
WYOMING AREA SCHOOL DISTRICT
REPORT ON AUDIT OF FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
FOR THE YEAR JUNE 30, 2021

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INDEPENDENT AUDITOR'S REPORT

To the School Board of Directors
Wyoming Area School District
Exeter, PA 18643

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 Wyoming Area School District as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Wyoming Area School District as of June 30, 2021, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, historical pension and OPEB information and budgetary comparison information on pages 3-14, pages 58-62, and pages 63-64, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which con

sisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.


Supplementary Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 22, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Pittston, PA
March 22, 2022

WYOMING AREA SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)

**WYOMING AREA SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)**

This Management's Discussion and Analysis (MD&A) is intended to provide a narrative overview and analysis of the financial activities of the Wyoming Area School District (the "District") for the year ended June 30, 2021. The District's financial performance is discussed and analyzed within the context of the financial statements and the disclosures that follow. This discussion focuses on the District's financial performance as a whole; readers should also review the basic financial statements and the notes thereto to enhance their understanding of the District's financial performance.

FINANCIAL HIGHLIGHTS

The total net position of the District increased \$ 266,786 to (\$ 56,221,584) at June 30, 2021. This occurred with the Net position of governmental activities increasing by \$ 210,657 and the Net position of the business-type activity increasing by \$ 56,129 at June 30, 2021.

The District had \$37,973,591 in expenses related to governmental activities in 2021; of these expenses, \$9,736,254 was offset by program specific Charges For Services and Grants or Contributions. General revenues (primarily taxes and state subsidies) of \$ 28,447,996 were sufficient to provide for these programs resulting in an increase in net position of \$ 210,657.

Also, in the District's business-type activity, net position increased by \$ 56,129. The increase was the result of a transfer from Governmental Activities in the amount of \$300,000.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances in a manner similar to a private-sector business. These statements are prepared using the accrual basis of accounting. The focus of these statements is long-term.

**WYOMING AREA SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)**

The statement of net position presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

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

Both of the governmental-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a portion of their costs through user fees and charges (business-type activities). The governmental activities include all of the District's instructional programs and support services except for its food service operation, which is considered a business-type activity.

The government-wide financial statements can be found on pages 16-17 of this report.

FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of fund financial statements is short-term. Fund financial statements are prepared using the modified accrual basis of accounting. The District uses several different types of funds but the two most significant types are the governmental and proprietary fund types.

GOVERNMENTAL FUNDS

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities

**WYOMING AREA SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)**

in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the District's General Fund, Capital projects Fund, and Debt Service Fund. Effective for 2010-2011 fiscal year, GASB #54 "Fund Balance Reporting and Governmental Fund Type Definitions" specifically stated Athletic Funds shall be reported as General Fund operations if there is no dedicated stream of revenue to substantially fund the program. As a result, the Athletic Fund is reported as General Fund operations.

The basic governmental fund financial statements can be found on pages 18-21 of this report.

The District adopts an annual budget for its General Fund. A budgetary comparison statement for the General Fund has been provided on page 64 of this report to demonstrate compliance with the budget process.

PROPRIETARY FUNDS

The District accounts for its food service operation in a proprietary fund, which report the same functions presented as business-type activities in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements can be found on pages 22-24 of this report.

FIDUCIARY FUNDS

The District accounts for its activity, trust and vending funds as fiduciary funds. The basic fiduciary fund financial statement can be found on page 25 of this report.

NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 26-58 of this report.

WYOMING AREA SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)

GENERAL FUND BUDGETARY HIGHLIGHTS

The District prepares a budget each year for its General Fund according to Pennsylvania law. The budget complied with all applicable state laws and financial policies approved by the School Board of Directors.

The General Fund's approved budget for 2021 included \$37,209,518 of revenues and \$38,603,769 of expenditures. There were no amendments made to the budget during 2021.

Actual revenues received for 2021 were \$38,483,540 or 3.42% over budget. Local source revenue exceeded the budget by approximately \$1,155,657. The main contributing factor was during the 2020-2021 budget, based on recommendation from state associations, the District decreased Current Real Estate Taxes, Earned Income Taxes, and Real Estate Transfer Taxes due to the unknown impacts COVID-19 would have on the local economy. Those reductions did not come to fruition and higher-than-expected Current Real Estate Taxes, Earned Income Taxes, and Real Estate Transfer Taxes were realized by the District. State source revenue exceeded budgetary expectations by approximately \$354,787 mainly due to an increase in Transportation Subsidy and Section 1305-06 tuition. Federal source revenue had an unfavorable variance of \$237,068, mainly due to the District not drawing down on ACCESS funds at June 30, 2021. These ACCESS funds are available to the District for utilization in future years.

Actual expenditures and other uses were \$38,063,632 or 1.40% below the budget. The variances relative to expenditures were primarily due to a favorable variances in Salaries and Benefits, and the District not utilizing the Budgetary Reserve line item in 2021. These favorable variances were utilized to offset unfavorable variances attributable to COVID-19 related expenses such as additional sanitization, increased Charter/Cyber Expenditures, supplies, technology and equipment related to COVID-19. Eligible COVID-19 related expenses were offset by Federal Funding from Elementary and Secondary School Emergency Relief (ESSER) Funds and other COVID-19 related grants available

WYOMING AREA SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)

The District's condensed government-wide financial statements are presented comparatively as follows:

