

VI. ITEMS FOR APPROVAL

- a. Approve the 2022-2023 Annual Audit as prepared by
Zelenkofske Axelrod LLC

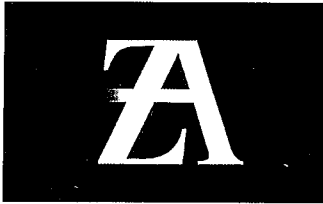
EAST STROUDSBURG AREA SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2023

EAST STROUDSBURG AREA SCHOOL DISTRICT
TABLE OF CONTENTS

	Page
Independent Auditor's Report	1 - 3
Management's Discussion and Analysis	4 - 11
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	12
Statement of Activities	13
Fund Financial Statements	
Balance Sheet - Governmental Funds	14
Reconciliation of Balance Sheet - Governmental Funds to Statement of Net Position	15
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	16
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Fund Balances - Governmental Funds to the Statement of Activities	17
Statement of Net Position - Proprietary Fund	18
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund	19
Statement of Cash Flows - Proprietary Fund	20
Statement of Net Position - Fiduciary Funds	21
Statement of Revenues, Expenses and Changes in Net Position - Fiduciary Funds	22
Notes to Financial Statements	23 - 55
Required Supplementary Information	
Budgetary Comparison Schedule, General Fund	56
Notes to the Budgetary Comparison Schedule	57
Schedule of the District's Proportionate Share of the Net Pension Liability	58
Schedule of the District's Pension Contributions	59
Schedule of Changes in Total OPEB Liability and Related Ratios - Retirees Health Plan	60
Schedule of the District's Proportionate Share of the Net OPEB Liability - PSERS Plan	61
Schedule of the District's OPEB Contributions - PSERS Plan	62
Supplementary Information	
Balance Sheet Nonmajor Governmental Funds	63
Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Governmental Funds	64
Single Audit Supplement	
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 <i>Government Auditing Standards</i>	65 - 66
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by The Uniform Guidance	67- 69
Schedule of Expenditures of Federal Awards	70
Notes to the Schedule of Expenditures of Federal Awards	71
Schedule of Findings and Questioned Costs	72 - 73
Schedule of Prior Year Audit Findings	74



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Independent Auditor's Report

To the Board of School Directors
East Stroudsburg Area School District
East Stroudsburg, Pennsylvania

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of East Stroudsburg Area School District (the District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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 District as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

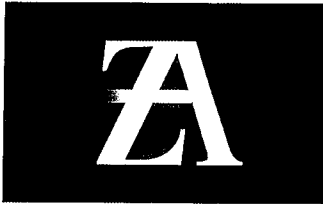
Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions,



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misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

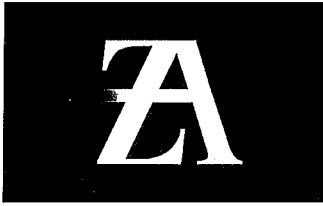
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the District adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 91, *Conduit Debt Obligations*, GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, and GASB Statement No. 99, *Omnibus 2022*. Our opinion is not modified with respect to these matters.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule, and pension and OPEB liability and contributions schedules on pages 4-11 and 56-62 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by GASB 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 GAAS, 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.



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Supplementary Information

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

The combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards are the responsibility of management and were derived from and relates 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 GAAS. In our opinion, the combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 21, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 District's internal control over financial reporting and compliance.

Zelenkofske Axlerod LLC

ZELENKOFKSKE AXELROD LLC

Jamison, Pennsylvania
December 21, 2023

EAST STROUDSBURG AREA SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
YEAR ENDED JUNE 30, 2023

The discussion and analysis of East Stroudsburg Area School District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the District's financial performance.

USING THIS PREPARED IN ACCORDANCE WITH U.S. GENERALLY ACCEPTED ACCOUNTING PRINCIPLES REPORT (U.S. GAAP)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

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

FINANCIAL HIGHLIGHTS

The District realized a solid financial performance for the year ended June 30, 2023. The district's revenues were approximately 0.01% lower than budget while expenditures were 4.6% less than budget. Local revenues were 4.8% higher than budget primarily due to strong real estate tax collections (both current and delinquent), high real estate transfer taxes, and robust earned income tax collections. On the expenditure side, the District realized significant savings due to the challenging job market and difficulty attracting qualified candidates to fill open positions. Cyber/Charter School Costs, while still elevated from pre-pandemic levels, did not meet the \$9 million-dollar budgeted number, and fell short at \$7.8 million due to the district's in-house cyber program and attracting more students to return to brick-and-mortar offerings. Due to the strength of the General Fund, the District was able to transfer \$5 million from the General Fund to the Capital Reserve to address future, large dollar capital improvement initiatives.

Key government-wide financial highlights for 2023 are as follows:

- In total, net position increased from (\$107,448,635) in 2022 to (\$101,448,635) in 2023.
- General revenues accounted for \$111,622,215 in revenue or 62% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$65,031,451 or 38% of total revenues of \$176,653,666.
- Total assets and deferred outflows of resources of governmental activities were \$315,128,270 of which \$92,775,173 represents unrestricted cash and investments. Governmental capital assets, net of accumulated depreciation was \$158,142,866.
- The District had \$157,676,635 in expenses; \$65,031,451 of these expenses were offset by program specific charges for services, grants, or contributions. General revenues (primarily member district allocation derived from their property taxes) of \$102,979,086 were adequate to provide for these programs.

EAST STROUDSBURG AREA SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) (CONTINUED)
YEAR ENDED JUNE 30, 2023

- Expenses, after program revenue was \$92,645,184 which increased slightly from \$92,073,241 in 2022.
- Federal and state subsidies received for governmental operating activities this year were \$63,096,071, which increased from \$59,918,287 in 2022. Federal subsidies related to the COVID-19 pandemic continue to have a significant impact on the District's financial statements. State subsidies also increased slightly due to increase Basic and Special Education subsidies passed by the legislator.

OUR SCHOOLS

The District operates: six elementary schools that house students from kindergarten to fifth grade, two intermediate schools with sixth to eighth grades and two high schools with ninth through twelfth grades.

- | | |
|---------------------------------------|--------------------------------------|
| • Bushkill Elementary School | • East Stroudsburg Elementary School |
| • Resica Elementary School | • J.T. Lambert Intermediate School |
| • Middle Smithfield Elementary School | • Lehman Intermediate School |
| • Smithfield Elementary School | • East Stroudsburg High School South |
| • J. M. Hill Elementary School | • East Stroudsburg High School North |

REPORTING THE DISTRICT AS A WHOLE

Statement of Net Position and the Statement of Activities - While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole considers all financial transactions and asks the question. . . **"How did we do financially during the year?"** The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. The basis of accounting takes into account all of the current year's revenue and expenses regardless of when cash is received or paid. These two statements report the District's net position and changes in net position. This change in net position is important because it tells the reader that, for the District as a whole, the financial position of the District has improved or diminished. The cause of this change may be the result of many factors, some financial, and some not. Nonfinancial factors include the District's property tax base, current property tax laws in Pennsylvania restricting revenue growth, facility condition, required educational programs and other factors. In the Statement of Net Position and the Statement of Activities, the District reports governmental and business-type activities. Governmental activities are the activities where most of the District programs and services are reported including, but not limited to, instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities. The District's business-type activity is the Food Service Fund.

EAST STROUDSBURG AREA SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) (CONTINUED)
YEAR ENDED JUNE 30, 2023

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements - The Governmental Funds statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental Funds information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and Governmental Funds is reconciled in the financial statements. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these funds financial statements focus on the District's most significant funds. Most of the District's 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 available for spending in the future periods. 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 District's Governmental Funds follow.

- **General Fund (Major Fund)** The General Fund is the operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the District for any purpose provided it is expended for transferred according to the general laws of the Commonwealth.
- **Capital Projects Fund (Major Fund)** The Capital Projects Fund accounts are to be used for the acquisition, construction, or improvement of capital facilities.
- **Special Revenue Fund (Nonmajor Fund)** The Special Revenue Fund accounts for specific revenue sources, which are legally restricted to expenditures for specific purposes.

EAST STROUDSBURG AREA SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) (CONTINUED)
YEAR ENDED JUNE 30, 2023

THE DISTRICT AS A WHOLE

Recall that the Statement of Net Position provides the perspective of the District as a whole.

Condensed Statements of Net Position

June 30, 2023 and 2022

	Governmental Activities		Business-Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Assets						
Current Assets	\$ 121,127,245	\$ 117,564,518	\$ 2,679,622	\$ 1,737,236	\$ 123,806,867	\$ 119,301,754
Capital Assets	160,241,738	166,702,307	180,107	159,006	160,421,845	166,861,313
Total Assets	<u>281,368,983</u>	<u>284,266,825</u>	<u>2,859,729</u>	<u>1,896,242</u>	<u>284,228,712</u>	<u>286,163,067</u>
Deferred Outflows of Resources	<u>33,761,287</u>	<u>38,492,321</u>	<u>697,959</u>	<u>852,571</u>	<u>34,459,246</u>	<u>39,344,892</u>
Liabilities						
Long-Term Liabilities	344,853,264	346,487,543	4,700,202	5,094,881	349,553,466	351,582,424
Other Liabilities	<u>23,659,489</u>	<u>37,157,353</u>	<u>80,851</u>	<u>283,276</u>	<u>23,740,340</u>	<u>37,440,629</u>
Total Liabilities	<u>368,512,753</u>	<u>383,644,896</u>	<u>4,781,053</u>	<u>5,378,157</u>	<u>373,293,806</u>	<u>389,023,053</u>
Deferred Inflows of Resources	<u>25,380,043</u>	<u>37,055,046</u>	<u>496,013</u>	<u>878,495</u>	<u>25,876,056</u>	<u>37,933,541</u>
Net Position						
Net Investment in Capital Assets	55,386,233	49,366,176	180,107	159,006	55,566,340	49,525,182
Restricted	19,804,506	16,890,331	-	-	19,804,506	16,890,331
Unrestricted	<u>(153,953,265)</u>	<u>(164,197,303)</u>	<u>(1,899,485)</u>	<u>(3,666,845)</u>	<u>(155,852,750)</u>	<u>(167,864,148)</u>
Total Net Position	<u>\$ (78,762,526)</u>	<u>\$ (97,940,796)</u>	<u>\$ (1,719,378)</u>	<u>\$ (3,507,839)</u>	<u>\$ (80,481,904)</u>	<u>\$ (101,448,635)</u>

Unrestricted net position of governmental activities, the portion of net position that can be used to finance day-to-day activities without constraints established by grants or legal requirements, increased by \$10,244,038 from the 2022 unrestricted net position \$(164,197,303) to the 2023 unrestricted net position of \$(153,953,265)

EAST STROUDSBURG AREA SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) (CONTINUED)
YEAR ENDED JUNE 30, 2023

Condensed Statements of Activities

June 30, 2023 and 2022

	Governmental Activities		Business-Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Revenues						
Charges for Services	\$ 201,239	\$ 349,698	\$ 381,258	\$ 375,629	\$ 582,497	\$ 725,327
Operating Grants and Contributions	63,608,839	59,918,287	5,414,180	5,310,964	69,023,019	65,229,251
Capital Grants and Contributions	1,422,612	1,427,903	-	-	1,422,612	1,427,903
Property Taxes and Other Taxes						
Levied for General Purposes	102,979,086	103,627,552	-	-	102,979,086	103,627,552
Taxes Levied for Specific Purposes	4,896,256	4,369,815	-	-	4,896,256	4,369,815
Gain on Sale of Capital Assets	23,990	(16,235)	-	-	23,990	(16,235)
Investment Earnings	3,570,560	187,016	2,597	18	3,573,157	187,034
Other	152,323	259,358	-	-	152,323	259,358
Total Revenues	176,854,905	170,123,394	5,798,035	5,686,611	182,652,940	175,810,005
Expenses						
Instruction	97,565,589	96,194,471	-	-	97,565,589	96,194,471
Support Services	36,160,775	36,023,814	-	-	36,160,775	36,023,814
Facilities Acquisition, Construction and Improvement Services	3,822,834	1,656,416	-	-	3,822,834	1,656,416
Operation of Non-Instructional Services	17,966,716	19,384,402	-	-	17,966,716	19,384,402
Interest on Long-Term Debt	2,160,721	2,433,234	-	-	2,160,721	2,433,234
Food Service	-	-	4,009,574	3,763,385	4,009,574	3,763,385
Total Expenses	157,676,635	155,692,337	4,009,574	3,763,385	161,686,209	159,455,722
Change in Net Position	19,178,270	14,431,057	1,788,461	1,923,226	20,966,731	16,354,283
Net Position at Beginning of Year	(97,940,796)	(112,371,853)	(3,507,839)	(5,431,065)	(101,448,635)	(117,802,918)
Net Position at End of Year	\$ (78,762,526)	\$ (97,940,796)	\$ (1,719,378)	\$ (3,507,839)	\$ (80,481,904)	\$ (101,448,635)

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services.

Net Cost of Services

	2023	2022	2021	2020	2019
Governmental Activities					
Instruction	\$ (36,959,357)	\$ (39,265,587)	\$ (44,268,374)	\$ (45,628,661)	\$ (48,259,624)
Support Services	(34,798,597)	(34,228,759)	(36,256,666)	(32,924,333)	(33,748,443)
Facilities Acquisition, Construction and Improvement Services	(3,822,834)	(1,656,416)	(3,844,230)	(2,604,419)	(3,530,080)
Operation of Non-Instructional Services	(16,125,048)	(17,840,356)	(14,092,097)	(15,042,342)	(13,678,016)
Debt Service	(738,109)	(1,005,331)	(4,405,377)	(1,125,207)	(2,532,425)
Total Governmental Activities	(92,443,945)	(93,996,449)	(102,866,744)	(97,324,962)	(101,748,588)
Business-Type Activities					
Food Service	1,785,864	1,923,208	(37,705)	(375,921)	(1,135,051)
Total District Net Cost	\$ (90,658,081)	\$ (92,073,241)	\$ (102,904,449)	\$ (97,700,883)	\$ (102,883,639)

EAST STROUDSBURG AREA SCHOOL DISTRICT
 MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) (CONTINUED)
 YEAR ENDED JUNE 30, 2023

Defining the Classification of Expenditure

- Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and pupil.
- Support expenses include activities that facilitate and enhance student instruction.
- Facilities acquisition, construction and improvement expenses include the purchase of land and buildings as well as construction, renovation, and improvements to property and facilities.
- Operation of non-instructional expenses include activities concerned with providing non-instructional services to students, staff, and the community.
- Debt service expenses include interest on long-term debt and fiscal charges and involve the transactions associated with the payment of interest and other related charges to debt of the school district.
- Food service expenses involve the preparing, delivering, and servicing of lunches and other meals.

GENERAL FUND BUDGET HIGHLIGHTS

The District's budget is prepared according to the Pennsylvania law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

REAL ESTATE TAXES

As the primary source of funding for the District, local real estate tax revenue continues to be a critical revenue stream for the District. Property taxes are levied on July 1, on the assessed value listed, as of that date, for all taxable real property located in the District. Assessed values are established by the County Board of Assessments. All taxable real property was assessed at \$2,803,241,696 in 2022-2023. This represents a increase of \$299,970 in assessed value from 2022-2023. The tax rate for the year was \$128.33 mills per \$1,000 of assessed valuation for Pike County and \$30.79 mills per \$1,000 of assessed valuation for Monroe County.

The schedule for real estate taxes levied for each fiscal year is as follows:

August 1	Levy date
August 1 - September 30	2% discount period
October 1 - November 30.....	Face payment period
December 1 - December 31.....	10% penalty period
January 1.....	Lien date

EAST STROUDSBURG AREA SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) (CONTINUED)
YEAR ENDED JUNE 30, 2023

THE DISTRICT'S FUNDS

District funds are accounted for using the modified accrual basis of accounting. All Governmental Funds had total operating revenues of \$177,247,891 which represented a decrease from prior year revenues of \$172,375,912. Operating expenditures of \$172,105,811 decreased from prior year amounts of 177,622,997 Other financing sources and uses were (\$3,027,978) and the net change in fund balance for the year was an increase of \$2,113,902.

CAPITAL ASSETS

At the end of the fiscal year, the District had the following invested in land, construction in progress, buildings and building improvements, furniture and equipment.

	2023			2022 Totals
	Governmental Activities	Business-Type Activities	Totals	
Land	\$ 5,198,539	\$ -	\$ 5,198,539	\$ 5,198,539
Construction in Progress	1,494,496	-	1,494,496	221,007
Site Improvements	16,575,942	-	16,575,942	15,991,658
Buildings and Building Improvements	261,553,878	-	261,553,878	261,398,185
Furniture and Equipment	28,083,521	679,048	28,762,569	28,613,481
Leased Furniture and Equipment	5,478,228	-	5,478,228	5,367,058
Accumulated Depreciation	(158,142,866)	(498,941)	(158,641,807)	(149,928,615)
	<u>\$ 160,241,738</u>	<u>\$ 180,107</u>	<u>\$ 160,421,845</u>	<u>\$ 166,861,313</u>

Depreciation of the Year's Capital Asset Activity

- Overall capital assets decreased by \$6,619,468 This is due to current year disposals and depreciation offset by the acquisition of new equipment.
- Depreciation for governmental activities for the year was \$10,674,517.
- Depreciation for business - type activities for the year was \$33,007.

Debt Administration

Bond and Note Obligations – As of June 30, 2023, the District had outstanding bond and note obligations \$121,588,932 respectively. This represents a one-year decrease in outstanding debt of \$15,030,126. The Board has been able to take advantage of favorable interest rates over the last several years and has aggressively refunded higher rate obligations.

Capital Lease Obligations – As of June 30, 2023, the District had outstanding capital lease obligations of \$1,941,741.

Other obligations include accrued sick leave and experience payments for specific employees of the district, accrued other postemployment benefits for retiree healthcare, and the amount of the net pension liability discussed in Notes 8, 10, and 11 of the financial statements.

EAST STROUDSBURG AREA SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) (CONTINUED)
YEAR ENDED JUNE 30, 2023

RESERVED FUND BALANCES

Fund balances have been classified in accordance with GASB Statement No. 54, unassigned fund balance represents funds available for appropriation of \$2,985,911 in total for 2022.

CURRENT FINANCIAL ISSUES AND CONCERNS

The District, like all school districts in Pennsylvania, has faced limited increases in state funding and increases in the employer contribution rates for the Public School Employee's Retirement System (PSERS), as well as, a significant increase in external Charter School Tuition costs that have driven up expenditures. The District has been able to establish significant fund balance reserves to offset challenging economic factors in the short term. The District's strong fund balance has also enabled the District to undertake significant capital improvements without issuing new debt and avoiding an additional tax burden on the District's taxpayers.

In conclusion, the District has committed itself to continuing and improving its educational program, while making sure that it is being fiscally responsible. The district will continually monitor and assess its programs, operations, and finances to ensure that it is providing the educational services the community desires within the ability of the community to provide the necessary resources.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, 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 any questions about this report or need additional financial information, contact Mr. Peter T. Bard - Chief Financial Officer, East Stroudsburg Area School District, 50 Vine Street, East Stroudsburg, Pennsylvania 18301.

EAST STROUDSBURG AREA SCHOOL DISTRICT
GOVERNMENT WIDE STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities	Business-Type Activities	Totals
Assets			
Current Assets			
Cash and Cash Equivalents	\$ 39,998,351	\$ 345,255	\$ 40,343,606
Investments	52,776,822	-	52,776,822
Taxes Receivable, Net	8,963,606	-	8,963,606
Internal Balances	(1,413,461)	1,413,461	-
Due from Other Governments	5,747,067	766,823	6,513,890
Other Receivables	259,241	29,883	289,124
Inventories	-	124,200	124,200
Insurance Reserve Provision	14,012,504	-	14,012,504
Prepaid Expenses	783,115	-	783,115
Capital Assets			
Land	5,198,539	-	5,198,539
Construction in Progress	1,494,496	-	1,494,496
Site Improvements	16,575,942	-	16,575,942
Building and Building Improvements	261,553,878	-	261,553,878
Furniture and Equipment	33,561,749	679,048	34,240,797
Accumulated Depreciation	(158,142,866)	(498,941)	(158,641,807)
Total Assets	<u>281,368,983</u>	<u>2,859,729</u>	<u>284,228,712</u>
Deferred Outflows of Resources			
Deferred Outflows of Resources, Pension Activity	29,946,464	611,152	30,557,616
Deferred Outflows of Resources, OPEB Activity	3,814,823	86,807	3,901,630
Total Deferred Outflows of Resources	<u>33,761,287</u>	<u>697,959</u>	<u>34,459,246</u>
Liabilities			
Accounts Payable	1,785,656	36,338	1,821,994
Accrued Interest on Long-Term Debt	1,135,216	-	1,135,216
Accrued Salaries and Benefits	19,579,233	44,513	19,623,746
Due to Fiduciary Funds	29,058	-	29,058
Other Current Liabilities	314,469	-	314,469
Unearned Revenue	815,857	-	815,857
Long-Term Liabilities			
Portion Due or Payable Within One Year			
Bonds Payable	9,505,104	-	9,505,104
Notes Payable	2,797,137	-	2,797,137
Leases	1,060,696	-	1,060,696
Portion Due or Payable After One Year			
Bonds Payable	62,043,302	-	62,043,302
Notes Payable	27,042,161	-	27,042,161
Leases	1,258,309	-	1,258,309
Compensated Absences	8,948,484	196,196	9,144,680
Net Pension Liability	200,768,680	4,097,320	204,866,000
Net OPEB Obligation	31,429,391	406,686	31,836,077
Total Liabilities	<u>368,512,753</u>	<u>4,781,053</u>	<u>373,293,806</u>
Deferred Inflows of Resources			
Deferred Amount of Refunding	13,580	-	13,580
Deferred Inflows of Resources, Pension Activity	9,184,560	187,440	9,372,000
Deferred Inflows of Resources, OPEB Activity	16,181,903	308,573	16,490,476
Total Deferred Inflows of Resources	<u>25,380,043</u>	<u>496,013</u>	<u>25,876,056</u>
Net Position			
Net Investment in Capital Assets	55,386,233	180,107	55,566,340
Restricted for			
Capital Projects	19,249,185	-	19,249,185
Special Activities	555,321	-	555,321
Unrestricted	(153,953,265)	(1,899,485)	(155,852,750)
Total Net Position	<u>\$ (78,762,526)</u>	<u>\$ (1,719,378)</u>	<u>\$ (80,481,904)</u>

The accompanying notes are an integral part of these financial statements.

EAST STROUDSBURG AREA SCHOOL DISTRICT
 GOVERNMENT WIDE STATEMENT OF ACTIVITIES
 YEAR ENDED JUNE 30, 2023

Functions / Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Totals
Governmental Activities							
Instruction							
Regular Programs	\$ 64,094,161	-	\$ 54,300,062	\$ -	\$ (9,794,099)	-	\$ (9,794,099)
Special Programs	29,043,956	-	7,217,504	-	(21,826,452)	-	(21,826,452)
Vocational Programs	2,572,757	-	-	-	(2,572,757)	-	(2,572,757)
Other Instructional Programs	1,854,715	-	-	-	(1,854,715)	-	(1,854,715)
Support Services							
Pupil Personnel Services	6,911,261	-	-	-	(6,911,261)	-	(6,911,261)
Instructional Staff Services	3,314,675	-	-	-	(3,314,675)	-	(3,314,675)
Administrative Services	7,921,249	-	-	-	(7,921,249)	-	(7,921,249)
Pupil Health Services	2,023,044	-	1,629,742	-	(393,302)	-	(393,302)
Business Services	1,361,468	-	-	-	(1,361,468)	-	(1,361,468)
Operation & Maintenance of Plant Services	14,629,078	-	-	-	(14,629,078)	-	(14,629,078)
Facilities Acquisition, Construction and Improvement Services	3,822,834	-	-	-	(3,822,834)	-	(3,822,834)
Operation of Non-Instructional Services							
Student Transportation Services	8,892,882	-	210,849	-	(8,682,033)	-	(8,682,033)
Central and Other Support Services	5,633,843	-	-	-	(5,633,843)	-	(5,633,843)
Student Activities and Athletics	3,264,264	201,239	250,682	-	(2,812,343)	-	(2,812,343)
Community Services	157,302	-	-	-	(157,302)	-	(157,302)
Scholarships Awarded	18,425	-	-	-	(18,425)	-	(18,425)
Interest on Long-Term Debt	2,160,721	-	-	1,422,612	(738,109)	-	(738,109)
Total Governmental Activities	157,676,635	201,239	63,608,839	1,422,612	(92,443,945)	-	(92,443,945)
Business-Type Activities							
Food Service	4,009,574	381,258	5,414,180	-	-	1,785,864	1,785,864
Total School District Activities	\$ 161,686,209	\$ 582,497	\$ 69,023,019	\$ 1,422,612	\$ (92,443,945)	\$ 1,785,864	\$ (90,658,081)
General Revenues							
Taxes							
Property Taxes, Levied for General Purposes, Net					102,979,086	-	102,979,086
Earned Income					4,791,659	-	4,791,659
Public Utility Taxes					104,597	-	104,597
Investment Earnings					3,570,560	2,597	3,573,157
Gain on Disposal of Capital Assets					23,990	-	23,990
Miscellaneous Income					152,323	-	152,323
Total General Revenues					111,622,215	2,597	111,624,812
Change in Net Position					19,178,270	1,788,461	20,966,731
Net Position at Beginning of Year					(97,940,796)	(3,507,839)	(101,448,635)
Net Position at End of Year					\$ (78,762,526)	\$ (1,719,378)	\$ (80,481,904)

The accompanying notes are an integral part of these financial statements.

