

BLUE MOUNTAIN SCHOOL DISTRICT
SINGLE AUDIT REPORT
ORWIGSBURG, PENNSYLVANIA
FOR THE YEAR ENDED JUNE 30, 2023

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CERTIFIED PUBLIC ACCOUNTANTS

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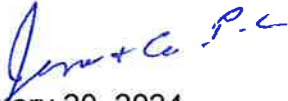
Board of School Directors
Blue Mountain School District
Orwigsburg, Pennsylvania

We have performed the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements, for Federal Awards (Uniform Guidance) of the Blue Mountain School District for the year ended June 30, 2023. Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements, for Federal Awards (Uniform Guidance) indicates that the auditee is responsible for ensuring appropriate submission of the audit reports to appropriate government officials.

The reporting packages must be submitted no later than nine months after the year end (March 31, 2024).

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

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


February 20, 2024
Pottsville, Pennsylvania

BLUE MOUNTAIN SCHOOL DISTRICT

LIST OF REPORT DISTRIBUTION

JUNE 30, 2023

- | | |
|---|---|
| 1 Single Audit Report and
Data Collection Form
Single Audit Clearing
Package Checklist | Must be submitted Via Electronic Mail (E-mail)
Commonwealth of Pennsylvania
Office of the Budget - Bureau of Audits,
Special Audit Services Division
RA-BAFMSingleAudit@pa.gov |
| 1 Single Audit Report and
Data Collection Form | Federal Audit Clearinghouse
Via Internet Website
www.fac.gov |
| 1 Single Audit Report | Schuylkill Intermediate Unit #29
Box 130, Second Floor
Marlin, PA 17951 |
| 1 Single Audit Report | Prothonotary Office
Schuylkill County Courthouse
401 North Second Street
Pottsville, PA 17901 |

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INDEPENDENT AUDITOR'S REPORT

Board of School Directors
Blue Mountain School District
Orwigsburg, Pennsylvania

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Blue Mountain School 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 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 Blue Mountain School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 10-21 and the schedule of the District's proportionate share of the net pension liability, the schedule of the District's contributions, the District's proportionate share of the net OPEB-PSERS liability, the schedule of the District's contributions - OPEB-PSERS, the schedule of the District's proportionate share of the OPEB liability and the schedule of District contributions – OPEB on pages 77-82 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplemental Information

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

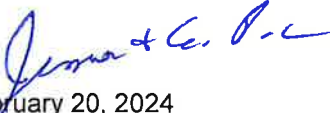
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 20, 2024, on our consideration of the Blue Mountain School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Blue Mountain School District's internal control over financial reporting and compliance.



February 20, 2024
Pottsville, Pennsylvania

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

Board of School Directors
Blue Mountain School District
Orwigsburg, 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 Blue Mountain School District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Blue Mountain School District's basic financial statements, and have issued our report thereon dated February 20, 2024.

Report on Internal Control over Financial Reporting

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

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

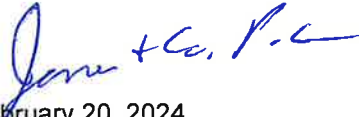
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in blue ink, appearing to read "Jones & Co. P.C.", is written above the date and location.

February 20, 2024
Pottsville, Pennsylvania

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

Board of School Directors
Blue Mountain School District
Orwigsburg, Pennsylvania

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

In our opinion, the Blue Mountain School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

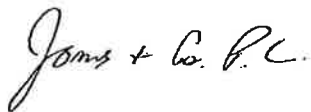
Report on Internal Control over Compliance

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.

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.



February 20, 2024
Pottsville, Pennsylvania

BLUE MOUNTAIN SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
FOR THE YEAR ENDED JUNE 30, 2023

The discussion and analysis of Blue Mountain School District’s financial performance provides an overview of the District’s financial activities for the fiscal year ended June 30, 2023. The discussion and analysis should be read in conjunction with the District’s accompanying financial statements, which immediately follow this section.

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

FINANCIAL HIGHLIGHTS

- Net assets increased by \$4,793,009, due to a profit of \$4,793,009. Program revenues accounted for \$9,838,863 or 19.58% of total revenues, and general revenues accounted for \$40,398,049 or 80.42%.
- The Board did not increase Real Estate taxes or Occupation Assessment Taxes for the 2022/2023 fiscal year. The district showed a decrease of \$519,898 or 1.88% over the prior year’s tax revenues.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – management’s discussion and analysis (this section), the basic financial statements, and supplementary information. The basic financial statements include two kinds of statements that present different views of the District. The first two statements are **District-wide financial statements** that provide both short-term and long-term information about the District’s overall financial status. The remaining statements are **fund financial statements** that focus on individual parts of the District, reporting the District’s operations in more detail than the District-wide statements. The governmental funds statements explain how basic services such as regular and special education were financed in the short-term as well as what remains for future spending. Proprietary fund statements offer short and long-term financial information about the activities the District operates like a business, such as food services. Fiduciary fund statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others, such as student activity funds and scholarship funds.

The financial statements also include notes that explain information in the statements and provide more detailed data.

BLUE MOUNTAIN SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
FOR THE YEAR ENDED JUNE 30, 2023

District-wide Statements

The District-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Assets includes all of the District’s assets and liabilities. All of the current year revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two District-wide statements report the District’s net assets and how they have changed. Net assets, the difference between the District’s assets and liabilities, are one way to measure the District’s financial health or position.

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

- **Governmental activities** – Most of the District’s basic services are included here, such as regular and special education, operation and maintenance of plant services, transportation and administration. Property taxes and state aid formula finance most of these activities.
- **Business-type activities** – The District charges fees to cover the cost of certain services it provides. The District’s food service is included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District’s funds, focusing on its most significant or “major” funds and not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. Some funds are required by state law and by bond covenants. The District establishes other funds to control and manage money for particular purposes, such as repaying its long-term debts.

The District has three types of funds:

- **Governmental funds** – Most of the District’s basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets can readily be converted into cash inflows and outflows and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District’s programs. Because this information does not encompass the long-term focus of the District-wide statements, we provide additional information with the governmental funds statements to explain the relationship between them.
- **Proprietary funds** – Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide statements. The District uses internal service funds to report activities, which provide services to the District’s other programs and activities. The District currently has one internal service fund for health and welfare benefits.

BLUE MOUNTAIN SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
FOR THE YEAR ENDED JUNE 30, 2023

- **Fiduciary funds** – The District is the trustee, or fiduciary, for assets that belong to others, such as the student activities fund. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the District’s fiduciary activities are reported in a separate statement of fiduciary net assets. The District excludes these activities from the District-wide financial statements because it cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net assets. The District’s combined net assets were more on June 30, 2023 when compared to the prior fiscal year. Total net position increased 8.90% during the year from \$(54,217,145) to \$(49,394,299) on June 30, 2023. (See Table A-1.)

**Table A-1
Blue Mountain School District
Fiscal Year Ended June 30, 2023
Statement of Net Position**

	Governmental Activities		Business-type Activities		Total	
	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>
Current and other assets	\$27,519,725	\$18,469,181	\$1,006,810	\$1,022,607	\$28,526,535	\$19,491,788
Capital assets	56,071,385	59,422,208	17,614	12,526	56,088,999	59,434,734
Deferred Outflows	(4,254,378)	(3,800,280)	0	0	(4,254,378)	(3,800,280)
Pension Obligation	7,562,148	4,166,244	128,852	70,755	7,691,000	4,236,999
OPEB District	4,636,356	4,169,695	183,737	189,531	4,820,093	4,359,226
OPEB PSERS	674,279	531,826	26,721	24,174	701,000	556,000
Total Assets	\$92,209,515	\$82,958,874	\$1,363,734	\$1,319,593	\$93,573,249	\$84,278,467
Long-term debt outstanding	106,551,743	105,372,756	1,375,845	1,407,290	107,927,588	106,780,046
Other Liabilities	13,453,014	8,653,754	272,539	210,737	13,725,553	8,864,491
Deferred Inflows	25,433,660	17,368,257	703,593	659,972	26,137,253	18,028,229
Total Liabilities	\$145,438,417	\$131,394,767	\$2,351,977	\$2,277,999	\$147,790,394	\$133,672,766
Invested in capital assets, net of related debt	13,675,204	16,747,666	17,614	12,526	13,692,818	16,760,192
Restricted for Capital Projects	6,547,258	2,879,569	0	0	6,547,258	2,879,569
Committed	2,675,000	2,675,000	0	0	2,675,000	2,675,000
Unrestricted (deficit)	(76,126,364)	(70,738,128)	(1,005,857)	(970,932)	(77,132,221)	(71,709,060)
Total Net Position	\$(53,228,902)	\$(48,435,893)	\$(988,243)	\$(958,406)	\$(54,217,145)	(49,394,299)

BLUE MOUNTAIN SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FOR THE YEAR ENDED JUNE 30, 2023

Table A-2
Blue Mountain School District
Fiscal Year Ended June 30, 2023
Statement of Activities

	Governmental Activities		Business-type Activities		Total	
	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>
Revenues						
Program Revenues						
Charges for services	\$262,440	\$218,754	\$239,309	\$700,982	\$501,749	\$919,736
Operating, Capital grants and contributions	8,412,172	9,620,109	1,618,182	987,939	10,030,354	10,608,048
General Revenues						
Property taxes and other taxes levied for general purposes	27,690,888	27,170,990	0	0	27,690,888	27,170,990
State formula aid	10,805,202	11,996,749	0	0	10,805,202	11,996,749
Investment Income	62,888	318,285	1,001	14,319	63,889	332,604
Other	215,829	912,025	69,104	70,986	284,933	983,011
Transfer	0	0	0	0	0	0
Total Revenues	47,449,419	50,236,912	\$1,927,596	\$1,774,226	\$49,377,015	\$52,011,138
Expenses						
Instruction	26,519,217	27,593,860	0	0	26,519,217	27,593,860
Instructional student support	2,391,000	2,336,783	0	0	2,391,000	2,336,783
Administration	5,976,213	6,194,279	0	0	5,976,213	6,194,279
Operation and maintenance of plant services	3,497,576	3,379,625	0	0	3,497,576	3,379,625
Pupil Transportation	2,984,558	3,050,997	0	0	2,984,558	3,050,997
Student Activities	893,945	978,777	0	0	893,945	978,777
Community Services	339,847	351,655	0	0	339,847	351,655
Facilities, Construction and Improvements	80,982	131,202			80,982	131,202
Interest	1,456,754	1,426,725	0	0	1,456,754	1,426,725
Food Service	0	0	1,600,980	1,744,389	1,600,980	1,744,389
Transfer	0	0	0	0	0	0
Total Expenses	44,140,092	45,443,903	\$1,600,980	\$1,744,389	45,741,072	47,188,292
Increase (Decrease) in net assets	\$3,309,327	\$4,793,009	\$326,616	\$29,837	\$3,635,943	\$4,822,846

Statement of Activities. The District's total revenues were \$52,011,138 for the year ended June 30, 2023. (See Table A-2.) Property taxes and other taxes levied for general purposes continue to account for most of the District's revenue in the amount of \$27,170,990 or 52.24% of total revenues. Another 23.07% or \$11,996,749 came from state formula aid, which includes basic education and student transportation subsidies. Approximately 20.40% or \$10,608,048 came from operating grants and contributions, with the remainder of \$2,235,351 or 4.30% coming from fees charged for services and other miscellaneous sources.

BLUE MOUNTAIN SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
FOR THE YEAR ENDED JUNE 30, 2023

The total cost of all programs and services was \$47,188,292. (See Table A-2). The majority of the District’s costs in the amount of \$29,930,643 or 63.43% were directly related to instruction. Student support services (transportation, food service, student activities) accounted for \$5,774,163 or 12.24%. The remaining costs of \$11,483,486 or 24.34% included administration, operation and maintenance of plant services, community services, and interest. Total revenue exceeded expenditures, increasing net assets by \$4,822,846.

