

JIM THORPE AREA SCHOOL DISTRICT

SINGLE AUDIT REPORT

JIM THORPE, PENNSYLVANIA

FOR THE YEAR ENDED JUNE 30, 2020

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JONES & CO.
A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS

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Board of School Directors
Jim Thorpe Area School District
Jim Thorpe, Pennsylvania

We have performed the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements, for Federal Awards (Uniform Guidance) of the Jim Thorpe Area School District for the year ended June 30, 2020. Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements, for Federal Awards (Uniform Guidance) indicates that the auditee is responsible for ensuring appropriate submission of the audit reports to appropriate government officials.

The reporting packages must be submitted no later than 30 days after you receive our Single Audit Report but no later than nine months after the year end (March 31, 2021).

The Single Audit was done to fulfill the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements, for Federal Awards (Uniform Guidance). It entailed: (1) an audit of the general purpose financial statements and our opinion thereon; (2) an examination of the Schedule of Expenditures of Federal Awards and our opinion thereon; (3) a review of the internal control structure based solely on the understanding obtained as part of the audit of the general purpose financial statements; (4) a review of the internal control structure made as a part of the audit of the federal financial assistance programs; (5) a review of compliance based on an audit of the general purpose financial statements in accordance with Government Auditing Standards; and (6) a review of compliance with laws and regulations related to the federal financial assistance programs and our opinion thereon.

When filing the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements, for Federal Awards (Uniform Guidance) and the Data Collection Form with the agencies listed on Page 2, the District must enclose the appropriate number of reports as listed.


January 20, 2021
Pottsville, Pennsylvania

JIM THORPE AREA SCHOOL DISTRICT

LIST OF REPORT DISTRIBUTION

JUNE 30, 2020

1 Certified Copy of Data Collection Form, Single Audit Clearing Package Checklist, FAC's Confirmation Email	Must be submitted Via Electronic Mail (E-mail) Commonwealth of Pennsylvania Office of the Budget - Bureau of Audits, Special Audit Services Division RA-BOASingleAudit@state.pa.us
1 Single Audit Report and Data Collection Form	Federal Audit Clearinghouse Via Internet Website www.harvester.census.gov/sac
1 Single Audit Report	Carbon County Courthouse Clerk of Courts P.O. Box 129 Jim Thorpe, Pa 18229-0129

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INDEPENDENT AUDITOR'S REPORT

Board of School Directors
Jim Thorpe Area School District
Jim Thorpe, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Jim Thorpe Area School District, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Jim Thorpe Area School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Prior Period Adjustments

As described in Note 10 to the financial statements, as of June 30, 2019 it was determined that there were various prior period adjustments effecting the general fund. The total amount of the prior period adjustments of the district was \$315,052 which increased the district's fund balance.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion on pages 9-16 and the schedule of the District's proportionate share of the net pension liability, the schedule of the District's contributions, the District's proportionate share of the net OPEB-PSERS liability, the schedule of the District's contributions - OPEB-PSERS, the schedule of the District's proportionate share of the net OPEB liability and the schedule of District contributions - OPEB on pages 70-75 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

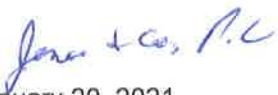
Other Supplemental Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 20, 2021, on our consideration of the Jim Thorpe Area School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Jim Thorpe Area School District's internal control over financial reporting and compliance.


January 20, 2021
Pottsville, Pennsylvania

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

Board of School Directors
Jim Thorpe Area School District
Jim Thorpe, 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 the Jim Thorpe Area School District, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Jim Thorpe Area School District's basic financial statements, and have issued our report thereon dated January 20, 2021.

Internal Control over Financial Reporting

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

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

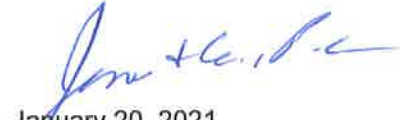
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

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

Purpose of this Report

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



January 20, 2021
Pottsville, Pennsylvania

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

Board of School Directors
Jim Thorpe Area School District
Jim Thorpe, Pennsylvania

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control over Compliance

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

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

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

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



January 20, 2021
Pottsville, Pennsylvania

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Jim Thorpe Area School District's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2020. Please read it in conjunction with the District's financial statements, which begin on Page 17.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 17 and 18) provide information about the activities of the District as a whole and present a long-term view of the District's finances. Fund financial statements start on page 19. For governmental activities, the fund financial statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds.

Reporting the District as a Whole

One of the most important questions asked about the District's finances is, "Is the District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenue and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net assets and changes in them. You can think of the District's net assets (the difference between assets and liabilities) as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the District's property tax base and student enrollment.

In the Statement of Net Position and the Statement of Activities, we divide the District into two kinds of activities:

- **Governmental activities** – The District's educational services, including administration costs, and capital project activities are reported here. Property taxes, state and federal funding, and bond proceeds finance most of these activities.
- **Business-type activities** – The District's food service operation is reported here. State and federal funding and charges for meals finance all of the food service activities.

Reporting the District's Most Significant Funds

The fund financial statements begin on page 19 and provide detailed information about the most significant funds – not the District as a whole. The District's two kinds of funds – governmental and proprietary – use different accounting approaches.

- **Governmental funds** – The District's educational services, including administration costs and capital project activities, are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. We describe the relationship (or differences) between the governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a reconciliation statement contained in this report.
- **Proprietary funds** – When the District charges students and employees for meals provided, these transactions are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the District's enterprise fund (a component of proprietary funds) is the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

Statement of Net Position						
	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>6-30-20</u>	<u>6-30-19</u>	<u>6-30-20</u>	<u>6-30-19</u>	<u>6-30-20</u>	<u>6-30-19</u>
Current and other assets	23,695,488	23,233,459	1,179,863	(19,933)	24,875,351	23,213,526
Capital assets & Deferred Outflows	46,696,708	46,820,771	123,279	441,316	46,819,987	47,262,087
Total Assets	<u>70,392,196</u>	<u>70,054,230</u>	<u>1,303,142</u>	<u>421,383</u>	<u>71,695,338</u>	<u>70,475,613</u>
Current and Other liabilities	13,851,033	9,380,445	1,409,475	142,436	15,260,508	9,522,881
Long-term liabilities	92,033,612	93,590,178	717,070	2,502,900	92,750,682	96,093,078
Total Liabilities	<u>105,884,645</u>	<u>102,970,623</u>	<u>2,126,545</u>	<u>2,645,336</u>	<u>108,011,190</u>	<u>105,615,959</u>
Net Assets:						
Invested in capital assets, net of related debt	(34,459,764)	2,681,654	315	1,802	(34,459,449)	2,683,456
Restricted	1,585,959	1,582,033	0	0	1,585,959	1,582,033
Committed	10,425,000	0	0	0	10,425,000	0
Unrestricted	<u>(13,043,644)</u>	<u>(37,180,080)</u>	<u>(823,718)</u>	<u>(2,225,755)</u>	<u>(13,867,362)</u>	<u>(39,405,835)</u>
Total net assets	<u>(35,492,449)</u>	<u>(32,916,393)</u>	<u>(823,403)</u>	<u>(2,223,953)</u>	<u>(36,315,852)</u>	<u>(35,140,346)</u>

The Governmental Activities financial outlook changed drastically with the implementation of the new GASB pronouncement. The district is now forced to report its portion of the unfunded pension liability. Because of this the Unrestricted Net Assets is now in the negative. This will be negative in the future until the pensions are properly funded or there is legislation to change how the plan is funded.

The district also had a change of auditors. There are differences in how Internal balances owed were classified. The prior auditor classified them as a negative asset while the current auditors classified them as a current liability.

Governmental Activities

	General Fund	
	<u>6-30-20</u>	<u>6-30-19</u>
Revenues		
Local sources	33,950,210	33,074,219
State sources	11,343,351	11,728,938
Federal sources	577,514	626,015
Other	9,232,209	0
Total Revenues	<u>55,103,284</u>	<u>45,429,172</u>
Expenditures		
Instruction	31,253,263	27,811,703
Support services	12,466,122	11,899,481
Operation of non-instructional services	1,072,237	1,082,242
Debt service	11,107,612	4,356,588
Other	0	587,763
Total Expenditures	<u>55,899,234</u>	<u>45,737,777</u>
Excess (Deficiency) of Revenues and Other Financing Sources over		
Expenditures and Other Financing Uses	(795,950)	(308,605)
Fund Balance, July 1	<u>14,292,786</u>	<u>14,601,391</u>
Prior Period Adjustment	315,052	
Fund Balance, June 30	<u><u>13,811,888</u></u>	<u><u>14,292,786</u></u>

General Fund

Fund balance at June 30, 2020 is \$13,811,888 a \$480,898 decrease from the prior year. The budgeted shortfall was estimated at \$2,907,971 therefore the year end result was a positive variance of \$2,427,073. This positive variance was due to higher than expected local and state revenues.

	Capital Project Fund	
	<u>6-30-20</u>	<u>6-30-19</u>
Revenues		
Local sources	3,926	4,079
Bond Proceeds	0	0
Transfers In	0	500,000
Total Revenues	<u>3,926</u>	<u>504,079</u>
Expenditures		
Facilities Acquisition, construction, and improvement services	0	0
Interfund Transfers	0	0
Total Expenditures	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	3,926	504,079
Fund Balance, July 1	<u>1,582,033</u>	<u>1,077,954</u>
Fund Balance, June 30	<u>1,585,959</u>	<u>1,582,033</u>

Capital Project Fund

The only activity for the year was interest income.