EAST STROUDSBURG AREA SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	General Fund	Capital Projects Fund	Nonmajor Funds	Total Governmental Funds
Assets				
Cash and Cash Equivalents	\$ 19,068,058	\$ 20,605,464	\$ 324,829	\$ 39,998,351
Investments	52,589,113	-	187,709	52,776,822
Taxes Receivable, Net	8,963,606	-	-	8,963,606
Due from Other Funds	344,834	5,000,000	47,739	5,392,573
Due from Other Governments	5,747,067	-	-	5,747,067
Other Receivables, Net	259,241	-	-	259,241
Prepaid Expenditures	783,115	-	-	783,115
Total Assets	<u>\$ 87,755,034</u>	<u>\$ 25,605,464</u>	<u>\$ 560,277</u>	<u>\$ 113,920,775</u>
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts Payable	\$ 1,758,690	\$ 22,047	\$ 4,919	\$ 1,785,656
Due to Other Funds	6,471,802	334,232	-	6,806,034
Due to Fiduciary Funds	29,058	-	-	29,058
Unearned Revenue	815,857	-	-	815,857
Accrued Salaries and Benefits	19,579,233	-	-	19,579,233
Other Current Liabilities	314,432	-	37	314,469
Total Liabilities	<u>28,969,072</u>	<u>356,279</u>	<u>4,956</u>	<u>29,330,307</u>
Deferred Inflows of Resources				
Unavailable Revenue, Property Taxes	7,518,334	-	-	7,518,334
Fund Balances				
Nonspendable, Prepaid Expenditures	783,115	-	-	783,115
Restricted	-	19,249,185	555,321	19,804,506
Committed	24,000,000	6,000,000	-	30,000,000
Assigned				
Balance the 2023-2024 Budget	8,498,602	-	-	8,498,602
Future Budget Expenditures	9,000,000	-	-	9,000,000
Future Educational Programs	6,000,000	-	-	6,000,000
Unassigned	2,985,911	-	-	2,985,911
Total Fund Balances	<u>51,267,628</u>	<u>25,249,185</u>	<u>555,321</u>	<u>77,072,134</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances	<u>\$ 87,755,034</u>	<u>\$ 25,605,464</u>	<u>\$ 560,277</u>	<u>\$ 113,920,775</u>

The accompanying notes are an integral part of these financial statements.

EAST STROUDSBURG AREA SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEETS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2023

Total Governmental Funds Balances \$ 77,072,134

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Land	5,198,539
Construction in Progress	1,494,496
Site Improvements	16,575,942
Building and Building Improvements	261,553,878
Furniture and Equipment	33,561,749
Accumulated Depreciation	<u>(158,142,866)</u>
	<u>160,241,738</u>

Additional receivables established that do not meet the availability criteria reflected in the fund financial statements. 14,012,504

Deferred inflows used in governmental activities are not financial resources and therefore are not reported in the funds. These consist of:

Deferred Amount on Refunding (13,580)

Deferred inflows and outflows of resources related to pension activities are not financial resources and therefore not reported in the governmental funds. 20,761,904

Deferred inflows and outflows of resources related to OPEB activities are not financial resources and therefore not reported in the governmental funds. (12,367,080)

Some of the District's revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are not recorded as receivables and are deferred in the funds. 7,518,334

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:

Bonds Payable	(71,548,406)
Accrued Interest	(1,135,216)
Notes Payable	(29,839,298)
Leases	(2,319,005)
Compensated Absences	(8,948,484)
Net Pension Liability	(200,768,680)
Other Postemployment Benefits	<u>(31,429,391)</u>
	<u>(345,988,480)</u>

Net Position of Governmental Activities \$ (78,762,526)

The accompanying notes are an integral part of these financial statements.

EAST STROUDSBURG AREA SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023

	General Fund	Capital Projects Fund	Nonmajor Funds	Total Governmental Funds
Revenues				
Local Sources	\$ 114,151,820	\$ 813,849	\$ 270,221	\$ 115,235,890
State Sources	55,670,608	-	-	55,670,608
Federal Sources	7,425,263	-	-	7,425,263
Total Revenues	177,247,691	813,849	270,221	178,331,761
Expenditures				
Regular Programs	62,910,101	-	-	62,910,101
Special Programs	30,549,084	-	-	30,549,084
Vocational Programs	2,668,729	-	-	2,668,729
Other Instructional Programs	1,850,290	-	-	1,850,290
Pupil Personnel Services	7,489,062	-	-	7,489,062
Instructional Staff Services	3,197,748	306,479	-	3,504,227
Administrative Services	8,520,286	-	-	8,520,286
Pupil Health Services	2,215,664	-	-	2,215,664
Business Services	1,450,011	-	-	1,450,011
Operation and Maintenance of Plant	15,782,850	-	-	15,782,850
Facilities Acquisition, Construction and Improvement Services	1,492,796	2,330,038	-	3,822,834
Student Transportation Services	8,121,463	-	-	8,121,463
Central and Other Support Services	5,705,384	264,271	-	5,969,655
Student Activities and Athletics	3,129,653	27,769	222,913	3,380,335
Community Services	157,302	-	-	157,302
Scholarships Awarded	-	-	18,425	18,425
Refund of Prior Year Revenues	282,327	-	-	282,327
Debt Service	16,583,061	-	-	16,583,061
Total Expenditures	172,105,811	2,928,557	241,338	175,275,706
Excess (Deficiency) of Revenues Over Expenditures	5,141,880	(2,114,708)	28,883	3,056,055
Other Financing Sources (Uses)				
Interfund Transfers In/(Out)	(5,000,000)	5,000,000	-	-
Sale of Capital Assets	30,308	-	-	30,308
Issuance of Leases	1,941,714	-	-	1,941,714
Total Other Financing Sources (Uses)	(3,027,978)	5,000,000	-	1,972,022
Net Change in Fund Balances	2,113,902	2,885,292	28,883	5,028,077
Fund Balances at Beginning of Year	49,153,726	22,363,893	526,438	72,044,057
Fund Balances at End of Year	\$ 51,267,628	\$ 25,249,185	\$ 555,321	\$ 77,072,134

The accompanying notes are an integral part of these financial statements.

EAST STROUDSBURG AREA SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023

Net Changes in Fund Balances - Total Governmental Funds \$ 5,028,077

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

Capital outlays are reported in Governmental Funds as expenditures and sale of capital assets are reported as revenues. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeds capital outlays in the current period.

Capital Outlays	4,220,266
Depreciation	<u>(10,674,517)</u>
	<u>(6,454,251)</u>

When recognizing the disposal of capital assets, the governmental funds report the total proceeds of the sale. Only the gain or loss of the sale is reported in the governmental activities. (6,318)

Because some property taxes will not be collected for several months after the School District's fiscal year ends, they are not considered as "available" revenues in the Governmental Funds. Unavailable tax revenues decreased by this amount. (1,500,846)

In the statement of activities, certain operating expenses - compensated absences (vacation and sick leave) - are measured by the amounts earned during the year. In the Governmental Funds, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). 371,326

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in Governmental Funds:

Accrued Interest	(75,183)
Insurance Provision	1,258,282
OPEB Plan Expense	(220,584)
Pension Plan Expense	<u>8,221,958</u>
	<u>9,184,473</u>

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to Governmental Funds, while the repayment of the principal long-term debt consumes the current financial resources of Governmental Funds. Neither transaction, however, has any effect on net position. 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.

Repayment of Bond Principal	8,810,707
Amortization of Bond Discounts, Premiums and Refunding Loss	1,646,640
Repayment on Note Principal	2,675,212
Repayment of Lease Obligations	1,364,964
Issuance of Lease Obligations	<u>(1,941,714)</u>
	<u>12,555,809</u>

Change in Net Position of Governmental Activities \$ 19,178,270

The accompanying notes are an integral part of these financial statements.

EAST STROUDSBURG AREA SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2023

	Enterprise Fund
	Food Service Fund
Assets	
Cash and Cash Equivalents	\$ 345,255
Due from Other Governments	766,823
Other Receivables	29,883
Inventories	124,200
Due From Other Funds	1,413,461
Total Current Assets	2,679,622
Capital Assets, Net	180,107
Total Assets	2,859,729
Deferred Outflows of Resources	
Deferred Outflows of Resources - Pension Activity	611,152
Deferred Outflows of Resources - OPEB Activity	86,807
Total Deferred Outflows of Resources	697,959
Liabilities	
Accounts Payable	36,338
Accrued Salaries and Benefits	44,513
Compensated Absences	196,196
Long-Term Liabilities	
Net Pension Liability	4,097,320
Other Postemployment Benefits	406,686
Total Liabilities	4,781,053
Deferred Inflows of Resources	
Deferred Inflows of Resources - Pension Activity	187,440
Deferred Inflows of Resources - OPEB Activity	308,573
Total Deferred Inflows of Resources	496,013
Net Position	
Net Investment in Capital Assets	180,107
Unrestricted	(1,899,485)
Total Net Position	\$ (1,719,378)

The accompanying notes are an integral part of these financial statements.

EAST STROUDSBURG AREA SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2023

	Enterprise Fund
	Food Service Fund
Operating Revenues	
Food Service Revenue	\$ 381,258
Operating Expenses	
Personnel	1,882,413
Operating	356,539
Purchased Services	1,737,615
Depreciation	33,007
Total Operating Expenses	4,009,574
Operating Loss	(3,628,316)
Nonoperating Revenues	
Earnings on Investments	2,597
Contributions	26,276
State Sources	605,578
Federal Sources	4,782,326
Total Nonoperating Revenues	5,416,777
Change in Net Position	1,788,461
Net Position at Beginning of Year	(3,507,839)
Net Position at End of Year	\$ (1,719,378)

The accompanying notes are an integral part of these financial statements.

EAST STROUDSBURG AREA SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2023

	Enterprise Fund
	Food Service Fund
Cash Flows From Operating Activities	
Cash Received from Users	\$ 32,377
Cash Payments to Employees for Services	(1,850,826)
Cash Payments to Suppliers for Goods and Services	(2,777,691)
Net Cash Used By Operating Activities	(4,596,140)
Cash Flows From Noncapital Financing Activities	
Local Sources	26,276
State Sources	528,643
Federal Sources	4,225,179
Net Cash Provided by Noncapital Financing Activities	4,780,098
Cash Flows From Investing Activities	
Interest Received	2,597
Purchase of Equipment	(54,108)
Net Cash Used In Investing Activities	(51,511)
Net Increase In Cash and Cash Equivalents	132,447
Cash and Cash Equivalents At Beginning Of Year	212,808
Cash and Cash Equivalents at End of Year	\$ 345,255
Reconciliation of Operating Loss To Net Cash Used By Operating Activities	
Operating Loss	\$ (3,628,316)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities	
Depreciation	33,007
Pension Expense	(560,576)
OPEB Expense	(49,047)
(Increase) Decrease in	
Due From Other Funds	(367,235)
Other Receivables	5,927
Inventories	48,198
Prepaid Expense	12,427
Increase (Decrease) in	
Compensated Absences	(12,926)
Accounts Payable	(122,112)
Accrued Salaries	44,513
Net Cash Used By Operating Activities	\$ (4,596,140)
Supplemental Disclosures	
Noncash Activities	
Donated Foods	\$ 309,890

The accompanying notes are an integral part of these financial statements.

EAST STROUDSBURG AREA SCHOOL DISTRICT
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2023

	Custodial Funds
	Student Activities
Assets	
Cash and Cash Equivalents	\$ 75,450
Due from School District	29,058
Total Assets	104,508
Liabilities	
Accounts Payable	436
Total Liabilities	436
Net Position	\$ 104,072

The accompanying notes are an integral part of these financial statements.

EAST STROUDSBURG AREA SCHOOL DISTRICT
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2023

	Custodial Funds
	Student Activities
Additions	
Student Activities Fees	\$ 169,646
Investment Income	637
Total Additions	170,283
Deductions	
Student Activities	174,240
Scholarships Paid	1,000
Total Deductions	175,240
Change in Net Position	(4,957)
Net Position At Beginning of Year	109,029
Net Position At End of Year	\$ 104,072

The accompanying notes are an integral part of these financial statements.

EAST STROUDSBURG AREA SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the East Stroudsburg Area School District (the "District") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to 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 of the District's accounting policies are described below.

School District

The District operates six elementary schools, two intermediate schools and two high schools (the "Schools") in Monroe and Pike Counties, Pennsylvania. The School District operates under current standards prescribed by the Pennsylvania Department of Education in accordance with the provision of the School Laws of Pennsylvania. The District is a unit established, organized and empowered by the Commonwealth of Pennsylvania (the "Commonwealth") for the express purpose of carrying out, on the local level, the Commonwealth's obligation to public education, as established by the constitution of the Commonwealth and by the School Law Code of the same (Article II; Act 150, July 8, 1968). As specified under the School Law Code of the Commonwealth, this and all other school districts of the state "shall be and hereby are vested as, bodies corporate, with all necessary powers to carry out the provisions of this act" (Article II, Section 211).

Board of School Directors

The public school system of the Commonwealth shall be administered by a board of school directors, to be elected or appointed, as hereinafter provided. At each election of school directors, each qualified voter shall be entitled to cast one vote for each school director to be elected. The District is governed by a board of nine school directors who are residents of the District and who are elected every two years, on a staggered basis, for a four-year term. The Board of School Directors has the power and duty to establish, equip, furnish and maintain a sufficient number of elementary, secondary and other schools necessary to educate every person, residing in the District, between the ages of 6 and 21 years, who may attend. In order to establish, enlarge, equip, furnish, operate and maintain any schools herein provided, or to pay any school's indebtedness which the District is required to pay, or to pay any indebtedness that may at any time hereafter be created by the District, the Board of School Directors is vested with all the necessary authority and power annually to levy and collect the necessary taxes required and granted by the legislature, in addition to the annual state appropriation, and is vested with all necessary power and authority to comply with and carry out any or all of the provisions of the Public School Code of 1949.

Administration

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

The School District's Business Manager, recommended by the Superintendent and appointed by the Board of School Directors, shall supervise and coordinate all business aspects of the District. In this capacity, the Business Manager shall be responsible to ensure that all work accomplished by the business office, is in the best interests of the District. The Business Manager is directly responsible to the Superintendent.

EAST STROUDSBURG AREA SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity

The accompanying basic financial statements comply with the provisions of GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, in that the financial statements include all organizations, activities and functions for which the District is financially accountable. Financial accountability is defined as the appointment of a voting majority of a component unit's board and either (1) the District's ability to impose its will over a component unit, or (2) the possibility that the component unit will provide a financial benefit or impose a financial burden on the District. In addition, component units can be other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading. This report presents the activities of the District. The District is not a component unit of another reporting entity nor does it have any component units.

Joint Ventures

Monroe Career & Technical Institute (MCTI) is a separate entity. It was organized by the four public school districts in Monroe County to provide services in the county. Each of the public school districts appoints three members to serve on the joint operating committee, and each has an ongoing financial responsibility to fund MCTI.

Colonial Intermediate Unit #20 (CIU) is a separate legal entity. It was organized by the constituent school districts in Monroe, Pike and Northampton Counties to provide special education services to the school districts. Each member school district appoints one member to serve on the Board of Directors of the CIU. The District contracts with the CIU to provide special education services for District students.

Basis of Presentation and Accounting

Government-Wide Financial Statements - The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for Fiduciary Funds. The statements distinguish between those activities of the District that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the Proprietary Fund financial statements but differs from the manner in which Governmental Funds financial statements are prepared. Governmental Funds financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for Governmental Funds. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the District and for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function.

EAST STROUDSBURG AREA SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation and Accounting (Continued)

Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the District.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Fund Financial Statements - Fund financial statements report detailed information about the District. The focus of Governmental and Proprietary Funds financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column (Nonmajor Funds). Fiduciary Funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All Governmental Funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments are recorded only when payment is due. The financial statements for Governmental Funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

The Proprietary Fund is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the statement of net position. The statement of revenues, expenses and changes in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net position. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activities.

Fiduciary Trust Funds are reported using the economic resources measurement focus.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Accounting

The District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of the District are grouped into the categories governmental, proprietary and fiduciary.

EAST STROUDSBURG AREA SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Funds

General Fund - The General Fund is used to account for all financial resources except those required to be accounted for in another fund. The General Fund balance is available for any purpose provided it is expended or transferred according to the general laws of Pennsylvania.

Capital Projects Fund - The Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of capital equipment and improvements in accordance with the applicable general obligation bond agreements.

Special Activities Fund - The Special Activities Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The School District's *Concession and Special Activities* are accounted for in this fund type.

Scholarship Funds - Private-Purpose Funds account for the receipts and disbursements of monies contributed to the School District for scholarships and memorials.

Proprietary Fund

Enterprise Fund - The Enterprise Fund (Food Service Fund) is used to account for operations (1) that are financed and operated in a manner similar to private business enterprises--where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or (2) where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Fiduciary Funds

Custodial Funds - The Custodial Funds account for the receipts and disbursements of monies from student activity organizations. These organizations exist at the explicit approval, subject to revocation, of the District governing body. This accounting reflects the School District custodial relationship with the student activity organizations. Accordingly, receipts and disbursements of the Custodial Funds are not included in the revenues and expenditures of the District but shown on the Fiduciary Funds statements.

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition and no restrictions on withdrawal.

Investments

The School District has adopted GASB Statements No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools* and No. 79, *Certain External Investment Pools and Pool Participants*. Under GASB Statement No. 31, investments in marketable securities with readily determinable fair value and all investments in debt securities are reported at their fair values. Under GASB Statement No. 79, investments in qualifying external investment pools are reported at amortized cost basis.

EAST STROUDSBURG AREA SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Short-Term Interfund Receivables/Payables

During the course of operations, transactions may occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the Governmental Funds balance sheet. Short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the statement of net position, except for amounts due between governmental and business-type activities, which, when present, are shown as internal balances.

Inventories

Inventory of purchased food and paper supplies within the Proprietary Fund is carried at cost using the first-in, first-out method of accounting and is subsequently charged to expense when consumed. Inventory of donated foods is valued at fair market value as established by the U.S. Department of Agriculture.

Prepaid Expenses

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

Capital Assets

General capital asset acquisitions, including entering into contracts giving the District the right to use leased assets, are reported as expenditures in governmental funds. The related issuance of long-term debt and financing through leases are reported as other financing sources.

Capital assets, which include property, plant, equipment and construction in progress, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The School District defines a capital asset as an asset with an initial, individual cost equal to or greater than \$1,500 or purchased with debt proceeds and must also have an estimated useful life in excess of one year. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed (except for intangible right-to-use lease assets, the measurement of which is discussed in *Leases* note below. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

	<u>Years</u>
Buildings and building and site improvements	5-40
Furniture, fixtures, equipment and vehicles	3-20

Leases

The District is a lessee for a noncancellable leases of equipment. The District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements.

EAST STROUDSBURG AREA SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

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

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

- The District uses the interest rate charged by the lessor as the discount rate if provided; otherwise, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.
- The District monitors changes in circumstance that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Provision for Insurance Reserve

The School District participates in an insurance pool for employee health. The excess deposits have been recorded as a long-term receivable in the governmental activities column of the government-wide statement of net position.

Long-Term Obligations

In the government-wide financial statements and the Proprietary Fund in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or Proprietary Fund statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. In the fund financial statements, Governmental Funds 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.

Compensated Absences

The School District's policies regarding vacation, personal and sick time permit employees to accumulate earned but unused time. The liability for these compensated absences is recorded as long-term debt in the government-wide financial statements. A liability for these amounts is reported in the Governmental Funds only if they have matured, for example, as a result of employee resignations or retirements.

EAST STROUDSBURG AREA SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has two items that qualify for reporting in this category. They are the deferred outflows related to pension activity, and deferred outflows related to OPEB activity, all of which are reported in the government-wide statement of net position. The deferred outflow related to pension activity is the result of the difference between expected and actual experience, changes in assumptions, the difference between projected and actual investment earnings, changes in proportions, the difference between actual employer contributions and the District's proportionate share of total contributions, and actual contributions subsequent to the measurement date. The deferred outflow related to OPEB activity is the result of the difference between projected and actual investment earnings and actual contributions subsequent to the measurement date.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has four items that qualify for reporting in this category. The first item, unavailable revenues, is reported only in the Governmental Funds balance sheet. The Governmental Funds report unavailable revenues from property taxes. The second item, deferred inflows related to pension activity, are reported in the government-wide statement of net position. The deferred inflow related to pension activity is the result of differences between expected and actual experience, changes in proportions, and difference between employer contributions and proportionate share of total contributions. The third item, deferred inflows related to OPEB activity, are reported in the government-wide statement of net position. The fourth item, deferred amounts on refunding, is the results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred inflow related to OPEB activity is the result of changes in assumptions, changes in proportions, and the difference between actual employer contributions and the District's proportionate share of total contributions. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

Use of Estimates

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

EAST STROUDSBURG AREA SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance and GASB Statement No. 54

The District follows GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which clarifies fund balance categories as follows:

- ***Nonspendable*** - Amounts that cannot be spent either because they are not in spendable form or because of legal or contractual constraints. Fund balance types of this category are prepaid expenses.
- ***Restricted*** - Amounts that can be spent only for specific purposes stipulated by external resource providers or through enabling legislation.
- ***Committed*** - Amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority (the Board of Directors) and do not lapse at year-end. To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest level action to remove or change the constraint.
- ***Assigned*** - Amounts the District intends to use for a specific purpose. Intent can be expressed by the Board of Directors or by an official or body to which the Board of Directors delegates the authority. The District has delegated such authority to the District's Chief Financial Officer.
- ***Unassigned*** - Amounts not contained in other classifications. Unassigned amounts are technically available for any purpose.

The Board of School Directors establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. Assigned fund balance is intended to be used by the government for specific purposes but does not meet the criteria to be classified as restricted or committed. The details of the fund balances are included in the Governmental Funds balance sheet. Restricted funds are used first as appropriate, followed by committed resources and then assigned resources, to the extent that expenditure authority has been budgeted by the Board of Directors. The District does reserve the right to first reduce unassigned fund balance to defer the use of these other classified funds. In the event that unassigned fund balance becomes zero, then assigned and committed fund balances are used in that order.

Adoption of Governmental Accounting Standards Board (GASB) Statements

The District adopted certain effective provisions of GASB Statement No. 91, *Conduit Debt Obligations*. This Statement had no effect on the financial statements.

The District adopted certain effective provisions of GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. This Statement had no effect on the financial statements.

The District adopted certain effective provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement had no effect on the financial statements.

The District adopted certain effective provisions of GASB Statement No. 99, *Omnibus 2022*. This Statement had no effect on the financial statements.

EAST STROUDSBURG AREA SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pending Changes in Accounting Principles

In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*. This Statement is required to be adopted for the District's 2024 financial statements.

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This Statement is required to be adopted for the District's 2024 financial statements.

District management is in the process of analyzing these pending changes in accounting principles and the impact they will have on the District's financial reporting process.

NOTE 2 CASH AND CASH INVESTMENTS

Cash

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned. The District does not have a policy for custodial credit risk. At June 30, 2023, the carrying amount of the District's deposits was \$40,419,056 and the bank balance was \$42,481,780. Of the bank balance, \$500,000 was covered by federal depository insurance, and \$41,981,780 was exposed to custodial credit risk because, in accordance with Act 72 of the Commonwealth of Pennsylvania, it was uninsured, and the collateral held by the depository's agent was not in the District's name.

Interest Rate Risk - The School District's investment policy limits investment maturities in accordance with the Commonwealth of Pennsylvania School Code as a means of managing its exposure to fair value losses arising from increasing interest rates.

Investments

As of June 30, 2023, the School District had the following investments and maturities:

Investment Type	Amortized Cost	Maturities	
		Less Than 1 Year	1 to 5 Years
State Investment Pools	\$ 52,589,113	\$ 52,589,113	\$ -
Certificates of Deposit	187,709	-	187,709
	<u>\$ 52,776,822</u>	<u>\$ 52,589,113</u>	<u>\$ 187,709</u>

A portion of the School District's investments is in the Pennsylvania School District Liquid Asset Fund (PSDLAF) programs, of which are funds similar to mutual funds. GASB Statement No. 3, Paragraph 69, provides that certain types of cash and investments, such as cash investments in a State Treasurer's investment pool or mutual fund, cannot be assigned a credit risk category because the government does not own specific securities. Therefore, the PSDLAF and PLGIT cash investments included in these statements will not be assigned a credit risk category. The carrying amount of these investments at June 30, 2023, is \$52,589,113.

EAST STROUDSBURG AREA SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 2 CASH AND CASH INVESTMENTS (CONTINUED)

These assets maintain a stable net asset value of \$1 per share. PSDLAF is not SEC-registered. All investments are monitored weekly by Standard & Poor's and are subject to an independent audit on an annual basis. As of June 30, 2023, the School District's investment in the state investment pools was rated AAAM by Standard & Poor's.

Investments held with qualifying external state investment pools are valued at amortized cost in accordance with GASB Statement No. 79.

Certificates of deposit held by banks of \$187,709 are stated at cost plus interest earned.

Fair Value Measurement

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are those that lack significant observable inputs. The School District did not have any recurring fair value measurements as of June 30, 2023.

NOTE 3 TAXES - REAL ESTATE AND OTHER

The School Board is authorized by state law to levy property taxes for District operations, capital improvements and debt service. Property taxes are based on assessed values of all taxable property within the District. Taxable real property was assessed at 2,811,271,411, combined for Monroe County 2,616,686,801 and Pike County for 194,584,610. The tax rate for the year was \$30.79 mills per \$1,000 of assessed valuation for Monroe County and \$128.33 mills per \$1,000 of assessed valuation for Pike County.

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

Discount period	August 1 to September 30 - 2% of gross levy
Face period	October 1 to November 30
Penalty period	December 1 to January 1 - 10% of gross levy
Lien date	January 1

District taxes are billed and collected by the local elected tax collector. Property taxes attach as an enforceable lien on property as of January 1.

NOTE 4 RECEIVABLES

Receivables at June 30, 2023, consisted of taxes, other revenue and intergovernmental grants and entitlements. The real estate taxes receivable account represents real estate transfer taxes and prior year uncollected tax levies. All real estate taxes receivables are considered fully collectible due to the ability to lien property for the nonpayment of taxes, the stable condition of state programs and the current year guarantee of federal funds.

EAST STROUDSBURG AREA SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2023

NOTE 4 RECEIVABLES (CONTINUED)

A summary of receivables by fund is as follows:

	General Fund	Food Service Fund
Taxes	\$ 8,963,606	\$ -
Federal Subsidies	2,901,345	651,580
State Subsidies	2,623,928	115,243
Other Government	221,794	-
Other Revenue	259,241	29,883
	\$ 14,969,914	\$ 796,706

NOTE 5 INTERFUND RECEIVABLES AND PAYABLES AND INTERFUND TRANSFERS

The composition of interfund balances as of June 30, 2023, is as follows:

Receivable Fund	Payable Fund	Amount
Capital Project Fund	General Fund	\$ 5,000,000
Special Activities Fund	General Fund	45,554
Food Service Fund	General Fund	1,413,461
Scholarships Fund	General Fund	12,787
General Fund	Capital Project Fund	334,232
		\$ 6,806,034

Due to/from Other Funds

The amounts between the General Fund, Food Service Fund and the Capital Projects Fund are interfund borrowings to pay for operations. The amounts between the General Fund and Special Activities Fund and Scholarships Fund are for fees and other expenses.

Transfer to and from other funds as of June 30, 2023 is as follows:

Transfer Out	Transfer In	Amount
General Fund	Capital Project Fund	\$ 5,000,000

Transfer to/from Other Funds

The amounts between the General Fund and Capital Projects Fund are interfund transfers to fund future capital projects.