Figure A-4 Sources of Blue Mountain School District Revenues for Fiscal Year 2022

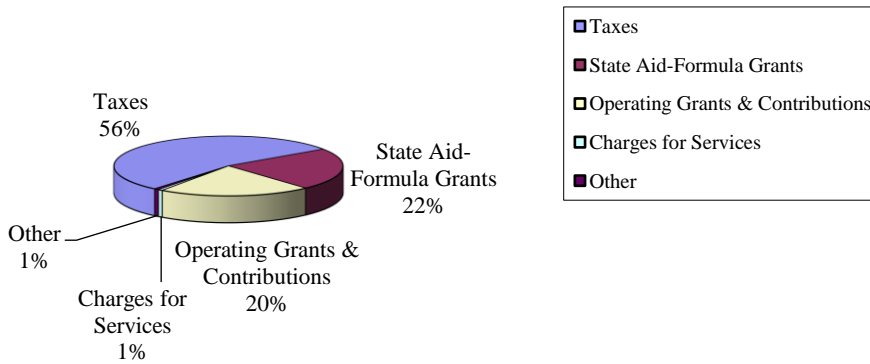
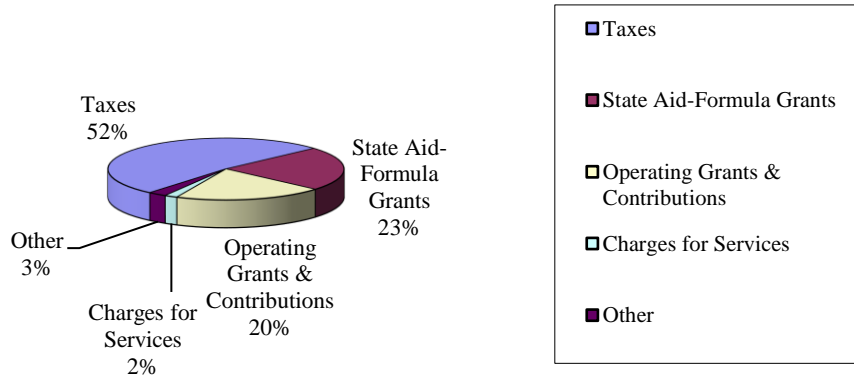


Figure A-5 Sources of Blue Mountain School District Revenues for Fiscal Year 2023



BLUE MOUNTAIN SCHOOL DISTRICT
 MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
 FOR THE YEAR ENDED JUNE 30, 2023

Figure A-7 Blue Mountain School District Expenses for Fiscal Year 2022

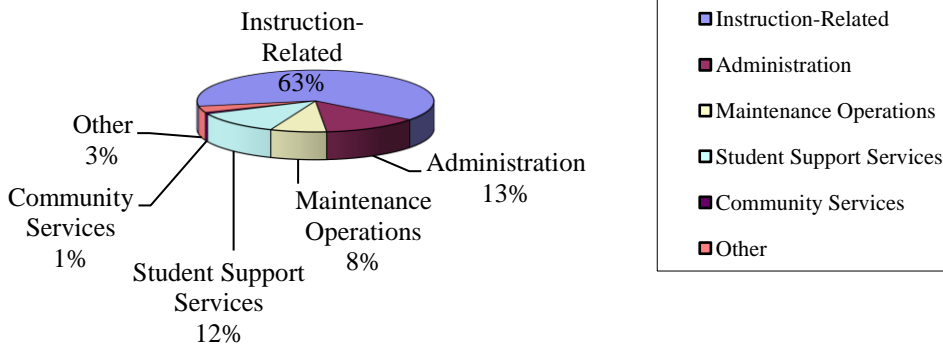
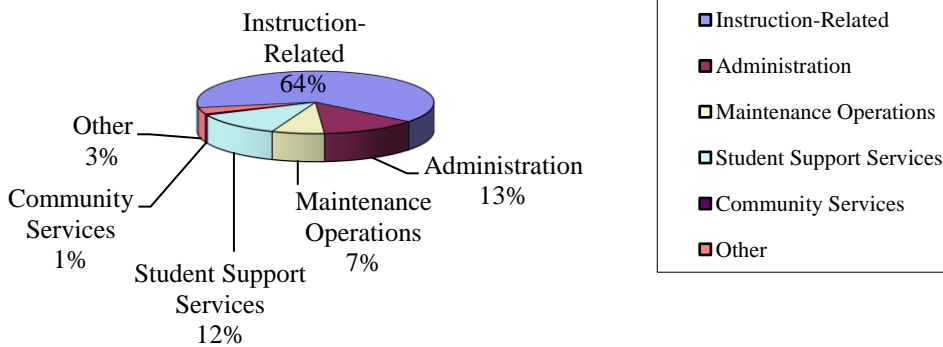


Figure A-7 Blue Mountain School District Expenses for Fiscal Year 2023



BLUE MOUNTAIN SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
FOR THE YEAR ENDED JUNE 30, 2023

The cost of all District activities was \$47,188,292. (See Table A-2).

- Some of the cost was paid by the users of the District’s programs (\$919,736).
- Federal and state governments subsidized certain programs with grants and contributions (\$10,608,048).
- Most of the District’s costs (\$40,483,354), however, were paid for by District taxpayers and taxpayers of our state.
 - This portion of governmental activities was paid for with \$27,170,990 in taxes, \$11,996,749 of state aid based on the statewide education aid formula and with investment earnings and other general revenues.

Total Cost of Services for the District increased by 3.16% while the Net cost of Services increased by 1.28%.

Blue Mountain School District
Fiscal Year Ended June 30, 2023
Net Cost of Activities

	Total Cost of Services		Percentage Change	Net Cost of Services		Percentage Change
	<u>2022</u>	<u>2023</u>	<u>2022-2023</u>	<u>2022</u>	<u>2023</u>	<u>2022-2023</u>
Instruction	\$26,519,217	\$27,593,860	4.05%	\$21,691,945	\$21,381,054	(1.43)%
Instructional Student Support	2,391,000	2,336,783	(2.27)%	2,033,684	1,969,705	(3.15)%
Administration	5,976,213	6,194,279	3.65%	5,454,781	5,610,259	2.85%
Operation and maintenance of plant services	3,497,576	3,379,625	(3.37)%	3,267,240	3,123,750	(4.39)%
Pupil transportation	2,984,558	3,050,997	2.23%	1,166,260	1,579,944	35.47%
Student activities	893,945	978,777	9.49%	603,471	632,126	(4.75)%
Community services	339,847	351,655	3.47%	319,266	329,029	3.06%
Interest	1,456,754	1,426,725	(2.06)%	847,851	847,971	0.01%
Food service	1,600,980	1,744,389	8.96%	(256,511)	55,468	(121.62)%
Facilities, Construction & Improvements	80,982	131,202	62.01%	80,982	131,202	62.01%
	<u>\$45,741,072</u>	<u>\$47,188,292</u>	<u>3.16%</u>	<u>\$35,208,969</u>	<u>\$35,660,508</u>	<u>1.28%</u>

BLUE MOUNTAIN SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
FOR THE YEAR ENDED JUNE 30, 2023

FINANCIAL ANALYSIS OF THE DISTRICT’S FUNDS

The District’s governmental funds reported a combined fund balance of \$8,728,706, a decrease of \$4,399,291 from the prior year. The schedule below summarizes the fund balances and the total change in fund balances as of June 30, 2022 and 2023:

	Fund Balance 6/30/2022	Fund Balance 6/30/2023	Increase (Decrease)
General	\$ 6,580,739	\$ 5,849,136	\$(731,603)
Capital Projects	5,197,867	1,405,560	(3,792,307)
Capital Reserve	1,349,391	1,474,010	124,619
Total	\$13,127,997	\$8,728,706	\$ (4,399,291)

GENERAL FUND

The following schedule provides a summary of General Fund revenues and other financing sources:

	Year Ended 6/30/2022	Year Ended 6/30/2023	Increase (Decrease)	% Change
Local Sources				
Taxes	\$27,878,628	\$27,396,533	\$(482,095)	(1.73)%
Interest	28,384	173,905	145,521	512.69%
Other	7,225,464	1,845,324	(5,380,140)	(74.46)%
State Sources	17,579,674	18,610,641	1,030,967	5.86%
Federal Sources	1,055,851	2,286,325	1,230,474	116.54%
Total Revenue	53,768,001	50,312,728	(3,455,273)	(6.43)%

BLUE MOUNTAIN SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
FOR THE YEAR ENDED JUNE 30, 2023

General Fund revenue decreased by \$3,455,273 or 6.43%, from the previous year. Overall, tax collections have decreased \$482,095 or 1.73%. Real estate tax revenue decreased \$251,606 or 1.20%. There was an increase in the earned income tax collection from the prior year in the amount of \$56,087 or 1.76%. The occupation assessment tax remained the same at \$230 and income from this tax decreased by \$10,913 or 0.68% from the prior year.

Revenues from state sources represent an increase of \$1,030,967 or 5.86% from the previous year. The Basic education subsidy increased in the amount of \$719,394 or 8.52%. The Special education subsidy increased in the amount of \$255,804 or 16.82%. As some fixed expenditures increase for the district, the state reimburses school districts for a portion of those costs. The major expenses the state contributes money towards are transportation, which the reimbursement decreased by \$349,031 or 19.30% over the prior year, retirement, which increased by \$184,806 or 5.68% and social security, which increased by \$33,638 or 4.79%. Transportation revenues are driven by a state formula while social security and retirement are solely reimbursed on the size of the overall payroll. Revenues from federal sources represent an increase of \$1,230,474 or 116.54%.

The following schedule presents a summary of General Fund expenditures and other financing uses:

	Year Ended 6/30/2022	Year Ended 6/30/2023	Increase (Decrease)	% Change
Salaries	\$17,954,744	\$18,855,835	\$901,091	5.02%
Employee Benefits	13,134,644	14,008,995	874,351	6.66%
Purchased Services	10,410,674	9,527,837	(882,837)	(8.48)%
Supplies, Material, Equipment	1,563,862	3,710,190	2,146,328	137.25%
Debt Service	4,193,383	4,416,842	223,459	5.33%
Other Expenditures	6,077,665	524,631	(5,553,034)	(91.37)%
Total Expenditures	53,334,972	51,044,330	(2,290,642)	(4.29)%

Total General Fund expenditures decreased \$2,290,642 or 4.29% from the previous year. This decrease can be attributed to the fact that no General Obligation Bond refunding was done this year unlike the previous year.

BLUE MOUNTAIN SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
FOR THE YEAR ENDED JUNE 30, 2023

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the District reviews expenditures and makes appropriate adjustments to cover unexpected expenditures in the annual operating budget due to increases in appropriations of significant budgeted costs.

The District’s final budget for the General Fund anticipated that expenditures and other financing uses would be \$424,549 greater than revenues and other financing sources, with the balance of revenues to be taken from the unassigned fund balance. Actual results show that expenditures and other financing sources exceeded revenues and other financing uses by \$731,602.

CAPITAL PROJECTS FUND

The Capital Projects Fund was established in the 2008/2009 year to account for the proceeds of our \$20,000,000 bond issue which was borrowed to fund the Elementary East building renovation and improvement project. The Capital Projects Fund starting with the 2020/2021 year is being used to account for the proceeds of our \$20,000,000 bond issue which was borrowed to fund the construction of the West Elementary building. An additional \$6,513,583 bond was issued in 2021/2022 to fund the construction of the West Elementary building which was also deposited to the Capital Projects Fund.

CAPITAL ASSETS

The District invested \$109,733,451 in a broad range of capital assets, including school buildings, computer, and audio-visual equipment. (See Table A-8) Total depreciation expense for the year totaled \$1,832,522.