CONDENSED STATEMENT OF NET POSITION

	Governmental Activities		Business Type Activities		Total	
	06/30/21	06/30/20	06/30/21	06/30/20	06/30/21	06/30/20
ASSETS AND DEFERRED OUTFLOWS						
Current and Other Assets	\$ 9,045,502	\$ 9,434,944	\$(167,143)	\$(229,115)	\$ 8,878,359	\$ 9,205,829
Capital Assets	22,526,151	22,799,914	30,305	36,792	22,556,456	22,836,706
Deferred Outflows of Resources	9,547,281	6,851,870	-	-	9,547,281	6,851,870
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$41,118,934	\$39,086,728	\$(136,838)	\$(192,323)	\$40,982,096	\$38,894,405
LIABILITIES AND DEFERRED INFLOWS						
Current Liabilities	\$ 5,508,324	\$ 5,716,659	\$ 6,819	\$ 7,463	\$ 5,515,143	\$ 5,724,122
Non-Current Liabilities	87,950,208	84,963,043	-	-	87,950,208	84,963,043
Deferred Inflows of Resources	3,738,329	4,695,610	-	-	3,738,329	4,695,610
Total liabilities and deferred inflows	\$97,196,861	\$95,375,312	\$ 6,819	\$ 7,463	\$97,203,680	\$95,382,775
NET POSITION:						
Net investment in capital assets	\$ 318,330	\$ (90,183)	\$ 30,305	\$ 36,792	\$ 348,635	\$ (53,391)
Unrestricted	(56,396,257)	(56,198,104)	(173,962)	(236,578)	(56,570,219)	(56,434,682)
Total Net Position	(56,077,927)	(56,288,287)	(143,657)	(199,786)	(56,221,584)	(56,488,073)
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	\$41,118,934	\$39,087,025	\$(136,838)	\$(192,323)	\$40,982,096	\$38,894,702

WYOMING AREA SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)

CONDENSED STATEMENT OF ACTIVITIES

	Governmental Activities		Business Type Activities		Total	
	06/30/21	06/30/20	06/30/21	06/30/20	06/30/21	06/30/20
REVENUES						
Program Revenue						
Charges For Service	\$ 9,496	\$ 19,098	\$ 4,701	\$ 182,937	\$ 14,197	\$ 202,035
Operating Grants and Contributions	9,726,756	8,583,831	273,774	455,023	10,000,530	9,038,854
General Revenues						
Taxes Levied For General Purposes	20,278,085	19,466,964	-	-	20,278,085	19,466,964
Grants, Subsidies, Contribution Not Restricted	8,160,720	8,111,317	-	34,056	8,160,720	8,145,373
Investment Earnings	34,314	100,008	40	183	34,354	100,191
Transfers	(300,000)	(146,363)	300,000	146,363	-	-
Miscellaneous Income	274,877	288,628	38	-	274,915	288,628
Total Revenues	<u>38,184,248</u>	<u>36,423,483</u>	<u>578,553</u>	<u>818,562</u>	<u>38,762,801</u>	<u>37,242,045</u>
Expenses						
Instruction	25,127,979	23,752,050	-	-	25,127,979	23,752,050
Instructional Student Support	2,118,338	2,199,174	-	-	2,118,338	2,199,174
Administrative	2,910,915	2,899,897	-	-	2,910,915	2,899,897
Operation Of Plant	3,076,561	3,209,194	-	-	3,076,561	3,209,194
Pupil Transportation	2,561,568	2,469,483	-	-	2,561,568	2,469,483
Food Service	-	-	522,424	868,667	522,424	868,667
Student Activities	525,022	644,586	-	-	525,022	644,586
Community Service	31,124	92,197	-	-	31,124	92,197
Interest On Long Term Debt	658,358	893,311	-	-	658,358	893,311
Unallocated Depreciation	963,726	920,696	-	-	963,726	920,696
Total Expenses	<u>37,973,591</u>	<u>37,080,588</u>	<u>522,424</u>	<u>868,667</u>	<u>38,496,015</u>	<u>37,949,255</u>
Change In Net Position	<u>210,657</u>	<u>(657,105)</u>	<u>56,129</u>	<u>(50,105)</u>	<u>266,786</u>	<u>(707,210)</u>
Net Position, Beginning of Year	<u>(56,288,584)</u>	<u>(54,833,429)</u>	<u>(199,786)</u>	<u>(149,681)</u>	<u>(56,488,370)</u>	<u>(54,783,110)</u>
Restatement	-	(998,050)	-	-	-	(998,050)
Net Position, Beginning, as Restated	<u>(56,288,584)</u>	<u>(55,831,479)</u>	<u>(199,786)</u>	<u>(149,681)</u>	<u>(56,488,370)</u>	<u>(55,781,160)</u>
Net Position, Ending	<u>\$ (56,077,927)</u>	<u>\$ (56,288,584)</u>	<u>\$ (143,657)</u>	<u>\$ (199,786)</u>	<u>\$ (56,221,584)</u>	<u>\$ (56,488,370)</u>

WYOMING AREA SCHOOL DISTRICT
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 (UNAUDITED)

GOVERNMENTAL ACTIVITIES

The net position of the governmental activities increased in total by \$210,657 in 2021. During 2021, Revenues increased by 4.83% in comparison to 2020 and this increase can be attributed to Operating Grants & Contributions, Taxes Levied for General Purposes and Grants, Subsidies, & Contributions Not Restricted. Expenditures increased \$893,003 or 2.41% in 2021 as compared to 2020, mainly due to an increase in Instruction, Administrative, Pupil Transportation and Unallocated Depreciation. The net effect of Expenditures over Revenues resulted in an increase in Net Position of \$210,657 at June 30, 2021.

BUSINESS-TYPE ACTIVITY

Net position of the District's food service operation has increased by \$56,129 in 2021. The increase was the result of an increase in General Fund Transfers of \$300,000 and a decrease in food service expenses.

FINANCIAL ANALYSIS OF THE FUNDS

GENERAL FUND

The following represents a summary of Actual General Fund revenues, by source, along with variances from 2020.

	<u>2021</u> <u>Amount</u>	<u>2020</u> <u>Amount</u>	<u>Increase</u> <u>(Decrease)</u>	<u>%</u> <u>Change</u>
Local sources	\$20,494,271	\$19,692,966	\$ 801,305	4.07%
State sources	16,419,872	16,117,759	302,113	1.87%
Federal sources	<u>1,568,751</u>	<u>743,854</u>	<u>824,897</u>	<u>110.90%</u>
 Total	 <u>\$38,482,894</u>	 <u>\$36,554,579</u>	 <u>\$1,928,315</u>	 <u>5.28%</u>

WYOMING AREA SCHOOL DISTRICT
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 (UNAUDITED)

LOCAL SOURCES

The majority of the local source revenue is derived from the real estate tax. The real estate tax levy increased approximately 3.50% for Luzerne County and increased approximately 2.15% for Wyoming County in 2021. The total current real estate collections approximated \$15,691,262 for the year ended June 30, 2021. In addition, the increase in Local Source Revenue was due to larger than expected collections in earned income taxes and real estate transfer taxes.