EAST STROUDSBURG AREA SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 6 CAPITAL ASSETS

Capital assets balances and activity for the year ending June 30, 2023, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets Not Being Depreciated				
Land	\$ 5,198,539	\$ -	\$ -	\$ 5,198,539
Construction in Progress	221,007	2,013,466	(739,977)	1,494,496
Total Capital Assets Not Being Depreciated	<u>5,419,546</u>	<u>2,013,466</u>	<u>(739,977)</u>	<u>6,693,035</u>
Capital Assets Being Depreciated				
Site Improvements	15,991,658	584,284	-	16,575,942
Buildings and Building Improvements	261,398,185	155,693	-	261,553,878
Furniture and Equipment	27,988,541	265,085	(170,105)	28,083,521
Leased Furniture and Equipment	5,367,058	1,941,715	(1,830,545)	5,478,228
Total Capital Assets Being Depreciated	<u>310,745,442</u>	<u>2,946,777</u>	<u>(2,000,650)</u>	<u>311,691,569</u>
Accumulated Depreciation				
Site Improvements	(11,404,353)	(547,738)	-	(11,952,091)
Buildings and Building Improvements	(115,964,814)	(6,962,364)	-	(122,927,178)
Furniture and Equipment	(18,930,292)	(2,079,926)	163,787	(20,846,431)
Leased Furniture and Equipment	(3,163,222)	(1,084,489)	1,830,545	(2,417,166)
Total Accumulated Depreciation	<u>(149,462,681)</u>	<u>(10,674,517)</u>	<u>1,994,332</u>	<u>(158,142,866)</u>
Total Capital Assets Being Depreciated, Net	<u>161,282,761</u>	<u>(7,727,740)</u>	<u>(6,318)</u>	<u>153,548,703</u>
Governmental Activities Capital Assets, Net	<u>166,702,307</u>	<u>(5,714,274)</u>	<u>(746,295)</u>	<u>160,241,738</u>
Business-Type Activities				
Capital Assets Being Depreciated				
Furniture and Equipment	624,940	54,108	-	679,048
Accumulated Depreciation	(465,934)	(33,007)	-	(498,941)
Business-Type Activities Capital Assets, Net	<u>159,006</u>	<u>21,101</u>	<u>-</u>	<u>180,107</u>
Total Capital Assets, Net	<u>\$ 166,861,313</u>	<u>\$ (5,693,173)</u>	<u>\$ (746,295)</u>	<u>\$ 160,421,845</u>

EAST STROUDSBURG AREA SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2023

NOTE 6 CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to governmental activities as follows:

Regular Programs	\$ 7,498,671
Special Programs	17,263
Vocational Programs	338
Other Instructional Programs	4,425
Pupil Personnel Services	58
Instructional Staff Services	3,068
Administrative Services	4,814
Business Services	11,481
Operation and Maintenance of Plant	592,071
Student Transportation Services	1,256,154
Central and Other Support Services	1,182,407
Student Activities and Athletics	103,767
	<u>\$ 10,674,517</u>

NOTE 7 LONG-TERM DEBT

Descriptions of debt outstanding as of June 30, 2023, are as follows:

Note Payable 2006 Issue - Colonial Academy

The School District incurred \$735,080, which is a portion of the debt issued to finance the Colonial Academy. The School District's obligations mature from June 30, 2006 to June 30, 2030. Interest is payable at 7.71%.

General Obligation Bonds 2010A Issue - Qualified School Construction Bond

The School District issued \$1,220,000 General Obligation Bonds, Series A of 2010, on October 6, 2010. Proceeds of the bond issue will be used to provide funds for the J.T. Lambert roof replacement. The bonds mature on September 1, 2027. Interest rate is 5.00%.

Qualified Zone Academy Bonds, Series 2011

The School District issued \$525,000 Qualified Zone Academy Bonds, Series 2011, on September 20, 2010. Proceeds of this bond issue will be used to provide funds to upgrade technology, electrical system, fire system, surveillance system, sounds system and a backup generator as capital expenditures of the School District at JM Hill Elementary School and to pay related costs and expenses, including the costs of issuing the 2011 bonds. The bonds mature September 1, 2029. On September 23, 2016, the School District entered into a rate modification agreement to reduce the interest rate from 3.11% to 1.99% per annum through the final maturity on September 1, 2027.

EAST STROUDSBURG AREA SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 7 LONG-TERM DEBT (CONTINUED)

General Obligation Bonds - Series of 2014

On September 3, 2014, the School District issued \$16,350,000 General Obligation Bonds, Series of 2014. Proceeds of this bond issue will be used to refund the School District's outstanding General Obligation Notes, Series A of 2004, General Obligation Bonds, Series of 2009 and Series A of 2009, and to pay the costs in connection with the issuance of the bonds. The bonds bear an interest rate of 1.92% over the life of the bonds. The bonds were paid off during the year ended June 30, 2023.

General Obligation Bonds - Series A of 2016

On August 18, 2016, the School District issued \$5,765,000 General Obligation Bonds, Series A of 2016. Proceeds of this bond issue will be used to currently refund the School District's outstanding General Obligation Bonds, Series of 2011 and Series A of 2011, and to pay the costs in connection with the issuance of the bonds. The bonds mature in 2030 at varying interest rates.

General Obligation Bonds - Series of 2017

On January 12, 2017, the School District issued \$7,270,000 General Obligation Bonds, Series of 2017. Proceeds of this bond issue will be used to advance refund a portion of the School District's outstanding General Obligation Bonds, Series of 2008, and to pay the costs in connection with the issuance of the bonds. The bonds mature in 2029 at varying interest rates.

General Obligation Bonds - Series A of 2017

On June 20, 2017, the School District issued \$1,870,000 General Obligation Bonds, Series A of 2017. Proceeds of this bond issue will be used to currently refund the School District's outstanding General Obligation Bonds, Series A of 2012, and to pay the costs in connection with the issuance of the bonds. The bonds mature in 2031 at varying interest rates.

General Obligation Bonds - Series AA of 2017

On June 20, 2017, the School District issued \$68,235,000 General Obligation Bonds, Series AA of 2017. Proceeds of this bond issue will be used to currently refund the School District's outstanding General Obligation Note, Series of 2007, advance refund a portion of the School District's outstanding General Obligation Bond, Series A of 2007 and to pay the costs in connection with the issuance of the bonds. The bonds mature in 2031 at varying interest rates.

General Obligation Bonds - Series AAA of 2017

On December 1, 2017, the School District issued \$16,085,000 General Obligation Bonds, Series AAA of 2017. Proceeds of this bond issue will be used to currently refund the School District's outstanding General Obligation Note, Series of 2008 and to pay the costs in connection with the issuance of the bonds. The bonds mature in 2031 at varying interest rates.

General Obligation Bonds - Series 2019

On September 23, 2019, the School District issued \$8,170,000 General Obligation Bonds, Series 2019. Proceeds of this bond issue will be used to currently refund the School District's outstanding General Obligation Bond Series 2014A and to pay the costs in connection with the issuance of the bonds. The bonds mature in 2030 at varying interest rates.

EAST STROUDSBURG AREA SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 7 LONG-TERM DEBT (CONTINUED)

General Obligation Notes - Series 2020

On October 29, 2020, the School District issued \$16,250,000 General Obligation Notes, Series 2020. Proceeds of this bond issue will be used to currently refund the School District's outstanding General Obligation Bond Series 2013, 2014 AA, and 2015 and to pay the costs in connection with the issuance of the note. The note matures in 2028 at varying interest rates. The refunding resulted in an economic gain of \$1,028,277. The refunding resulted in a difference between the cash flows required to service the old debt and the cash flows required to service the new debt of \$1,142,222. This amount is included in deferred inflows of resources in the Statement of Net Position and will be amortized over the life of the new debt.

General Obligation Notes - Series 2021

On June 21, 2021, the School District issued \$9,999,000 General Obligation Note, Series 2021. Proceeds of this note issue will be used to partially refund the School District's outstanding General Obligation Bond Series 2016 and Series 2016 A and to pay the costs in connection with the issuance of the note. The note matures in 2031 at 1.490%. The refunding resulted in an economic gain of \$349,078. The refunding resulted in a difference between the cash flows required to service the old debt and the cash flows required to service the new debt of \$486,779. This amount is included in deferred inflows of resources in the Statement of Net Position and will be amortized over the life of the new debt.

General Obligation Notes - Series 2022

On January 24, 2022, the School District issued \$7,190,000 General Obligation Note, Series 2022. Proceeds of this note issue will be used to partially refund the School District's outstanding General Obligation Bond Series 2017 and Series 2017 AA and to pay the costs in connection with the issuance of the note. The note matures in 2030 at 1.608%. The refunding resulted in an economic gain of \$109,834. The refunding resulted in a difference between the cash flows required to service the old debt and the cash flows required to service the new debt of \$109,834. This amount is included in deferred inflows of resources in the Statement of Net Position and will be amortized over the life of the new debt.

EAST STROUDSBURG AREA SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2023

NOTE 7 LONG-TERM DEBT (CONTINUED)

Annual debt service requirements to maturity for long-term debt are as follows:

General Obligation Bonds and Notes			
Year Ending June 30,	Principal	Interest	Totals
2024	\$ 9,694,241	\$ 2,680,809	\$ 12,375,050
2025	10,271,061	2,193,790	12,464,851
2026	10,812,654	1,690,999	12,503,653
2027	10,934,702	1,232,254	12,166,956
2028	11,449,022	789,339	12,238,361
2029 to 2033	30,250,587	686,445	30,937,032
2034 to 2038	25,000	4,218	29,218
2039 to 2041	10,000	376	10,376
	<u>\$ 83,447,267</u>	<u>\$ 9,278,230</u>	<u>\$ 92,725,497</u>

Loans from Direct Borrowing			
Year Ending June 30,	Principal	Interest	Totals
2024	\$ 2,608,000	\$ 492,931	\$ 3,100,931
2025	2,607,000	418,707	3,025,707
2026	2,643,000	342,713	2,985,713
2027	3,018,000	260,788	3,278,788
2028	3,041,000	172,990	3,213,990
2029 to 2031	-	-	-
	<u>\$ 13,917,000</u>	<u>\$ 1,688,129</u>	<u>\$ 15,605,129</u>

Total Outstanding Debt			
Year Ending June 30,	Principal	Interest	Totals
2024	\$ 12,302,241	\$ 3,173,740	\$ 15,475,981
2025	12,878,061	2,612,497	15,490,558
2026	13,455,654	2,033,712	15,489,366
2027	13,952,702	1,493,042	15,445,744
2028	14,490,022	962,329	15,452,351
2029 to 2033	30,250,587	686,445	30,937,032
2034 to 2038	25,000	4,218	29,218
2039 to 2041	10,000	376	10,376
	<u>\$ 97,364,267</u>	<u>\$ 10,966,359</u>	<u>\$ 108,330,626</u>

Lease Liability

The District accounts for its lease arrangements for certain equipment in accordance with GASB 87, *Leases*. Currently, the District holds several computer equipment leases. These lease agreements qualify for recognition per the provisions of GASB 87 and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

EAST STROUDSBURG AREA SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 7 LONG-TERM DEBT (CONTINUED)

The aggregate amount of leased computer equipment and related accumulated depreciation are disclosed separately Note 6.

The future minimum lease obligations and the net present value of minimum lease payments as of June 30, 2023, are as follows:

Year Ending June 30,	Amount
2024	\$ 1,085,459
2025	782,194
2026	493,255
Amount Representing Interest	(41,903)
Present Value of Minimum Lease Payments	\$ 2,319,005

Other pertinent information regarding leases is presented below:

Issue Date	Initial Liability	Liability June 30, 2023	Asset Value June 30, 2023	Accumulated Amortization June 30, 2023	Description
July 1, 2019	\$ 45,899	\$ -	\$ 45,899	\$ 36,719	Equipment; annual payments of principal and interest totaling \$11,970; useful life of equipment is 5 years.
July 1, 2019	629,526	-	629,526	503,621	Equipment; annual payments of principal and interest totaling \$164,404; useful life of equipment is 5 years.
March 24, 2020	538,899	-	538,899	350,284	Equipment; annual payments of principal and interest totaling \$127,525; useful life of equipment is 5 years.
July 1, 2020	346,549	87,443	346,549	207,930	Equipment; annual payments of principal and interest totaling \$88,776; useful life of equipment is 5 years.
August 19, 2020	836,770	211,449	836,770	485,878	Equipment; annual payments of principal and interest totaling \$215,687; useful life of equipment is 5 years.
July 15, 2021	655,707	327,824	655,707	262,282	Equipment; 4 annual payments of principal and interest totaling \$167,248; interest at 1.354%; useful life of equipment is 5 years.
July 15, 2021	483,163	242,181	483,163	193,266	Equipment; 4 annual payments of principal and interest totaling \$120,491; useful life of equipment is 5 years.
July 15, 2022	1,272,331	948,071	1,272,331	254,466	Equipment; 4 annual payments of principal and interest totaling \$325,910; useful life of equipment is 5 years.
July 15, 2022	669,384	502,037	669,384	122,720	Equipment; 4 annual payments of principal and interest totaling \$167,346; useful life of equipment is 5 years.
	\$ 5,478,228	\$ 2,319,005	\$ 5,478,228	\$ 2,417,166	

EAST STROUDSBURG AREA SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 7 LONG-TERM DEBT (CONTINUED)

Debt Payments

Payments on bonds, notes and leases are made by the General Fund. The vested and other employee benefits will be liquidated by the Governmental and Proprietary Funds, accordingly.

NOTE 8 CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2023, was as follows:

	Balance July 1, 2022	Additions	Reductions	Balances June 30, 2023	Due Within One Year
Governmental Activities					
General Obligation Notes:					
Series of 2006	\$ 320,510	\$ -	\$ (66,212)	\$ 254,298	\$ 34,137
Series 2020	15,055,000	-	(2,260,000)	12,795,000	2,260,000
Series 2021	9,949,000	-	(179,000)	9,770,000	348,000
Series 2022	7,190,000	-	(170,000)	7,020,000	155,000
Total General Obligation Notes	<u>32,514,510</u>	<u>-</u>	<u>(2,675,212)</u>	<u>29,839,298</u>	<u>2,797,137</u>
Deferred amounts					
Premium/Discount	1,365,825	-	(151,758)	1,214,067	-
Total General Obligation Notes, Net	<u>33,880,335</u>	<u>-</u>	<u>(2,826,970)</u>	<u>31,053,365</u>	<u>2,797,137</u>
General Obligation Bonds:					
Series A 2010 QSCB	545,624	-	(58,440)	487,184	75,937
Series D 2011 QZAB	269,797	-	(22,012)	247,785	29,167
Series 2014	360,000	-	(360,000)	-	-
Series 2016A	30,190	-	(30,190)	-	-
Series 2017	65	-	(65)	-	-
Series 2017A	1,440,000	-	(115,000)	1,325,000	125,000
Series 2017AA	49,465,000	-	(8,215,000)	41,250,000	8,635,000
Series 2017AAA	16,065,000	-	(5,000)	16,060,000	15,000
Series 2019	8,160,000	-	(5,000)	8,155,000	625,000
Total General Obligation Bonds	<u>76,335,676</u>	<u>-</u>	<u>(8,810,707)</u>	<u>67,524,969</u>	<u>9,505,104</u>
Deferred amounts					
Premium/Discount	3,985,526	-	(1,176,156)	2,809,370	-
Total General Obligation Bonds, Net	<u>80,321,202</u>	<u>-</u>	<u>(9,986,863)</u>	<u>70,334,339</u>	<u>9,505,104</u>
Other					
Lease Liability	1,742,255	1,941,714	(1,364,964)	2,319,005	1,060,696
Accrued Compensated Absences	9,319,810	-	(371,326)	8,948,484	-
Net Pension Liability	188,922,216	11,846,464	-	200,768,680	-
Other Postemployment Benefits	44,651,986	-	(13,222,595)	31,429,391	-
Total Other	<u>244,636,267</u>	<u>13,788,178</u>	<u>(14,958,885)</u>	<u>243,465,560</u>	<u>1,060,696</u>
Total Governmental Activities	<u>\$ 358,837,804</u>	<u>\$ 13,788,178</u>	<u>\$ (27,772,718)</u>	<u>\$ 344,853,264</u>	<u>\$ 13,362,937</u>
Business-Type Activities					
Accrued Compensated Absences	\$ 209,122	\$ -	\$ (12,926)	\$ 196,196	\$ -
Net Pension Liability	4,249,784	-	(152,464)	4,097,320	-
Other Postemployment Benefits	635,975	-	(229,289)	406,686	-
Total Business-Type Activities	<u>\$ 5,094,881</u>	<u>\$ -</u>	<u>\$ (394,679)</u>	<u>\$ 4,700,202</u>	<u>\$ -</u>

EAST STROUDSBURG AREA SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 9 DEFERRED INFLOW OF RESOURCES AND UNAVAILABLE AND UNEARNED REVENUE

General Fund

Unavailable revenues represent primarily delinquent taxes not collected within 60 days subsequent to the School District's year-end. It is expected that these receivables will be collected and included in revenues of future fiscal years. In the Governmental Funds financial statements, these receivables are reported as unearned revenue.

At June 30, 2023, deferred inflow of resources consisted of delinquent taxes receivable of \$7,518,334.

NOTE 10 PENSION PLAN

Summary of Significant Accounting Policies

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

General Information About the Pension Plan

Plan Description - PSERS is a governmental cost-sharing 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 PSERS 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.pfers.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 one 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 membership classes, Membership Class T-E (Class T-E) and Membership Class T-F (Class T-F). To qualify for normal retirement, Class T-E and Class T-F members must work until age 65 with a minimum three years of service or attain a total combination of age and service that is equal to or greater than 92 with a minimum of 35 years of service. Benefits are generally equal to 2% or 2.5%, depending on membership class, of the member's final average salary (as defined in the Code) multiplied by the number of years of credited service. For members whose membership started prior to July 1, 2011, after completion of five years of service, a member's right to the defined benefits is vested and early retirement benefits may be elected. For Class T-E and Class T-F members, the right to benefits is vested after ten years of service.

Participants are eligible for disability retirement benefits after completion of five years of credited service. Such benefits are generally equal to 2% or 2.5%, depending upon membership class, of

EAST STROUDSBURG AREA SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 10 PENSION PLAN (CONTINUED)

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

Members 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 services rendered on or after January 1, 2002.
- Members who joined the System after June 30, 2011, automatically contribute at the Membership Class T-E rate of 7.5% (base rate) of the member's qualifying compensation. All new hires after June 30, 2011, who elect Class T-F membership, contribute at 10.3% (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 7.5% and 9.5% and the Membership Class T-F contribution rate to fluctuate between 10.3% and 12.3%.

Employer Contributions

The School District's contractually required contribution rate for the fiscal year ended June 30, 2022, was 34.31% of covered payroll (33.51% for 2022) which includes .20% for the Act 5 defined contribution plan members, 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 plan from the District were \$24,107,616 for the year ended June 30, 2023.

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

At June 30, 2023, the District reported a liability of \$204,866,000 for its proportionate share of the net pension liability. Of that, \$200,768,680 was for governmental type activities and \$4,097,320 was business-type activities. The net pension liability was measured as of June 30, 2021, and the

EAST STROUDSBURG AREA SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 10 PENSION PLAN (CONTINUED)

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, 2021 to June 30, 2022.

The District's proportion of the net pension liability was calculated utilizing the employer's one-year reported contributions as it relates to the total one-year reported contributions. At June 30, 2022, the District's proportion was 0.4608 percent, which was a decrease of 0.0097 percent from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the District recognized pension expense of \$15,325,082. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

The \$24,107,616 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Governmental Activities		
Difference Between Expected and Actual Experience	\$ 91,140	\$ (1,736,560)
Change of Assumptions	5,995,640	-
Net Difference Between Projected and Actual		
Investment Earnings	-	(3,405,500)
Changes in Proportions	234,220	(4,042,500)
Contributions Subsequent to the Measurement Date	23,625,464	-
	\$ 29,946,464	\$ (9,184,560)
Business-Type Activities		
Difference Between Expected and Actual Experience	\$ 1,860	\$ (35,440)
Change of Assumptions	122,360	-
Net Difference Between Projected and Actual		
Investment Earnings	-	(69,500)
Changes in Proportions	4,780	(82,500)
Contributions Subsequent to the Measurement Date	482,152	-
	\$ 611,152	\$ (187,440)

EAST STROUDSBURG AREA SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2023

NOTE 10 PENSION PLAN (CONTINUED)

Year Ending June 30,	Governmental Activities	Business-Type Activities
2024	\$ (2,137,434)	\$ (43,621)
2025	(2,170,677)	(44,300)
2026	15,872,894	323,937
2027	(14,428,343)	(294,456)
	<u>\$ (2,863,560)</u>	<u>\$ (58,440)</u>

Actuarial Assumptions - The total pension liability as of June 30, 2022, was determined by rolling forward the System's total pension liability as of the June 30, 2021 actuarial valuation to June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method - Entry Age Normal level % of pay
- Investment return - 7.00%, includes inflation at 2.75%
- Salary increases - Effective average of 4.50%, which reflects an allowance for inflation of 2.50% and real wage growth and merit or seniority increases of 2.00%
- Mortality Blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.

The Plan did not include an assumption for projected ad hoc postemployment benefit changes as they are not considered to be substantively automatic.

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.

Plan Assets

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

EAST STROUDSBURG AREA SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2023

NOTE 10 PENSION PLAN (CONTINUED)

For the year ended June 30, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 2.40%.

Asset Class	Allocation	Long-Term Expected Real Rate of Return
Global public equity	28%	5.3%
Private equity	12%	8.0%
Fixed income	33%	2.3%
Commodities	9%	2.3%
Infrastructure/MLPs	9%	5.4%
Real estate	11%	4.6%
Absolute return	6%	3.5%
Cash	3%	0.5%
Leverage	-11%	0.5%
	<u>100%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the 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 plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability, calculated using the discount rate of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	1% Decrease 6%	Current Discount Rate 7%	1% Increase 8%
School District's Proportionate Share of the Net Pension Liability	<u>\$264,980,000</u>	<u>\$204,866,000</u>	<u>\$154,182,000</u>

Pension Plan Fiduciary Net Position - Detailed information about PSERS's fiduciary net position is available in the PSERS Comprehensive Annual Financial Report which can be found on the System's website at www.psers.state.pa.us.

On June 12, 2017, the Commonwealth of Pennsylvania Act 5 of 2017 was signed into law. This legislation established a new hybrid defined benefit/defined contribution retirement benefit plan applicable to all school employees who become new members of PSERS on July 1, 2019 and thereafter. The three new plan options under Act 5 include two hybrid plans consisting of defined benefit and defined contribution components and a stand-alone defined contribution plan. The current stand-alone defined benefit plan is no longer available to new members after June 30, 2019.

EAST STROUDSBURG AREA SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS – PSERS

Health Insurance Premium Assistance Program

PSERS provides a Health Insurance Premium Assistance Program (Premium Assistance) for all eligible annuitants who qualify and elect to participate. Under this program, 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 annuitants are entitled to receive Premium Assistance payments equal to the lesser of \$100 per month or their out-of-pocket monthly health insurance premium.

Premium Assistance Eligibility Criteria

Retirees of the PSERS 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.

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, 2022 there were no assumed future benefit increases to participating eligible retirees.

Employer Contributions

The District's contractually required contribution rate for fiscal year ended June 30, 2022 was 0.75% 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 School were \$530,231 for the year ended June 30, 2023.

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

At June 30, 2022, the District reported a liability of \$8,469,000 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by rolling forward the PSERS total OPEB liability as of June 30, 2021 to June 30, 2022. 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, 2022, the District's proportion was 0.4601 percent, which was a decrease of 0.0109 percent from its proportion measured as of June 30, 2021.

EAST STROUDSBURG AREA SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS – PSERS (CONTINUED)

For the year ended June 30, 2023, the District recognized OPEB expense of \$126,137. At June 30, 2023, the School reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Governmental Activities		
Difference Between Expected and Actual Experience	\$ 76,440	\$ (44,100)
Changes in Assumptions	921,200	(1,960,000)
Net Difference Between Projected and Actual		
Investment Earnings	22,540	-
Changes in Proportions	186,200	(399,840)
Contributions Subsequent to the Measurement Date	519,626	-
	\$ 1,726,006	\$ (2,403,940)
Business-Type Activities		
Difference Between Expected and Actual Experience	\$ 1,560	\$ (900)
Changes in Assumptions	18,800	(40,000)
Net Difference Between Projected and Actual		
Investment Earnings	460	-
Changes in Proportions	3,800	(8,160)
Contributions Subsequent to the Measurement Date	10,605	-
	\$ 35,225	\$ (49,060)

\$530,231 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	Governmental Activities	Business-Type Activities
2024	\$ (255,773)	\$ (5,220)
2025	(170,587)	(3,481)
2026	(214,461)	(4,377)
2027	(258,418)	(5,274)
2028	(298,321)	(6,088)
	\$ (1,197,560)	\$ (24,440)

EAST STROUDSBURG AREA SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2023

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS – PSERS (CONTINUED)

Actuarial Assumptions

The total OPEB liability as of June 30, 2022 was determined by rolling forward the PSERS' total OPEB liability as of the June 30, 2021 actuarial valuation to June 30, 2022 using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method – Entry Age Normal – level % of pay.
- Investment return – 4.09% - S&P 20 Year Municipal Bond Rate.
- Salary growth – Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit and 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 Blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.
- Participation rate:
 - Eligible retirees will elect to participate pre age 65 at 50%.
 - Eligible retirees will elect to participate post age 65 at 70%.

The following assumptions were used to determine the contribution rate:

- The results of the actuarial valuation as of June 30, 2020 determined the employer contribution rate for fiscal year 2022.
- 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 Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Mortality Improvement Scale.

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

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

<u>Asset Class</u>	<u>Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	100%	0.5%
	<u>100%</u>	

EAST STROUDSBURG AREA SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2023

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS – PSERS (CONTINUED)

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, 2022.

Discount rate

The discount rate used to measure the total OPEB liability was 4.09%. Under the plan’s funding policy, contributions are structured for short term funding of Premium Assistance. The funding policy sets contribution rates necessary to assure solvency of Premium Assistance through the third fiscal year after the actuarial valuation date.

The Premium Assistance account is funded to establish reserves that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Due to the short term funding policy, the OPEB plan’s fiduciary net position was not projected to be sufficient to meet projected future benefit payments, therefore the plan is considered a “pay-as-you-go” plan. A discount rate of 4.09% which represents the S&P 20 year Municipal Bond Rate at June 30, 2022, was applied to all projected benefit payments to measure total OPEB liability.