Table A-8
Blue Mountain School District
Fiscal Year Ended June 30, 2023
Capital Assets

	Governmental		Business-type		Totals		Percentage Change
	Activities	Activities	Activities	Activities	Activities	Activities	
	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2021-2022</u>
Construction in Progress	\$22,167,291	\$25,724,214	\$0	\$0	\$22,167,291	\$25,724,214	16.05%
Land	\$9,396,742	\$9,396,742	\$0	\$0	\$9,396,742	\$9,396,742	0%
Building and Building Improvements	59,390,965	60,419,260	0	0	59,390,965	60,419,260	1.73%
Furniture and Equipment	13,411,519	14,004,558	188,677	188,677	13,600,196	14,193,235	4.36%
Less: Accumulated Depreciation	(48,295,132)	(50,122,567)	(171,063)	(176,151)	(48,466,195)	(50,298,718)	3.78%
Total	\$56,071,385	\$59,422,207	\$17,614	\$12,526	\$56,088,999	\$59,434,733	5.97%

BLUE MOUNTAIN SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
FOR THE YEAR ENDED JUNE 30, 2023

LONG-TERM LIABILITIES

At year-end, the District had \$42,310,000 in general obligation bonds, a decrease of 6.96% from last year. (See Table A-9). The implementation of GASB 45 required the District to account for estimated liabilities for future post employment benefits.

The total of \$(2,050,584) represents the difference between the estimated annual cost and the amount paid.

GENERAL FUND				
	<u>Totals</u>		<u>% Change</u>	
	<u>2022</u>	<u>2023</u>	<u>Increase (Decrease)</u>	<u>2022-2023</u>
General Obligation Bonds	\$45,475,000	\$42,310,000	\$(3,165,000)	(6.96)%
Capital Leases	168,370	364,541	196,171	116.51%
Compensated Absences	1,439,013	1,433,939	(5,074)	(0.35)%
Other Postemployment Benefit Obligation	9,284,367	7,923,054	(1,361,313)	(14.66)%
Other Postemployment Benefit Obligation-PSERS	2,850,054	2,160,783	(689,271)	(24.18)%
Accrued pension obligation	50,582,129	53,770,808	3,188,679	6.30%
Total	<u>\$109,798,933</u>	<u>\$107,963,125</u>	<u>(1,835,808)</u>	<u>(1.67)%</u>

FACTORS BEARING ON THE DISTRICT’S FUTURE

The district is experiencing a slower growth phase in the residential housing market due to the economic downturn. The Blue Mountain School District is comprised of nine (9) boroughs and townships and is mainly a residential community with minimal support from commercial/manufacturing development.

The professional staff’s collective bargaining agreement is in place through June 30, 2028. The service personnel have a collective bargaining agreement through June 30, 2026.

Act 1 continues to pose an additional concern to the financial structure of the District. The administration will continue to monitor its contractual obligations and seek alternative revenue sources for maintaining the financial credibility of the Blue Mountain School District. Residential property tax is the mainstay of the district’s tax base. During 2022-2023 Real Estate Taxes comprised 41 percent of revenues collected.

Costs related to the District’s contribution to the Pennsylvania School Employees Retirement System (PSERS) started to climb in 2010-2011 and are expected to increase over the next 10 years. Rates increased from 5.64 percent in 2010-2011 to 8.65 percent in 2011-2012, 12.36 percent in 2012-2013, 16.93 percent for 2013-2014,

BLUE MOUNTAIN SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
FOR THE YEAR ENDED JUNE 30, 2023

21.40 percent for 2014-2015, 25.84 percent for 2015-2016, 30.03 percent for 2016-2017, 32.57 percent for 2017-2018, 33.43 percent for 2018-2019, 34.29 percent for 2019-2020, 34.51 for 2020-2021, 34.94 percent for 2021-2022 and 35.26 percent for 2022-2023.

In 2011-2012 the District implemented a self-insured health plan. Self-insured health costs are difficult to forecast. To smooth the impact of these increases and decreases in costs, the District established a health insurance trust.

The District will continue to face budget challenges as federal, state and local revenue sources are projected to remain stagnant or decline.

CONTACTING THE DISTRICT’S FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District’s finances and to show the Board’s accountability for the money it receives. If you have questions about this report or wish to request additional financial information please contact Amy Tomalavage, Business Administrator, at the Blue Mountain School District, 685 Red Dale Road, Orwigsburg, Pennsylvania 17961, (570)-366-0515.

BLUE MOUNTAIN SCHOOL DISTRICT
STATEMENT OF NET POSITION (DEFICIT)

JUNE 30, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
CURRENT ASSETS			
Cash and investments	\$ 10,362,861	\$ 890,946	\$ 11,253,807
Taxes receivable, net	3,391,903	0	3,391,903
Accounts receivable	147	7	154
Internal balances	80,529	69,489	150,018
Intergovernmental receivables	3,562,514	0	3,562,514
Other receivables	76,953	95	77,048
Prepaid expenses	994,274	46,098	1,040,372
Inventories	0	15,972	15,972
TOTAL CURRENT ASSETS	18,469,181	1,022,607	19,491,788
NON-CURRENT ASSETS			
Construction in Progress	25,724,214	0	25,724,214
Land	9,396,742	0	9,396,742
Building and improvements (net acc dep)	22,570,283	0	22,570,283
Furniture and equipment (net acc dep)	1,019,029	12,526	1,031,555
Site improvements (net acc dep)	711,940	0	711,940
TOTAL NON-CURRENT ASSETS	59,422,208	12,526	59,434,734
TOTAL ASSETS	77,891,389	1,035,133	78,926,522
DEFERRED OUTFLOWS OF RESOURCES			
Pension obligation	4,166,244	70,755	4,236,999
OPEB District	4,169,695	189,531	4,359,226
OPEB PSERS	531,826	24,174	556,000
TOTAL DEFERRED OUTFLOWS OF RESOURCES	8,867,765	284,460	9,152,225
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 86,759,154	\$ 1,319,593	\$ 88,078,747
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION (DEFICIT)			
CURRENT LIABILITIES			
Internal balance	\$ 69,347	\$ 77,458	\$ 146,805
Accounts payable	694,698	17,264	711,962
Intergovernmental payables	0	1,129	1,129
Accrued salaries and benefits	2,214,562	33,150	2,247,712
Payroll deductions and withholdings	1,860,329	0	1,860,329
Current portion of long-term debt	2,590,369	0	2,590,369
Accrued interest	621,281	0	621,281
Claims lag	603,168	46,098	649,266
Other current liabilities	0	35,638	35,638
TOTAL CURRENT LIABILITIES	8,653,754	210,737	8,864,491
NON-CURRENT LIABILITIES			
Bonds payable	39,870,000	0	39,870,000
Lease purchase obligations	214,172	0	214,172
Other postemployment benefit obligations	7,923,054	360,137	8,283,191
Other postemployment benefit obligations - PSERS	2,160,783	98,217	2,259,000
Accrued pension obligation	53,770,808	913,192	54,684,000
Long-term portion of compensated absences	1,433,939	35,744	1,469,683
TOTAL NON-CURRENT LIABILITIES	105,372,756	1,407,290	106,780,046
TOTAL LIABILITIES	114,026,510	1,618,027	115,644,537
DEFERRED INFLOWS OF RESOURCES	21,168,537	659,972	21,828,509
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	135,195,047	2,277,999	137,473,046
NET POSITION (DEFICIT)			
Invested in capital assets, net of related debt	16,747,666	12,526	16,760,192
Restricted	2,879,569	0	2,879,569
Committed	2,675,000	0	2,675,000
Unrestricted (Deficit)	(70,738,128)	(970,932)	(71,709,060)
TOTAL NET POSITION (DEFICIT)	(48,435,893)	(958,406)	(49,394,299)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION (DEFICIT)	\$ 86,759,154	\$ 1,319,593	\$ 88,078,747

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

BLUE MOUNTAIN SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES							
Instruction	\$ 27,593,860	\$ 73,727	\$ 6,139,079	\$ 0	\$ (21,381,054)	\$ 0	\$ (21,381,054)
Instructional student support	2,336,783	0	367,078	0	(1,969,705)	0	(1,969,705)
Administrative and financial support services	6,194,279	0	584,020	0	(5,610,259)	0	(5,610,259)
Operation and maintenance of plant services	3,379,625	0	255,875	0	(3,123,750)	0	(3,123,750)
Pupil transportation	3,050,997	0	1,471,053	0	(1,579,944)	0	(1,579,944)
Student activities	978,777	145,027	201,624	0	(632,126)	0	(632,126)
Community services	351,655	0	22,626	0	(329,029)	0	(329,029)
Facilities, construction and improvements	131,202	0	0	0	(131,202)	0	(131,202)
Interest on long-term debt	1,426,725	0	0	578,754	(847,971)	0	(847,971)
TOTAL GOVERNMENTAL ACTIVITIES	45,443,903	218,754	9,041,355	578,754	(35,605,040)	0	(35,605,040)
BUSINESS-TYPE ACTIVITIES							
Food services	1,744,388	700,982	1,056,401	0	0	12,995	12,995
TOTAL PRIMARY GOVERNMENT	47,188,291	919,736	10,097,756	578,754	(35,605,040)	12,995	(35,592,045)
GENERAL REVENUES AND TRANSFERS							
Taxes:							
Property taxes, levied for general purposes, net					21,408,485	0	21,408,485
Public utility, realty, earned income and miscellaneous taxes levied for general purposes, net					5,762,505	0	5,762,505
Grants, subsidies, and contributions not restricted					11,996,749	0	11,996,749
Investment earnings					318,285	14,318	332,603
Transfers					0	0	0
Miscellaneous					912,025	2,524	914,549
TOTAL GENERAL REVENUES AND TRANSFERS					40,398,049	16,842	40,414,891
CHANGE IN NET ASSETS					4,793,009	29,837	4,822,846
NET POSITION (DEFICIT) - BEGINNING					(53,228,902)	(988,243)	(54,217,145)
NET POSITION (DEFICIT) - ENDING					\$ (48,435,893)	\$ (958,406)	\$ (49,394,299)

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

BLUE MOUNTAIN SCHOOL DISTRICT

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2023

	<u>General</u>	<u>Capital Projects</u>	<u>Capital Reserve</u>	<u>Total Governmental Funds</u>
ASSETS AND DEFERRED				
OUTFLOWS OF RESOURCES				
Cash and investments	\$ 5,812,537	\$ 1,629,079	\$ 1,519,156	\$ 8,960,772
Taxes receivable, net	3,391,903	0	0	3,391,903
Due from other funds	77,458	14,050	4,779	96,287
Intergovernmental receivables	3,562,514	0	0	3,562,514
Other receivables	<u>76,953</u>	<u>0</u>	<u>0</u>	<u>76,953</u>
TOTAL ASSETS	<u>12,921,365</u>	<u>1,643,129</u>	<u>1,523,935</u>	<u>16,088,429</u>
DEFERRED OUTFLOWS OF				
RESOURCES				
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL ASSETS AND DEFERRED				
OUTFLOWS OF RESOURCES	<u>\$ 12,921,365</u>	<u>\$ 1,643,129</u>	<u>\$ 1,523,935</u>	<u>\$ 16,088,429</u>
 LIABILITIES, DEFERRED INFLOWS				
OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Due to other funds	\$ 88,176	\$ 0	\$ 0	\$ 88,176
Intergovernmental payables	0	0	0	0
Accounts payable	407,203	0	49,925	457,128
Contracts payable	0	237,569	0	237,569
Accrued salaries and benefits	2,214,562	0	0	2,214,562
Payroll deductions and withholdings	1,860,329	0	0	1,860,329
Deferred revenue	<u>2,501,959</u>	<u>0</u>	<u>0</u>	<u>2,501,959</u>
TOTAL LIABILITIES	<u>7,072,229</u>	<u>237,569</u>	<u>49,925</u>	<u>7,359,723</u>
DEFERRED INFLOWS OF RESOURCES	0	0	0	0
FUND BALANCES				
Committed:				
Athletic fund	41,000	0	0	41,000
Health care costs	250,000	0	0	250,000
Retirement	1,300,000	0	0	1,300,000
Educational programs	300,000	0	0	300,000
Capital Improvements	784,000	0	0	784,000
Restricted:				
Capital projects	0	1,405,560	0	1,405,560
Capital reserve	0	0	1,474,010	1,474,010
Unassigned	<u>3,174,136</u>	<u>0</u>	<u>0</u>	<u>3,174,136</u>
TOTAL FUND BALANCES	<u>5,849,136</u>	<u>1,405,560</u>	<u>1,474,010</u>	<u>8,728,706</u>
TOTAL LIABILITIES, DEFERRED				
INFLOWS OF RESOURCES AND				
FUND BALANCES				
	<u>\$ 12,921,365</u>	<u>\$ 1,643,129</u>	<u>\$ 1,523,935</u>	<u>\$ 16,088,429</u>

