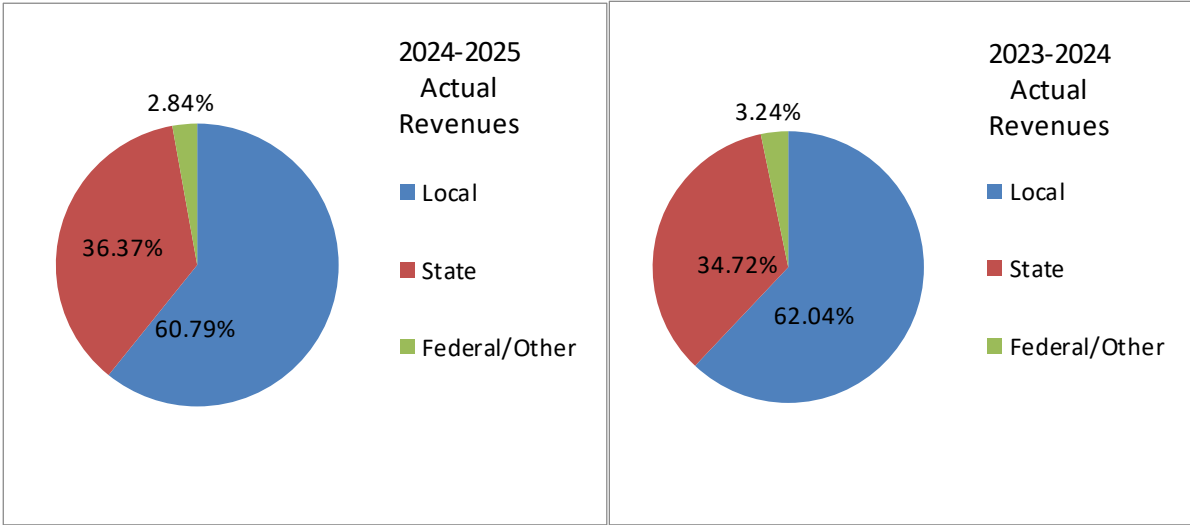
**Table A-8**

**BUDGETED REVENUES**

	<u>2024-25</u>	<u>2023-24</u>
Local	\$ 84,977,405	\$ 83,735,954
State	45,906,324	42,035,684
Federal/Other	4,045,000	3,580,000

**ACTUAL REVENUES**

	<u>2024-25</u>	<u>2023-24</u>
Local	\$ 79,853,820	\$ 81,481,234
State	47,780,634	45,605,880
Federal/Other	3,727,229	4,256,329



**Stroudsburg Area School District  
Management's Discussion and Analysis**

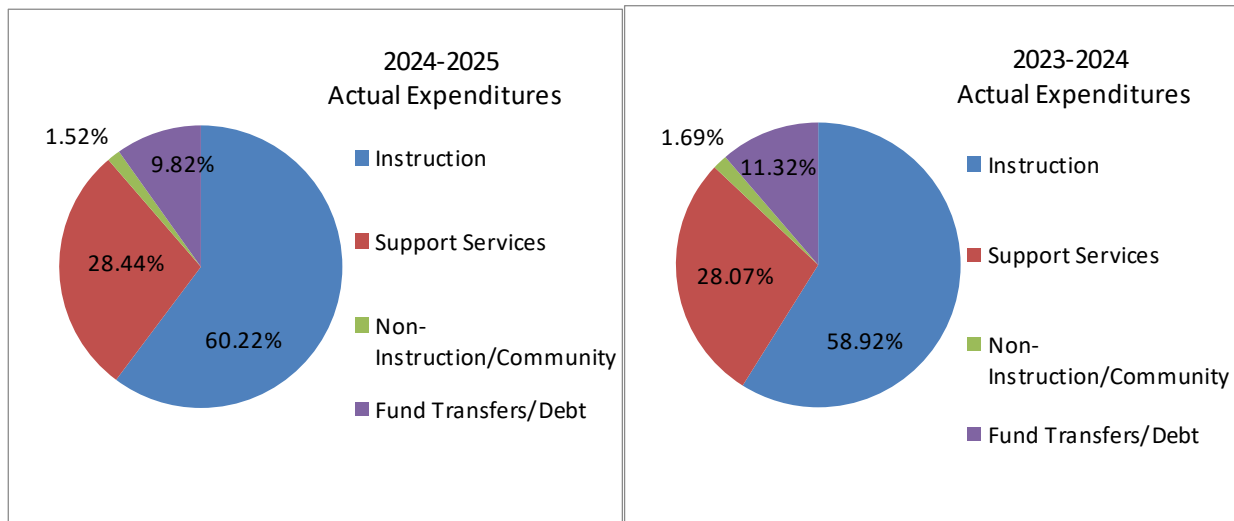
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**BUDGETED EXPENDITURES**

	<u>2024-25</u>		<u>2023-24</u>
Instruction	\$ 81,380,317	\$	76,246,729
Support Services	40,004,718		37,926,324
Non-Instruction/Community	1,842,856		2,182,671
Fund Transfers/Debt	14,304,585		14,519,302

**ACTUAL EXPENDITURES**

	<u>2024-25</u>		<u>2023-24</u>
Instruction	\$ 82,403,328	\$	75,566,479
Support Services	38,919,103		36,005,609
Non-Instruction/Community	2,074,889		2,168,262
Fund Transfers/Debt	13,437,956		14,519,302



**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.

# BASIC FINANCIAL STATEMENTS

**Stroudsburg Area School District**  
**Statement of Net Position**  
**As of June 30, 2025**

	<b>PRIMARY GOVERNMENT</b>		
	<b>GOVERNMENTAL ACTIVITIES</b>	<b>BUSINESS-TYPE ACTIVITIES</b>	<b>TOTAL</b>
<b>ASSETS</b>			
<b>Current Assets:</b>			
Cash and Cash Equivalents	\$ 38,830,334	\$ 3,029,017	\$ 41,859,351
Investments	7,895,300	-	7,895,300
Receivables, Net	5,015,039	-	5,015,039
Internal Balances	78,138	9,645	- <sup>(1)</sup>
Due From Other Governments	7,009,167	933	7,010,100
Leases Receivable	618,218	-	618,218
Other Receivables	524,243	-	524,243
Inventories	258,999	37,013	296,012
<b>Total Current Assets</b>	<b>60,229,438</b>	<b>3,076,608</b>	<b>63,218,263</b>
<b>Non-Current Assets</b>			
Land	1,262,987	-	1,262,987
Site Improvements (Net of Depreciation)	3,207,846	-	3,207,846
Building and Bldg. Improvements (Net of Depreciation)	80,142,582	-	80,142,582
Furniture and Equipment (Net of Depreciation)	7,545,610	953,646	8,499,256
Intangible Right-To-Use Equipment (Net of Amortization)	669,235	-	669,235
Construction in Progress	263,229	-	263,229
Long-term Receivables	9,399,671	-	9,399,671
<b>Total Non-Current Assets</b>	<b>102,491,160</b>	<b>953,646</b>	<b>103,444,806</b>
<b>Total Assets</b>	<b>\$ 162,720,598</b>	<b>\$ 4,030,254</b>	<b>\$ 166,663,069</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows of Resources - Charges on Refundings	174,285	-	174,285
Deferred Outflows of Resources - Related to Pension	19,864,593	-	19,864,593
Deferred Outflows of Resources - Related to OPEB	1,216,524	-	1,216,524
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 183,976,000</b>	<b>\$ 4,030,254</b>	<b>\$ 187,918,471</b>
<b>LIABILITIES</b>			
<b>Current Liabilities:</b>			
Internal Balances	\$ 9,645	\$ 78,138	\$ - <sup>(1)</sup>
Due to Other Governments	879,623	-	879,623
Accounts Payable	1,138,530	62,345	1,200,875
Current Portion of Long-Term Obligations	11,420,656	-	11,420,656
Accrued Salaries and Benefits	7,288,406	-	7,288,406
Payroll Deductions and Withholdings	5,027,820	-	5,027,820
Unearned Revenue	2,492,292	78	2,492,370
Other Current Liabilities	114,341	40,873	155,214
<b>Total Current Liabilities</b>	<b>28,371,313</b>	<b>181,434</b>	<b>28,464,964</b>
<b>Non-Current Liabilities</b>			
Bonds and Notes Payable	42,486,087	-	42,486,087
Lease Obligations	446,115	-	446,115
Long-Term Portion of Compensated Absences	3,778,239	-	3,778,239
Net Defined Benefit Pension Liability	134,145,000	-	134,145,000
Net OPEB Liability - Single Employer Plan	17,496,115	-	17,496,115
Net OPEB Liability - Multiple Employer Plan	5,694,000	-	5,694,000
<b>Total Liabilities</b>	<b>232,416,869</b>	<b>181,434</b>	<b>232,510,520</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows of Resources - Leases	618,218	-	618,218
Deferred Inflows of Resources - Related to Pension	2,487,000	-	2,487,000
Deferred Inflows of Resources - Related to OPEB	7,909,672	-	7,909,672
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<b>243,431,759</b>	<b>181,434</b>	<b>243,525,410</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	39,883,971	953,646	40,837,617
<b>Restricted For:</b>			
Capital Projects	16,902,113	-	16,902,113
Unrestricted (Deficit)	(116,241,843)	2,895,174	(113,346,669)
<b>TOTAL NET POSITION</b>	<b>(59,455,759)</b>	<b>3,848,820</b>	<b>(55,606,939)</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>	<b>\$ 183,976,000</b>	<b>\$ 4,030,254</b>	<b>\$ 187,918,471</b>

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, 2025**

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<b>GOVERNMENTAL ACTIVITIES:</b>							
Instruction	\$ 78,964,472	\$ 5,474	\$ 17,352,006	\$ -	\$ (61,606,992)	\$ -	\$ (61,606,992)
Instructional Student Support	8,677,486	-	1,301,438	-	(7,376,048)	-	(7,376,048)
Admin. & Fin'l Support Services	9,179,420	-	1,191,316	-	(7,988,104)	-	(7,988,104)
Oper. & Maint. of Plant Svcs.	11,460,936	-	1,281,434	-	(10,179,502)	-	(10,179,502)
Pupil Transportation	7,515,170	-	2,114,841	508,290	(4,892,039)	-	(4,892,039)
Student Activities	1,958,424	35,030	229,933	-	(1,693,461)	-	(1,693,461)
Community Services	25,313	-	25,313	-	-	-	-
Interest on Long-Term Debt	1,980,499	-	-	2,724,557	744,058	-	744,058
Unallocated Depreciation Expense	4,550,810	-	-	-	(4,550,810)	-	(4,550,810)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>124,312,530</b>	<b>40,504</b>	<b>23,496,281</b>	<b>3,232,847</b>	<b>(97,542,898)</b>	<b>-</b>	<b>(97,542,898)</b>
<b>BUSINESS-TYPE ACTIVITIES:</b>							
Food Services	2,988,967	408,831	2,548,493	-	-	(31,643)	(31,643)
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 127,301,497</b>	<b>\$ 449,335</b>	<b>\$ 26,044,774</b>	<b>\$ 3,232,847</b>	<b>\$ (97,542,898)</b>	<b>\$ (31,643)</b>	<b>\$ (97,574,541)</b>
<b>GENERAL REVENUES:</b>							
Property Taxes. Levied for General Purposes, Net					\$ 71,669,089	\$ -	\$ 71,669,089
Taxes Levied for Specific Purposes					5,947,808	-	5,947,808
Grants, Subsidies, & Contributions not Restricted					25,541,305	-	25,541,305
Investment Earnings					2,851,869	110,670	2,962,539
Miscellaneous Income					376,091	-	376,091
Special Item - Gain (Loss) on Sale of Capital Assets					(17,724)	-	(17,724)
<b>TOTAL GENERAL REVENUES, SPECIAL ITEMS, AND TRANSFERS</b>					<b>106,368,438</b>	<b>110,670</b>	<b>106,479,108</b>
<b>CHANGES IN NET POSITION</b>					<b>8,825,540</b>	<b>79,027</b>	<b>8,904,567</b>
<b>NET POSITION - PREVIOUSLY REPORTED</b>					<b>(68,889,076)</b>	<b>3,769,793</b>	<b>(65,119,283)</b>
<b>RESTATEMENT - NOTE 6</b>					<b>607,777</b>	<b>-</b>	<b>607,777</b>
<b>NET POSITION - RESTATED</b>					<b>(68,281,299)</b>	<b>3,769,793</b>	<b>(64,511,506)</b>
<b>NET POSITION - ENDING</b>					<b>\$ (59,455,759)</b>	<b>\$ 3,848,820</b>	<b>\$ (55,606,939)</b>

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

**Stroudsburg Area School District  
Balance Sheet  
Governmental Funds  
As of June 30, 2025**

	<b>GENERAL</b>	<b>CAPITAL PROJECTS FUNDS</b>	<b>TOTAL GOVERNMENTAL FUNDS</b>
<b><u>ASSETS</u></b>			
Cash and Cash Equivalents	\$ 29,784,599	\$ 9,045,735	\$ 38,830,334
Investments	-	7,895,300	7,895,300
Taxes Receivable, Net	5,015,039	-	5,015,039
Due from Other Funds	78,138	-	78,138
Due from Other Governments	7,009,167	-	7,009,167
Other Receivables	330,399	-	330,399
Leases Receivable	618,218	-	618,218
	<b>\$ 42,835,560</b>	<b>\$ 16,941,035</b>	<b>\$ 59,776,595</b>
<b><u>LIABILITIES</u></b>			
Due to Other Funds	\$ 18,470	\$ -	\$ 18,470
Due to Other Governments	879,623	-	879,623
Accounts Payable	1,090,783	38,922	1,129,705
Current Portion of Long-Term Debt	129,782	-	129,782
Accrued Salaries and Benefits	7,288,406	-	7,288,406
Payroll Deductions and Withholdings	5,027,820	-	5,027,820
Prepayments	2,492,292	-	2,492,292
	<b>16,927,176</b>	<b>38,922</b>	<b>16,966,098</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Leases	618,218	-	618,218
Revenue from Property Taxes/Grants	4,341,351	-	4,341,351
	<b>21,886,745</b>	<b>38,922</b>	<b>21,925,667</b>
<b><u>FUND BALANCES:</u></b>			
Restricted Fund Balance	-	16,902,113	16,902,113
Committed Fund Balance	11,740,073	-	11,740,073
Assigned Fund Balance	2,746,503	-	2,746,503
Unassigned Fund Balance	6,462,239	-	6,462,239
	<b>20,948,815</b>	<b>16,902,113</b>	<b>37,850,928</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 42,835,560</b>	<b>\$ 16,941,035</b>	<b>\$ 59,776,595</b>

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, 2025**

**TOTAL FUND BALANCES - GOVERNMENTAL FUNDS** \$ 37,850,928

**Amounts reported for governmental activities in the Statement of Net Position are different because:**

**Capital Assets** – Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds. The cost of these assets is \$205,096,916 and the accumulated depreciation and amortization totals \$112,005,427 93,091,489

**Additional Receivables** – Certain receivables are recognized in the statement of net position that do not meet the availability criteria for recognition in the governmental funds. This amount represents the change between prior year and current year receivables established under the accrual basis of accounting. 9,593,515

**Deferred Property Taxes** – Property taxes receivable are recognized as revenue in the statement of net position but are deferred in the governmental funds because they are not available to finance current period expenditures. These amounts will be collected in future periods 4,341,351

**Deferred Charges on Refunding** – This amount represents deferred outflows of resources arising from the refunding of prior bond issues. These deferred amounts are amortized over the remaining life of the refunded or refunding debt, whichever is shorter. 174,285

**Pension and OPEB-Related Deferred Inflows and Outflows** – This amount represents deferred outflows of resources, net of deferred inflows of resources, related to the District's net pension and OPEB liabilities. These amounts will be recognized in future periods in accordance with applicable GASB standards. 10,684,444

**Inventory Reporting** – Governmental funds use the purchase method, under which inventory is expensed when purchased and not reported as an asset. In contrast, the statement of net position applies the consumption method, recognizing inventory as an asset until it is used 258,999

**Long-Term Obligations** – Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds. These include bonds and notes payable, accrued interest, lease-purchase obligations, compensated absences, and net pension and OPEB liabilities (215,450,770)

**TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES** **\$ (59,455,759)**

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, 2025**

	<u>GENERAL</u>	<u>CAPITAL PROJECTS FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<b>REVENUES</b>			
Local Sources	\$ 79,853,820	\$ 585,298	\$ 80,439,118
State Sources	47,780,634	-	47,780,634
Federal Sources	3,686,504	-	3,686,504
<b>TOTAL REVENUES</b>	<u>131,320,958</u>	<u>585,298</u>	<u>131,906,256</u>
<b>EXPENDITURES</b>			
Instruction	82,403,328	-	82,403,328
Support Services	38,919,103	-	38,919,103
Operation of Non-Instructional Services	2,074,889	-	2,074,889
Capital Outlay	-	462,272	462,272
Debt Service	13,437,956	-	13,437,956
<b>TOTAL EXPENDITURES</b>	<u>136,835,276</u>	<u>462,272</u>	<u>137,297,548</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(5,514,318)	123,026	(5,391,292)
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from Lease	345,200	-	345,200
Sale/Compensation for Fixed Assets	32,500	-	32,500
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>377,700</u>	<u>-</u>	<u>377,700</u>
<b>SPECIAL/EXTRAORDINARY ITEMS</b>			
Extraordinary Items - Insurance Recoveries	8,225	-	8,225
<b>NET CHANGE IN FUND BALANCES</b>	(5,128,393)	123,026	(5,005,367)
<b>FUND BALANCE JULY 1, 2024</b>	25,469,431	16,779,087	42,248,518
<b>RESTATEMENT - NOTE 6</b>	607,777	-	607,777
<b>FUND BALANCE (RESTATED) JULY 1, 2024</b>	<u>26,077,208</u>	<u>16,779,087</u>	<u>42,856,295</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 20,948,815</u>	<u>\$ 16,902,113</u>	<u>\$ 37,850,928</u>

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, 2025**

**NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS** \$ (5,005,367)

Amounts reported for governmental activities in the Statement of Activities are different because:

**Capital Outlay and Depreciation** – Governmental funds report capital outlays as expenditures, while in the statement of activities these amounts are capitalized and depreciated over the assets' estimated useful lives. This amount represents the net effect of capital outlay and depreciation during the current period.