STATE SOURCES

The increase in State Revenue received is primarily due to an increase in the Rental Sinking Fund Reimbursement, Social Security and Retirement Subsidy. Increased retirement subsidy is due to the retirement rate increase from 34.29% to 34.51% from the prior year. The District receives reimbursement based on an aid ratio relative to when an employee was hired. It should be noted the Retirement Subsidy increase is offset by the corresponding increases in retirement expense.

FEDERAL SOURCES

Federal sources of revenue increased by \$824,897. The variance is due to an increase in COVID-19 related grants. These grants include COVID-19 SECIM, aTSI GEER, Elementary and Secondary Emergency Relief (ESSER) and PCCD Health and Safety Grant Funds available to schools in Pennsylvania during COVID-19. Also, the District experienced an increase in Title I funding.

The following represents a summary of General Fund expenditures by function for the years June 30, 2021 and 2020.

	2021 <u>Amount</u>	2020 <u>Amount</u>	Increase <u>(Decrease)</u>
Instruction	\$25,149,712	\$23,981,720	\$1,167,992
Support services	10,452,126	10,707,138	(255,012)
Non-instructional services	594,400	736,784	(142,384)
Refunds of Prior Year			
Receipts	2,496	51,014	(48,518)
Debt Service and Other financing uses	<u>1,864,252</u>	<u>890,219</u>	<u>974,033</u>
Total	<u>\$38,062,986</u>	<u>\$36,366,875</u>	<u>1,696,111</u>

**WYOMING AREA SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)**

INSTRUCTION

The amount of instructional expenses reported at June 30, 2021 increased by approximately \$1,167,992 from the prior year. The increase can be mainly attributed to an increase in supplies, equipment and cyber and charter tuition, offset by Federal related funding,

SUPPORT SERVICES

The decrease in support services is mainly attributed to a minimal decrease in special education placement services.

NON-INSTRUCTIONAL SERVICES

Expenditures incurred for non-instructional services slightly decreased from 2020 to 2021 mainly attributed to a decrease in Student Activity Transportation directly related to COVID-19 conditions.

REFUND OF PRIOR YEAR RECEIPTS

The decrease in refund of prior year receipts is due to a retroactive refund issued as a result of a settlement with a taxpayer related to an assessment appeal for prior year paid Property Taxes in 2020.

DEBT SERVICE AND OTHER FINANCING USES

The increase in debt service for 2021 is a result of decreased debt payments due to partially refunding Series of 2015 and Series of 2016 Bonds in 2020.

CAPITAL PROJECTS FUND

The Capital Project Fund accounts for major construction projects in the District. This fund in 2021 was utilized primarily on the Secondary Center and Tenth Street Roofing Project. The Roofing project was financed through a \$1,255,000 General Obligation Note, Series of 2019 A debt obligation. The District refunded the remaining portion of Series of 2015 Bond and refunded Series of 2018 Note with an \$8,005,000 General Obligation Bonds, Series A of 2021. Along with refunded the remaining portion of Series of 2016 Bonds and refunded Series of 2013 Bond with a \$4,815,000 General Obligation Bonds, Series B of 2021. The loan obligations were formally closed on February 17, 2021. The fund balance at June 30, 2021 of the Capital Projects Fund was \$256,679.

WYOMING AREA SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)

DEBT SERVICE FUND

The Debt Service Fund is used to account for resources accumulated for the payment of long-term obligations. It is normally used to account for refunding of bond issues and the payment of the annual debt service on existing bonds. The District periodically reviews its existing debt and refunds such debt when economically feasible.

The District in March of 2006 issued \$24,955,000 of bonds and notes for the purpose of providing funds to (1) advance refund the School District's GOB, Series of 2004, (2) advance refund the School District's GOB, Series A of 2004; (3) currently refund the School District's Federally Taxable GON, Series of 2004; (4) currently refund the School District's Federally Taxable GON, Series A of 2005; and (5) paying the costs and expenses of issuance of the Bonds.

The District refinanced its 2005 Energy Performance Note in March 2012 with the 2012 Bond Issue of \$1,535,000. The District paid \$195,000 in principal and \$6,963 in interest on the 2012 Bond Issue during June 30, 2019.

As discussed in the comments for the Capital Projects Fund, the District also applied for and was approved for a loan from the USDA for renovations of the Montgomery Ave. School. The loan amount is \$2,000,000 and was formally closed on December 20, 2013. The District paid approximately \$30,410 in principal and \$66,070 in interest on the loan during 2019.

The District in December 2015 issued \$9,995,000 and in January 2016 issued \$9,195,000 for a total of \$19,190,000 of bonds for the purpose of providing funds to (1) refund the School District's GON, Series A of 2006 and (2) pay the costs and expenses of issuance of the bonds. The district is anticipated to realize an estimated savings of \$2.59 million over the life of the refinanced bonds.

The District in April 2018 issued \$1,750,000 note for the purpose of providing funds to improve energy efficiency of the Montgomery Ave. School. The Financing was part of the District's participation in an Energy Performance Contract. The loan was formally closed on April 3, 2018.

The District in July 2019 issued \$1,255,000 in General Obligation Notes, Series 2019 A to fund various capital projects and pay all costs and expenses in connection with the issuance of the Notes.

The District in July 2019 also issued \$7,170,000 in General Obligation Notes, Series 2019 B to advance refund a portion of the 2015 Series and 2016 Series General obligation Bonds.

**WYOMING AREA SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)**

The District in February 2021 issued \$8,005,000 in General Obligation Bonds, Series A of 2021 to refund the remaining portion of the General Obligation Bonds, Series of 2015 and refund General Obligation Note, Series of 2018.

The District in February 2021 also issued \$4,815,000 in General Obligation Bonds, Series B of 2021 to refund the remaining portion of the General obligation Bonds, Series of 2016 and refund General Obligation Bond, Series of 2013.

CAPITAL ASSETS

The District's investment in capital assets as of June 30, 2021 is summarized below.

