COLLABORATORS | COACHES | ADVOCATES | MENTORS
FRIENDS | VOLUNTEERS | REGULARS | DINERS | VISITORS
CPAs | CONSULTANTS | WEALTH ADVISORS | *NEIGHBORS*
COLLABORATORS | COACHES | ADVOCATES | MENTORS |
CONNOISSEURS | CUSTOMERS | TEACHERS |
| VOLUNTEERS |

BRISTOL BOROUGH SCHOOL DISTRICT
BRISTOL, PENNSYLVANIA
BUCKS COUNTY

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2025

Right there with you

CLAconnect.com

BRISTOL BOROUGH SCHOOL DISTRICT
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2025

INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED	5
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION (DEFICIT)	19
STATEMENT OF ACTIVITIES	20
FUND FINANCIAL STATEMENTS	
BALANCE SHEET – GOVERNMENTAL FUNDS	21
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO NET POSITION (DEFICIT) OF GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF NET POSITION (DEFICIT)	22
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS	23
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO CHANGE IN NET POSITION (DEFICIT) OF GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF ACTIVITIES	24
STATEMENT OF NET POSITION (DEFICIT) – PROPRIETARY FUND	25
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (DEFICIT) – PROPRIETARY FUND	26
STATEMENT OF CASH FLOWS – PROPRIETARY FUND	27
NOTES TO FINANCIAL STATEMENTS	28
REQUIRED SUPPLEMENTARY INFORMATION	
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND	65
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – PSERS	66

BRISTOL BOROUGH SCHOOL DISTRICT
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2025

SCHEDULE OF THE DISTRICT'S PENSION PLAN CONTRIBUTIONS – PSERS	67
SCHEDULE OF CHANGES IN OPEB LIABILITY – SINGLE EMPLOYER PLAN	68
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY – PSERS	69
SCHEDULE OF THE DISTRICT'S OPEB PLAN CONTRIBUTIONS – PSERS	70
SUPPLEMENTARY INFORMATION	
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS	72
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS	73
SINGLE AUDIT	
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	75
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	77
INDEPENDENT AUDITORS' 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*	78
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE	80
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	83

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

Board of School Directors
Bristol Borough School District
Bristol, Pennsylvania

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying 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 Bristol Borough 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Bristol Borough School District, Bristol, Pennsylvania, 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.

Emphasis of Matter

Change in Accounting Principle

As discussed in Notes 2 and 17 to the financial statements, effective July 1, 2024, Bristol Borough School District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Bristol Borough School District adopted the requirements of the guidance effective July 1, 2024 and has applied the provisions of this standard to the beginning of the period of adoption. Our opinions are not modified with respect to this matter.

CLA (CliftonLarsonAllen LLP) is an independent network member of CLA Global. See CLAglobal.com/disclaimer.

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 Bristol Borough School District, Bristol, Pennsylvania'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.

Auditors' 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 auditors' 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 auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Bristol Borough 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 Bristol Borough 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, the budgetary comparison schedule – general fund, the schedules of the District's proportionate share of the net pension liability – PSERS and pension plan contributions – PSERS, schedule of changes in OPEB liability single-employer plan, and the schedules of the District's proportionate share of the net OPEB liability – PSERS and OPEB plan contributions – PSERS as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Bristol Borough School District's basic financial statements. The combining 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 GAAS. In our opinion, the combining nonmajor fund financial statements and 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 September 16, 2026, on our consideration of Bristol Borough 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 Bristol Borough 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 Bristol Borough School District's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

King of Prussia, Pennsylvania
September 16, 2026

Management's discussion and analysis (MD&A) of the financial performance of Bristol Borough School District (the District) provides an overview of the District's financial performance for fiscal year ended June 30, 2025. Readers should also review the basic financial statements and related notes to enhance their understanding of the District's financial performance.

DISTRICT PROFILE

The District consists of two schools – one elementary and a middle/high school consisting of approximately 1,137 students. The District is located in southeastern bucks county and encompasses a total land area of 1.7 square miles. The District borders the Delaware river to the east, the township of falls to the south and west, and the Township of Lower Makefield to the north, and lies approximately 20 miles northeast of Philadelphia, Pennsylvania. The District employs approximately 187 full- and part-time employees. The teaching staff and administration consists of 98 professionals.

The mission of the District is to empower all students to achieve excellence and become leaders in a global society, though an education system immersed in the fabric of a unique and diverse community.

FINANCIAL HIGHLIGHTS

- On a government-wide basis, including all governmental activities and business-type activities, the liabilities and deferred inflows of resources exceed the assets and deferred outflows of resources resulting in a deficit in total net position at the close of the 2024-2025 fiscal year of $11,990,660. During the 2024-2025 fiscal year, the District had an increase in total net position of $1,990,722. The net position of governmental activities increased by $2,102,118 and net position of business-type activities decreased by $111,396.

- The General Fund reported a decrease in fund balance of $1,679,061, bringing the cumulative fund balance to a deficit of $1,095,067 at the conclusion of the 2024-2025 fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The MD&A is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

The *Statement of Activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements distinguish the functions of the District that are principally supported by taxes and intergovernmental revenues from other functions that are intended to recover all or a significant portion of their costs through user fees and charges.

In the government-wide financial statements, the District's activities are divided into two categories:

Governmental Activities

Most of the District's basic services are included here, such as regular and special education, support services, maintenance, transportation, and administration.

Business-Type Activities

The District charges fees to cover the costs of its food services program.

The government-wide financial statements can be found on Pages 19 and 20 of this report.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the District's funds. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the District's funds can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds

Most of the District's activities are included in the governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on short-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the governmental near-term financing decisions. Both the *Balance Sheet – Governmental Funds* and *Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds* provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains three individual governmental funds. Information is presented separately in the *Balance Sheet – Governmental Funds* and *Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds* for each of the two major funds and one nonmajor fund.

The District adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with the budget.

The governmental fund financial statements can be found on Pages 21 through 24 of this report.

Proprietary Funds

The District maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Food Service Fund is reported as an enterprise fund of the proprietary fund type.

The proprietary fund financial statements can be found on Pages 25 through 27 of this report.

Notes to the Financial Statements

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

The notes to the financial statements can be found on Pages 28 through 63 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information which consists of the budgetary comparison schedule for the general fund, schedules of the District's proportionate share of the net pension liability-PSERS and pension plan contributions-PSERS, schedule of changes in OPEB liability single-employer plan, the schedules of the District's proportionate share of the net OPEB liability-PSERS and OPEB plan contributions-PSERS and the combining and individual nonmajor fund financial statements.

The required supplementary information can be found on Pages 64 through 73 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted above, net position may serve over time as a useful indicator of the District's financial condition. At the close of the 2024-2025 fiscal year the District's liabilities and deferred inflows of resources exceeded the assets and deferred outflows of resources by $11,999,660. The following table presents condensed information for the Statement of Net Position (Deficit) of the District at June 30, 2025 and 2024.

	Governmental Activities		Business-Type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Assets:						
Current and Other Assets	$ 5,074,255	$ 4,541,962	$ 17,216	$ 183,174	$ 5,091,471	$ 4,725,136
Capital Assets, Net	29,451,456	28,889,343	19,517	22,492	29,470,973	28,911,835
Total Assets	34,525,711	33,431,305	36,733	205,666	34,562,444	33,636,971
Deferred Outflows of Resources	4,975,531	5,787,788	117,185	139,779	5,092,716	5,927,567
Liabilities:						
Current Liabilities	4,707,166	2,517,583	-	-	4,707,166	2,517,583
Noncurrent Liabilities	45,047,530	48,489,920	790,937	859,058	45,838,467	49,348,978
Total Liabilities	49,754,696	51,007,503	790,937	859,058	50,545,633	51,866,561
Deferred Inflows of Resources	1,092,709	1,659,871	16,478	28,488	1,109,187	1,688,359
Net Position (Deficit):						
Net Investment in Capital Assets	18,158,980	15,827,410	19,517	22,492	18,178,497	15,849,902
Restricted	560,550	549,053	-	-	560,550	549,053
Unrestricted (Deficit)	(30,065,693)	(29,824,744)	(673,014)	(564,593)	(30,738,707)	(30,389,337)
Total Net Position (Deficit)	$ (11,346,163)	$ (13,448,281)	$ (653,497)	$ (542,101)	$ (11,999,660)	$ (13,990,382)

The District's total assets as of June 30, 2025 were $34,562,444 of which $1,587,408 or 4.59% consisted of cash and $29,470,973 or 85.27% consisted of the District's investment in capital assets. The District's total liabilities as of June 30, 2025 were $50,566,352 of which $11,303,755 or 22.35% consisted of general obligation debt used to acquire and construct capital assets and $31,684,192 or 62.66% consisted of the actuarially determined net pension liability.

The District had a deficit in unrestricted net position of $30,738,707 at June 30, 2025. The District's unrestricted net position decreased by $349,370 during 2024-2025 primarily due to the current results of operations and the change in the actuarially determined net pension liability and related deferred outflows and inflows.

A portion of the District's net position reflects its restricted net position which totaled $560,550 as of June 30, 2025. $106,671 of the District's restricted net position related to amounts restricted for capital expenditures and the remaining $453,879 is restricted for student activities and scholarships.

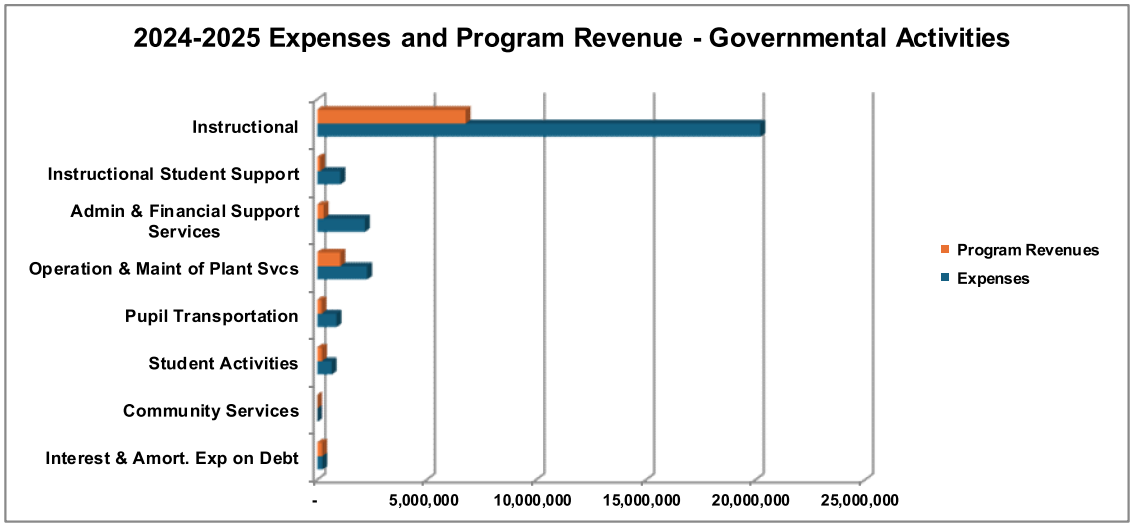
The largest portion of the District's net assets reflects its investment in capital assets net of accumulated depreciation/amortization less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. For the year ended June 30, 2025, the District's net investment in capital assets increased by $2,328,595 because the District's the debt used to acquire the capital assets was being repaid faster than the capital assets were being depreciated and capital assets were acquired with other sources other than long-term debt.

The following table presents condensed information for the Statement of Activities of the District for 2025 and 2024:

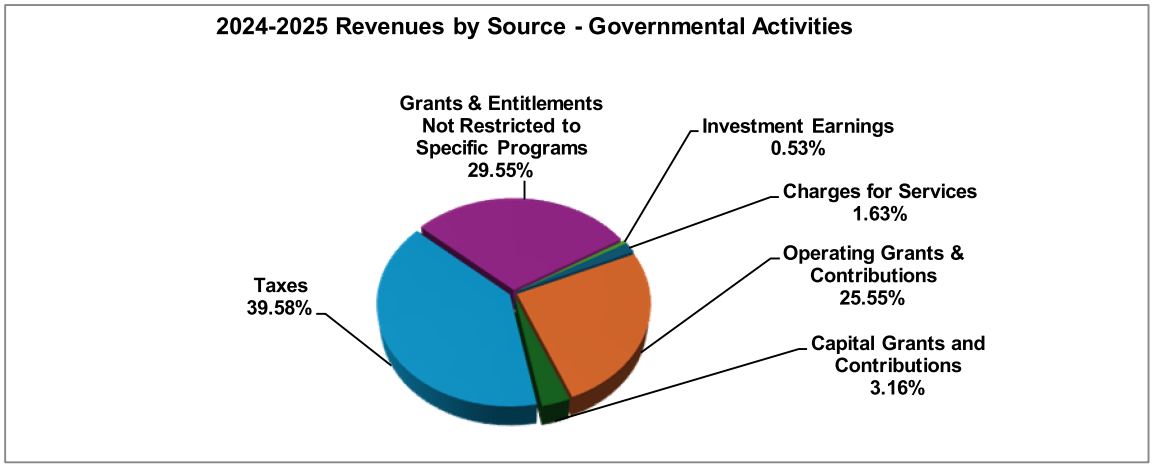
	Governmental Activities		Business-Type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program Revenues:						
Charges for Services	$ 485,324	$ 412,135	$ 89,195	$ 86,711	$ 574,519	$ 498,846
Operating Grants and Contributions	7,591,144	9,523,655	625,503	654,280	8,216,647	10,177,935
Capital Grants and Contributions	937,500	-	-	-	937,500	-
General Revenues:						
Property Taxes Levied for General Purposes	11,453,011	11,326,440	-	-	11,453,011	11,326,440
Other Taxes	306,079	235,497	-	-	306,079	235,497
Grants and Entitlements Not Restricted to Specific Programs	8,780,418	8,521,110	-	-	8,780,418	8,521,110
Investment Earnings	158,593	172,961	603	478	159,196	173,439
Total Revenues	29,712,069	30,191,798	715,301	741,469	30,427,370	30,933,267
Expenses:						
Instruction	20,232,199	21,155,000	-	-	20,232,199	21,155,000
Instructional Student Support Services	1,070,162	1,039,624	-	-	1,070,162	1,039,624
Administrative and Financial Support Services	2,194,223	2,017,171	-	-	2,194,223	2,017,171
Operation and Maintenance of Plant Services	2,291,061	2,900,727	-	-	2,291,061	2,900,727
Pupil Transportation	895,543	753,224	-	-	895,543	753,224
Student Activities	672,410	604,354	-	-	672,410	604,354
Community Services	3,271	-	-	-	3,271	-
Interest and Amortization Expense Related to Noncurrent Liabilities	251,082	306,669	-	-	251,082	306,669
Food Service	-	-	826,697	1,002,950	826,697	1,002,950
Total Expenses	27,609,951	28,776,769	826,697	1,002,950	28,436,648	29,779,719
Change in Net Position (Deficit)	$ 2,102,118	$ 1,415,029	$ (111,396)	$ (261,481)	$ 1,990,722	$ 1,153,548

Overall, the District's financial position has been improving but challenges such as increased medical costs, pension contributions, state-mandated programs and negotiated contracts have a potential to offset these gains in future fiscal years. Management of the District continues to aggressively implement expense efficiency measures and revenue-generating strategies to combat these factors. In the governmental activities, the District's assessed tax base drives the majority of the revenue generated. The District serves a small, suburban community within Bristol Borough and maintains a diversified local tax base that includes commercial and industrial properties in addition to residential taxpayers.