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

BLUE MOUNTAIN SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION (DEFICIT)

GOVERNMENTAL FUNDS

AS OF JUNE 30, 2023

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	\$	8,728,706
<p>Amounts reported for governmental activities in the statement of net assets are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.</p>		
Cost of capital assets		109,544,774
Less: accumulated depreciation		<u>(50,122,567)</u>
		59,422,207
<p>Long-term liabilities, including bonds payable, are not due and payable in the current period and are not reported as liabilities in the funds.</p>		
Bond payable		(42,310,000)
Accrued compensated absences		(1,433,939)
Other postemployment benefit obligation		(7,923,054)
Other postemployment benefit obligation - PSERS		(2,160,783)
Deferred outflows (inflows)		(8,500,491)
Pension obligation		(53,770,808)
Capital leases payable		<u>(364,541)</u>
		(116,463,616)
<p>Delinquent property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures and are, therefore, deferred in the funds.</p>		
		2,501,958
<p>Governmental funds report debt issuance premiums and discounts as an other financing source or use at the time of issuance. Premiums, discounts, and deferred charges are reported as an unamortized asset or liability in the District-wide financial statements.</p>		
		(3,800,280)
<p>Governmental funds do not report a liability for accrued interest until due and payable.</p>		
		(621,281)
<p>Activities of internal service funds properly included within governmental activities.</p>		
		<u>1,796,413</u>
TOTAL NET POSITION (DEFICIT) - GOVERNMENTAL ACTIVITIES	\$	<u>(48,435,893)</u>

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

BLUE MOUNTAIN SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES

ALL GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2023

	General	Capital Projects	Capital Reserve	Total Governmental Funds
REVENUES				
Local sources	\$ 29,075,621	\$ 128,391	\$ 30,040	\$ 29,234,052
State sources	18,610,641	0	0	18,610,641
Federal sources	2,286,325	0	0	2,286,325
TOTAL REVENUES	49,972,587	128,391	30,040	50,131,018
EXPENDITURES				
Instructional	28,180,100	0	0	28,180,100
Support services	15,809,472	0	0	15,809,472
Operation of non-instructional services	1,356,287	0	0	1,356,287
Capital outlay	803,430	3,556,923	320,200	4,680,553
Refund of prior year receipts	4,741	0	0	4,741
Leases	58,680	0	0	58,680
Debt service	4,416,842	363,775	0	4,780,617
TOTAL EXPENDITURES	50,629,552	3,920,698	320,200	54,870,450
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(656,965)	(3,792,307)	(290,160)	(4,739,432)
OTHER FINANCING SOURCES (USES)				
Proceeds from Leases	330,641	0	0	330,641
Interfund Transfers - In	0	0	414,779	414,779
Insurance Recoveries	9,500	0	0	9,500
Interfund Transfers - Out	(414,779)	0	0	(414,779)
TOTAL OTHER FINANCING SOURCES (USES)	(74,638)	0	414,779	340,141
NET CHANGE IN FUND BALANCES	(731,603)	(3,792,307)	124,619	(4,399,291)
FUND BALANCES - BEGINNING	6,580,739	5,197,867	1,349,391	13,127,997
FUND BALANCES - ENDING	\$ 5,849,136	\$ 1,405,560	\$ 1,474,010	\$ 8,728,706

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

BLUE MOUNTAIN SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO STATEMENT OF ACTIVITIES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2023

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS \$ (4,399,291)

Governmental funds report capital outlays as expenditures. In the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. 3,350,823

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. 3,422,927

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (10,355)

Because some property taxes will not be collected for several months after the District's year end, they are not considered as available revenues in the governmental funds. (229,506)

Postemployment benefits are recognized when they are paid on the fund statements. With the implementation of GASB #45, an estimated liability for future benefits due will be phased in over several years. This amount represents the difference between the estimated annual cost and the amount paid. 2,922,290

Some expenses reported in the Statement of Activities, such as compensated absences, do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. 5,074

An internal service fund is used by the District's management to charge the cost of health insurance to the individual funds. The net revenue of the internal service fund is recognized in governmental activities. (268,953)

CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES **\$ 4,793,009**

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

BLUE MOUNTAIN SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Local sources	\$ 26,617,934	\$ 26,617,934	\$ 29,075,621	\$ 2,457,687
State sources	19,123,656	19,123,656	18,610,641	(513,015)
Federal sources	1,219,289	1,219,289	2,286,325	1,067,036
TOTAL REVENUES	<u>46,960,879</u>	<u>46,960,879</u>	<u>49,972,587</u>	<u>3,011,708</u>
EXPENDITURES				
Regular programs	17,298,440	17,298,440	18,008,285	(709,845)
Special programs	7,906,053	7,886,053	8,398,372	(512,319)
Vocational programs	1,722,845	1,722,845	1,733,064	(10,219)
Other instructional programs	6,845	6,845	37,430	(30,585)
Non-public school programs	0	0	2,949	(2,949)
Pupil personnel services	1,748,962	1,786,642	1,788,424	(1,782)
Instructional staff services	758,142	720,462	720,014	448
Administrative services	3,023,780	3,023,030	2,987,347	35,683
Pupil health	895,706	915,656	904,209	11,447
Business services	613,709	613,309	624,679	(11,370)
Operation and maintenance of plant services	3,990,541	3,989,041	3,801,156	187,885
Student transportation services	2,641,260	2,641,260	3,058,327	(417,067)
Central and other support services	1,503,625	1,506,325	1,925,316	(418,991)
Student activities	930,931	930,931	991,450	(60,519)
Community services	241,545	241,545	364,837	(123,292)
Building Acquis & Construction Services	0	0	803,430	(803,430)
Existing Building Improvement Services	0	0	0	0
Debt service (principal and interest)	4,053,044	4,053,044	4,480,263	(427,219)
TOTAL EXPENDITURES	<u>47,335,428</u>	<u>47,335,428</u>	<u>50,629,552</u>	<u>(3,294,124)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(374,549)</u>	<u>(374,549)</u>	<u>(656,965)</u>	<u>(282,416)</u>
OTHER FINANCING SOURCES (USES)				
Interfund transfers	0	0	(414,779)	(414,779)
Proceeds from Leases	0	0	330,641	330,641
Insurance Recoveries	0	0	9,500	9,500
Budgetary reserve	(50,000)	(50,000)	0	50,000
TOTAL OTHER FINANCING SOURCES (USES)	<u>(50,000)</u>	<u>(50,000)</u>	<u>(74,638)</u>	<u>(24,638)</u>
NET CHANGE IN FUND BALANCES	<u>(424,549)</u>	<u>(424,549)</u>	<u>(731,603)</u>	<u>(307,054)</u>
FUND BALANCE - BEGINNING OF YEAR	<u>4,257,537</u>	<u>4,257,537</u>	<u>6,580,739</u>	<u>2,323,202</u>
FUND BALANCE - END OF YEAR	<u>\$ 3,832,988</u>	<u>\$ 3,832,988</u>	<u>\$ 5,849,136</u>	<u>\$ 2,016,148</u>

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

BLUE MOUNTAIN SCHOOL DISTRICT
STATEMENT OF NET POSITION (DEFICIT)
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Food Service</u>	<u>Internal Service</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
CURRENT ASSETS		
Cash and investments	\$ 825,940	\$ 1,467,095
Due from other funds	69,347	3,213
Other receivables	95	154
Prepaid expenses	0	1,040,372
Inventories	<u>15,972</u>	<u>0</u>
TOTAL CURRENT ASSETS	911,354	2,510,834
NON-CURRENT ASSETS		
Furniture and equipment (net)	<u>12,526</u>	<u>0</u>
TOTAL NON-CURRENT ASSETS	12,526	0
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows - Pension	70,755	0
Deferred Outflows - OPEB District	189,531	0
Deferred Outflows - OPEB PSERS	<u>24,174</u>	<u>0</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	284,460	0
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
	\$ 1,208,340	\$ 2,510,834
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION (DEFICIT)		
CURRENT LIABILITIES		
Accounts payable	\$ 17,264	\$ 0
Intergovernmental accounts payable	1,129	0
Compensated absences	35,744	0
Prepaid meals	35,638	0
Due to other funds	77,458	0
Claims lag	0	631,133
Accrued salaries and benefits	<u>33,150</u>	<u>0</u>
TOTAL CURRENT LIABILITIES	200,383	631,133
NON-CURRENT LIABILITIES		
Pension Liability	913,192	0
OPEB - District	360,137	0
OPEB - PSERS	<u>98,217</u>	<u>0</u>
TOTAL CURRENT LIABILITIES	1,371,546	0
DEFERRED INFLOWS OF RESOURCES		
Deferred revenues	4,077	0
Deferred Inflows - Pension	79,673	0
Deferred Inflows - OPEB District	538,266	0
Deferred Inflows - OPEB PSERS	<u>37,956</u>	<u>0</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	659,972	0
NET POSITION (DEFICIT)		
Invested in capital assets - net of related debt	12,526	0
Restricted for legal purposes	0	1,879,701
Unrestricted (Deficit)	<u>(1,036,087)</u>	<u>0</u>
TOTAL NET POSITION (DEFICIT)	(1,023,561)	1,879,701
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION (DEFICIT)		
	\$ 1,208,340	\$ 2,510,834

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

BLUE MOUNTAIN SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Food Service	Internal Service
OPERATING REVENUES		
Food service revenues	\$ 700,982	\$ 0
Charges for services	0	5,755,159
Other operating revenues	2,524	0
TOTAL OPERATING REVENUES	703,506	5,755,159
 OPERATING EXPENSES		
Salaries	348,985	0
Employee Benefits	449,834	6,040,524
Purchased professional and technical services	730,547	16,458
Purchased property services	59,691	0
Supplies	128,358	0
Depreciation	5,088	0
Other operating expenses	1,990	350
TOTAL OPERATING EXPENSES	1,724,493	6,057,332
 OPERATING INCOME (LOSS)	(1,020,987)	(302,173)
 NON-OPERATING REVENUES (EXPENSES)		
Earnings on investments	14,318	29,458
Loss on Sale of Fixed Assets	0	0
State sources	190,142	0
Federal sources	866,259	0
TOTAL NON-OPERATING REVENUES (EXPENSES)	1,070,719	29,458
 INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	49,732	(272,715)
 CONTRIBUTIONS AND TRANSFERS	0	0
 CHANGE IN NET ASSETS	49,732	(272,715)
 NET POSITION (DEFICIT) - BEGINNING OF YEAR	(1,073,293)	2,152,416
 NET POSITION (DEFICIT) - END OF YEAR	\$ (1,023,561)	\$ 1,879,701