	<u>GOVERN- MENTAL ACTIVITIES</u>	<u>BUSINESS- TYPE ACTIVITY</u>	<u>TOTALS</u>
Land	\$ 1,329,844		\$ 1,329,844
Buildings	48,715,720		48,715,720
Improvements	1,970,193		1,970,193
Equipment & Fixtures	2,585,573	830,479	3,416,052
Infrastructure	378,508	-	378,508
Construction in Progress	<u>0</u>	<u>-</u>	<u>0</u>
Total	54,979,838	830,479	55,810,317
Less accumulated depreciation	<u>32,453,687</u>	<u>800,174</u>	<u>33,253,861</u>
Net	<u>\$ 22,526,151</u>	<u>\$ 30,305</u>	<u>\$ 22,556,456</u>

LONG-TERM DEBT

At June 30, 2021, the District's general obligation debt was approximately \$21.2 million. This amount is approximately 26% of its legal limit of \$80.2 million. The District is scheduled to remit principal and interest payments of \$1,480,832 during the 2021-2022 school year. As of January 2021, Wyoming Area SD has an A+ (Stable Outlook) underlying rating from S&P.

WYOMING AREA SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)

ECONOMIC CONDITION AND OUTLOOK

During the 2020-2021 year, the COVID-19 Pandemic impacted schools state-wide. The Impact continues as it relates to additional costs necessary to prepare, prevent, or respond to COVID-19. In adoption of the 2021-2022 budget, the District reinstated revenue allocations for Current Real Estate Taxes, Earned Income Taxes, Real Estate Transfer Taxes, Delinquent Taxes and Investment Earnings that were reduced in the 2020-2021 budget due to the unknown impact of COVID-19 on Revenues. The District is also the recipient of multiple COVID-19 related funding streams that have been and are being applied for to be utilized for allowable costs to prepare, prevent, or respond to COVID-19. The District will continue to monitor the increased costs due to the COVID-19 Pandemic.

Beginning in the year 2015 the District has unfortunately recognized a material decline in the overall assessed value of real estate within the District. This reduction is the direct result of major flood conditions and various real estate tax assessment appeals resulting in reductions of assessed values occurring within in the District. Therefore, the District does not expect significant growth in the near future given the residential nature of the local economy and a lack of developable land within the District.

In addition, the District is in compliance with the law as passed within the Commonwealth of Pennsylvania entitled Act I of Special Session of 2006. The goal of the Act I legislation seeks to reduce property taxes but in doing so also ensures that the District does not suffer any loss of revenue attributable to the shifting of local revenue sources

Retirement Costs associated with District Personnel increased during the fiscal year due to an increase in the rate certified by the Public School Employees' Retirement System. The table below illustrates the rates charged the District.

Year	DISTRICT RATE ON COVERED PAYROLL
2017	30.03%
2018	32.57%
2019	33.43%
2020	34.29%
2021	34.51%
2022	34.94%
2023	35.26%
2024	35.69%*
2025	36.02%*
2026	36.48%*
2027	36.78%*
2028	36.91%*
2029	37.10%*
2030	37.30%*

**Future Projections as per PSERs.*

**WYOMING AREA SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)**

For fiscal year 2022-2023, the District has been notified that it can increase taxes if deemed necessary without PDE approval or voter referendum by a 4.6% index.

In the District's fiscal year 2015 financial statements it had adopted Statement No. 68 "Accounting & Financial Reporting for Pensions." It continues to follow this standard. The District has worked in conjunction with actuaries and representatives from the State pension system to calculate the liability included in this report.

EMPLOYEE RELATIONS

The following represents the Collective Bargaining Agreements in effect at June 30, 2021:

Wyoming Area School District and the Wyoming Area Education Association are operating under a contract for a term commencing September 1, 2020 and ending August 31, 2022.

Wyoming Area School District and the Wyoming Area Educational Support Personnel Association are operating under a contract for a term commencing July 1, 2020 and ending June 30, 2023.

REQUESTS FOR INFORMATION

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Business Manager, Wyoming Area School District, 252 Memorial Street, Exeter, PA 18643.

WYOMING AREA SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30 2021

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 6,112,668	\$ 124,295	\$ 6,236,963
Investments	132,448	-	132,448
Taxes receivable	53,786	-	53,786
Due from other governments	2,174,838	27,266	2,202,104
Accounts receivable	167,638	2,401	170,039
Internal balances	338,265	(338,265)	-
Inventories	15,500	17,160	32,660
Other assets	50,359	-	50,359
Capital assets not being depreciated	1,329,844	-	1,329,844
Capital assets, net of accumulated depreciation	21,196,307	30,305	21,226,612
TOTAL ASSETS	31,571,653	(136,838)	31,434,815
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflow - pension	7,776,050	-	7,776,050
Deferred outflow - OPEB (HIPAP)	281,000	-	281,000
Deferred outflow - OPEB	1,490,231	-	1,490,231
TOTAL DEFERRED OUTFLOWS OF RESOURCES	9,547,281	-	9,547,281
LIABILITIES			
Accounts payable	839,095	6,819	845,914
Accrued salaries and benefits	2,819,200	-	2,819,200
Payroll deductions and withholdings	1,670,464	-	1,670,464
Deferred revenue	72,303	-	72,303
Interest payable	107,262	-	107,262
Long-term liabilities			
Portion due or payable within one year			
Bonds	850,000	-	850,000
Capital leases	9,519	-	9,519
Compensated absences	60,736	-	60,736
Special termination benefits	78,604	-	78,604
Due in more than one year			
Bonds	21,323,431	-	21,323,431
Capital leases	24,871	-	24,871
Compensated absences	546,619	-	546,619
Special termination benefits	100,543	-	100,543
Net pension liability	52,243,000	-	52,243,000
Net OPEB liability (HIPAP)	2,305,000	-	2,305,000
Net OPEB liability	10,407,885	-	10,407,885
TOTAL LIABILITIES	93,458,532	6,819	93,465,351
DEFERRED INFLOWS OF RESOURCES			
Deferred inflow - pension	2,169,000	-	2,169,000
Deferred inflow - OPEB (HIPAP)	144,000	-	144,000
Deferred inflow - OPEB	1,425,329	-	1,425,329
TOTAL DEFERRED OUTFLOWS OF RESOURCES	3,738,329	-	3,738,329
NET POSITION			
Net investment in capital assets	318,330	30,305	348,635
Unrestricted	(56,396,257)	(173,962)	(56,570,219)
TOTAL NET POSITION	\$ (56,077,927)	\$ (143,657)	\$ (56,221,584)