	Food Service Fund	
	<u>6-30-20</u>	<u>6-30-19</u>
Revenues		
Food service revenues	286,578	385,450
Earnings on Investments	4,322	1,608
State sources	56,137	35,546
Federal sources	586,041	563,502
Pension	1,288,512	0
OPEB	225,671	0
Total Revenues	<u>2,447,261</u>	<u>986,106</u>
Expenses		
Salaries	154,794	155,849
Employee benefits	131,201	1,463,554
Professional services	33,799	240
Other purchased services	658,000	371,407
Supplies	67,430	446,162
Depreciation	1,487	2,706
Total Expenses	<u>1,046,711</u>	<u>2,439,918</u>
Transfer In	<u>0</u>	<u>0</u>
Change in Net Assets	<u>1,400,550</u>	<u>(1,453,812)</u>
Retained Earnings, July 1	<u>(2,223,953)</u>	<u>(770,141)</u>
Retained Earnings, June 30	<u><u>(823,403)</u></u>	<u><u>(2,223,953)</u></u>
Food Services Fund		

Retained earnings for the year ending June 30, 2020 increased by \$1,400,550 because of an adjustment to pension and OPEB future obligations. If you remove the pension and OPEB adjustment the district had a \$113,633 operating loss primarily due to the COVID shutdown. The district paid for salaries of workers at 100% but did not serve meals to offset the expense. The shutdown made it difficult to serve students that were no longer in school. Various drop off meals were prepared but was ultimately not successful.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2020, the District had \$35,973,937 (net of depreciation) invested in various capital assets. This amount decreased by approximately \$249,816 due primarily to depreciation.

Capital Assets at Year-end

	Governmental Activities		Business-type Activities		Totals	
	<u>6-30-20</u>	<u>6-30-19</u>	<u>6-30-20</u>	<u>6-30-19</u>	<u>6-30-20</u>	<u>6-30-19</u>
Land and land improvements	1,786,667	1,860,547	0	0	1,786,667	1,860,547
Buildings and improvements	31,392,988	32,673,799	0	0	31,392,988	32,673,799
Machinery and equipment	2,445,944	1,339,582	315	1,802	2,446,259	1,341,384
Construction in Progress	348,023	348,023	0	0	348,023	348,023
Totals (Net of Depreciation)	<u>35,973,622</u>	<u>36,221,951</u>	<u>315</u>	<u>1,802</u>	<u>35,973,937</u>	<u>36,223,753</u>

Debt Administration

As of June 30, 2020 and 2019 the District had the following bonds outstanding:

	Governmental Activities		Business-type Activities		Totals	
	<u>6-30-20</u>	<u>6-30-19</u>	<u>6-30-20</u>	<u>6-30-19</u>	<u>6-30-20</u>	<u>6-30-19</u>
General obligation bonds (backed by the District)/Lease obligations	<u>28,605,000</u>	<u>31,095,000</u>	<u>0</u>	<u>0</u>	<u>28,605,000</u>	<u>31,095,000</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The District's Board of Education are considering many factors when setting the preliminary 2020-2021 budget and tax rates.

The district is facing a \$4,900,000 budgeted loss for the 20-21 school year. Very conservative estimates were placed in the budget for local revenues due to concerns over collections during COVID. As of the date of this audit collections have been steady. It is estimated that the loss for this year will be less than \$2,000,000. COVID has made budgeting and planning very difficult. Currently there is legislation to provide grant funding to correct these uncertainties and balance the budget. The district has a fund balance to rely upon if needed.

The cafeteria fund is not operating without being subsidized by the general fund. This is due to the COVID shutdown and virtual/hybrid model of education. As a positive, as employees retire the cost of these employee's benefits decrease because of outsourcing employment to the management company.

On June 27, 2006 the Pennsylvania Legislature passed Act 1 of 2006, the Taxpayer Relief Act. This Act utilizes gambling revenue from slot machines to help offset real estate taxes. This year approved taxpayers were given \$173 to offset their real estate taxes. In addition, all Districts are subject to voter referendum for tax increases that exceed an annual index as established by the Pennsylvania Department of Education.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our taxpayers, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District Office, 410 Center Ave Jim Thorpe, PA 18229 or by calling 570-325-3691.

JIM THORPE AREA SCHOOL DISTRICT
STATEMENT OF NET POSITION (DEFICIT)

JUNE 30, 2020

	Governmental Activities	Business-Type Activities	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
CURRENT ASSETS			
Cash and investments	\$ 16,076,032	\$ 939,040	\$ 17,015,072
Taxes receivable, net	3,521,330	0	3,521,330
Internal balances	1,384,117	74,236	1,458,353
Intergovernmental receivables	2,402,072	57,401	2,459,473
Other receivables	311,937	0	311,937
Prepaid expenses	0	89,294	89,294
Inventories	0	19,892	19,892
TOTAL CURRENT ASSETS	23,695,488	1,179,863	24,875,351
NON-CURRENT ASSETS			
Land	987,700	0	987,700
Building and improvements (net acc dep)	31,392,988	0	31,392,988
Furniture and equipment (net acc dep)	2,445,944	315	2,446,259
Site improvements (net acc dep)	798,967	0	798,967
Construction in progress	348,023	0	348,023
TOTAL NON-CURRENT ASSETS	35,973,622	315	35,973,937
TOTAL ASSETS	59,669,110	1,180,178	60,849,288
DEFERRED OUTFLOWS OF RESOURCES	10,723,086	122,964	10,846,050
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 70,392,196	\$ 1,303,142	\$ 71,695,338
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION (DEFICIT)			
CURRENT LIABILITIES			
Internal balance	\$ 94,733	\$ 1,331,317	\$ 1,426,050
Accounts payable	517,374	21,369	538,743
Accrued salaries and benefits	5,018,606	0	5,018,606
Current portion of long-term debt	3,158,420	0	3,158,420
Accrued interest	322,123	0	322,123
Deferred Revenue	0	22,203	22,203
TOTAL CURRENT LIABILITIES	9,111,256	1,374,889	10,486,145
NON-CURRENT LIABILITIES			
Lease payable	1,110,438	0	1,110,438
Bonds payable	25,850,000	0	25,850,000
Other postemployment benefit obligations	13,336,517	218,682	13,555,199
Accrued pension obligation	50,733,894	493,106	51,227,000
Long-term portion of compensated absences	1,002,763	5,282	1,008,045
TOTAL NON-CURRENT LIABILITIES	92,033,612	717,070	92,750,682
TOTAL LIABILITIES	101,144,868	2,091,959	103,236,827
DEFERRED INFLOWS OF RESOURCES	4,739,777	34,586	4,774,363
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	105,884,645	2,126,545	108,011,190
NET POSITION (DEFICIT)			
Invested in capital assets, net of related debt	5,854,764	315	5,855,079
Restricted	1,585,959	0	1,585,959
Committed	10,425,000	0	10,425,000
Unrestricted (Deficit)	(53,358,172)	(823,718)	(54,181,890)
TOTAL NET POSITION (DEFICIT)	(35,492,449)	(823,403)	(36,315,852)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION (DEFICIT)	\$ 70,392,196	\$ 1,303,142	\$ 71,695,338

See notes to financial statements
which are an integral part of this statement.

JIM THORPE AREA SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2020

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities
GOVERNMENTAL ACTIVITIES						
Instruction	\$ 33,669,072	\$ 0	\$ 4,688,374	\$ 0	\$ (28,980,698)	\$ (28,980,698)
Instructional student support	2,222,145	0	241,796	0	(1,980,349)	(1,980,349)
Administrative and financial support services	3,419,688	0	329,155	0	(3,090,533)	(3,090,533)
Operation and maintenance of plant services	4,232,773	0	217,910	0	(4,014,863)	(4,014,863)
Pupil transportation	3,097,158	0	779,783	0	(2,317,375)	(2,317,375)
Student activities	1,019,014	297,427	71,389	0	(650,198)	(650,198)
Community services	120,651	0	20,609	0	(100,042)	(100,042)
Facilities, construction and improvements	0	0	0	0	0	0
Interest on long-term debt	777,272	0	0	993,999	216,727	216,727
TOTAL GOVERNMENTAL ACTIVITIES	48,557,773	297,427	6,349,016	993,999	(40,917,331)	(40,917,331)
BUSINESS-TYPE ACTIVITIES						
Food services	1,046,711	286,578	642,178	0	0	(117,955)
TOTAL PRIMARY GOVERNMENT	49,604,484	584,005	6,991,194	993,999	(40,917,331)	(41,035,286)
GENERAL REVENUES AND TRANSFERS						
Taxes:						
Property taxes, levied for general purposes, net					27,228,812	27,228,812
Public utility, realty, earned income and miscellaneous taxes levied for general purposes, net					3,690,592	3,690,592
Grants, subsidies, and contributions not restricted					4,577,848	4,577,848
Investment earnings					304,318	308,640
Transfers					0	0
Miscellaneous					2,224,653	3,738,836
TOTAL GENERAL REVENUES AND TRANSFERS					38,026,223	39,544,728
CHANGE IN NET ASSETS						
					(2,891,108)	(1,490,558)
NET POSITION (DEFICIT) - BEGINNING					(32,916,393)	(35,140,346)
PRIOR PERIOD ADJUSTMENT					315,052	315,052
NET POSITION (DEFICIT) - BEGINNING, AS RESTATED					(32,601,341)	(34,825,294)
NET POSITION (DEFICIT) - ENDING					(35,492,449)	(36,315,852)

See notes to financial statements
which are an integral part of this statement.