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

Healthcare cost trends were applied to retirees receiving less than \$1,200 in annual Premium Assistance. As of June 30, 2022, 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. The 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 District’s net OPEB liability for June 30, 2022, calculated using current Healthcare cost trends as well as what the School’s net OPEB liability would be if its health cost trends were 1-percentage point lower or 1-percentage higher than the current rate:

	1% Decrease (Between 4% to 6%)	Current Trend Rate (Between 5% to 7%)	1% Increase (Between 8% to 9%)
The School's proportionate share of net OPEB liability	\$ 8,469,000	\$ 8,469,000	\$ 8,470,000

EAST STROUDSBURG AREA SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2023

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS – PSERS (CONTINUED)

Sensitivity of the District's Net OPEB Liability to Changes in the Discount Rate.

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.09 percent) or higher (5.09 percent) than the current discount rate:

	1% Decrease	Current Rates 4.09%	1% Increase
The School's proportionate share of net OPEB liability	\$ 9,578,000	\$ 8,469,000	\$ 7,542,000

OPEB plan fiduciary net position.

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

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS – SINGLE EMPLOYER PLAN

Plan Description

The School District provides medical and dental insurance benefits to eligible retired employees, spouses and dependents through a single-employer defined benefit plan. The benefits, benefits level, employee contribution and employer contribution are administered by the Board and can be amended by the Board through its personnel manual and union contracts. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a stand-alone financial report. The activity of the plan is reported in the School District's General Fund.

Plan Membership

At July 1, 2022, plan membership consisted of the following:

Active Plan Members	1,153
Retired Members	67
	1,220

Funding Policy and Funding Status

The plan is an unfunded plan with no assets accumulated in a trust. Contributions to the plan are equal to benefit payments. For the year ended June 30, 2023 benefit payments paid as they came due were \$1,025,942.

EAST STROUDSBURG AREA SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2023

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS – SINGLE EMPLOYER PLAN (CONTINUED)

Benefits Provided

The District's retired employees are allowed to continue coverage for themselves and their dependents in the employer's group health plan until the retired employee is eligible for Medicare or becomes eligible for other group health coverage. In order to obtain coverage, retired employees must provide payment equal to the full premium rate.

In addition, for those administration who reach 20 years of service with the District or ten years as Administrator with the District, the District will pay the full premium toward medical, prescription drug, dental, and vision coverage for the member.

Assumptions

The following assumptions and actuarial methods and calculation were used:

Discount Rate – 4.06% Based on S&P Municipal Bond 20 Year High Grade Rate at July 1, 2022.

Salary – An assumption for salary increases is used only for spreading contributions over future pay under the entry age normal cost method. For this purpose, salary increases are composed of a 2.5% cost of living adjustment, 1.5% real wage growth, and for teachers and administrators a merit increase which varies by age from 2.75 to 0%.

Withdrawal – Rates of withdrawal vary by age, gender and years of service. Sample rates for employees with more than 10 years of service are shown below. Rates for new employees start at 25.93% for men and 27.46% for women and decrease with age and service.

Age	Male Rate	Female Rate	Age	Male Rate	Female Rate
25	4.55%	3.90%	45	1.41%	1.60%
30	4.55%	3.90%	50	1.89%	2.08%
35	1.68%	2.83%	55	3.63%	3.66%
40	1.42%	1.67%	60	5.49%	5.94%

Mortality – PubT-2010 headcount-weighted mortality table including rates for contingent survivors for teachers. PubT-2010 headcount-weighted mortality table including rates for contingent survivors for all other employees. Incorporated into the tables are rates projected generationally using Scale MP-2021 to reflect mortality improvement.

Disability – No disability was assumed.

Retirement – Assumed retirement rates are based on PSERS plan experience and vary by age, service and gender.

Percentage of Eligible Retirees Electing Coverage in the Plan – 85% of employees eligible for subsidy and 45% of employees not eligible for subsidy are assumed to elect coverage. 100% of Administrators eligible for Life Insurance are assumed to elect it.

Percentage Married at Retirement – 25% of employees are assumed to be married and have a spouse covered by the plan at retirement. Non-spouse dependents are deemed to be immaterial.

Spouse Age – Wives are assumed to be two years younger their husbands.

EAST STROUDSBURG AREA SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2023

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS – SINGLE EMPLOYER PLAN (CONTINUED)

Per Capita Claims Cost – Making use of weighted averages for various plan designs, the per capita claims cost for medical and prescription drug is based on the expected portion of the group’s overall cost attributed to individuals in the specified age and gender brackets. Dental and vision are assuming to not vary with age or gender.

Life Insurance – It is assumed that the annual cost to provide life insurance varies by age. The assumed cost is equal to the amount of coverage times the applicable mortality factor contained in the valuation mortality table.

Retiree Contributions – Retiree contributions are assumed to increase at the same rate as the Health Care Cost Trend Rate.

Health Care Cost Trend Rate –6.0% in 2023. Rates gradually decrease from 5.4% in 2026 to 3.9% in 2075 and later based on the Society of Actuaries Long-Run Medical Cost Trend Model.

Actuarial Value of Assets – Equal to the Market Value of Assets

Actuarial Cost Method – Under the Entry Age Normal Cost Method, the Normal Cost is the present value of benefits allocated to the year following the valuation date. Benefits are allocated on a level basis over the earnings of an individual between the date of hire and the assumed retirement age. The Accrued Liability as of the valuation date is the excess of the present value of future benefits over the present value of future Normal Cost. The Unfunded Accrued Liability is the excess of the Accrued Liability over the Actuarial Value of Assets. Actuarial gains and losses service to reduce or increase the Unfunded Accrued Liability.

Participant Data – Based on census information as of September 2022. Due to the timing of school district turnover, the data is believed to be representative of the population for the 2022-2023 school year.

Changes in Assumptions - In the 2021 actuarial valuation, the discount rate changed from 1.86% to 2.28%. The trend assumption was updated.

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

The following presents the total OPEB liability of the School, as well as what the School’s net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.06%) or 1-percentage-point higher (5.06%) than the current discount rate:

	1% Decrease	Current Rate 4.06%	1% Increase
The School's proportionate share of net OPEB liability	\$ 21,011,486	\$ 23,367,077	\$ 26,100,782

EAST STROUDSBURG AREA SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS – SINGLE EMPLOYER PLAN (CONTINUED)

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

The following presents the total OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1- percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	1% Decrease	Current Trend Rate 5.5%	1% Increase
The School's proportionate share of net OPEB liability	\$ 25,077,285	\$ 23,367,077	\$ 21,734,806

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the year ended June 30, 2023, the District recognized OPEB expense of \$1,601,573. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Governmental Activities		
Difference Between Expected and Actual Experience	\$ 151,256	\$ (4,523,169)
Changes in Assumptions	951,192	(9,254,795)
Contributions Subsequent to the Measurement Date	986,369	-
	\$ 2,088,817	\$ (13,777,964)
Business-Type Activities		
Difference Between Expected and Actual Experience	\$ 598	\$ (166,640)
Changes in Assumptions	11,411	(92,872)
Contributions Subsequent to the Measurement Date	39,573	-
	\$ 51,582	\$ (259,512)

EAST STROUDSBURG AREA SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2023

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS – SINGLE EMPLOYER PLAN (CONTINUED)

\$1,025,942 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	Governmental Activities	Business-Type Activities
2024	\$ (1,242,554)	\$ (23,442)
2025	(1,242,554)	(23,442)
2026	(1,242,554)	(23,442)
2027	(1,242,554)	(23,442)
2028	(1,242,554)	(23,442)
Thereafter	(6,462,746)	(130,293)
	<u>\$ (12,675,516)</u>	<u>\$ (247,503)</u>

NOTE 13 CONTINGENCIES AND COMMITMENTS

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the School District expects such amounts, if any, to be immaterial.

The District has entered into subscription-based information technology agreements with various vendors to provide electronic educational programs as well as administrative storage and operating systems. These agreements are for a maximum term of twelve months or include a provision that either party can terminate with a reasonable amount of notice and, as such, the District has not recorded a liability in the financial statements for these agreements in accordance with GASB 96.

NOTE 14 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Significant losses are covered by commercial insurance for all major programs. There were no significant reductions in insurance coverages in the 2022-2023 year. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

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

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

EAST STROUDSBURG AREA SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 14 RISK MANAGEMENT (CONTINUED)

The latest financial statements of the Trust are available at the District's business office for the year ended June 30, 2023.

NOTE 15 FUND BALANCES

As of June 30, 2023, fund balances are composed of the following:

	General Fund	Capital Projects Fund	Special Activities Fund	Scholarships Fund	Total Governmental Funds
Nonspendable					
Prepaid Expenditures	\$ 783,115	\$ -	\$ -	\$ -	\$ 783,115
Restricted					
Capital Projects	-	19,249,185	-	-	19,249,185
Special Activities	-	-	356,339	-	356,339
Scholarships	-	-	-	198,982	198,982
Committed					
Capital Projects	-	6,000,000	-	-	6,000,000
Future Retirement Benefits	18,000,000	-	-	-	18,000,000
Future Healthcare Costs	6,000,000	-	-	-	6,000,000
Assigned					
To Balance the 2023-2024 Budget	8,498,602	-	-	-	8,498,602
Future Budget Expenditures	9,000,000	-	-	-	9,000,000
Future Educational Programs	6,000,000	-	-	-	6,000,000
Unassigned	2,985,911	-	-	-	2,985,911
Total Fund Balance	<u>\$51,267,628</u>	<u>\$25,249,185</u>	<u>\$ 356,339</u>	<u>\$ 198,982</u>	<u>\$77,072,134</u>

NOTE 16 SUBSEQUENT EVENTS

The District has evaluated all subsequent events through December 21, 2023, the date the financial statements were available to be issued. There have been no events that require disclosure.

REQUIRED
SUPPLEMENTARY
INFORMATION

EAST STROUDSBURG AREA SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Local sources	\$ 108,656,038	\$ 108,656,038	\$ 114,151,820	\$ 5,495,782
State sources	55,542,690	55,542,690	55,670,608	127,918
Federal sources	13,302,548	13,302,548	7,425,263	(5,877,285)
Total Revenues	<u>177,501,276</u>	<u>177,501,276</u>	<u>177,247,691</u>	<u>(253,585)</u>
Expenditures				
Regular Programs	67,217,163	67,186,827	62,910,101	4,276,726
Special Programs	31,321,800	31,321,800	30,549,084	772,716
Vocational Programs	3,133,130	3,133,130	2,668,729	464,401
Other Instructional Programs	1,273,587	1,273,587	1,850,290	(576,703)
Pupil Personnel Services	8,998,563	8,999,197	7,489,062	1,510,135
Instructional Staff Services	3,116,732	3,142,888	3,197,748	(54,860)
Administrative Services	8,758,333	8,759,357	8,520,286	239,071
Pupil Health Services	2,060,254	2,060,255	2,215,664	(155,409)
Business Services	1,429,705	1,429,705	1,450,011	(20,306)
Operation and Maintenance of Plant	16,589,044	16,587,912	15,782,850	805,062
Facilities Acquisition, Construction and Improvement Services	5,086,441	5,086,441	1,492,796	3,593,645
Student Transportation Services	9,968,559	9,968,559	8,121,463	1,847,096
Central and Other Support Services	5,753,676	5,766,627	5,705,384	61,243
Student Activities and Athletics	3,157,988	3,150,590	3,129,653	20,937
Community Services	145,538	145,538	157,302	(11,764)
Refund of Prior Year Revenues	190,000	190,000	282,327	(92,327)
Debt Service	16,576,468	16,574,568	16,583,061	(8,493)
Total Expenditures	<u>184,776,981</u>	<u>184,776,981</u>	<u>172,105,811</u>	<u>12,671,170</u>
Other Financing Sources (Uses):				
Transfers Out	(1,000,000)	(1,000,000)	(5,000,000)	(4,000,000)
Issuance of refunding debt	1,949,316	1,949,316	-	(1,949,316)
Issuance of capital leases	-	-	1,941,714	1,941,714
Sale of Capital Assets	50,000	50,000	30,308	(19,692)
Total Other Financing Sources (Uses)	<u>999,316</u>	<u>999,316</u>	<u>(3,027,978)</u>	<u>(4,027,294)</u>
Net Change in Fund Balance	(6,276,389)	(6,276,389)	2,113,902	8,390,291
Fund Balance at Beginning of Year	49,153,726	49,153,726	49,153,726	-
Fund Balance at End of Year	<u>\$ 42,877,337</u>	<u>\$ 42,877,337</u>	<u>\$ 51,267,628</u>	<u>\$ 8,390,291</u>

See accompanying notes to the budgetary comparison schedule.

EAST STROUDSBURG AREA SCHOOL DISTRICT
NOTES TO THE BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2023

NOTE 1 BUDGETARY INFORMATION

An operating budget is adopted prior to the beginning of each year for the General Fund on a basis consistent with generally accepted accounting principles. The General Fund is the only fund for which a budget is legally required.

The Pennsylvania School Code dictates specific procedures relative to adoption of the School District's budget and reporting of its financial statements, specifically:

- The School District, before levying annual school taxes, is required to prepare an operating budget for the succeeding fiscal year.
- The School District is required to publish notice by advertisement, at least once in two newspapers of general circulation in the municipality in which it is located and within 15 days of final action, that the proposed budget has been prepared and is available for public inspection at the administrative office of the School District.
- Notice that public hearings will be held on the proposed operating budget must be included in the advertisement; such hearings are required to be scheduled at least ten days prior to when final action on adoption is taken by the Board.

Legal budgetary control is maintained at the sub-function/major object level. The Pennsylvania School Code allows the Board to make budgetary transfers between major function and major object code only within the last nine months of the fiscal year, unless there is a two-thirds majority of the Board approving the transfer. Appropriations lapse at the end of the fiscal period. Budgetary information reflected in the financial statements is presented at or below the level of budgetary control and includes the effect of approved budget amendments.

The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the Pennsylvania Department of Education's 2028 Report when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts after all 2022-2023 budget transfers.

NOTE 2 COMPLIANCE

Excess of Expenditures Over Appropriations

	<u>Appropriation</u>	<u>Expenditures</u>	<u>Excess %</u>
<u>General Fund:</u>			
Other Instructional Programs	\$ 1,273,587	\$ 1,850,290	31.17%
Instructional Staff Services	\$ 3,142,888	\$ 3,197,748	1.72%
Pupil Health Services	\$ 2,060,255	\$ 2,215,664	7.01%
Business Services	\$ 1,429,705	\$ 1,450,011	1.40%
Community Services	\$ 145,538	\$ 157,302	7.48%
Refund of Prior Year Revenues	\$ 190,000	\$ 282,327	32.70%
Debt Service	\$ 16,574,568	\$ 16,583,061	0.05%
Transfers Out	\$ 1,000,000	\$ 5,000,000	80.00%

Funds sufficient to provide for the excess expenditures were made available from other functions within the fund and other financing sources.

EAST STROUDSBURG AREA SCHOOL DISTRICT
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 LAST 10 YEARS*

	Measurement Date									
	June 30, 2022	June 30, 2021	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	0.4608%	0.4705%	0.4737%	0.4717%	0.4536%	0.4655%	0.4979%	0.4816%	0.4727%	
District's proportionate share of the net pension liability	\$ 204,866,000	\$ 193,172,000	\$ 233,245,000	\$ 220,674,000	\$ 217,751,000	\$ 229,903,000	\$ 246,743,000	\$ 208,606,000	\$ 187,098,000	
District's covered payroll	\$ 67,648,880	\$ 66,837,768	\$ 66,520,204	\$ 65,053,554	\$ 61,082,533	\$ 61,975,884	\$ 64,481,384	\$ 61,968,592	\$ 60,318,006	
District's proportionate share of the net pension liability as a percentage of its covered payroll	302.84%	289.02%	350.64%	339.22%	356.49%	370.96%	382.66%	336.63%	310.19%	
Plan fiduciary net position as a percentage of the total pension liability	61.34%	63.67%	54.32%	55.66%	54.00%	51.84%	50.14%	54.36%	57.24%	

* This schedule is intended to illustrate information for 10 years. However, until a 10 year trend is compiled, the School is presenting information for those years for which information is available.

EAST STROUDSBURG AREA SCHOOL DISTRICT
 SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS
 LAST 10 YEARS*

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Contractually required contribution	\$ 24,107,616	\$ 23,025,082	\$ 22,437,091	\$ 22,130,335	\$ 21,124,000	\$ 19,248,000	\$ 19,218,000	\$ 17,831,000	\$ 15,775,000	\$ 12,435,000
Contributions in relation to the contractually required contribution	24,107,616	23,025,082	22,437,091	22,130,335	21,124,000	21,432,525	19,218,000	17,831,000	15,775,000	12,435,000
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,184,525)	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 69,856,899	\$ 67,648,880	\$ 66,837,768	\$ 66,520,204	\$ 65,053,554	\$ 61,082,533	\$ 61,975,884	\$ 64,481,384	\$ 61,968,592	\$ 60,318,006
Contributions as a percentage of covered payroll	34.51%	34.04%	33.57%	33.27%	32.47%	35.09%	31.01%	27.65%	25.46%	20.62%

* This schedule is intended to illustrate information for 10 years.

EAST STROUDSBURG AREA SCHOOL DISTRICT
 SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
 RETIREES HEALTH PLAN
 LAST 10 YEARS

	Measurement Date					
	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB liability						
Service cost	\$ 1,988,507	\$ 1,984,911	\$ 1,779,419	\$ 1,787,136	\$ 1,727,780	\$ 1,644,481
Interest	813,788	647,429	1,122,109	963,757	944,768	680,070
Changes of Benefit Terms	65,275	-	-	-	-	-
Changes of assumptions	(8,749,852)	(987,756)	392,649	(919,432)	28,867	1,454,840
Differences between expected and actual experience	(4,099,272)	-	(1,324,398)	-	278,399	-
Benefit payments	(775,330)	(749,928)	(779,331)	(755,642)	(1,032,654)	(940,582)
Net change in total OPEB liability	(10,756,884)	894,656	1,190,448	1,075,819	1,947,160	2,838,809
Total OPEB liability - beginning	34,123,961	33,229,305	32,038,857	30,963,038	29,015,878	26,177,069
Total OPEB liability - ending	\$ 23,367,077	\$ 34,123,961	\$ 33,229,305	\$ 32,038,857	\$ 30,963,038	\$ 29,015,878
Covered payroll	\$ 65,622,137	\$ 62,147,012	\$ 62,147,012	\$ 57,904,669	\$ 57,904,669	\$ 58,055,233
District's total OPEB liability as a percentage of covered payroll	35.61%	54.91%	53.47%	55.33%	53.47%	49.98%

Changes of Assumptions

- The discount rate changed from 2.28% to 4.06% in 2022
- The discount rate changed from 1.86% to 2.28% in 2021
- The discount rate changed from 2.79% to 1.86% in 2020
- The discount rate changed from 2.98% to 2.79% in 2019
- The discount rate changed from 3.13% to 2.98% in 2018

* This schedule is intended to illustrate information for 10 years. However, until a 10 year trend is compiled, the School is presenting information for those years for which information is available.

EAST STROUDSBURG AREA SCHOOL DISTRICT
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY - PSERS PLAN
 *LAST 10 YEARS

	Measurement Date					
	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
District's proportion of the net OPEB liability	0.4601%	0.4710%	0.4737%	0.4717%	0.4536%	0.4655%
District's proportionate share of the net OPEB liability	\$ 8,469,000	\$ 11,164,000	\$ 10,240,000	\$ 10,032,000	\$ 9,457,000	\$ 9,484,000
District's covered payroll	\$ 67,648,880	\$ 66,837,768	\$ 66,520,204	\$ 65,053,554	\$ 61,082,533	\$ 61,975,884
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	12.52%	16.70%	15.39%	15.42%	15.48%	15.30%
Plan fiduciary net position as a percentage of the total OPEB liability	6.86%	5.30%	5.56%	5.56%	5.56%	5.73%

* This schedule is intended to illustrate information for 10 years. However, until a 10 year trend is compiled, the School is presenting information for those years for which information is available.

EAST STROUDSBURG AREA SCHOOL DISTRICT
 SCHEDULE OF THE DISTRICT'S OPEB CONTRIBUTIONS - PSERS PLAN
 *LAST 10 YEARS

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Contractually determined contribution	\$ 530,231	\$ 541,137	\$ 547,162	\$ 558,000	\$ 540,000	\$ 507,000	\$ 503,000
Contributions in relation to the contractually determined contribution	530,231	541,137	547,162	558,000	540,000	507,000	503,000
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 69,856,899	\$ 67,648,880	\$ 66,837,768	\$ 66,520,204	\$ 65,053,554	\$ 61,082,533	\$ 61,975,884
Contributions as a percentage of covered payroll	0.76%	0.80%	0.82%	0.84%	0.83%	0.83%	0.81%

* This schedule is intended to illustrate information for 10 years. However, until a 10 year trend is compiled, the School is presenting information for those years for which information is available.

SUPPLEMENTARY
INFORMATION

EAST STROUDSBURG AREA SCHOOL DISTRICT
BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023

	Scholarship Funds	Special Activities Funds	Total Nonmajor Governmental Funds
Assets			
Cash and Cash Equivalents	\$ 51,111	\$ 273,718	\$ 324,829
Investments	145,686	42,023	187,709
Due from Other Funds	2,185	45,554	47,739
Total Assets	\$ 198,982	\$ 361,295	\$ 560,277
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$ -	\$ 4,919	\$ 4,919
Other Current Liabilities	-	37	37
Total Liabilities	-	4,956	4,956
Fund Balances			
Restricted	198,982	356,339	555,321
Total Fund Balances	198,982	356,339	555,321
Total Liabilities & Fund Balances	\$ 198,982	\$ 361,295	\$ 560,277

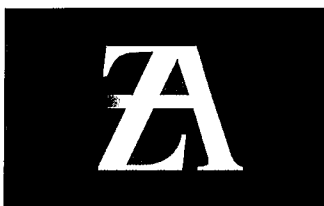
The accompanying notes are an integral part of these financial statements.

EAST STROUDSBURG AREA SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023

	Scholarship Funds	Special Activities Funds	Total Nonmajor Governmental Funds
Revenues			
Local Sources	\$ 17,574	\$ 252,647	\$ 270,221
Total Revenues	<u>17,574</u>	<u>252,647</u>	<u>270,221</u>
Expenditures			
Student Activities and Athletics	-	222,913	222,913
Scholarships Awarded	<u>18,425</u>	<u>-</u>	<u>18,425</u>
Total Expenditures	<u>18,425</u>	<u>222,913</u>	<u>241,338</u>
Excess of Revenues Over Expenditures	<u>(851)</u>	<u>29,734</u>	<u>28,883</u>
Net Change in Fund Balances	(851)	29,734	28,883
Fund Balances at Beginning of Year	<u>199,833</u>	<u>326,605</u>	<u>526,438</u>
Fund Balances at End of Year	<u>\$ 198,982</u>	<u>\$ 356,339</u>	<u>\$ 555,321</u>

The accompanying notes are an integral part of these financial statements.

SINGLE
AUDIT
SUPPLEMENT



Zelenkofske Axlerod LLC

CERTIFIED PUBLIC ACCOUNTANTS

EXPERIENCE | EXPERTISE | ACCOUNTABILITY

**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***

Independent Auditor's Report

To the Board of School Directors
East Stroudsburg Area School District
East Stroudsburg, 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 East Stroudsburg Area School District ("the District") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 21, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 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.

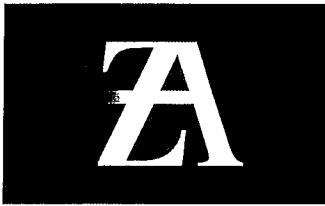
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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*.

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3800 McKnight East Drive, Suite 3805, Pittsburgh, PA 15237
34745 Burbage Road, Frankford, DE 19945

2370 York Road, Suite A-5, Jamison, PA 18929
420 Chinquapin Round Road, Suite 2-1, Annapolis, MD 21401
210 Tollgate Hill Road, Greensburg, PA 15601

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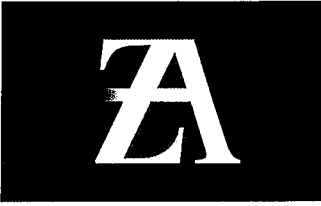
Purpose of this Report

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.