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

BLUE MOUNTAIN SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Food Service	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from users	\$ 695,993	\$ 5,754,980
Cash received from other operating revenue	2,524	0
Cash payments to employees for service	(759,779)	0
Cash payments for insurance	0	(5,728,937)
Cash payments to suppliers for goods and services	(984,484)	0
Cash payments for other operating expenses	(1,990)	(16,808)
NET CASH PROVIDED (USED FOR) OPERATING ACTIVITIES	(1,047,736)	9,235
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
State sources	190,142	0
Federal sources	866,259	0
NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES	1,056,401	0
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	0	0
CASH FLOWS FROM INVESTING ACTIVITIES		
Earnings on investments	14,318	29,458
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	22,983	38,693
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	802,957	1,428,402
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 825,940	\$ 1,467,095
OPERATING INCOME (LOSS)	\$ (1,020,987)	\$ (302,173)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Changes in current assets and current liabilities		
Depreciation and net amortization	5,088	0
(Increase) Decrease in accounts receivable	15	514,665
(Increase) Decrease in advance from other funds	(4,940)	(3,213)
(Increase) Decrease in inventories	(397)	0
(Increase) Decrease in other Current Assets	0	0
(Increase) Decrease in Deferred Outflows	54,850	0
Increase (Decrease) in accounts payable	(84,876)	(200,044)
Increase (Decrease) in accrued salaries and benefits	(9,392)	0
Increase (Decrease) in Due to Other Governments	1,129	0
Increase (Decrease) in compensated absences	2,652	0
Increase (Decrease) in Deferred Revenue	(64)	0
Increase (Decrease) in Pension Liability	51,321	0
Increase (Decrease) in OPEB Liability	(22,528)	0
Increase (Decrease) in Deferred Inflows	(37,863)	0
Increase (Decrease) in advances to other funds	18,256	0
TOTAL ADJUSTMENTS	(26,749)	311,408
TOTAL CASH PROVIDED (USED FOR) OPERATING ACTIVITIES	\$ (1,047,736)	\$ 9,235

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

BLUE MOUNTAIN SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Custodial</u>	<u>Private Purpose Trust</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
ASSETS		
Cash and investments	\$ 247,826	\$ 4,976
	247,826	4,976
TOTAL ASSETS	247,826	4,976
DEFERRED OUTFLOWS OF RESOURCES	0	0
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 247,826	\$ 4,976
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
LIABILITIES		
Internal balances	\$ 0	\$ 0
Other current liabilities	0	0
TOTAL LIABILITIES	0	0
DEFERRED INFLOWS OF RESOURCES	0	0
NET POSITION		
Restricted	247,826	4,976
Unrestricted	0	0
TOTAL NET POSITION	247,826	4,976
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 247,826	\$ 4,976

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

BLUE MOUNTAIN SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023

	Custodial	Private Purpose Trust
ADDITIONS		
Program income	\$ 241,490	\$ 0
Investment income	0	77
TOTAL ADDITIONS	241,490	77
DEDUCTIONS		
Scholarship expense in accordance with trust agreements	0	250
Program expense	221,438	0
TOTAL DEDUCTIONS	221,438	250
CHANGE IN NET POSITION	20,052	(173)
NET POSITION - BEGINNING OF YEAR	227,774	5,149
NET POSITION - END OF YEAR	\$ 247,826	\$ 4,976

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

BLUE MOUNTAIN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

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

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

The financial statements include:

- Management’s Discussion and Analysis (MD&A), providing an analysis of the District’s overall financial position and results of operations.

- Financial statements prepared using full-accrual accounting for all of the District’s activities.

- A change in the fund financial statements to focus on major funds.

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

BLUE MOUNTAIN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

REPORTING ENTITY

As required by GAAP, these financial statements present the District and its component unit, Blue Mountain Insurance Trust Employee Benefit Plan, for which the District is considered to be financially accountable. The District is not a component unit of any other primary government.

The Blue Mountain Insurance Trust Employee Benefit Plan is a nonprofit organization established to provide health and welfare benefits to active and retired District employees. The Insurance Trust exclusively services the District, and is presented as an internal service fund of the District.

BASIS OF PRESENTATION

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

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

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

BLUE MOUNTAIN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

BASIS OF PRESENTATION - continued

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

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

The Internal Service Fund is presented in the proprietary fund financial statements. Because the principal user of the internal services are the District's governmental activities, the financial statement of the internal service fund is consolidated into the governmental column when presented in the government-wide financial statements. The cost of these services is reported in the appropriate functional activity.

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

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

BLUE MOUNTAIN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

BASIS OF PRESENTATION - continued

The District reports the following major governmental funds:

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

Capital Reserve Fund - The Capital Reserve Fund is used to account for maintenance of facilities, capital improvements, replacement and additions to public works and improvements, purchase of school buses, and for debt service incurred for capital improvements.

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

The District reports the following major proprietary fund types:

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

Internal Service Fund - The District has a single internal service fund, which accounts for the activities of the District's health and welfare benefits.

Other fund types:

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

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

BLUE MOUNTAIN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

BASIS OF ACCOUNTING

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

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

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

BLUE MOUNTAIN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

BUDGETING

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

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

DEPOSITS AND INVESTMENTS

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

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

TAXES ASSESSED

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

Tax Type	Millage/Rate	Assessed Valuation
Real Estate - Schuylkill County	42.825	\$ 21,637,849
Occupation Tax - Act 511	\$230.00/person	3,523,600
Total Assessed Valuation		\$ <u>25,161,449</u>

BLUE MOUNTAIN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

TAXES ASSESSED - continued

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

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

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

INVENTORY

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

CAPITAL ASSETS

Capital assets, which include land, buildings and improvements, and furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$1,500. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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

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

BLUE MOUNTAIN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

CAPITAL ASSETS - continued

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

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

COMPENSATED ABSENCES

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

ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS

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

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

BLUE MOUNTAIN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

RESTRICTED ASSETS

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

FUND EQUITY

In the fund financial statements, governmental funds report fund balance in accordance with GASB No. 54 (See Note 7).

NET ASSETS

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

OTHER POSTEMPLOYMENT BENEFIT OBLIGATIONS

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

BLUE MOUNTAIN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

ACCOUNTING STANDARDS ADOPTED IN YEAR ENDED JUNE 30, 2023

GASB Statement No. 96 *Subscription Based Information Technology Arrangements* effective for fiscal years beginning after June 15, 2022.

An SBITA is defined as a contract that conveys control of the right to use another party's (an SBITA vendor's) information technology (IT) software, alone or in combination with tangible assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. The subscription term includes the period during which a government has a noncancellable right to use the underlying IT assets. The subscription term also includes periods covered by an option to extend (if it is reasonably certain that the government or SBITA vendor will exercise that option) or to terminate (if it is reasonably certain that the government or SBITA vendor will *not* exercise that option.) Under this Statement, a government generally should recognize a right-to-use subscription asset-an intangible asset-and a corresponding subscription liability. A government should recognize the subscription liability at the commencement of the subscription term, which is when the subscription asset is placed into service. The subscription liability should be initially measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments should be discounted using the interest rate the SBITA vendor charges the government, which may be implicit, or the government's incremental borrowing rate if the interest rate is not readily determinable. A government should recognize amortization of the discount on the subscription liability as an outflow of resources (for example, interest expense) in subsequent financial reporting periods. The subscription asset should be initially measured as the sum of (1) the initial subscription liability amount, (2) payments made to the SBITA vendor before commencement of the subscription term, and (3) capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. A government should recognize amortization of the subscription asset as an outflow of resources over the subscription term. The District did not have any SBITA during the year ended June 30, 2023.

BLUE MOUNTAIN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 2 - DEPOSITS AND INVESTMENTS:

DEPOSITS

Custodial Credit Risk

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

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

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

At June 30, 2023, the carrying amount of the District's deposits were \$10,262,815. and the bank balance was \$10,361,436. Of the bank balance, \$504,495. was covered by federal depository insurance coverage, and \$9,856,941. was exposed to custodial credit risk because it was uninsured and the collateral held by the depository's agent was not in the District's name.

At June 30, 2023, the district had \$650. as cash on hand.

INVESTMENTS

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

BLUE MOUNTAIN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 2 - DEPOSITS AND INVESTMENTS - continued:

INVESTMENTS - continued

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

As of June 30, 2023, the District had the following investment.

Pennsylvania Local Government Investment Trust (PLGIT)	\$ <u>1,243,794</u>
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Although not registered with the Securities and Exchange Commission and not subject to regulatory oversight, PLGIT acts like a money market mutual fund in that its objective is to maintain a stable net asset of \$1 per share, is rated by a nationally recognized statistical rating organization and is subject to an independent annual audit.

Interest Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. It is the practice of the District to limit its interest rate risk by investing in securities with maturity dates under one year. At June 30, 2023, the District's investments in securities of U.S. agencies had maturity dates of less than one year.

Custodial Credit Risk

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

BLUE MOUNTAIN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 2 - DEPOSITS AND INVESTMENTS - continued

Credit Risk

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

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

Concentration Risk

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

RECONCILIATION OF CASH, CASH EQUIVALENTS, AND INVESTMENTS

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

	<u>Cash & Cash Equivalents</u>	<u>Investments</u>
Cash, Cash Equivalents, and Investments	\$ <u>10,262,815</u>	\$ <u>1,243,794</u>

BLUE MOUNTAIN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 3 - CAPITAL ASSETS:

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

	<u>Balance</u> <u>June 30, 2022</u>	<u>Net Additions</u> <u>(Deductions)</u>	<u>Balance</u> <u>June 30, 2023</u>
Governmental Activities:			
Capital Assets, Not Being Depreciated			
Land	\$ 9,396,742	\$ 0	\$ 9,396,742
Construction in Progress	<u>22,167,291</u>	<u>3,556,923</u>	<u>25,724,214</u>
Total Capital Assets, Not Being Depreciated	31,564,033	3,556,923	35,120,956
Capital Assets, Being Depreciated:			
Buildings and Improvements	55,481,823	1,028,295	56,510,118
Site Improvements	3,909,142	0	3,909,142
Furniture and Equipment	<u>13,411,519</u>	<u>593,039</u>	<u>14,004,558</u>
Total Capital Assets, Being Depreciated	72,802,484	1,621,334	74,423,818
Accumulated Depreciation For			
Buildings and Improvements	(32,713,167)	(1,226,668)	(33,939,835)
Site Improvements	(3,119,553)	(77,649)	(3,197,202)
Furniture and Equipment	<u>(12,462,412)</u>	<u>(523,117)</u>	<u>(12,985,529)</u>
Total Accumulated Depreciation	(48,295,132)	(1,827,434)	(50,122,566)
Total Depreciable Assets, Net	<u>24,507,352</u>	<u>(206,100)</u>	<u>24,301,252</u>
Governmental Activities - Capital Assets, Net	<u>\$ 56,071,385</u>	<u>\$ 3,350,823</u>	<u>\$ 59,422,208</u>
Business-Type Activities:			
Furniture/Equipment	\$ 188,680	0	\$ 188,680
Less: Accumulated Depreciation	<u>(171,066)</u>	<u>(5,088)</u>	<u>(176,154)</u>
Business-Type Activities - Capital Assets, Net	<u>\$ 17,614</u>	<u>\$ (5,088)</u>	<u>\$ 12,526</u>

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

Instructional	\$ 1,257,835
Instructional Support	32,143
Administration	287,634
Operation and Maintenance of Plant Services	169,694
Student Activities	44,261
Facilities, Construction and Improvements	<u>35,867</u>
Total Depreciation Expense	<u>\$ 1,827,434</u>

BLUE MOUNTAIN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 4 - GENERAL LONG-TERM DEBT:

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

	Accrued Compensated Absences	PSERS Pension Liability	PSERS Other Post Employment Benefits	District Other Post Employment Benefits	Capital Leases	General Obligation Bond Series of 2014AA	General Obligation Bond Series of 2015	General Obligation Bond Series of 2019	General Obligation Bond Series of 2021	General Obligation Bond Series of 2021A	General Obligation Bond Series of 2021B	General Obligation Bond Series of 2022	General Obligation Bond Series of 2022A	Total
Balance - June 30, 2022	\$ 1,472,105	\$ 51,444,000	\$ 2,963,000	\$ 9,652,303	\$ 168,369	\$ 310,000	\$ 1,595,000	\$ 7,105,000	\$ 2,295,000	\$ 3,455,000	\$ 18,590,000	\$ 5,970,000	\$ 6,155,000	\$ 111,174,777
Additions	0	3,240,000	0	0	330,641	0	0	0	0	0	0	0	0	3,570,641
Reductions	(2,422)	0	(704,000)	(1,369,112)	(134,469)	(310,000)	(1,595,000)	(915,000)	0	0	(5,000)	(20,000)	(320,000)	(5,375,003)
Reductions - Refinancing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Balance - June 30, 2023	\$ 1,469,683	\$ 54,684,000	\$ 2,259,000	\$ 8,283,191	\$ 364,541	\$ 0	\$ 0	\$ 6,190,000	\$ 2,295,000	\$ 3,455,000	\$ 18,585,000	\$ 5,950,000	\$ 5,835,000	\$ 109,370,415
Due Within One Year	\$ 0	\$ 0	\$ 0	\$ 0	\$ 150,369	\$ 0	\$ 0	\$ 2,210,000	\$ 0	\$ 0	\$ 5,000	\$ 5,000	\$ 220,000	\$ 2,590,369

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

Year Ending June 30,	Capital Leases	General Obligation Bond Series of 2014AA	General Obligation Bond Series of 2015	General Obligation Bond Series of 2019	General Obligation Bond Series of 2021	General Obligation Bond Series of 2021A	General Obligation Bond Series of 2021B	General Obligation Bond Series of 2022	General Obligation Bond Series of 2022A	Total
2024	\$ 160,781	\$ 0	\$ 0	\$ 2,413,400	\$ 48,700	\$ 138,200	\$ 732,525	\$ 118,325	\$ 431,250	\$ 4,043,181
2025	70,416	0	0	2,398,500	48,699	138,200	732,475	123,175	437,150	3,948,615
2026	70,416	0	0	1,728,900	48,700	138,200	732,413	895,175	354,250	3,968,054
2027	70,416	0	0	0	48,699	138,200	732,337	2,509,488	450,750	3,949,890
2028	11,736	0	0	0	48,700	138,200	732,263	2,513,100	446,400	3,890,399
2029-2033	0	0	0	0	2,348,691	3,675,100	8,310,162	227,250	3,361,975	17,923,178
2034-2038	0	0	0	0	0	0	13,467,000	0	2,106,300	15,573,300
2039	0	0	0	0	0	0	1,841,100	0	0	1,841,100
Total	383,765	0	0	6,540,800	2,592,189	4,366,100	27,280,275	6,386,513	7,588,075	55,137,717
Less: Interest	(19,224)	0	0	(350,800)	(297,189)	(911,100)	(8,695,275)	(436,513)	(1,753,075)	(12,463,176)
Outstanding Principal	\$ 364,541	\$ 0	\$ 0	\$ 6,190,000	\$ 2,295,000	\$ 3,455,000	\$ 18,585,000	\$ 5,950,000	\$ 5,835,000	\$ 42,674,541

BLUE MOUNTAIN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 4 - CHANGES IN LONG-TERM DEBT – continued

GENERAL OBLIGATION BONDS – SERIES OF 2014AA

During April 2014, the District issued General Obligation Bonds in the amount of \$9,865,000. The Bonds were issued to partially refund the District's General Obligation Bonds Series A of 2009. The bond was partially refunded by General Obligation Bond Series of 2019. The remaining principal balance of \$310,000 carries an interest rate of 2.5% and was paid off in October 2022. As of June 30, 2023, this obligation has been satisfied.

GENERAL OBLIGATION BONDS – SERIES OF 2015

During July 2015, the District issued General Obligation Bonds in the amount of \$14,365,000. The Bonds were issued to refund the District's General Obligation Bonds Series of 2005, the General Obligation Bonds Series A of 2009, the General Obligation Bonds Series of 2010. The Bonds carry interest ranging from .30% to 5.00% and mature in various yearly installments. The bond was paid off in October of 2022. As of June 30, 2023, this obligation has been satisfied.

BLUE MOUNTAIN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 4 - CHANGES IN LONG-TERM DEBT – continued

GENERAL OBLIGATION BONDS – SERIES OF 2019

During July 2019, the District issued General Obligation Bonds in the amount of \$9,120,000. The Bonds were issued to partially refund the District's General Obligation Bonds Series AA of 2014 and the General Obligation Bonds Series of 2017. The Bonds carry interest rates ranging between 2% and 4% and mature in various semiannual installments until August 2025. The bond was partially refunded by General Obligation Series of 2021. The remaining principal balance of \$7,115,000 carries an interest rate ranging between 2% and 4% and will be paid off in August 2025.

GENERAL OBLIGATION BONDS – SERIES OF 2021

During April 2021, the District issued General Obligation Bonds in the amount of \$2,295,000. The bonds were issued to partially refund the District's General Obligation Bonds Series of 2019. The bonds carry interest rates ranging between 2.01% and 2.35% and mature in various yearly installments until July 2028.

GENERAL OBLIGATION BONDS – SERIES OF 2021A

During April 2021, the District issued General Obligation Bonds in the amount of \$3,455,000. The bonds were issued to refund the District's General Obligation Bonds Series of 2013A and partially refund the District's General Obligation Bonds Series of 2017. The bonds carry interest rates of 4% and mature in various yearly installments until August 2030.

GENERAL OBLIGATION BONDS – SERIES OF 2021B

During April 2021, the District issued General Obligation Bonds in the amount of \$18,590,000. The bonds were issued to finance the construction of the new West Elementary School. The bonds carry interest rates ranging between 1% and 4% and mature in various yearly installments until August 2038.

BLUE MOUNTAIN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 4 - CHANGES IN LONG-TERM DEBT – continued

GENERAL OBLIGATION BONDS – SERIES OF 2022

During February 2022, the District issued General Obligation Bonds in the amount of \$5,970,000. The bonds were issued to refund the District’s General Obligation Bonds Series of 2017. The bonds carry interest rates ranging between 1.5% and 2% and mature in various yearly installments until August 2028.

GENERAL OBLIGATION BONDS – SERIES OF 2022A

During March 2022, the District issued General Obligation Bonds in the amount of \$6,155,000. The bonds were issued to finance the construction of the new West Elementary School. The bonds carry interest rates ranging between 3% and 4% and mature in various yearly installments until August 2035.

COMPENSATED ABSENCES

Compensated absences at June 30, 2023, consist of the following:

	Long-Term Debt	Food Service	Total
Retirement Incentive	\$ 538,333	\$ 16,093	\$ 554,426
Sick Leave/Personal Days	532,558	19,651	552,209
Vacation	363,048	0	363,048
Total	\$ 1,433,939	\$ 35,744	\$ 1,469,683

LEASES

Various Leases

As of June 30, 2023, the Blue Mountain School District has entered into various leases that expand over various years and have various interest rates associated with each individual lease.

BLUE MOUNTAIN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 5 - RISK MANAGEMENT AND LITIGATION:

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

On November 1, 1981, the District established the Blue Mountain Insurance Trust Employee Benefit Plan (the Trust) for the purpose of providing health and welfare benefits to active and retired District employees. The District has combined the Trust as a component unit and recorded its results of operation on Internal Service Fund. Interfund premiums have been reported as quasi-external transaction.

GRANT PROGRAMS

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2023 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

BLUE MOUNTAIN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 6 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – DISTRICT:

PLAN DESCRIPTION

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

FUNDING POLICY

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

For 2023, the District made no contributions and instead elected to continue funding on a *pay-as-you-go* basis, which amounted to \$168,559. These costs are recognized as an expense when claims or premiums are paid.

BLUE MOUNTAIN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2023

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

Plan Membership

Inactive plan member or beneficiaries currently receiving benefits	20
Inactive plan members entitled to but not yet receiving benefits	0
Active plan members	<u>287</u>
	<u><u>307</u></u>

Components of the net OPEB liability

Total OPEB liability	\$ 8,283,191
Plan fiduciary net position	<u>0</u>
Net OPEB Liability	<u><u>\$ 8,283,191</u></u>

Plan fiduciary net position of the total OPEB liability 0.00%

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

	1.00% Decrease <u>3.06%</u>	Current Discount Rate <u>4.06%</u>	1.00% Increase <u>5.06%</u>
Net OPEB liability (asset)	\$ 8,905,982	\$ 8,283,191	\$ 7,686,302

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

	<u>1% Decrease</u>	Current Healthcare cost Trend <u> </u>	<u>1.00% Increase</u>
Net OPEB liability (asset)	\$ 7,271,896	\$ 8,283,191	\$ 8,471,141

BLUE MOUNTAIN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2023

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

ACTUARIAL METHODS AND ASSUMPTIONS

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

In the July 1, 2021 actuarial valuation, the individual entry age normal actuarial cost method was used. There were also merit and seniority salary rate increase assumptions taken into consideration and those are detailed in the actuarial study and are based on age. There was also an inflationary rate assumption factored into the calculation. Per the actuarial study, the assumed rate ranges from 6.0% in the short-term to 3.9% in the long-term for health care related costs. The UAAL is being amortized as a level percentage of active member payroll over a period of 20 years.

BLUE MOUNTAIN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 7 - GASB STATEMENT NO. 54:

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

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

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

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

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

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

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

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

BLUE MOUNTAIN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 7 - GASB STATEMENT NO. 54 – continued

ORDER OF FUND BALANCE SPENDING POLICY

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

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

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

BALANCE SHEET - GOVERNMENTAL FUNDS

	JUNE 30, 2023				
	<u>General</u>	<u>Capital Projects</u>	<u>Capital Reserve</u>	<u>Special Revenue</u>	<u>Total Governmental Funds</u>
EQUITY					
Restricted	\$ 0	\$ 1,405,560	\$ 1,474,010	\$ 0	\$ 2,879,570
Committed	2,675,000	0	0	0	2,675,000
Unassigned	<u>3,174,136</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,174,136</u>
TOTAL FUND BALANCE	\$ <u>5,849,136</u>	\$ <u>1,405,560</u>	\$ <u>1,474,010</u>	\$ <u>0</u>	\$ <u>8,728,706</u>

BLUE MOUNTAIN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 8 - RELATED ORGANIZATIONS:

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

NOTE 9 – PENSION:

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PENSIONS

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public School Employees' Retirement System (PSERS) and additions to/deductions from PSERS'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 the System include all full-time public school employees, part-time hourly public school employees who render at least 500 hours of service in the school year, and part-time per diem public school employees who render at least 80 days of service in the school year in any of the reporting entities in Pennsylvania. PSERS issues a publicly available financial report than can be obtained at www.psers.state.pa.us.

BLUE MOUNTAIN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 9 – PENSION - continued

PSERS provides retirement, disability, and death benefits. Members are eligible for monthly retirement benefits upon reaching (a) age 62 with at least 1 year of credited service; (b) age 60 with 30 or more years of credited service; or (c) 35 or more years of service regardless of age. Act 120 of 2010 (Act 120) preserves the benefits of existing members and introduced benefit reductions for individuals who become new members on or after July 1, 2011. Act 120 created two new membership classes, Membership Class T-E (Class T-E) and Membership Class T-F (Class T-F). To qualify for normal retirement, Class T-E and Class T-F members must work until age 65 with a minimum of 3 years of service or attain a total combination of age and service that is equal to or greater than 92 with a minimum of 35 years of service.

BENEFITS PROVIDED

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

Benefits are generally equal to 2% or 2.5%, depending upon membership class, of the member's final average salary (as defined in the Code) multiplied by the number of years of credited service. For members whose membership started prior to July 1, 2011, after completion of five years of service, a member's right to the defined benefits is vested and early retirement benefits may be elected. For Class T-E and Class T-F members, the right to benefits is vested after ten years of service.