See accompanying notes to basic financial statements

**WYOMING AREA SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		TOTAL
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	
GOVERNMENTAL ACTIVITIES:							
Instruction	\$ 25,127,979	\$ 5,404	\$ 6,631,671	\$ -	\$ (18,490,904)	\$ -	\$ (18,490,904)
Instructional Student Support	2,118,338	-	483,013	-	(1,635,325)	-	(1,635,325)
Administrative	2,910,915	-	307,335	-	(2,603,580)	-	(2,603,580)
Operaton of Plant	3,076,561	730	286,925	-	(2,788,906)	-	(2,788,906)
Pupil Transportation	2,561,568	-	1,815,315	-	(746,253)	-	(746,253)
Student Activities	525,022	3,362	55,488	-	(466,172)	-	(466,172)
Community Services	31,124	-	3,358	-	(27,766)	-	(27,766)
Interest on Long Term Debt	658,358	-	143,651.00	-	(514,707)	-	(514,707)
Depreciation Expense-Unallocated	963,726	-	-	-	(963,726)	-	(963,726)
TOTAL GOVERNMENTAL ACTIVITIES	37,973,591	9,496	9,726,756	-	(28,237,339)	-	(28,237,339)
BUSINESS TYPE ACTIVITIES:							
Food Services	522,424	4,701	273,774	-	-	(243,949)	(243,949)
TOTAL PRIMARY GOVERNMENT	\$ 38,496,015	\$ 14,197	\$ 10,000,530	\$ -	(28,237,339)	(243,949)	(28,481,288)
GENERAL REVENUE AND TRANSFERS:							
Taxes:							
Property Taxes Levied For General Purposes					15,740,121	-	15,740,121
Other Local Taxes Levied For General Purposes					4,537,964	-	4,537,964
Grants, Subsidies, and Contributions Not Restricted					8,160,720	-	8,160,720
Miscellaneous General Purpose Revenues					274,877	40	274,917
Investment Earnings					34,314	38	34,352
Gain on Sale of Assets					-	-	-
Transfers					(300,000)	300,000	-
Total General Revenue and Transfers					28,447,996	300,078	28,748,074
CHANGE IN NET POSITION					210,657	56,129	266,786
NET POSITION AT BEGINNING OF YEAR					(56,288,584)	(199,786)	(56,488,370)
NET POSITION AT END OF YEAR					\$ (56,077,927)	\$ (143,657)	\$ (56,221,584)

See accompanying notes to basic financial statements

WYOMING AREA SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30 2021

	General Fund	Capital Projects Fund	Total Governmental Funds
ASSETS:			
Cash and equivalents	\$ 5,855,989	\$ 256,680	\$ 6,112,669
Investments	132,448	-	132,448
Taxes receivable	53,786	-	53,786
Due from other governments	2,174,838	-	2,174,838
Due from other funds	338,305	-	338,305
Accounts Receivable	167,637	-	167,637
Inventory	15,500	-	15,500
Prepaid expenses	1,763	-	1,763
Other current assets	48,596	-	48,596
TOTAL ASSETS	\$ 8,788,862	\$ 256,680	\$ 9,045,542
LIABILITIES:			
Accounts Payable	\$ 839,096	\$ -	\$ 839,096
Accrued salaries and benefits	2,819,175	-	2,819,175
Payroll deductions and withholdings	1,670,488	-	1,670,488
Due to other funds	40	-	40
Other liabilities	72,303	-	72,303
TOTAL LIABILITIES	5,401,102	-	5,401,102
FUND BALANCES:			
Nonspendable	15,500	-	15,500
Assigned	283,958	-	283,958
Restricted	-	256,680	256,680
Unassigned	3,088,302	-	3,088,302
TOTAL FUND BALANCES	3,387,760	256,680	3,644,440
TOTAL LIABILITIES AND FUND BALANCES	\$ 8,788,862	\$ 256,680	\$ 9,045,542

See accompanying notes to basic financial statements

WYOMING AREA SCHOOL DISTRICT

***Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position
JUNE 30, 2021***

Total fund balances - governmental funds		\$ 3,644,440
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital Assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is \$ 54,979,838 and the accumulated depreciation is \$ 32,453,687		
		22,526,151
The net pension liability and other postemployment benefit obligations and related deferred outflows and inflows of resources are not reflected on the fund financial statements.		
Pension		(46,635,950)
OPEB (HIPAP)		(2,168,000)
OPEB		(10,342,983)
Other Current Liabilities used in governmental activities that are not financial Expenses and therefore are not reported as Liabilities in governmental funds are as follows:		
Accrued Interest		(107,262)
Long Term Liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long term liabilities at year end consist of the following:		
Bonds Payable	(22,173,431)	
Capital Leases	(34,390)	
Special Termination Benefits	(179,147)	
Compensated Absences	(607,355)	(22,994,323)
TOTAL NET POSITION - Governmental Activity		<u>\$ (56,077,927)</u>

See accompanying notes to basic financial statements

**WYOMING AREA SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021**

	General	Capital Projects	Total Governmental Funds
REVENUES:			
Local Sources	\$ 20,494,269	\$ 1,021	\$ 20,495,290
State Sources	16,419,872	-	16,419,872
Federal Sources	1,568,751	-	1,568,751
TOTAL REVENUES	38,482,892	1,021	38,483,913
EXPENDITURES:			
Instruction	25,149,712	-	25,149,712
Support Services	10,452,127	-	10,452,127
Noninstructional Services	594,400	-	594,400
Facilities Acquisition, Construction and Improvement Services	-	592,351	592,351
Debt Service	1,581,767	-	1,581,767
TOTAL EXPENDITURES	37,778,006	592,351	38,370,357
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	704,886	(591,330)	113,556
OTHER FINANCING SOURCES (USES)			
Refunding bonds issued	-	12,820,000	12,820,000
Premium from Debt Issues	-	985,435	985,435
Payment to refunded bond escrow agent	-	(13,788,566)	(13,788,566)
Interfund Transfers in (out)	(283,131)	(16,869)	(300,000)
Sale or Compensation for Loss of Fixed Assets	646	-	646
Proceeds from capital lease	-	-	-
Refunds of Prior Years Receipts	(2,496)	-	(2,496)
TOTAL OTHER FINANCING SOURCES (USES)	(284,981)	-	(284,981)
NET CHANGE IN FUND BALANCES	419,905	(591,330)	(171,425)
Fund Balances-July 1, 2020	2,967,855	848,010	3,815,865
FUND BALANCES-JUNE 30, 2021	\$ 3,387,760	\$ 256,680	\$ 3,644,440