Zelenkofske Axlerod LLC

ZELENKOFKSKE AXELROD LLC

Jamison, Pennsylvania
December 21, 2023



Zelenkofske Axlerod LLC
CERTIFIED PUBLIC ACCOUNTANTS
EXPERIENCE | EXPERTISE | ACCOUNTABILITY

**Report on Compliance for Each Major Program and Report on
Internal Control over Compliance Required by the Uniform Guidance**

Independent Auditor's Report

To the Board of School Directors
East Stroudsburg Area School District
East Stroudsburg, Pennsylvania

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited East Stroudsburg Area School District's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2023. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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



Zelenkofske Axelrod LLC

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Auditor's Responsibilities for the Audit of Compliance

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

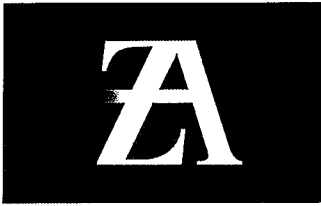
In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Report on Internal Control Over Compliance

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



Zelenkofske Axlerod LLC

CERTIFIED PUBLIC ACCOUNTANTS

EXPERIENCE | EXPERTISE | ACCOUNTABILITY

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

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

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

Zelenkofske Axlerod LLC

ZELENKOFKSKE AXELROD LLC
Jamison, Pennsylvania
December 21, 2023

EAST STROUDSBURG AREA SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Source	Assistance Listing Number	Pass-Through Grantor's Number	Grant Period	Total Received For The Year	Accrued (Unearned) Revenue at 7/1/2022	Revenue Recognized	Expenditures	Accrued (Unearned) Revenue at 6/30/2023	Passed Through to Subrecipients
U.S. Department of Education					\$ 606,869	\$ -	\$ 606,869	\$ 606,869	\$ -	\$ -
Impact Aid	Direct	84,041	N/A	7/1/2022-6/30/2023						
Passed Through Pennsylvania Department of Education:										
Title I Grants to Local Educational Agencies	Indirect	84,010	013-210129	7/1/2021-9/30/2022	577,991	136,561	441,430	441,430	-	-
Title I Grants to Local Educational Agencies	Indirect	84,010	013-220129	7/1/2022-9/30/2023	1,368,393	-	1,656,844	1,656,844	288,461	-
Total Assistance Listing Number 84,010					1,946,374	136,561	2,098,274	2,098,274	288,461	-
Supporting Effective Instruction State Grants	Indirect	84,367	020-210129	7/1/2020-9/30/2021	-	(1,963)	1,963	1,963	-	-
Supporting Effective Instruction State Grants	Indirect	85,367	020-210129	7/1/2021-9/30/2022	36,782	35,255	1,527	1,527	-	-
Supporting Effective Instruction State Grants	Indirect	84,367	020-220129	7/1/2022-9/30/2023	198,336	-	222,109	222,109	23,773	-
Total Assistance Listing Number 84,367					235,118	33,292	225,599	225,599	23,773	-
English Language Acquisition State Grants	Indirect	84,365	010-200129	7/1/2021-9/30/2022	13,073	(367)	13,440	13,440	-	-
English Language Acquisition State Grants	Indirect	84,365	010-220129	7/1/2022-9/30/2023	16,003	(367)	22,967	22,967	6,964	-
Total Assistance Listing Number 84,365					29,076	(367)	36,407	36,407	6,964	-
Student Support and Academic Enrichment Program	Indirect	84,424	144-210129	7/1/2021-9/30/2022	92,271	(17,406)	109,677	109,677	-	-
Student Support and Academic Enrichment Program	Indirect	84,424	144-220129	7/1/2022-9/30/2023	52,547	-	41,006	41,006	(11,541)	-
Total Assistance Listing Number 84,424					144,818	(17,406)	150,683	150,683	(11,541)	-
COVID-19 Education Stabilization Fund	Indirect	84,425D	N/A	3/13/2020 - 9/31/2022	-	(6,752)	6,752	6,752	-	-
COVID-19 Education Stabilization Fund	Indirect	84,425D	N/A	3/13/2020 - 9/31/2023	4,664,148	2,100,490	2,071,900	2,071,900	(491,758)	-
COVID-19 Education Stabilization Fund	Indirect	84,425	N/A	3/13/2020 - 9/31/2021	-	(12,488)	12,488	12,488	-	-
COVID-19 Education Stabilization Fund	Indirect	84,425	N/A	3/13/2020 - 9/31/2021	6,186	6,186	-	-	-	-
COVID-19 Education Stabilization Fund	Indirect	84,425C	N/A	3/13/2020 - 9/30/2024	21,069	(6,785)	24,378	24,378	(3,476)	-
COVID-19 Education Stabilization Fund	Indirect	84,425	N/A	3/13/2020 - 9/30/2024	422,927	46,564	586,926	586,926	210,563	-
COVID-19 Education Stabilization Fund	Indirect	84,425W	N/A	7/1/2021 - 9/30/2021	25,709	(3,955)	28,492	28,492	(1,172)	-
Total Assistance Listing Number 84,425					5,140,039	2,123,260	2,730,936	2,730,936	(285,843)	-
Passed Through the Colonial Intermediate Unit:										
Special Education Grants to States	Indirect	84,027	N/A	7/1/2022-6/30/2023	461,925	-	1,049,423	1,049,423	587,498	-
Special Education Grants to States	Indirect	84,027	N/A	7/1/2021-6/30/2022	374,660	374,660	-	-	-	-
Special Education Grants to States	Indirect	84,027	N/A	7/1/2022-6/30/2023	6,440	-	6,440	6,440	-	-
Special Education Grants to States	Indirect	84,027	N/A	7/1/2021-9/30/2023	843,025	405,172	275,923	275,923	306,435	-
Total Special Education Cluster					8,945,319	2,680,512	7,180,554	7,180,554	915,747	-
Total U.S. Department of Education										
U.S. Department of Health and Human Services										
Passed Through the Pennsylvania Department of Human Services:										
Medical Assistance Program	Indirect	93,778	N/A	7/1/2022-6/30/2022	99,804	99,804	-	-	-	-
Medical Assistance Program	Indirect	93,778	N/A	7/1/2022-6/30/2023	53,185	-	106,082	106,082	52,917	-
Total Medicaid Cluster					152,989	99,804	106,082	106,082	52,917	-
Total U.S. Department of Health and Human Services										
U.S. Department of Agriculture										
Passed Through the Pennsylvania Department of Education:										
Child Nutrition Discretionary Grants Limited Availability	Indirect	10,579	N/A	3/1/2022-9/30/2022	22,872	-	22,872	22,872	-	-
Child Nutrition Discretionary Grants Limited Availability	Indirect	10,579	N/A	4/10/2023-6/30/2023	-	-	20,295	20,295	20,295	-
Child Nutrition Discretionary Grants Limited Availability	Indirect	10,579	N/A	4/10/2023-6/30/2023	22,872	-	8,735	8,735	8,735	-
Total Assistance Listing Number 10,579					45,744	-	51,902	51,902	29,030	-
State Administrative Expenses for Child Nutrition	Indirect	10,649	N/A	7/1/2022-6/30/2023	3,135	-	3,135	3,135	-	-
School Breakfast Program	Indirect	10,553	N/A	7/1/2022-6/30/2023	1,063,115	63,956	1,165,737	1,165,737	196,577	-
National School Lunch Program	Indirect	10,555	N/A	7/1/2022-6/30/2023	2,639,953	155,303	2,938,633	2,938,633	455,003	-
National School Lunch Program	Indirect	10,555	N/A	4/1/2022-6/30/2023	167,202	(124,826)	124,826	124,826	-	-
National School Lunch Program	Indirect	10,555	N/A	7/1/2022-6/30/2023	167,202	-	167,202	167,202	-	-
Passed Through the Pennsylvania Department of Agriculture:										
National School Lunch Program	Indirect	10,555	N/A	7/1/2021-6/30/2022	309,890	93,455	313,487	313,487	97,052	-
National School Lunch Program	Indirect	10,555	N/A	7/1/2021-6/30/2022	4,170,140	187,867	4,730,885	4,730,885	748,632	-
Total Child Nutrition Cluster					4,196,147	187,867	4,785,922	4,785,922	777,662	-
Total U.S. Department of Agriculture										
Total Federal Awards					\$ 13,294,455	\$ 2,966,203	\$ 12,072,558	\$ 12,072,558	\$ 1,746,326	\$ -
* Program tested as major										

The accompanying notes are an integral part of this schedule.

EAST STROUDSBURG AREA SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023

NOTE A SCOPE OF THIS SCHEDULE

The federal programs as listed in the schedule of expenditures of federal awards are accounted for by the School District in the General Fund for U.S. Department of Education and in the Food Service Fund for U.S. Department of Agriculture programs.

NOTE B BASIS OF ACCOUNTING

The School District uses the modified accrual method of recording transactions except a noted for the accounting of donated commodities in Note C. Revenues are recorded when measurable and available. Expenditures are recorded when incurred.

NOTE C NONMONETARY FEDERAL AWARDS – DONATED COMMODITIES

The Commonwealth of Pennsylvania distributes federal surplus food to institutions (schools, hospitals, and prisons) and to the needy. Expenditures reported in the schedule of expenditures of federal awards under Assistance Listing Number 10.555 represent surplus food consumed by the District during the 2022-2023 fiscal year. The District has food commodities totaling \$97,052 in inventory as of June 30, 2023.

NOTE D ACCESS PROGRAM

The ACCESS Program is a medical assistance program that reimburses local educational agencies for direct eligible health-related services provided to enrolled special needs students. Reimbursements are federal source revenues but are classified as fee-for-service and are not considered federal financial assistance. The amount of ACCESS funding recognized for the year ended June 30, 2023 was \$1,388,755.

NOTE F ARRA PROGRAMS

The Qualified School Construction Bond Program ("QSCB") and Qualified Zone Academy Program ("QZAB") were authorized through the American Recovery and Reinvestment Tax Act ("ARRA"). These ARRA-funded programs are not covered by the single audit requirements and are not required to be included in the schedule of expenditures of federal awards ("SEFA") or in the determination of major programs. Federal subsidy reimbursements related to the QSCB and QZAB debt service payments are, therefore, not considered federal awards as it relates to the SEFA. The total amount of federal subsidy reimbursements received totaled \$81,655 for the year ended June 30, 2023.

NOTE F INDIRECT COST RATES

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

NOTE G RISK-BASED AUDIT APPROACH

The 2023 threshold for determining Type A programs is \$750,000. Two Type A programs were audited as major programs

The amount expended under programs audited as major federal programs for the year ended June 30, 2023, totaled \$4,829,210 or 40.00% of total federal awards.

NOTE H 2022 AUDIT NOTE

The 2022 SEFA understated the expenditures passed through Pennsylvania Commission on Crime and Delinquency in the amount of \$1,107 for assistance listing number 84.425D.

EAST STROUDSBURG AREA SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

I. Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes ___ no X
- Significant deficiencies identified that are not considered to be material weakness(es)?
Yes ___ none reported X

Noncompliance material to financial statements noted? Yes ___ No X

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes ___ no X
- Significant deficiencies identified that are not considered to be material weakness(es)?
Yes ___ none reported X

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? yes ___ no X

Identification of major programs:

Assistance Listing Numbers	Name of Federal Program or Cluster
84.010	Title I Grants to Local Educational Agencies
84.425	Education Stabilization Fund

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

Auditee qualified as low-risk auditee? Yes X no ___

EAST STROUDSBURG AREA SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023

II. Findings related to the financial statements which are required to be reported in accordance with GAGAS.

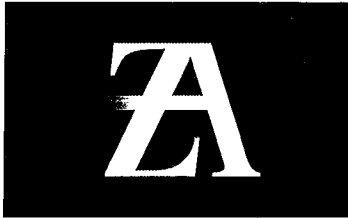
None to be reported.

III. Findings and questioned costs for federal awards.

None to be reported.

EAST STROUDSBURG AREA SCHOOL DISTRICT
SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2023

No prior year findings were reported.



Zelenkofske Axlerod LLC

CERTIFIED PUBLIC ACCOUNTANTS

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December 21, 2023

Board of School Directors
East Stroudsburg, Pennsylvania

We have audited the financial statements of the East Stroudsburg Area School District (the District) as of and for the year ended June 30, 2023, and have issued our report thereon dated December 21, 2023. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated September 25, 2023, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of the District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We did not conduct our audit consistent with the planned scope and timing we previously communicated to you due to delays of receiving information from the District.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

In order to eliminate the identified threats to independence associated with our assistance with the preparation of the financial statements and data collection form we have ensured a member of firm management, independent of the associated activity, performed a review of the financial statements and data collection form.

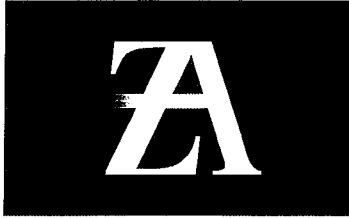
Significant Risks Identified

We have identified the following significant risks: management override of controls and improper revenue recognition due to error or fraud. Although these significant risks were identified, we designed our audit procedures to mitigate the risks.

830 Sir Thomas Court, Suite 100, Harrisburg, PA 17109
3800 McKnight East Drive, Suite 3805, Pittsburgh, PA 15237
34745 Burbage Road, Frankford, DE 19945

2370 York Road, Suite A-5, Jamison, PA 18929
420 Chinquapin Round Road, Suite 2-i, Annapolis, MD 21401
210 Tollgate Hill Road, Greensburg, PA 15601

www.zallc.org



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Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in Note 1 to the financial statements. As described in Note 1 to the financial statements, in 2023 the District adopted the provisions of Governmental Accounting Standards Board's Statement (GASB) No. 91, *Conduit Debt Obligations*, GASB No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, GASB No. 96, *Subscription-Based Information Technology Arrangements* and GASB No. 99, *Omnibus 2022*. The adoption of these statements had no effect on previously reported amounts. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

Management's estimate of the useful lives of capital assets used to calculate depreciation expense was based on the historical lives of similar assets.

Management's use of an actuary to estimate the net pension liability, deferred outflows of resources for pensions, and deferred inflows of resources for pensions.

Management's use of an actuary to estimate the net OPEB liability and deferred outflows of resources for OPEB and deferred inflows of resources for OPEB.

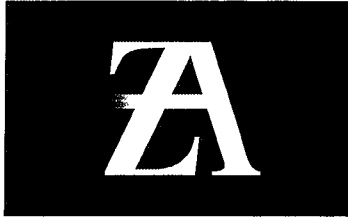
We evaluated the key factors and assumptions used to develop the estimates and determined that they are reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the District's financial statements relate to:

The disclosure of Pension Benefits in Note 10 to the financial statements is based upon information provided by an actuary.

The disclosure of the postemployment benefits in Notes 11 and 12 to the financial statements is based upon information provided by an actuary.



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Significant Unusual Transactions

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. We encountered no significant unusual transactions during our audit.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. Management has corrected all identified misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The misstatements identified by us as a result of our audit procedures and corrected by management are listed in the attachment to this letter.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the District's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. No circumstances affect the auditor's report.

Representations Requested from Management

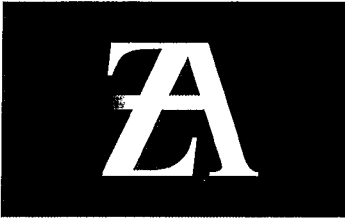
We have requested certain written representations from management, which are included in the management representation letter dated December 23, 2023.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings or Issues

In the normal course of our professional association with the District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating conditions affecting the entity, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditors.



Zelenkofske Axlerod LLC

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Restriction on Use

This information is intended solely for the use of the Directors, and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Zelenkofske Axlerod LLC

Zelenkofske Axlerod LLC
Jamison, Pennsylvania

VI. ITEMS FOR APPROVAL

- b. Approve the purchase of weight room equipment from Advantage Sports and Fitness for HS South in the amount of \$8,129.00 (Paid from grant from St. Lukes)

Form 611

MUST BE COMPLETED FOR ANY PROCUREMENT OF A SERVICE OR ITEM OVER \$5,000.00

The respondent's email (**denise-rogers@esasd.net**) was recorded on submission of this form.

Untitled Section

FORM 611

EAST STROUDSBURG AREA SCHOOL DISTRICT
Procurement Form

Name of Requestor *

Denise Rogers

Department *

Athletics

Building *

East Stroudsburg HS South

What service or item are requesting *

Weight room equipment

Why are you requesting the service or item *

Updating and adding equipment to the South weight room in the stadium

Suggested replacement *

none

Please complete an independent Cost Analysis. (Pre-determine costs prior to contacting a vendor.)

Provider was brought in by St. Lukes, who is also funding the purchase

Cost Estimate: if over \$5,000, were three (3) quotes obtained? If yes, please list the vendor's information and quoted amount. *

No, St. Lukes brought in this vendor to do the analysis of the weight room, and St. Lukes is providing the funding for this purchase.

What is the total cost of the purchase? *

\$8,129.00

Procurement Method: *

Quote Received only one Proposal

Request for Proposal (RFP)

Bid

Other:

Was this purchase budgeted? *

No ▼

Was this purchased through a PA State Contract or Approved Consortiums? If yes, select group.

Yes

Pennsylvania State Contract

COSTARS

Keystone Purchasing Network

PEPPM National Contract Program (Technology Bidding and Purchasing)

US Communities

No

If item was purchased through a Pa State Contract or approved Consortium, please include contract number.

N/A

Which Fund will be charged? *

10



What account will be charged? *

10-3250-752-101-30-820-550-000-5001

Selection of the winning proposal, was the lowest price selected? If not, please explain why and * the process of selecting the vendor.

The vendor was brought in by St. Lukes and the project is being funded through St. Lukes "special project" allocation for the lack of strength and conditioning coach for multiple months.

Any additional information you would like to provide.

none

This form was created inside of East Stroudsburg Area School District.





Quote
Q.000027375

Corporate Office:	Quote Provided by:		
Advantage Sport & Fitness, Inc. 2255 N Triphammer Rd Ithaca, NY 14850-1576 Phone: (607)-257-2107 Fax: 607-597-2628	Imad Azar imazar@advantagefitness.com Phone: 484-547-3319	Quote Date:	12/21/2023
		Valid Until:	1/20/2024
		Quote Amount:	\$8,129.00

This quote was produced for:	
Ship To:	Bill To :
East Stroudsburg ASD - High School South 279 N. Cortland St. East Stroudsburg, PA 18301	East Stroudsburg ASD - High School South Attn: Accounts Payable Business Office East Stroudsburg, PA 18301
TBD Email: TBD@ASF.COM	Ben Brenneman Phone: 570-424-8500

QTY	Product Number	Product Description	MSRP	Discount Price/Unit	Extended Price
		East Stroudsburg South HS			
		Functional Trainer			
1	PRE-FTSBP	Precor BP FTS Glide	\$5,030.00	\$3,519.00	\$3,519.00
		Leg Extension/Leg Curl Combo			
1	PRE-C027BP	Precor BP Vitality Leg Extension/Curl	\$4,380.00	\$3,285.00	\$3,285.00

NOTE: Quote valid until: 1/20/2024
 Estimated Delivery Date: 12-16 weeks from receipt of order confirmation

Total Discount Applied: (\$2,606.00)

Payment Terms:
As per Approved Purchase Order

Product Total After Discount:	\$6,804.00
Inbound Freight:	\$600.00
Delivery & Installation:	\$725.00
Est. Tax:	\$0.00
TOTAL AMOUNT:	\$8,129.00

Customer Acceptance of Quote	Quote #: Q.000027375	Grand Total: \$8,129.00
Signature	Print Name	
	Date	

ADVANTAGE SPORT & FITNESS, INC.
STANDARD TERMS & CONDITIONS
www.advantagefitness.com/terms

ACCEPTANCE - Buyer accepts these terms and conditions by paying any portion of the sales price.

ENTIRE AGREEMENT- This document, together with the Advantage Sport & Fitness, Inc. quotation signed by the Buyer and accepted by Advantage Sport & Fitness, Inc. (i.e. the "Quotation"), and any attachments, constitutes the entire agreement between the parties and supersedes all prior agreements: no understanding, modification, trade custom or prior course at dealing at variance with these terms and conditions will bind Advantage Sport & Fitness, Inc. This document may only be amended in writing signed by both parties. In the case that these terms conflict with the Quotation, the Quotation shall apply, except that Advantage Sport & Fitness, Inc. reserves the right to correct typographical errors in the Quotation at any time.

PRICE PROTECTION- Prices quoted are guaranteed for 30 days from the date quoted in writing unless stated otherwise. This applies to all quotes. Advantage Sport & Fitness, Inc. reserves the right to correct typographical errors in the Quotation prices at any time.

DELIVERY OF EQUIPMENT All equipment ordered from Advantage Sport & Fitness, Inc. or its vendors is shipped F.O.B. Buyer's "ship to" address.

Buyer must guarantee Advantage Sport & Fitness, Inc. access to the "ship to" address on the delivery date in order to ensure proper delivery and installation.

TERMS - Unless otherwise stated, Buyer will pay a minimum non refundable deposit of 50% of the sale price. The outstanding sales balance will be due at delivery. All payments must be made by cash, cashiers check, or wire transfer. Advantage Sport & Fitness, Inc. or its agents will not accept a personal or business check unless so noted in writing on the Quotation.

DELAY IN PERFORMANCE - Advantage Sport & Fitness, Inc. will exercise its best efforts to deliver the equipment in a timely manner, but Buyer acknowledges that the estimate of shipment and delivery is approximate only and Advantage Sport & Fitness, Inc. shall have no liability for loss of use or for any direct, indirect or consequential damages resulting from any delay in shipment or delivery. Advantage Sport & Fitness, Inc. is not responsible for any delay, failure or omission due to any cause beyond its control, such as labor strikes, shortage of materials, inclement weather, interruption in electrical service, acts of God, war or similar events.

INSPECTION- Buyer must inspect the equipment upon delivery and provide Advantage Sport & Fitness, Inc. with written notice of any defects. Otherwise Buyer waives its right to object to the condition of the equipment.

CLEARED AREA/DEBRIS Buyer agrees to clear an area where the equipment is to be delivered and installed. The installation area shall be clean and free of all debris, construction dust, etc. prior to the delivery date. Advantage Sport & Fitness, Inc. will not deliver into an area undergoing construction, e.g. "hard-hat" area.

INSTALLATION AREA - The equipment is designed to operate on a smooth, level, immovable surface. An unlevelled floor or shift in the structure housing the equipment may cause equipment malfunctions. Advantage Sport & Fitness, Inc. will not be liable for any damage associated with an unlevelled surface or structural movement.

MECHANICAL/ELECTRICAL/NETWORKING/VIDEO REQUIREMENTS - Unless otherwise stated, Buyer is responsible for all utility service such as electrical connections, computer and/or Internet networking connections, video connections, etc., and must secure all necessary tradesmen required for the installation of such connections. Such services must be ready prior to the fitness equipment delivery date.

PERMITS - Buyer is responsible for obtaining all permits for the installation or operation of the equipment, for any such permits required by state, local or other lawful authorities.

TAXES - Federal, state and local taxes, (unless otherwise shown on the quotation), are not included and are Buyer's responsibility. Advantage Sport & Fitness, Inc. may bill Buyer separately at any time for any such charge as Advantage Sport & Fitness, Inc. may be requested to collect or pay.

ADDITIONAL CHARGES - In addition to the open balance of the sales price, Buyer agrees to pay the following prior to delivery.

- Any actual costs Advantage Sport & Fitness, Inc. incurs transporting or storing the equipment if the Buyer fails to pay the outstanding balance upon delivery or the equipment cannot be delivered for any reason outside the control of Advantage Sport & Fitness, Inc., its agents or subcontractors.
- Any actual costs Advantage Sport & Fitness, Inc. incurs if the equipment cannot be delivered due to Buyer's error, omission or lack of preparation of the installation area.
- A commercially reasonable charge for deliveries requested outside the normal business hours (Monday-Friday), (8:00 A.M. - 5:00 P.M.) or requiring a specific start or stop time, provided that Advantage Sport & Fitness, Inc. has agreed to perform a delivery at such a time.
- A commercially reasonable charge for deliveries or labor required to handle stairways, inadequate door openings, structural obstacles or long delivery routes when direct access to installation site is not available.

NEW EQUIPMENT PURCHASES - Limited Warranty: There is no warranty of merchantability or warranty that the equipment will be fit for a particular purpose. Buyer agrees that all warranties are manufacturers warranties only, and are subject to all manufacturers limitations and exclusions. No materials sold by Advantage Sport & Fitness, Inc. are warranted by Advantage Sport & Fitness, Inc.; only manufacturers warranties apply to all sales. Warranties extend only to the buyer and automatically terminate upon transfer of business or equipment. Equipment manufacturers warranty policies, terms, and limitations only will govern warranty issues. All decisions made by the equipment manufacturers are made at the discretion of the manufacturer, not Advantage Sport & Fitness, Inc.

All claims for warranty work must be submitted in accordance with the manufacturer's warranty claims process. Waiver of Warranty -- All expressed warranties are automatically voided if buyer attempts to repair the equipment, either personally or through its employees, agents or subcontractors without first obtaining written approval from the manufacturer as to scope of work and price.

Buyer's Remedy -- Buyer's sole remedy is application of manufacturers' warranties and limitations. Buyer also agrees that Advantage Sport & Fitness, Inc. will not be responsible for buyer's consequential or incidental damages, costs, losses or expenses, including by way of example only, repair or replacement costs, loss of anticipated profits, loss of product, punitive/exemplary damages or non-economic damages.

ADVANTAGE SPORT & FITNESS, INC. CERTIFIED PRE-OWNED EQUIPMENT PURCHASES - Equipment parts covered under Advantage Sport & Fitness, Inc. Certified Pre-Owned equipment warranty: all parts except entertainment.

Equipment parts not covered under Advantage Sport & Fitness, Inc. Certified Pre-Owned equipment warranty: PVS, headphone jack, USB connector, iPod connector.

The 90 day warranty period begins the day the equipment is delivered to your facility. The warranty is offered directly through Advantage Sport & Fitness, Inc. There is no manufacturer's warranty implied or expressed when purchasing Certified Pre-Owned equipment. The warranty covers parts and labor costs for equipment examined and certified through our Certified Pre-Owned inspection process. Any warranty claim must be submitted within the 90 day Certified Pre-Owned warranty window. Any claim or service request submitted after the close of the 90 day window will be subject to normal service repair charges. Certified pre-owned warranties extend only to the buyer and automatically terminate upon transfer of business or equipment.

Waiver of Warranty -- All expressed warranties are automatically voided if buyer attempts to repair the equipment, either personally or through its employees, agents or subcontractors.

Buyer's Remedy -- Buyer's sole remedy is application of Advantage Sport & Fitness, Inc. Certified Pre-Owned warranty and limitations. Buyer also agrees that Advantage Sport & Fitness, Inc. will not be responsible for buyer's consequential or incidental damages, costs, losses or expenses, including by way of example only, loss of anticipated profits, loss of product, punitive/exemplary damages or non-economic damages.

As Available We sell equipment we have in stock, have examined and certify that the equipment meets our standards. In some situations we may not have an item in stock and cannot guarantee delivery until our stock is replenished. Certified Pre-Owned equipment will be included in a sales order that contains new equipment when the equipment is available. In the event that Certified Pre-Owned equipment is not in stock; the Certified Pre-Owned equipment will be listed on a separate sales order. Customer is responsible for paying for all equipment that has been delivered. The payment for new equipment cannot be held while waiting on Certified Pre-Owned equipment, or vice versa.

Certified Pre-Owned Means - The equipment is free of major cosmetic wear or damage. The equipment is in full working condition. Our Service Technicians have completed a Certified Pre-Owned examination of the equipment. All "wear" parts have been checked and tested for defects and are in good working condition. The function and reliability of the equipment is covered under our 90 day Certified Pre-Owned Parts & Labor Warranty. Treadmills will have a new deck surface and new running belt.

"AS IS" EQUIPMENT PURCHASES - No "as is" materials sold by Advantage Sport & Fitness, Inc. are warranted by Advantage Sport & Fitness, Inc. Buyer also agrees that Advantage Sport & Fitness, Inc. will not be responsible for buyer's consequential or incidental damages, costs, losses or expenses, including by way of example only, repair or replacement costs, loss of anticipated profits, loss of product, punitive/exemplary damages or non-economic damages.

GOVERNING LAW - New York law shall govern any dispute between the parties pertaining to this document or the equipment.

JURISDICTION Any dispute between the parties involving this document or the equipment shall be filed in Monroe County, New York.

ADVANTAGE SPORT & FITNESS, INC. DAMAGES - Advantage Sport & Fitness, Inc. shall receive actual, consequential and incidental damages, costs, interest and attorney fees if buyer violates these terms and conditions.

CANCELLATIONS - Buyer agrees to pay 25% of sales price as a re-stocking fee on all orders, plus freight charges, if any order is cancelled.

SUBROGATION CLAUSE - Buyer agrees to purchase and maintain Insurance which permits a waiver of liability and contains a waiver of subrogation. If Buyer has an Insured loss, then Buyer agrees to release Advantage Sport & Fitness, Inc. and its agents for any claim for such loss to the extent of any recovery under its insured loss, and Buyer also agrees to release Advantage Sport & Fitness, Inc. and its agents for any claim for such loss to the extent of any recovery under its insurance even if Advantage Sport & Fitness, Inc.'s workmanship may have caused or contributed to the loss.