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

BLUE MOUNTAIN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 9 – PENSION - continued

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

CONTRIBUTIONS

Member Contributions:

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

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

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

Members who joined the System after June 30, 2011, automatically contributed at the Membership Class T-E rate of 7.50% (base rate) of the member's qualifying compensation. All new hires after June 30, 2011, who elected Class T-F membership, contribute at 10.30% (base rate) of the member's qualifying compensation. All new hires after June 30, 2019, who elected Class T-G membership, contribute at 8.25% (base rate) of the member's qualifying compensation. All new hires after June 30, 2019, who elected Class T-H membership, contribute at 7.50% (base rate) of the member's qualifying compensation. All new hires after June 30, 2021, who elected Class T-E membership, contribute 8.00% of the member's qualifying compensation. All new hires after June 30, 2021, who elected Class T-F membership, contribute 10.80% of the member's qualifying compensation. All new hires after June 30, 2021, who elected Class T-G membership, contribute 9.00% of the member's qualifying compensation. All new hires after June 30, 2021, who elected Class T-H membership, contribute 8.25% of the member's qualifying compensation. All new hires after June 30, 2021, who elected Class DC membership, contribute 7.50% of the member's qualifying compensation.

BLUE MOUNTAIN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 9 – PENSION - continued

Membership Class T-E, Class T-F, Class T-G & T-H 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 5.50% and 9.50% and Membership Class T-F contribution rate to fluctuate between 8.30% and 12.30%, Membership Class T-G contribute rate to fluctuate between 2.50% and 8.50% and Membership Class T-H contribute rate to fluctuate between 1.50% and 7.50%.

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

Employer Contributions:

The school district’s contractually required contribution rate for fiscal year ended June 30, 2023 was 34.31% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the District were \$6,133,316. for the year ended June 30, 2023.

The defined contribution rate of 0.20% is an estimated rate. It is recommended employers use the actual defined contributions made to the PSERS defined contribution plan. This may impact contributions made to the pension plan.

At June 30, 2023, the District reported a liability of \$54,684,000. for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by rolling forward the System’s total pension liability as of June 30, 2021 to June 30, 2022. The District’s proportion of the net pension liability was calculated utilizing the employer’s one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2023, the District proportion was .1230%, which was an increase of .0023% from its proportion measured as of June 30, 2022.

BLUE MOUNTAIN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 9 – PENSION - continued

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

For the year ended June 30, 2023, the District recognized pension expense of \$(2,679,000). At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 25,000	\$ 473,000
Changes in assumptions	1,633,000	0
Net difference between projected and actual investment earnings	0	928,000
Changes in proportion	2,579,000	3,370,000
Difference between employer contributions and proportionate share of total contributions	0	0
Contributions subsequent to the measurement date	0	0
Total All Funds	<u>\$ 4,237,000</u>	<u>\$ 4,771,000</u>

\$4,237,000. reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	
2023	\$ 1,219,000
2024	(1,358,000)
2025	(1,690,000)
2026	<u>1,295,000</u>
Total Deferred Outflows/ Inflows of Resources	<u>\$ (534,000)</u>

BLUE MOUNTAIN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS – continued
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 9 – PENSION - continued

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

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

- Valuation Date – June 30, 2021
- Actuarial cost method – Entry Age Normal – level % of pay.
- Investment return – 7.00%, includes inflation at 2.50%
- Salary Growth – Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Mortality Improvement Scale.
- The discount rate used to measure the Total Pension Liability was 7.00% as of June 30, 2021 and as of June 30, 2022.
- Demographic and economic assumptions approved by the Board for use effective with the June 30, 2021 actuarial valuation:
 - Salary growth rate – decreased from 5.00% to 4.50%
 - Real wage growth and merit or seniority increases (components for salary growth) – decreased from 2.75% and 2.25% to 2.50% and 2.00% respectively.
- Mortality rates – Previously based on the RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale. Effective with the June 30, 2021 actuarial valuation, mortality rates are based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.

BLUE MOUNTAIN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 9 – PENSION - continued

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

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.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global public equity	28.0%	5.3%
Private equity	12.0%	8.0%
Fixed income	33.0%	2.3%
Commodities	9.0%	2.3%
Infrastructure/MLPs	9.0%	5.4%
Real Estate	11.0%	4.6%
Absolute Return	6.0%	3.5%
Cash	3.0%	0.5%
Leverage	-11.00%	0.5%
	<u>100%</u>	

The above was the Board’s adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2022.

BLUE MOUNTAIN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2023

**NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS – PUBLIC SCHOOL EMPLOYEES’
RETIREMENT SYSTEM (PSERS)**

DISCOUNT RATE

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

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

The following presents the net pension liability, calculated using the discount rate of 7.00%, as well as what the net position 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 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
District’s proportionate share of the net pension liability	\$ 70,730,000	\$ 54,684,000	\$ 41,155,000

PENSION PLAN FIDUCIARY NET POSITION

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

BLUE MOUNTAIN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS – continued
FOR THE YEAR ENDED JUNE 30, 2023

**NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS – PUBLIC SCHOOL EMPLOYEES’
RETIREMENT SYSTEM (PSERS) - continued**

1. Summary of Significant Accounting Policies

Other Postemployment Benefits

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

General Information about the Health Insurance Premium Assistance Program

Health Insurance Premium Assistance Program

The System provides Premium Assistance which, is a governmental cost sharing, multiple-employer other postemployment benefit plan (OPEB) for all eligible retirees who qualify and elect to participate. Employer contribution rates for Premium Assistance are established to provide reserves in the Health Insurance Account that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Effective January 1, 2002 under the provisions of Act 9 of 2001, participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of \$100 per month or their out-of- pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS’ Health Options Program. As of June 30, 2021, there were no assumed future benefit increases to participating eligible retirees.

Premium Assistance Eligibility Criteria

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

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

BLUE MOUNTAIN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS – continued
FOR THE YEAR ENDED JUNE 30, 2023

**NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS – PUBLIC SCHOOL EMPLOYEES’
RETIREMENT SYSTEM (PSERS) - continued**

1. Summary of Significant Accounting Policies - continued

Pension Plan Description

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

Benefits Provided

Participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of \$100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS’ Health Options Program. As of June 30, 2022, there were no assumed future benefit increases to participating eligible retirees.

Employer Contributions:

The school districts’ contractually required contribution rate for the fiscal year ended June 30, 2023 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 District were \$143,000 for the year ended June 30, 2023.

BLUE MOUNTAIN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2023

**NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS – PUBLIC SCHOOL EMPLOYEES’
RETIREMENT SYSTEM (PSERS) - continued**

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

At June 30, 2023, the District reported a liability of \$2,959,000. for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by rolling forward the System’s total OPEB liability as of June 30, 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, 2023, the District’s proportion was .1227% percent, which was a decrease of .0023% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2023, the District recognized OPEB expense of \$(93,000). At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 21,000	\$ 12,000
Changes in assumptions	251,000	533,000
Net difference between projected and actual investment earnings	6,000	0
Changes in proportion	278,000	328,000
Difference between employer contributions and proportionate share of total contributions	0	0
Contributions subsequent to the measurement date	0	0
Total All Funds	\$ <u>556,000</u>	\$ <u>873,000</u>

BLUE MOUNTAIN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS – PUBLIC SCHOOL EMPLOYEES’ RETIREMENT SYSTEM (PSERS) – continued

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

\$556,000. reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 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,	Estimated Amount
2023	\$ (72,000)
2024	(43,000)
2025	(60,000)
2026	(34,000)
2027	(109,000)
Thereafter	0
Total Deferred Outflows/ Inflows of Resources	\$ (318,000)

3. Actuarial Assumptions

The Total OPEB Liability as of June 30, 2022, was determined by rolling forward the System’s Total OPEB Liability as of June 30, 2021 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 or seniority increases.
- Premium Assistance reimbursement is capped at \$1,200 per year.
- Assumed Healthcare cost trends were applied to retirees with less than \$1,200 in Premium assistance per year.
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS’ experience and projected using a modified version of the MP-2020 Improvement Scale.

BLUE MOUNTAIN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2023

**NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS – PUBLIC SCHOOL EMPLOYEES’
RETIREMENT SYSTEM (PSRES) – continued**

3. Actuarial Assumptions - continued

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

The actuarial assumptions use in the June 30, 2021 valuation were based on the results of an actuarial experience study that was performed for the five year period ending June 30, 2020.

The following assumptions were used to determine the contribution rate:

- The results of the actuarial valuation as of June 30, 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: The actual data for retirees benefiting under the Plan as of June 20, 2021 was used in lieu of the 63% utilization assumption for eligible retirees.
- Mortality rates for Males and Females, adjusted to reflect PSERS’ experience and projected using a modified version of the MP-2015 Mortality Improvement Scale.

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

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

<u>OPEB - Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	100.0%	0.5%
	100.0%	

BLUE MOUNTAIN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2023

**NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS – PUBLIC SCHOOL EMPLOYEES’
RETIREMENT SYSTEM (PSRES) - continued**

3. Actuarial Assumptions - 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 the total OPEB liability.

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

Healthcare cost trends were applied to retirees receiving less than \$1,200 in annual Premium Assistance. As of June 30, 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. As of June 30, 2022, 93,293 retirees were receiving the maximum amount allowed of \$1,200 per year. As of June 30, 2022, 582 members were receiving less than the maximum amount allowed of \$1,200 per year. The actual number of retirees receiving less than the \$1,200 per year cap is a small percentage of the total population and has a minimal impact on Healthcare Cost Trends as depicted below.

BLUE MOUNTAIN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2023

**NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS – PUBLIC SCHOOL EMPLOYEES’
RETIREMENT SYSTEM (PSRES) - continued**

3. Actuarial Assumptions - continued

The following presents the System net OPEB liability for June 30, 2022, calculated using current Healthcare cost trends as well as what the System net OPEB liability would be if it health cost trends were 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease	Current Trend Rate	1% Increase
System net OPEB liability	\$ 2,258,000	\$ 2,259,000	\$ 2,259,000

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

The following presents the net OPEB liability, calculated using the discount rate of 4.09%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.09%) or 1-percentage-point higher (5.09%) than the current rate:

	1% Decrease 3.09%	Current Discount Rate 4.09%	1% Increase 5.09%
District's proportionate share of the net OPEB liability	\$ 2,554,000	\$ 2,259,000	\$ 2,011,000

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.

BLUE MOUNTAIN SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 11 – INTERFUND OPERATING BALANCES:

Individual fund operating balances for the year ended June 30, 2023 were as follows:

	<u>Due From</u>	<u>Due To</u>
General Fund	\$ 77,458	\$ 88,176
Capital Reserve	4,779	0
Capital Projects	14,050	0
Cafeteria Fund	69,347	77,458
Total All Funds	<u>\$ 165,634</u>	<u>\$ 165,634</u>

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

NOTE 12 - INTERFUND OPERATING TRANSFERS:

Individual fund operation transfers for the year ended June 30, 2023 were as follows:

	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 0	\$ 414,779
Capital Projects	414,779	0
Total All Funds	<u>\$ 414,779</u>	<u>\$ 414,779</u>

NOTE 13 – SUBSEQUENT EVENTS

The District has evaluated events and transactions occurring subsequent to the balance sheet date of June 30, 2023 for items that should potentially be recognized or disclosed in these financial statements. The evaluation was conducted through February 20, 2024, the date these financial statements were available to be issued.