The Statement of Activities provides detail that focuses on how the District finances its services. The Statement of Activities compares the costs of the District functions and programs with the resources those functions and programs generate themselves in the form of program revenues. As demonstrated by the following graph, all of the District's governmental activities are not self-supporting, raising enough program revenue to cover their costs, as most traditional governmental services are not.



To the degree that the District's functions or programs cost more than they raise, the Statement of Activities shows how the District chose to finance the difference through general revenues. The following chart shows that the District relies on tax revenues, operating grants and contributions, and grants and entitlements not restricted for specific programs to finance its governmental activities.



GOVERNMENTAL FUNDS

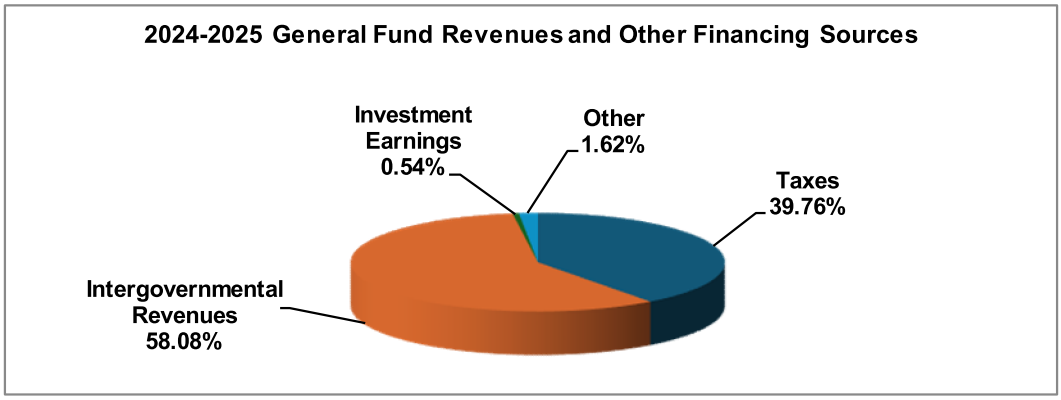
The governmental fund financial statements provide detailed information of the District's major funds. Some funds are required to be established by State statute while other funds are established by the District to manage monies restricted for a specific purpose. As of June 30, 2025, the District's governmental funds reported a deficit in fund balance of $534,517 which is a decrease of $1,667,564 from the prior year. The following table summarizes the District's total governmental fund balances as of June 30, 2025 and 2024 and the total 2025 change in governmental fund balances.

	2025	2024	$ Change
General Fund	$ (1,095,067)	$ 583,994	$ (1,679,061)
Nonmajor Governmental Funds	560,550	549,053	11,497
Total	$ (534,517)	$ 1,133,047	$ (1,667,564)

GENERAL FUND

The General Fund is the District's primary operating fund. At the conclusion of the 2024-2025 fiscal year, the General Fund had a deficit in fund balance of $1,095,067 representing a decrease of $1,679,061 in relation to the prior year. The decrease in the District's General Fund balance is due to many factors. The following analysis has been provided to assist the reader in understanding the financial activities of the General Fund during the 2024-2025 fiscal year.

The District's reliance upon intergovernmental revenues is demonstrated by the graph below that indicates 58.08% of General Fund revenues are derived from intergovernmental revenues.

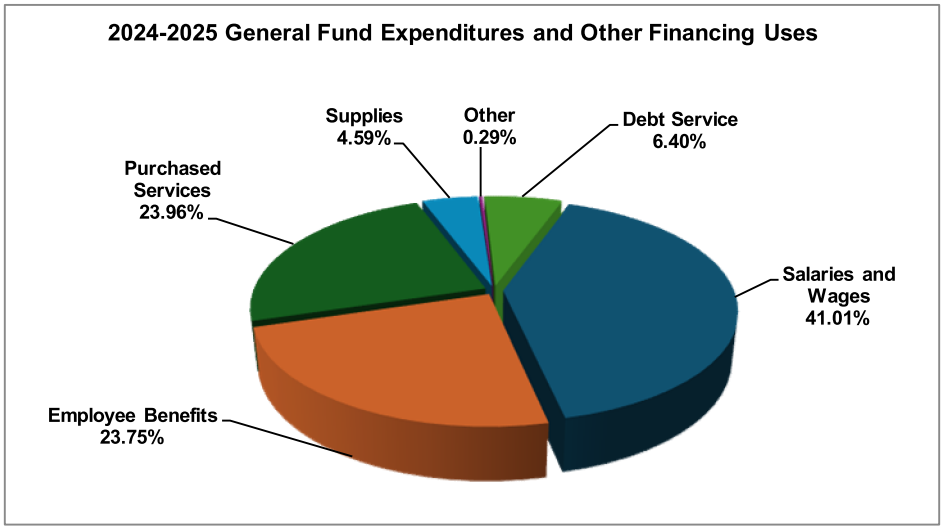


General Fund Revenues and Other Financing Uses

	2025	2024	$ Change	% Change
Taxes	$ 11,702,977	$ 11,677,751	$ 25,226	0.22
Intergovernmental Revenues	17,095,163	17,896,199	(801,036)	(4.48)
Investment Earnings	158,591	167,781	(9,190)	(5.48)
Other	477,138	419,986	57,152	13.61
Total	$ 29,433,869	$ 30,161,717	$ (727,848)	(2.41)

Intergovernmental revenues decreased by $801,036 or 4.48% in 2024-2025 when compared to 2023-2024, primarily due to a decrease in funding through the Elementary and Secondary School Emergency Relief Fund (ESSER), which was offset by an increase in state subsidy appropriations and a one-time capital grant for boiler renovations at the middle/high school.

As the graph below illustrates, the largest portion of General Fund expenditures are for salaries and benefits. The District is an educational service entity and as such is labor intensive.



General Fund Expenditures and Other Financing Uses

	2025	2024	$ Change	% Change
Salaries and Wages	$ 12,756,649	$ 12,469,210	$ 287,439	2.31
Employee Benefits	7,390,081	7,298,563	91,518	1.25
Purchased Services	7,455,622	7,027,770	427,852	6.09
Supplies	1,429,116	2,123,519	(694,403)	(32.70)
Equipment	-	4,318	(4,318)	(100.00)
Other	89,085	14,180	74,905	528.24
Debt Service	1,992,377	1,995,893	(3,516)	(0.18)
Total	$ 31,112,930	$ 30,933,453	$ 1,930,547	6.24

Salaries and wages increased by $287,436 or 2.31% in 2024-2025 compared to 2023-2024 primarily as a result of provisions withing contractual agreements with various employee groups.

Purchased services increased by $427,852 or 6.09% due one-time costs incurred for boiler capital project at the middle/high school.

Supplies decreased by $694,403 or 32.70% directly correlated to the decrease in ESSER expenditures.

GENERAL FUND BUDGET INFORMATION

The District maintains its financial records and prepares its financial reports on the modified accrual basis of accounting. The District budgets and expends funds according to procedures mandated by the Pennsylvania Department of Education. An annual operating budget is prepared by management and submitted to the School Board for approval prior to the beginning of the fiscal year on July 1 each year. The most significant budgeted fund is the General Fund.

Actual revenues and other financing sources were $2,254,858 or 8.30% more than budgeted amounts and actual expenditures and other financing uses were $3,933,919 or 14.47% more than budgeted amounts, resulting in a net negative variance of $1,679,061. Major budgetary highlights for 2024-2025 were as follows:

- Actual state source revenues were $1,664,282 more than budgeted due to more than anticipated state appropriations for basic and special education subsidies and a one-time capital grant for the middle/high school boiler capital project.

- Actual federal source revenues were $623,217 more than budgeted due to the unbudgeted 21st Century Community Learning Centers reimbursement grant and more than anticipated medical ACCESS fees.

- Actual regular instruction expenditures were $1,578,893 more than budgeted primarily due to more than anticipated charter and cyber school tuition and the unbudgeted 21st Century Community Learning Centers reimbursement grant.

- Actual operation and maintenance expenditures were $515,233 more than budgeted primarily due to more than anticipated contracted services for repairs and maintenance and maintenance and custodial supplies.

- Actual student transportation expenditures were $377,856 more than budgeted directly as a result of expenditures over budget for special education transportation through the Bucks County Intermediate Unit.

- Facilities acquisition, construction and improvement services were over budget by $1,416,146 due to the one-time unbudgeted middle/high school boiler project funded with a capital grant through the state.

BUSINESS-TYPE ACTIVITIES AND FOOD SERVICE FUND

The net position of the business-type activities and food service fund decreased by $111,396. As of June 30, 2025, the business-type activities and proprietary fund had a deficit in net position of $653,497 due to the allocation of the Food Service Fund's proportion of the District's net pension and other post-employment benefit liabilities with PSERS.

CAPITAL ASSETS

The District's investment in capital asset for its governmental and business-type activities as of June 30, 2025 amounted to $29,470,973 net of accumulated depreciation/amortization. This investment in capital assets includes land, construction in progress, buildings and improvements, furniture and equipment, and right-to-use subscription assets. The total increase in the District's investment in capital assets for the current fiscal year was $559,138 or 1.93%. Current year capital additions were $1,574,934 and depreciation/amortization expense was $1,015,796. Major capital additions for 2024-2025 primarily consisted of $1,441,146 for construction in progress for the middle/high school boiler project.

NONCURRENT LIABILITIES

At the end of the current fiscal year, the District had total general obligation debt of $11,303,755 consisting of $2,170,000 in bonds payable, $8,877,000 in notes payable, and unamortized bond premiums of $256,755. The entire amount is backed by the full faith and credit of the District. General obligation debt was issued to finance capital expenditures or to finance the retirement (refund) of prior obligation debt. The District's general obligation debt decreased by $1,807,238 or 13.78% during the fiscal year.

State statutes limit the amount of general obligation debt the District may issue up to 225% of its borrowing base capacity which is calculated as the annual arithmetic average of the total revenues for the preceding three fiscal years. The District's outstanding general obligation debt of $11,303,755 is within the current debt limitation of the District which was $65,413,700 as of June 30, 2025.

The District reports its allocated portion of its defined benefit unfunded benefit obligation related to its participation in the Pennsylvania State Employee Retirement System ("PSERS"). The District's allocated portion of the net pension liability is an actuarially determined estimate of the unfunded cost of the pension plan obligation which totaled $31,684,192 as of June 30, 2025. The District's net pension liability decreased by $1,636,107 or 4.91% during the fiscal year.

The District reports a liability for its other post-employment benefits ("OPEB") related to its single employer OPEB plan and its participation in the PSERS health insurance premium assistance program. The District's OPEB liability is an actuarially determined estimate of the unfunded cost of the OPEB obligation which totaled $1,365,127 as of June 30, 2025. The District's OPEB liability decreased by $24,065 or 1.73% during the fiscal year.

Other noncurrent liabilities consist of the District's liabilities for subscriptions payable, compensated absences, and termination benefits which totaled $1,485,393 as of June 30, 2025. These liabilities decreased by $43,101 or 2.82% during the fiscal year.

FACTORS BEARING ON THE DISTRICT'S FUTURE

At the time these financial statements were prepared and audited, the District was aware of several existing circumstances that could significantly affect its financial health in the future:

- In 2006, Act 1 was passed which repealed Act 72, which provides taxpayer relief through gambling revenues generated at the State level. The intent of this legislation is to provide a mechanism to relieve the burden of funding public education from property owners. This new legislation has put a "ceiling" on the percentage increase of local real estate taxes that can be levied year-to-year in order to balance the school District budget. Pennsylvania school Districts are now required to either change their taxing strategies to make up for the shortfall of increased real estate tax refunds or seek the taxpayers' approval through back-end referendum to increase taxes higher than the approved index. This law puts an already increased burden on the District's revenue stream in future years. This legislation introduces certain new requirements on school Districts which include the following:

    - In the event a school District wishes to increase the property tax millage rate by more than an index annually prescribed by the state (5.40% for Bristol Borough School District for 2025-2026), the school District must seek voter approval (known commonly as a "back-end referendum") prior to implementing the millage rate increase. In the event voters do not approve the millage rate increase, the school District must limit its millage rate increase to the index.

    - Certain exceptions are provided under Act 1 that, if approved by the appropriate authority, may permit increases above the Act 1 index without the need for a back-end referendum. Typically, these exceptions relate to emergencies and cost increases in excess of the Act 1 index (e.g., retirement system contributions, special education expenditures) over which the school District has no control.

    - Any revenues distributed under the provisions of Act 1 are to be used for the purpose of reducing property taxes for homesteaders and farmsteaders. (Act 1 permitted slot machine gambling in Pennsylvania.)

- In November 2010, and again in 2017, legislation was signed into law to implement a series of actuarial and funding changes to the Public School Employees' Retirement System (PSERS). The 2017 law took effect July of 2019. The law will change the pension plans for all new hires effective July 1, 2019. The new legislation does not impact the pension benefits of current or retired PSERS members. Based on available projections, school Districts will not see relief from the new legislation until 10-20 years in the future. The employer contribution rate for 2024 – 2025 was 33.90%, which slightly decreased from the 2023-2024 rate of 34.00%. The employer contribution rate for 2025-2026 is 34.00% and the employer contribution rate for 2026-2027 is projected at 34.72%.

- The District adopted a balanced 2025-2026 budget totaling $27,287,520 and the real estate tax millage was unchanged.

- The professional staff consisting of teachers, counselors, librarian and school nurse of the District are represented by the Bristol Borough Education Association (BBEA). The current contract between the District and the BBEA expires on August 22, 2027.

- The operation and maintenance staff consisting of custodians, groundskeepers and maintenance workers are represented by AFSCME. The contract in place during 2024-2025 between the District and AFSCME expired on June 30, 2026 and was extended through June 30, 2030.

- The support staff consisting of clerical, technology, aides, security, bus drivers and cafeteria workers are represented by the Bristol Borough Education Support Professional Association (BBESPA). The contract in place during 2024-2025 between the District and the BBESPA expired on June 30, 2026 and was extended through June 30, 2029.