JIM THORPE AREA SCHOOL DISTRICT

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2020

	<u>General</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
ASSETS AND DEFERRED			
OUTFLOWS OF RESOURCES			
Cash and investments	\$ 15,552,399	\$ 523,633	\$ 16,076,032
Taxes receivable, net	3,521,330	0	3,521,330
Due from other funds	1,384,117	1,062,326	2,446,443
Intergovernmental receivables	2,402,072	0	2,402,072
Other receivables	311,937	0	311,937
TOTAL ASSETS	<u>23,171,855</u>	<u>1,585,959</u>	<u>24,757,814</u>
DEFERRED OUTFLOWS OF			
RESOURCES	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL ASSETS AND DEFERRED			
OUTFLOWS OF RESOURCES	<u>\$ 23,171,855</u>	<u>\$ 1,585,959</u>	<u>\$ 24,757,814</u>
 LIABILITIES, DEFERRED INFLOWS			
OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Due to other funds	\$ 1,157,059	\$ 0	\$ 1,157,059
Accounts payable	517,373	0	517,373
Accrued salaries and benefits	5,018,606	0	5,018,606
Deferred revenue	2,666,929	0	2,666,929
TOTAL LIABILITIES	<u>9,359,967</u>	<u>0</u>	<u>9,359,967</u>
DEFERRED INFLOWS OF RESOURCES	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCES			
Committed	10,425,000	0	10,425,000
Restricted	0	1,585,959	1,585,959
Unassigned	3,386,888	0	3,386,888
TOTAL FUND BALANCES	<u>13,811,888</u>	<u>1,585,959</u>	<u>15,397,847</u>
TOTAL LIABILITIES, DEFERRED			
INFLOWS OF RESOURCES AND			
FUND BALANCES	<u>\$ 23,171,855</u>	<u>\$ 1,585,959</u>	<u>\$ 24,757,814</u>

See notes to financial statements
which are an integral part of this statement.

JIM THORPE AREA SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION (DEFICIT)

GOVERNMENTAL FUNDS

AS OF JUNE 30, 2020

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS **\$ 15,397,847**

Amounts reported for governmental activities in the statement
of net assets are different because:

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

Cost of capital assets	75,347,759	
Less: accumulated depreciation	<u>(39,374,137)</u>	
		35,973,622

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

Bond payable	(29,008,420)	
Accrued compensated absences	(1,002,763)	
Other postemployment benefit obligation	(11,204,495)	
Deferred outflows (inflows)	5,496,059	
Pension obligation	(50,733,894)	
Capital leases payable	<u>(1,110,438)</u>	
		(87,563,951)

Delinquent property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures and are, therefore, deferred in the funds.	2,666,929
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Governmental funds report debt issuance premiums and discounts as an other financing source or use at the time of issuance. Premiums, discounts, and deferred charges are reported as an unamortized asset or liability in the District-wide financial statements.	(1,644,772)
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Governmental funds do not report a liability for accrued interest until due and payable.	(322,124)
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Activities of internal service funds properly included within governmental activities.	<u>0</u>
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TOTAL NET POSITION (DEFICIT) - GOVERNMENTAL ACTIVITIES **\$ (35,492,449)**

JIM THORPE AREA SCHOOL DISTRICT

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES**

ALL GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2020

	<u>General</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
REVENUES			
Local sources	\$ 33,950,210	\$ 3,926	\$ 33,954,136
State sources	11,343,351	0	11,343,351
Federal sources	577,514	0	577,514
TOTAL REVENUES	<u>45,871,075</u>	<u>3,926</u>	<u>45,875,001</u>
EXPENDITURES			
Instructional	31,253,263	0	31,253,263
Support services	12,466,122	0	12,466,122
Operation of non-instructional services	1,072,237	0	1,072,237
Capital outlay	0	0	0
Debt service	11,107,612	0	11,107,612
TOTAL EXPENDITURES	<u>55,899,234</u>	<u>0</u>	<u>55,899,234</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(10,028,159)</u>	<u>3,926</u>	<u>(10,024,233)</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from Refunding of Bonds	6,695,000	0	6,695,000
Proceeds from External Financing	2,226,960	0	2,226,960
Gain of Sale of Fixed Assets	305,809	0	305,809
Insurance Recoveries	4,440	0	4,440
TOTAL OTHER FINANCING SOURCES (USES)	<u>9,232,209</u>	<u>0</u>	<u>9,232,209</u>
NET CHANGE IN FUND BALANCES	<u>(795,950)</u>	<u>3,926</u>	<u>(792,024)</u>
FUND BALANCES - BEGINNING	14,292,786	1,582,033	15,874,819
PRIOR PERIOD ADJUSTMENT	<u>315,052</u>	<u>0</u>	<u>315,052</u>
ADJUSTED FUND BALANCES - RESTATED	<u>14,607,838</u>	<u>0</u>	<u>14,607,838</u>
FUND BALANCES - ENDING	<u>\$ 13,811,888</u>	<u>\$ 1,585,959</u>	<u>\$ 15,397,847</u>

See notes to financial statements
which are an integral part of this statement.

JIM THORPE AREA SCHOOL DISTRICT

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO STATEMENT OF ACTIVITIES**

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2020

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS \$ (792,025)

Governmental funds report capital outlays as expenditures. In the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. 99,694

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first 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 and related items. 1,428,645

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (20,266)

Because some property taxes will not be collected for several months after the District's year end, they are not considered as available revenues in the governmental funds. (518,583)

Postemployment benefits are recognized when they are paid on the fund statements. With the implementation of GASB #45, an estimated liability for future benefits due will be phased in over several years. This amount represents the difference between the estimated annual cost and the amount paid. (3,193,511)

Some expenses reported in the Statement of Activities, such as compensated absences, do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. 104,938

CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES \$ (2,891,108)

JIM THORPE AREA SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual	Variance With
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
REVENUES				
Local sources	\$ 32,764,637	\$ 32,764,637	\$ 33,950,210	\$ 1,185,573
State sources	10,504,876	10,504,876	11,343,351	838,475
Federal sources	585,000	585,000	577,514	(7,486)
TOTAL REVENUES	<u>43,854,513</u>	<u>43,854,513</u>	<u>45,871,075</u>	<u>2,016,562</u>
EXPENDITURES				
Regular programs	18,472,964	18,472,964	20,486,689	(2,013,725)
Special programs	6,446,440	6,446,440	6,889,960	(443,520)
Vocational programs	2,665,759	2,665,759	2,541,793	123,966
Other instructional programs	555,410	555,410	943,205	(387,795)
Non-public school programs	0	0	0	0
Pupil personnel services	1,398,616	1,398,616	1,415,209	(16,593)
Instructional staff services	1,100,974	1,100,974	984,229	116,745
Administrative services	2,062,455	2,062,455	2,085,279	(22,824)
Pupil health	285,546	285,546	290,061	(4,515)
Business services	784,951	784,951	753,884	31,067
Operation and maintenance of plant services	3,508,090	3,508,090	3,559,141	(51,051)
Student transportation services	3,417,990	3,417,990	3,036,796	381,194
Central and other support services	693,539	693,539	733,141	(39,602)
Student activities	850,200	850,200	951,584	(101,384)
Community services	47,050	47,050	120,651	(73,601)
Existing Site Improvement Services	0	0	0	0
Building Acquis & Construction Services	0	0	0	0
Debt service (principal and interest)	4,397,500	4,397,500	11,107,612	(6,710,112)
TOTAL EXPENDITURES	<u>46,687,484</u>	<u>46,687,484</u>	<u>55,899,234</u>	<u>(9,211,750)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(2,832,971)</u>	<u>(2,832,971)</u>	<u>(10,028,159)</u>	<u>(7,195,188)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from Refunding of Bonds	0	0	6,695,000	6,695,000
Proceeds from External Financing	0	0	2,226,960	2,226,960
Gain on Sale of Fixed Assets	0	0	305,809	305,809
Insurance Recoveries	0	0	4,440	4,440
Interfund Transfers	(75,000)	(75,000)	0	75,000
Budgetary reserve	0	0	0	0
TOTAL OTHER FINANCING SOURCES (USES)	<u>(75,000)</u>	<u>(75,000)</u>	<u>9,232,209</u>	<u>9,307,209</u>
NET CHANGE IN FUND BALANCES	<u>(2,907,971)</u>	<u>(2,907,971)</u>	<u>(795,950)</u>	<u>2,112,021</u>
FUND BALANCE - BEGINNING OF YEAR	11,425,000	11,425,000	14,292,786	2,867,786
PRIOR PERIOD ADJUSTMENT	<u>0</u>	<u>0</u>	<u>315,052</u>	<u>315,052</u>
ADJUSTED FUND BALANCES - RESTATED	11,425,000	11,425,000	14,607,838	3,182,838
FUND BALANCE - END OF YEAR	<u>\$ 8,517,029</u>	<u>\$ 8,517,029</u>	<u>\$ 13,811,888</u>	<u>\$ 5,294,859</u>

See notes to financial statements
which are an integral part of this statement.

JIM THORPE AREA SCHOOL DISTRICT
STATEMENT OF NET POSITION (DEFICIT)
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Food Service</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
CURRENT ASSETS	
Cash	\$ 939,040
Intergovernmental receivables	57,401
Internal balances	74,236
Prepaid deposit	89,294
Inventories	19,892
TOTAL CURRENT ASSETS	<u>1,179,863</u>
NON-CURRENT ASSETS	
Machinery and equipment	412,414
Less: accumulated depreciation	<u>(412,099)</u>
TOTAL NON-CURRENT ASSETS	315
TOTAL DEFERRED OUTFLOWS OF RESOURCES	122,964
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 1,303,142</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION (DEFICIT)	
CURRENT LIABILITIES	
Internal balances	\$ 1,331,317
Accounts payable	21,369
Deferred revenue	22,203
Compensated absences	5,282
TOTAL CURRENT LIABILITIES	<u>1,380,171</u>
NON-CURRENT LIABILITIES	
Pension liability	493,106
Other post employment benefits	218,682
TOTAL NON-CURRENT LIABILITIES	<u>711,788</u>
DEFERRED INFLOWS OF RESOURCES	34,586
NET POSITION (DEFICIT)	
Invested in capital assets - net of related debt	315
Unrestricted	<u>(823,718)</u>
TOTAL NET POSITION (DEFICIT)	<u>(823,403)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION (DEFICIT)	<u><u>\$ 1,303,142</u></u>

See notes to financial statements
which are an integral part of this statement.