Depreciation expense \$ 6,304,745  
less - capital outlays 3,578,592 (2,726,153)

**Capital Assets Financed by Debt** – Some capital assets were acquired through the issuance of long-term debt. In governmental funds, the amount financed is reported as a source of financing, while in the statement of activities it results in the recognition of a long-term liability rather than revenue. (345,200)

**Disposal of Capital Assets** – In governmental funds, proceeds from the sale or disposal of capital assets are reported as an increase in financial resources, while in the statement of activities only the gain or loss on the disposal is recognized. This amount represents the difference between the proceeds and the net book value of the assets disposed of during the current period. (50,224)

**Deferred Property Tax Revenues** – Because certain property taxes are not collected soon enough after year-end to be considered available, they are deferred in the governmental funds. This amount represents the increase in deferred inflows of resources related to property taxes during the current year. 1,048,009

**Repayment of Debt, Financed Purchases, and Lease Liabilities** – In governmental funds, repayments of bonds, financed purchase, and lease principal are reported as expenditures, while in the statement of activities these payments reduce the related long-term liabilities. 11,357,770

**Compensated Absences and Termination Benefits** – In governmental funds, expenditures for compensated absences and special termination benefits are recognized when financial resources are used, while in the statement of activities these costs are measured based on the amounts earned during the year. This amount represents the difference between benefits earned and benefits paid in the current period. (948,433)

**Interest on Long-Term Debt** – In governmental funds, interest on long-term debt is recognized when due, while in the statement of activities it is recognized as it accrues. This amount also includes the amortization of bond premiums and discounts and represents the net difference between accrued and paid interest for the current period. 99,689

**Revenue Recognition Timing** – In governmental funds, revenues are recognized when they are both measurable and available, while in the statement of activities revenues are recognized when earned, regardless of availability. This amount represents the difference between revenues earned and those considered available in the current period. (1,454,928)

**Inventory Reporting** – Governmental funds use the purchase method, recognizing inventory items as expenditures when purchased, while the statement of activities applies the consumption method, recognizing expenses as inventory is used. This amount represents the change in inventory balance during the current period. (15,458)

**Pension and OPEB Expense** – In governmental funds, pension and OPEB contributions are reported as expenditures when paid, while in the statement of activities pension and OPEB expense is recognized based on the change in the net pension and OPEB liabilities. This amount represents the difference between current year expense and contributions made during the year. 6,865,835

**CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES** \$ 8,825,540

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, 2025**

	<b>FOOD SERVICE</b>
<b><u>ASSETS</u></b>	
<b>CURRENT ASSETS:</b>	
Cash and Cash Equivalents	\$ 3,029,017
Due From Other Governments	933
Inventories	37,013
<b>TOTAL CURRENT ASSETS</b>	<b>3,076,608</b>
<b>NON-CURRENT ASSETS:</b>	
Machinery & Equipment (net)	953,646
Other Long-Term Receivables	-
<b>TOTAL NON-CURRENT ASSETS</b>	<b>953,646</b>
<b>TOTAL ASSETS</b>	<b>\$ 4,030,254</b>
 <b><u>LIABILITIES</u></b>	
<b>CURRENT LIABILITIES:</b>	
Due to Other Funds	\$ 78,138
Accounts Payable	62,345
Unearned Revenues	78
Prepayments from Students	40,873
<b>TOTAL CURRENT LIABILITIES</b>	<b>181,434</b>
<b>NON-CURRENT LIABILITIES:</b>	
	-
 <b><u>FUND NET POSITION</u></b>	
Net Investment in Capital Assets	953,646
Unrestricted	2,895,174
<b>TOTAL FUND NET POSITION</b>	<b>3,848,820</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND NET POSITION</b>	<b>\$ 4,030,254</b>

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, 2025**

	<b>FOOD SERVICE</b>
<b>OPERATING REVENUES:</b>	
Food Service Revenue	\$ 408,831
Other Operating Revenues	-
<b>TOTAL OPERATING REVENUES</b>	408,831
<b>OPERATING EXPENSES:</b>	
Purchased Property Service	8,351
Other Purchased Services	2,458,103
Supplies	396,903
Depreciation	125,514
Dues and Fees	96
<b>TOTAL OPERATING EXPENSES</b>	2,988,967
<b>OPERATING INCOME (LOSS)</b>	(2,580,136)
<b>NON-OPERATING REVENUES (EXPENSES)</b>	
Earnings on Investments	110,670
State Sources	189,161
Federal Sources	2,359,332
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	2,659,163
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS</b>	79,027
Transfers In (Out)	-
<b>CHANGES IN FUND NET POSITION</b>	79,027
<b>FUND NET POSITION - BEGINNING</b>	3,769,793
<b>FUND NET POSITION - ENDING</b>	<b>\$ 3,848,820</b>

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, 2025**

	<b>FOOD SERVICE</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash Received from Users	\$ 424,342
Cash Payments to Suppliers for Goods and Services	(2,604,544)
Cash Payments to Other Operating Expenses	(96)
<b>NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>	<b>(2,180,298)</b>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>	
State Sources	192,378
Federal Sources	2,098,297
<b>NET CASH PROVIDED BY (USED FOR) NON-CAPITAL FINANCING ACTIVITIES</b>	<b>2,290,675</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Facilities Acquisition/Const./Improvement Svcs.	(93,100)
<b>NET CASH PROVIDED BY (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>(93,100)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Earnings on Investments	110,670
<b>NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES</b>	<b>110,670</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>127,947</b>
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<b>2,901,070</b>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 3,029,017</b>
<b><u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</u></b>	
<b>OPERATING INCOME (LOSS)</b>	<b>\$ (2,580,136)</b>
<b>ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>	
Depreciation and Net Amortization	125,514
Donated Commodities Used	278,127
<b>CHANGE IN ASSETS AND LIABILITIES:</b>	
(Increase) Decrease in Advances to Other Funds	(9,645)
(Increase) Decrease in Inventories	(13,284)
Increase (Decrease) in Accounts Payable	(7,243)
Increase (Decrease) in Unearned Revenue	78
Increase (Decrease) in Advances from Other Funds	1,213
Increase (Decrease) in Prepayments from Students	25,078
<b>TOTAL ADJUSTMENTS</b>	<b>399,838</b>
<b>NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>	<b>\$ (2,180,298)</b>

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

**Stroudsburg Area School District  
Statement of Fiduciary Net Position  
Fiduciary Funds  
As of June 30, 2025**

	<b>PRIVATE- PURPOSE TRUST</b>	<b>CUSTODIAL FUNDS</b>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 188,823	\$ 265,267
Due from Other Funds	-	8,825
Other Receivables	-	484
<b>TOTAL ASSETS</b>	<b>188,823</b>	<b>274,576</b>
	-----	-----
<b>LIABILITIES</b>		
Accounts Payable	\$ -	\$ 1,031
Due to Other Funds	-	-
<b>TOTAL LIABILITIES</b>	-	1,031
<b>NET POSITION</b>		
Restricted for		
Individuals, Organizations, and Other Governments	188,823	273,545
<b>TOTAL LIABILITIES &amp; NET POSITION</b>	<b>\$ 188,823</b>	<b>\$ 274,576</b>

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

**Stroudsburg Area School District**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2025**

	<b>PRIVATE- PURPOSE TRUST FUND</b>	<b>CUSTODIAL FUNDS</b>
<b>ADDITIONS</b>		
Contributions - Members	\$ -	\$ 92,570
Contributions - Gifts and Bequests	5,793	-
Special Events	-	86,078
Other Income	-	272,282
<b>Investment Earnings:</b>		
Interest and Dividends	3,941	-
Net Increase (Decrease) in Fair Value of Investments	-	-
Less: Investment Expense	-	-
<b>TOTAL ADDITIONS</b>	<b>9,734</b>	<b>450,930</b>
 <b>DEDUCTIONS</b>		
Administrative Expense	-	13,326
Benefits Paid to Participants or Beneficiaries	18,743	54,081
Payments for Student Club Activities	-	345,379
Other	-	34,891
<b>TOTAL DEDUCTIONS</b>	<b>18,743</b>	<b>447,677</b>
 <b>CHANGES IN NET POSITION</b>	 <b>(9,009)</b>	 <b>3,253</b>
 <b>NET POSITION - BEGINNING OF YEAR</b>	 <b>197,832</b>	 <b>270,292</b>
 <b>NET POSITION - END OF YEAR</b>	 <b>\$ 188,823</b>	 <b>\$ 273,545</b>

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, 2025**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH</b>
	<b>ORIGINAL</b>	<b>FINAL</b>	<b>GAAP</b>	<b>FINAL BUDGET</b>
			<b>BASIS</b>	<b>POSITIVE</b>
				<b>(NEGATIVE)</b>
<b>REVENUES</b>				
Local Sources	\$ 84,977,405	\$ 84,977,405	\$ 79,853,820	\$ (5,123,585)
State Sources	45,906,324	45,906,324	47,780,634	1,874,310
Federal Sources	4,020,000	4,020,000	3,686,504	(333,496)
<b>TOTAL REVENUES</b>	<u>134,903,729</u>	<u>134,903,729</u>	<u>131,320,958</u>	<u>(3,582,771)</u>
<b>EXPENDITURES</b>				
Regular Instruction	57,613,257	57,613,257	56,529,209	1,084,048
Special Programs	21,400,060	21,400,060	24,248,218	(2,848,158)
Vocational Programs	2,000,000	2,000,000	1,336,140	663,860
Other Instructional Programs	364,000	364,000	286,797	77,203
Nonpublic School Programs	3,000	3,000	2,964	36
Pupil Personnel Services	4,576,978	4,576,978	4,484,676	92,302
Instructional Staff Services	2,820,137	2,820,137	3,000,882	(180,745)
Administrative Services	8,106,467	8,106,467	7,112,799	993,668
Pupil Health	1,407,288	1,407,288	1,543,438	(136,150)
Business Services	1,146,724	1,146,724	885,951	260,773
Operation & Maintenance of Plant Services	12,776,687	12,776,687	12,869,929	(93,242)
Student Transportation Services	6,839,211	6,839,211	7,588,346	(749,135)
Central Support Services	2,296,226	2,296,226	1,400,126	896,100
Other Support Services	35,000	35,000	32,956	2,044
Student Activities	-	435,782	405,512	30,270
School Sponsored Athletics	1,842,856	1,407,074	1,644,064	(236,990)
Community Services	-	-	25,313	(25,313)
Debt Service	14,304,585	14,304,585	13,437,956	866,629
<b>TOTAL EXPENDITURES</b>	<u>137,532,476</u>	<u>137,532,476</u>	<u>136,835,276</u>	<u>697,200</u>
Excess (deficiency) of revenues over expenditures	(2,628,747)	(2,628,747)	(5,514,318)	(2,885,571)
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale/Compensation for Fixed Assets	25,000	25,000	32,500	7,500
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	25,000	25,000	377,700	352,700
Extraordinary Items - Insurance Recoveries	-	-	8,225	8,225
<b>NET CHANGE IN FUND BALANCES</b>	(2,603,747)	(2,603,747)	(5,128,393)	(2,524,646)
<b>FUND BALANCE JULY 1, 2024</b>	25,469,431	25,469,431	25,469,431	-
<b>RESTATEMENT - NOTE 4</b>	-	-	607,777	607,777
<b>FUND BALANCE (RESTATED) JULY 1, 2024</b>	<u>25,469,431</u>	<u>25,469,431</u>	<u>26,077,208</u>	<u>607,777</u>
<b>FUND BALANCE - JUNE 30, 2025</b>	<u>\$ 22,865,684</u>	<u>\$ 22,865,684</u>	<u>\$ 20,948,815</u>	<u>\$ (1,916,869)</u>

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

**Stroudsburg Area School District  
Notes to Basic Financial Statements  
Fiscal Year Ended June 30, 2025**

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**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 5,200 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.

**Stroudsburg Area School District**  
**Notes to Basic Financial Statements**  
**Fiscal Year Ended June 30, 2025**

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***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 2024-25 was \$1,336,140.

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.

**Stroudsburg Area School District**  
**Notes to Basic Financial Statements**  
**Fiscal Year Ended June 30, 2025**

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**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.

**Stroudsburg Area School District**  
**Notes to Basic Financial Statements**  
**Fiscal Year Ended June 30, 2025**

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**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.

**Stroudsburg Area School District**  
**Notes to Basic Financial Statements**  
**Fiscal Year Ended June 30, 2025**

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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 (and other employee benefit) trust funds, Investment trust funds, Private-purpose trust funds and Custodial funds. The School District has two Fiduciary Funds:

*Scholarship Fund* – This fund is a considered a private-purpose trust fund and is reported as such in the Statement of Net Position Fiduciary Funds and the Statement of Changes in Fiduciary Net Position. 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.

*Student Activity Fund* – This fund is considered a custodial fund and is reported as such in the Statement of Net Position Fiduciary Funds and the Statement of Changes in Fiduciary Net Position. Custodial funds are used to report fiduciary activities that are not required to be reported in one of the other three Fiduciary fund types.

**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 reconciliations 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

**Stroudsburg Area School District**  
**Notes to Basic Financial Statements**  
**Fiscal Year Ended June 30, 2025**

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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.

**Stroudsburg Area School District**  
**Notes to Basic Financial Statements**  
**Fiscal Year Ended June 30, 2025**

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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 2024-25 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 fiscal year ended June 30, 2025, the School District implemented new accounting standards issued by the Governmental Accounting Standards Board (GASB). The financial statements reflect adoption of the following:

**GASB Statement No. 101, *Compensated Absences***

GASB Statement No. 101 establishes a unified model for the recognition and measurement of liabilities for compensated absences (for example, vacation, sick leave, and similar leave). Under this standard, liabilities are recognized for leave that has accumulated and is expected to be used or paid, as well as leave that has been used but not yet settled. The standard also updates related disclosure requirements, including eliminating the prior requirement to disclose which governmental funds typically liquidate compensated absence liabilities.

Statement No. 101 is effective for fiscal years beginning after December 15, 2023. Accordingly, the District adopted this standard beginning with the 2024–2025 fiscal year.

**Impact of adoption:** The adoption of GASB Statement No. 101 did not result in a material change to the District's beginning net position as of July 1, 2024. The District evaluated its compensated absences policies and recalculated the related liability in accordance with the new model.

**GASB Statement No. 102, *Certain Risk Disclosures***

GASB Statement No. 102 requires governments to assess and disclose certain concentrations and constraints that could expose the District to substantial risk of a significant impact. These disclosures are intended to improve transparency about vulnerabilities arising from dependencies on specific sources (such as a major revenue source, a significant supplier, or a limited labor pool) or restrictions that limit the District's ability to respond to events.

Statement No. 102 is effective for fiscal years beginning after June 15, 2024. The District adopted this standard for the 2024–2025 fiscal year.

**Impact of adoption:** GASB Statement No. 102 did not change recognition or measurement in the financial statements. Its effect is limited to new or expanded note disclosures regarding applicable risks. Management evaluated the District's activities and determined that no concentrations or constraints meeting the criteria for disclosure were present as of June 30, 2025.

**Stroudsburg Area School District**  
**Notes to Basic Financial Statements**  
**Fiscal Year Ended June 30, 2025**

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**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.

**Stroudsburg Area School District  
Notes to Basic Financial Statements  
Fiscal Year Ended June 30, 2025**

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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, 2025, 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, 2025, shows \$258,999 as an asset in the governmental activities column and \$37,013 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, 2025, consist of:

Purchased Food	\$ 16,493
Supplies	13,713
Donated Commodities	6,807
	<u>\$ 37,013</u>

***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.

**Stroudsburg Area School District  
Notes to Basic Financial Statements  
Fiscal Year Ended June 30, 2025**

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**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
Site Improvements	10 - 20 years	10 - 20 years
Buildings and Improvements	25 - 50 years	25 - 50 years
Furniture and Equipment	5 - 20 years	5 -20 years
Vehicles	8 years	8 years
Right-to-use Equipment	Length of Lease	Length of Lease

**Compensated Absences**

The School District reports compensated absences in accordance with GASB Statement No. 101, *Compensated Absences*. Compensated absences include leave benefits, such as vacation and sick leave, that are provided to eligible employees in accordance with District policies and collective bargaining agreements.

Under GASB Statement No. 101, the District recognizes a liability for compensated absences that have been earned and are expected to be used or paid. The liability is measured based on the pay rates and applicable employer payroll taxes in effect at the financial statement date, net of any reimbursements.

Compensated absences are reported as liabilities in the government-wide financial statements. In the governmental fund financial statements, the portion of compensated absences that is expected to be liquidated with expendable available financial resources is reported as a fund liability, while the remaining portion is reported only in the government-wide financial statements..

**Stroudsburg Area School District**  
**Notes to Basic Financial Statements**  
**Fiscal Year Ended June 30, 2025**

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**Leases**

*Lessee:*

The District is a lessee for multiple noncancellable leases of copiers. The District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The District recognizes lease liabilities with an initial, individual value of \$15,000 or more.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

*Lessor:*

The District is a lessor for two noncancellable leases of building space and rooftop space. The District recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the District determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The District uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The District monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

**Stroudsburg Area School District**  
**Notes to Basic Financial Statements**  
**Fiscal Year Ended June 30, 2025**

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***SBITAs (Subscription Based Information Technology Arrangements)***

Occasionally the District enters into Subscription-Based Information Technology Arrangements. These arrangements grant the District the right to access use of software that is hosted by third-party vendors over a specified contract term. Unlike traditional software, the District does not take physical possession of or have the right to control the software; instead, it accesses the uses the software remotely.