- The principals and vice principals of the District are represented by the Bristol Borough Educational Administrators' Association (BBEAA). The current contract between the District and the BBEAA expires on June 30, 2027.

- The District continues to face significant financial challenges as it strives to provide high-quality educational services within a constrained fiscal environment. The District's 2026-2027 adopted budget projects expenditures of approximately $28.5 million exceeding anticipated revenues of approximately $28.1 million, resulting in a planned budget deficit of approximately $421,000.

  The District remains heavily dependent on state funding, with state revenues representing over 50 percent of total budgeted revenues. As a result, the District's financial condition is sensitive to changes in Commonwealth funding levels and the timing of state appropriations. Public education advocacy organizations continue to identify the School District as one of the historically underfunded school districts in the Commonwealth of Pennsylvania, noting an ongoing adequacy funding gap and the need for additional state support to address educational and operational needs.

  Like many Pennsylvania school districts, Bristol Borough faces continuing cost pressures associated with special education services, employee benefits, transportation, and facility maintenance. Budgeted special education expenditures exceed $6.7 million and represent one of the District's largest instructional cost centers. At the same time, the District must address aging infrastructure needs while balancing the impact on local taxpayers.

  The District has also benefited from competitive grant opportunities and other external funding sources that support various educational and capital initiatives. However, management recognizes that many grant-funded programs are temporary in nature and cannot be relied upon as a long-term solution to ongoing operating expenditures. As such, the District continues to evaluate expenditures, pursue operational efficiencies, and advocate for equitable state funding to maintain financial stability while meeting the educational needs of its students.

CONTACTING THE DISTRICT FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Business Manager, Bristol Borough School District, 1776 Farragut Avenue, Bristol, Pennsylvania 19007 or by calling the Business Administrator at (215) 781-1000, extension 1017.

BASIC FINANCIAL STATEMENTS

BRISTOL BOROUGH SCHOOL DISTRICT
STATEMENT OF NET POSITION (DEFICIT)
JUNE 30, 2025

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents	$ 1,571,814	$ 15,594	$ 1,587,408
Taxes Receivable	647,296	-	647,296
Due from Other Governments	2,550,239	15,643	2,565,882
Internal Balances	20,719	(20,719)	-
Inventories	-	6,698	6,698
Total Current Assets	4,790,068	17,216	4,807,284
Noncurrent Assets:			
Nondepreciable Capital Assets	1,983,222	-	1,983,222
Depreciable Capital Assets, Net	27,468,234	19,517	27,487,751
Lease Receivable	284,187	-	284,187
Total Noncurrent Assets	29,735,643	19,517	29,755,160
Total Assets	34,525,711	36,733	34,562,444
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Debt Refunding	38,199	-	38,199
Deferred Charges on Proportionate Share of OPEB - PSERS	190,506	2,329	192,835
Deferred Charges on Proportionate Share of Pension - PSERS	4,746,826	114,856	4,861,682
Total Deferred Outflows of Resources	4,975,531	117,185	5,092,716
LIABILITIES			
Current Liabilities:			
Accounts Payable	1,563,666	-	1,563,666
Accrued Salaries, Payroll Withholdings, and Benefits	3,113,623	-	3,113,623
Accrued Interest Payable	29,877	-	29,877
Total Current Liabilities	4,707,166	-	4,707,166
Noncurrent Liabilities:			
Due Within One Year	2,216,441	5,479	2,221,920
Due in More Than One Year	42,831,089	785,458	43,616,547
Total Noncurrent Liabilities	45,047,530	790,937	45,838,467
Total Liabilities	49,754,696	790,937	50,545,633
DEFERRED INFLOWS OF RESOURCES			
Deferred Credits on Lease Receivable	284,187	-	284,187
Deferred Credits on Proportionate Share of OPEB - PSERS	257,846	3,154	261,000
Deferred Credits on Proportionate Share of Pension - PSERS	550,676	13,324	564,000
Total Deferred Inflows of Resources	1,092,709	16,478	1,109,187
NET POSITION (DEFICIT)			
Net Investment in Capital Assets	18,158,980	19,517	18,178,497
Restricted	560,550	-	560,550
Unrestricted (Deficit)	(30,065,693)	(673,014)	(30,738,707)
Total Net Position (Deficit)	$ (11,346,163)	$ (653,497)	$ (11,999,660)

See accompanying Notes to Financial Statements.

BRISTOL BOROUGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025

FUNCTIONS/PROGRAMS	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net Revenue (Expense) and Changes in Net Position (Deficit): Governmental Activities	Net Revenue (Expense) and Changes in Net Position (Deficit): Business-Type Activities	Total
Primary Government:							
Governmental Activities:							
Instruction	$ 20,232,199	$ 480,724	$ 6,311,718	$ -	$ (13,439,757)	$ -	$ (13,439,757)
Instructional Student Support Services	1,070,162	-	155,053	-	(915,109)	-	(915,109)
Administrative and Financial Support Services	2,194,223	-	310,522	-	(1,883,701)	-	(1,883,701)
Operation and Maintenance of Plant Services	2,291,061	-	132,071	937,500	(1,221,490)	-	(1,221,490)
Pupil Transportation	895,543	-	219,255	-	(676,288)	-	(676,288)
Student Activities	672,410	4,600	224,990	-	(442,820)	-	(442,820)
Community Services	3,271	-	-	-	(3,271)	-	(3,271)
Interest and Amortization Expense Related to Noncurrent Liabilities	251,082	-	237,535	-	(13,547)	-	(13,547)
Total Governmental Activities	27,609,951	485,324	7,591,144	937,500	(18,595,983)	-	(18,595,983)
Business-type Activities:							
Food Service	826,697	89,195	625,503	-	-	(111,999)	(111,999)
Total Primary Government	$ 28,436,648	$ 574,519	$ 8,216,647	$ 937,500	(18,595,983)	(111,999)	(18,707,982)
GENERAL REVENUE							
Property Taxes Levied for General Purposes					11,453,011	-	11,453,011
Other Taxes					306,079	-	306,079
Grants and Entitlements Not Restricted to Specific Programs					8,780,418	-	8,780,418
Investment Earnings					158,593	603	159,196
Total General Revenue					20,698,101	603	20,698,704
CHANGES IN NET POSITION (DEFICIT)					2,102,118	(111,396)	1,990,722
Net Position (Deficit) - Beginning of Year, as Previously Reported					(12,790,890)	(532,630)	(13,323,520)
Change in Accounting Principle (Note 17)					(657,391)	(9,471)	(666,862)
Net Position (Deficit) - Beginning of Year, as Restated					(13,448,281)	(542,101)	(13,990,382)
NET POSITION (DEFICIT) - END OF YEAR					$ (11,346,163)	$ (653,497)	$ (11,999,660)

See accompanying Notes to Financial Statements.

BRISTOL BOROUGH SCHOOL DISTRICT
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2025

	Major Fund General Fund	Nonmajor Governmental Funds	Total
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	$ 1,117,933	$ 453,881	$ 1,571,814
Taxes Receivable	647,296	-	647,296
Due from Other Governments	2,550,239	-	2,550,239
Due from Other Funds	20,719	106,669	127,388
Total Current Assets	4,336,187	560,550	4,896,737
NONCURRENT ASSETS			
Lease Receivables	284,187	-	284,187
Total Assets	$ 4,620,374	$ 560,550	$ 5,180,924
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Due to Other Funds	$ 106,669	$ -	$ 106,669
Accounts Payable	1,563,666	-	1,563,666
Accrued Salaries, Payroll Withholdings, and Benefits	3,113,623	-	3,113,623
Total Liabilities	4,783,958	-	4,783,958
DEFERRED INFLOWS OF RESOURCES			
Deferred Credits on Leases Receivable	284,187	-	284,187
Unavailable Revenues - Property Taxes	647,296	-	647,296
Total Deferred Inflows of Resources	931,483	-	931,483
FUND BALANCES			
Restricted for:			
Capital Projects	-	106,671	106,671
Student Activities and Scholarships	-	453,879	453,879
Unassigned	(1,095,067)	-	(1,095,067)
Total Fund Balances	(1,095,067)	560,550	(534,517)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 4,620,374	$ 560,550	$ 5,180,924

See accompanying Notes to Financial Statements.

BRISTOL BOROUGH SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO NET POSITION (DEFICIT)
OF GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF NET POSITION (DEFICIT)
JUNE 30, 2025

RECONCILIATION TO THE STATEMENT OF NET POSITION

Total Fund Balances - Governmental Funds	$ (534,517)
Amounts reported for governmental activities in the statement of net position (deficit) are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds balance sheet.	29,451,456
Some of the District's property taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and, therefore, are reported as deferred inflows of resources on the governmental funds balance sheet.	647,296
Deferred outflows of resources for deferred amounts on debt refunding are currently expended in the governmental funds, whereas they are capitalized and amortized over the life of the respective debt in the government-wide statement of net position (deficit).	38,199
Deferred outflows of resources and deferred inflows of resources related to pensions and other postemployment benefits are not reported in the governmental funds balance sheet.	4,128,810
Noncurrent liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds balance sheet.	(45,047,530)
Accrued interest payable on long-term liabilities is included in the statement of net position (deficit), but is excluded from the governmental funds balance sheet until due and payable.	(29,877)
Net Position (Deficit) of Governmental Activities as Reported on the Statement of Net Position (Deficit)	$ (11,346,163)

See accompanying Notes to Financial Statements.

BRISTOL BOROUGH SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2025

	Major Fund General Fund	Nonmajor Governmental Funds	Total
REVENUES			
Local Sources	$ 12,338,705	$ 177,760	$ 12,516,465
State Sources	15,287,752	-	15,287,752
Federal Sources	1,807,412	-	1,807,412
Total Revenues	29,433,869	177,760	29,611,629
EXPENDITURES			
Current:			
Instruction	20,546,815	-	20,546,815
Support Services	6,628,036	-	6,628,036
Operation of Noninstructional Services	504,556	166,263	670,819
Facilities Acquisition, Construction, and Improvement Services	1,441,146	-	1,441,146
Debt Service			
Principal	1,738,271	-	1,738,271
Interest	254,106	-	254,106
Total Expenditures	31,112,930	166,263	31,279,193
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND NET CHANGE IN FUND BALANCES	(1,679,061)	11,497	(1,667,564)
Fund Balances - Beginning of Year	583,994	549,053	1,133,047
FUND BALANCES - END OF YEAR	$ (1,095,067)	$ 560,550	$ (534,517)

See accompanying Notes to Financial Statements.

BRISTOL BOROUGH SCHOOL DISTRICT
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO CHANGE IN NET POSITION (DEFICIT) OF GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025

RECONCILIATION TO THE STATEMENT OF ACTIVITIES

Net Change in Fund Balances - Governmental Funds			$ (1,667,564)
Amounts reported for governmental activities in the statement of activities are different because:			
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense.			
Capital Outlay Expenditures	$	1,574,934	
Depreciation and Amortization Expense		(1,012,821)	562,113
Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered as "available" revenues in the governmental funds. Deferred inflows of resources increased by this amount this year.			
Deferred Inflows of Resources June 30, 2024		(591,183)	
Deferred Inflows of Resources June 30, 2025		647,296	56,113
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on the change in net position of governmental activities. Also, governmental funds report the effect of premiums, discounts and similar items when long-term debt is issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt.			
Repayment of Bonds and Notes Payable		1,714,000	
Repayment of Right-to-Use Subscriptions Payable		24,271	
Amortization of Bond Premiums and Deferred Amounts on Refundings		31,186	1,769,457
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.			
Current Year Change in Accrued Interest Payable		21,333	
Current Year Change in Termination Benefits		14,127	
Current Year Change in Compensated Absences		3,102	
Current Year Change in Net Pension Liability - PSERS and Deferred Outflows and Inflows		1,285,296	
Current Year Change In OPEB Liability - Single Employer		17,320	
Current Year Change in Net OPEB Liability - PSERS and Deferred Outflows And Inflows		40,821	1,381,999
Change in Net Position (Deficit) of Governmental Activities as Reported on the Statement of Activities			$ 2,102,118

See accompanying Notes to Financial Statements.

BRISTOL BOROUGH SCHOOL DISTRICT
STATEMENT OF NET POSITION (DEFICIT) – PROPRIETARY FUND
JUNE 30, 2025

	Food Service Fund
ASSETS	
Current Assets:	
Cash and Cash Equivalents	$ 15,594
Due from Other Governments	15,643
Due from Other Funds	-
Other Receivables	-
Inventories	6,698
Total Current Assets	37,935
Noncurrent Assets:	
Depreciable Capital Assets, Net	19,517
Total Assets	57,452
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Charges - OPEB	2,329
Deferred Charges - Pension	114,856
Total Deferred Outflows of Resources	117,185
LIABILITIES	
Current Liabilities:	
Due to Other Funds	20,719
Compensated Absences	5,479
Total Current Liabilites	26,198
Noncurrent Liabilities:	
Compensated Absences	20,665
Net OPEB Liability - PSERS	16,268
Net Pension Liability - PSERS	748,525
Total Noncurrent Liabilities	785,458
Total Liabilities	811,656
DEFERRED INFLOWS OF RESOURCES	
Deferred Credits - OPEB	3,154
Deferred Credits - Pension	13,324
Total Deferred Inflows of Resources	16,478
NET POSITION (DEFICIT)	
Net Investment in Capital Assets	19,517
Unrestricted	(673,014)
Total Net Position (Deficit)	$ (653,497)

See accompanying Notes to Financial Statements.

BRISTOL BOROUGH SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION (DEFICIT) – PROPRIETARY FUND
YEAR ENDED JUNE 30, 2025

	Food Service Fund
OPERATING REVENUE	
Charges for Services	$ 89,195
OPERATING EXPENSES	
Salaries	328,956
Employee Benefits	99,184
Purchased Professional and Technical Services	3,220
Other Purchased Services	6,635
Supplies	385,727
Depreciation	2,975
Total Operating Expenses	826,697
OPERATING LOSS	(737,502)
NONOPERATING REVENUES	
Earnings on Investments	603
State Sources	42,702
Federal Sources	582,801
Total Nonoperating Revenues	626,106
CHANGE IN NET POSITION (DEFICIT)	(111,396)
Net Position (Deficit) - Beginning of Year, As Previously Reported	(532,630)
Change in Accounting Principle (Note 17)	(9,471)
Net Position (Deficit) - Beginning of Year, as Restated	(542,101)
NET POSITION (DEFICIT) - END OF YEAR	$ (653,497)

See accompanying Notes to Financial Statements.