JIM THORPE AREA SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Food Service</u>
OPERATING REVENUES	
Food service revenues	\$ 286,578
TOTAL OPERATING REVENUES	<u>286,578</u>
OPERATING EXPENSES	
Salaries	154,794
Employee benefits	131,201
Purchased professional and technical services	33,799
Other purchased services	658,000
Supplies	67,430
Depreciation	1,487
TOTAL OPERATING EXPENSES	<u>1,046,711</u>
OPERATING (LOSS)	(760,133)
NON-OPERATING REVENUES (EXPENSES)	
Pension	1,288,512
Other post employment benefits	225,671
Earnings on investments	4,322
State sources	56,137
Federal sources	586,041
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>2,160,683</u>
CHANGE IN NET POSITION	1,400,550
NET POSITION (DEFICIT) - BEGINNING OF YEAR	<u>(2,223,953)</u>
NET POSITION (DEFICIT) - END OF YEAR	<u><u>\$ (823,403)</u></u>

See notes to financial statements
which are an integral part of this statement.

JIM THORPE AREA SCHOOL DISTRICT

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2020

	<u>Food Service</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers and intergovernments	\$ 683,009
Cash payments to suppliers for goods and services	(775,002)
Cash payments for selling and general expenses	(183,028)
NET CASH (USED FOR) OPERATING ACTIVITIES	<u>(275,021)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
State sources	56,137
Federal sources	586,041
NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES	<u>642,178</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	0
CASH FLOWS FROM INVESTING ACTIVITIES	
Earnings on investments	<u>4,322</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	371,479
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>567,561</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 939,040</u></u>
OPERATING (LOSS)	\$ (760,133)
ADJUSTMENTS TO RECONCILE OPERATING (LOSS) TO NET CASH (USED FOR) OPERATING ACTIVITIES:	
Changes in current assets and current liabilities	
Depreciation	1,487
(Increase) Decrease in accounts receivable	396,431
(Increase) Decrease in advance from other funds	(74,236)
(Increase) Decrease in inventories	(16,010)
(Increase) Decrease in prepaid deposit	(89,294)
Increase (Decrease) in accounts payable	(27,430)
Increase (Decrease) in compensated absences	1,086
Increase (Decrease) in deferred revenue	8,137
Increase (Decrease) in advances to other funds	284,941
TOTAL ADJUSTMENTS	<u>485,112</u>
TOTAL CASH (USED FOR) OPERATING ACTIVITIES	<u><u>\$ (275,021)</u></u>

See notes to financial statements
which are an integral part of this statement.

JIM THORPE AREA SCHOOL DISTRICT

STATEMENT OF NET POSITION

FIDUCIARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2020

	<u>Private Purpose Trust</u>	<u>Activity</u>	<u>Total Fiduciary Funds</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
ASSETS			
Cash and investments	\$ 225,147	\$ 227,304	\$ 452,451
Interfund accounts receivable	<u>20,497</u>	<u>0</u>	<u>20,497</u>
TOTAL ASSETS	<u>245,644</u>	<u>227,304</u>	<u>472,948</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 245,644</u>	<u>\$ 227,304</u>	<u>\$ 472,948</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION			
LIABILITIES			
Interfund accounts payable	\$ 52,800	\$ 0	\$ 52,800
Other current liabilities	<u>0</u>	<u>227,304</u>	<u>227,304</u>
TOTAL LIABILITIES	<u>52,800</u>	<u>227,304</u>	<u>280,104</u>
DEFERRED INFLOWS OF RESOURCES	<u>0</u>	<u>0</u>	<u>0</u>
NET POSITION			
Unrestricted	<u>192,844</u>	<u>0</u>	<u>192,844</u>
TOTAL NET POSITION	<u>192,844</u>	<u>0</u>	<u>192,844</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 245,644</u>	<u>\$ 227,304</u>	<u>\$ 472,948</u>

See notes to financial statements
which are an integral part of this statement.

JIM THORPE AREA SCHOOL DISTRICT
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Private Purpose Trust
ADDITIONS	
Investment income	\$ 3,117
Contributions and donations	<u>1,000</u>
TOTAL ADDITIONS	<u>4,117</u>
DEDUCTIONS	<u>13,305</u>
CHANGE IN NET POSITION	(9,188)
NET POSITION - BEGINNING OF YEAR	<u>202,032</u>
NET POSITION - END OF YEAR	<u><u>\$ 192,844</u></u>

See notes to financial statements
which are an integral part of this statement.

JIM THORPE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

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

In June 1999, the Governmental Accounting Standards Board (GASB) approved Statement No. 34, Basic Financial Statements-and Management's Discussion and Analysis -for State and Local Governments.

The financial statements include:

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

The District has implemented the provisions of Statement No. 34 as well as other new standards related to note disclosure, non-exchange transactions and certain liabilities and expenditures.

JIM THORPE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

BASIS OF PRESENTATION

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

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

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

JIM THORPE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

BASIS OF PRESENTATION - continued

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

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

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

The fiduciary funds are presented in the fiduciary fund financial statements by type (agency). Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the District, these funds are not incorporated into the District-wide statements.

JIM THORPE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

BASIS OF PRESENTATION - continued

The District reports the following major governmental funds:

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

Capital Projects Fund - The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

The District reports the following major proprietary fund types:

Food Service Fund - The Food Service Fund is used to account for all financial transactions related to the food service operation.

Other fund types:

Agency Funds - These funds account for assets held by the District as an agent for various student groups and clubs.

Private Purpose Trust Fund - These funds account for assets held by the District as an agent for an outside party, who has placed restrictions on the use of the fund's assets.

JIM THORPE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

BASIS OF ACCOUNTING

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

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

All business-type activities and enterprise funds of the district follow FASB Statements and Interpretations on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

JIM THORPE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

BUDGETING

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general and special revenue funds. Project-length financial plans are used for capital projects funds. All unencumbered budget appropriations, except capital projects, lapse at the end of each fiscal year.

At the fund level, actual expenditures cannot exceed budgeted appropriations, however, with proper approval by the school board, budgetary transfers between accounts can be made. The budgeted financial statements represented in this report reflect the final budget authorization, including all transfers.

DEPOSITS AND INVESTMENTS

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

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

TAXES ASSESSED

The following is a listing of the taxes assessed along with their respective tax levy:

<u>Tax Type</u>	<u>Millage/Rate</u>	<u>Assessed Valuation</u>
Real Estate - Carbon	45.52 Mills	\$ 29,530,683
Per Capita - Act 511	\$5.00/person	40,645
Per Capita - Section 679	\$5.00/person	40,645
Total Assessed Valuation		\$ 29,611,973

JIM THORPE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

TAXES ASSESSED - continued

The following is the tax calendar showing levy date, payment periods and delinquent dates for the above listed taxes:

Levy date	August 1
Discount (2%) payment period	August 1 to September 30
Face payment period	October 1 to October 31
Penalty (10%) payment period	November 1 to December 31
Delinquent date	December 31

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

INVENTORY

Inventories are recorded using the consumption method of accounting and consist of purchased food, supplies, and surplus commodities received from the federal government. Food and supply purchases are recorded at invoice cost, computed on a first-in, first-out method. Surplus commodities are stated at standard costs, as determined by the Department of Agriculture. In the fund based financial statements, commodities received are recorded as deferred revenue until consumed.

CAPITAL ASSETS

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

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

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

JIM THORPE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

CAPITAL ASSETS - continued

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

<u>Description</u>	<u>Useful Life</u>
Land	Not Depreciated
Land Improvements	20 years
Buildings and Improvements	15-30 years
Furniture and Equipment	5-15 years
Vehicles	3-15 years

COMPENSATED ABSENCES

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

ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS

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

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

JIM THORPE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

RESTRICTED ASSETS

Restricted assets are cash and cash equivalents whose use is limited by legal requirements such as a bond indenture. Restricted assets are reported only in the District-wide financial statements.

FUND EQUITY

In the fund financial statements, governmental funds report fund balance in accordance with GASB No. 54 (See Note 8).

NET ASSETS

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

OTHER POST-EMPLOYMENT BENEFIT OBLIGATIONS

During the year ended June 30, 2019, the District adopted the provisions of GASB Statement No. 74, *"Financial Reporting for Post-employment Benefits Plan other than Pension Plan"* and GASB Statement No. 75, *"Accounting and Financial Reporting for Post-employment Benefits Other than Pensions."* This statement provides the accounting and reporting requirements for the benefit plans as well as require that public sector employers accrue the cost of any postretirement healthcare or similar benefits (OPEB) they may offer to employees. For the purpose of the financial statements, GASB Statement No. 75 requires that governments account for and report the annual cost of OPEB and the outstanding obligations and commitments related to OPEB in the same manner as they currently do for pensions. Accordingly, the District's net OPEB obligation for 2020 was reported on the statement of net assets.

JIM THORPE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 2 - DEPOSITS AND INVESTMENTS:

DEPOSITS

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned. The deposit policy of the school district adheres to state statutes and prudent business practice. Cash equivalents are defined as short-term, highly liquid investments that are readily convertible to known amounts of cash and include investments with original maturities of three months or less. Cash and cash equivalents consist of demand deposits at various financial institutions.

Under Section 440.1 of the Public School Code of 1949, as amended, the District is permitted to:

Deposit in savings accounts or time deposits or share accounts of institutions insured by the Federal Deposit Insurance Corporation to the extent that such accounts are so insured and, for any amounts above the insured maximum, provided that approved collateral as provided by law is pledged by the depository.

At June 30, 2020, the carrying amount of the District's deposits were \$17,467,523 and the bank balance was \$17,602,333. Of the bank balance, \$500,000. was covered by federal depository insurance coverage, and \$16,858,710. was exposed to custodial credit risk because it was uninsured and the collateral held by the depository's agent was not in the District's name.