In the entity-wide financial statements, SBITAs are reported as intangible assets based on the present value of future subscription payments to be made over the life of the arrangement. Correspondingly, a liability is recognized for the future payments, and it is amortized over the life of the SBITA. The amortization expense related to the intangible asset and any interest expense associated with the recognized liability are reported in the Statement of Activities.

In the fund financial statements, under the modified accrual basis of accounting, expenditures are recognized for SBITA payments when they are due. Therefore, no intangible asset or corresponding liability is reported in the governmental fund statements. The expenditures related to SBITA payments are recognized in the fund's Statement of Revenues, Expenditures, and Changes in Fund Balances in the period they payment is due.

***Other 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, 2024, 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.

**Stroudsburg Area School District**  
**Notes to Basic Financial Statements**  
**Fiscal Year Ended June 30, 2025**

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***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 7 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.

**Stroudsburg Area School District  
Notes to Basic Financial Statements  
Fiscal Year Ended June 30, 2025**

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**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 \$215,450,770 difference are:

Bonds/Notes payable	\$ 52,909,000
Add: Issuance premiums (to be amortized as a contra of interest expense)	647,087
Leases	666,988
Accrued Interest Payable	114,341
Compensated absences	3,778,239
Net Defined Benefit Pension Liability	134,145,000
Net OPEB Liability - Single Employer Plan	17,496,115
Net OPEB Liability - Multiple Employer Plan	5,694,000
Net adjustment to reduce "fund balance - total governmental funds" to arrive at "net position - governmental activities"	<b>\$ 215,450,770</b>

**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.

**Stroudsburg Area School District  
Notes to Basic Financial Statements  
Fiscal Year Ended June 30, 2025**

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

	<b>TOTAL GOVERN- MENTAL FUNDS</b>	<b>LONG-TERM REVENUES/ EXPENSES</b>	<b>CAPITAL RELATED ITEMS</b>	<b>LONG-TERM DEBT TRANS- ACTIONS</b>	<b>TOTAL FOR STATEMENT OF ACTIVITIES</b>
<b>REVENUES AND OTHER SOURCES</b>					
<b>LOCAL SOURCES:</b>					
Property Taxes	\$ 70,621,080	\$ 1,048,009	\$ -	\$ -	\$ 71,669,089
Taxes Levied for Specific Purposes	5,947,808	-	-	-	5,947,808
Interest and Investment Earnings	2,658,565	-	-	-	2,658,565
Miscellaneous	255,959	193,304	(9,499)	-	439,764
Contributions and Donations	111,907	-	-	-	111,907
Charges for Services	40,504	-	-	-	40,504
Grants, Subsidies & Contributions not Restricted	25,541,305	-	-	-	25,541,305
<b>STATE SOURCES:</b>					
Operating and Capital Grants and Contributions	22,239,329	-	-	-	22,239,329
<b>FEDERAL SOURCES:</b>					
Operating and Capital Grants and Contributions	4,489,799	-	-	-	4,489,799
Proceeds from Leases	345,200	-	-	(345,200)	-
<b>SPECIAL AND EXTRAORDINARY ITEMS:</b>					
Insurance Recoveries	8,225	-	(8,225)	-	-
Gain or (Loss) on Disposal of Assets	32,500	-	(32,500)	-	-
<b>TOTAL REVENUES</b>	<u>132,292,181</u>	<u>1,241,313</u>	<u>(50,224)</u>	<u>(345,200)</u>	<u>133,138,070</u>
<b>EXPENDITURES/EXPENSES</b>					
Instruction	82,403,328	(2,670,790)	(768,066)	-	78,964,472
Instructional Student Support	9,028,996	(386,486)	34,976	-	8,677,486
Admin. & Fin'l Support Services	9,431,832	(445,459)	193,047	-	9,179,420
Oper. & Maint. Of Plant Svcs.	12,869,929	(406,521)	(1,002,471)	-	11,460,937
Pupil Transportation	7,588,346	(254,094)	180,918	-	7,515,170
Student Activities	2,049,576	(90,361)	(790)	-	1,958,425
Community Services	25,313	-	-	-	25,313
Capital Outlay	462,272	-	(462,272)	-	-
Debt Service	13,437,956	-	-	(11,457,459)	1,980,497
Depreciation - Unallocated	-	-	4,550,810	-	4,550,810
<b>TOTAL EXPENDITURES/EXPENSES</b>	<u>137,297,548</u>	<u>(4,253,711)</u>	<u>2,726,152</u>	<u>(11,457,459)</u>	<u>124,312,530</u>
<b>NET CHANGE FOR THE YEAR</b>	<u>\$ (5,005,367)</u>	<u>\$ 5,495,024</u>	<u>\$ (2,776,376)</u>	<u>\$ 11,112,259</u>	<u>\$ 8,825,540</u>

**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, 2025, except the governmental activities has a deficit of \$59,455,759.

**C. Excess of Expenditures Over Appropriations in Individual Funds**

No individual fund, which had a legally adopted budget, had an excess of 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, 2025. 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

**Stroudsburg Area School District  
Notes to Basic Financial Statements  
Fiscal Year Ended June 30, 2025**

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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, 2025, \$8,441,062 of the District's bank balance of \$9,102,510 was exposed to custodial credit risk as follows:

Uninsured and Uncollateralized	\$	-
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		8,441,062
<b>TOTAL</b>		<u><u>\$ 8,441,062</u></u>

*Reconciliation to Financial Statements*

Uncollateralized Amount Above	\$	8,441,062
Plus: Insured Amount		661,449
Less: Outstanding Checks		<u>(312,451)</u>
Carrying Amount - Bank balances		8,790,060
Plus: Petty Cash		1,550
Deposits in Investment Pools Considered Cash Equivalents		41,417,131
Deposits in Money Market Mutual Funds Considered Cash Equivalents		-
Less: Certificates of Deposit Considered Investment by School Code		<u>(7,895,300)</u>
<b>Total Cash Per Financial Statements</b>		<u><u>\$ 42,313,441</u></u>

*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

**Stroudsburg Area School District**  
**Notes to Basic Financial Statements**  
**Fiscal Year Ended June 30, 2025**

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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.

**Stroudsburg Area School District  
Notes to Basic Financial Statements  
Fiscal Year Ended June 30, 2025**

As of June 30, 2025, the District had the following investments:

<i>Investment</i>	<b>Maturities</b>	<b>Fair Value</b>
PA School District Liquid Asset Fund - MAX		\$ 16,937,536
PA School District Liquid Asset Fund		24,479,595
PA School District Liquid Asset Fund - Certificates of Deposit	6-12 Months	7,895,300
<b>TOTAL</b>		<b>\$ 49,312,431</b>

*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, 2025, the District's investments in PSDLAF were rated AAAM 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 investments in the capital reserve fund, 46.6% were held in PSDLAF Collateralized CD Pool.

*Reconciliation to Financial Systems*

Total Investments Above	\$ 49,312,431
Less: Deposits in Investment Pool Considered Cash Equivalents	(41,417,131)
Deposits in Money Market Mutual Funds Considered Cash Equivalents	-
<b>Total Investments Per Financial Statements</b>	<b>\$ 7,895,300</b>

*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, 2025. 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.

*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 \$2,754,085,440. The tax rate for the year was \$2.741 per \$100 of assessed valuation or 27.41 mills. In accordance with Act 1 of 2006, the District received \$3,979,654 in property tax reduction funds for the 2024-25 fiscal year.

**Stroudsburg Area School District  
Notes to Basic Financial Statements  
Fiscal Year Ended June 30, 2025**

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**

	<b>GENERAL FUND</b>	<b>CAPITAL RESERVE FUND</b>	<b>FOOD SERVICE FUND</b>	<b>FIDUCIARY FUNDS</b>	<b>TOTAL</b>
<b>RECEIVABLES:</b>					
Interest	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes	5,015,039	-	-	-	5,015,039
Accounts	330,399	-	-	484	330,883
Leases	618,218	-	-	-	618,218
Intergovernmental	7,009,167	-	933	-	7,010,100
<b>GROSS RECEIVABLES</b>	<b>12,972,823</b>	<b>-</b>	<b>933</b>	<b>484</b>	<b>12,974,240</b>
Less: Allowance for Uncollectibles	-	-	-	-	-
<b>NET RECEIVABLES</b>	<b>\$ 12,972,823</b>	<b>\$ -</b>	<b>\$ 933</b>	<b>\$ 484</b>	<b>\$ 12,974,240</b>

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**

	<b>UNAVAILABLE</b>	<b>UNEARNED</b>
Delinquent Property Taxes - General Fund	\$ 4,341,351	\$ -
Leases	618,218	-
Grants Drawdowns Prior to Meeting Eligibility Requirements	-	-
<b>TOTAL</b>	<b>\$ 4,959,569</b>	<b>\$ -</b>

**Stroudsburg Area School District  
Notes to Basic Financial Statements  
Fiscal Year Ended June 30, 2025**

**Capital Assets**

Capital asset balances and activity for the year ending June 30, 2025, were:

	BEGINNING BALANCE	INCREASES	DECREASES	ENDING BALANCE
<b>GOVERNMENTAL ACTIVITIES:</b>				
Capital Assets not being Depreciated:				
Land	\$ 1,262,987	\$ -	\$ -	\$ 1,262,987
Construction in Progress	315,102	532,005	(583,878)	263,229
Total Capital Assets not being Depreciated	<u>1,578,089</u>	<u>532,005</u>	<u>(583,878)</u>	<u>1,526,216</u>
Capital Assets being Depreciated/Amortized:				
Library Collections	3,630,722	-	-	3,630,722
Site Improvements	9,239,529	273,820	-	9,513,349
Buildings and Bldg. Improvements	164,149,836	310,059	-	164,459,895
Furniture and Equipment	22,345,221	2,701,387	(312,932)	24,733,676
Intangible Right-To-Use Equipment	1,073,558	345,200	(185,700)	1,233,058
<b>TOTAL CAPITAL ASSETS BEING DEPRECIATED/AMORTIZED</b>	<u>200,438,866</u>	<u>3,630,466</u>	<u>(498,632)</u>	<u>203,570,700</u>
Less Accumulated Depreciation/Amortization for:				
Library Collections	(3,630,722)	-	-	(3,630,722)
Site Improvements	(5,904,693)	(400,810)	-	(6,305,503)
Buildings and Bldg. Improvements	(80,166,643)	(4,150,670)	-	(84,317,313)
Furniture and Equipment	(16,005,261)	(1,491,938)	309,133	(17,188,066)
Intangible Right-To-Use Equipment	(441,771)	(261,327)	139,275	(563,823)
<b>TOTAL ACCUMULATED DEPRECIATION/AMORTIZATION</b>	<u>(106,149,090)</u>	<u>(6,304,745)</u>	<u>448,408</u>	<u>(112,005,427)</u>
<b>TOTAL CAPITAL ASSETS BEING DEPRECIATED/AMORTIZED NET OF ACCUMULATED DEPRECIATION/AMORTIZATION</b>	<u>94,289,776</u>	<u>(2,674,279)</u>	<u>(50,224)</u>	<u>91,565,273</u>
<b>GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION/AMORTIZATION</b>	<u>\$ 95,867,865</u>	<u>\$ (2,142,274)</u>	<u>\$ (634,102)</u>	<u>\$ 93,091,489</u>
<b>BUSINESS-TYPE ACTIVITIES:</b>				
Capital Assets being depreciated:				
Furniture and Equipment	\$ 2,594,093	\$ 93,100	\$ -	\$ 2,687,193
Less: Accumulated Depreciation	(1,608,033)	(125,514)	-	(1,733,547)
<b>BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION</b>	<u>\$ 986,060</u>	<u>\$ (32,414)</u>	<u>\$ -</u>	<u>\$ 953,646</u>

**\* DEPRECIATION EXPENSE WAS CHARGED TO GOVERNMENTAL FUNCTIONS AS FOLLOWS:**

Instruction	\$ 935,310
Instructional Student Support	34,976
Admin. & Fin'l Support Services	193,047
Oper. & Maint. of Plant Svcs.	194,746
Pupil Transportation	381,060
Student Activities	14,796
Community Services	-
Depreciation - Unallocated	4,550,810
<b>TOTAL DEPRECIATION FOR GOVERNMENTAL ACTIVITIES</b>	<u>\$ 6,304,745</u>

The district's governmental activities disposed of \$498,632 of equipment during the year, with accumulated depreciation of \$448,408. The business-type activities did not dispose of any equipment during the year.

**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.

**Stroudsburg Area School District  
Notes to Basic Financial Statements  
Fiscal Year Ended June 30, 2025**

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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 didn't have any construction commitments as of June 30, 2025.

**Short-term Debt**

Interfund balances between funds represent temporary loans recorded at year end subsequent to a final allocation of expenses. The balances generally are paid shortly after year end. Transfers represent funds set aside for the anticipation of future capital needs.

*Interfund receivables and payables*

The following interfund receivables and payables were in existence on June 30, 2025:

	<b>INTERFUND RECEIVABLES</b>	<b>INTERFUND PAYABLES</b>
General Fund	\$ 78,138	\$ 9,645
Enterprise (Food Service) Fund	9,645	78,138
Capital Project (Capital Reserve) Fund	-	-
Custodial (Activity) Fund	-	-
<b>TOTAL</b>	<b>\$ 87,783</b>	<b>\$ 87,783</b>

*Interfund Transfers*

The District also made the following interfund transfers during the fiscal year ended June 30, 2025:

	<b>TRANSFER IN</b>	<b>TRANSFER OUT</b>
General Fund	\$ -	\$ -
Capital Project (Capital Reserve) Fund	-	-
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>

**Stroudsburg Area School District  
Notes to Basic Financial Statements  
Fiscal Year Ended June 30, 2025**

**Long-Term Liabilities**

Long-term liability balances and activity for the year ended June 30, 2025, were:

**CHANGES IN LONG-TERM LIABILITIES**

	<b>BEGINNING BALANCE</b>	<b>ADDITIONS</b>	<b>REDUCTIONS</b>	<b>ENDING BALANCE</b>	<b>AMOUNTS DUE WITHIN ONE YEAR</b>
<b>GOVERNMENTAL ACTIVITIES</b>					
<i>General Obligation Debt:</i>					
Bonds	\$ 17,715,972	\$ -	\$ 483,885	\$ 17,232,087	\$ 5,275,000
Notes	47,053,000	-	10,729,000	36,324,000	5,795,000
<b>Total General Obligation Debt</b>	<b>64,768,972</b>	<b>-</b>	<b>11,212,885</b>	<b>53,556,087</b>	<b>11,070,000</b>
<i>Other Liabilities:</i>					
Finance Purchases	136,749	-	136,749	-	-
Lease Obligations	578,810	345,200	257,021	666,989	220,874
<i>Vested Employee Benefits:</i>					
Compensated Absences	2,986,008	922,013	-	3,908,021	129,782
Net Defined Benefit Pension	141,866,927	-	7,721,927	134,145,000	-
Net OPEB Liability - Single Employer Plan	16,867,884	628,231	-	17,496,115	-
Net OPEB Liability - Multiple Employer Plan	5,810,550	-	116,550	5,694,000	-
<b>Total Other Liabilities</b>	<b>168,246,928</b>	<b>1,895,444</b>	<b>8,232,247</b>	<b>161,910,125</b>	<b>350,656</b>
<b>TOTAL GOVERNMENTAL ACTIVITY</b>					
<b>LONG-TERM LIABILITIES</b>	<b>\$ 233,015,900</b>	<b>\$ 1,895,444</b>	<b>\$ 19,445,132</b>	<b>\$ 215,466,212</b>	<b>\$ 11,420,656</b>

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:

<b>GOVERNMENTAL ACTIVITIES</b>	<b>EXPENSE</b>	<b>PAID</b>
General Obligation Debt	\$ 1,911,248	\$ 2,010,936
Finance Purchase Obligations	3,170	3,170
Lease Obligations	11,767	11,767
Refund of Prior Year Receipts	54,314	54,314
<b>TOTAL INTEREST PAID BY GOVERNMENTAL ACTIVITIES</b>	<b>\$ 1,980,499</b>	<b>\$ 2,080,187</b>

*Lease – Copiers/Printers - Xerox*

On January 1, 2023, the District entered a 60-month lease as lessee for the acquisition and use of copier machines. An initial lease liability was recorded in the amount of \$701,315 during the current fiscal year. As of June 30, 2025, the value of the lease liability was \$363,914. The District is required to make monthly fixed payments of \$12,106. The lease has an interest rate of 1.406% based on the District's estimated incremental cost of borrowing. The equipment has a five-year estimated useful life. The value of the right to use asset as of June 30, 2025, was \$701,316 with accumulated amortization of \$350,658.

The remaining principal and interest lease payments as of June 30, 2025, are as follows:

<b>FISCAL YEAR</b>	<b>PRINCIPAL</b>	<b>INTEREST</b>
2025-26	\$ 141,059	\$ 4,210
2026-27	143,055	2,214
2027-28	79,800	358
<b>Total Outstanding</b>	<b>\$ 363,914</b>	<b>\$ 6,782</b>

**Stroudsburg Area School District  
Notes to Basic Financial Statements  
Fiscal Year Ended June 30, 2025**

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*Lease – Copiers/Printers - Ricoh*

On April 15, 2023, the District entered a 60-month lease as lessee for the acquisition and use of copier machines. An initial lease liability was recorded in the amount of \$742,548 during the current fiscal year. As of June 30, 2025, the value of the lease liability was \$24,085. The District is required to make monthly fixed payments of \$759. The lease has an interest rate of 2.822% based on the District's estimated incremental cost of borrowing. The equipment has a five-year estimated useful life. The value of the right to use asset as of June 30, 2025, was \$42,548 with accumulated amortization of \$21,274.