See accompanying notes to basic financial statements

WYOMING AREA SCHOOL DISTRICT

**Reconciliation of Governmental Funds Statement of Revenues,
Expenditures and Changes in Fund Balance to Statement of Activities
JUNE 30, 2021**

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

Net change in fund balance - governmental funds		\$ (171,425)
<p>Capital Outlays are reported in governmental funds as expenditures. However in the statement of activities, the cost of these assets is allocated over their estimated useful life as depreciation expense</p>		
Capital outlays	689,963	
Depreciation	<u>(963,726)</u>	(273,763)
<p>The issuance of long term debt provides current financial resources to governmental funds, while the repayment of principal of long term debt consumes the current financial resources of governmental funds.</p>		
Bond and capital lease payments	14,450,707	
Proceeds from bonds and capital leases	<u>(13,805,435)</u>	645,272
<p>The change in net pension liability and other postemployment benefit obligations and related deferred outflows and inflows of resources for pension and other postemployment benefits are reflected as an adjustment to expense on the statement of activities, but not included in the fund statements.</p>		
Pension	797,978	
OPEB (HIPAP)	40,500	
OPEB	<u>(863,176)</u>	(24,698)
<p>In the statement of activities, certain operating expenses compensated absences (sick leave & vacations), special termination benefits (early retirement) are measured by the amounts earned during the year. In the governmental funds, however, expenditures are measured by the amount of financial resources used (paid)</p>		
Compensated Absences	(24,160)	
Special Termination Benefits	<u>32,109</u>	7,949
<p>Interest on long term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The additional interest and bond premium reported for the period in the statement of activities is as follows:</p>		
Accrued Interest	(9,682)	
Bond Premium	<u>37,004</u>	27,322
CHANGE IN NET POSITION (DEFICIT) - Governmental Activities		<u>\$ 210,657</u>

See accompanying notes to basic financial statements

**WYOMING AREA SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30 2021**

	<u>Enterprise Fund</u> <u>Food Services</u>
ASSETS:	
CURRENT ASSETS:	
Cash	\$ 124,295
Due from other governments	27,266
Due from other funds	40
Other receivables	2,400
Inventories	17,160
TOTAL CURRENT ASSETS	<u>171,161</u>
NONCURRENT ASSETS:	
Fixed Assets	830,479
Accumulated Depreciation	(800,174)
TOTAL NONCURRENT ASSETS	<u>30,305</u>
TOTAL ASSETS	<u>\$ 201,466</u>
LIABILITIES:	
Due to Other Funds	\$ 338,305
Accounts Payable	6,818
TOTAL LIABILITIES	<u>345,123</u>
NET POSITION:	
Invested in Capital Assets, Net of Related Debt	30,305
Unrestricted	(173,962)
TOTAL NET POSITION	<u>(143,657)</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 201,466</u>

See accompanying notes to basic financial statements

**WYOMING AREA SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2021**

	<u>Enterprise Fund Food Services</u>
OPERATING REVENUES:	
Food Service Sales	\$ 4,741
TOTAL OPERATING REVENUES	<u>4,741</u>
OPERATING EXPENSES:	
Personal Services	411,586
Supplies	89,282
Purchases services	13,469
Depreciation	6,487
Other Operating Expenses	1,600
TOTAL OPERATING EXPENSES	<u>522,424</u>
OPERATING INCOME (LOSS)	<u>(517,683)</u>
NONOPERATING REVENUES (EXPENSES):	
Investment Income	37
Federal Sources	190,795
Donated Commodities	28,616
State Sources	54,363
TOTAL NONOPERATING REVENUES (EXPENSES):	<u>273,811</u>
INCOME (LOSS) BEFOR OPERATING TRANSFERS	(243,872)
TRANSFERS IN	<u>300,000</u>
CHANGES IN NET POSITION	56,128
NET POSITION - BEGINNING OF YEAR	<u>(199,785)</u>
NET POSITION - END OF YEAR	<u>\$ (143,657)</u>

See accompanying notes to basic financial statements

**WYOMING AREA SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2021**

	<u>Enterprise Fund</u> <u>Food Services</u>
CASH FLOWS FROM OPERATION ACTIVITIES	
Received from User Charges	\$ 4,154
Payments to Employees for Services	(411,586)
Payment to Suppliers for Goods and Services	(52,319)
NET CASH USED BY OPERATING ACTIVITIES	<u>(459,751)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Nonoperating Revenue Received-Federal	198,594
Nonoperating Revenue Received-State	54,304
Transfer in	300,000
NET CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	<u>552,898</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of Capital Assets	<u>-</u>
CASH FLOWS FROM INVESTMENT ACTIVITIES	
Interest on Investments	<u>37</u>
NET CHANGES IN CASH AND CASH EQUIVALENTS	93,184
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>31,111</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 124,295</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED BY OPERATING ACTIVITIES	
Operating Income or Loss	\$ (517,683)
Adjustments to Reconcile Operating Income (Loss) to Net Cash provided by (used for) Operating Activities	
Depreciation	6,487
Donated commodities	28,616
Receivables	293
Inventory	(7,122)
Payables	(645)
Due to other funds	30,303
NET CASH USED BY OPERATING ACTIVITIES	<u>\$ (459,751)</u>
NONCASH NON CAPITAL FINANCING ACTIVITIES	
USDA Donated Commodities	<u>\$ 28,616</u>

See accompanying notes to basic financial statements

**WYOMING AREA SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2021**

	Private Purpose Trust	Custodial Funds	
		Student/Faculty Vending Fund	Student Activity Fund
ASSETS:			
Cash and Cash Equivalents	\$ 33,363	\$ 2,963	\$ 117,094
Investments	32,260	-	-
TOTAL ASSETS	\$ 65,623	\$ 2,963	\$ 117,094
LIABILITIES:			
Other Liabilities	\$ 444	\$ -	\$ -
TOTAL LIABILITIES	\$ 444	\$ -	\$ -
NET POSITION:			
Reserved For Scholarships	\$ 65,179	\$ 2,963	\$ 117,094
TOTAL NET POSITION	\$ 65,179	\$ 2,963	\$ 117,094