INVESTMENTS

The investment policy of the school district adheres to state statutes and prudent business practices. The investments of the school district consist of certificates of deposit and U.S. Agency Obligations as authorized by the Board. Investments are stated at cost including accrued interest which approximates market value.

The District invests in the Pennsylvania Treasurer's Invest Program for Local Government as authorized by the Board. Pennsylvania Treasurer's Invest Program for Local Government insures that it will not place deposits with any single issuing institution if the largest participant's pro rata share of such deposits exceeds \$100,000., unless such deposits are secured by (1) Treasurer, federal agencies (collateralized at 102%) or (2) certificates of deposit (collateralized by 120%). These funds have the characteristics of open-end mutual funds and are not subject to credit risk classification.

JIM THORPE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 2 - DEPOSITS AND INVESTMENTS - continued:

INVESTMENTS - continued

As of June 30, 2020, the District had the following investment.

Pennsylvania Local Government Investment Trust (PLGIT)	\$ <u>243,623</u>
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Although not registered with the Securities and Exchange Commission and not subject to regulatory oversight, PLGIT acts like a money market mutual fund in that its objective is to maintain a stable net asset of \$1 per share, is rated by a nationally recognized statistical rating organization and is subject to an independent annual audit.

Interest Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. It is the practice of the District to limit its interest rate risk by investing in securities with maturity dates under one year. At June 30, 2020, the District's investments in securities of U.S. agencies had maturity dates of less than one year.

Custodial Credit Risk

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

JIM THORPE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 2 - DEPOSITS AND INVESTMENTS - continued

Credit Risk

Under Section 4440.1 of the Public School Code of 1949, as amended, the District is permitted to invest its monies as follows:

Obligations of (1) the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, (2) the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth, or (3) any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision.

Concentration Risk

The District does not have a policy that would limit the amount it may invest in any one issuer. More than five percent of the District's investments are Pennsylvania Local Government Invest Trust (PLGIT). Those investments are 100 percent of the District's total investments.

RECONCILIATION OF CASH, CASH EQUIVALENTS, AND INVESTMENTS

The classification of cash, cash equivalents, and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9. A reconciliation between classifications of cash and investments on the combined financial statements and the classifications per GASB Statement No. 3 is as follows:

	<u>Cash & Cash Equivalents</u>	<u>Investments</u>
Cash, Cash Equivalents, and Investments	\$ <u>15,944,479</u>	\$ <u>243,623</u>

JIM THORPE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 3 - CAPITAL ASSETS:

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

	Balance June 30, 2019	Net Additions (Deductions)	Balance June 30, 2020
Governmental Activities:			
Capital Assets, Not Being Depreciated			
Land	\$ 987,700	\$ 0	\$ 987,700
Construction in progress	348,023	0	348,023
Total Capital Assets, Not Being Depreciated	<u>1,335,723</u>	<u>0</u>	<u>1,335,723</u>
Capital Assets, Being Depreciated:			
Land Improvements	4,167,687	0	4,167,687
Buildings	63,186,284	0	63,186,284
Furniture, fixtures and equipment	4,371,795	2,286,270	6,658,065
Total Capital Assets, Being Depreciated	<u>71,725,766</u>	<u>2,286,270</u>	<u>74,012,036</u>
Accumulated Depreciation For			
Buildings and Improvements	(30,512,485)	(1,280,811)	(31,793,296)
Site Improvements	(3,294,840)	(73,880)	(3,368,720)
Furniture and Equipment	(3,032,213)	(1,179,908)	(4,212,121)
Total Accumulated Depreciation	<u>(36,839,538)</u>	<u>(2,534,599)</u>	<u>(39,374,137)</u>
Total Depreciable Assets, Net	<u>34,886,228</u>	<u>(248,329)</u>	<u>34,637,899</u>
Governmental Activities - Capital Assets, Net	<u>\$ 36,221,951</u>	<u>\$ (248,329)</u>	<u>\$ 35,973,622</u>
Business-Type Activities:			
Furniture/Equipment	\$ 412,414	0	\$ 412,414
Less: Accumulated Depreciation	<u>(410,612)</u>	<u>(1,487)</u>	<u>(412,099)</u>
Business-Type Activities - Capital Assets, Net	<u>\$ 1,802</u>	<u>\$ (1,487)</u>	<u>\$ 315</u>

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

Instructional	\$ 2,412,770
Instructional Support	45,586
Transportation	41,711
Operation and Maintenance of Plant Services	34,532
Total Depreciation Expense	<u>\$ 2,534,599</u>

JIM THORPE AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS - continued

FOR THE YEAR ENDED JUNE 30, 2020

NOTE 4 - GENERAL LONG-TERM DEBT:

A summary of general long-term debt is as follows:

	Accrued Compensated Absences	Pension	Other Post Employment Benefits	Capital Leases	General Obligation Bond Series of 2012	General Obligation Bond Series of 2015A	General Obligation Bond Series of 2015B	General Obligation Bond Series of 2016	General Obligation Bond Series of 2017	General Obligation Bond Series of 2020	Total
Balance - July 1, 2019	\$ 1,111,897	\$ 51,413,000	\$ 13,328,607	\$ 212,700	\$ 6,530,000	\$ 14,860,000	\$ 2,035,000	\$ 5,290,000	\$ 2,380,000	\$ 0	\$ 97,161,204
Additions	0	0	226,592	2,226,961	0	0	0	0	0	6,695,000	9,148,553
Reductions	(103,852)	(186,000)	0	(925,803)	0	(1,560,000)	(320,000)	(615,000)	(155,000)	(5,000)	(3,870,655)
Reductions - Refinancing	0	0	0	0	(6,530,000)	0	0	0	0	0	(6,530,000)
Balance - June 30, 2020	\$ 1,008,045	\$ 51,227,000	\$ 13,555,199	\$ 1,513,858	\$ 0	\$ 13,300,000	\$ 1,715,000	\$ 4,675,000	\$ 2,225,000	\$ 6,690,000	\$ 95,909,102
Due Within One Year	\$ 0	\$ 0	\$ 0	\$ 403,420	\$ 0	\$ 1,635,000	\$ 325,000	\$ 625,000	\$ 165,000	\$ 5,000	\$ 3,158,420

A summary of general long-term debt, principal maturities, and interest requirements follows:

Year Ending June 30,	Capital Leases	General Obligation Bond Series of 2012	General Obligation Bond Series of 2015A	General Obligation Bond Series of 2015B	General Obligation Bond Series of 2016	General Obligation Bond Series of 2017	General Obligation Bond Series of 2020	Total
2021	\$ 418,378	\$ 0	\$ 2,300,000	\$ 381,325	\$ 734,062	\$ 235,450	\$ 149,700	\$ 4,218,915
2022	418,378	0	2,298,250	379,825	741,562	241,944	274,600	4,354,559
2023	418,378	0	2,297,500	387,400	733,662	248,006	269,400	4,354,346
2024	300,449	0	2,297,500	378,600	729,850	248,613	279,200	4,234,212
2025	0	0	2,298,000	379,600	739,175	248,863	268,400	3,934,038
2026-2031	1,555,583	0	4,598,500	0	1,467,569	1,498,200	6,544,100	14,108,369
Total	(41,725)	0	16,089,750	1,906,750	5,145,880	2,721,076	7,785,400	35,204,439
Less: Interest			(2,789,750)	(191,750)	(470,880)	(496,076)	(1,095,400)	(5,085,581)
Outstanding Principal	\$ 1,513,858	\$ 0	\$ 13,300,000	\$ 1,715,000	\$ 4,675,000	\$ 2,225,000	\$ 6,690,000	\$ 30,118,858

JIM THORPE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 4 - CHANGES IN LONG-TERM DEBT – continued

GENERAL OBLIGATION BONDS – SERIES OF 2012

The School District issued \$6,740,000 General Obligation Bonds, Series of 2012, on August 22, 2012. The General Obligation Bonds were issued for (1) refunding, on a current refunding basis, all of the School District's General Obligation Bonds, Series of 2007. The District refinanced the General Obligation Bonds – Series of 2012 with the General Obligation Bonds – Series of 2020. This Bond has been satisfied with the refunding of General Obligation Bonds, Series of 2020.

GENERAL OBLIGATION BONDS – SERIES OF 2015A

The School District issued \$18,375,000 General Obligation Bonds, Series of 2015A, on January 8, 2015. The General Obligation Bonds were issued for (1) refunding, on a current refunding basis, all of the School District's General Obligation Bonds, Series of 2005, outstanding in the aggregate principal amount of \$20,510,000; and (2) paying all costs and expenses incurred by the School District to issue the Bonds. The bonds mature from March 15, 2015 to March 15, 2027.

GENERAL OBLIGATION BONDS – SERIES OF 2015B

The School District issued \$3,330,000 General Obligation Bonds, Series of 2015B, on January 8, 2015. The General Obligation Bonds were issued for (1) refunding, on a current refunding basis, all of the School District's General Obligation Bonds, Series of 2005A, outstanding in the aggregate principal amount of \$3,310,000; and (2) paying all costs and expenses incurred by the School District to issue the Bonds. The bonds mature from March 15, 2015 to March 15, 2025.

GENERAL OBLIGATION BONDS – SERIES OF 2016

The School District issued \$7,310,000 General Obligation Bonds, Series of 2016, on January 12, 2016. The General Obligation Bonds were issued for (1) refunding, on a current refunding basis, all of the School District's General Obligation Bonds, Series of 2011, outstanding in the aggregate principal amount of \$7,070,000; and (2) paying all costs and expenses incurred by the School District to issue the Bonds. The bonds mature from March 15, 2016 to March 15, 2027.