The remaining principal and interest lease payments as of June 30, 2025, are as follows

FISCAL YEAR	PRINCIPAL	INTEREST
2025-26	\$ 8,543	\$ 570
2026-27	8,787	326
2027-28	6,755	80
<b>Total Outstanding</b>	<b>\$ 24,085</b>	<b>\$ 975</b>

*Lease – Copiers/Printers – Edwards Business Services*

On September 1, 2024, the District entered into a 59-month lease as lessee for the acquisition and use of copier machines. An initial lease liability was recorded in the amount of \$274,506. As of June 30, 2025, the value of the lease liability was \$229,842. The District is required to make monthly fixed payments of \$4,939. The lease has an interest rate of 2.50% based on the District's estimated incremental cost of borrowing. The Equipment has a five-year estimated useful life. The value of the right to use asset as of June 30, 2025 was \$274,506 with accumulated amortization of \$45,751.

The future principal and interest lease payments as of June 30, 2025, are as follows:

FISCAL YEAR	PRINCIPAL	INTEREST
2025-26	\$ 54,140	\$ 5,128
2026-27	55,509	3,759
2027-28	56,912	2,356
<b>Total Outstanding</b>	<b>\$ 166,561</b>	<b>\$ 11,243</b>

*SBITA – IXL – Math Screener Licenses*

On August, 7 2024, Stroudsburg Area School District entered into a 3 year subscription for math screener site licenses. An initial subscription liability was recorded in the amount of \$70,694 during the current fiscal year. As of June 30, 2025, the value of the subscription liability was \$34,694. Stroudsburg Area School District is required to make yearly fixed payments of \$18,000. The subscription has an interest rate of 2.5% based on the District's estimated incremental cost of borrowing. The value of the right to use asset as of June 30, 2025 was \$70,694 with accumulated amortization of \$23,565.

The future principal and interest lease payments as of June 30, 2025, are as follows:

FISCAL YEAR	PRINCIPAL	INTEREST
2025-26	\$ 17,133	\$ 867
2026-27	17,561	439
<b>Total Outstanding</b>	<b>\$ 34,694</b>	<b>\$ 1,306</b>

**Stroudsburg Area School District  
Notes to Basic Financial Statements  
Fiscal Year Ended June 30, 2025**

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*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, 2025, are:

FISCAL YEAR	PRINCIPAL	INTEREST
2025-26	\$ 1,015,000	\$ 33,898
2026-27	1,056,000	23,037
2027-28	<u>1,097,000</u>	<u>11,738</u>
<b>SUB-TOTAL</b>	<b>\$ 3,168,000</b>	<b>\$ 68,673</b>
Add: Unamortized Premium	-	
<b>TOTAL OUTSTANDING</b>	<b><u>\$ 3,168,000</u></b>	

*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, 2025, are:

FISCAL YEAR	PRINCIPAL	INTEREST
2025-26	\$ 1,165,000	\$ 850,000
2026-27	2,105,000	850,000
2027-28	<u>3,155,000</u>	<u>425,000</u>
<b>SUB TOTAL</b>	<b>\$ 6,425,000</b>	<b>\$ 2,125,000</b>
Add: Unamortized Premium	-	
<b>TOTAL OUTSTANDING</b>	<b><u>\$ 6,425,000</u></b>	

**Stroudsburg Area School District  
Notes to Basic Financial Statements  
Fiscal Year Ended June 30, 2025**

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*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, 2025, are:

FISCAL YEAR	PRINCIPAL	INTEREST
2025-26	\$ 80,000	\$ 1,305,834
2026-27	2,745,000	1,305,834
2027-28	7,335,000	1,305,834
2028-29	11,715,000	1,958,751
<b>SUB TOTAL</b>	<b>\$ 21,875,000</b>	<b>\$ 5,876,253</b>
Add: Unamortized Premium	-	
<b>TOTAL OUTSTANDING</b>	<b>\$ 21,875,000</b>	

*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, 2025 are:

FISCAL YEAR	PRINCIPAL	INTEREST
2025-26	\$ 2,730,000	\$ 100,646
2026-27	2,800,000	50,960
<b>TOTAL OUTSTANDING</b>	<b>\$ 5,530,000</b>	<b>\$ 151,606</b>

*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) to refund the outstanding GOB Series B of 2009, (2) to refund the outstanding 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.

**Stroudsburg Area School District  
Notes to Basic Financial Statements  
Fiscal Year Ended June 30, 2025**

The remaining outstanding debt service requirements at June 30, 2025 are:

FISCAL YEAR	PRINCIPAL	INTEREST
2025-26	\$ 240,000	\$ 53,582
2026-27	250,000	48,475
2027-28	265,000	42,838
2028-29	285,000	36,472
2029-30	205,000	30,525
2030-34	970,000	59,293
<b>SUB TOTAL</b>	<b>\$ 2,215,000</b>	<b>\$ 271,185</b>
Add: Unamortized Premium	41,085	
<b>TOTAL OUTSTANDING</b>	<b>\$ 2,256,085</b>	

*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 insuring 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 \$2,471,513.

The remaining outstanding debt service requirements at June 30, 2025 are:

FISCAL YEAR	PRINCIPAL	INTEREST
2025-26	\$ 5,030,000	\$ 266,600
2026-27	1,635,000	65,400
<b>SUB TOTAL</b>	<b>\$ 6,665,000</b>	<b>\$ 332,000</b>
Add: Unamortized Premium	196,803	
<b>TOTAL OUTSTANDING</b>	<b>\$ 6,861,803</b>	

*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 insuring 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, 2025 are:

FISCAL YEAR	PRINCIPAL	INTEREST
2025-26	\$ 5,000	\$ 218,600
2026-27	5,000	218,500
2027-28	5,000	218,400
2028-29	5,460,000	436,500
<b>SUB TOTAL</b>	<b>\$ 5,475,000</b>	<b>\$ 1,092,000</b>
Add: Unamortized Premium	409,200	
<b>TOTAL OUTSTANDING</b>	<b>\$ 5,884,200</b>	

**Stroudsburg Area School District  
Notes to Basic Financial Statements  
Fiscal Year Ended June 30, 2025**

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*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 were 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, 2025 are:

FISCAL YEAR	PRINCIPAL	INTEREST
2025-26	\$ 805,000	\$ 11,163
2026-27	751,000	4,641
<b>SUB TOTAL</b>	<b>\$ 1,556,000</b>	<b>\$ 15,804</b>
Add: Unamortized Premium	-	
<b>TOTAL OUTSTANDING</b>	<b>\$ 1,556,000</b>	

The School District general obligation bonds and notes contain a provision that in the event of default for nonpayment of principal and interest, the School Code allows for the Commonwealth of Pennsylvania to withhold monies from the School District's subsidies and pay any past due amounts directly to the paying agent for payment to the bond or note holders.

**Stroudsburg Area School District  
Notes to Basic Financial Statements  
Fiscal Year Ended June 30, 2025**

*Combined Long-Term Debt*

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

**Bonds**

Fiscal Year Ended June 30	GO Bonds - 2019		GO Bonds - 2019A		GO Bonds - 2019B		Total Bonds	
	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal
2026	\$ 53,582	\$ 240,000	\$ 266,600	\$ 5,030,000	\$ 218,600	\$ 5,000	\$ 538,782	\$ 5,275,000
2027	48,475	250,000	65,400	1,635,000	218,500	5,000	332,375	1,890,000
2028	42,838	265,000	-	-	218,400	5,000	261,238	270,000
2029	36,472	285,000	-	-	436,500	5,460,000	472,972	5,745,000
2030	30,525	205,000	-	-	-	-	30,525	205,000
2031-34	59,293	970,000	-	-	-	-	59,293	970,000
<b>TOTAL</b>	<b>\$ 271,185</b>	<b>\$ 2,215,000</b>	<b>\$ 332,000</b>	<b>\$ 6,665,000</b>	<b>\$ 1,092,000</b>	<b>\$ 5,475,000</b>	<b>\$ 1,695,185</b>	<b>\$ 14,355,000</b>

**Direct Borrowing**

Fiscal Year Ended June 30	GO Notes - 2008		GO Notes - 2010A		GO Notes 2011C	
	Interest	Principal	Interest	Principal	Interest	Principal
2026	\$ 30,928	\$ 1,015,000	\$ 850,000	\$ 1,165,000	\$ 1,305,834	\$ 80,000
2027	20,653	1,056,000	850,000	2,105,000	1,305,834	2,745,000
2028	9,964	1,097,000	425,000	3,155,000	1,305,834	7,335,000
2029	-	-	-	-	1,958,751	11,715,000
2030	-	-	-	-	-	-
2031-34	-	-	-	-	-	-
<b>TOTAL</b>	<b>\$ 61,545</b>	<b>\$ 3,168,000</b>	<b>\$ 2,125,000</b>	<b>\$ 6,425,000</b>	<b>\$ 5,876,253</b>	<b>\$ 21,875,000</b>

**Direct Borrowing - Continued**

**Bonds and Direct Borrowing**

Fiscal Year Ended June 30	GO Notes - 2016		GO Notes 2020A		Total Notes		Totals	
	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal
2026	\$ 100,646	\$ 2,730,000	\$ 11,163	\$ 805,000	\$ 2,298,571	\$ 5,795,000	\$ 2,837,353	\$ 11,070,000
2027	50,960	2,800,000	4,641	751,000	2,232,088	9,457,000	2,564,463	11,347,000
2028	-	-	-	-	1,740,798	11,587,000	2,002,036	11,857,000
2029	-	-	-	-	1,958,751	11,715,000	2,431,723	17,460,000
2030	-	-	-	-	-	-	30,525	205,000
2031-34	-	-	-	-	-	-	59,293	970,000
<b>TOTAL</b>	<b>\$ 151,606</b>	<b>\$ 5,530,000</b>	<b>\$ 15,804</b>	<b>\$ 1,556,000</b>	<b>\$ 8,230,208</b>	<b>\$ 38,554,000</b>	<b>\$ 9,925,393</b>	<b>\$ 52,909,000</b>

**Stroudsburg Area School District  
Notes to Basic Financial Statements  
Fiscal Year Ended June 30, 2025**

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***Compensated Absences***

The District provides compensated absences in the form of sick leave and vacation leave to eligible employees in accordance with collective bargaining agreements and administrative policies. Sick leave may accumulate and may be paid upon retirement or separation for eligible employees. Vacation leave is earned based on employee classification and length of service and is paid upon termination.

In accordance with GASB Statement No. 101, *Compensated Absences*, the District recognizes a liability for compensated absences that have been earned and are expected to be used or paid. The liability is measured based on pay rates and applicable employer payroll taxes, net of reimbursement, in effect at the financial statement date.

As of June 30, 2025, the District's total compensated absences liability was \$3,908,021. Of this amount:

- \$129,782 is reported as a current liability in governmental activities and the General Fund, and
- \$3,778,239 is reported as a long-term liability in governmental activities.

***Defined Benefit Pension Plans***

Public School Employees' Retirement System (PSERS) Pension Plan

***Summary of Significant Accounting Policies***

Pensions

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

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

Plan Description

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

Benefits Provided

PSERS provides retirement, disability, and death benefits. Members are eligible for monthly retirement benefits upon reaching (a) age 62 with at least 1 year of credited service; (b) age 60 with 30 or more years of credited service; or (c) 35 or more years of service regardless of age. Act 120 of 2010 (Act 120) preserves the benefits of existing members and introduced benefit reductions for individuals who become new members on or after July 1, 2011. Act 120 created two new

**Stroudsburg Area School District**  
**Notes to Basic Financial Statements**  
**Fiscal Year Ended June 30, 2025**

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membership classes, Membership Class 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.

Act 5 of 2017 (Act 5) introduced a hybrid benefit with two membership classes and a separate defined contribution plan for individuals who become new members on or after July 1, 2019. Act 5 created two new hybrid membership classes, Membership Class T-G (Class T-G) and Membership Class T-H (Class T-H) and the separate defined contribution membership class, Membership Class DC (Class DC). To qualify for normal retirement, Class T-G and Class T-H members must work until age 67 with a minimum of 3 years of credited service. Class T-G may also qualify for normal retirement by attaining a total combination of age and service that is equal to or greater than 97 with a minimum of 35 years of credited service.

Benefits are generally between 1% to 2.5%, depending upon membership class, of the member's final average salary (as defined in the Code) multiplied by the number of years of credited service. For members whose membership started prior to July 1, 2011, after completion of five years of service, a member's right to the defined benefits is vested and early retirement benefits may be elected. For Class T-E and Class T-F members, the right to benefits is vested after ten years of service.

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.

**Stroudsburg Area School District  
Notes to Basic Financial Statements  
Fiscal Year Ended June 30, 2025**

Contributions

Member Contributions:

The contribution rates based on qualified member compensation for virtually all members are presented below:

<b>Member Contribution Rates</b>				
Membership Class	Continuous Employment Since	Defined Benefit (DB) Contribution Rate	DC Contribution Rate	Total Contribution Rate
T-C	Prior to July 22, 1983	5.25%	N/A	5.25%
				6.25%
T-C	On or after July 22, 1983	6.25%	N/A	6.25%
T-D	Prior to July 22, 1983	6.50%	N/A	6.50%
T-D	On or after July 22, 1983	7.50%	N/A	7.50%
T-E	On or after July 1, 2011	7.50% base rate with shared risk provision	N/A	Prior to 7/1/21: 7.50% After 7/1/21: 8.00%
T-F	On or after July 1, 2011	10.30% base rate with shared risk provision	N/A	Prior to 7/1/21: 10.30% After 7/1/21: 10.80%
T-G	On or after July 1, 2019	5.50% base rate with shared risk provision	2.75%	Prior to 7/1/21: 8.25% After 7/1/21: 9.00%
T-H	On or after July 1, 2019	4.50% base rate with shared risk provision	3.00%	Prior to 7/1/21: 7.50% After 7/1/21: 8.25%
DC	On or after July 1, 2019	N/A	7.50%	7.50%

<b>Shared Risk Program Summary</b>				
Membership Class	Defined Benefit (DB) Base Rate	Shared Risk Increment	Minimum	Maximum
T-E	7.50%	+/-0.50%	5.50%	9.50%
T-F	10.30%	+/-0.50%	8.30%	12.30%
T-G	5.50%	+/-0.75%	2.50%	8.50%
T-H	4.50%	+/-0.75%	1.50%	7.50%

Employer Contributions:

The school districts' contractually required contribution rate for the fiscal year ended June 30, 2025 was 32.92% 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 \$17,643,593 for the year ended June 30, 2025.

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

At June 30, 2025, the District reported a liability of \$134,145,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, 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, 2023 to June 30, 2024. The District's proportion of the net pension liability was calculated utilizing the employer's one-year reported contributions as it

**Stroudsburg Area School District  
Notes to Basic Financial Statements  
Fiscal Year Ended June 30, 2025**

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relates to the total one-year reported contributions. At June 30, 2025, the District's proportion was 0.3205 percent, which was an increase of 0.0015 percent from its proportion measured as of June 30, 2024.

For the year ended June 30, 2025, the District recognized pension expense of \$11,350,259. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Sources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Proportionate Share vs Actual Paid Separately Finance Liabilities	\$ -	\$ -
Changes in Assumptions	-	-
Net difference between projected and actual contributions made	-	-
Net difference between projected and actual earnings on pension plan investments	2,221,000	-
Difference between expected and actual experience	-	2,109,000
Changes in proportion of the Net Pension Liability	-	378,000
District contributions subsequent to the measurement date	<u>17,643,593</u>	<u>-</u>
Total	<u>\$ 19,864,593</u>	<u>\$ 2,487,000</u>

\$17,643,593 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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended June 30:</b>	<b><u>Amount</u></b>
2025	\$ (4,658,000)
2026	4,089,000
2027	753,000
2028	(450,000)
Thereafter	<u>-</u>
Total	<u>\$ (266,000)</u>

***Changes in Actuarial Assumptions***

The Total Pension Liability as of June 30, 2024 was determined by rolling forward the System's Total Pension Liability as of June 30, 2023 to June 30, 2024 using the following actuarial assumptions, applied to all periods included in the measurement:

- Valuation Date - June 30, 2023
- Actuarial cost method - Entry Age Normal - level % of pay.
- Investment return - 7.00%, includes inflation at 2.50%.

**Stroudsburg Area School District  
Notes to Basic Financial Statements  
Fiscal Year Ended June 30, 2025**

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- Salary growth - Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.
- The discount rate used to measure the Total Pension Liability was 7.00% as of June 30, 2023 and as of June 30, 2024.
- Demographic and economic assumptions approved by the Board for use effective with the June 30, 2021 actuarial valuation:
  - Salary growth rate - decreased from 5.00% to 4.50%.
  - Real wage growth and merit or seniority increases (components for salary growth) - decreased from 2.75% and 2.25% to 2.50% and 2.00%, respectively.
  - Mortality rates - Previously 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. Effective with the June 30, 2021 actuarial valuation, mortality rates are based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study that was performed for the five year period ending June 30, 2020.

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

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

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Global public equity	30.0%	4.8%
Private Equity	12.0%	6.7%
Fixed Income	33.5%	3.9%
Commodities	5.0%	2.5%
Infrastructure	10.0%	6.4%
Real estate	9.5%	5.9%
	<b>100%</b>	

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, 2024.