ADVANTAGE SPORT & FITNESS, INC. INSTALLATIONS - When Advantage Sport & Fitness, Inc. has been contracted to do partial or full installation, only the portion of installation contracted to be performed by Advantage Sport & Fitness, Inc. is subject to labor warranty. Such labor warranty shall be in accordance with the manufacturer's labor warranty, or in the event that no such manufacturer's warranty is applicable, then the labor shall be covered by a limited 30 day labor warranty. Problems that may arise from aspects of the installation not performed by Advantage Sport & Fitness, Inc. are not covered by Advantage Sport & Fitness, Inc. for any labor charges that may be incurred.

THIRD PARTY CONTRACTORS - Advantage Sport & Fitness, Inc. may subcontract its delivery and installation obligations shown on any quotation and these terms and conditions shall apply with respect to the third party as an agent of Advantage Sport & Fitness, Inc.

VI. ITEMS FOR APPROVAL

- c. Approve PLANCON J for Middle Smithfield Elementary Building

PROJECT ACCOUNTING BASED ON FINAL COSTS (1 of 2)
FOR THE PERIOD _____ TO _____

District/CTC:	Project Name:	Project #:	
East Stroudsburg Area School District	Middle Smithfield Elementary School	3348	
PROJECT COSTS	NEW	EXISTING	TOTAL
A. STRUCTURE COSTS (include site development)			
1. General (Report costs for sanitary sewage disposal on Line E-1.)	\$9,028,585	\$5,143,201	\$14,171,786
2. Heating and Ventilating	\$1,415,848	\$2,123,772	\$3,539,620
3. Plumbing (Report costs for sanitary sewage disposal on Line E-1.)	\$602,259	\$903,389	\$1,505,648
4. Electrical	\$2,824,842	\$130,740	\$2,955,582
5. Asbestos Abatement (J10, line B-3)	X X X X X X		
6. Building Purchase Amount	X X X X X X		
7. Other * (Exclude Test Borings and Site Survey) (Use PlanCon-J-Add't Costs page if necessary.)			
a. _____			
b. _____			
c. _____			
d. _____			
e. PlanCon-J-Add't Costs, Total			
A-1 to A-7 - Subtotal	\$13,871,534	\$8,301,102	\$22,172,636
8. Construction Insurance			
a. Owner Controlled Insurance Program on Structure Costs (Exclude asbestos abatement, building purchase and other structure costs not covered by the program)	\$85,400	\$50,950	\$136,350
b. Builder's Risk Insurance (if not included in primes)			
c. Construction Insurance - Total	\$85,400	\$50,950	\$136,350
9. 'TOTAL-Structure Costs (A-1 to A-7-Subtotal plus A-8-c)	13,956,934	8,352,052	22,308,986
B. ARCHITECT'S FEE			
1. Architect's/Engineer's Fee on Structure	\$1,074,991	\$740,584	\$1,815,575
2. EPA-Certified Project Designer's Fee on Asbestos Abatement	X X X X X X X X X X X X		
3. TOTAL - Architect's Fee	\$1,074,991	\$740,584	\$1,815,575
C. MOVABLE FIXTURES AND EQUIPMENT			
1. Movable Fixtures and Equipment	\$340,759	\$227,172	\$567,931
2. Architect's Fee			
3. TOTAL - Movable Fixtures & Equipment	\$340,759	\$227,172	\$567,931
D. STRUCTURE COSTS, ARCHITECT'S FEE, MOVABLE FIXTURES AND EQUIPMENT - TOTAL (A-9 plus B-3 and C-3)	\$15,372,684	\$9,319,808	\$24,692,492
E. SITE COSTS			
1. Sanitary Sewage Disposal General Contractor	\$227,000		\$227,000
2. Sanitary Sewage Disposal Tap-In Fee and/or Capacity Charges General Contractor			
3. Owner Controlled Insurance Program/Builder's Risk Insurance on Sanitary Sewage Disposal			
4. Architect/Engineer's Fee for Sanitary Sewage Disposal			
5. Site Acquisition Costs		X X X X X X	
a. Gross Amount Due from Settlement Statement or Just Compensation		X X X X X X X X X X X X	
b. Real Estate Appraisal Fees		X X X X X X	
c. Other Related Site Acquisition Costs		X X X X X X	
d. Site Acquisition Costs - Total		X X X X X X	
6. TOTAL - Site Costs	\$227,000		\$227,000
F. STRUCTURE COSTS, ARCHITECT'S FEE, MOVABLE FIXTURES & EQUIPMENT, AND SITE COSTS - TOTAL (D plus E-6)	\$15,599,684	\$9,319,808	\$24,919,492
* - Type "No Fee" beside each item for which no design fee is charged.			

PROJECT ACCOUNTING BASED ON FINAL COSTS (2 of 2)
FOR THE PERIOD _____ TO _____

District/CTC: East Stroudsburg Area School District	Project Name: Middle Smithfield Elementary School	Project #: 3348
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ROUND FIGURES TO NEAREST DOLLAR

PROJECT COSTS (CONT.)				TOTAL
G. ADDITIONAL CONSTRUCTION-RELATED COSTS				
1. Project Supervision (inc. Asbestos Abatement Project Supervision)				\$487,422
2. Construction Manager Fee and Related Costs				
3. Total Demolition of Entire Existing Structures & Related Asbestos Removal to Prepare Project Site for Construction of New Building and Related AHERA Clearance Air Monitoring and EPA-Certified Project Designer's Fee on Asbestos Abatement (Exclude costs for partial demolition.)				
4. Architectural Printing				
5. Test Borings				\$22,734
6. Site Surveys				
7. Other (Attach PlanCon-J-Add't Costs page if needed.)				
a. _____				
b. _____				
c. Plan-J-Add't Costs, Total				
8. TOTAL - Additional Construction-Related Costs				\$510,156
H. FINANCING COSTS	BOND ISSUE/NOTE	BOND ISSUE/NOTE	BOND ISSUE/NOTE	X X X X X X
<i>FOR THIS PROJECT ONLY</i>	<i>SERIES OF 2008</i>	<i>SERIES OF _____</i>	<i>SERIES OF _____</i>	<i>X X X X X X</i>
<i>(EXCLUDE ACCRUED INTEREST)</i>				
1. Underwriter Fees	\$133,817			\$133,817
2. Legal Fees	\$37,328			\$37,328
3. Financial Advisor	\$32,618			\$32,618
4. Bond Insurance	\$310,987			\$310,987
5. Paying Agent/Trustee Fees and Expenses	\$229			\$229
6. Capitalized Interest	\$4,100,646			\$4,100,646
7. Printing	\$6,405			\$6,405
8. CUSIP & Rating Fees	\$8,533			\$8,533
9. Other				
a. Internet Auction Advisor	\$2,290			\$2,290
b. _____				
10. TOTAL-Financing Costs	\$4,632,853			\$4,632,853
I. TOTAL PROJECT COSTS (F plus G-8 plus H-10)				\$30,062,501
REVENUE SOURCES	BOND ISSUE/NOTE	BOND ISSUE/NOTE	BOND ISSUE/NOTE	TOTAL
<i>(EXCLUDE ACCRUED INTEREST)</i>	<i>SERIES OF 2008</i>	<i>SERIES OF _____</i>	<i>SERIES OF _____</i>	
J. AMOUNT FINANCED	\$29,605,598			\$29,605,598
<i>FOR THIS PROJECT ONLY</i>				
K. ORIGINAL ISSUE DISCOUNT/ PREMIUM FOR THIS PROJECT ONLY	\$182,024			\$182,024
L. INTEREST EARNINGS	\$274,879			\$274,879
<i>FOR THIS PROJECT ONLY</i>				
M. BUILDING INSURANCE RECEIVED				
N. PROCEEDS FROM SALE OF BUILDING OR LAND				
O. LOCAL FUNDS - CASH (SEE INSTRUCTIONS)				
P. OTHER FUNDS (PROVIDE DESCRIPTION ON SEPARATE SHEET)				
Q. TOTAL REVENUE SOURCES				\$30,062,501

FINANCIAL REPORT FOR THE PERIOD _____ TO _____

District/CTC: East Stroudsburg Area School District		Project Name: Middle Smithfield Elementary School		Project #: 3348
	BOND ISSUE/NOTE SERIES OF 2008	BOND ISSUE/NOTE SERIES OF _____	BOND ISSUE/NOTE SERIES OF _____	TOTAL
A. TOTAL BOND ISSUE OR NOTE	\$32,320,000			\$32,320,000
B. ORIGINAL ISSUE DISCOUNT/ ORIGINAL ISSUE PREMIUM	\$198,713			\$198,713
C. TOTAL INTEREST EARNINGS ON ALL INVESTMENTS FOR ALL FUNDS (Exclude accrued interest and) capitalized interest)				
1. Construction Fund	\$300,082			\$300,082
2. Authority Fund				
3. Debt Service Fund				
4. Debt Service Reserve Fund				
5. Bond Redemption Fund				
6. Other: _____				
7. Other: _____				
8. TOTAL	\$300,082			\$300,082
D. BUILDING INSURANCE RECEIVED				
E. PROCEEDS FROM SALE OF BUILDING OR LAND				
F. LOCAL FUNDS - CASH				
G. OTHER: _____				
H. OTHER: _____				
I. TOTAL REVENUE SOURCES				\$32,818,795
J. TOTAL PROJECT COSTS FOR THIS PLANCON PROJECT (J03, line I)				\$30,062,501
K. FUNDS NOT EXPENDED FOR THIS PLANCON PROJECT (I minus J)				\$2,756,294
DISPOSITION OF FUNDS NOT EXPENDED FOR THIS PLANCON PROJECT (Indicate the applicable bond issue.)				
Reimbursable Projects:				
<u>Project Building Name</u>	<u>PDE Project #</u>	<u>Amount Financed</u>	<u>Applicable Issue 2008</u>	
Senior High	2859	_____	_____	
_____	_____	_____	_____	
_____	_____	_____	_____	
_____	_____	_____	_____	
_____	_____	_____	_____	
_____	_____	_____	_____	
Nonreimbursable Projects:				
_____	_____	_____	_____	
_____	_____	_____	_____	
Other:				
_____	_____	_____	_____	
_____	_____	_____	_____	

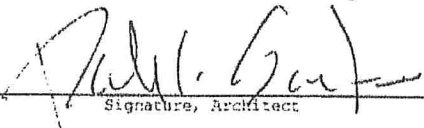
CERTIFICATE OF ARCHITECT

District/CTC: East Stroudsburg Area School District County: Monroe

School Name: Add. & Alt. to Middle Smithfield Elementary School Project #: 3348

The bid opening date for the original General Contract was: 4/30/2008

As the architect of record for the above named school district/area vocational-technical school for said project, I certify to the best of my knowledge and belief that all construction work, including change orders and supplemental contracts, has been completed as of 2/28/2012 in an acceptable manner in accordance with the plans and specifications approved by the Pennsylvania Department of Education (and any approved changes thereto) and that all contractors, by virtue of said completion, may be paid all final monies due and owing on this project.



Signature, Architect

Dale C. Santee, AIA

Architect's Name, Printed or Typed

The Architectural Studio

Architectural Firm Name

732 Turner Street, Allentown, PA 18102

Architect's Address

11/15/2012

Date

For a project constructed and based on an approved school facility design published on the Department's School Design Clearinghouse, I further certify that the project was constructed based on an approved school facility design published on this clearinghouse.

Signature, Architect

Date

FINANCIAL INFORMATION CERTIFICATION

District/CTC: East Stroudsburg Area School District County: Monroe
 School Name: Middle Smithfield Elementary School Project #: 3348

I certify that the financial information on the schedules titled Project Accounting Based on Final Costs (pages J02 and J03), Financial Report (J04), and Final Project Costs - Detail (pages J07 to J12) for the above referenced school construction project is presented based on the following:

Financial information is reported based on the cash basis of accounting.

If costs were allocated to certain areas or contracts, describe the allocation method below (attach additional pages if needed):

 Signature, Board Secretary Board Secretary's Name, Printed or Typed Date

FOR 100% CASH PROJECT ONLY

Please provide information, by fiscal year, on the expenditure of project funds for a project fully funded by local funds. Cash projects are those projects for which the District/CTC has not incurred debt.

FY	PROJECT FUNDS ACTUALLY EXPENDED
_____	_____
_____	_____
_____	_____
_____	_____
TOTAL -	_____

I certify that the project funds were actually expended in the fiscal years as reported above and I also certify that the District/CTC has not incurred debt to fund this project.

 Signature, Board Secretary Board Secretary's Name, Printed or Typed Date

FOR PROJECT USING LOCAL FUNDS AS FINANCING SOURCE

Please provide information, by fiscal year, on the expenditure of project funds for a project using local funds as a financing source in addition to debt incurred.

FY	PROJECT FUNDS ACTUALLY EXPENDED
_____	_____
_____	_____
_____	_____
_____	_____
TOTAL -	_____

I certify that the project funds were actually expended in the fiscal years as reported above.

 Signature, Board Secretary Board Secretary's Name, Printed or Typed Date

VI. ITEMS FOR APPROVAL

- d. Approve PLANCON J for East Stroudsburg HS Building

PART J: PROJECT ACCOUNTING BASED ON FINAL COSTS
BOARD TRANSMITTAL

DISTRICT/CTC: East Stroudsburg Area School District COUNTY: Monroe
PRJT BLDG NAME: East Stroudsburg High School PROJECT #: 2859

ALL PRJTS	PAGE #	
X	J02-J03	Project Accounting Based on Final Costs
X	Add't Costs	Additional Project Costs
X	J04	Financial Report
X	J05	Certificate of Architect
X	J06	Financial Information Certification
X		Independent Auditor's Report
		Final Just Compensation Award or Settlement Sheet (for properties acquired through condemnation)
		U.S. Green Building Council's Leadership in Energy and Environmental Design Green Building Rating System (LEED-NC™) Silver, Gold or Platinum certification (if applicable)
		Green Building Initiative's two, three or four Green Globes™ certification (if applicable)

*** TO BE COMPLETED ONLY IF DIRECTED BY PDE ***

J07-J12 Final Project Costs - Detail

The individual or firm independently contracted by the district/CTC to prepare this information to be contacted if there are any questions about Part J:

John Casey 8148803910
Independent Preparer's Name and Position Phone Number Fax Number
The independent preparer's e-mail address is: Jvcirish@comcast.net

CERTIFICATION BY SCHOOL DISTRICT/CTC

The district/CTC administrator to be contacted about Part J:

District/CTC Administrator's Name and Position Phone Number Fax Number
The district/CTC administrator's e-mail address is: _____

This certifies that the attached materials were approved for submission to the Pennsylvania Department of Education by board action.

BOARD ACTION DATE: _____

VOTING: AYE _____ NAY _____ ABSTENTIONS _____ ABSENT _____

Signature, Board Secretary Board Secretary's Name, Printed or Typed

District/CTC Address

Date

PROJECT ACCOUNTING BASED ON FINAL COSTS (1 of 2)
FOR THE PERIOD /01/2001 TO 6/30/2012

District/CTC: East Stroudsburg Area School District		East Stroudsburg High School	Project #: 2859
PROJECT COSTS	NEW	EXISTING	TOTAL
A. STRUCTURE COSTS (include site development)			
1. General (Report costs for sanitary sewage disposal on Line E-1.)	\$30,620,781	\$21,632,734	\$52,253,515
2. Heating and Ventilating	\$6,325,598	\$4,344,072	\$10,669,670
3. Plumbing (Report costs for sanitary sewage disposal on Line E-1.)	\$2,062,612	\$2,108,982	\$4,171,594
4. Electrical	\$7,618,522	\$6,598,421	\$14,216,943
5. Asbestos Abatement (J10, line B-3)	X X X X X X		
6. Building Purchase Amount	X X X X X X		
7. Other * (Exclude Test Borings and Site Survey) (Use PlanCon-J-Add't Costs page if necessary.)			
a. _____			
b. _____			
c. _____			
d. _____			
e. PlanCon-J-Add't Costs, Total			
A-1 to A-7 - Subtotal	\$46,627,513	\$34,684,209	\$81,311,722
8. Construction Insurance			
a. Owner Controlled Insurance Program on Structure Costs (Exclude asbestos abatement, building purchase and other structure costs not covered by the program)	\$157,846	\$117,197	\$275,043
b. Builder's Risk Insurance (if not included in primes)			
c. Construction Insurance - Total	\$157,846	\$117,197	\$275,043
9. TOTAL-Structure Costs (A-1 to A-7-Subtotal plus A-8-c)	46,785,359	34,801,406	81,586,765
B. ARCHITECT'S FEE			
1. Architect's/Engineer's Fee on Structure	\$4,155,167	\$3,600,116	\$7,755,283
2. EPA-Certified Project Designer's Fee on Asbestos Abatement	X X X X X X X X X X X X		
3. TOTAL - Architect's Fee	\$4,155,167	\$3,600,116	\$7,755,283
C. MOVABLE FIXTURES AND EQUIPMENT			
1. Movable Fixtures and Equipment	\$842,765	\$2,316,567	\$3,159,332
2. Architect's Fee			
3. TOTAL - Movable Fixtures & Equipment	\$842,765	\$2,316,567	\$3,159,332
D. STRUCTURE COSTS, ARCHITECT'S FEE, MOVABLE FIXTURES AND EQUIPMENT - TOTAL (A-9 plus B-3 and C-3)			
	\$51,783,291	\$40,718,089	\$92,501,380
E. SITE COSTS			
1. Sanitary Sewage Disposal General Contractor			
2. Sanitary Sewage Disposal Tap-In Fee and/or Capacity Charges General Contractor			
3. Owner Controlled Insurance Program/Builder's Risk Insurance on Sanitary Sewage Disposal			
4. Architect/Engineer's Fee for Sanitary Sewage Disposal			
5. Site Acquisition Costs		X X X X X X	
a. Gross Amount Due from Settlement Statement or Just Compensation		X X X X X X X X X X X X	
b. Real Estate Appraisal Fees		X X X X X X	
c. Other Related Site Acquisition Costs	\$294,250	X X X X X X	\$294,250
d. Site Acquisition Costs - Total	\$294,250	X X X X X X	\$294,250
6. TOTAL - Site Costs	\$294,250		\$294,250
F. STRUCTURE COSTS, ARCHITECT'S FEE, MOVABLE FIXTURES & EQUIPMENT, AND SITE COSTS - TOTAL (D plus E-6)			
	\$52,077,541	\$40,718,089	\$92,795,630

* - Type "No Fee" beside each item for which no design fee is charged.

PROJECT ACCOUNTING BASED ON FINAL COSTS (2 of 2)

FOR THE PERIOD _____ TO 6/30/2012

District/CTC: East Stroudsburg Area School District	Project Name: East Stroudsburg High School	Project #: 2859
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ROUND FIGURES TO NEAREST DOLLAR

PROJECT COSTS (CONT.)				TOTAL
G. ADDITIONAL CONSTRUCTION-RELATED COSTS				
1. Project Supervision (inc. Asbestos Abatement Project Supervision)				
2. Construction Manager Fee and Related Costs				
3. Total Demolition of Entire Existing Structures & Related Asbestos Removal to Prepare Project Site for Construction of New Building and Related AHERA Clearance Air Monitoring and EPA-Certified Project Designer's Fee on Asbestos Abatement (Exclude costs for partial demolition.)				
4. Architectural Printing				
5. Test Borings				
6. Site Surveys				
7. Other (Attach PlanCon-J-Add't Costs page if needed.)				
a. _____				
b. _____				
c. Plan-J-Add't Costs, Total				
8. TOTAL - Additional Construction-Related Costs				
H. FINANCING COSTS	BOND ISSUE/NOTE	BOND ISSUE/NOTE	BOND ISSUE/NOTE	X X X X X X
<i>FOR THIS PROJECT ONLY</i>	<i>SERIES OF 2001</i>	<i>SERIES OF 2003</i>	<i>SERIES OF 2003A</i>	<i>X X X X X X</i>
(EXCLUDE ACCRUED INTEREST)				
1. Underwriter Fees	\$19,176	\$9,305	\$57,376	\$85,857
2. Legal Fees	\$14,165	\$6,611	\$27,161	\$47,937
3. Financial Advisor	\$6,738	\$2,517	\$12,311	\$21,566
4. Bond Insurance	\$6,960	\$2,178	\$24,385	\$33,523
5. Paying Agent/Trustee Fees and Expenses	\$710	\$65	\$323	\$1,098
6. Capitalized Interest	\$208,263			\$208,263
7. Printing	\$2,040	\$1,117	\$4,498	\$7,655
8. CUSIP & Rating Fees	\$2,033	\$1,248	\$4,333	\$7,614
9. Other			290	
a. <u>Internet Auction Admin.784</u>	\$784	\$290	\$1,434	\$2,508
b. <u>Computer</u>	\$1,961			See J03(3)
10. TOTAL-Financing Costs	262830	\$22,842	\$131,821	See J03(3)
I. TOTAL PROJECT COSTS (F plus G-8 plus H-10)				See J03(3)
REVENUE SOURCES	BOND ISSUE/NOTE	BOND ISSUE/NOTE	BOND ISSUE/NOTE	TOTAL
<i>(EXCLUDE ACCRUED INTEREST)</i>	<i>SERIES OF 2001</i>	<i>SERIES OF 2003</i>	<i>SERIES OF 2003A</i>	
J. AMOUNT FINANCED	\$5,939,771	\$6,077,884	\$8,845,784	See J03(3)
<i>FOR THIS PROJECT ONLY</i>				
K. ORIGINAL ISSUE DISCOUNT/ PREMIUM FOR THIS PROJECT ONLY	(\$59,243)	(\$51,695)	(\$59,626)	See J03(3)
L. INTEREST EARNINGS	\$55,626	\$492,363	\$335,969	See J03(3)
<i>FOR THIS PROJECT ONLY</i>				
M. BUILDING INSURANCE RECEIVED				
N. PROCEEDS FROM SALE OF BUILDING OR LAND				
O. LOCAL FUNDS - CASH (SEE INSTRUCTIONS)				
P. OTHER FUNDS (PROVIDE DESCRIPTION ON SEPARATE SHEET)				
Q. TOTAL REVENUE SOURCES				REVENUES DO NOT EQUAL COSTS

PROJECT ACCOUNTING BASED ON FINAL COSTS (2 of 2)

FOR THE PERIOD _____ TO **6/30/2012**

District/CTC: East Stroudsburg Area School District	Project Name: East Stroudsburg High School	Project #: 2859
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ROUND FIGURES TO NEAREST DOLLAR

PROJECT COSTS (CONT.)				TOTAL
G. ADDITIONAL CONSTRUCTION-RELATED COSTS				
1. Project Supervision (inc. Asbestos Abatement Project Supervision)				
2. Construction Manager Fee and Related Costs				
3. Total Demolition of Entire Existing Structures & Related Asbestos Removal to Prepare Project Site for Construction of New Building and Related AHERA Clearance Air Monitoring and EPA-Certified Project Designer's Fee on Asbestos Abatement (Exclude costs for partial demolition.)				
4. Architectural Printing				
5. Test Borings				
6. Site Surveys				
7. Other (Attach PlanCon-J-Add't Costs page if needed.)				
a. _____				
b. _____				
c. Plan-J-Add't Costs, Total				
8. TOTAL - Additional Construction-Related Costs				
H. FINANCING COSTS	BOND ISSUE/NOTE	BOND ISSUE/NOTE	BOND ISSUE/NOTE	X X X X X X
<i>FOR THIS PROJECT ONLY</i>	<i>SERIES OF 2004</i>	<i>SERIES OF 2007</i>	<i>SERIES OF 2007A</i>	<i>X X X X X X</i>
<i>(EXCLUDE ACCRUED INTEREST)</i>				
1. Underwriter Fees	\$50,979	\$59,702	\$105,258	\$215,939
2. Legal Fees	\$33,680	\$22,598	\$26,642	\$22,598
3. Financial Advisor	\$14,848	\$11,177	\$18,654	\$44,679
4. Bond Insurance	\$30,710	\$36,939	\$50,960	\$118,609
5. Paying Agent/Trustee Fees and Expenses	\$395	\$266	\$366	\$1,027
6. Capitalized Interest				
7. Printing	\$5,508	\$1,538	\$4,628	\$11,674
8. CUSIP & Rating Fees	\$5,311	\$2,601	\$4,784	\$12,696
9. Other				
a. Computer Fees	\$1,754		\$11,228	\$12,982
b. _____			\$3,661	See J03(3)
10. TOTAL-Financing Costs	\$143,185	\$134,821	\$226,181	See J03(3)
I. TOTAL PROJECT COSTS (F plus G-8 plus H-10)				See J03(3)
REVENUE SOURCES	BOND ISSUE/NOTE	BOND ISSUE/NOTE	BOND ISSUE/NOTE	TOTAL
<i>(EXCLUDE ACCRUED INTEREST)</i>	<i>SERIES OF 2004</i>	<i>SERIES OF 2007</i>	<i>SERIES OF 2007A</i>	
J. AMOUNT FINANCED				
<i>FOR THIS PROJECT ONLY</i>	\$9,667,634	\$20,122,960	\$26,200,465	See J03(3)
K. ORIGINAL ISSUE DISCOUNT/ PREMIUM FOR THIS PROJECT ONLY	(\$59,406)	\$8,195,809	\$4,597,504	See J03(3)
L. INTEREST EARNINGS				
<i>FOR THIS PROJECT ONLY</i>	\$389,530	\$447,309	\$607,925	See J03(3)
M. BUILDING INSURANCE RECEIVED				
N. PROCEEDS FROM SALE OF BUILDING OR LAND				
O. LOCAL FUNDS - CASH (SEE INSTRUCTIONS)				
P. OTHER FUNDS (PROVIDE DESCRIPTION ON SEPARATE SHEET)				
Q. TOTAL REVENUE SOURCES				See J03(3)

PROJECT ACCOUNTING BASED ON FINAL COSTS (2 of 2)