OTHER SUPPLEMENTAL INFORMATION

BLUE MOUNTAIN SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

A. SUMMARY OF AUDIT RESULTS

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

Program	CFDA #
Education Stabilization Fund	84.425
Child Nutrition Cluster - School Breakfast Program	10.553
Child Nutrition Cluster - National School Lunch Program	10.555

8. The threshold for distinguishing types A and B Programs was \$750,000.
9. The Blue Mountain School District was determined to be a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

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

None

BLUE MOUNTAIN SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor/ Pass Through Grantor/ Program Title	Source Code	Federal CFDA Number	Pass Through Grantors' Number	Program or Award Amount	Grant Period Beginning/Ending Date	Total Received For Year	Accrued Or (Deferred) Revenue July 1, 2022	Revenue Recognized	Expenditures	Accrued Or (Deferred) Revenue June 30, 2023
U.S. DEPARTMENT OF EDUCATION										
Passed Through State Department of Education:										
E.S.E.A. Title I - 2021-2022	(I)	84.010	013-22-0042	\$ 323,455	07/01/21-09/30/22	\$ (40,073)	\$ (40,073)	\$ 0	\$ 0	\$ 0
E.S.E.A. Title I - 2022-2023	(I)	84.010	013-23-0042	398,280	07/01/22-09/30/23	361,935	0	398,280	398,280	36,345
E.S.E.A. Title II Improving Teacher Quality - 2021-2022	(I)	84.367	020-22-0042	63,397	07/01/21-09/30/22	43,839	43,839	0	0	0
E.S.E.A. Title II Improving Teacher Quality - 2022-2023	(I)	84.367	020-23-0042	71,579	07/01/22-09/30/23	21,638	0	20,566	20,566	(1,072)
E.S.E.A. Title IV Student Support Enrichment - 2021-2022	(I)	84.424	144-22-0042	23,939	07/01/21-09/30/22	8,559	8,559	0	0	0
E.S.E.A. Title IV Student Support Enrichment - 2022-2023	(I)	84.424	144-23-0042	25,380	07/01/21-09/30/23	7,439	0	25,380	25,380	17,941
American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER) - 2020-2021	(I)/(CV)	84.425U	223-21-0042	2,377,686	03/13/20-09/30/24	864,613	329,766	1,405,843	1,405,843	870,996
American Rescue Plan - Elementary and Secondary School Emergency Relief - Homeless Children and Youth	(I)/(CV)	84.425W	181-21-2042	9,913	07/01/20-09/30/24	3,050	(763)	9,913	9,913	6,100
American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER) (ESSER 7% Consolidated)	(I)/(CV)	84.425U	225-21-0042	184,800	03/13/21-09/30/23	16,800	1,265	134,717	134,717	119,182
Passed Through State Commission on Crime and Delinquency:										
Elementary and Secondary School Emergency Relief (PCCD Grant) 2020-2021	(I)/(CV)	84.425D	2020-ES-01-35245	70,631	03/13/20-09/30/22	16,722	0	16,722	16,722	0
Passed Through Schuylkill County Intermediate Unit:										
Special Education - Grants to States (IDEA)	(I)	84.027	62-22-0029	479,674	07/01/22-06/30/23	479,674	0	479,674	479,674	0
Special Education - Preschool Grants (IDEA)	(I)	84.173	62-22-0029	10,512	07/01/22-09/30/23	10,512	0	10,512	10,512	0
Special Education - Grants to States (ARP Supplemental IDEA)	(I)	84.027	62-22-0029	111,689	07/01/22-09/30/23	111,689	0	111,689	111,689	0
TOTAL DEPARTMENT OF EDUCATION				4,150,935		1,906,397	342,593	2,613,296	2,613,296	1,049,492
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES										
Passed Through State Department of Human Services:										
Medical Assistance - Access	(I)	93.778	013-11-0338	28,232	07/01/21-06/30/22	14,401	14,401	0	0	0
Medical Assistance - Access	(I)	93.778	013-11-0338	24,903	07/01/22-06/30/23	12,842	0	24,903	24,903	12,061
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				53,135		27,243	14,401	24,903	24,903	12,061
U.S. DEPARTMENT OF AGRICULTURE										
Passed Through State Department of Education:										
National School Lunch - 2022-2023	(I)	10.555	129-54-080-3	659,892	07/01/22-06/30/23	659,892	0	659,892	659,892	0
National School Lunch - 2022-2023	(S)	N/A	129-54-080-3	34,337	07/01/22-06/30/23	34,337	0	34,337	34,337	0
PEBT Administrative Funds - 2022-2023	(I)	10.649	129-54-080-3	628	07/01/22-06/30/23	628	0	628	628	0
School Breakfast Program - 2022-2023	(I)	10.553	129-54-080-3	111,454	07/01/22-06/30/23	112,583	0	111,454	111,454	(1,129)
School Breakfast Program - 2022-2023	(S)	N/A	129-54-080-3	87,344	07/01/22-06/30/23	87,344	0	87,344	87,344	0
Passed Through State Department of Agriculture:										
National School Lunch (Value of USDA Commodities)	(I)	10.555	129-54-080-3	94,285	07/01/22-06/30/23 (A)	88,527 (B)	(9,835)	94,285 (C)	94,285 (D)	(4,077)
TOTAL DEPARTMENT OF AGRICULTURE				987,940		983,311	(9,835)	987,940	987,940	(5,206)
SUB-TOTAL				5,192,010		2,916,951	347,159	3,626,139	3,626,139	1,056,347
STATE AWARD EXPENDITURES				121,681		121,681	0	121,681	121,681	0
TOTAL EXPENDITURES OF FEDERAL AWARDS				\$ 5,070,329		\$ 2,795,270	\$ 347,159	\$ 3,504,458	\$ 3,504,458	\$ 1,056,347

Source Code Legend:

(D) Indicates direct federal financial assistance funding.
(I) Indicates indirect federal financial assistance funding.
(S) Indicates State matching funding.
(CV) Indicates Coronavirus Funding

Other Code Legend:

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

BLUE MOUNTAIN SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES:

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

NOTE 2 - COMMODITIES:

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

NOTE 3 – INDIRECT COSTS:

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

NOTE 4 - CLUSTER PROGRAMS:

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

Child Nutrition Cluster		Special Education Cluster (IDEA)	
CFDA #	Expenditures	CFDA #	Expenditures
10.553	\$ 111,454	84.027	\$ 591,363
10.555	754,177	84.173	10,512
Total	\$ 865,631	Total	\$ 601,875

**REQUIRED SUPPLEMENTAL
INFORMATION**

BLUE MOUNTAIN SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED 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
DISTRICT'S PROPORTION OF THE NET PENSION LIABILITY (ASSET)	0.1230%	0.1253%	0.1360%	0.1144%					
DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)	\$ 54,684,000	\$ 51,444,000	\$ 66,965,000	\$ 53,519,000	\$ 60,678,000	\$ 61,143,000	\$ 63,036,000	\$ 54,057,000	\$ 49,080,000
DISTRICT'S COVERED-EMPLOYEE PAYROLL	\$ 18,038,691	\$ 17,721,047	\$ 19,123,224	\$ 15,780,600	\$ 17,021,213	\$ 16,484,996	\$ 16,475,021	\$ 16,052,348	\$ 15,818,808
DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) AS A PERCENTAGE OF ITS COVERED-EMPLOYEE PAYROLL	303.15%	290.30%	350.18%	339.14%	356.48%	370.90%	382.61%	336.75%	310.25%
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%	54.30%	52.24%

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

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

BLUE MOUNTAIN SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
FOR THE YEAR ENDED 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	\$ 6,133,316	\$ 5,954,243	\$ 6,352,165	\$ 5,123,000	\$ 5,364,000	\$ 4,735,000	\$ 4,047,000	\$ 3,222,000	\$ 2,470,000
CONTRIBUTIONS IN RELATION TO THE CONTRACTUALLY REQUIRED CONTRIBUTION	<u>6,133,316</u>	<u>5,954,243</u>	<u>6,352,165</u>	<u>5,123,000</u>	<u>5,364,000</u>	<u>4,735,000</u>	<u>4,047,000</u>	<u>3,222,000</u>	<u>2,470,000</u>
CONTRIBUTION DEFICIENCY (EXCESS)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
DISTRICT'S COVERED-EMPLOYEE PAYROLL	\$ 18,038,691	\$ 17,721,047	\$ 19,123,224	\$ 15,780,600	\$ 17,021,213	\$ 16,484,996	\$ 16,475,021	\$ 16,052,348	\$ 15,818,808
CONTRIBUTIONS AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL	34.00%	33.60%	33.22%	32.46%	31.51%	28.72%	24.56%	20.07%	15.61%

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

BLUE MOUNTAIN SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET OPEB-PSERS LIABILITY
FOR THE YEAR ENDED JUNE 30, 2023

	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
DISTRICT'S PROPORTION OF THE NET OPEB- PSERS LIABILITY (ASSET)							
DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB - PSERS LIABILITY (ASSET)	\$ 2,259,000	\$ 2,963,000	\$ 2,943,000	\$ 2,433,000	\$ 2,635,000	\$ 2,522,000	\$ 2,740,000
DISTRICT'S COVERED-EMPLOYEE PAYROLL	\$ 18,038,691	\$ 17,721,047	\$ 19,123,224	\$ 15,780,600	\$ 17,021,213	\$ 16,484,996	\$ 16,475,021
DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB - PSERS LIABILITY (ASSET) AS A PERCENTAGE OF ITS COVERED-EMPLOYEE PAYROLL	12.52%	16.72%	15.39%	15.42%	15.48%	15.30%	16.63%
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL OPEB - PSERS LIABILITY	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

BLUE MOUNTAIN SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS - OPEB-PSERS
FOR THE YEAR ENDED JUNE 30, 2023

	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
CONTRACTUALLY REQUIRED CONTRIBUTION	\$ 143,000	\$ 145,000	\$ 160,000	\$ 131,000	\$ 141,000	\$ 137,000
CONTRIBUTIONS IN RELATION TO THE CONTRACTUALLY REQUIRED CONTRIBUTION	<u>143,000</u>	<u>145,000</u>	<u>160,000</u>	<u>131,000</u>	<u>141,000</u>	<u>137,000</u>
CONTRIBUTION DEFICIENCY (EXCESS)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
DISTRICT'S COVERED-EMPLOYEE PAYROLL	\$ 18,038,691	\$ 17,721,047	\$ 19,123,224	\$ 15,780,600	\$ 17,021,213	\$ 16,484,996
CONTRIBUTIONS AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL	0.79%	0.82%	0.84%	0.83%	0.83%	0.83%

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

BLUE MOUNTAIN SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY
FOR THE YEAR ENDED JUNE 30, 2023

	June 30, 2023	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 (ASSET)							
DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)	\$ 8,283,191	\$ 9,652,303	\$ 18,424,791	\$ 17,579,702	\$ 18,051,844	\$ 17,494,670	\$ 17,494,670
DISTRICT'S COVERED-EMPLOYEE PAYROLL	\$ 16,511,846	\$ 16,511,846	\$ 17,074,371	\$ 16,657,923	\$ 16,650,928	\$ 16,244,808	\$ 16,475,021
DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET) AS A PERCENTAGE OF ITS COVERED-EMPLOYEE PAYROLL	50.17%	58.46%	107.91%	105.53%	108.41%	107.69%	106.19%
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL OPEB LIABILITY	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

BLUE MOUNTAIN SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS - OPEB
FOR THE YEAR ENDED JUNE 30, 2023

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
CONTRACTUALLY REQUIRED CONTRIBUTION	\$ <u>N/A</u>	\$ <u>N/A</u>	\$ <u>N/A</u>	\$ <u>N/A</u>	\$ <u>N/A</u>	\$ <u>N/A</u>
CONTRIBUTIONS IN RELATION TO THE CONTRACTUALLY REQUIRED CONTRIBUTION	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
CONTRIBUTION DEFICIENCY (EXCESS)	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
DISTRICT'S COVERED-EMPLOYEE PAYROLL	\$ 16,511,846	\$ 16,511,846	\$ 17,074,371	\$ 16,657,923	\$ 16,650,928	\$ 16,244,808
CONTRIBUTIONS AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL	N/A	N/A	N/A	N/A	N/A	N/A

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