BRISTOL BOROUGH SCHOOL DISTRICT
STATEMENT OF CASH FLOWS – PROPRIETARY FUND
YEAR ENDED JUNE 30, 2025

	Food Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers	$ 89,195
Cash Paid to Employees	(326,743)
Cash Paid to Suppliers	(342,370)
Net Cash Used for Operating Activities	(579,918)
NONCAPITAL FINANCING ACTIVITIES	
State Sources	42,374
Federal Sources	531,010
Net Cash Provided by Noncapital Financing Activities	573,384
CASH FLOWS FROM INVESTING ACTIVITIES	
Earnings on Investments	603
NET CHANGE IN CASH	(5,931)
Cash - Beginning of Year	21,525
CASH - END OF YEAR	$ 15,594
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating Loss	$ (737,502)
Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	2,975
Donated Commodities Used	50,668
(Increase) Decrease in:	
Due from Other Funds	138,215
Inventories	2,544
Deferred Outflows of Resources	22,594
Increase (Decrease) in:	
Compensated Absences	(1,601)
Due to Other Funds	20,719
Net Pension Liability	(67,411)
Net OPEB Liability	891
Deferred Inflows of Resources	(12,010)
Net Cash Used for Operating Activities	$ (579,918)
SUPPLEMENTAL DISCLOSURE OF NONCASH NONCAPITAL FINANCING ACTIVITY	
USDA Donated Commodities	$ 50,668

See accompanying Notes to Financial Statements.

NOTE 1 ORGANIZATION AND PURPOSE

Bristol Borough School District (the District) operates one elementary school and one secondary school to provide education and related services to the residents of the Borough of Bristol. The District operates under current standards prescribed by the Pennsylvania Department of Education in accordance with the provisions of the School Laws of Pennsylvania as a school District of the third class. The District operates under a locally elected nine-member board form of government (the School Board).

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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 authoritative standard-setting body for the establishment of governmental accounting and financial reporting principles. The more significant of these accounting policies are as follows:

Reporting Entity

GASB has established the criteria for determining the activities, organizations and functions of government to be included in the financial statements of the reporting entity. In evaluating the District as a reporting entity, management has addressed all potential component units which may or may not fall within the District's accountability. The criteria used to evaluate component units for possible inclusion as part of the District's reporting entity are financial accountability and the nature and significance of the relationship. The District is considered to be an independent reporting entity and has no component units.

Government-Wide Financial Statements

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

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of timing of related cash flow. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared as further defined below. Therefore, governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements of governmental funds.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The government-wide statement of net position (deficit) presents the financial position of the District which is the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources and is classified in one of three components.

- **Net investment in capital assets.** Amounts of capital assets net of accumulated depreciation/amortization and reduced by the outstanding balances of borrowing attributable to acquiring, constructing or improving those assets.

- **Restricted net position.** The net position of the District is reported as restricted when constraints placed on net position use are either externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

- **Unrestricted net position.** Net position that does not meet the definition of "net investment in capital assets" or "restricted net position."

The statement of net position (deficit) includes separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until that time. Deferred inflows of resources represent an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

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

Except for interfund activity and balances between the funds that underlie governmental activities and the funds that underlie business-type activities, which are reported as transfers and internal balances, the effect of interfund activity has been removed from these statements.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements

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

Governmental Funds

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

General Fund

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

In addition, the District reports the following nonmajor governmental funds:

Capital Projects Fund

This fund accounts for financial resources restricted, committed or assigned to be used for capital expenditures or for the acquisition, construction of capital facilities, improvements, and/or equipment.

Special Revenue Fund

This fund is used to account for the proceeds of specific revenue sources that are restricted to expenditures for specific purposes. This fund includes the District’s Student Sponsored Activity and Scholarship funds.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

In applying the "susceptible to accrual concept" under the modified accrual basis, revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers tax revenue to be available if collected within 60 days of the end of the fiscal period. Revenue from federal, state, and other grants designated for payment of specific District expenditures is recognized when the related expenditures are incurred; accordingly, when such funds are received, they are reported as unearned revenues until earned. The District considers federal, state and other grant revenues to be available if they can be used to finance expenditures within the current fiscal period or one year. Deferred inflows of resources are reported in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Other receipts are recorded as revenue when received in cash because they are generally not measurable until actually received.

Expenditure Recognition

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences, special termination benefits, other post-employment benefits and claims and judgments are recorded only when payment is due. Allocations of costs, such as depreciation/ amortization, are not recognized in the governmental funds.

Proprietary Funds

Like the government-wide financial statements, proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. These funds account for operations that are primarily financed by user charges. The economic resource focus concerns determining costs as a means of maintaining the capital investment and management control. Revenues are recognized when they are earned and expenses are recognized when they are incurred. Allocations of certain costs, such as depreciation, are recorded in proprietary funds. The District reports the following major proprietary fund:

Food Service Fund

This fund accounts for the revenues and costs of providing meals to students during the school year.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

These funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds' principal ongoing operations. The principal operating revenues of the District's proprietary funds are charges for services. Operating expenses for the District's proprietary funds include payroll, employee benefits, supplies and administrative costs. All revenues or expenses not meeting this definition are reported as nonoperating revenues and expenses.

Cash and Cash Equivalents

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

Investments

Investments are stated at fair value based upon quoted market prices, except for certificates of deposit and external investment pools which are recorded at cost, which approximates fair value.

Interfund Receivables and Payables

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

Property Taxes

Taxes are levied on July 1 and are payable in the following periods:

July 1	-	Levy Date
July 1 - September 30	-	2% Discount Period
October 1 - November 30	-	Face Value Period
December 1 - December 31	-	10% Penalty Period
January 1	-	Lien Date

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Bucks County Board of Assessments determines assessed valuations of property, and the District's taxes are billed and collected by a local elected tax collector. The tax on real estate for public school purposes for fiscal 2024-2025 was 154.0000 mills ($154.00 for $1,000 of assessed valuation). The District experiences very small losses from uncollectible property taxes. Property taxes constitute a lien against real property and usually can be collected in full when title transfers. Only balances that remain after tax sales are written off each year. Accordingly, an allowance for doubtful accounts has not been established by the District for property taxes receivable.

Taxpayers who have a primary residence within the District have the option of paying in three installments. These installments have the following due dates:

Installment One	-	August 31
Installment Two	-	October 15
Installment Three	-	November 30

The discount (2%) is not applicable to installment payments; however, the penalty (10%) will be added if second and third installments are paid subsequent to the due dates.

Prepaid Items and Inventories

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

All inventories are valued at the lower of cost (first-in, first-out method) or market.

Unearned Revenues

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary fund financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than $5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition cost at the date of donation.

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

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

Property, plant, and equipment (net of salvage value) of the District is depreciated or amortized using the straight-line method over the following estimated useful lives:

Buildings and Improvements	40 to 50 Years
Furniture and Equipment	5 to 25 Years
Subscription Assets	3 to 5 Years

Leases - Lessor

The District is a lessor for a noncancellable lease of property. 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Impairment of Long-Lived Assets

The District evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. A capital asset is generally considered impaired if both (a) the decline in service utility of the capital asset is large in magnitude and (b) the event or change in circumstances is outside the normal life cycle of the capital asset. If a capital asset is considered to be impaired, the amount of impairment should be measured by the method that most reflects the decline in service utility of the capital asset at the lower of carrying value or fair value for impaired capital assets that will no longer be used by the District. No impairment losses were recognized in the year ended June 30, 2025.

Subscriptions

The District has entered into noncancellable subscriptions. The District recognizes a subscription liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements.

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The District uses its estimated incremental borrowing rate as the discount rate for subscriptions.

The subscription term includes the noncancellable period of the subscription. Subscription payments included in the measurement of the subscription liability is comprised of fixed payments.

The District monitors changes in circumstances that would require a remeasurement of its subscriptions, and will remeasure the subscription liability if certain changes occur that are expected to significantly affect the amount of the liabilities.

Compensated Absences

District policies permit employees to accumulate earned but unused leave days. The liability for compensated absences reported in the government-wide and proprietary fund statements consists of leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability also includes amounts for leave that has been used for time off but has not yet been paid in cash or settled through noncash means and certain other types of leave.

Long-Term Obligations

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Bonds payable are reported net of the applicable bond premium or discount. Bond premiums and discounts are deferred and amortized over the life of the bonds. Deferred amounts on refunding are recorded as a deferred outflow of resources and amortized over the life of the old debt or the life of the new debt, whichever is shorter. Bond premiums, discounts, and deferred refunding amounts are amortized using the effective interest method, which allocates amortization based on the relationship between the carrying value of the debt and the periodic interest expense, resulting in a constant effective rate of interest over the life of the debt.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pension

The District contributes to the Public School Employees Retirement System (PSERS), a cost-sharing, multiemployer defined benefit pension plan. GASB establishes standards for the measurement, recognition, and display of pension expense and related liabilities, deferred outflows and deferred inflows of resources related to pension, certain required supplementary information, and note disclosures.

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

Other Postemployment Benefits (OPEB)

The District's OPEB plans are accounted for under the provisions of GASB establishes standards for the measurement, recognition, and display of OPEB expense and related liabilities, deferred outflows and deferred inflows of resources related to other postemployment benefits, certain required supplementary information, and note disclosures. The District provides OPEB under the following two plans:

PSERS 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 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.

District OPEB Plan

The District sponsors a single-employer defined benefit OPEB plan. For purposes of measuring the total 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 OPEB plan and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, the plan recognizes benefit payments when due and payable in accordance with the benefit terms. The District OPEB plan is unfunded

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources for Pension and OPEB

Deferred outflows of resources for pension relate to the District's net pension liability and pension expense and arise from changes in assumptions, actual versus expected results, changes in benefits, variances in expected versus actual investment earnings, changes in the employer's proportion, differences between employer contributions and the proportionate share of total contributions reported by the pension plan, or changes in the internal allocation of the net pension liability between governmental and business-type activities or funds. These amounts are deferred and amortized over either a closed 5-year period or the average remaining service life of all employees depending on what gave rise to the deferred outflow. Also included in deferred outflows of resources are contributions made to the pension plan subsequent to the measurement date and prior to the District's year end. The contributions will be recognized as a reduction in net pension liability in the following year.

Deferred outflows of resources for other OPEB liabilities relate to the District's liability for OPEB other than pensions and related expenses and arise from the changes in assumptions, actual versus expected results, changes in benefits, variances in expected versus actual investment earnings, changes in the employer's proportion, differences between employer contributions and the proportionate share of total contributions reported by the plan, or changes in the internal allocation of the net OPEB liability between governmental and business-type activities or funds. These amounts are deferred and amortized over either a closed 5-year period or the average remaining service life of all employees depending on what gave rise to the deferred outflow. Also included in deferred outflows of resource are contributions or OPEB payments made subsequent to the measurement date and prior to the District's year end. These payments will be recognized as a reduction to the net other postemployment benefit liability in the following year.

Deferred inflows of resources for pension relate to the District's net pension liability and pension expense and arise from changes in assumptions, actual versus expected results, changes in benefits, variances in expected versus actual investment earnings, changes in the employer's proportion, differences between employer contributions and the proportionate share of total contributions reported by the pension plan, or changes in the internal allocation of the net pension liability between governmental and business-type activities or funds. These amounts are deferred and amortized over either a closed 5-year period or the average remaining service life of all employees depending on what gave rise to the deferred outflow.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred inflows of resources for OPEB liabilities relate to the District's liability for OPEB other than pensions and related expenses and arise from the changes in assumptions, actual versus expected results, changes in benefits, variances in expected versus actual investment earnings, changes in the employer's proportion, differences between employer contributions and the proportionate share of total contributions reported by the plan, or changes in the internal allocation of the net OPEB liability between governmental and business-type activities or funds. These amounts are deferred and amortized over either a closed 5-year period or the average remaining service life of all employees depending on what gave rise to the deferred outflow.

Fund Equity

As prescribed by GASB, governmental funds report fund balance in classifications based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the fund can be spent. The District reports the following fund balance classifications:

- **Nonspendable fund balance.** Amounts that cannot be spent because they are either (a) not in spendable form – such as inventory or prepaid insurance or (b) legally or contractually required to be maintained intact – such as a trust that must be retained in perpetuity.

- **Restricted fund balance.** Amounts that are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

- **Committed fund balance.** Amounts that can only be used for specific purposes determined by a formal action of the District's highest level of decision-making authority, the School Board. Committed amounts cannot be used for any other purpose unless the School Board removes those constraints by taking the same type of formal action (e.g., resolution).

- **Assigned fund balance.** Amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the Business Manager or (b) an appointed body (e.g., finance committee) or (c) an official to which the District has delegated the authority to assign, modify or rescind amounts to be used for specific purposes.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assigned fund balance includes (a) all remaining amounts that are reported in governmental funds (other than the General Fund) that are not classified as non-spendable, restricted or committed, and (b) amounts in the General Fund that are intended to be used for a specific purpose. Specific amounts that are not restricted or committed in a special revenue fund or the capital projects fund are assigned for purposes in accordance with the nature of their fund type.

- **Unassigned fund balance.** Is the residual classification for the General Fund. This classification represents General Fund balance that has not been assigned to other funds, and that has not been restricted, committed or assigned to specific purposes within the General Fund.

When both restricted and unrestricted resources are available for use, it is the District's policy to use externally restricted resources first, then unrestricted resources–committed, assigned or unassigned–in order as needed.

The School Board has set a policy to maintain an unassigned General Fund balance of not more than 8% of the following year's expenditure budget in accordance with guidelines prescribed by the Pennsylvania Department of Education.

Implementation of New Accounting Pronouncements

Effective July 1, 2024, the District adopted the provisions of GASB Statement No. 101, *Compensated Absences* and GASB Statement No. 102, *Certain Risk Disclosures*.

The objective of GASB Statement No. 101 is to update the recognition and measurement guidance for compensated absences by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. GASB Statement No. 101 required that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability is recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The implementation of GASB Statement No. 101 increased liabilities and expenses in the government-wide financial statements of the District for the year ended June 30, 2025. The implementation of GASB Statement No. 101 also impacted how the District measured its compensated absences in the proprietary financial statements of the District for the year ended June 30, 2025. The effect of the implementation of GASB Statement No. 101 is more fully described in Note 17.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The objective of GASB Statement No. 102 is to improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to substantial impact. As a result, users have better information with which to understand and anticipate certain risks to a government's financial condition. The implementation of GASB Statement No. 102 had no impact on the financial statements of the District for the year ended June 30, 2025.

New Accounting Pronouncements

GASB Statement No. 103, *Financial Reporting Model Improvements*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025. The objective of GASB Statement No. 103 is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability.

GASB Statement No. 104, *Disclosure of Capital Assets*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025. The objective of GASB Statement No. 104 is to improve financial reporting by providing users of financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. Additionally, the disclosure requirements will improve consistency and comparability between governments.