**Stroudsburg Area School District  
Notes to Basic Financial Statements  
Fiscal Year Ended June 30, 2025**

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Discount Rate

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

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

The following presents the net pension liability, calculated using the discount rate of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	<b>1% Decrease 6.00%</b>	<b>Current Discount Rate 7.00%</b>	<b>1% Increase 8.00%</b>
District's proportionate share of the net pension liability	\$ 176,710,000	\$ 134,145,000	\$ 98,202,000

Pension Plan Fiduciary Net Position

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

State Funding

The Commonwealth of Pennsylvania generally reimburses the School District for 50%-60% of its retirement expense. This arrangement does not meet the criteria of a special funding situation in accordance with GASB standards. Therefore, the net pension liabilities and related pension expense represent 100% of the School District's share of these amounts. During the year ended June 30, 2025, the School District recognized revenue of \$10,729,042 as reimbursement from the State for its current year pension payments

Payables to the Pension Plan

As of June 30, 2025, the School had \$6,643,061 included in accrued wages liability, of which \$4,932,511 is for the contractually required contribution for the second quarter of 2025 and \$1,710,550 is related to the accrued payroll liability for wages incurred as of June 30, 2025.

***Other Post-Employment Benefits***

Public School Employees' Retirement System (PSERS) Multiple Employer OPEB Plan on Health Insurance Premium Assistance Program

**Stroudsburg Area School District  
Notes to Basic Financial Statements  
Fiscal Year Ended June 30, 2025**

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***Summary of Significant Accounting Policies***

Other Postemployment Benefits

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Public School Employees' Retirement System (PSERS) and additions to/deductions from PSERS' 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.

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

Health Insurance Premium Assistance Program

The System provides Premium Assistance which, is a governmental cost sharing, multiple-employer other postemployment benefit plan (OPEB) for all eligible retirees who qualify and elect to participate. Employer contribution rates for Premium Assistance are established to provide reserves in the Health Insurance Account that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Effective January 1, 2002 under the provisions of Act 9 of 2001, participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of \$100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS' Health Options Program. As of June 30, 2024 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

For Class DC members to become eligible for premium assistance, they must satisfy the following criteria:

- Attain Medicare eligibility with 24 ½ or more eligibility points, or
- Have 15 or more eligibility points and terminated after age 67, and
- Have received all or part of their distributions

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.pa.gov/PSERS](http://www.pa.gov/PSERS).

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,

**Stroudsburg Area School District  
Notes to Basic Financial Statements  
Fiscal Year Ended June 30, 2025**

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eligible retirees must obtain their health insurance through either their school employer or the PSERS' Health Options Program.

Contributions

Employer Contributions:

The school districts' contractually required contribution rate for the fiscal year ended June 30, 2025 was 0.63% 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 \$337,651 for the year ended June 30, 2025.

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

At June 30, 2025, the District reported a liability of \$5,694,000 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2024, 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, 2023 to June 30, 2024. The District's proportion of the net OPEB liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2025, the District's proportion was 0.3205 percent, which was an increase of 0.0016 percent from its proportion measured as of June 30, 2024.

For the year ended June 30, 2025, the District recognized OPEB expense of \$193,715. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Sources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Proportionate Share vs Actual Paid Separately Finance Liabilities	\$ -	\$ -
Changes in Assumptions	-	522,000
Net difference between projected and actual contributions made	-	-
Net difference between projected and actual investment earnings	6,000	-
Difference between expected and actual experience	-	63,000
Changes in proportion of the Net OPEB Liability	-	22,000
District contributions subsequent to the measurement date	<u>337,651</u>	<u>-</u>
Total	<u>\$ 343,651</u>	<u>\$ 607,000</u>

**Stroudsburg Area School District  
Notes to Basic Financial Statements  
Fiscal Year Ended June 30, 2025**

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\$337,651 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b>Year ended June 30:</b>	<b><u>Amount</u></b>
2025	\$ (112,000)
2026	(225,000)
2027	(245,000)
2028	(9,000)
2029	(10,000)
Thereafter	<u>-</u>
Total	<u>\$ (601,000)</u>

***Actuarial Assumptions***

The Total OPEB Liability as of June 30, 2024, was determined by rolling forward the System's Total OPEB Liability as of June 30, 2023 to June 30, 2024 using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method - Entry Age Normal - level % of pay.
- Investment return – 4.21% - S&P 20 Year Municipal Bond Rate.
- Salary growth - Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.
- Premium Assistance reimbursement is capped at \$1,200 per year.
- Assumed Healthcare cost trends were applied to retirees with less than \$1,200 in premium assistance per year.
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 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, 2023 valuation were based on the results of an actuarial experience study that was performed for the five year the period ending June 30, 2020.

The following assumptions were used to determine the contribution rate:

- The results of the actuarial valuation as of June 30, 2022 determined the employer contribution rate for fiscal year 2024.
- Cost Method: Amount necessary to assure solvency of Premium Assistance through the third fiscal year after the valuation date.
- Asset valuation method: Market Value.
- Participation rate: The actual data for retirees benefiting under the Plan as of June 30, 2021 was used in lieu of the 63% utilization assumption for eligible retirees.

**Stroudsburg Area School District  
Notes to Basic Financial Statements  
Fiscal Year Ended June 30, 2025**

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- Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale.

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

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

<b>OPEB - Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Cash	100.0%	1.7%
	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, 2024.

Discount Rate

The discount rate used to measure the Total OPEB Liability was 4.21%. 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 4.21% which represents the S&P 20-year Municipal Bond Rate at June 30, 2024, was applied to all projected benefit payments to measure the total OPEB liability.

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

Healthcare cost trends were applied to retirees receiving less than \$1,200 in annual Premium Assistance. As of June 30, 2024, 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, 2024, 92,149 retirees were receiving the maximum amount allowed of \$1,200 per year. As of June 30, 2024, 489 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.

**Stroudsburg Area School District  
Notes to Basic Financial Statements  
Fiscal Year Ended June 30, 2025**

The following presents the System net OPEB liability for June 30, 2024, calculated using current Healthcare cost trends as well as what the System net OPEB liability would be if the health cost trends were 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
System net OPEB liability	\$ 5,693,000	\$ 5,694,000	\$ 5,694,000

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 4.21%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.21%) or 1-percentage-point higher (5.21%) than the current rate:

	<u>1% Decrease 3.21%</u>	<u>Current Discount Rate 4.21%</u>	<u>1% Increase 5.21%</u>
District's proportionate share of the net OPEB liability	\$ 6,432,000	\$ 5,694,000	\$ 5,075,000

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.pa.gov/PSERS](http://www.pa.gov/PSERS).

Payables to the Multiple Employer OPEB Plan

As of June 30, 2025, the School had \$127,130 included in accrued wages liability, of which \$94,395 is for the contractually required contribution for the second quarter of 2025 and \$32,735 is related to the accrued payroll liability for wages incurred as of June 30, 2025.

**Stroudsburg Area School District  
Notes to Basic Financial Statements  
Fiscal Year Ended June 30, 2025**

**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:

<b>Summary of Plan Provisions</b>			
<b>Group</b>	<b>Eligibility</b>	<b>Coverage and Premium Sharing</b>	<b>Duration</b>
<b><u>I. PROFESSIONAL ADMINISTRATORS</u></b>	Must be eligible for PSERS Retirement	<ul style="list-style-type: none"> <li>● Coverage: Medical, Prescription Drug and Dental.</li> <li>● 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 any 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 less the 1% contribution of premium for member only, capped at \$32 per month. Member must pay for any additional premiums due to spouse and/or any 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.  Retiree pays full premium for dental coverage</li> <li>● 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.</li> </ul>	<ul style="list-style-type: none"> <li>● Coverage for member continues until member reaches Medicare age.</li> <li>● Coverage for spouse continues until earlier of:               <ul style="list-style-type: none"> <li>i) spouse reaches Medicare age, or</li> <li>ii) later of member reaches Medicare age or pool of money runs out.</li> </ul> </li> </ul>
		For retirees that retired before 6/20/2018 under option B, the district contributes the full single premium amount.	

**Stroudsburg Area School District  
Notes to Basic Financial Statements  
Fiscal Year Ended June 30, 2025**

<b>Summary of Plan Provisions(continued)</b>			
<i>Group</i>	<i>Eligibility</i>	<i>Coverage and Premium Sharing</i>	<i>Duration</i>
<b><u>II. NON-PROFESSIONAL ADMINISTRATORS</u></b>	Act 110/43	<ul style="list-style-type: none"> <li>● Coverage: Medical, Prescription Drug, and Dental</li> <li>● 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 may elect the active plan where they pay 3% active cost share for single coverage  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 for the purpose of COBRA.  Retiree pays full premium for dental coverage</li> <li>● Dependents: Spouse and Family included  * Superintendent does not have the district service requirement</li> </ul> <hr/> <p style="text-align: center;">Grandfathered Retirees: There are 2 retirees who received subsidized dental</p>	<ul style="list-style-type: none"> <li>● Coverage for member continues until member reaches Medicare age.</li> <li>● Coverage for spouse continues until earlier of spouse reaches Medicare age or member reaches Medicare age.</li> </ul>
<b><u>III. TEACHERS</u></b>			
A) Retired before 6/20/2018	Act 110/43	<ul style="list-style-type: none"> <li>● Same as II</li> </ul>	Same as II
B) Retired after 6/20/2018	Act 110/43	<ul style="list-style-type: none"> <li>● Coverage: Medical, Prescription Drug, and Dental</li> <li>● 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 for the purpose by COBRA.  Retiree pays full premium for dental coverage</li> <li>● Dependents: Spouse and Family included.</li> </ul>	Same as II

**Stroudsburg Area School District  
Notes to Basic Financial Statements  
Fiscal Year Ended June 30, 2025**

<b>Summary of Plan Provisions(continued)</b>			
<b>Group</b>	<b>Eligibility</b>	<b>Coverage and Premium Sharing</b>	<b>Duration</b>
<b><u>IV. SUPPORT STAFF</u></b>	Act 110/43	<ul style="list-style-type: none"> <li>● Coverage: Medical, Prescription Drug, and Dental</li> <li>● Premium Sharing: If member retires under PSERS superannuation or disability, 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.</li> </ul> <p>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.</p> <p>Retiree pays full premium for dental coverage</p> <ul style="list-style-type: none"> <li>● Dependents: Spouse and Family included</li> </ul>	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) Pension Class T-C or T-D: An employee is eligible for PSERS retirement if he (or she) is eligible for either: i) PSERS early retirement while under 62 with 5 years of PSERS service or ii) PSERS superannuation retirement upon reaching age 60 with 30 years of PSERS service, age 62 with 1 year of PSERS service or 35 years of PSERS service regardless of age. In general, these pension classes apply to individuals who were members of PSERS prior to July 1, 2011.
- 2) Pension Class T-E or T-F: An employee is eligible for PSERS retirement if he (or she) is eligible for either: i) PSERS early retirement while under 65 with 10 years of PSERS service or ii) 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. In general, these pension classes apply to individuals who became members of PSERS on or after July 1, 2011 and prior to July 1, 2019.
- 3) Pension Class T-G: An employee is eligible for PSERS retirement if he (or she) is eligible for either: i) PSERS early retirement while under 67 with 10 years of PSERS service or ii) PSERS superannuation retirement upon reaching age 67 with 3 years of PSERS service or upon attainment of a total combination of age plus service equal to or greater than 97 with a minimum of 35 years of PSERS service. In general, this pension class applies to individuals who became members of PSERS on or after July 1, 2019.
- 4) Pension Class T-H: An employee is eligible for PSERS retirement if he (or she) is eligible for either: i) PSERS early retirement while under 67 with 10 years of PSERS service or ii) PSERS superannuation retirement upon reaching age 67 with 3 years of PSERS service. In general, this pension class applies to individuals who became members of PSERS on or after July 1, 2019.
- 5) All individuals except those in Pension Class T-G are eligible for a special early retirement upon reaching age 55 with 25 years of PSERS service. Individuals in Pension Class T-G are eligible for a special early retirement upon reaching age 57 with 25 years of PSERS service.

Coordination with Medicare: Medicare pays secondary except for hospitalization where Medicare pays primary

**Stroudsburg Area School District  
Notes to Basic Financial Statements  
Fiscal Year Ended June 30, 2025**

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*Employees Covered by Benefit Terms*

At June 30, 2025, the following employees were covered by the benefit terms:

Active Participants	648
Vested Former Participants	0
Retired Participants	<u>47</u>
Total	695

*Total OPEB Liability*

The School's total OPEB liability under this single employer plan of \$17,496,115, was measured as of June 30, 2025, and was determined by an actuarial valuation as of July 1, 2023.

*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:

	<b>Single Employer OPEB Healthcare Benefit</b>
Actuarial Valuation Date	7/1/2023
Actuarial Cost Method	Entry Age Normal
Interest Rate	4.29%
Projected salary increases	4.00% to 6.27%
Healthcare inflation rate	7.0% in 2024 with 0.5% decrease per year until 5.5% in 2027. Rates gradually decrease from 5.4% in 2028 to 4.0 in 2075 and later 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, 2024.

**Stroudsburg Area School District  
Notes to Basic Financial Statements  
Fiscal Year Ended June 30, 2025**

Mortality rates are assumed pre-retirement and post-retirement using the rates assumed in the PSERS defined benefit pension plan actuarial valuation. Incorporated into the tables are rates projected generationally using Scale MP-2021 to reflect mortality improvement.

*Changes in the Total OPEB Liability*

	<b><u>2024-25</u></b>
<b>Total OPEB Liability</b>	
Service Cost	\$ 724,158
Interest	708,305
Changes in Benefit Terms	-
Difference between expected and actual experience	-
Changes in assumptions	11,359
Benefit payments	<u>(815,591)</u>
Net change in total OPEB Liability	628,231
Total OPEB Liability - beginning	<u>16,867,884</u>
<b>Total OPEB Liability - ending</b>	<b><u>\$ 17,496,115</u></b>
Covered employee payroll	<u>\$ 43,232,001</u>

Total OPEB Liability as a percentage of covered employee payroll 40.47%

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

For the year ended June 30, 2025, the School recognized OPEB expense of \$444,309. At June 30, 2025, the School reported deferred outflows of resource and deferred inflows of resources related to this single employer OPEB plan from the following sources:

<b>Sources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Changes in Assumptions	\$ -	\$ 2,967,235
Net difference between projected and actual investment earnings	-	-
Difference between expected and actual experience	-	4,335,437
Changes in proportion of the Net OPEB Liability	-	-
District contributions subsequent to the measurement date	<u>872,873</u>	<u>-</u>
Total	<b><u>\$ 872,873</u></b>	<b><u>\$ 7,302,672</u></b>

**Stroudsburg Area School District  
Notes to Basic Financial Statements  
Fiscal Year Ended June 30, 2025**

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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:

<b>Year ended June 30:</b>	<b>Amount</b>
2026	\$ (988,154)
2027	(988,154)
2028	(988,155)
2029	(1,013,077)
2030	(1,014,230)
Thereafter	<u>(2,310,902)</u>
<b>Total</b>	<b><u>\$ (7,302,672)</u></b>

*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 (3.29%) or 1-percentage point higher (5.29%) than the current discount rate:

	<b>1% Decrease 3.29%</b>	<b>Current Discount Rate 4.29%</b>	<b>1% Increase 5.29%</b>
District's proportionate share of the net OPEB liability	\$ 18,776,617	\$ 17,496,115	\$ 16,268,691

*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:

	<b>1% Decrease</b>	<b>Current Trend Rate</b>	<b>1% Increase</b>
System net OPEB liability	\$ 15,109,980	\$ 16,867,884	\$ 18,911,302

**Stroudsburg Area School District  
Notes to Basic Financial Statements  
Fiscal Year Ended June 30, 2025**

**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					STATEMENT OF NET POSITION		
RECONCILIATION OF NET CHANGE IN DEFERRED OUTFLOWS/INFLOWS	<i>Pension - GASB 68</i>	<i>Single Employer OPEB - GASB 75</i>	<i>Multiple Employer OPEB - GASB 75</i>	<i>Pension &amp; OPEB Total</i>	<i>Governmental &amp; Business-Type Activities</i>	<i>Total</i>	
	DR OR (CR)	DR OR (CR)	DR OR (CR)	DR OR (CR)	RECONCILIATION OF NET CHANGE IN DEFERRED OUTFLOWS/INFLOWS	DR OR (CR)	
	CURRENT YR BALANCE	CURRENT YR BALANCE	CURRENT YR BALANCE	CURRENT YR BALANCE	CURRENT YR BALANCE	CURRENT YR BALANCE	
Change in Proportion	\$ (378,000)	\$ -	\$ (22,000)	\$ (400,000)	Change in Proportion	\$ (400,000)	
Current Year Contributions	17,643,593	872,873	337,651	18,854,117	Current Year Contributions	18,854,117	
Change in Assumption	-	(2,967,235)	(522,000)	(3,489,235)	Change in Assumption	(3,489,235)	
Diff in Projected Vs Actual Contributions	-	-	-	-	Diff in Projected Vs Actual Contributions	-	
Difference in Investment Earnings	2,221,000	-	6,000	2,227,000	Difference in Investment Earnings	2,227,000	
Diff. between Expected vs Actual Experience	(2,109,000)	(4,335,437)	(63,000)	(6,507,437)	Diff. between Expected vs Actual Experience	(6,507,437)	
Diff. between Prop. Share vs Actual POS	-	-	-	-	Diff. between Prop. Share vs Actual POS	-	
<b>Net Pension Liability</b>	<b>\$ 134,145,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 134,145,000</b>	<b>Net Pension Liability</b>	<b>\$ 134,145,000</b>	
<b>Net OPEB Liability</b>	<b>\$ -</b>	<b>\$ 17,496,115</b>	<b>\$ 5,694,000</b>	<b>\$ 23,190,115</b>	<b>Net OPEB Liability</b>	<b>\$ 23,190,115</b>	

BUSINESS-TYPE ACTIVITIES					RECONCILIATION TO FINANCIAL STATEMENTS		
RECONCILIATION OF NET CHANGE IN DEFERRED OUTFLOWS/INFLOWS	<i>Pension - GASB 68</i>	<i>Single Employer OPEB - GASB 75</i>	<i>Multiple Employer OPEB - GASB 75</i>	<i>Pension &amp; OPEB Total</i>			
	DR OR (CR)	DR OR (CR)	DR OR (CR)	DR OR (CR)	<i>Pension Plan</i>	<i>Governmental Activities</i>	<i>Business-Type Activities</i>
	CURRENT YR BALANCE	CURRENT YR BALANCE	CURRENT YR BALANCE	CURRENT YR BALANCE	CURRENT YR BALANCE	CURRENT YR BALANCE	CURRENT YR BALANCE
Change in Proportion	\$ -	\$ -	\$ -	\$ -	Net Pension Liability	\$ 134,145,000	\$ -
Current Year Contributions	-	-	-	-	Deferred Outflow Related to Pension	(19,864,593)	-
Change in Assumption	-	-	-	-	Deferred Inflows Related to Pension	2,487,000	-
Diff in Projected Vs Actual Contributions	-	-	-	-	<b>Total liab. Net deferred inflows/outflows</b>	<b>\$ 116,767,407</b>	<b>\$ -</b>
Difference in Investment Earnings	-	-	-	-	<b><i>OPEB - Single &amp; Multiple Employer Plans</i></b>		
Diff. between Expected vs Actual Experience	-	-	-	-	Net OPEB Liability	\$ 23,190,115	\$ -
Diff. between Prop. Share vs Actual POS	-	-	-	-	Deferred Outflows Related to OPEB	(1,216,524)	-
<b>Net Pension Liability</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	Deferred Inflows Related to OPEB	7,909,672	-
<b>Net OPEB Liability</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>Total liab. Net deferred inflows/outflows</b>	<b>\$ 29,883,263</b>	<b>\$ -</b>

**Stroudsburg Area School District  
Notes to Basic Financial Statements  
Fiscal Year Ended June 30, 2025**

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**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 \$9,399,671 in the government activities column of the government-wide statement of net position, for excess deposits on June 30, 2025.