JIM THORPE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 4 - CHANGES IN LONG-TERM DEBT – continued

GENERAL OBLIGATION BONDS – SERIES OF 2017

The School District issued \$2,745,000 General Obligation Bonds, Series of 2017, on November 16, 2016. The General Obligation Bonds were issued to (1) construct performance-based energy efficiency and other improvements to the buildings and facilities of the School District; (2) undertake other capital projects within the School District; and (3) pay the costs and expenses to issue the Bonds. The bonds mature from March 15, 2017 to March 15, 2031.

GENERAL OBLIGATION BONDS – SERIES OF 2020

The School District issued \$6,695,000 General Obligation Bonds, Series of 2020, on February 12, 2020. The General Obligation Bonds were issued to (1) refinance the General Obligation Bonds, Series of 2012 and (2) pay the costs and expenses to issue the Bonds. The bonds mature from March 15, 2020 to March 15, 2029.

COMPENSATED ABSENCES

Compensated absences at June 30, 2020, consist of the following:

	Long-Term Debt	Food Service	Total
Sick Leave/Personal Day:	\$ 1,002,763	\$ 5,282	\$ 1,008,045
Total	\$ 1,002,763	\$ 5,282	\$ 1,008,045

NOTE 5 - RISK MANAGEMENT AND LITIGATION:

This District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains coverage from commercial insurance companies to cover these risks of loss.

JIM THORPE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 5 - RISK MANAGEMENT AND LITIGATION - continued

GRANT PROGRAMS

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2020 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

NOTE 6 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – DISTRICT:

PLAN DESCRIPTION

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

FUNDING POLICY

The contribution requirements of plan members and the District are established and may be amended by the School Board, subject to applicable labor contracts and benefit plans. Plan members are required to pay \$100. per month towards the premium for medical, drugs, dental, and vision. The District pays the remaining premium for the member and remaining premium for member and spouse for those under Act 93 Agreement. The District also pays the full premium for life insurance in varying amounts. The length of benefits coverage ranges from five years or from date of retirement to age 65.

For 2020, the District made no contributions and instead elected to continue funding on a *pay-as-you-go* basis, which amounted to \$261,330. for 2020. These costs are recognized as an expense when claims or premiums are paid.

JIM THORPE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 6 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – DISTRICT-continued

Plan Membership

Inactive plan member or beneficiaries currently receiving benefits	11
Inactive plan members entitled to but not yet receiving benefits	0
Active plan members	<u>284</u>
	<u>295</u>

Components of the net OPEB liability

Total OPEB liability	\$ 11,226,199
Plan fiduciary net position	<u>0</u>
Net OPEB Liability	<u>\$ 11,226,199</u>

Plan fiduciary net position of the total OPEB liability 0.00%

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

	1.00% Decrease <u>2.50%</u>	Current Discount Rate <u>3.50%</u>	1.00% Increase <u>4.50%</u>
Net OPEB liability (asset)	\$ 12,407,832	\$ 11,226,199	\$ 10,167,469

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates

	1% Decrease 4.50% decreasing <u>to 3.70%</u>	Current Healthcare cost Trend Rates 5.50% decreasing to <u>4.70%</u>	1.00% Increase 6.50% decreasing to <u>5.70%</u>
Net OPEB liability (asset)	\$ 9,822,604	\$ 11,226,199	\$ 12,887,254

JIM THORPE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 6 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS - DISTRICT-continued

ACTUARIAL METHODS AND ASSUMPTIONS

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

In the July 1, 2019 actuarial valuation, the individual entry age normal actuarial cost method was used. There were also merit and seniority salary rate increase assumptions taken into consideration and those are detailed in the actuarial study and are based on age. There was also an inflationary rate assumption factored into the calculation. Per the actuarial study, the assumed rate ranges from 10% in the short-term to 5% in the long-term for health care related costs. The UAAL is being amortized as a level percentage of active member payroll over a period of 20 years.

NOTE 7 – OPERATING LEASES:

The District has a lease obligation with Carbon County Technical Institute for a building project. The annual cost for the building project is \$477,037 in 2019-2020.

The District leases copiers under operating leases. The District has the option to purchase the copiers for fair market value, determined by the lessor, at the end of the lease, or the option to continue the lease on a month-to-month basis. The total monthly copier lease payment is \$6,672. for five years.

JIM THORPE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 7 – OPERATING LEASES - continued

The estimated future minimum rental payments are as follows:

Year Ending June 30,	Estimated Amount
2021	\$ 559,698
2022	557,415
2023	556,689
2024	559,689
2025-2038	6,721,074
Total	\$ 8,954,565

Rental expenses for all operating leases for the year ended June 30, 2020 was \$530,415.

NOTE 8 - GASB STATEMENT NO. 54:

On June 15, 2010, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 54 (Fund Balance Reporting and Governmental Fund Type Definitions). This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

GASB-54 establishes criteria for classifying fund balances into specifically defined classifications that should be based on hierarchy that reflects the extent to which the government is bound to honor constraints on how those funds can be spent. Established classifications are as follows:

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

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

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

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

JIM THORPE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 8 - GASB STATEMENT NO. 54 – continued

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

The District assigned fund balance is fund balance reporting occurring by the School Board Administration Authority, under the direction of the Business Manager.

ORDER OF FUND BALANCE SPENDING POLICY

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

First, nonspendable fund balances are determined. Then, restricted fund balances for the nongeneral funds are classified as restricted fund balance.

It is possible for the nongeneral funds to have negative unassigned fund balance when nonspendable amounts plus the restricted fund balances for specific purpose amounts exceed the positive fund balance for the nongeneral fund.

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2020

	General	Capital Projects	Total Governmental Funds
EQUITY			
Nonspendable	\$ 0	\$ 0	\$ 0
Restricted	0	1,585,959	1,585,959
Committed	10,425,000		10,425,000
Assigned	0	0	0
Unassigned	3,386,888	0	3,386,888
TOTAL FUND BALANCE	<u>\$ 13,811,888</u>	<u>\$ 1,585,959</u>	<u>\$ 15,397,847</u>

JIM THORPE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 9 - RELATED ORGANIZATIONS:

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

NOTE 10 - PRIOR PERIOD ADJUSTMENT:

CORRECTION OF ERRORS

During the year ended June 30, 2020, it was determined that there were various prior period adjustments effecting the general fund, which the District approved.

The prior period adjustment increased taxes receivable by \$662,440, increased the federal accounts receivable by \$66,733, decreased the state receivable by \$414,121, and increased the District fund balance by \$315,052.

NOTE 11 – PENSION:

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PENSIONS

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

JIM THORPE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 11 – PENSION - continued

General Information about the Pension Plan

PLAN DESCRIPTION

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

BENEFITS PROVIDED

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

JIM THORPE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 11 – PENSION – continued

BENEFITS PROVIDED - continued

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

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

CONTRIBUTIONS

Member Contributions:

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

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

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

JIM THORPE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 11 – PENSION - continued

CONTRIBUTIONS – continued

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

Employer Contributions:

The school district's contractually required contribution rate for fiscal year ended June 30, 2020 was 33.43% 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 \$4,904,000. for the year ended June 30, 2020.

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

At June 30, 2020, the District reported a liability of \$51,227,000. for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by rolling forward the System's total pension liability as of June 30, 2018 to June 30, 2019. The District's proportion of the net pension liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2020, the District proportion was .1095%, which was an increase of .0024% from its proportion measured as of June 30, 2019.

JIM THORPE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 11 – PENSION - continued

***PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS
OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED
TO PENSIONS – continued***

For the year ended June 30, 2020, the District recognized pension expense of \$905,523. At June 30, 2020, 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	\$ 282,000	\$ 1,698,000
Changes in assumptions	490,000	0
Net difference between projected and actual investment earnings	0	147,000
Changes in proportion	1,746,000	599,000
Difference between employer contributions and proportionate share of total contributions	0	0
Contributions subsequent to the measurement date	0	0
Total All Funds	\$ 2,518,000	\$ 2,444,000

\$2,518,000. 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, 2020. 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,	Estimated Amount
2020	\$ 1,008,000
2021	(793,000)
2022	(232,000)
2023	91,000
Total Deferred Outflows/ Inflows of Resources	\$ 74,000

JIM THORPE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS – continued
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 11 – PENSION - continued

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS – continued

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

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

ACTUARIAL ASSUMPTIONS

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

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

JIM THORPE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 11 – PENSION - continued

***PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS
OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED
TO PENSIONS - continued***

ACTUARIAL ASSUMPTIONS - continued

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global public equity	20.0%	5.6%
Fixed income	36.0%	1.9%
Commodities	8.0%	2.7%
Absolute return	10.0%	3.4%
Risk parity	10.0%	4.1%
Infrastructure/MLPs	8.0%	5.5%
Real estate	10.0%	4.1%
Alternative investments	15.0%	7.4%
Cash	3.0%	0.3%
Financing (LIBOR)	-20.00%	0.7%
	<u>100%</u>	

The above was the Board's adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2019.

DISCOUNT RATE

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that 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.

JIM THORPE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 11 – PENSION - continued

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS - continued

SENSITIVITY OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE

The following presents the net pension liability, calculated using the discount rate of 7.25%, as well as what the net position liability would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
District's proportionate share of the net pension liability	\$ 63,809,000	\$ 51,227,000	\$ 40,573,000

PENSION PLAN FIDUCIARY NET POSITION

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

JIM THORPE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS – PUBLIC SCHOOL EMPLOYEES’ RETIREMENT SYSTEM (PSERS)

1. Summary of Significant Accounting Policies

Other Postemployment Benefits

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

General Information about the Health Insurance Premium Assistance Program

Health Insurance Premium Assistance Program

The System provides Premium Assistance which, is a governmental cost sharing, multiple-employer other postemployment benefit plan (OPEB) for all eligible retirees who qualify and elect to participate. Employer contribution rates for Premium Assistance are established to provide reserves in the Health Insurance Account that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Effective January 1, 2002 under the provisions of Act 9 of 2001, participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of \$100 per month or their out-of- pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS’ Health Options Program. As of June 30, 2019, there were no assumed future benefit increases to participating eligible retirees.