GASB Statement No. 105, *Subsequent Events*, will be effective for the District for the year ended June 30, 2027. The objective of GASB Statement No. 105 is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users.

NOTE 3 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

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

The District is required to publish notice by advertisement at least once in two newspapers of general circulation in the municipalities in which it is located, and within 20 days of final action, that the proposed budget has been prepared and is available for public inspection at the administrative offices of the District. Notice that public hearings will be held on the proposed operating budget must be included in the advertisement; such hearings are required to be scheduled at least 10 days prior to when final action on adoption is taken by the School Board.

NOTE 3 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

After the legal adoption of the budget, the School Board is required to file a copy of the budget with the Pennsylvania Department of Education by July 31. Additional copies of the budget also are required to be filed with the House Education Committee and the Senate Education Committee by September 15.

Legal budgetary control is maintained at the sub-function/major object level. The School Board may make transfers of funds appropriated in any particular item of expenditure by legislative action in accordance with Pennsylvania School Code. Management may amend the budget at the sub-function/sub-object level without approval from the School Board. 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 include the effect of approved budget amendments.

Deficit in Fund Equity

At June 30, 2025, the General Fund reported a deficit fund balance of $1,095,067. The deficit is primarily attributable to expenditures exceeding available revenues. The District relies on two principal revenue sources — local real estate taxes and state funding — which together comprise substantially all General Fund revenue. Local taxes are levied at a fixed millage against a limited assessed valuation, and state funding, which represents approximately half of the District's General Fund revenue, has not kept pace with the District's rising costs. Together, these constraints limit the District's ability to increase recurring revenues sufficiently to absorb those costs.

Management intends to eliminate the deficit through a combination of immediate budgetary controls and a multi-year structural plan, including reducing non-essential expenditures, monitoring budget-to-actual results, employing multi-year forecasting to align recurring expenditures with sustainable revenues, and adopting future budgets in which revenues equal or exceed expenditures, with resulting surpluses applied to restore fund balance.

At June 30, 2025, the Food Service Fund had a deficit fund balance of $653,497, resulting from allocating a portion of its net pension and OPEB liability to this fund. Since the Food Service Fund uses the economic resources measurement focus, these obligations are presented in the proprietary fund financial statements as liabilities and therefore reduces fund equity to an overall deficit. This deficit will be eliminated as resources are obtained (e.g., from revenues and transfers in) to make the periodic pension and OPEB contributions for participants in these plans.

NOTE 3 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

Excess of Expenditures Over Appropriations

The following General Fund functions incurred expenditures in excess of appropriations in the following amounts for the year ended June 30, 2025:

Regular Programs	$	1,578,893
Special Programs	$	147,637
Other Instructional Programs	$	170,025
Administrative Services	$	39,328
Pupil Health	$	6,769
Business Services	$	5,676
Operation and Maintenance of Plant Services	$	515,233
Student Transportation Services	$	377,856
Other Support Services	$	265
Student Activities	$	139,821
Facilities Acquisition, Construction and Imrpovement Services	$	1,416,146

NOTE 4 DEPOSITS

State statutes authorize the District to invest in U.S. Treasury bills, time or share accounts of institutions insured by the Federal Deposit Insurance Corporation, or in certificates of deposit when they are secured by proper bond or collateral, repurchase agreements, State Treasurer's investment pools, or mutual funds.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned. At June 30, 2025, the carrying amount of the District's deposits was $1,587,407 and the bank balance was $1,876,792. The District is required by state statute to deposit funds in depositories that are either banks, banking institutions or trust companies located in the Commonwealth of Pennsylvania. To the extent that such deposits exceed federal insurance, the depositories must pledge as collateral obligations of the United States, the Commonwealth of Pennsylvania or any other political subdivision. Under Act 72 of 1971, as amended, the depositories may meet this collateralization requirement by pooling appropriate securities to cover all public funds on deposit. Of the bank balance, $455,354 was covered by federal depository insurance, and $1,229,385 was collateralized by the District's depositories in accordance with Act 72 and the collateral was held by the depositories' agent in pooled public funds. The remaining cash deposits of the District are in the Pennsylvania School District Liquid Asset Fund (PSDLAF). Although not registered with the Securities and Exchange Commission and not subject to regulatory oversight, PSDLAF acts like a money market mutual fund in that its objective is to maintain a stable net asset value of $1 per share, is rated by a nationally recognized statistical rating organization and is subject to independent annual audit. As of June 30, 2025, PSDLAF was rated as AAAm by a nationally recognized statistical rating agency.

NOTE 5 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated/Amortized:				
Land	$ 542,076	$ -	$ -	$ 542,076
Construction in Progress	-	1,441,146	-	1,441,146
Total Capital Assets Not Being Depreciated/Amortized:	542,076	1,441,146	-	1,983,222
Capital Assets Being Depreciated or Amortized:				
Buildings and Improvements	42,796,977	-	-	42,796,977
Furniture and Equipment	3,113,415	133,788	-	3,247,203
Right-to-Use Subscription Assets	98,607	-	-	98,607
Total Capital Assets Being Depreciated/Amortized:	46,008,999	133,788	-	46,142,787
Less: Accumulated Depreciation/Amortization for:				
Buildings and Improvements	(14,846,364)	(862,554)	-	(15,708,918)
Furniture and Equipment	(2,767,164)	(126,165)	-	(2,893,329)
Right-to-Use Subscription Assets	(48,204)	(24,102)	-	(72,306)
Total Accumulated Depreciation/Amortization:	(17,661,732)	(1,012,821)	-	(18,674,553)
Total Capital Assets Being Depreciated/Amortized, Net	28,347,267	(879,033)	-	27,468,234
Governmental Activities Capital Assets, Net	$ 28,889,343	$ 562,113	$ -	$ 29,451,456
Business-Type Activities:				
Capital Assets Being Depreciated:				
Furniture, Machinery And Equipment	$ 395,787	$ -	$ -	$ 395,787
Less: Accumulated Depreciation	(373,295)	(2,975)	-	(376,270)
Business-Type Activities, Net	$ 22,492	$ (2,975)	$ -	$ 19,517

As of June 30, 2025, the District had outstanding construction commitments totaling $301,383.

Depreciation/amortization expense was charged to functions/programs of the District as follows:

Governmental Activities:	
Instruction	$ 710,593
Instructional Student Support	38,232
Administrative and Financial Support Services	83,051
Operation and Maintenance of Plan Services	126,988
Pupil Transportation	30,865
Student Activities	23,092
Total Depreciation/Amortization Expense - Governmental Activities	$ 1,012,821
Business-Type Activities:	
Food Service	$ 2,975

NOTE 6 INTERNAL RECEIVABLES AND PAYABLES

The composition of interfund balances as of June 30, 2025, is as follows:

Receivable To	Amount	Payable From	Amount
General Fund	$ 20,719	Food Service Fund	$ 20,719
Capital Projects Fund	106,669	General Fund	106,669
Total	$ 127,388		$ 127,388

Interfund balances between funds represent temporary loans recorded at year-end as the result of a final allocation of expenses.

NOTE 7 NONCURRENT LIABILITIES

The following summarizes the changes in noncurrent liabilities for the year ended June 30, 2025:

	Beginning Balance	Increases	Decreases	Ending Balance	Amount Due Within One Year
Governmental Activities:					
General Obligation Debt:					
Bonds Payable	$ 3,805,000	$ -	$ 1,635,000	$ 2,170,000	$ 1,690,000
Notes Payable	8,956,000	-	79,000	8,877,000	79,000
Bond Premiums	349,993	-	93,238	256,755	-
Total General Obligation Debt	13,110,993	-	1,807,238	11,303,755	1,769,000
Other Noncurrent Liabilities:					
Subscriptions Payable	51,191	-	24,271	26,920	13,355
Compensated Absences	1,375,108	-	3,102	1,372,006	421,488
Termination Benefits	74,450	-	14,127	60,323	12,598
OPEB Liability	35,891	-	17,320	18,571	-
Net OPEB Liability – PSERS	1,337,924	-	7,636	1,330,288	-
Net Pension Liability – PSERS	32,504,363	-	1,568,696	30,935,667	-
Total Other Noncurrent Liabilities	35,378,927	-	1,635,152	33,743,775	447,441
Total Governmental Activities	48,489,920	-	3,442,390	45,047,530	2,216,441
Business-Type Activities:					
Compensated Absences	27,745	-	1,601	26,144	5,479
Net OPEB Liability – PSERS	15,377	891	-	16,268	-
Net Pension Liability – PSERS	815,936	-	67,411	748,525	-
Total Business-Type Activities	859,058	891	69,012	790,937	5,479
Total Other Noncurrent Liabilities	$ 49,348,978	$ 891	$ 3,511,402	$ 45,838,467	$ 2,221,920

Noncurrent liabilities of governmental activities are generally liquidated by the General Fund, while noncurrent liabilities of the business-type activities are liquidated by the Food Service Fund.

The change in the compensated absence liability is presented as a net change.

NOTE 8 GENERAL OBLIGATION DEBT

General obligation debt is a direct obligation of the District from which full faith and credit are pledged and are payable from unrestricted local sources. The District has not pledged any assets as collateral for general obligation debt. General obligation debt was issued to finance capital expenditures or to finance the retirement (refund) of prior general obligation debt.

General obligation debt outstanding as of June 30, 2025, consisted of the following:

Description	Interest Rate(s)	Original Issue Amount	Final Maturity	Principal Outstanding
General Obligation Bonds:				
Series of 2016B	0.77% - 5.00%	$ 15,025,000	03/01/31	$ 2,170,000
General Obligation Notes:				
Series of 2021 - direct borrowing	1.131%	$ 9,239,000	02/25/31	8,877,000
Total General Obligation Debt				$ 11,047,000

Annual debt service requirements to maturity on these obligations is as follows:

Year Ending June 30,	Principal	Interest	Total
2026	$ 1,769,000	$ 186,924	$ 1,955,924
2027	1,839,000	118,430	1,957,430
2028	1,847,000	84,434	1,931,434
2029	1,839,000	63,413	1,902,413
2030	1,857,000	42,483	1,899,483
2031	1,896,000	21,349	1,917,349
Total	$ 11,047,000	$ 517,033	$ 11,564,033

General Obligation Notes: Series of 2021 – Direct Borrowing

The General Obligation Notes, Series of 2021, of the District have been issued to the Delaware Valley Regional Finance Authority (DVRFA). The DVRFA was formed by certain counties in Southeastern Pennsylvania to provide financing to local government units ("participants") for various projects. DVRFA obtained the funds used to finance these projects by issuing its Local Government Revenue Bonds. In order to reduce the interest costs of participants in its loan program and to enhance their ability to manage their interest rate risks, DVRFA and the participants in its loan program, including the District, have entered into an Interest Rate Management Plan, the provisions of which allow the participants to select fixed or variable rates of interest on their loans. In order to provide this option to the participants, DVRFA has entered into an interest rate swap agreement with a financial institution. In the event that the swap agreement between DVRFA and the financial institution is terminated and the value of the swap to DVRFA at the time of termination is a liability, the participants are required to pay their proportionate share of the liability. The value of the swap agreement relative to the General Obligation Notes, Series of 2021, at June 30, 2025, was an asset of $832,794. The value of the swap agreement relative to the General Obligation Notes is not reflected on the District's statement of net position (deficit).

NOTE 8 GENERAL OBLIGATION DEBT (CONTINUED)

Events of default include failure to make required payments, failure to observe covenants after a 30-day cure period, bankruptcy or insolvency, and material misrepresentation. In the instance of a default DVRFA may accelerate all payments which become due with 180 days. If the District prepays the General Obligation Notes, Series of 2021 or otherwise causes early termination of the related swap, the District is obligated to pay its allocable share of any resulting termination payment. Termination payments are subordinate to scheduled principal and interest.

NOTE 9 SUBSCRIPTIONS PAYABLE

The District has entered into long-term subscription agreements for subscription-based information technology arrangements. Initial subscription liabilities were recorded in the amount of $98,607. As of June 30, 2025, the value of the subscription liabilities was $26,920. The subscriptions have imputed interest rates of 1.58% and estimated useful lives were between three and five years as of their contract commencements. The net book value of the intangible right-to-use subscription assets as of June 30, 2025, is $26,301, net of accumulated amortization of $72,306, and is included with noncurrent assets on the statement of net position (deficit).

Future minimum payments under these subscriptions are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	$ 13,355	$ 425	$ 13,780
2027	13,565	215	13,780
Total	$ 26,920	$ 640	$ 27,560

NOTE 10 TERMINATION BENEFITS

The District from time to time offers additional termination benefits or retirement incentives known as early retirement incentive plans (ERIP) to senior professional staff and administrators contemplating retirement. An ERIP is formally approved by School Board action in the year an ERIP plan is implemented.

In order for an employee to retire and participate in a District sponsored ERIP, the District must first decide whether or not to offer an ERIP in the year the employee is retiring, and a specified minimum number of employees must opt into the ERIP. The District's various ERIP plans provide for the payment of specific annuity amounts to the participating retiree or the payment of a specified dollar amount to be applied toward participating retiree healthcare premiums through Medicare eligible age.

The District’s liability for its ERIP plans has been reported at the discounted present value of expected future benefit payments in the government-wide financial statements. For the year ended June 30, 2025, three retirees received benefits under the District’s ERIP plans and the District paid $14,304 in ERIP benefits to retirees.

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS

Single-Employer Defined Benefit OPEB Plan

Plan Description

The District's other postemployment benefits (OPEB) include a single-employer defined benefit plan that provides medical insurance to certain eligible retirees through the date of Medicare eligibility. The School Board has the authority to establish and amend benefit provisions. The OPEB Plan does not issue any financial report and is not included in the report of any public employee retirement system or any other entity.

OPEB Plan Membership

Membership in the OPEB plan consisted of the following at June 30, 2025:

Active Participants	5
Vested Former Participants	-
Retired Participants	-
Total	5

Funding Policy

The District's contributions are funded on a pay-as-you-go basis. The contribution requirements of retirees are established and may be amended by the School Board.

OPEB Liability

The District's OPEB liability has been measured as of June 30, 2025. The total OPEB liability was determined by a valuation as of June 30, 2025, and by rolling forward the liabilities from the June 30, 2024 valuation through the measurement date. The OPEB liability is $18,571, all of which is unfunded. As of June 30, 2025, the OPEB liability is related to the governmental funds and is recorded in the governmental activities in the government-wide statement of net position (deficit).

The District's change in its OPEB liability for the year ended June 30, 2025 was as follows:

Balance as of July 1, 2024	$	35,891
Changes for the Year:		
Service Cost		3,633
Interest on Total OPEB Liability		925
Changes in Assumptions		(8,606)
Benefit Payments		(13,272)
Net Changes		(17,320)
Balance as of June 30, 2025	$	18,571

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

OPEB Expense

For the year ended June 30, 2025, the District recognized negative net OPEB expense of $17,320. At June 30, 2025, the District had no deferred outflows of resources or deferred inflows of resources related to the OPEB plan.