**Note 6 - Restatement of Beginning Fund Balance and Net Position**

During the current fiscal year, the District identified an error in the reporting and coding of ESSER III federal expenditures and related revenue for the year ended June 30, 2024. In preparing the ESSER III Final Expenditure Report, certain federal set-aside expenditures were incorrectly included in the ESSER III report. As a result, the District did not identify sufficient allowable ESSER III expenditures to fully recognize grant revenue for fiscal year 2023-24. Subsequently, the District identified additional allowable ESSER III expenditures that were incurred in fiscal year 2023-24 but were not reported as ESSER III expenditures in that year.

ESSER III is an expenditure-driven grant. Cash received in advance of qualifying expenditures is reported as **unearned revenue**, a liability, until the eligibility requirement of qualified spending is met. Because the qualifying expenditures were incurred in fiscal year 2023-24, the related unearned revenue balance was overstated and grant revenue was understated as of June 30, 2024. The District corrected this error through a restatement of beginning balances in fiscal year 2024-25. Accordingly, beginning unearned revenue and beginning unassigned fund balance of the General Fund were increased by **\$607,777** as of July 1, 2024. Because the error affected the General Fund, total governmental funds beginning fund balance was also increased by **\$607,777**. The correction also increased beginning net position of governmental activities by **\$607,777** as of July 1, 2024.

**Summary of Restatements**

The effects of these restatements on beginning balances are as follows:

**Governmental Funds – General Fund**

Beginning fund balance, as previously reported (July 1, 2024)	<b>\$25,469,431</b>
Restatement – ESSER III unearned revenue error	<b>\$607,777</b>
<i>Beginning fund balance, as restated (July 1, 2024)</i>	<b>\$26,077,208</b>

**Government-Wide Statements – Governmental Activities**

Beginning net position, as previously reported (July 1, 2024)	<b>(\$68,889,076)</b>
Restatement – ESSER III unearned revenue error	<b>\$607,777</b>
Beginning net position, as restated (July 1, 2024)	<b>(\$68,281,299)</b>

**Stroudsburg Area School District**  
**Notes to Basic Financial Statements**  
**Fiscal Year Ended June 30, 2025**

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This restatement is presented as an error correction of beginning balances and does not affect current-year operating results.

**Note 7 - 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 8 - Fund Balance Allocations**

***Restricted Fund Balance***

The Capital Reserve Fund's \$16,902,113 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, \$500,000 for Curriculum Development, \$3,200,073 for future technology needs, \$1,500,000 for Special Education Programs, \$2,000,000 for PESERS Costs, \$2,500,000 for OPEB obligations and \$500,000 for Educational Programming.

***Assigned Fund Balance***

The District has assigned \$2,746,503 of fund balance to balance the 2025-26 general fund budget.

**Note 9 - Restricted Net Position**

***Net Investment in Capital Assets***

The components of this restriction are total capital assets of \$93,091,488 with related debt of \$53,207,517, which includes unamortized bond discounts, and premiums. The business-type activities column reflects \$953,646 invested in capital assets with no related debt.

**Stroudsburg Area School District**  
**Notes to Basic Financial Statements**  
**Fiscal Year Ended June 30, 2025**

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**Note 10 - 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, 2025.

***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 11 - New Accounting Pronouncements**

The Governmental Accounting Standards Board (GASB) has issued the following Statements that will be effective for the School District in future fiscal years. Management has not yet completed its evaluation of the impact of these pronouncements on the District's financial statements.

- **GASB Statement No. 103, Financial Reporting Model Improvements.** This Statement updates certain components of the financial reporting model, including presentation and disclosure requirements related to management's discussion and analysis, unusual or infrequent items, major component unit information, and budgetary comparison information. The requirements are effective for fiscal years beginning after June 15, 2025 (the District's year ending June 30, 2026). Earlier application is encouraged.
- **GASB Statement No. 104, Disclosure of Certain Capital Assets.** This Statement requires additional note disclosures for (1) capital assets recognized in connection with leases and other intangible right-to-use arrangements and (2) capital assets held for sale. The requirements are effective for fiscal years beginning after June 15, 2025 (the District's year ending June 30, 2026). Earlier application is encouraged.

In addition, GASB issued Implementation Guide No. 2025-1, Implementation Guidance Update—2025, which provides interpretive guidance on multiple Topics, including Statements 103 and 104. The School District will consider this guidance when implementing the related Statements.

**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, 2025

	<u>2024-25</u>	<u>2023-24</u>	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>
District's proportion of the net pension liability (asset)	0.3205%	0.3190%	0.3154%	0.3298%	0.3318%	0.3338%	0.3050%	0.3085%	0.3290%	0.3371%
District's proportionate share of the net pension liability (asset)	\$ 134,145,000	\$ 141,912,000	\$ 140,223,000	\$ 135,405,000	\$ 163,375,000	\$ 156,160,000	\$ 146,415,000	\$ 152,363,000	\$ 163,042,000	\$ 146,016,000
District's covered employee payroll	\$ 53,595,362	\$ 50,388,741	\$ 47,677,470	\$ 45,977,149	\$ 46,623,811	\$ 47,280,567	\$ 44,705,543	\$ 41,450,029	\$ 40,753,027	\$ 42,323,308
District's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	250.29%	281.63%	294.11%	294.50%	350.41%	330.28%	327.51%	367.58%	400.07%	345.00%
Plan fiduciary net position as a percentage of the total pension liability	64.63%	61.85%	61.34%	63.67%	54.32%	55.66%	54.00%	51.84%	50.14%	54.36%

**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, 2025**

	<u>2024-25</u>	<u>2023-24</u>	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>
Contractually required contribution	\$ 17,643,593	\$ 16,673,634	\$ 16,358,140	\$ 15,696,599	\$ 15,707,562	\$ 15,815,350	\$ 14,574,007	\$ 13,156,239	\$ 11,899,884	\$ 10,580,827
Contributions in relation to the contractually required contribution	<u>17,643,593</u>	<u>16,673,634</u>	<u>16,358,140</u>	<u>15,696,599</u>	<u>15,707,562</u>	<u>15,815,350</u>	<u>14,574,007</u>	<u>13,156,239</u>	<u>11,899,884</u>	<u>10,580,827</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered employee payroll	\$ 53,595,362	\$ 50,388,741	\$ 47,677,470	\$ 45,977,149	\$ 46,623,811	\$ 47,280,567	\$ 44,705,543	\$ 41,450,029	\$ 40,753,027	\$ 42,323,308
Contributions as a percentage of covered employee payroll	32.92%	33.09%	34.31%	34.14%	33.69%	33.45%	32.60%	31.74%	29.20%	25.00%

**STROUDSBURG AREA 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, 2025**

	<u>2024-25</u>	<u>2023-24</u>	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>
District's proportion of the net OPEB liability	0.3205%	0.3189%	0.3147%	0.3299%	0.3328%	0.3338%	0.3050%	0.3085%	0.3290%
District's proportionate share of the net OPEB liability (asset)	\$ 5,694,000	\$ 5,770,000	\$ 5,793,000	\$ 7,819,000	\$ 7,191,000	\$ 7,099,000	\$ 6,359,000	\$ 6,285,000	\$ 7,087,000
District's covered-employee payroll	\$ 50,878,614	\$ 48,857,995	\$ 46,267,647	\$ 46,768,387	\$ 46,623,811	\$ 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	11.19%	11.81%	12.52%	16.72%	15.42%	15.01%	14.22%	15.16%	17.39%
total OPEB liability	7.13%	7.22%	6.86%	5.30%	5.69%	5.56%	5.56%	5.73%	5.47%

**STROUDSBURG AREA SCHOOL DISTRICT  
SCHEDULE OF DISTRICT'S CONTRIBUTIONS  
MULTIPLE EMPLOYER OPEB PLAN  
CUMULATIVE TEN FISCAL YEARS REPORT  
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>2024-25</u>	<u>2023-24</u>	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>
Contractually required contribution	\$ 337,651	\$ 322,488	\$ 357,581	\$ 367,817	\$ 382,315	\$ 397,157	\$ 371,056	\$ 344,035	\$ 338,250	\$ 355,515
Contributions in relation to the contractually required contribution	<u>337,651</u>	<u>322,488</u>	<u>357,581</u>	<u>367,817</u>	<u>382,315</u>	<u>397,157</u>	<u>371,056</u>	<u>344,035</u>	<u>338,250</u>	<u>355,515</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered employee payroll	\$ 53,595,362	\$ 50,388,741	\$ 47,677,470	\$ 45,977,149	\$ 46,623,811	\$ 47,280,567	\$ 44,705,543	\$ 41,450,029	\$ 40,753,027	\$ 42,323,308
Contributions as a percentage of covered employee payroll	0.63%	0.64%	0.75%	0.80%	0.82%	0.84%	0.83%	0.83%	0.83%	0.84%

**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, 2025**

	<u>2024-25</u>	<u>2023-24</u>	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>
<b>Total OPEB Liability</b>								
Service Cost	\$ 724,158	\$ 797,998	\$ 1,253,102	\$ 1,393,139	\$ 1,003,020	\$ 1,234,502	\$ 1,140,309	\$ 1,250,168
Interest	708,305	746,171	532,588	449,683	682,062	702,819	698,591	523,385
Changes in Benefit Terms	-	-	-	-	-	(92,854)	-	-
Difference between expected and actual experience	-	(2,132,355)	-	(1,157,128)	-	(3,748,160)	-	(552,630)
Changes in assumptions	11,359	228,404	(5,547,409)	(646,002)	2,387,695	(552,990)	12,747	826,760
Benefit payments	<u>(815,591)</u>	<u>(770,069)</u>	<u>(756,248)</u>	<u>(670,666)</u>	<u>(485,564)</u>	<u>(728,505)</u>	<u>(623,787)</u>	<u>(655,004)</u>
Net change in total OPEB Liability	628,231	(1,129,851)	(4,517,967)	(630,974)	3,587,213	(3,185,188)	1,227,860	1,392,679
Total OPEB Liability - beginning	<u>16,867,884</u>	<u>17,997,735</u>	<u>22,515,702</u>	<u>23,146,676</u>	<u>19,559,463</u>	<u>22,744,651</u>	<u>21,516,791</u>	<u>20,124,112</u>
<b>Total OPEB Liability - ending</b>	<u>\$ 17,496,115</u>	<u>\$ 16,867,884</u>	<u>\$ 17,997,735</u>	<u>\$ 22,515,702</u>	<u>\$ 23,146,676</u>	<u>\$ 19,559,463</u>	<u>\$ 22,744,651</u>	<u>\$ 21,516,791</u>
Covered employee payroll	<u>\$ 43,232,001</u>	<u>\$ 43,232,001</u>	<u>\$ 43,117,164</u>	<u>\$ 43,117,164</u>	<u>\$ 42,066,797</u>	<u>\$ 42,066,797</u>	<u>\$ 37,537,711</u>	<u>\$ 37,537,711</u>
Total OPEB Liability as a percentage of covered employee payroll	40.47%	39.02%	41.74%	52.22%	55.02%	46.50%	60.59%	57.32%

**S U P P L E M E N T A L I N F O R M A T I O N S E C T I O N**

**Stroudsburg Area School District  
General Fund  
Schedule on Tax Collectors' Receipts  
For the Year Ended June 30, 2025**

	<u>BOROUGH OF STROUDSBURG</u>	<u>DELAWARE WATER GAP BOROUGH</u>	<u>HAMILTON TOWNSHIP</u>	<u>STROUD TOWNSHIP</u>	<u>TOTAL</u>
<b>CURRENT REAL ESTATE TAXES</b>					
Assessed Value	\$ 408,825,960	\$ 56,269,880	\$ 733,950,390	\$ 1,555,039,210	\$ 2,754,085,440
Millage Rate	0.027405	0.027405	0.027405	0.027405	0.027405
Total Tax to be Collected	\$ 11,203,892	\$ 1,542,076	\$ 20,113,930	\$ 42,615,890	\$ 75,475,788
Less: Act 1 Deduction	385,804	71,580	1,144,362	2,377,908	3,979,654
Total Tax per Duplicate	\$ 10,818,088	\$ 1,470,496	\$ 18,969,568	\$ 40,237,982	\$ 71,496,134
Plus - Additions	20,326	-	607	167,597	188,530
- Penalties	21,425	1,330	21,744	54,184	98,683
Total Taxes to be Collected	10,859,839	1,471,826	18,991,919	40,459,763	71,783,347
Less - Discounts	167,874	23,077	320,273	691,881	1,203,105
- Reductions	51,577	-	10,485	-	62,062
- Senior Citizen Rebates	-	-	-	-	222,963
- Exonerations	2,324	4,886	-	171,105	178,315
- Returned to County	651,394	79,335	894,955	1,468,125	3,093,809
<b>NET CURRENT REAL ESTATE TAXES COLLECTED</b>	<u>\$ 9,986,670</u>	<u>\$ 1,364,528</u>	<u>\$ 17,766,206</u>	<u>\$ 38,128,652</u>	<u>\$ 67,023,093</u>
 <b>CURRENT INTERIM REAL ESTATE TAXES COLLECTED</b>	 <u>\$ 9,972</u>	 <u>\$ 6,745</u>	 <u>\$ 20,715</u>	 <u>\$ 73,252</u>	 <u>\$ 110,684</u>

**Stroudsburg Area School District**  
**General Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget vs Actual**  
**For the Year Ended June 30, 2025**

<b><u>6000 - Revenue from Local Sources</u></b>		<b><u>Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance</u></b>
6111	Current Real Estate Taxes	\$ 70,689,836	\$ 67,023,093	\$ (3,666,743)
6112	Interim Real Estate Taxes	250,000	110,684	(139,316)
6113	Public Utility Realty Tax	75,000	75,433	433
6114	Payment in Lieu of Taxes	55,000	60,602	5,602
6143	Local Services Tax	85,000	84,232	(768)
6151	Earned Income Tax	4,567,627	4,623,327	55,700
6153	Real Estate Transfer Tax	1,758,250	1,104,214	(654,036)
6411	Delinquent Real Estate Taxes	4,500,000	3,487,303	(1,012,697)
6510	Interest	2,000,000	2,073,267	73,267
6710	Admissions	35,000	35,030	30
6832	Federal IDEA Revenue Received as Pass Through	721,692	803,295	81,603
6910	Rentals	50,000	60,594	10,594
6920	Contributions	35,000	111,907	76,907
6942	Summer School	5,000	5,474	474
6944	Receipts From Other LEAs in PA - Education	30,000	-	(30,000)
6991	Refunds of Prior Yr. Expenditures	82,500	155,085	72,585
6992	Energy Efficiency Revenues	10,000	-	(10,000)
6999	Other Revenues Not Specified Above	27,500	40,280	12,780
<b>TOTAL REVENUE FROM LOCAL SOURCES</b>		<b>\$ 84,977,405</b>	<b>\$ 79,853,820</b>	<b>\$ (5,123,585)</b>
<b><u>7000 - Revenue from State Sources</u></b>				
7111	Basic Ed Funding - Formula	21,890,727	21,507,588	(383,139)
7140	Charter Schools	-	623,116	623,116
7160	Orphan Tuition	160,000	110,852	(49,148)
7271	Special Education	3,562,754	4,433,847	871,093
7299	Program revenues not listed previously in the 7200	-	213	213
7311	Transportation (Regular and Additional)	1,550,000	1,404,000	(146,000)
7312	Transportation (Nonpublic and Charter Schools)	100,000	75,460	(24,540)
7320	Rentals	1,750,000	1,325,867	(424,133)
7330	Health Services	90,000	-	(90,000)
7331	Health Services	-	80,830	80,830
7332	Feminine Hygien Product Funding	-	7,819	7,819
7340	State Property Tax Reduction	4,033,717	4,033,717	-
7350	Sewage Treatment Operations / Enviornmental Subsidies	-	131,496	131,496
7362	School Mental Health & Safety and Security Grants	-	80,905	80,905
7369	Other Safe Schools Grants	25,000	-	(25,000)
7531	Ready to Learn Grant	776,707	776,707	-
7599	Other State revenue not listed elsewhere	-	160,000	160,000
7810	State Share of Social Security and Medicare Taxes	2,065,824	2,299,175	233,351
7820	Retirement Revenue	9,901,595	10,729,042	827,447
<b>TOTAL REVENUE FROM STATE SOURCES</b>		<b>45,906,324</b>	<b>47,780,634</b>	<b>1,874,310</b>
<b><u>8000 - Revenue from Federal Sources</u></b>				
8514	ESEA Title I	1,263,752	1,263,058	(694)
8515	Title IIA and Title IID	160,108	160,118	10
8516	Title III	35,184	35,394	210
8517	Title IV	96,284	91,346	(4,938)
8732	ARRA - Qualified School Construction Bonds	2,010,000	1,398,690	(611,310)
8749	Other CARES Act Funding	189,672	162,073	(27,599)
8810	Medical Assistance Reimbursements (Access)	215,000	508,290	293,290
8820	Medical Assistance Reimbursement for Health-Related	50,000	67,535	17,535
<b>TOTAL REVENUE FROM FEDERAL SOURCES</b>		<b>4,020,000</b>	<b>3,686,504</b>	<b>(333,496)</b>
<b><u>9000 - Other Financing Sources</u></b>				
9220	Proceeds from Leases	-	345,200	345,200
9400	Sale of Fixed Assets	25,000	32,500	7,500
<b>TOTAL OTHER FINANCING SOURCES</b>		<b>25,000</b>	<b>377,700</b>	<b>352,700</b>
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>		<b>\$ 134,928,729</b>	<b>\$ 131,698,658</b>	<b>\$ (3,230,071)</b>