FOR THE PERIOD _____ TO **6/30/2012**

District/CTC:
East Stroudsburg Area School District

Project Name:
East Stroudsburg High School

Project #:
2859

ROUND FIGURES TO NEAREST DOLLAR

PROJECT COSTS (CONT.)				TOTAL
G. ADDITIONAL CONSTRUCTION-RELATED COSTS				
1. Project Supervision (inc. Asbestos Abatement Project Supervision)				
2. Construction Manager Fee and Related Costs				
3. Total Demolition of Entire Existing Structures & Related Asbestos Removal to Prepare Project Site for Construction of New Building and Related AHERA Clearance Air Monitoring and EPA-Certified Project Designer's Fee on Asbestos Abatement (Exclude costs for partial demolition.)				
4. Architectural Printing				
5. Test Borings				
6. Site Surveys				
7. Other (Attach PlanCon-J-Add't Costs page if needed.)				
a. _____				
b. _____				
c. Plan-J-Add't Costs, Total				\$92,795,630
8. TOTAL - Additional Construction-Related Costs				\$92,795,630
H. FINANCING COSTS <i>FOR THIS PROJECT ONLY</i> <i>(EXCLUDE ACCRUED INTEREST)</i>	BOND ISSUE/NOTE SERIES OF <u>2008</u>	BOND ISSUE/NOTE SERIES OF _____	BOND ISSUE/NOTE SERIES OF _____	X X X X X X X X X X X X
1. Underwriter Fees	\$761			
2. Legal Fees	\$212			
3. Financial Advisor	\$186			
4. Bond Insurance	\$1,769			
5. Paying Agent/Trustee Fees and Expenses	\$2			
6. Capitalized Interest	\$23,328			
7. Printing	\$36			
8. CUSIP & Rating Fees	\$49			
9. Other				
a. _____				
b. _____				
10. TOTAL-Financing Costs	\$26,355			\$948,035
I. TOTAL PROJECT COSTS (F plus G-8 plus H-10)				\$93,731,134
REVENUE SOURCES <i>(EXCLUDE ACCRUED INTEREST)</i>	BOND ISSUE/NOTE SERIES OF <u>2008</u>	BOND ISSUE/NOTE SERIES OF _____	BOND ISSUE/NOTE SERIES OF _____	TOTAL
J. AMOUNT FINANCED <i>FOR THIS PROJECT ONLY</i>	\$1,961,092			\$78,815,590
K. ORIGINAL ISSUE DISCOUNT/ PREMIUM FOR THIS PROJECT ONLY	\$9,085			\$12,572,428
L. INTEREST EARNINGS <i>FOR THIS PROJECT ONLY</i>	\$14,394			\$2,343,116
M. BUILDING INSURANCE RECEIVED				
N. PROCEEDS FROM SALE OF BUILDING OR LAND				
O. LOCAL FUNDS - CASH (SEE INSTRUCTIONS)				
P. OTHER FUNDS (PROVIDE DESCRIPTION ON SEPARATE SHEET)				
Q. TOTAL REVENUE SOURCES				\$93,731,134

FINANCIAL REPORT FOR THE PERIOD _____ TO 6/30/2012

District/CTC: East Stroudsburg Area School District	Project Name: East Stroudsburg High School	Project #: 2859
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	BOND ISSUE/NOTE SERIES OF <u>2001</u>	BOND ISSUE/NOTE SERIES OF <u>2003</u>	BOND ISSUE/NOTE SERIES OF <u>2003A</u>	TOTAL
A. TOTAL BOND ISSUE OR NOTE	\$10,000,000	\$10,000,000	\$10,000,000	See J04(3)
B. ORIGINAL ISSUE DISCOUNT/ ORIGINAL ISSUE PREMIUM	(\$61,075)	(\$52,750)	(\$69,333)	See J04(3)
C. TOTAL INTEREST EARNINGS ON ALL INVESTMENTS FOR ALL FUNDS (Exclude accrued interest and capitalized interest)				(\$183,158)
1. Construction Fund	\$73,891	\$502,434	\$390,662	See J04(3)
2. Authority Fund				
3. Debt Service Fund				
4. Debt Service Reserve Fund				
5. Bond Redemption Fund				
6. Other: _____				
7. Other: _____				
8. TOTAL	\$73,891	\$502,434	\$390,662	

D. BUILDING INSURANCE RECEIVED	
E. PROCEEDS FROM SALE OF BUILDING OR LAND	
F. LOCAL FUNDS - CASH	
G. OTHER: _____	
H. OTHER: _____	
I. TOTAL REVENUE SOURCES	
J. TOTAL PROJECT COSTS FOR THIS PLANCON PROJECT (J03, line I)	
K. FUNDS NOT EXPENDED FOR THIS PLANCON PROJECT (I minus J)	

DISPOSITION OF FUNDS NOT EXPENDED FOR THIS PLANCON PROJECT (Indicate the applicable bond issue.)

Reimbursable Projects:

<u>Project Building Name</u>	<u>PDE Project #</u>	<u>Amount Financed</u>	<u>Applicable Issue</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Nonreimbursable Projects:

_____	_____	_____	_____
_____	_____	_____	_____

Other:

_____	_____	_____	_____
_____	_____	_____	_____

FINANCIAL REPORT FOR THE PERIOD _____ TO 6/30/2012

District/CTC: East Stroudsburg Area School District	Project Name: East Stroudsburg High School	Project #: 2859
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	BOND ISSUE/NOTE SERIES OF <u>2004</u>	BOND ISSUE/NOTE SERIES OF <u>2007</u>	BOND ISSUE/NOTE SERIES OF <u>2007A</u>	TOTAL
A. TOTAL BOND ISSUE OR NOTE	\$10,000,000	\$39,000,000	\$37,500,000	See J04(3)
B. ORIGINAL ISSUE DISCOUNT/ ORIGINAL ISSUE PREMIUM	(\$61,864)	\$8,754,236	\$7,415,328	See J04(3)
C. TOTAL INTEREST EARNINGS ON ALL INVESTMENTS FOR ALL FUNDS (Exclude accrued interest and) capitalized interest)				
1. Construction Fund	\$405,946	\$866,922		See J04(3)
2. Authority Fund				
3. Debt Service Fund				
4. Debt Service Reserve Fund				
5. Bond Redemption Fund				
6. Other: _____				
7. Other: _____				
8. TOTAL	\$405,946	\$866,922		
D. BUILDING INSURANCE RECEIVED				
E. PROCEEDS FROM SALE OF BUILDING OR LAND				
F. LOCAL FUNDS - CASH				
G. OTHER: _____				
H. OTHER: _____				
I. TOTAL REVENUE SOURCES				
J. TOTAL PROJECT COSTS FOR THIS PLANCON PROJECT (J03, line I)				
K. FUNDS NOT EXPENDED FOR THIS PLANCON PROJECT (I minus J)				

DISPOSITION OF FUNDS NOT EXPENDED FOR THIS PLANCON PROJECT (Indicate the applicable bond issue.)

Reimbursable Projects:

<u>Project Building Name</u>	<u>PDE Project #</u>	<u>Amount Financed</u>	<u>Applicable Issue</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Nonreimbursable Projects:

_____	_____	_____	_____
_____	_____	_____	_____

Other:

_____	_____	_____	_____
_____	_____	_____	_____

FINANCIAL REPORT FOR THE PERIOD _____ TO 6/30/2012

District/CTC: East Stroudsburg Area School District	Project Name: East Stroudsburg High School	Project #: 2859
--	---	--------------------

	BOND ISSUE/NOTE SERIES OF 2008	BOND ISSUE/NOTE SERIES OF -	BOND ISSUE/NOTE SERIES OF _____	TOTAL
A. TOTAL BOND ISSUE OR NOTE	\$32,320,000			\$148,820,000
B. ORIGINAL ISSUE DISCOUNT/ ORIGINAL ISSUE PREMIUM	\$195,713			\$16,486,571
C. TOTAL INTEREST EARNINGS ON ALL INVESTMENTS FOR ALL FUNDS (Exclude accrued interest and capitalized interest)				
1. Construction Fund	\$300,882			\$2,540,737
2. Authority Fund				
3. Debt Service Fund				
4. Debt Service Reserve Fund				
5. Bond Redemption Fund				
6. Other: _____				
7. Other: _____				
8. TOTAL	\$300,882			\$2,540,737
D. BUILDING INSURANCE RECEIVED				
E. PROCEEDS FROM SALE OF BUILDING OR LAND				
F. LOCAL FUNDS - CASH				
G. OTHER: _____				
H. OTHER: _____				
I. TOTAL REVENUE SOURCES				\$167,847,308
J. TOTAL PROJECT COSTS FOR THIS PLANCON PROJECT (J03, line I)				
K. FUNDS NOT EXPENDED FOR THIS PLANCON PROJECT (I minus J)				\$167,847,308

DISPOSITION OF FUNDS NOT EXPENDED FOR THIS PLANCON PROJECT (Indicate the applicable bond issue.)

Reimbursable Projects:

<u>Project Building Name</u>	<u>PDE Project #</u>	<u>Amount Financed</u>	<u>Applicable Issue</u>
Smithfield Elementary	2900	_____	2001p,2002,2003A
East Stroudsburg Elementary	3273	_____	2001-2007A
Middle Smithfield Elementary	_____	_____	2008
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Nonreimbursable Projects:

_____	_____	_____	_____
_____	_____	_____	_____

Other:

_____	_____	_____	_____
_____	_____	_____	_____

CERTIFICATE OF ARCHITECT

District/CTC: East Stroudsburg Area School District County: Monroe

School Name: Adds. & Alt. to East Stroudsburg Area Senior High School South Project #: 2859

The bid opening date for the original General Contract was: 4/27/2006

As the architect of record for the above named school district/area vocational-technical school for said project, I certify to the best of my knowledge and belief that all construction work, including change orders and supplemental contracts, has been completed as of 6/30/2012 in an acceptable manner in accordance with the plans and specifications approved by the Pennsylvania Department of Education (and any approved changes thereto) and that all contractors, by virtue of said completion, may be paid all final monies due owing on this project.



John R. Howard, AIA
Architect of Record, Printed or Typed

The Architectural Studio
Architectural Firm Name

732 Turner Street, Allentown, PA 18102
Architect's Address

11/15/2012
Date

For a project constructed and based on an approved school facility design published on the Department's School Design Clearinghouse, I further certify that the project was constructed based on an approved school facility design published on this clearinghouse.

Signature, Architect

FINANCIAL INFORMATION CERTIFICATION

District/CTC: East Stroudsburg Area School District County: Monroe
 School Name: East Stroudsburg High School Project #: 2859

I certify that the financial information on the schedules titled Project Accounting Based on Final Costs (pages J02 and J03), Financial Report (J04), and Final Project Costs - Detail (pages J07 to J12) for the above referenced school construction project is presented based on the following:

Financial information is reported based on the cash basis of accounting.

If costs were allocated to certain areas or contracts, describe the allocation method below (attach additional pages if needed):

 Signature, Board Secretary Board Secretary's Name, Printed or Typed Date

FOR 100% CASH PROJECT ONLY

Please provide information, by fiscal year, on the expenditure of project funds for a project fully funded by local funds. Cash projects are those projects for which the District/CTC has not incurred debt.

FY	PROJECT FUNDS ACTUALLY EXPENDED
_____	_____
_____	_____
_____	_____
_____	_____
TOTAL -	_____

I certify that the project funds were actually expended in the fiscal years as reported above and I also certify that the District/CTC has not incurred debt to fund this project.

 Signature, Board Secretary Board Secretary's Name, Printed or Typed Date

FOR PROJECT USING LOCAL FUNDS AS FINANCING SOURCE

Please provide information, by fiscal year, on the expenditure of project funds for a project using local funds as a financing source in addition to debt incurred.

FY	PROJECT FUNDS ACTUALLY EXPENDED
_____	_____
_____	_____
_____	_____
_____	_____
TOTAL -	_____

I certify that the project funds were actually expended in the fiscal years as reported above.

 Signature, Board Secretary Board Secretary's Name, Printed or Typed Date

VI. ITEMS FOR APPROVAL

- e. Approve the purchase of 2500 Ram Cargo Van for Food Services total cost of \$55,985 (COSTARS purchase) (To be paid out of Food Service Account)

D23039

East STROUDSBURG
School Dist.

SANDS CHRYSLER JEEP DODGE
501 N WEST END BLVD
QUAKERTOWN, PA 189512313

Priced Order Confirmation (POC)

COSTAR-00FH2

Date Printed: 2023-09-26 2:29 PM VIN: 3C6LRVDG3PE578240 Quantity: 01
 Estimated Ship Date: 2023-06-03 2:00 AM VON: 55744320 Status: KZ - Released by plant and Invoiced
 Date Ordered: 2022-06-20 9:36 AM Ordered By: S79725T
 Date Modified: 2022-12-20 10:49 AM Modified By: S79725T

Sold to: SANDS CHRYSLER JEEP DODGE (67280)
 501 N WEST END BLVD
 QUAKERTOWN, PA 189512313

Ship to: SANDS CHRYSLER JEEP DODGE (67280)
 501 N WEST END BLVD
 QUAKERTOWN, PA 189512313

Vehicle: 2023 2500 CARGO VAN HIGH ROOF (159 in WB) (VF2L16)

	Sales Code	Description	MSRP(USD)
Model:	VF2L16	2500 CARGO VAN HIGH ROOF (159 in WB)	48,805
Package:	22A	Customer Preferred Package 22A	0
	ERF	3.6L V6 24V VVT Engine	0
	DFH	9-Spd 948TE Auto Transmission	0
Paint/Seat/Trim:	PW7	Bright White Clear Coat	0
	APA	Monotone Paint	0
	*B7	Vinyl Bucket Seats	300
	-X9	Black	0
Options:	NAS	50 State Emissions	0
	JJ5	70 MPH Maximum Speed	80
	GTR	Power Folding/Heated Mirrors	295
	CTE	Mopar Side Wall Paneling U & L	295
	CSR	MOPAR Rear Assist Handles	150
	CME	Wood Floor	495
	CDY	Passenger Bucket Seat	0
	AD6	Interior LED Lighting Group	245
	ADM	Fleet Safety Group	695
	NHZ	Adaptive Cruise Control w/Stop & Go	545
	4NU	Fuel Fill / Battery Charge	0
	YGV	4.5 Additional Gallons of Gas	0
	5RL	July Production	0
5N6	Easy Order	0	
4EA	Sold Vehicle	0	
Non Equipment:	573		0
Special Equipment:	99591B		0
	99591A		0
Destination Fees:			1,995

Total Price: 53,900.-

+ 1995 - Bulkhead

\$ 55,895

Order Type: PSP Month/Week:
 Scheduling Priority: Build Priority: 01
 Salesperson:
 Customer Name:
 Customer Address:

Note: This is not an invoice. The prices and equipment shown on this priced order confirmation are tentative and subject to change or correction without prior notice. No claims against the content listed or prices quoted will be accepted. Refer to the vehicle invoice for final vehicle content and pricing. Orders are accepted only when the vehicle is shipped by the factory.

834 BITTING ALLEY
 RED HILL, PA. 18076
 (215)679-7911 (267)733-0040

70400 NEW

NEW INVENTORY		VEHICLE ID		MILES IN	MILES OUT	DATE/TIME IN	DATE OUT	INVOICE NO.
501 N WEST END BLVD		3C6LRVDG3PE578240		39	39	07/19/23 16:23	07/19/23	70400
QUAKERTOWN, PA 18951		VEHICLE DESCRIPTION				TAG NO.	STATUS	
		2023 RAM PROMASTER (BRIGHT WHI)					COMPLETE	
CONTROL NO.	LICENSE PLATE NO.	CUST. LABOR RATE	PROD. DATE	IN-SERV DATE	DELIV. DATE	DELIV. MILES	TERMS	
049685							No Charge	
HOME	WORK	CELL	STOCK NO.	SERV. ADV.		COMMENT#1		
			D23039	BRYAN STERNER (A25)				

PA STATE SAFETY INSPECTION CARS AND LT TRUCKS PASS OR FAIL \$25.95 + \$2.00 FOR; DUAL REAR WHEEL TRUCKS BOTH LT AND MED DUTY TYPES PASS OR FAIL \$42.95 + \$2.00 FOR STICKER
 LABOR RATES ARE BASED ON VARIABLE RATE MENU PRICING
 MAINTENANCE \$36.50 TO \$89.95
 MECHANICAL \$46.50 TO \$115.00; DIESEL TRUCKS \$95.00

Line	Op-Code	Fail Code	Tech	Hours	Type
A	BULKHEAD		A25		Internal
Concern CUSTOMER STATES INSTALL BULKHEAD/PARTITION					
Correction complete					
Part Number	Description				
K,HOL4064P	PROMASTER ROOF-WING KIT				
K,HOL40651	PARTITION DOOR PROMASTER				
K,HOLP9902	PLUS NUT TOOL				

Non-Customer Totals		Customer Totals	
I - Labor			
I - Parts			

STATEMENT OF DISCLAIMER
 The factory warranty constitutes all of the warranties with respect to the sale of this item/items. The seller hereby expressly disclaims all warranties either express or implied, including any implied warranty of merchantability or fitness for a particular purpose. Seller neither assumes nor authorizes any other person to assume for it any liability in connection with the sale of this item/items.

On behalf of servicing dealer, I hereby certify that the information contained hereon is accurate unless otherwise shown. Warranty services performed at no charge to owner. There was no indication from the appearance of the vehicle or otherwise, that any part repaired or replaced under this claim had been connected in any way with any accident, negligence, or misuse. Records supporting this claim are available for (1) year from the date of payment notification at the servicing dealer for inspection by manufacturer's representative.

CUSTOMER SIGNATURE

(SIGNED) DEALER, GENERAL MANAGER OR AUTHORIZED PERSON
 (DATE)

VI. ITEMS FOR APPROVAL

- f. Approve the five-year copier contract with Fraser in the amount of \$84,686 for lease of copiers and approximately \$48,038.20 for maintenance (based on copies made) for a total cost of \$132,724.20. CoStars Contract #001-E23-97

Fraser Copier Contract

A. Why are you requesting the service/needs?

Why: The current 5-year contract for our copiers with Fraser ends on June 30, 2024

Need: The district utilizes 55 copiers across its 10 school and ancillary sites.

B. Cost Estimate: if over \$5,000, were 3 quotes obtained? If yes, please list the vendors and the amounts. No. Fraser is the incumbent provider.

Pricing is as follows:

- 5 year Lease (machines) - \$84,686.00
- Maintenance (based on the number of copies and can fluctuate) - estimated - \$48,038.20

C. Procurement Method:

- ESASD met with Fraser to discuss current and future services. Fraser provided pricing as per the CoStars Contract #001-E23-97.

D. Funds account to be charged for Procurement (Was this purchase budgeted?)

- Yes – 2024-2025 Fiscal Year
- Fund 10
- Account #'s Various based on location of copier

E. Selection of winning proposal

- It is the recommendation of the administration to stay with Fraser based on staff feedback, satisfaction, and quick service requests, as well as pricing.



PROPOSAL FOR COPIERS AND COPIER MAINTENANCE



Presented by:
Tim Ludwick
Major Account Executive
Fraser Advanced Information Systems



Mr. Brian J. Borosh
Director of Technology
East Stroudsburg Area School District
50 Vine Street
East Stroudsburg, PA 18301

Dear Mr. Borosh:

Thank you for the opportunity to provide you with our proposal for your **copier/print management services**. The Fraser team looks forward to working with East Stroudsburg Area School District to provide you with the finest service and technical support in the industry.

Founded in 1971, Fraser Advanced Information Systems is an independent office equipment dealer with locations in West Reading, Bala Cynwyd, the Lehigh Valley and Harrisburg. We are an authorized vendor of equipment and software from Sharp, Canon, Lexmark, HP and Muratec. Fraser is recognized as a AAA Platinum Service Provider by Sharp and as a Sharp Hyakuman Kai Elite Dealer for outstanding sales, innovative business practices and overall excellence in customer service. Fraser has been named "Elite Dealer of the Year" for the past 12 years by The Week in Imaging, the office equipment industry's go-to resource for business technology dealers throughout the country. Selection for this prestigious honor is based on overall dealer performance, innovation and best of breed products and services.

Fraser has been built as a company to meet all information management needs. We combine exemplary customer service with innovative technology to deliver efficient, affordable and reliable workflow solutions to our customers. Fraser customers will tell you that we have built our reputation on service after the sale, providing quick and reliable response to all issues. Our best practices service is achieved through ongoing training in our Certified On-Site Sharp, Canon and Lexmark Training Center that enables our skilled technicians to remain at the forefront of technology.

Fraser's goal is to help East Stroudsburg Area School District reach their objectives in a cost-effective manner that will allow your district to reach new levels of productivity, consistency and reliability. Thank you again for the opportunity, and I look forward to speaking with you.

Sincerely,

Tim Ludwick
Account Executive

Summary

Fraser Advanced Information Systems is dedicated to providing secure, reliable and cost-effective printing and scanning solutions. Our capabilities and experience in the education environment will support East Stroudsburg Area School District.

- Fraser understands the landscape of the education environment. We currently manage over **40 million pages** of output per month in similar education institutions across Eastern and Central Pennsylvania and Western New Jersey.
- Fraser will educate and train the end users on the environmental and monetary impact of excess printing. Research has proven that many end users are unaware of the high cost of color vs. black and white printing.
- Fraser will maintain document security, reduce risk and strengthen compliance.
- Fraser will perform Continuous Improvement Meetings with specific ideas to yield ongoing cost savings.
- Fraser's program will provide East Stroudsburg Area School District with access to device information online that will allow you to analyze trends and monthly expenses.

We are pleased to present this proposal to provide equipment and services to East Stroudsburg Area School District for a term of 60-months. Our aggressive schedule of pricing is reflective of our intention to capture your attention and your business. It is Fraser's outstanding service after the sale that continues to earn us the loyalty of thousands of customers throughout Eastern and Central Pennsylvania and Western New Jersey. By choosing Fraser for your business technology needs, you will be supported by a team of skilled professionals whose experience is unparalleled in this industry. When partnering with Fraser, you can expect:

- **Communication and Coordination:** From the onsite IT survey through installation, our technology experts and project manager will work with you and your IT department to ensure a smooth and easy transition to your new equipment. Our change management program will provide you with the tools to get buy-in across your organization to your new printing and copier policies.
- **Installation:** Our logistics staff will accommodate the timing and priorities that work for your school district to have the installation be as seamless as possible.
- **Network Interface:** Your account executive, project manager and field service engineers will be on-hand to make certain that all the components of your MFD fleet and network function at their highest levels.
- **Training:** We provide unlimited onsite training for your staff to ensure that all users gain a good understanding of your new equipment.
- **Monitoring:** Fraser offers our Virtual Intelligence Software (VIS) to provide 24/7 monitoring of your print fleet. VIS sends alerts directly to Fraser's Global Support Center (GSC) for low toner and service alerts, and also collects accurate meter readings automatically. When toner levels reach suggested levels, new supplies are automatically shipped, eliminating the need for ordering and storing excess supplies.
- **Continuous Improvement Meetings:** Your account executive will visit on a regular basis to potentially uncover ways to yield ongoing cost savings while increasing employee productivity.

236 Brodhead Rd, Bethlehem, PA 18017

Tel: 610.231.9577 | tludwick@fraser-ais.com | www.fraser-ais.com

Proposal Responses

1. **Company Name:** William A. Fraser Inc., DBA Fraser Advanced Information System
Address: 320 Penn Ave, West Reading, PA 19611
Telephone #: 610.378.0101
Fax #: 610.375.8836
Primary Contact: Tim Ludwick, Major Account Executive
Email Address: tludwick@fraser-ais.com
Additional Branch Addresses and Telephone #s:
 - **Lehigh Valley** | 1320 Hausman Rd. , Allentown, PA 18104 (610) 477.5200
 - **Bala Cynwyd** | 251 St. Asaphs Rd, 3 Bala West, Suite 105 W, Bala Cynwyd, PA 19004 | 610.784.2800
 - **Mechanicsburg** | 5521 Carlisle Pike, Mechanicsburg, PA 17050 | 717.766.1126
 - **Regional Training & Logistics Center** | 122 Mountain View Rd, Reading, PA 19607 | 610.378.0102
 - **Edwardsville** – 106 Gateway Shopping Center, Edwardsville, PA 18704 | 570.606.0240**Contact Individuals:**
 - **Lehigh Valley** - Richard DeGuisseppi, Branch Sales Manager
 - **Regional Training and Logistics Center** - Blake Bossler, General Service Manager

2. a. Founded in 1971, Fraser Advanced Information Systems is an independent office equipment dealer with locations in West Reading, Bala Cynwyd, the Lehigh Valley, Edwardsville, and Harrisburg operating with 170 employees. Fraser Advanced Information Systems has been providing equipment and service to educational institutions for more than 45 years. We also provide print management and document management services. We currently service over 35 area school districts.
b. Fraser Advanced Information Systems began in April 1971 in a one room office in Reading, Pennsylvania. Today the company has more than 160 employees in five locations throughout Pennsylvania and is a privately-owned corporation. Fraser is the fourth largest Sharp dealer in the United States.
c. Regarding the inclusion of audited financial statements, William A. Fraser, Inc., as a privately held corporation, respectfully invites ESASD to contact the following institutions and individuals to obtain our financial information:

Fulton Bank	Kim Hippert-Eversgerd	Vice President	610.898.8231
RKL	Doug Smith	Partner	717.291.0650

Should William A. Fraser, Inc. DBA Fraser Advanced Information Systems be awarded the East Stroudsburg Area School District contract, all financial information would then be made available for review.

3. No lawsuits have been brought against Fraser Advanced Information Systems. The owner of the firm has not been convicted of a crime and no felony charges are pending. There are no tax liens against Fraser Advanced Information Systems at any level.

236 Brodhead Rd, Bethlehem, PA 18017

Tel: 610.231.9577 | tludwick@fraser-ais.com | www.fraser-ais.com

4. Key Executives

- Bill Fraser, President, Owner and CEO
- Melissa Confalone, President
- Mike Macri, Vice President of Sales

Key Service Personnel

- Blake Bossler, General Service Manager
 - Email: Bbossler@fraser-ais.com
- Scot Peffer, Regional Service Manager
 - Email: Speffer@fraser-ais.com

Key Sales Contacts

- Richard DeGuisseppi, Branch Sales Manager
 - Email: Rdeguisseppi@fraser-ais.com
- Tim Ludwick, Major Account Executive and Primary Contact for Account Information
 - Email: Tludwick@fraser-ais.com

Key Equipment Training and Solutions Information

- Ben Graeff, Corporate Training
 - Email: bgraeff@fraser-ais.com

Accounting and Leasing

- Aaron Spriggs, Leasing Administrator
 - Email: Aspriggs@fraser-ais.com

Supplies and Meter Reads

- Nikole Lessig, Supplies Liaison and Analyst
 - Email: nlessig@fraser-ais.com

5. Fraser Advanced Information Systems offers the following services:

- Copiers and Multifunction Devices
- Document Management
- Managed Print
- Managed IT
- Production Print
- Wide Format Printers
- Cyber Security

Based on its location, East Stroudsburg Area School District will be serviced by our Lehigh Valley location, providing Sharp-certified Field Service Engineers to respond to East Stroudsburg Area School District's service calls. Each of our technicians has approximately 150-200 machines assigned to them and are certified by Sharp through training at our Certified Training Center in our Regional Training and Logistics Center in Berks County.