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

The following presents the OPEB liability for June 30, 2025, calculated using current healthcare cost trends as well as what the OPEB liability would be if health cost trends were 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
OPEB Liability	$ 19,889	$ 18,571	$ 17,240

Sensitivity of the OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the District calculated using the discount rate of 2.29%, as well as what the OPEB liability would be if it were calculated using the discount rate that is 1-percentage-point lower (1.29%) or 1-percentage-point higher (3.29%) than the current rate:

	1% Decrease 3.29%	Current Discount Rate 4.29%	1% Increase 5.29%
OPEB Liability	$ 20,078	$ 18,571	$ 17,058

Calculation Methods and Significant Assumptions

The OPEB Liability as of June 30, 2025, was determined by rolling forward the OPEB Liability as of June 30, 2024 to June 30, 2025 using the following assumptions, applied to all periods included in the measurement:

- Discount Rate – 4.29%
- Salary Growth – Salary increases are composed of 3.00%, inclusive of inflation.
- Assumed Healthcare Cost Trends – 6.00%

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Cost-Sharing, Multiemployer Defined Benefit OPEB Plan

Plan Description

PSERS provides health insurance premium assistance which is a governmental cost-sharing, multiemployer OPEB plan for all eligible retirees who qualify and elect to participate. Employer contribution rates for health insurance premium assistance are established to provide reserves in the health insurance account that are sufficient for the payment of health insurance 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.

Retirees of PSERS can participate in the health insurance 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 health insurance 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.

Benefits Provided

Participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of $100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS’ health options program.

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Cost-Sharing, Multiemployer Defined Benefit OPEB Plan (Continued)

Employer Contributions

The District's 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 $75,835 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 $1,346,556 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 PSERS' 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 0.0758%, which was an increase of 0.0010% from its proportion measured as of June 30, 2025. As of June 30, 2025, the net OPEB liability of $1,330,288 is related to the governmental funds and is recorded in the governmental activities in the government-wide statement of net position (deficit) and the remaining $16,268 of the OPEB liability is recorded as a liability in the proprietary fund statement of net position (deficit), and in the business-type activities in the government-wide statement of net position (deficit).

For the year ended June 30, 2025, the District recognized net OPEB expense of $37,000. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 5,000	$ 20,000
Changes in Assumptions	82,000	206,000
Net Difference Between Projected and Actual Investment Earnings	2,000	-
Changes in Proportions	28,000	35,000
Contributions Subsequent to the Measurement Date	75,835	-
Total	$ 192,835	$ 261,000

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

Contributions of $75,835 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, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	Amount
2026	$ (38,000)
2027	(48,000)
2028	(53,000)
2029	(4,000)
2030	(1,000)
Total	$ (144,000)

Actuarial Assumptions

The total OPEB liability as of June 30, 2024, was determined by rolling forward the PSERS' 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% – Standard & Poor's 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, 2024 valuation were based on the results of an actuarial experience study that was performed for the year period ending June 30, 2020.

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Actuarial Assumptions (Continued)

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 OPEB plan as of June 30, 2022 was used in lieu of the 63% utilization assumption for eligible retirees.
- 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 OPEB 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 health insurance premium assistance are established to provide reserves in the health insurance account that are sufficient for the payment of health insurance premium assistance benefits for each succeeding year.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	100 %	1.7 %

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.

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Discount Rate

The discount rate used to measure the total OPEB liability was 4.21%. Under the OPEB plan's funding policy, contributions are structured for short term funding of health insurance premium assistance. The funding policy sets contribution rates necessary to assure solvency of health insurance premium assistance through the third fiscal year after the actuarial valuation date. The health insurance premium assistance account is funded to establish reserves that are sufficient for the payment of health insurance 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 OPEB plan is considered a "pay-as-you-go" plan. A discount rate of 4.21% which represents the Standard & Poor's 20-year municipal bond rate at June 30, 2024, was applied to all projected benefit payments to measure the total OPEB liability.

Sensitivity of District's Proportionate Share of the Net OPEB Liability to Change in Healthcare Cost Trend Rates

Healthcare cost trends were applied to retirees receiving less than $1,200 in annual health insurance premium assistance. As of June 30, 2024, retirees' health insurance premium assistance benefits are not subject to future healthcare cost increases. The healthcare insurance premium assistance reimbursement for qualifying retirees is capped at a maximum of $1,200. The actual number of retirees receiving less than the $1,200 per year cap is a small percentage of the total population and has a minimal impact on healthcare cost trends as depicted below.

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

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
District's Proportionate Share of the Net OPEB Liability	$ 1,346,437	$ 1,346,556	$ 1,200,301

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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:

	1% Decrease 3.21%	Current Discount Rate 4.21%	1% Increase 5.21%
District's Proportionate Share of the Net OPEB Liability	$ 1,521,199	$ 1,346,556	$ 1,346,652

OPEB Plan Fiduciary Net Position

Detailed information about PSERS' fiduciary net position is available in the PSERS Annual Comprehensive Financial Report which can be found on PSERS's website at www.psers.pa.gov.

NOTE 12 PENSION PLAN

Plan Description

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

NOTE 12 PENSION PLAN (CONTINUED)

Benefits Provided

PSERS provides retirement, disability, and death benefits. Members are eligible for monthly retirement benefits upon reaching (a) age 62 with at least one year credited service; (b) age 60 with 30 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 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 three 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 three 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 equal to 1.00% or 2.50%, 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 2.00% or 2.50%, 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.

NOTE 12 PENSION PLAN (CONTINUED)

Contributions

Member Contributions

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

Member Contribution Rates				
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: 10.8%
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%

Shared Risk Program Summary				
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 District's contractually required contribution rate for 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 $3,962,682 for the year ended June 30, 2025.

NOTE 12 PENSION PLAN (CONTINUED)

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

At June 30, 2025, the District reported a liability of $31,684,192 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 PSERS' 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 covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2025, the District's proportion was 0.0757%, which was a decrease of 0.0008% from its proportion measured as of June 30, 2024. As of June 30, 2025, the net pension liability of $30,935,667 is related to the governmental funds and is recorded in the governmental activities in the government-wide statement of net position (deficit) and the remaining $748,525 of the pension liability is recorded as a liability in the proprietary fund statement of net position (deficit), and in the business-type activities in the government-wide statement of net position (deficit).

For the year ended June 30, 2025, the District recognized net pension expense of $2,678,000. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ -	$ 498,000
Net Difference Between Projected and Actual Investment Earnings	525,000	-
Changes in Proportions	374,000	66,000
Contributions Subsequent to the Measurement Date	3,962,682	-
Total	$ 4,861,682	$ 564,000

Contributions of $3,962,682 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, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2026	$ (672,000)
2027	887,000
2028	226,000
2029	(106,000)
Total	$ 335,000

NOTE 12 PENSION PLAN (CONTINUED)

Actuarial Assumptions

The total pension liability as of June 30, 2024 was determined by rolling forward PSERS' total pension liability at 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%.
- 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.

NOTE 12 PENSION PLAN (CONTINUED)

Actuarial Assumptions (Continued)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Public Equity	30.00 %	4.80 %
Private Equity	12.00	6.70
Fixed Income	33.50	3.90
Commodities	5.00	2.50
Infrastructure/MLPs	10.00	6.40
Real Estate	9.50	5.90
Total	100.00 %	

The above was the PSERS 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 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 represents 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%) that the current rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
District's Proportionate Share of the Net Pension Liability	$ 41,737,740	$ 31,684,192	$ 23,194,682

NOTE 12 PENSION PLAN (CONTINUED)

Detailed information about the PSERS' fiduciary net position is available in PSERS Annual Comprehensive Financial Report which can be found on PSERS' website at www.psers.state.pa.us.

NOTE 13 LEASE RECEIVABLE

The District has entered into long-term lease agreement as lessor of property. An initial lease receivable and deferred inflows of resources were recorded in the amount of $651,051. As of June 30, 2025, the net present value of the lease receivable and deferred inflows of resources was $284,187. The lease term was 10 years as of the contract commencement. Future minimum lease payments under this lease is as follows:

Year Ending June 30,	Amount
2026	$ 68,205
2027	68,205
2028	68,205
2029	68,205
2030	11,367
Total	$ 284,187

NOTE 14 JOINT VENTURES AND JOINTLY GOVERNED ORGANIZATION

Bucks County Technical High School

The District and five other Bucks County school Districts participate in the Bucks County Technical High School (the BCTHS). The BCTHS provides vocational-technical training and education to students of the participating school Districts. The BCTHS is controlled by a joint board comprised of representative school board members of the participating school Districts. District oversight of the BCTHS operations is the responsibility of the joint board. The District's share of operating costs for the BCTHS fluctuates based on the District's percentage of enrollment. The District share of operating costs for 2024-2025 was $877,098.

Bucks County Technical School Authority

The District and five other Bucks County school Districts also participate in a joint venture for the operation of the Bucks County Technical School Authority (the Authority). The Authority oversees acquiring, holding, constructing, improving, and maintaining the BCTHS school buildings. The Authority is controlled by a joint board comprised of representative school board members of the participating school Districts in the BCTHS. During 2022-2023, the participating school Districts entered into a long-term lease agreement with the Authority to provide rental payments sufficient to retire the Authority's outstanding debt obligations. The agreement expires on June 30, 2043 unless the related debt is retired earlier. The District's share of rent expense for 2024-2025 was $49,495.

NOTE 14 JOINT VENTURES AND JOINTLY GOVERNED ORGANIZATION (CONTINUED)

Bucks County Technical School Authority (Continued)

The District's estimated future annual lease payments to the Authority are as follows:

Year Ending June 30,	Amount
2026	$ 48,795
2027	48,829
2028	48,814
2029	48,880
2030	48,760
2031-2035	244,569
2036-2040	244,566
2041-2043	130,189
Total	$ 863,402

Both the BCTHS and the Authority prepare financial statements that are available to the public from their administrative offices located at 610 Wistar Road, Fairless Hills, PA 19030.

Bucks County Intermediate Unit

The District and the other Bucks County school Districts are participating members of the Bucks County Intermediate Unit (the BCIU). The BCIU is a regional educational service agency, established by the Commonwealth of Pennsylvania, which is governed by a joint committee consisting of School Board members from each participating District. The School Board of each participating District must approve the annual operating budget of the BCIU but the participating Districts have no ongoing fiduciary interest or responsibility to the BCIU. The BCIU is a self-sustaining organization that provides a broad array of services to participating Districts which include: curriculum development and instructional improvement; educational planning services; instructional material; continuing professional development; pupil personnel services; management services; and state and federal liaison services.

NOTE 15 CONTINGENCIES AND COMMITMENTS

Government Grants and Awards

The District receives federal, state, and local funding under a number of programs. Payments made by these sources under contractual agreements are provisional and subject to redetermination based on filing of reports and audits of those reports. Final settlements due from or to these sources are recorded in the year in which the related services are performed. Any adjustments resulting from subsequent examinations are recognized in the year in which the results of such examinations become known. District officials do not expect any significant adjustments as a result of these examinations.

Litigation

The District is a defendant in various matters of litigation and claims. These matters result from the normal course of business. It is not presently possible to determine the ultimate outcome or settlement cost, if any of these matters.

NOTE 16 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Significant losses are covered by commercial insurance for all major programs including workers compensation. For insured programs, there were no significant reductions in insurance coverages during 2024-2025. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

The District along with other governmental entities from Pennsylvania and Delaware participate in the Delaware Valley Health Trust (the Trust). The Trust is a public entity risk pool designed to provide healthcare coverage for eligible employees, spouses, and dependents. The Trust was established for the sole and exclusive benefit of the employees of the member governmental entities. While the Trust is self-funded, each member governmental entity receives a fully-insured equivalent rate which is guaranteed for 12 months and represents a total risk transfer to the Trust. The District is not responsible for any additional assessments upon termination. The Trust assumes the risk for all claims including large claims and purchases commercial reinsurance for claims over $1 million.

NOTE 17 RESTATEMENT OF BEGINNING NET POSITION

Effective July 1, 2024, the District implemented GASB Statement No. 101, Compensated Absences. As a result of the implementation of GASB Statement No. 101, the compensated absences liability as of July 1, 2024 was understated in the business-type activities and Food Service Fund. The effect of the change in accounting principle and the resulting restatement of net position is as follows:

	Governmental Activities	Business-Type Activities	Food Service Fund
July 1, 2024 as previously reported	$ (12,790,890)	$ (532,630)	$ (532,630)
Change in accounting principle	(657,391)	(9,471)	(9,471)
July 1, 2024 as restated	$ (13,448,281)	$ (542,101)	$ (542,101)

REQUIRED SUPPLEMENTARY INFORMATION

BRISTOL BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
YEAR ENDED JUNE 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Local Sources	$ 12,371,346	$ 12,371,346	$ 12,338,705	$ (32,641)
State Sources	13,623,470	13,623,470	15,287,752	1,664,282
Federal Sources	1,184,195	1,184,195	1,807,412	623,217
Total Revenues	27,179,011	27,179,011	29,433,869	2,254,858
EXPENDITURES				
Instruction:				
Regular Programs	11,498,480	12,160,026	13,738,919	(1,578,893)
Special Programs	5,167,062	5,452,064	5,599,701	(147,637)
Vocational Programs	1,002,213	998,214	926,593	71,621
Other Instructional Programs	1,054,126	111,577	281,602	(170,025)
Total Instruction	18,721,881	18,721,881	20,546,815	(1,824,934)
Support Services:				
Pupil Support Services	844,623	844,623	705,278	139,345
Instructional Staff Services	191,014	191,013	11,006	180,007
Administrative Services	1,620,843	1,614,258	1,653,586	(39,328)
Pupil Health	382,138	382,138	388,907	(6,769)
Business Services	411,177	411,177	416,853	(5,676)
Operation and Maintenance of Plant Services	1,697,985	1,714,572	2,229,805	(515,233)
Student Transportation Services	514,369	514,368	892,224	(377,856)
Support Services - Central	382,735	372,735	325,042	47,693
Other Support Services	5,071	5,070	5,335	(265)
Total Support Services	6,049,955	6,049,954	6,628,036	(578,082)
Operation of Noninstructional Services:				
Student Activities	361,463	361,464	501,285	(139,821)
Community Services	4,000	4,000	3,271	729
Total Operation of Noninstructional Services	365,463	365,464	504,556	(139,092)
Facilities Acquisition, Construction, and Improvement Services	25,000	25,000	1,441,146	(1,416,146)
Debt Service	2,016,712	2,016,712	1,992,377	24,335
Total Expenditures	27,179,011	27,179,011	31,112,930	(3,933,919)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND NET CHANGE IN FUND BALANCE	$ -	$ -	(1,679,061)	$ (1,679,061)
Fund Balance - Beginning of Year			583,994	
FUND BALANCE - END OF YEAR			$ (1,095,067)	