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2021**

ADDITIONS			
Contributions	\$ 11,500	\$ -	\$ -
Fundraising	-	-	58,079
Investment Income	79	-	154
	11,579	-	58,233
DEDUCTIONS			
Program activities	-	-	48,015
Scholarship Payments	14,500	-	-
	14,500	-	48,015
CHANGES IN NET POSITION	(2,921)	-	10,218
NET POSITION - JULY 1, 2020	68,100	-	-
Adjustment (see Note 16)	-	2,963	106,876
NET POSITION - JULY 1, 2020 - restated	68,100	2,963	106,876
NET POSITION-JUNE 30, 2020	\$ 65,179	\$ 2,963	\$ 117,094

See accompanying notes to basic financial statements

WYOMING AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Pursuant to Act 299 of the General Assembly of the commonwealth of Pennsylvania, approved August 8, 1963, P.L. 564, which is an amendment to the school code with regards to school district reorganizations, Wyoming Area School District (the District) commenced operation in 1966, as successor by reason of reorganization to the school districts of the Boroughs of Exeter, Wyoming, West Wyoming, West Pittston and the Township of Exeter. The District which is situated in Luzerne County, operates a public-school system. A nine-member Board of Directors, which are elected position, administers the District. Federal, State and local resources provide funding for the District.

The financial statements of the Wyoming Area School District (the District) conform to the accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the authoritative standard-setting body for the establishment of governmental accounting and financial reporting principles. The more significant of these accounting principles are as follows:

Reporting Entity

The District is the basic level of government, which has financial accountability and control over all activities related to the public-school education in the District. The District receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities. However, the District, is not included in any other governmental "reporting entity" as defined by the GASB pronouncements, since Board members are elected from the public and have decision making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters. In addition, there are no component units as defined in GASB Statement No. 61, which are included in the District's reporting entity.

Government-Wide and Fund Financial Statements

The government-wide financial statements consist of a statement of net position and a statement of activities to report information about the District as a whole. The statement of net position reports all financial and capital resources. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. Gains on the sale of capital assets are reported as general revenues, losses on the sale of capital assets are reported as function/program expenses. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Fund financial statements provide information about the District funds, including its fiduciary funds. Separate statements for each fund category – governmental, proprietary, and fiduciary - are presented. The focus of governmental fund and proprietary financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column. Fiduciary funds are presented by fund type.

WYOMING AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (continued)

The District reports the following major governmental funds:

General Fund - The general fund is the main operating fund of the school district. It accounts for all financial resources of the school district, except those required to be accounted for in another fund.

Capital Projects - The capital projects fund accounts for resources to be used for the acquisition or construction of major capital facilities or equipment. Assets purchased by the proprietary funds is not included in this fund this fund, and is accounted for in the fund that provided the revenue.

The District reports the following major proprietary fund:

Food Service Fund: The food service fund accounts for the operations of school food services.

Fiduciary funds account for assets held by the District in a trustee capacity or as an agent on behalf of others. As such, fiduciary funds are not reported in the government-wide statements.

Custodial Funds are used to account for assets held by the District as an agent for individuals, private organizations, other governmental units and/or other funds.

Private Purpose Trust Funds -Established to account for such things as endowments whereby the donor(s) stipulate only the income produced from the endowment may be expended for the designated purpose of the endowment and the principal must remain intact.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Ad valorem taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Amounts reported as program revenues include: (1) tuition fees and charges for services; (2) operating grants and contributions; and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all ad valorem taxes. Fiduciary funds nor component units that are fiduciary in nature are not included in the Government Wide financial statements.

WYOMING AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. An exception to this is federal and state grants collected on a reimbursement basis. Those reimbursable grants are recognized as revenue when reimbursable expenditures are made. The District considers reimbursement amounts received within one year as available. Major revenues that are determined to be susceptible to accrual include intergovernmental revenue, charges for services, and investment income. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Interest on invested funds is recognized when earned. Intergovernmental revenues that are reimbursements for specific purposes or projects are recognized in the period in which the expenditures are recorded. All other revenue items are considered to be measurable and available only when cash is received by the District. Transfers between governmental funds are recorded when the related liability is incurred. These transfers do not represent revenues (expenditures) to the District and are, therefore, reported as other financing sources (uses) in the governmental fund financial statements.

Since the fund level statements are presented using a different measurement focus and basis of accounting than the government-wide statements, reconciliation is presented on the page following each fund level statement that summarizes the adjustments necessary to convert the fund level statements into the government-wide presentations. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Proprietary funds are accounted for using the economic resources measurement focus and accrual basis of accounting. Proprietary funds distinguish operating revenues and expenditures from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principle ongoing operations. The principal operating revenue of the food service fund are charges to customers for sales. Operating expenses for the proprietary fund include the cost of personal and contractual services, supplies, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. Federal and state subsidies are considered non-operating revenues as no exchange transaction occurs.

The fiduciary funds are reported using the *accrual basis of accounting*.

WYOMING AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use Of Available Resources:

The District funds outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition and no restrictions on withdrawal.

Investments

Investments are valued at fair value in accordance with Governmental Accounting Standards Board Statement No. 72, Fair Value Measurement and Application, except for investments in external investment pools, which are valued at amortized costs if required criteria are met as outlined in Governmental Accounting Standards Board Statement No. 79, Certain External Investment Pools and Pool Participants.

Fair Value is measured using a hierarchy of inputs using valuation techniques. The hierarchy has three levels. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are inputs, other than quoted prices, that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs.

Inventories

Inventories are valued at the lower of cost (first-in, first-out method) or market except for donated inventories, which are valued at fair market value as determined by the U.S. Department of Agriculture at the date of donation. Textbooks and instructional and custodial supplies are charged to expense upon acquisition.

The inventory of the food service fund consists of government donated commodities which were valued at estimated fair market value. There was no material inventory balance as of June 30, 2021.

WYOMING AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interfund Activity

On fund financial statements, receivables and payables resulting from short-term interfund loans or interfund services provided and used are classified as "due to/due from other funds". Interfund balance within the governmental activities and business type activities are eliminated on the government wide statement of Net Position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide statement of assets as "internal balances". Any residual balances outstanding between the governmental activities and external fund-type activities are reported in the government-wide statement of assets as "external balances".