236 Brodhead Rd, Bethlehem, PA 18017

Tel: 610.231.9577 | tludwick@fraser-ais.com | www.fraser-ais.com

All routine and preventive maintenance will be performed as outlined in the preventive maintenance schedule that is included with each machine. Maintenance and repair will provide service during East Stroudsburg Area School District's working hours, Monday through Friday, except holidays.

The rate for servicing outside of normal operating hours is \$150.00 per hour.

6. Fraser works with school districts throughout Pennsylvania to provide the best in copiers, MFDs and service on such equipment. Fraser understands the landscape of the education environment. We currently manage over **40 million pages** of output per month in similar education institutions across Pennsylvania. Below is a list of our current school district clients:

Colleges, Universities and School Districts

- East Stroudsburg University
- East Stroudsburg Area School District
- Scranton School District
- Moravian College
- Northampton Area School District
- Parkland Area School District
- Nazareth School District
- Reading Area School District
- Pen Argyl School District
- Bucks County Community College
- Council Rock School District
- Garnet Valley School District
- Methacton School District
- Cheltenham School District
- Rose Tree Media School District
- Interboro School District
- Chester Upland School District
- Dauphin County Vocational Technical School
- Blue Mountain Area School District
- Minersville Area School District
- Kutztown Area School District
- Kutztown University
- Pine Grove School District
- Antietam School District
- Schuylkill Valley School District
- Fleetwood Area School District
- Hamburg Area School District
- Governor Mifflin School District
- Oley Valley School District

References**a. Scranton SD**

Contact: Pat Laffy
Tel: 570.348-3400

b. Colonial Intermediate Unit #20

Contact: Tom Kalinoski
Tel: 484.293.1607
Email: tkalinoski@ciu20.org

c. Moravian College

Contact: Amy Mallow
Tel: 610.861.1540
Email: amallow@moravian.edu

- **Lehigh Valley Hospital – 15 Years**
 - **St Luke’s Hospital – 16 years**
 - **ESSA – 6 years**
 - **Scranton SD – 5 years**
 - **Monroe County – 8 years**
 - **Lakeland SD – 3 years**
 - **East Stroudsburg Univ – 4 years**
 - **Parkland SD – 14 years**
 - **Kutztown Univ - 8 years**
7. Fraser Advanced Information Systems offers a variety of value-added services that may be of interest to East Stroudsburg Area School District.
- **Business Data Recovery Services.** Fraser provides a unified service for backup of data, business continuity and disaster recovery with an integrated on-site appliance and a secure offsite cloud infrastructure. The program is managed as a service via a monthly subscription. Fees are determined based on the scope of the project.
 - **Cloud Services.** Fraser can help your business develop a strategy to bring the right components of your work environment to the cloud, helping you to increase productivity, work with more mobility and collaborate more freely. Fraser offers cloud services in a number of ways including data hosting, network performance monitoring, device monitoring, anti-virus and malware detection.
 - **Business IT Services.** With Fraser’s Business IT services, you can look to us to provide professional support for your computer network including servers, tablets, desktop and notebook computers, printers, switches, routers and firewall appliances. We focus on keeping your network systems functioning properly through remote monitoring of servers, computers and printers. With our Global Support Center, users can call our help desk and help manage your user accounts and monitor securely. Each month, your business is provided with a report on your network’s health and a summary of issues that were proactively managed.

- **IT Hardware.** Just as important as the network your information runs on is the hardware that makes your network fast, safe and reliable. Fraser offers a wide array of IT hardware including servers, desktop and notebook computers, switches, routers, firewall appliances Fraser Advanced Information Systems is proposing Sharp equipment for East Stroudsburg Area School District. All models proposed are the newest models available from Sharp.

Primary Configuration – Same Options per machine as presently configured

Proposed Systems	Number of Units
Sharp BP 50M26	6
Sharp BP 70M36	7
Sharp BP 70M75	11
Sharp MX-M1056	26
Sharp BP 70C31	2
Sharp BP 70C45	3
Total Units	55

Service and Maintenance Agreement

Fraser Advanced Information Systems agrees to perform service in a manner consistent with accepted industry standards and is defined as preventive maintenance, emergency calls, parts and all other services required to keep the devices full operational and maintained in good working order, including network printing, in the current environment. Fraser agrees to maintain complete service records detailing the device serviced, response time, time needed to affect the repair and the problem diagnosed. Fraser agrees to provide a backup (loaner) device should any repair take more than three (3) days to complete. Fraser agrees that any device experiencing more than three (3) service calls in a given month for the same issue will be replaced with a like-for-like device at no additional expense to the district at the discretion of the district and Fraser.

60 Month Lease FMV	Payment
5 yearly hardware payments of : Copies to be invoiced at .002778 Color copies to be invoiced at .00343	\$84,686.00
Papercut licensing and support included. All service, toner and maintenance are included	
Prices are fixed for 5 years	
TOTAL	\$84,686.00



Fraser Copier Costs & Counts 2016 - 2023

	<u>Lease</u>	<u>Copies</u>	<u>Maintenance</u>	<u>Total</u>	<u>Contract</u>
2016-2017	\$129,514.32	24,108,240	\$88,202.66	\$217,716.98	Fraser #1
2017-2018	\$129,514.32	22,877,366	\$84,121.32	\$213,635.64	Fraser #1
2018-2019	\$129,514.32	21,646,432	\$80,450.73	\$209,965.05	Fraser #1
2019-2020	\$90,703.59	23,081,640	\$68,237.92	\$158,941.51	Fraser #2
2020-2021	\$90,703.59	23,085,829	\$68,249.64	\$158,953.23	Fraser #2
2021-2022	\$90,703.59	22,789,123	\$67,132.98	\$157,836.57	Fraser #2
2022-2023	\$80,640.00	16,710,992	\$55,765.37	\$136,405.37	Fraser #2 - Extension
2023-2024	\$80,640.00	16,101,027*	\$54,921.18	\$135,561.18	Fraser #2 - Extension
2024-2025	\$84,686.00	15,718,333*	\$48,038.20	\$132,724.20	Proposed Fraser 5 Yr

*Estimated

2024 Copier Budget Projections FRASER COSTARS CONTRACT # 001-E23-97

Building	Sharp Model	Building	Location	Serial #	Equipment ID#	Annual Lease Amount	Cost Per Copy	Actual Copies 23 FISCAL	Maintenance Amt	2023 total
Account Number to Budget In --:						(448)			(438)	(=F+I)
Administration										
	MXM 1056	Admin	Mailroom	95000471	H9238	2,135.00	0.002798	260,665	729.34	2,864.34
	BP 70M75	Admin	Special Ed	8500164X	H9265	1,425.00	0.002798	94,744	265.09	1,690.09
	BP 70C45	Admin	Business Office (B/W)	95104852	H9279		0.002798	66,532	186.16	2,477.32
			COLOR			1,013.00	0.0343	38,732	1,278.16	-
	BP 70M36	Admin	Human Resources	85008621	H9273	786.00	0.002798	48,807	136.56	922.56
	BP 70M36	Admin	Food Services / Athletics	85008921	H9276	786.00	0.002798	39,781	111.31	897.31
	BP 70M36	Admin	Transportation	8500609X	H9280	786.00	0.002798	134,126	375.28	1,161.28
	BP 70M36	Admin	Child Accounting	8500410Y	H9277	682.00	0.002798	35,185	98.45	780.45
	BP 70C45	Admin	Superintendent's Office	95116911	H9278		0.002798	58,724	164.31	2,535.73
			COLOR			1,013.00	0.0343	39,604	1358.42	-
			Building Annual Lease Total			8,626.00			4,703.08	13,329.08
								Maintenance Cost Total:		
Bushkill Elementary										
	BP 70C45	Bushkill	Main Office (B/W)	95117171	H9285		0.002798	43,043	120.43	2,041.53
			COLOR			1,013.00	0.0343	26,475	908.09	-
	MXM 1056	Bushkill	Faculty Rm	95000351	H9239	2,135.00	0.002798	627,451	1,755.61	3,890.61
	MXM 1056	Bushkill	Faculty Rm	95000271	H9240	2,135.00	0.002798	605,609	1,694.49	3,829.49
			Building Annual Lease Total			5,283.00			4,478.63	9,761.63
								Maintenance Cost Total:		
High School North										
	BP 70M75	HS-North	Main Office	8500167X	H9271	1,425.00	0.002798	217,555	608.72	2,033.72
	BP 70C31	HS-North	Main Office (HSN/US) b/w	85083238	H9287		0.002798	16,222	45.39	1,801.95
			COLOR			878.00	0.0343	25,614	878.56	-
	BP 70M75	HS-North	Guidance	8500176X	H9266	1,425.00	0.002798	92,114	257.73	1,682.73
	MXM 1056	HS-North	Faculty Rm - 2nd Floor	85000129	H9241	2,125.00	0.002798	388,600	1,087.30	3,212.30
	MXM 1056	HS-North	Faculty Rm - 3rd Floor	95000511	H9242	2,135.00	0.002798	370,902	1,037.78	3,172.78
	MXM 1056	HS-North	Library WKrm	95000381	H9243	2,135.00	0.002798	238,836	668.26	2,803.26
	BP 50M26	HS-North	Café	85003905	H9286	488.00	0.002798	2,929	8.20	496.20
	BP 50M26	HS-North	Athletic Office	85001286	H9289	488.00	0.002798	8,900	24.90	512.90
	BP 50M26	HS-North	Receiving	85003005	H9284	488.00	0.002798	3,686	10.31	498.31
	BP 70C31	HS-North	Transportation North	85083238	H9247	878.00	0.002798			878.00
			Building Annual Lease Total			12,465.00			4,627.16	17,092.16
								Maintenance Cost Total:		
High School South										
	BP 70M75	HS-South	Main Office/Guidance	8500206Y	H9270	1,425.00	0.002798	236,966	663.03	2,088.03
	MXM 1056	HS-South	Library Hall	95000321	H9245	2,135.00	0.002798	626,876	1,754.00	3,889.00
	MXM 1056	HS-South	Library Hall	8500100Y	H9244	2,135.00	0.002798	470,397	1,316.17	3,451.17
	MXM 1056	HS-South	2nd Fl Maple Wing	95000371	H9246	2,135.00	0.002798	394,149	1,102.83	3,237.83
	MXM 1056	HS-South	3rd Fl Maple Wing	95000241	H9247	2,135.00	0.002798	506,881	1,418.25	3,553.25
	BP 70M36	HS-South	Athletics	8500409Y	H9274	786.00	0.002798	21,189	59.29	845.29
	BP 50M26	HS-South	Café	85004475	H9288	488.00	0.002798	8,900	24.90	512.90
	BP 50M26	HS-South	Receiving	85003996	H9290	878.00	0.002798	1,529	4.28	882.28
			Building Annual Lease Total			12,117.00			6,342.75	18,459.75
								Maintenance Cost Total:		
J.T Lambert										
	BP 70M36	JTL	Guidance	95008831	H9282	786.00	0.002798	47,169	131.98	917.98
	BP 70M75	JTL	Main Office	85002099	H9263	1,425.00	0.002798	73,615	205.97	1,630.97
	MXM 1056	JTL	Faculty Rm - 1st FL	95000391	H9248	2,135.00	0.002798	612,765	1,714.52	3,849.52
	MXM 1056	JTL	Faculty Rm - 2nd FL	95000301	H9249	2,135.00	0.002798	491,696	1,375.77	3,510.77
	MXM 1056	JTL	Faculty Rm - 3rd FL	8500092Y	H9250	2,135.00	0.002798	425,545	1,190.67	3,325.67
	BP 50M26	Bus Garage	Transportation Garage	85004006	H9283	488.00	0.002798	4,602	12.88	500.88
			Building Annual Lease Total			9,104.00			4,631.79	13,735.79
								Maintenance Cost Total:		
Lehman										
	BP 70M75	Lehman	Main Office	8500211Y	H9267	1,425.00	0.002798	102,235	286.05	1,711.05
	MXM 1056	Lehman	Faculty Rm - 2nd FL	95000481	H9251	2,135.00	0.002798	436,217	1,220.54	3,355.54
	MXM 1056	Lehman	Library	95000401	H9252	2,435.00	0.002798	388,905	1,088.16	3,223.16
	BP 70M36	Lehman	Guidance	8500427Y	H9275	786.00	0.002798	59,741	150.37	936.37
			Building Annual Lease Total			6,481.00			2,745.11	9,226.11
								Maintenance Cost Total:		
East Stroudsburg Elem.										
	BP 70M75	ESE	Main Office	8500212Y	H9264	1,425.00	0.002798	244,672	684.59	2,109.59
	MXM 1056	ESE	Faculty Rm - 1st FL	95000411	H9253	2,135.00	0.002798	531,413	1,486.89	3,621.89
	MXM 1056	ESE	Faculty Rm - 2nd FL	95000551	H9254	2,135.00	0.002798	661,177	1,849.97	3,984.97
	MXM 1056	ESE	Faculty Rm - 3rd FL	95000311	H9255	2,135.00	0.002798	572,061	1,600.63	3,735.63
			Building Annual Lease Total			7,830.00			5,622.09	13,452.09
								Maintenance Cost Total:		
Resica										
	BP 70M75	Resica	Main Office	8500215Y	H9269	1,425.00	0.002798	150,163	420.16	1,845.16
	MXM 1056	Resica	Pod	95000521	H9256	2,135.00	0.002798	505,875	1,415.44	3,550.44
	MXM 1056	Resica	Faculty Rm	95000331	H9257	2,135.00	0.002798	838,102	2,345.01	4,480.01
			Building Annual Lease Total			5,695.00			4,180.60	9,875.60
								Maintenance Cost Total:		
Middle Smithfield										
	BP 70M75	Middle	Main Office	8500216Y	H9268	1,425.00	0.002798	148,998	416.90	1,841.90
	MXM 1056	Middle	Faculty - 1st Floor	95000531	H9258	2,135.00	0.002798	772,373	2,161.10	4,296.10
	MXM 1056	Middle	Faculty - 2nd Floor	95000441	H9259	2,135.00	0.002798	577,359	1,615.45	3,750.45
			Building Annual Lease Total			5,695.00			4,193.45	9,888.45
								Maintenance Cost Total:		
JM Hill										
	BP 70M75	JMH	Main Office	85004560	H9272	1,425.00	0.002798	149,021	416.96	1,841.96
	MXM 1056	JMH	Faculty- Basement	95000341	H9260	2,135.00	0.002798	625,437	1,749.97	3,884.97
	MXM 1056	JMH	Faculty - 2nd Floor	95000421	H9262	2,135.00	0.002798	522,907	1,463.09	3,598.09
			Building Annual Lease Total			5,695.00			3,630.03	9,325.03
								Maintenance Cost Total:		
Smithfield										
	BP 70M75	SMI	Main Office	95000673	H9281	1,425.00	0.002798	231,767	648.48	2,073.48
	MXM 1056	SMI	Faculty	95000461	H9261	2,135.00	0.002798	798,795	2,235.03	4,370.03
	MXM 1056	SMI	NEW ADD			2,135.00	0.002798	0	0.00	2,135.00
			Building Annual Lease Total			5,695.00			2,883.51	8,578.51
								Maintenance Cost Total:		
									15,718.333	\$ 48,038.20
										\$ 132,724.20
Annual Lease Amount						\$ 84,686.00				
Total Maintenance						\$ 48,038.20				
Grand Total						\$ 132,724.20				

* Maintenance is contingent on amount of copies made.

VII. RECOMMENDATIONS BY THE PROPERTY/FACILITIES
COMMITTEE

- a. Feasibility Study - Science Playground for Resica and North

Science Playground Resolution

Whereas it has come to the attention of our Board that the children and students within our district could improve their academic performance in related subjects of science and math, and

Whereas our Board understands that Science Playgrounds help children learn scientific principles through play and related Science Playground apparatus, and

Whereas our Board understands that in general Science Playgrounds cost approximately the same as regular playgrounds, and.

Whereas there is no question that our children need to be better acquainted with science, technology and engineering and math and any supports that our District can give to achieve that objective are worthy of discussion of their feasibility, and.

Therefore, be it Resolved,

That our Board supports forming a special temporary committee to examine the feasibility of building two science playgrounds within our school district, one at Ressica Elementary and the second at the North Campus on Bushkill Road.

VII. RECOMMENDATIONS BY THE PROPERTY/FACILITIES
COMMITTEE

b. Current Project List.

		North HS Gym Floor 30-819-3072 Board Approved 4/20/2020		LIS Gym Floor Board Approved 6/22/2020 20-518-3072		Date		BES HVAC Upgrade Board Approved 12/20/2021 10-4600-450-990-10-211- 461-000-8744 ESSER III Grant YR1 PO#2400000849	
Vendor	2322	Miller Sports Construction	2322	Miller Sports Construction	3181	TRANE U.S. INC			
Original Bid		\$ 328,400.00		\$ 225,910.00		\$ 2,949,659.00			
	Alt Power Vent	\$ 10,800.00	Atl Power Vent	\$ 9,240.00					
Change Order	Chg Order	\$ 4,500.00	Disc.	\$ (7,210.00)					
Change Order									
Total of Project		\$ 343,700.00		\$ 227,940.00		\$ 2,949,659.00			
Letter of Commitment Prepaid Account					1/26/2022	\$ 19,771.00			
Application 1	PD to Miller	\$ 318,400.00	Ins paid	\$ (74,450.00)	4/26/2022	\$ 88,490.00			
Application 2	Deductible	\$ (10,000.00)	Deductible	\$ (5,000.00)	4/26/2022	\$ 58,993.00			
Application 3		\$ -	9/18/2020	\$ 159,558.00	4/26/2022	\$ 442,449.00			
Application 4	11/24/2020	\$ 10,000.00	2/18/2021	\$ 68,382.00	5/17/2022	\$ 442,449.00			
Application 5	1/12/2021	\$ 10,800.00	5/31/2021	\$ 58,382.00	11/30/2022	\$ 715,035.24			
Application 5									
Application 6	1/12/2021	\$ 4,500.00		\$ 11,068.00	2/27/2023	\$ 264,800.00			
Application 7					8/31/2023	\$ 300,021.12			
Application 8					8/31/2023	\$ 294,966.00			
Application 9					9/22/2023	\$ 194,966.00			
Application 10					10/25/2023	\$ 117,986.00			
Application 11					12/1/2023	\$ 29,503.64			
Application 12									
Application 13									
Application 14									
Application 15									
Application 16									
Total Payments to Date		\$ 333,700.00		\$ 217,940.00		\$ 2,969,430.00			
Left on Contract		\$ 10,000.00		\$ 10,000.00		\$ (19,771.00)			
Payment Completion Percentage		97%		96%		101%			
						A/C# 32-4400-450-000-10 211-461-000-0000			
D'Huy Engineering						Paid through Cap.Resv.			
1446					4/7/2022	\$ 2,000.00			
					6/30/2022	\$ 2,950.00			
					9/22/2022	\$ 990.02			
					10/24/2022	\$ 3,434.98			
					6/26/2023	\$ 666.70			
					9/29/2023	\$ 4,425.00			
					11/3/2023	\$ 666.70			
					12/4/2023	\$ 380.55			
						\$ 427.75			
		\$ -		\$ -		\$ 15,941.70			

EHN Natatorium Roof Replacement Board Approved 1/24/2022 10-4600-450-990-30-819-463-000-8744 ESSER III Grant YR1 ESSERS PO#23001261 \$729,500.00 CR \$154,900.00 PO#24000000839		EHN Natatorium HVAC Replacement Project#287033 Board Approved 1/24/2022 10-4600-450-990-30-819-465-000-8744 ESSER III Grant YR1 PO#2400000844		SME Roof Project 2023 Proposal #5050562 Subcontrator: David Maines & Assoc. Board Approved 6/20/2022 32-4600-450-000-10-216-000-000-3060 PO# 2400000837	
Date		Date		Date	
7281	Munn Roofing Split between ESSER / CR	7288	ASL Mechanical \$277,290.00 including Altermate#1 Replacement HX-5 \$183,700	3184	Weatherproofing Technologies Tremco Commercial Sealants & Waterproof \$1,862,357.67
	\$ 884,400.00		\$ 460,990.00		\$ 1,862,357.67
				CHG Ord BA 10/2	\$ (3,856.95)
	\$ 884,400.00		\$ 460,990.00		\$ 1,858,500.72
	\$ 105,986.70	6/14/2022	8,550.00	4/17/2023	\$ 24,944.06
	\$ 216,900.00	6/21/2022	\$ 5,580.00	8/31/2023	\$ 580,002.35
8/31/2023	\$ 147,228.30	6/30/2022	\$ 58,500.00	9/22/2023	\$ 580,002.35
8/31/2023	\$ 256,846.50	12/20/2022	\$ 106,200.00	10/27/2023	\$ 313,514.78
9/20/2023	2,448.50	8/31/2023	\$ 12,780.00		
9/22/2023	28,300.00				
	\$ 63,142.50	8/31/2023	\$ 9,000.00		
		9/22/2023	\$ 96,570.00		
		10/27/2023	\$ 41,040.00		
		12/4/2023	\$ 27,450.00		
	\$ 820,852.50		\$ 365,670.00		\$ 1,498,463.54
	\$ 63,547.50		\$ 95,320.00		\$ 360,037.18
	93%		79%		80%
	A/C# 32-4400-450-000-30-819-463-000-0000		A/C# 32-4400-450-000-30-819-461-000-0000		
	Paid through Cap.Resv.		Paid through Cap.Resv.		
1/12/2022	\$ 15,319.50	1/19/2022	\$ 5,250.00		
1/19/2022	\$ 5,106.50	2/14/2022	\$ 14,107.80		
2/14/2022	16718.8	3/10/2022	\$ 1,111.82		
3/10/2022	\$ 3,095.40	4/21/2022	\$ 501.33		
4/21/2022	\$ 3,095.40	5/17/2022	\$ 3,226.30		
5/17/2022	\$ 6,190.80	6/8/2022	\$ 833.51		
6/8/2022	\$ 1,575.19	6/30/2022	\$ 2,747.39		
6/30/2022	\$ 1,328.42	9/22/2022	\$ 1,070.01		
6/30/2022	\$ 1,192.47				
10/24/2022	\$ 2,309.23				
11/8/2022	\$ 720.05				
2/21/2023	\$ 1,102.21				
4/4/2023	\$ 451.93				
6/26/2023	\$ 631.46				
9/22/2023	\$ 1,566.27				
	\$ 60,403.63		\$ 28,848.16		\$ -

RES Elem HVAC Improvemnts ESSEER III 10-4600-450-990-10-215-461-000-8744 \$1,500,000.00 ESSEER ONLY Remaining out of Capital Reserve A/C#32-4600-450-000-10-215-461-000-3051		EHN Rooftop HVAC ESSEER III 10-4600-450-990-30-819-461-000-8744 \$3,539,010.00 ESSEER ONLY ??? Remaining out of Capital Reserve A/C 32-4600-450-000-000-30-819-461-000-3051		Date	EHS Flooring Replacment Board Approved 3/20/2023 32-4600-450-000-30-820-000-000-3080
	Trane		Trane	6554	Cope Commercial Flooring
	\$ 1,500,000.00		\$ 3,539,010.00		\$ 1,224,395.00
				10/23/2023 BA	\$ (52,930.40)
	\$ 1,500,000.00		\$ 3,539,010.00		\$ 1,171,464.60
ACH Tranf Prepaid	\$ 1,500,000.00	ACH Tranf Prepaid	\$ 2,530,135.00		
	\$ -		\$ -	5/31/2023	\$ 433,595.70
				6/26/2023	\$ 283,535.10
				8/31/2023	\$ 73,972.80
				8/31/2023	\$ 249,020.10
				9/22/2023	\$ 14,194.44
				10/27/2023	\$ 117,146.46
	\$ 1,500,000.00		\$ 2,530,135.00		\$ 1,171,464.60
	\$ -		\$ 1,008,875.00		\$ -
	100%		71%		96%
ACH Tranf/Trane	\$ 46,750.00			11/14/222	\$ 6,828.00
				12/31/2022	\$ 241.15
				12/31/2022	\$ 2,115.75
				2/27/2023	\$ 9,018.10
				4/4/2023	\$ 6,825.00
				4/21/2023	\$ 1,515.15
				6/26/2023	\$ 2,793.87
				6/26/2023	\$ 8,381.62
				8/18/2023	\$ 983.45
				9/22/2023	\$ 4,604.31
				9/29/2023	\$ 2,793.87
				10/31/2023	\$ 2,793.87
	\$ 46,750.00		\$ -	\$ 495,874.00	\$ 48,894.14

EHN R-Newals (Chiller) A/C# 32-4600-450-000-20- 518-008-000-3096 Board Approved 8/21/2023	Date	EHN Generator Replacement A/C# 32-4600-762-000-30- 819-000-000-3021 Board Approved 8/21/2023	Date	JTL Auditorium Flooring Board Approved 5/14/2023 Job# 335585 32-4600-450-000-20-517- 000-000-3080	Date
Trane				Cope Commercial Flooring	2459
\$ 194,977.50				\$ 16,200.00	
			BA 10/23/23	\$ 6,644.00	
			Retainage	\$ 2,284.40	
\$ 194,977.50		\$ -		\$ 25,128.40	
			1/3/2023	\$ 16,200.00	11/3/2023
			11/3/2023	\$ 6,644.00	
\$ -		\$ -		\$ 22,844.00	
\$ 194,977.50		\$ -		\$ 2,284.40	
0%		0%		91%	
	10/13/2023	\$ 309.35			
	10/13/2023	\$ 2,305.75			
	11/3/2023	\$ 2,589.80			
	12/4/2023	\$ 2,239.05			
		\$ 1,558.25			
\$ -		\$ 9,002.20			

Smithfield Sink Hole A/C#32-4100-710-000-10- 216-013-000-0000 Board Approved 9/18/2023	Date	RES / SME / MSE Main Door intercome System Board Approve 9/18/2023 32-2220-766-000-10-216- 000-000-3046 10- 215-766 10- 214-766	Total of Current Projects	
Northeast Site Contractors		Keystone fire and Ssecurity		
\$ 8,713.00		\$ 14,429.00	\$ 14,196,693.67	
			\$ 20,040.00	
			\$ (60,154.35)	
			\$ -	
\$ 8,713.00		\$ 14,429.00	\$ -	\$ 14,156,579.32
			\$ 4,049,906.00	
\$ 8,713.01			\$ 1,182,624.97	
			\$ 1,274,300.25	
			\$ 1,626,701.92	
			\$ 1,510,915.38	
			\$ 851,302.38	
			\$ 145,446.46	
			\$ 440,080.50	
			\$ 341,061.12	
			\$ 322,416.00	
			\$ 194,966.00	
			\$ 117,986.00	
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