BRISTOL BOROUGH SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - PSERS
LAST TEN YEARS

	Measurement Date									
	2024	2023	2022	2021	2023	2019	2018	2017	2016	2015
District's Proportion of the Net Pension Liability	0.0757%	0.0749%	0.0752%	0.0742%	0.0780%	0.0778%	0.0767%	0.0794%	0.0784%	0.0777%
District's Proportionate Share of the Net Pension Liability	$ 31,684,192	$ 33,320,299	$ 33,432,959	$ 30,464,094	$ 38,406,000	$ 36,397,000	$ 36,820,000	$ 39,214,000	$ 38,852,551	$ 33,656,149
District's Covered Payroll	$ 12,039,609	$ 11,458,718	$ 11,023,411	$ 10,523,712	$ 10,925,617	$ 10,725,140	$ 10,326,467	$ 10,565,219	$ 10,152,812	$ 9,995,047
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	263.17%	290.79%	303.29%	289.48%	351.52%	339.36%	356.56%	371.16%	382.68%	336.73%
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%

BRISTOL BOROUGH SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PENSION PLAN CONTRIBUTIONS – PSERS
LAST TEN YEARS

	2025	2024	2023	2022	2023	2020	2019	2018	2017	2016
Contractually Required Contribution	$ 3,962,682	$ 3,925,997	$ 3,952,751	$ 3,763,393	$ 3,582,272	$ 3,650,027	$ 3,499,423	$ 3,271,116	$ 3,095,085	$ 2,601,865
Contributions in Relation to the Contractually Required Contribution	3,962,682	3,925,997	3,952,751	3,763,393	3,582,272	3,650,027	3,499,423	3,271,116	3,095,085	2,601,865
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's Covered Payroll	$ 12,037,309	$ 12,039,609	$ 11,458,718	$ 11,023,411	$ 10,523,712	$ 10,925,617	$ 10,734,426	$ 10,326,467	$ 10,565,219	$ 10,152,182
Contributions as a Percentage of Covered Payroll	32.92%	33.36%	34.50%	34.14%	34.04%	33.41%	32.60%	31.68%	29.30%	25.63%

BRISTOL BOROUGH SCHOOL DISTRICT
SCHEDULE OF CHANGES IN OPEB LIABILITY – SINGLE EMPLOYER PLAN
LAST EIGHT YEARS*

	Measurement Date							
	2025	2024	2023	2022	2023	2020	2019	2018
Total OPEB Liability:								
Service Cost	$ 3,633	$ 2,486	$ 3,198	$ 5,485	$ 6,190	$ 11,574	$ 5,951	$ 7,228
Interest on Total OPEB Liability	925	1,161	1,797	2,693	3,044	3,681	3,669	4,089
Changes of Assumptions	(8,606)	(10,579)	(19,173)	(7,501)	(3,301)	(4,618)	(17,451)	4,636
Benefit Payments	(13,272)	(13,272)	(13,272)	(13,272)	(13,272)	(12,495)	-	(22,774)
Net Change in Total OPEB Liability	(17,320)	(20,204)	(27,450)	(12,595)	(7,339)	(1,858)	(7,831)	(6,821)
Total OPEB Liability, Beginning	35,891	56,095	83,545	96,140	103,479	105,337	113,168	119,989
Total OPEB Liability, Ending	$ 18,571	$ 35,891	$ 56,095	$ 83,545	$ 96,140	$ 103,479	$ 105,337	$ 113,168
Fiduciary Net Position as a Percentage of Total OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered Payroll	$ 792,168	$ 672,488	$ 660,325	$ 581,571	$ 711,585	$ 565,995	$ 522,470	$ 505,870
Net OPEB Liability as a Percentage Covered Payroll	2.34%	5.34%	8.50%	14.37%	13.51%	18.28%	20.16%	22.37%

There are no assets accumulated in a trust that meet the criteria in paragraph 4 of GASB Statement No. 75 to pay benefits.

*In accordance with GASB Statement No. 75, this schedule has been prepared prospectively. This schedule will accumulate each year until sufficient information to present a 10-year trend is available.

BRISTOL BOROUGH SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY – PSERS
LAST NINE YEARS*

	Measurement Date								
	2024	2023	2022	2021	2023	2019	2018	2017	2016
District's Proportion of the Net OPEB Liability	0.0758%	0.0748%	0.0750%	0.0742%	0.0778%	0.0778%	0.0767%	0.0794%	0.0784%
District's Proportionate Share of the Net OPEB Liability	$ 1,346,556	$ 1,353,301	$ 1,380,578	$ 1,758,602	$ 1,681,000	$ 1,655,000	$ 1,599,000	$ 1,618,000	$ 1,689,000
District's Covered Payroll	$ 12,039,609	$ 11,458,718	$ 11,023,411	$ 10,523,712	$ 10,925,617	$ 10,734,426	$ 10,326,467	$ 10,565,219	$ 10,152,812
District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	11.18%	11.81%	12.52%	16.71%	15.39%	15.42%	15.48%	15.31%	16.64%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	7.13%	7.22%	6.86%	5.30%	5.69%	5.56%	5.56%	5.73%	5.47%

*In accordance with GASB Statement No. 75, this schedule has been prepared prospectively. This schedule will accumulate each year until sufficient information to present a 10-year trend is available.

BRISTOL BOROUGH SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S OPEB PLAN CONTRIBUTIONS – PSERS
LAST NINE YEARS*

	2025	2024	2023	2022	2023	2020	2019	2018	2017
Contractually Required Contribution	$ 75,835	$ 75,319	$ 85,904	$ 88,187	$ 86,311	$ 91,660	$ 89,096	$ 85,539	$ 87,977
Contributions in Relation to the Contractually Required Contribution	75,835	75,319	85,904	88,187	86,311	91,660	89,096	85,539	87,977
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's Covered Payroll	$ 12,037,309	$ 12,039,609	$ 11,458,718	$ 11,023,411	$ 10,523,712	$ 10,925,617	$ 10,734,426	$ 10,326,467	$ 10,565,219
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%

*In accordance with GASB Statement No. 75, this schedule has been prepared prospectively. This schedule will accumulate each year until sufficient information to present a 10-year trend is available.

SUPPLEMENTARY INFORMATION

BRISTOL BOROUGH SCHOOL DISTRICT
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025

	Capital Projects Fund	Special Revenue Fund	Total
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	$ 2	$ 453,879	$ 453,881
Due from Other Funds	106,669	-	106,669
Total Assets	$ 106,671	$ 453,879	$ 560,550
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES	$ -	$ -	$ -
DEFERRED INFLOWS OF RESOURCES	-	-	-
FUND BALANCES			
Restricted for:			
Capital Projects	106,671	-	106,671
Student Activities and Scholarships	-	453,879	453,879
Total Fund Balances	106,671	453,879	560,550
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 106,671	$ 453,879	$ 560,550

BRISTOL BOROUGH SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2025
(SEE INDEPENDENT AUDITORS' REPORT)

	Capital Projects Fund	Special Revenue Fund	Total
REVENUES			
Local Sources	$ -	$ 177,760	$ 177,760
EXPENDITURES			
Current:			
Operation of Noninstructional Services	-	166,263	166,263
NET CHANGE IN FUND BALANCES	-	11,497	11,497
Fund Balances - Beginning of Year	106,671	442,382	549,053
FUND BALANCES - END OF YEAR	$ 106,671	$ 453,879	$ 560,550

SINGLE AUDIT

BRISTOL BOROUGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass-Through Grantor/Project Title	Source Code	Federal ALN Number	Pass-Through Grantor's Number	Grant Period Beginning/ Ending Dates	Grant Amount	Total Received for Year	Accrued (Deferred) Revenue July 1, 2024	Revenue Recognized	Expenditures	Accrued (Deferred) Revenue June 30, 2025	Passed Through to Subrecipients
U.S. Department of Education											
Passed-Through the Pennsylvania Department of Education:											
Title I - Improving Basic Programs	I	84.010	013-240048	07/01/23-09/30/24	$ 574,407	$ 219,484	$ 146,406	$ 73,078	$ 73,078	$ -	$ -
Title I - Improving Basic Programs	I	84.010	013-250048	07/01/24-09/30/25	567,106	364,992	-	470,630	470,630	105,638	-
Total ALN #84.010						584,476	146,406	543,708	543,708	105,638	-
Title II - Improving Teacher Quality	I	84.367	020-240048	07/01/23-09/30/24	65,030	15,144	15,144	-	-	-	-
Title II - Improving Teacher Quality	I	84.367	020-250048	07/01/24-09/30/25	61,241	35,063		53,757	53,757	18,694	-
Total ALN #84.367						50,207	15,144	53,757	53,757	18,694	-
Title IV - Student Support and Academic Achievement	I	84.424	144-240048	07/01/23-09/30/24	-	-	-	-	-	-	-
Title IV - Student Support and Academic Achievement	I	84.424	144-250048	07/01/24-09/30/25	43,257	37,077	-	38,929	38,929	1,852	-
Total ALN #84.424						37,077	-	38,929	38,929	1,852	-
21st Century Community Learning Centers	I	84.287	FC #41-00083490	07/01/23-06/30/24	165,000	28,484	19,342	9,142	9,142	-	-
21st Century Community Learning Centers	I	84.287	FC #41-00093289	10/01/23-09/30/24	500,000	34,911	34,911	160,467	160,467	160,467	122,746
21st Century Community Learning Centers	I	84.287	FC #41-00093289	10/01/23-09/30/25	500,000	334,756	-	375,391	375,391	40,635	337,840
Total ALN #84.287						398,151	54,253	545,000	545,000	201,102	460,586
COVID-19 - ESSER (8743)	I	84.425U	200-210048	03/13/20-09/30/23	-	-	-	-	-	-	-
COVID-19 - ESSER (8744)	I	84.425U	223-210048	03/13/20-09/30/24	3,344,104	425,613	425,613	-	-	-	-
COVID-19 ARP ESSER 7%	I	84.425U	225-210048	03/13/20-09/30/24	259,911	28,354	-	28,354	28,354	-	-
Total ALN #84.425						453,967	425,613	28,354	28,354	-	-
Passed Through the Bucks County I.U.:											
I.D.E.A. - Part B, Section 611	I	84.027	062-240022	07/01/23-06/30/24	275,323	275,323	-	275,323	275,323	-	-
I.D.E.A - Part B, Section 619	I	84.173	131-230022	07/01/23-06/30/24	1,995	1,995	-	1,995	1,995	-	-
Total U.S. Department of Education						1,801,196	641,416	1,487,066	1,487,066	327,286	460,586
U.S. Department of Treasurey											
Passed-Through the Pennsylvania Commission on Crime and Deliquency											
COVID-19 School Mental Health Grant	I	21.027	2023-CM-01 41481	01/01/24 - 12/31/25	116,394	22,618	-	71,287	71,287	48,669	-
Total U.S. Department of Treasury						22,618	-	71,287	71,287	48,669	-
U.S. Department of Health and Human Services											
Passed-Through the Pennsylvania Department of Human Services:											
Medical Assistance Program	I	93.778	N/A	07/01/23-06/30/24	N/A	10,919	-	10,919	10,919	-	-
Total U.S. Department of Health and Human Services						10,919	-	10,919	10,919	-	-

See accompanying Notes to Schedule of Expenditures of Federal Awards.

BRISTOL BOROUGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass-Through Grantor/Project Title	Source Code	Federal ALN Number	Pass-Through Grantor's Number	Grant Period Beginning/ Ending Dates	Grant Amount	Total Received for Year	Accrued (Deferred) Revenue July 1, 2024	Revenue Recognized	Expenditures	Accrued (Deferred) Revenue June 30, 2025	Passed Through to Subrecipients
U.S. Department of Agriculture											
Passed-Through the Pennsylvania Department of Education:											
Breakfast Program	I	10.553	N/A	07/01/23-06/30/24	N/A	3,397	3,397	-	-	-	-
Breakfast Program	I	10.553	N/A	07/01/24-06/30/25	N/A	95,054	-	98,643	98,643	3,589	-
Total ALN #10.553						98,451	3,397	98,643	98,643	3,589	-
National School Lunch Program	I	10.555	N/A	07/01/23-06/30/24	N/A	9,704	9,704	-	-	-	-
National School Lunch Program	I	10.555	N/A	07/01/24-06/30/25	N/A	422,855	-	433,490	433,490	10,635	-
Passed-Through the Pennsylvania Department of Agriculture:											
National School Lunch Program	I	10.555	N/A	07/01/24-06/30/25	N/A	50,668	-	50,668	50,668	-	-
Total ALN #10.555						483,227	9,704	484,158	484,158	10,635	-
Total U.S. Department of Agriculture						581,678	13,101	582,801	582,801	14,224	-
Total Expenditures of Federal awards						$ 2,416,411	$ 654,517	$ 2,152,073	$ 2,152,073	$ 390,179	$ 460,586
Special Education Cluster (IDEA) (ALN's #84.027 and #84.173)						$ 277,318	$ -	$ 277,318	$ 277,318	$ -	$ -
Child Nutrition Cluster (ALN's #10.553 and #10.555)						$ 581,678	$ 13,101	$ 582,801	$ 582,801	$ 14,224	$ -
Medicaid Access Cluster (ALN #93.778)						$ 10,919	$ -	$ 10,919	$ 10,919	$ -	$ -

Source Codes
D - Direct Funding
I - Indirect Funding
ALN - Assistance Listing Number

See accompanying Notes to Schedule of Expenditures of Federal Awards.

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Bristol Borough School District (the 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 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement except as noted for the accounting of donated commodities in Note 3. Revenues are recorded when measurable and available. Expenditures are recorded when incurred.

NOTE 3 NONMONETARY FEDERAL AWARDS – DONATED FOOD

The Commonwealth of Pennsylvania distributes federal surplus food to institutions (schools, hospitals, and prisons) and to the needy. Expenditures reported in the Schedule under Assistance Listing #10.555, USDA Donated Commodities, represent federal surplus food consumed by the District during the 2024-2025 fiscal year.

NOTE 4 ACCESS PROGRAM

The District participates in the ACCESS Program which is a medical assistance program that reimburses local educational agencies for direct eligible health-related services provided to enrolled special needs students. Reimbursements are federal source revenues but are classified as fee-for-service and are not considered federal financial assistance. The amount of ACCESS funding recognized for the year ended June 30, 2025 was $238,140.