JIM THORPE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS – continued
FOR THE YEAR ENDED JUNE 30, 2020

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS – PUBLIC SCHOOL EMPLOYEES’
RETIREMENT SYSTEM (PSERS) - continued**

1. Summary of Significant Accounting Policies - continued

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

Premium Assistance Eligibility Criteria

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

- Have 24 ½ or more years of service, or
- Are a disability retiree, or
- Have 15 or more years of service and retired after reaching superannuation age, and
- Participate in the HOP or employer-sponsored health insurance program.

Pension Plan Description

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

Benefits Provided

Participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of \$100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS’ Health Options Program. As of June 30, 2019, there were no assumed future benefit increases to participating eligible retirees.

JIM THORPE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2020

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS – PUBLIC SCHOOL EMPLOYEES’
RETIREMENT SYSTEM (PSERS) - continued**

1. Summary of Significant Accounting Policies - continued

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

Employer Contributions:

The school districts’ contractually required contribution rate for the fiscal year ended June 30, 2019 was 0.83% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the OPEB plan from the District were \$125,000 for the year ended June 30, 2020.

**2. OPEB Liabilities, OPEB Expense, and Deferred Outflow Resources and
Inflows of Resources Related to OPEB**

At June 30, 2020, the District reported a liability of \$2,329,000. for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by rolling forward the System’s total OPEB liability as of June 30, 2018 to June 30, 2019. The District’s proportion of the net OPEB liability was calculated utilizing the employer’s one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2020, the District’s proportion was .1095% percent, which was an increase of .0024% from its proportion measured as of June 30, 2019.

JIM THORPE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2020

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS – PUBLIC SCHOOL EMPLOYEES’
RETIREMENT SYSTEM (PSERS) - continued**

**2. OPEB Liabilities, OPEB Expense, and Deferred Outflow Resources and
Inflows of Resources Related to OPEB - continued**

For the year ended June 30, 2020, the District recognized OPEB expense of \$157,008. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 13,000	\$ 0
Changes in assumptions	77,000	69,000
Net difference between projected and actual investment earnings	4,000	0
Changes in proportion	59,000	41,000
Difference between employer contributions and proportionate share of total contributions	0	0
Contributions subsequent to the measurement date	0	0
Total All Funds	\$ <u>153,000</u>	\$ <u>110,000</u>

\$153,000. reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	<u>Estimated Amount</u>
2020	\$ 1,000
2021	1,000
2022	0
2023	0
2024	27,000
Thereafter	<u>14,000</u>
Total Deferred Outflows/ Inflows of Resources	\$ <u>43,000</u>

JIM THORPE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2020

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS – PUBLIC SCHOOL EMPLOYEES’
RETIREMENT SYSTEM (PSERS) - continued**

3. Actuarial Assumptions

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

- Actuarial cost method - Entry Age Normal - level % of pay.
- Investment return - 2.79% - S&P 20 Year Municipal Bond Rate.
- Salary growth - Effective average of 5.00%, comprised of inflation of 2.75% and 2.25% for real wage growth and for merit or seniority increases.
- Premium Assistance reimbursement is capped at \$1,200 per year.
- Assumed Healthcare cost trends were applied to retirees with less than \$1,200 in Premium assistance per year.
- Mortality rates were based on the RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSERS’ experience and projected using a modified version of the MP-2015 Mortality Improvement Scale.

- Participation rate:
 - Eligible retirees will elect to participate Pre age 65 at 50%
 - Eligible retirees will elect to participate Post age 65 at 70%

The following assumptions were used to determine the contribution rate:

- The results of the actuarial valuation as of June 30, 2016 determined the employer contribution rate for fiscal year 2019.
- Cost Method: Amount necessary to assure solvency of Premium Assistance through the third fiscal year after the valuation date.
- Asset valuation method: Market Value.
- Participation rate: 63% of eligible retirees are assumed to elect premium Assistance.
- Mortality rates were based on the RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSERS’ experience and projected using a modified version of the MP-2015 Mortality Improvement Scale.

JIM THORPE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2020

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS – PUBLIC SCHOOL EMPLOYEES’
RETIREMENT SYSTEM (PSRES) - continued**

3. Actuarial Assumptions - continued

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

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

<u>OPEB - Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	13.2%	0.2%
US Core Fixed Income	83.1%	1.0%
Non-US Developed Fixed	3.7%	0.0%
	<u>100.0%</u>	

The above was the Board’s adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2019.

Discount rate

The discount rate used to measure the Total OPEB Liability was 2.79%. Under the plan’s funding policy, contributions are structured for short term funding of Premium Assistance. The funding policy sets contribution rates necessary to assure solvency of Premium Assistance through the third fiscal year after the actuarial valuation date. The Premium Assistance account is funded to establish reserves that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Due to the short term funding policy, the OPEB plan’s fiduciary net position was not projected to be sufficient to meet projected future benefit payments, therefore the plan is considered a “pay-as-you-go” plan. A discount rate of 2.98% which represents the S&P 20 year Municipal Bond Rate at June 30, 2019, was applied to all projected benefit payments to measure the total OPEB liability.

JIM THORPE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS – PUBLIC SCHOOL EMPLOYEES’ RETIREMENT SYSTEM (PSRES) - continued

3. Actuarial Assumptions - continued

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

Healthcare cost trends were applied to retirees receiving less than \$1,200 in annual Premium Assistance. As of June 30, 2019, retirees Premium Assistance benefits are not subject to future healthcare cost increases. The annual Premium Assistance reimbursement for qualifying retirees is capped at a maximum of \$1,200. As of June 30, 2019, 93,339 retirees were receiving the maximum amount allowed of \$1,200 per year. As of June 30, 2019, 788 members were receiving less than the maximum amount allowed of \$1,200 per year. The actual number of retirees receiving less than the \$1,200 per year cap is a small percentage of the total population and has a minimal impact on Healthcare Cost Trends as depicted below.

The following presents the System net OPEB liability for June 30, 2019, calculated using current Healthcare cost trends as well as what the System net OPEB liability would be if it health cost trends were 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease	Current Trend Rate	1% Increase
System net OPEB liability	\$ 2,329,000	\$ 2,329,000	\$ 2,329,000

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

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

	1% Decrease 1.79%	Current Discount Rate 2.79%	1% Increase 3.79%
District's proportionate share of the net OPEB liability	\$ 2,653,000	\$ 2,329,000	\$ 2,060,000

JIM THORPE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS – PUBLIC SCHOOL EMPLOYEES’ RETIREMENT SYSTEM (PSRES) - continued

3. Actuarial Assumptions - continued

OPEB plan fiduciary net position

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

NOTE 13 – DEFEASED DEBT:

During February 2020, Jim Thorpe Area School District issued General Obligation Note, Series of 2020, in the amount of \$6,695,000 to refinance the District’s General Obligation Bonds, Series of 2012. As a result of the refunding, the District reduced its total debt service requirement by \$440,091.

NOTE 14 - INTERFUND OPERATING BALANCES:

Individual fund operating balances for the year ended June 30, 2020, were as follows:

	<u>Due From</u>	<u>Due To</u>
Scholarship Fund	\$ 20,497	\$ 52,800
General Fund	1,384,117	1,157,059
Capital Projects	1,062,326	0
Cafeteria Fund	74,236	1,331,317
Total All Funds	<u>\$ 2,541,176</u>	<u>\$ 2,541,176</u>

All balances are current and payable within one year. Balances exist due to normal operating transfers between individual funds.

NOTE 15 – DEFICIT EQUITY:

At June 30, 2020, the District’s Cafeteria Fund had an unrestricted deficit in the amount of (\$823,718).

JIM THORPE AREA SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 16 – CORONAVIRUS (COVID-19) PANDEMIC DECLARATION:

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic which continues to spread throughout the United States. On March 6, 2020, Pennsylvania Governor Tom Wolf proclaimed the existence of a disaster emergency throughout the Commonwealth of Pennsylvania. The duration of the business disruption and related financial impact cannot be reasonably estimated at this time but may materially affect our ability to operate our business and result in additional costs. The extent to which this virus pandemic may impact our operating results, financial condition, and cash flows will depend on future developments, which are highly uncertain and cannot be predicted at the date of this report, including new information that may emerge concerning the severity of the coronavirus and steps taken to contain the coronavirus or treat its impact, among others.

NOTE 17 – SUBSEQUENT EVENT:

RECEIPT OF PRELIMINARY APPROVAL OF FEDERAL GRANT

Via a website notification issued on January 15, 2021 from the PA Department of Education, the District will receive an Elementary and Secondary School Emergency Relief (ESSER) grant in the tentative amount of \$1,755,475. Specific details have yet to be received as of the audit date.