**Stroudsburg Area School District**  
**General Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget vs Actual**  
**For the Year Ended June 30, 2025**

<b><u>1000 - Instruction</u></b>		<b><u>Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance</u></b>
1110	Regular Programs - Elem./Secondary	57,613,257	56,529,209	1,084,048
1211	Life Skills Support - Public	849,913	1,033,827	(183,914)
1221	Deaf or Hearing Impaired Support	213,250	266,322	(53,072)
1224	Blind or Visually Impaired Support	235,000	299,627	(64,627)
1225	Speech & Language Impaired	1,059,942	1,186,171	(126,229)
1231	Emotional Support - Public	2,183,338	2,028,026	155,312
1232	Emotional Support - PRRI	365,000	365,247	(247)
1233	Autistic Support	545,000	706,203	(161,203)
1241	Learning Support - Public	10,129,669	11,538,980	(1,409,311)
1243	Gifted Support	1,331,086	709,130	621,956
1260	Physical Support	65,000	73,920	(8,920)
1270	Multi-handicapped Support	110,000	135,917	(25,917)
1280	Early Intervention Support	25,000	3,243	21,757
1290	Other Support	4,287,862	5,901,605	(1,613,743)
1390	Other Vocational Education Programs	2,000,000	1,336,140	663,860
1420	Summer School	-	5,993	(5,993)
1430	Homebound Instruction	16,500	40,500	(24,000)
1442	Alternative Education Program	290,000	104,445	185,555
1450	After School	41,000	135,859	(94,859)
1490	Additional Other Instructional Programs	16,500	-	16,500
1500	Nonpublic School Programs	3,000	2,964	36
	<b>Total Instruction</b>	<b>81,380,317</b>	<b>82,403,328</b>	<b>(1,023,011)</b>
<b><u>2000 - Support Services</u></b>				
2111	Supervision of Student Services - Head of Component	70,000	-	70,000
2122	Counseling Services	2,982,649	2,960,191	22,458
2143	Psychological Counseling Services	1,124,329	973,873	150,456
2160	Social Work Services	400,000	550,612	(150,612)
2220	Technology Support Services	1,250	-	1,250
2250	School Library Services	389,427	372,647	16,780
2260	Instructional & Curriculum Dev. Service	1,530,460	1,767,190	(236,730)
2270	Instructional Staff Professional Development Services	899,000	860,716	38,284
2280	Nonpublic Support Services	-	329	(329)
2310	Board Services	256,500	103,581	152,919
2330	Tax Assessment & Collection Service	403,834	335,593	68,241
2340	Staff Relations	110,000	-	110,000
2350	Legal Services	275,000	218,420	56,580
2360	Office of the Superintendent Services	1,631,120	1,528,905	102,215
2380	Office of the Principal Services	5,430,013	4,926,300	503,713
2420	Medical Services	325,000	389,507	(64,507)
2430	Dental Services	1,500	420	1,080
2440	Nursing Services	1,080,788	1,153,511	(72,723)
2511	Supervision of Fiscal Services	561,826	431,626	130,200
2512	Budgeting Services	325,753	223,297	102,456
2514	Payroll Services	259,145	231,028	28,117
2611	Supervision of Operation and Maintenance of Plant - Head	457,108	439,315	17,793
2620	Operation of Building Services	8,269,851	8,596,000	(326,149)
2640	Care and Upkeep of Equipment Services	90,000	14,458	75,542
2650	Vehicle Operation and Maint. Services	105,000	70,217	34,783
2660	Security Services	2,079,478	1,825,099	254,379
2690	Other Operation and Maint. of Plant Services	1,775,250	1,924,840	(149,590)
2711	Supervision of Student Transportation Services - Head	598,651	592,202	6,449
2720	Vehicle Operation Services	5,324,221	5,930,565	(606,344)
	<b>Subtotal - Support Services</b>	<b>36,757,153</b>	<b>36,420,442</b>	<b>336,711</b>

**Stroudsburg Area School District**  
**General Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget vs Actual**  
**For the Year Ended June 30, 2025**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Subtotal - Support Services (carried forward)	36,757,153	36,420,442	336,711
2740 Vehicle Servicing and Maint. Services	814,839	930,870	(116,031)
2790 Other Student Transportation Services	101,500	134,709	(33,209)
2818 System-Wide Technology Services	2,296,226	1,400,126	896,100
2900 Other Support Services	<u>35,000</u>	<u>32,956</u>	<u>2,044</u>
Total Support Services	40,004,718	38,919,103	1,085,615
<b><u>3000 - Operation of Non-Instructional Services</u></b>			
3210 Student Activities	435,782	405,512	30,270
3250 School Sponsored Athletics	1,407,074	1,644,064	(236,990)
3300 Community Services	<u>-</u>	<u>25,313</u>	<u>(25,313)</u>
Total Non-Instructional Services	1,842,856	2,074,889	(232,033)
<b><u>5000 - Other Expenditures and Financing Uses</u></b>			
5110 Debt Service	14,054,585	13,114,855	939,730
5130 Refund of Prior Yr. Receipts	250,000	54,314	195,686
5140 Lease Payments	<u>-</u>	<u>268,787</u>	<u>(268,787)</u>
Total Other Expenditures and Financing Uses	<u>14,304,585</u>	<u>13,437,956</u>	<u>866,629</u>
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<b><u>\$ 137,532,476</u></b>	<b><u>\$ 136,835,276</u></b>	<b><u>\$ 697,200</u></b>
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>\$ 134,928,729</b>	<b>\$ 131,698,658</b>	<b>\$ (3,230,071)</b>
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<b><u>137,532,476</u></b>	<b><u>136,835,276</u></b>	<b><u>697,200</u></b>
NET REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<b>\$ (2,603,747)</b>	<b>\$ (5,136,618)</b>	<b>\$ (2,532,871)</b>
<b>Special Items</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Extraordinary Items - Insurance Recoveries</b>	<b><u>-</u></b>	<b><u>8,225</u></b>	<b><u>8,225</u></b>
NET REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES AFTER SPECIAL ITEMS AND EXTRAORDINARY ITEMS	<b>(2,603,747)</b>	<b>(5,128,393)</b>	<b>(2,524,646)</b>
<b>FUND BALANCE JULY 1, 2024</b>	<b>25,469,431</b>	<b>25,469,431</b>	<b>-</b>
<b>RESTATEMENT - NOTE 4</b>	<b><u>-</u></b>	<b><u>607,777</u></b>	<b><u>607,777</u></b>
<b>FUND BALANCE (RESTATED) JULY 1, 2024</b>	<b><u>25,469,431</u></b>	<b><u>26,077,208</u></b>	<b><u>607,777</u></b>
<b>FUND BALANCE - JUNE 30, 2025</b>	<b><u>\$ 22,865,684</u></b>	<b><u>\$ 20,948,815</u></b>	<b><u>\$ (1,916,869)</u></b>

**Stroudsburg Area School District  
Capital Reserve Fund  
Statement of Revenues and Expenditures  
For the Year Ended June 30, 2025**

**REVENUES AND OTHER FINANCING SOURCES**

Interest Revenue	\$ 585,298	
Transfer from General Fund	-	
	<u>                    </u>	
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>		<b>\$ 585,298</b>

**EXPENDITURES AND OTHER FINANCING USES**

**FACILITIES ACQUISITION, CONSTRUCTION AND IMPROVEMENT:**

Professional Services	22,718	
Construction	439,439	
Supplies	115	
	<u>                    </u>	
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>		<b><u>462,272</u></b>

<b>EXCESS REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>		<b>123,026</b>
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FUND BALANCE JULY 1, 2024		<u>16,779,087</u>
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FUND BALANCE - JUNE 30, 2025		<b><u>\$ 16,902,113</u></b>
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**Stroudsburg Area School District  
Food Service Fund  
Statement of Revenues, Expenses, and Changes in Fund Net Position  
For the Year Ended June 30, 2025**

<b>REVENUES</b>		
Student Sales - Lunch	\$ 2,988	
Adult Sales - Lunch	8,160	
Al a Carte Sales	354,443	
Special Events	43,240	
State Subsidies	189,161	
Federal Subsidies	2,081,205	
Donated Commodities	278,127	
Interest	110,670	
<b>TOTAL REVENUES</b>		<b>\$ 3,067,994</b>
<b>COST OF GOODS SOLD</b>		
Opening Inventory	23,729	
Purchases - Supplies	45,294	
Purchases - Donated Commodities	281,210	
Food Management Services - Food	949,927	
Ending Inventory	(37,013)	1,263,147
<b>GROSS PROFIT</b>		<b>1,804,847</b>
<b>OPERATING EXPENSES</b>		
Repairs and Maintenance	8,351	
Food Management Services - Non-Food	1,508,176	
Electricity	78,138	
Supplies and Fees - Technology	5,545	
Depreciation	125,514	
Dues and Fees	96	
Miscellaneous Expense	-	1,725,820
<b>CHANGES FUND IN NET POSITION</b>		<b>79,027</b>
<b>FUND NET POSITION - JULY 1, 2024</b>		<b>3,769,793</b>
<b>FUND NET POSITION - JUNE 30, 2025</b>		<b>\$ 3,848,820</b>

**Food Service Fund  
Reconciliation of Fund Net Position  
For the Year Ended June 30, 2025**

<b>RECONCILIATION OF FUND NET POSITION</b>		
Cash and Equivalents	\$ 3,029,017	
State and Federal Subsidies Receivable	933	
Inventories	37,013	
Equipment, Net of Accumulated Depreciation	953,646	
Due to General Fund	(78,138)	
Accounts Payable	(62,345)	
Unearned Revenues	(78)	
Prepayments from Students	(40,873)	
<b>TOTAL FUND NET POSITION</b>		<b>\$ 3,848,820</b>

**Stroudsburg Area School District  
Private-Purpose Trust Fund  
Statement of Changes in Fiduciary Net Position  
For the Year Ended June 30, 2025**

**ADDITIONS**

Contributions	\$ 5,793	
Interest income	3,941	
<b>TOTAL ADDITIONS</b>		\$ 9,734

**DEDUCTIONS**

Admin. Fees	-	
Awards	18,743	
<b>TOTAL DEDUCTIONS</b>		18,743

**NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION (9,009)**

**FUND NET POSITION - JULY 1, 2024** 197,832

**FUND NET POSITION - JUNE 30, 2025** \$ 188,823

**Private-Purpose Trust Fund  
Statement of Fiduciary Net Position  
As of June 30, 2025**

**ASSETS**

Cash and Cash Equivalents	\$ 188,823	
<b>TOTAL ASSETS</b>		<u><u>\$ 188,823</u></u>

**LIABILITIES**

Accounts Payable	-	
<b>TOTAL LIABILITIES</b>		-

**NET POSITION**

Restricted for Individuals, Organizations, and Other Governments		188,823
		188,823

**TOTAL LIABILITIES AND FUND NET POSITION** \$ 188,823

**Stroudsburg Area School District  
Student Activity Fund  
Statement of Changes in Fiduciary Net Position  
For the Year Ended June 30, 2025**

**ADDITIONS**

Admissions	\$	24,196	
Book Store Sales		4,670	
Student Organization Membership Dues and Fees		59,220	
Student Fees		4,484	
Special Events		86,078	
Other Activity Income		272,282	
<b>TOTAL ADDITIONS</b>			<b>\$ 450,930</b>

**DEDUCTIONS**

Professional and Technical Services		21,807	
Rentals		21,538	
Transportation Services		15,600	
Travel		105,604	
Other Purchased Services		16,897	
General Supplies		143,686	
Food		20,247	
Dues & Fees		13,326	
Donations		54,081	
Miscellaneous Expenses		34,891	
<b>TOTAL DEDUCTIONS</b>			<b>447,677</b>

**NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION 3,253**

**FUND NET POSITION - JULY 1, 2024 270,292**

**FUND NET POSITION - JUNE 30, 2025 \$ 273,545**

**Student Activity Fund  
Statement of Fiduciary Net Position  
As of June 30, 2025**

**ASSETS**

Cash and Cash Equivalents	\$	265,267	
Due From Other Funds		8,825	
Other Receivables		484	
<b>TOTAL ASSETS</b>			<b>\$ 274,576</b>

**LIABILITIES**

Accounts Payable	\$	1,031	
<b>TOTAL LIABILITIES</b>			<b>1,031</b>

**NET POSITION**

Restricted for Individuals, Organizations, and Other Governments			273,545
<b>TOTAL LIABILITIES AND FUND NET POSITION</b>			<b>\$ 274,576</b>

**Stroudsburg Area School District**  
**Schedule on General Obligation Notes - Series of 2008**  
**For the Year Ended June 30, 2025**

<u>FISCAL YEAR</u>	<u>COUPON RATE</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>
2025-26	1.070%	\$ 30,928	\$ 1,015,000
2026-27	1.070%	20,653	1,056,000
2027-28	1.070%	9,964	1,097,000
<b>TOTAL OUTSTANDING</b>		<b>\$ 61,545</b>	<b>\$ 3,168,000</b>

**Schedule on General Obligation Notes - Series A of 2010**  
**For the Year Ended June 30, 2025**

<u>FISCAL YEAR</u>	<u>COUPON RATE</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>
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
<b>TOTAL OUTSTANDING</b>		<b>\$ 2,125,000</b>	<b>\$ 6,425,000</b>

**Schedule on General Obligation Notes - Series C of 2011**  
**For the Year Ended June 30, 2025**

<u>FISCAL YEAR</u>	<u>COUPON RATE</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>
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
<b>TOTAL OUTSTANDING</b>		<b>\$ 5,876,253</b>	<b>\$ 21,875,000</b>

**Stroudsburg Area School District**  
**Schedule on General Obligation Notes - Series of 2016**  
**For the Year Ended June 30, 2025**

<u>FISCAL YEAR</u>	<u>COUPON RATE</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>
2025-26	1.820%	\$ 100,646	\$ 2,730,000
2026-27	1.820%	50,960	2,800,000
<b>TOTAL OUTSTANDING</b>		<b>\$ 151,606</b>	<b>\$ 5,530,000</b>

**Schedule on General Obligation Bonds - Series of 2019**  
**For the Year Ended June 30, 2025**

<u>FISCAL YEAR</u>	<u>COUPON RATE</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>
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
<b>TOTAL OUTSTANDING</b>		<b>\$ 271,185</b>	<b>\$ 2,215,000</b>

**Schedule on General Obligation Bonds - Series A of 2019**  
**For the Year Ended June 30, 2025**

<u>FISCAL YEAR</u>	<u>COUPON RATE</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>
2025-26	1.400%	\$ 266,600	\$ 5,030,000
2026-27	4.000%	65,400	1,635,000
<b>TOTAL OUTSTANDING</b>		<b>\$ 332,000</b>	<b>\$ 6,665,000</b>

**Stroudsburg Area School District**  
**Schedule on General Obligation Bonds - Series B of 2019**  
**For the Year Ended June 30, 2025**

<u>FISCAL YEAR</u>	<u>COUPON RATE</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>
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
<b>TOTAL OUTSTANDING</b>		<b>\$ 1,092,000</b>	<b>\$ 5,475,000</b>

**Schedule on General Obligation Notes - Series A of 2020**  
**For the Year Ended June 30, 2025**

<u>FISCAL YEAR</u>	<u>COUPON RATE</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>
2025-26	0.824%	\$ 11,163	\$ 805,000
2026-27	0.824%	4,641	751,000
<b>TOTAL OUTSTANDING</b>		<b>\$ 15,804</b>	<b>\$ 1,556,000</b>