NOTE 5 INDIRECT COSTS

The District has expended amounts claimed as an indirect cost recovery using an approved indirect cost rate. The District has elected not to use the de minimis indirect cost rate as allowed under the Uniform Guidance.

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' 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
Bristol Borough School District
Bristol, Pennsylvania

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, and the aggregate remaining fund information of Bristol Borough School District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Bristol Borough School District's basic financial statements, and have issued our report thereon dated September 16, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Bristol Borough School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Bristol Borough School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Bristol Borough 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified.

CLA (CliftonLarsonAllen LLP) is an independent network member of CLA Global. See CLAglobal.com/disclaimer.

We identified certain deficiencies described in the accompanying schedule of findings and questioned costs as items 2025-001 and 2025-002 to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Bristol Borough 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests did not disclose instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Bristol Borough School District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Bristol Borough School District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Bristol Borough School 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

King of Prussia, Pennsylvania
September 16, 2026

CliftonLarsonAllen LLP
CLAconnect.com

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

Board of School Directors
Bristol Borough School District
Bristol, Pennsylvania

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Bristol Borough 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 Bristol Borough School District's major federal programs for the year ended June 30, 2025. Bristol Borough School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Bristol Borough School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 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 (GAAS); 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Bristol Borough 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 Bristol Borough 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 Bristol Borough School District's federal programs.

CLA (CliftonLarsonAllen LLP) is an independent network member of CLA Global. See CLAglobal.com/disclaimer.

Auditors' 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 Bristol Borough 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Bristol Borough School District's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Bristol Borough 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 Bristol Borough 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 Bristol Borough 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 instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and that are described in the accompanying schedule of findings and questioned costs as item 2025-102. Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on Bristol Borough School District's response to the noncompliance findings identified in our compliance audit and described in the accompanying schedule of findings and questioned costs. Bristol Borough School 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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2025-101 and 2025-102 to be significant deficiencies.

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.

Government Auditing Standards requires the auditor to perform limited procedures on Bristol Borough School District's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Bristol Borough School 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.

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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

King of Prussia, Pennsylvania
September 16, 2026

BRISTOL BOROUGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025

Section I – Summary of Auditors' Results

Financial Statements

1. Type of auditors' report issued: Unmodified

2. Internal control over financial reporting:

   - Material weakness(es) identified? __x__ yes _____ no
   - Significant deficiency(ies) identified? _____ yes __x__ none reported

3. Noncompliance material to financial statements noted? _____ yes __x__ no

Federal Awards

1. Internal control over major federal programs:

   - Material weakness(es) identified? _____ yes __x__ no
   - Significant deficiency(ies) identified? __x__ yes _____ none reported

2. Type of auditors' report issued on compliance for major federal programs: Unmodified

3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? __x__ yes _____ no

Identification of Major Federal Programs

Assistance Living Number(s)	**Name of Federal Program or Cluster**
84.010	Title I – Improving Basic Programs
Child Nutrition Cluster:	
10.553	Breakfast Program
10.555	National School Lunch Program

Dollar threshold used to distinguish between Type A and Type B programs: $750,000

Auditee qualified as low-risk auditee? _____ yes __x__ no

Section II – Financial Statement Findings

Finding 2025-001
Repeat Finding 2024-001
Segregation of Duties
Material Weakness in Internal Control

Condition: A single business office employee prepares checks, reconciles bank accounts, processes accounts payable, has access to the check signing machine and maintains the general ledger.

Criteria: Business office functions should be segregated whereas the same employee does not authorize transactions, record transactions and maintain custody of related assets.

Effect: Improper segregation of duties can lead to fraud, errors and operational inefficiencies.

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

Recommendation: The District should continue to evaluate the duties of their internal staff and the cost benefit of additional staff to allow segregation of duties.

View of Responsible Official: The District continually evaluates its internal staff and segregation of duties to determine the cost benefit of additional staff. The Board of Directors has determined that the cost benefit of additional staff is not feasible to mitigate the lack of segregation of duties. Management provides monthly financial reports, including accounts payable, to the Board of Directors for review and approval as a compensating control.

Finding 2025-002
Material Journal Entries
Material Weakness in Internal Control

Condition: During our audit, we identified material audit adjustments to record accounts payable and corresponding grant receivables related to construction projects. The adjustments were necessary to properly recognize liabilities and related construction expenditures incurred prior to year-end and the corresponding grant receivables that were not recorded in the accounting records. The adjustments were material to the financial statements and were identified through audit procedures rather than through the entity's normal financial reporting process.

Cause: Management's year-end financial closing process did not include sufficiently designed or operating controls to identify and accrue outstanding construction-related obligations and any related grant reimbursements. Specifically, procedures to reconcile project expenditures, review unpaid contractor invoices, and evaluate work completed but not yet billed and related grant activity at year-end were not performed at a level of precision sufficient to detect material misstatements.

Section II – Financial Statement Findings (Continued)

Criteria: 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. Under the accrual and modified accrual bases of accounting, liabilities and related expenditures for goods and services received prior to year-end must be recorded in the period incurred, and grant revenues and related receivables must be recognized when all eligibility requirements, including allowable costs incurred, have been met.

An effective system of internal control over financial reporting includes period-end closing procedures designed and operating at a level of precision sufficient to identify, capture, and record unrecorded liabilities and the corresponding receivables and revenues prior to the financial statements being made available for audit. 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. *Government Auditing Standards* require that material weaknesses and significant deficiencies identified during the audit be reported. The identification of material adjustments by the auditor, rather than by the entity's own financial reporting process, is an indicator that a material weakness in internal control over financial reporting may exist.

Effect: As a result of the control deficiency, grants receivable, accounts payable, grant revenues, construction expenditures, and related financial statement balances were materially misstated prior to audit adjustments. The failure to identify these misstatements through the entity's internal control process indicates a reasonable possibility that a material misstatement of the financial statements would not be prevented or detected and corrected on a timely basis.

Recommendation: We recommend management strengthen its year-end financial reporting controls over construction project accounting by:

- Implementing a formal construction accrual review process for all significant capital projects.
- Obtaining and evaluating contractor pay applications, invoices, retainage schedules, and project status reports subsequent to year-end.
- Performing documented reconciliations between project records, accounts payable records, grant contracts and the general ledger before financial statements are finalized.
- Establishing management review controls designed to identify unrecorded liabilities and corresponding grant reimbursements associated with construction projects and other significant capital expenditures.

Views of Responsible Officials: Management agrees with the finding and will enhance year-end closing procedures to ensure all significant construction-related liabilities and any corresponding grant revenues are identified and accrued in the proper reporting period. Management anticipates implementing the revised procedures beginning with the next fiscal year-end closing process.

Section III – Findings and Questioned Costs – Major Federal Programs

Finding 2025-101
Federal Agency: U.S. Department of Agriculture
Federal Program: Child Nutrition Cluster
Assistance Listing Number: 10.553; 10.555
Federal Award Identification Number and Year: 256PA332N1199 - 2025
Pass-Through Agency: Pennsylvania Department of Education
Pass-Through Number(s): N/A
Award Period: July 1, 2024 to June 30, 2025
Finding Type: Significant Deficiency in Internal Control Over Compliance – Special Tests and Provisions

Condition: The District lacks adequate segregation of duties within the business office to establish and monitor controls over the recording of School Food Service revenues and expenditures in the School Food Service Fund. Due to staffing limitations, a key control could not be identified to ensure that revenues generated from food service operations are properly recorded in the food service fund and that required subsidy revenue is recognized through appropriate interfund activity. In addition, a single business office employee performs multiple duties related to federal program administration and cash disbursement activities, including processing accounts payable transactions, maintaining accounting records, preparing checks, reconciling bank accounts, and having access to the check signing machine. Consequently, incompatible duties related to the authorization, recording, processing, and monitoring of transactions are not adequately segregated.

Criteria: The Special Tests and Provisions compliance requirement applicable to the Child Nutrition Cluster requires the District to maintain a nonprofit school food service account in which all revenues generated by the food service operation are retained and used solely for the operation and improvement of the school food service program. In addition, federal standards under the Uniform Guidance requires the District to establish and maintain effective internal control over federal awards that provides reasonable assurance that the District is managing the award in compliance with federal statutes, regulations, and the terms and conditions of the award. Effective internal control includes the segregation of incompatible duties over the authorization, recording, processing, and monitoring of transactions such that no single individual is in a position to both perpetrate and conceal an error or irregularity in the normal course of performing assigned duties.

Context: Compliance with school food service account provision is dependent upon the complete and accurate recording of food service revenues and expenditures within the School Food Service Fund, including recognition of subsidy revenue through appropriate interfund activity. The conditions identified were observed through inquiry of business office personnel, observation of the cash disbursement and financial close processes, and our evaluation of the design and implementation of internal control over the Special Tests and Provisions compliance requirement. The deficiencies affect internal reporting, as management and the Board lack an independent review to validate that food service activity recorded in the general ledger is complete and accurate for purposes of monitoring school food service account. The deficiencies likewise affect external reporting, as the same underlying accounting records support the food service fund financial statements, the schedule of expenditures of federal awards, and the reimbursement claims and annual financial reports submitted to the Pennsylvania Department of Education and relied upon by the pass-through entity. The condition is systemic in nature and results from the limited size of the business office staff rather than from an isolated transaction or processing error.

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Cause: The conditions identified result from limited staffing within the District's business office. The size of the business office does not permit the assignment of the authorization, recording, processing, and monitoring functions over federal program administration and cash disbursement activities to separate individuals, and the District has not implemented documented compensating or mitigating controls — such as an independent review of bank reconciliations, check registers, and School Food Service Fund general ledger activity — to offset the resulting concentration of incompatible duties. In addition, the District has not established a formally designed and documented key control over the recording of food service revenues and expenditures in the School Food Service Fund, including the recognition of required subsidy revenue through interfund activity. As a result, internal control over the Special Tests and Provisions compliance requirement is not designed or operating at a level that would allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance on a timely basis.

Effect: Internal control over the Special Tests and Provisions compliance requirement is not designed or operating at a level that would allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance on a timely basis. Food service revenues could be recorded outside the School Food Service Fund, subsidy amounts could be recognized in an incorrect fund or period, or errors or misappropriations of federal program funds could occur and remain undetected.

Repeat Finding: No

Recommendation: We recommend the District evaluate its current business office structure and, to the extent practicable within existing staffing resources, segregate the duties of processing accounts payable transactions, maintaining accounting records, preparing and signing checks, and reconciling bank accounts among separate individuals. Where full segregation is not cost-beneficial, we recommend the District implement documented mitigating controls, including an independent review and approval of the monthly bank reconciliations and check registers by an individual with no cash disbursement responsibilities, restricted and logged access to the check signing machine, and a periodic review by the Business Manager or designee of the School Food Service Fund general ledger activity and related interfund subsidy entries to confirm that all revenues generated by the food service operation are recorded in and retained by that fund. Evidence of these reviews should be documented through signature or electronic approval and retained to support both internal monitoring and the financial and reimbursement reports submitted externally.

Views of Responsible Officials: The District acknowledges that the limited size of its business office staff does not currently permit full segregation of the duties of processing accounts payable transactions, maintaining accounting records, preparing and signing checks, and reconciling bank accounts among separate individuals. The District will evaluate its current business office structure and, to the extent practicable within existing staffing and budgetary resources, reassign these duties among separate personnel.

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Finding 2025-102
Federal Agency: U.S. Department of Agriculture
Federal Program Name: Child Nutrition Cluster
Assistance Listing Number: 10.553; 10.555
Federal Award Identification Number and Year: 256PA332N1199 - 2025
Pass-Through Agency: Pennsylvania Department of Education
Pass-Through Number(s): N/A
Award Period: July 1, 2024 through June 30, 2025
Finding Type: Significant Deficiency in Internal Control Over Compliance and Noncompliance – Procurement and Suspension/Debarment

Condition: The District procured milk products for its Child Nutrition Program in excess of the $23,800 bidding threshold without obtaining formal competitive bids, as required. Furthermore, the District did not perform or document verification of the selected vendor's suspension or debarment status prior to awarding the procurement.

Criteria: The District must comply with federal procurement standards under the Uniform Guidance when using funds from the school food service account. Procurement transactions must provide full and open competition, sealed bids or proposals are required for procurements exceeding the applicable threshold, and records sufficient to detail the history of each procurement must be maintained. The Pennsylvania Public School Code required formal competitive bidding for purchases exceeding $23,800 during the period under audit. In addition, the District is prohibited from entering into covered transactions with parties that are suspended, debarred, or otherwise excluded from federal programs, and must verify exclusion status through a SAM.gov search, vendor certification, or contract clause prior to award. The District is also required to maintain effective internal control providing reasonable assurance that the federal award is managed in compliance with applicable requirements.

Context: Cumulative milk purchases from the vendor exceeded the formal bidding threshold during the fiscal year. The District was unable to provide procurement history documentation required by Uniform Guidance or SAM.gov search results, a vendor certification, or a contract clause evidencing exclusion verification for 2 out of 7 vendors in our procurement and suspension and debarment sample. No indication was noted that the vendor was in fact excluded or that the price paid was unreasonable.

Cause: The District did not adhere to procurement procedures conforming to federal procurement standards under the Uniform Guidance and applicable Pennsylvania bidding thresholds, does not monitor cumulative vendor expenditures against applicable bidding thresholds, and has no procedure requiring suspension and debarment verification to be performed and retained prior to award. Food service and business office personnel have not received targeted training on federal procurement standards.

Effect: Noncompliance with USDA, Uniform Guidance and Pennsylvania procurement requirements increases the risk of noncompetitive pricing for federally reimbursed food purchases and of contracting with a suspended or debarred vendor and may result in questioned costs or disallowances under the National School Lunch Program or findings during Pennsylvania Department of Education or USDA administrative reviews.

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Repeat Finding: No

Recommendation: We recommend the District adhere to written federal procurement procedures conforming to Uniform Guidance and applicable Pennsylvania bidding thresholds and review those procedures annually for threshold adjustments. The District should implement a process to track cumulative purchases by vendor and commodity, conduct and document formal competitive bidding for purchases exceeding the threshold, retain procurement history documentation sufficient to federal procurement standards under the Uniform Guidance, and obtain and retain suspension and debarment verification prior to each contract award. Targeted training should be provided to food service and business office personnel on USDA procurement requirements and Pennsylvania bidding thresholds.

Views of Responsible Officials: The District will adhere to written procurement procedures for Child Nutrition purchases conforming to the Uniform Guidance and Pennsylvania bidding thresholds, monitor cumulative vendor expenditures against those thresholds, conduct formal competitive bidding for purchases exceeding the threshold, and perform and retain suspension and debarment verification for all applicable vendors prior to award. Training will be provided to food service and business office personnel on federal procurement requirements.



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See CLAglobal.com/disclaimer. Securities and investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor, member FINRA/SIPC.