OTHER SUPPLEMENTAL INFORMATION

JIM THORPE AREA SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020

A. SUMMARY OF AUDIT RESULTS

1. Auditor's report expresses an unqualified opinion on the financial statements of the Jim Thorpe Area School District.
2. No significant deficiencies relating to the audit of the financial statements are reported in the report on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with Government Auditing Standards.
3. No instances of noncompliance material to the financial statements of the Jim Thorpe Area School District were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance required by the Uniform Guidance.
5. The auditor's report on compliance for the major federal award programs for the Jim Thorpe Area School District expresses an unqualified opinion.
6. There were no findings relative to the major federal award programs for Jim Thorpe Area School District.
7. The programs tested as major programs were as follows:

Program	CFDA #
IDEA	84.027 and 84.173
Title I	84.010

8. The threshold for distinguishing types A and B Programs was \$750,000.
9. The Jim Thorpe Area School District was determined not to be a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT:

None

JIM THORPE AREA SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2020

Federal Grantor/ Pass Through Grantor/ Program Title	Source Code	Federal CFDA Number	Pass Through Grants' Number	Program or Award Amount	Grant Period Beginning/Ending Date	Total Received For Year	Accrued Or (Deferred) Revenue June 30, 2019	Revenue Recognized	Expenditures	Accrued Or (Deferred) Revenue June 30, 2020
U.S. DEPARTMENT OF EDUCATION										
Passed Through State Department of Education:										
E.S.E.A. Title I - 2018-2019	(I)	84.010	013-19-0204	\$ 503,328	7/01/18-9/30/19	\$ 66,733	\$ 66,733	\$ 0	\$ 0	\$ 0
E.S.E.A. Title I - 2019-2020	(I)	84.010	013-20-0204	465,662	7/01/19-9/30/20	434,628	0	465,662	465,662	31,034
E.S.E.A. Title II Improving Teacher Quality	(I)	84.367	020-20-0204	70,337	7/01/19-9/30/20	70,337	0	70,337	70,337	0
E.S.E.A. Title IV Student Support and Academic Enrichment	(I)	84.424	144-20-0204	38,827	7/01/19-9/30/20	38,827	0	38,827	38,827	0
Passed Through Carbon Lehigh Intermediate Unit #21:										
IDEA - Section 619	(I)	84.173	131-19-021	2,142	7/01/18-9/30/19	2,142	2,142	0	0	0
IDEA - Section 619	(I)	84.173	131-19-021	2,563	7/01/19-6/30/20	0	0	2,563	2,563	2,563
IDEA	(I)	84.027	131-19-021	379,994	7/01/18-9/30/19	379,994	379,994	0	0	0
IDEA	(I)	84.027	131-19-021	372,848	7/01/19-6/30/20	0	0	372,848	372,848	372,848
TOTAL DEPARTMENT OF EDUCATION				1,835,701		992,661	448,869	950,237	950,237	406,445
U.S. DEPARTMENT OF AGRICULTURE										
Passed Through State Department of Education:										
National School Lunch 2018-2019	(I)	10.555	121-13-500-3	466,350	7/01/18-6/30/19	264,463	264,463	0	0	0
National School Lunch 2019-2020	(I)	10.555	121-13-500-3	396,480	7/01/19-6/30/20	361,372	0	396,480	396,480	35,108
National School Lunch 2018-2019	(S)	N/A	121-13-500-3	17,665	7/01/18-6/30/19	17,665	17,665	0	0	0
National School Lunch 2019-2020	(S)	N/A	121-13-500-3	25,114	7/01/19-6/30/20	22,791	0	25,114	2,514	2,323
National School Lunch 2018-2019	(I)	10.553	121-13-500-3	97,152	7/01/18-6/30/19	57,153	57,153	0	0	0
National School Lunch 2019-2020	(I)	10.553	121-13-500-3	114,963	7/01/19-6/30/20	94,995	0	114,963	114,963	19,968
Passed Through State Department of Agriculture:				74,595	7/01/19-6/30/20 (A)	73,427 (B)	(5,050)	74,595 (C)	74,595 (D)	(3,882)
Value of USDA Commodities	(I)	10.555	2-03-13-500	1,192,319		891,866	334,231	611,152	588,552	53,517
TOTAL DEPARTMENT OF AGRICULTURE				3,028,020		1,884,527	783,100	1,561,389	1,538,789	459,962
SUB-TOTAL				42,779		40,456	17,665	25,114	2,514	2,323
STATE AWARD EXPENDITURES				\$ 2,985,241		\$ 1,844,071	\$ 800,765	\$ 1,536,275	\$ 1,536,275	\$ 457,639
TOTAL EXPENDITURES OF FEDERAL AWARDS										

Source Code Legend:
(D) Indicates direct federal financial assistance funding.
(I) Indicates indirect federal financial assistance funding.
(S) Indicates State matching funding.

Other Code Legend:
(A) Indicates value of USDA commodities received in current year.
(B) Indicates beginning inventory value of USDA commodities.
(C) Indicates value of USDA commodities used in current year.
(D) Indicates ending inventory value of USDA commodities.

See notes to financial statements
which are an integral part of this statement.

JIM THORPE AREA SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES:

The accompanying Schedule of Expenditures of Federal Awards is prepared on the accrual basis of accounting.

NOTE 2 - COMMODITIES:

The beginning and ending deferred income figures listed represent the beginning and ending commodities inventories in the Cafeteria Fund. These commodities are received through the State from the U.S. Department of Agriculture. The commodities are valued at amounts assigned to the various items by the U.S. Department of Agriculture when the commodities are offered

NOTE 3 – INDIRECT COSTS:

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

NOTE 4 - CLUSTER PROGRAMS:

The following CFDA's have been deemed a cluster of programs by the Office of Management and Budget and, therefore, are treated as one program in determining the major programs to be audited.

Child Nutrition Cluster		Special Education Cluster (IDEA)	
CFDA #	Expenditures	CFDA #	Expenditures
10.553	\$ 114,963	84.027	\$ 372,848
10.555	471,075	84.173	2,563
Total	\$ 586,038	Total	\$ 375,411

REQUIRED SUPPLEMENTAL INFORMATION

JIM THORPE AREA SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2020

	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
DISTRICT'S PROPORTION OF THE NET PENSION LIABILITY (ASSET)						
DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)	\$ 51,227,000	\$ 51,413,000	\$ 52,401,098	\$ 54,215,000	\$ 44,095,000	\$ 40,056,000
DISTRICT'S COVERED-EMPLOYEE PAYROLL	\$ 15,095,495	\$ 14,416,631	\$ 14,121,885	\$ 13,097,000	\$ 12,912,000	\$ 13,040,000
DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) AS A PERCENTAGE OF ITS COVERED-EMPLOYEE PAYROLL	339.35%	356.62%	371.06%	413.95%	341.50%	307.18%
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	N/A	N/A	N/A	N/A	N/A	N/A

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

JIM THORPE AREA SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2020

	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
CONTRACTUALLY REQUIRED CONTRIBUTION	\$ 4,904,000	\$ 4,545,000	\$ 4,058,000	\$ 3,480,000	\$ 3,160,000	\$ 2,342,000
CONTRIBUTIONS IN RELATION TO THE CONTRACTUALLY REQUIRED CONTRIBUTION	<u>5,498,938</u>	<u>4,989,903</u>	<u>4,543,000</u>	<u>3,994,689</u>	<u>3,160,000</u>	<u>2,342,000</u>
CONTRIBUTION DEFICIENCY (EXCESS)	\$ <u>(594,938)</u>	\$ <u>(444,903)</u>	\$ <u>(485,000)</u>	\$ <u>(514,689)</u>	\$ <u>0</u>	\$ <u>0</u>
DISTRICT'S COVERED-EMPLOYEE PAYROLL	\$ 15,512,907	\$ 14,748,272	\$ 14,416,631	\$ 14,121,885	\$ 13,097,000	\$ 12,912,000
CONTRIBUTIONS AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL	35.45%	33.83%	31.51%	28.29%	24.13%	18.14%

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

JIM THORPE AREA SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET OPEB-PSERS LIABILITY
FOR THE YEAR ENDED JUNE 30, 2020

	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>
DISTRICT'S PROPORTION OF THE NET OPEB- PSERS LIABILITY (ASSET)				
DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB - PSERS LIABILITY (ASSET)	\$ 2,329,000	\$ 2,233,000	\$ 2,162,000	\$ 2,356,000
DISTRICT'S COVERED-EMPLOYEE PAYROLL	\$ 15,095,495	\$ 14,416,631	\$ 14,121,885	\$ 13,097,000
DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB - PSERS LIABILITY (ASSET) AS A PERCENTAGE OF ITS COVERED-EMPLOYEE PAYROLL	15.43%	15.49%	15.31%	17.99%
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL OPEB - PSERS LIABILITY	N/A	N/A	N/A	N/A

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

JIM THORPE AREA SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS - OPEB-PSERS
FOR THE YEAR ENDED JUNE 30, 2020

	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
CONTRACTUALLY REQUIRED CONTRIBUTION	\$ 125,000	\$ 120,000	\$ 118,789	\$ 117,000
CONTRIBUTIONS IN RELATION TO THE CONTRACTUALLY REQUIRED CONTRIBUTION	<u>125,000</u>	<u>120,000</u>	<u>118,789</u>	<u>117,000</u>
CONTRIBUTION DEFICIENCY (EXCESS)	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
DISTRICT'S COVERED-EMPLOYEE PAYROLL	\$ 15,095,495	\$ 14,416,631	\$ 14,121,885	\$ 13,097,000
CONTRIBUTIONS AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL	0.83%	0.83%	0.84%	0.89%

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

JIM THORPE AREA SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY
FOR THE YEAR ENDED JUNE 30, 2020

	<u>June 30, 2020</u>
DISTRICT'S PROPORTION OF THE NET OPEB LIABILITY (ASSET)	
DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)	\$ 11,226,199
DISTRICT'S COVERED-EMPLOYEE PAYROLL	\$ 14,540,379
DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET) AS A PERCENTAGE OF ITS COVERED-EMPLOYEE PAYROLL	77.21%
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL OPEB LIABILITY	N/A

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

See notes to financial statements
which are an integral part of this statement.

JIM THORPE AREA SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS - OPEB
FOR THE YEAR ENDED JUNE 30, 2020

	June 30, 2020
CONTRACTUALLY REQUIRED CONTRIBUTION	\$ <u>N/A</u>
CONTRIBUTIONS IN RELATION TO THE CONTRACTUALLY REQUIRED CONTRIBUTION	<u>N/A</u>
CONTRIBUTION DEFICIENCY (EXCESS)	\$ <u><u>N/A</u></u>
DISTRICT'S COVERED-EMPLOYEE PAYROLL	\$ 14,540,379
CONTRIBUTIONS AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL	N/A

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