**S I N G L E   A U D I T   S E C T I O N**

**Stroudsburg Area School District  
Schedule of Expenditures of Federal Awards  
Fiscal Year Ended June 30, 2025**

FEDERAL GRANTOR PROJECT TITLE	SOURCE CODE	FEDERAL ALN	PASS THROUGH GRANTOR NUMBER	GRANT PERIOD	AWARD AMOUNT	TOTAL RECEIVED	ACCRUED OR (DEFERRED) 7/1/24	REVENUE	EXPEND.	ACCRUED OR (DEFERRED) 6/30/25	FOOT- NOTES
<b><u>U.S DEPARTMENT OF THE TREASURY</u></b>											
<b><u>PASSED THROUGH THE PA COMMISSION ON CRIME AND DELINQUENCY (PCCD)</u></b>											
COVID-19 CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	I	21.027	2023-CM-01-41644	07/1/24 - 06/30/26	\$ 162,073	\$ -	\$ -	\$ 162,073	\$ 162,073	\$ 162,073	2
<b>TOTAL U.S DEPARTMENT OF THE TREASURY</b>						-	-	162,073	162,073	162,073	
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>											
<b><u>PASSED THROUGH THE PA DEPARTMENT OF EDUCATION (PDE)</u></b>											
TITLE IA - IMPROVING BASIC PROGRAMS	I	84.010	FA-013-24-0422	07/1/23 - 09/30/24	\$ 1,278,535	253,923	253,150	773	773	-	2
TITLE IA - IMPROVING BASIC PROGRAMS	I	84.010	FA-013-25-0422	07/1/24 - 09/30/25	\$ 1,262,285	1,307,588	-	1,412,285	1,412,285	104,697	4
<b>TOTAL TITLE I PROGRAM</b>						1,561,511	253,150	1,413,058	1,413,058	104,697	
<b><u>PASSED THROUGH THE PDE</u></b>											
TITLE IIA - SUPPORTING EFFECTIVE INSTRUCTION	I	84.367	FA-020-24-0422	07/1/23 - 09/30/24	\$ 160,638	44,487	44,487	-	-	-	2
TITLE IIA - SUPPORTING EFFECTIVE INSTRUCTION	I	84.367	FA-020-25-0422	07/1/24 - 09/30/25	\$ 160,513	-	-	10,118	10,118	10,118	4
<b>TOTAL TITLE II PROGRAM</b>						44,487	44,487	10,118	10,118	10,118	
<b><u>PASSED THROUGH THE PDE</u></b>											
TITLE III - LANGUAGE INSTRUCTION FOR ENGLISH LEARNERS	I	84.365	FA-010-24-0422	07/1/23 - 09/30/24	\$ 36,716	-	(210)	210	210	-	2
TITLE III - LANGUAGE INSTRUCTION FOR ENGLISH LEARNERS	I	84.365	FA-010-25-0422	07/1/24 - 09/30/25	\$ 35,184	35,184	-	35,184	35,184	-	4
<b>TOTAL TITLE III PROGRAM</b>						35,184	(210)	35,394	35,394	-	
<b><u>PASSED THROUGH THE PDE</u></b>											
TITLE IVA - STUDENT SUPPORT AND ACADEMIC ENRICHMENT	I	84.424	FA-144-24-0422	07/1/23 - 09/30/24	\$ 82,771	33,108	33,108	-	-	-	2
TITLE IVA - STUDENT SUPPORT AND ACADEMIC ENRICHMENT	I	84.424	FA-144-25-0422	07/1/24 - 09/30/25	\$ 96,284	83,446	-	91,346	91,346	7,900	2
<b>TOTAL TITLE IV PROGRAM</b>						116,554	33,108	91,346	91,346	7,900	
<b><u>PASSED THROUGH THE PDE</u></b>											
COVID-19 AMERICAN RESCUE PLAN - ESSER (ARP-ESSER)	I	84.425U	223-21-0422	03/13/20 - 09/30/24	\$ 7,205,716	-	-	-	-	-	2 5
<b>TOTAL EDUCATION STABILIZATION FUND</b>						-	-	-	-	-	
<b><u>PASSED THROUGH THE COLONIAL I.U.</u></b>											
IDEA, PART B	I	84.027	N/A	07/1/23 - 09/30/24	\$ 762,188	762,188	762,188	-	-	-	2 1
IDEA, PART B	I	84.027	N/A	07/1/24 - 09/30/25	\$ 796,735	-	-	796,735	796,735	796,735	1
IDEA SECTION 619 - PRESCHOOL	I	84.173	N/A	07/1/23 - 09/30/24	\$ 5,746	-	-	-	-	-	1
IDEA SECTION 619 - PRESCHOOL	I	84.173	N/A	07/1/24 - 09/30/25	\$ 6,560	-	-	6,560	6,560	6,560	1
<b>TOTAL IDEA CLUSTER</b>						762,188	762,188	803,295	803,295	803,295	
<b>TOTAL U. S. DEPARTMENT OF EDUCATION</b>						\$ 2,519,924	\$ 1,092,723	\$ 2,353,211	\$ 2,353,211	\$ 926,010	
<b>SOURCE: D -DIRECT; I -INDIRECT</b>											

**Stroudsburg Area School District  
Schedule of Expenditures of Federal Awards  
Fiscal Year Ended June 30, 2025 (Continued)**

FEDERAL GRANTOR PROJECT TITLE	SOURCE CODE	FEDERAL ALN	PASS THROUGH GRANTOR NUMBER	GRANT PERIOD	AWARD AMOUNT	TOTAL RECEIVED	ACCRUED OR (DEFERRED) 7/1/24	REVENUE	EXPEND.	ACCRUED OR (DEFERRED) 6/30/25	FOOT- NOTES
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>											
<b><u>PASSED THROUGH THE PA DEPARTMENT OF PUBLIC WELFARE</u></b>											
TITLE 19 MEDICAID REIMBURSEMENT	I	93.778	N/A	10/1/24 - 09/30/25	N/A	\$ 77,218	\$ 9,684	\$ 67,534	\$ 67,534	\$ -	2
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>						77,218	9,684	67,534	67,534	-	
<b><u>U.S. DEPT. OF AGRICULTURE</u></b>											
<b><u>PASSED THROUGH THE PDE</u></b>											
NATIONAL SCHOOL LUNCH	I	10.555	N/A	07/1/23 - 06/30/24	N/A	12,016	12,016	-	-	-	2
NATIONAL SCHOOL LUNCH	I	10.555	N/A	07/1/24 - 06/30/25	N/A	1,704,739	-	1,706,059	1,706,059	1,320	
COVID-19 NATIONAL SCHOOL LUNCH - SUPPLY CHAIN ASSISTANCE	I	10.555	N/A	N/A	N/A	-	-	-	-	-	
FEDERAL BREAKFAST W/ SN	I	10.553	N/A	07/1/23 - 06/30/24	N/A	6,009	6,009	-	-	-	
FEDERAL BREAKFAST W/ SN	I	10.553	N/A	07/1/24 - 06/30/25	N/A	375,534	-	375,147	375,147	(387)	
<b><u>PASSED THROUGH THE PA DEPT OF AGRICULTURE:</u></b>											
NATIONAL SCHOOL LUNCH - USDA COMMODITIES	I	10.555	N/A	07/1/24 - 06/30/25	N/A	281,209	(3,724)	278,127	278,127	(6,806)	2 3
<b>TOTAL CHILD NUTRITION CLUSTER</b>						2,379,507	14,301	2,359,333	2,359,333	(5,873)	
<b><u>PASSED THROUGH THE PDE</u></b>											
COVID-19 STATE PANDEMIC ELECTRONIC BENEFIT TRANSFER (P-EBT) ADMIN. COSTS	I	10.649	N/A	N/A	N/A	-	-	-	-	-	2
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>						2,379,507	14,301	2,359,333	2,359,333	(5,873)	
<b>TOTAL FEDERAL FINANCIAL AWARDS</b>						\$ 4,976,649	\$ 1,116,708	\$ 4,942,151	\$ 4,942,151	\$ 1,082,210	

SOURCE: D -DIRECT; I -INDIRECT

**Stroudsburg Area School District**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**Fiscal Year Ended June 30, 2025**

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**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, 2025. 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 2.0% of its total general fund revenue in federal awards, and 76.9% 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:

<u>Passed through</u>	<u>Total Awards</u>	<u>Total Expenditures</u>
PA Department of Education	\$ 10,318,642	\$ 3,631,122
PA Commission on Crime and Delinquency	162,073	\$ 162,073
Colonial I.U. #20	1,571,229	803,295
PA Department of Public Welfare	N/A	67,534
PA Department of Agriculture	N/A	278,127
<b>Totals</b>	<b><u>\$ 12,051,944</u></b>	<b><u>\$ 4,942,151</u></b>

3. The District received non-monetary assistance from the U.S. Department of Agriculture of \$281,209 in the form of commodities. These commodities are valued at U.S.D.A.'s approximate costs. During the 2024-25 fiscal-year, the District used \$278,127 in commodities and established a year-end inventory of \$6,806 at June 30, 2025.

**Stroudsburg Area School District**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**Fiscal Year Ended June 30, 2025**

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4. The Medical Access grant passed through 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.

<b><u>FINANCIAL STATEMENT RECONCILIATION</u></b>	
General Fund Federal Source Revenue	\$ 3,686,504
Federal Revenue Received From Local Sources	803,295
Food Service Fund Federal Revenue	<u>2,359,332</u>
<b>Total Federal Revenue, per financial statements</b>	<b>6,849,131</b>
Less: Medical Access	(508,290)
Less: ARRA - Qualified School Construction Bonds	<u>(1,398,690)</u>
<b>Total Federal Revenue Reported to SEFA</b>	<b><u>\$ 4,942,151</u></b>



**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, 2025, 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 November 13, 2025.

**Report on 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 an 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. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as Finding (2025-001) that we consider to be a significant deficiency.

**Report on 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*.

**Stroudsburg Area School District's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Stroudsburg Area School District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

**Purpose of this Report**

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

Respectfully submitted,



Northampton, Pennsylvania  
November 13, 2025



**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**

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

We have audited Stroudsburg Area School District's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Stroudsburg Area School District's major federal programs for the year ended June 30, 2025. 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.

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, 2025.

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

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

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

***Responsibilities of Management for Compliance***

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

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

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

***Other Matters***

The results of our auditing procedures disclosed a finding that is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as Finding (2025-002). This finding relates to internal control over federal award reporting for a program that was not audited as a major program for the year ended June 30, 2025. Our opinion on each major federal program is not modified with respect to this matter.

***Government Auditing S***

***tandards*** requires the auditor to perform limited procedures on the District's response to the findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

***Report on Internal Control over Compliance***

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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

**Stroudsburg Area School District**

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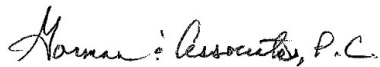
be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

Respectfully submitted,



Northampton, Pennsylvania  
November 13, 2025

**Stroudsburg Area School District  
Schedule of Findings and Questioned Costs  
Fiscal Year Ended June 30, 2025**

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**Section I - Summary of Auditor Results**

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**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:

AL Number(s)	Name of Federal Program or Cluster
84.010	Title I Program
84.027, 84.173	Special Education (IDEA)Cluster

Percentage of programs tested to total awards 44.8%

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

Auditee qualified as low-risk auditee?  yes  no

**Stroudsburg Area School District  
Schedule of Findings and Questioned Costs  
Fiscal Year Ended June 30, 2025**

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**Section II - Financial Statement Findings**

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**Finding 2025-001: Significant Deficiency – Financial Reporting and Expenditure Coding (ESSER III)**

**Criteria:** Government Auditing Standards require auditors to evaluate internal controls over financial reporting to determine whether they are designed and operating effectively to prevent or detect and correct misstatements. Proper identification and coding of federal expenditures is necessary to ensure federal revenue is recognized in the correct fiscal year and that expenditures are reconciled to the related grant agreements and reporting requirements are met.

**Condition:** During testing of ESSER III, we noted that the District had unspent funds remaining after reconciling the grant expenditures to the Final Expenditure Report (FER). Upon further review of the FER and discussions with District staff, we determined that expenditures related to the Federal Set-Aside awards had been mistakenly included in the FER for ESSER III, despite the use of separate source codes for each. The District believed the Set-Aside funds were part of the ESSER III award, and therefore included the Set-Aside expenditures when preparing the FER for ESSER III.

Because the District's reports for ESSER III were including the Set-Aside expenditures, the District believe ESSER III had been fully expended when, in fact, allowable ESSER III expenditures remained unreported. During the current fiscal year, the District subsequently identified certain allowable ESSER III expenditures incurred during the 2023-24 fiscal year that were coded to non-federal sources and reclassified them as ESSER III expenditures for that year.

As these expenditures were not identified until the current fiscal year, they were not recognized as ESSER expenditures or federal revenue in the 2023-24 financial statements. A prior period adjustment was required to properly record the expenditures and recognized the associated revenue in the period in which they were incurred.

**Cause:** The District misunderstood the structure of the ESSER III and Federal Set-Aside awards and believed that the Set-Aside funds were part of the ESSER III allocation. As a result of the misunderstanding, the District included the expenditures for the Set-Asides with the ESSER III expenditures when submitting the FER for ESSER III.

**Effect:** Federal revenue and related expenditures for fiscal year 2023-24 were understated in the District's financial statements. A prior period adjustment was required to correctly state beginning fund balance for fiscal year 2024-25.

**Recommendation:** We recommend the District provide additional training to staff responsible for federal grant accounting to ensure a clear understanding of grant award structures in order to facilitate proper grant tracking and reporting

**View of Responsible Officials:** The District agrees with the finding and the recommendation and will take steps to ensure the staff responsible are properly trained and educated on each grant received by the District.

**Stroudsburg Area School District  
Schedule of Findings and Questioned Costs  
Fiscal Year Ended June 30, 2025**

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**Section III - Findings and Questioned Costs for Federal Awards**

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**Finding 2025-002: Significant Deficiency – Internal Control Over Federal Award Reporting (ESSER III)**

Type of Finding: Internal Control  
Federal Program: Education Stabilization Fund - ARP-ESSER  
ALN: 84.425U  
Federal Award Year: 2021  
Federal Agency: Department of Education  
Pass-thru entity: PA Department of education  
Pass-thru nos: 223-21-0422  
Questioned Costs: None  
Repeat Finding: No  
Type of Compliance Requirement: Reporting

Criteria: 2 CFR 200.510(b) requires the Schedule of Expenditures of Federal Awards (SEFA) to fairly present total federal expenditures for each federal program in the period in which they are incurred.

Condition: During testing of ESSER III, we noted that the District had unspent funds remaining after reconciling the grant expenditures to the Final Expenditure Report (FER). Upon further review of the FER and discussions with District staff, we determined that expenditures related to the Federal Set-Aside awards had been mistakenly included in the FER for ESSER III, despite the use of separate source codes for each. The District believed the Set-Aside funds were part of the ESSER III award, and therefore included the Set-Aside expenditures when preparing the FER for ESSER III.

Because the District's reports for ESSER III were including the Set-Aside expenditures, the District believe ESSER III had been fully expended when, in fact, allowable ESSER III expenditures remained unreported. During the current fiscal year, the District subsequently identified certain allowable ESSER III expenditures incurred during the 2023-24 fiscal year that were coded to non-federal sources and reclassified them as ESSER III expenditures for that year.

These expenditures were not identified as ESSER III expenditures in the prior fiscal year and were not included in the SEFA until they were identified during the current fiscal year. As a result, the SEFA for the year ended June 30, 2024 understated ESSER III expenditures.

Cause: The District misunderstood the structure of the ESSER III and Federal Set-Aside awards and believed that the Set-Aside funds were part of the ESSER III allocation. As a result of the misunderstanding, the District included the expenditures for the Set-Asides with the ESSER III expenditures when submitting the FER for ESSER III.

Effect: Federal expenditures for ESSER III were understated on the District's SEFA for the year ended June 30, 2024. A correction was made in the current fiscal year to properly report the expenditures in the period in which they were incurred.

**Stroudsburg Area School District  
Schedule of Findings and Questioned Costs  
Fiscal Year Ended June 30, 2025**

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Context: The expenditures identified were allowable costs that were incurred during fiscal year 2023-24. The issue did not involve unallowable costs, eligibility violations, or misuse of federal funds. Rather, the finding resulted from misunderstanding the structure of ESSER III and the Federal Set-Aside awards, which led to miscoding and reporting errors. Once identified, the District worked with the auditors to correct the error and properly report the expenditures.

Recommendation: We recommend the District provide additional training to staff responsible for federal grant accounting to ensure a clear understanding of grant award structures to facilitate proper grant tracking and reporting.

View of Responsible Officials: The District agrees with the finding and the recommendation and will take steps to ensure the staff responsible are properly trained and educated on each grant received by the District.

*Audit Follow-Up Procedures*

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

**Corrective Action Plan  
For the Year Ended June 30, 2025**

**Current Year Findings – 2024-25**

**Significant Deficiency 2025-001 (Financial Reporting and Expenditure Coding – ESSER III)**

Condition: Certain allowable ESSER III expenditures incurred during the fiscal year 2023-24 were not identified or coded the appropriate federal funding source. As a result, the expenditures and related federal revenue were not recognized in the proper fiscal year, requiring a prior period adjustment to the financial statements.

Recommendation: Improve training and education for staff responsible for federal grant accounting to ensure a clear understanding of grant award structures for all grants received by the District in order to facilitate proper grant tracking and reporting.

Corrective Action: See Corrective Action described under Finding 2025-002, which addresses the underlying grant accounting and reporting issue.

Person Responsible: Brenda VanBuskirk, Business Manager

Proposed Completion Date: December 31, 2025

**Significant Deficiency 2025-002 (Internal Control Over Federal Award Reporting – ESSER III)**

Federal Program: Education Stabilization Fund - ARP-ESSER  
ALN: 84.425U

Condition: Allowable ESSER III expenditures incurred during fiscal year 2023-24 were not identified or included on the Schedule of Expenditures of Federal Awards (SEFA) for that year. In addition, expenditures related to Federal Set-Aside awards were mistakenly included in the Final Expenditure Report for ESSER III, resulting from a misunderstanding of the structure of the federal awards.

Recommendation: Strengthen internal controls

Corrective Action: The District will provide targeted training to staff responsible for federal grant accounting to ensure a clear understanding of federal grant award structures, including the distinction between ESSER III and related Federal Set-Aside awards. This training will cover grant setup, expenditure coding, and reporting requirements.

Person Responsible: Brenda VanBuskirk, Business Manager

Proposed Completion Date: December 31, 2025