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Capital Assets

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair value at the date of donation. The District has established a threshold of \$5,000 for capitalization of depreciable assets.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the District are depreciated or amortized using the straight-line method over the following estimated lives:

Buildings and improvements	20-50 Years
Furniture, machinery, equipment	5-15 Years

WYOMING AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

General leave for the District includes both vacation and sick pay. General leave is based on an employee's length of employment and is earned ratably during the span of employment. Upon termination, employees are paid in full with a contracted daily rate per day for any accrued general leave earned up to and unlimited amount.

Vested or accumulated general leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated general leave that are not expected to be liquidated with expendable available financial resources are maintained separately and represents a reconciling item between the fund and government-wide presentations. Vested or accumulated general leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees.

Incentive Retirement Agreement

The teachers' collective bargaining agreement provides an incentive provision for early retirement. The incentive program will pay the teacher a percentage of their salary based on on their number of years of credited services. Teachers electing the incentive payments are paid over a four-year period following their final year of service.

Long Term Obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. 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 expenditures.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the District, deferred outflows of resources are reported on the government-wide statement of net position for pension and OPEB. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 11 and 12.

WYOMING AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include pension, OEPB and unavailable revenue. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the District, unavailable revenue includes delinquent property taxes. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities found on page 16. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 11 and 12).

Equity Classifications

Government-wide Statements - The District classifies net position in the government-wide and proprietary fund financial statements as follows:

- *Net Investment in Capital Assets* includes the District's capital assets (net of accumulated depreciation) reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- *Restricted Net Position* includes assets that have third-party (statutory, bond covenant, or granting agency) limitations on their use. The District typically uses restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use until a future project.
- *Unrestricted Net Position* typically includes unrestricted liquid assets. The District's Board of Directors has the authority to revisit or alter this designation.

Governmental Fund Financial Statements The fund balance of the governmental funds are presented in accordance with GASBS No. 54, which established a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The District classifies fund balances in the governmental funds as follows:

- *Nonspendable* fund balance-amounts that are not in spendable form (such as inventory) or are required to be maintained intact.
- *Restricted* fund balance-amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- *Committed* fund balance-amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed,

WYOMING AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity Classifications (Continued)

- *Assigned* fund balance—amounts the government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which, the governing body delegates the authority.
- *Unassigned* fund balance—amounts that are available for any purpose; positive amounts are reported only in the general fund

When fund balance resources are available for a specific purpose in more than one classification, it is the District's policy to use the most restrictive funds first in the following order: restricted, committed, assigned and unassigned as they are needed. For the Statement of Net Position and the Proprietary Fund statement the following order applies: restricted and unrestricted as they are needed.

The District does not have a formal minimum fund balance requirement. However, the District has adopted a Reserve Policy, which addresses various targeted reserve amounts in the General Fund and the action that will be taken if the reserves fall below the targeted amount.

Use of Estimates

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

Joint Venture

The District and four other Luzerne County school districts participate in the West Side Area Career and Technology Center (the "WSCTC"). The WSCTC provides vocational-technical training and education to students of the participating school districts. The WSCTC is controlled by a joint board comprised of representative school board members of participating school districts. District oversight of the WSCTC operations is the responsibility of the joint board. The District's share of operating costs for the WSCTC fluctuates based on the District's percentage of enrollment. The District share of operating costs for 2020 - 2021 was \$ 678,336.

Jointly Governed Organizations

The District is a participating member of the Luzerne County Intermediate Unit (LIU). The LIU is run by a joint committee consisting of members from each participating District. No participating district appoints a majority of the joint committee.

The board of directors of each participating district must approve LIU's annual operating budget. The LIU is a self-sustaining organization that provides services from fees to participating districts. As such, the District has no on-going financial interest or responsibility in the LIU. The LIU contracts with participating districts to supply special education services, computer services, and as a conduit for certain federal programs.

WYOMING AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE (2) – BUDGETARY CONTROL

The District follows these procedures in adopting their annual operating budget for the General Fund:

- a) The district adheres to the budget timeline as prescribed by section 687 of the school code and subsequent legislation entitled the "Taxpayer Relief Act" commonly referred to as Act I. On or about January 31, the Business Manager submits to the superintendent a proposed operating budget for the fiscal year commencing the following July 1. The superintendent then submits the proposed budget to the School Board upon his review. The operating budget includes proposed expenditures and the sources of financing them. The budget is prepared using the modified accrual basis of accounting.
- b) Public hearings are conducted to obtain taxpayer comments.
- c) The budget is legally enacted on or about June 30.
- d) The Board, may by resolution, transfer unencumbered budgeted amounts between departments within any fund.
- e) Included within the General Fund Budget are program budgets as prescribed by state and federal agencies funding the specific programs. These budgets are, approved, on a program-by-program basis by the state or federal funding agency.

NOTE (3) – DEFICIT FUND BALANCE

For the year ended June 30, 2021, the food service fund reported a negative net position of \$ 143,657. This is due to cumulative net losses over a period of years. The District funds this deficiency through interfund borrowings from the general fund.

NOTE (4) - CASH AND INVESTMENTS

Cash and temporary investments consist primarily of cash, money markets, and certificates of deposit and are carried at cost on the general-purpose financial statements. Interest is recognized when received or when credited to the Districts accounts by the appropriate financial institution.

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The government does have a policy for deposit for custodial credit risk. As of June 30, 2021, \$ 7,279,561 of the government's bank balance of \$ 7,562,924 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ -
Collateralized with securities held by pledging financial institutions	-
Uninsured and collateralized held by the pledging bank's trust department not in the District's name	<u>7,279,561</u>
Total	\$ <u>7,279,561</u>
Reconciliation to Financial Statements	
Uncollateralized from amount above	\$ 7,279,561
Outstanding Checks	(1,172,541)
Amount Insured	<u>283,363</u>
Total Deposits	\$ <u>6,390,383</u>

WYOMING AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE (4) - CASH AND INVESTMENTS (CONTINUED)

Permitted investments for Pennsylvania School Districts are defined in the Public School Code as:

- United States Treasury bills;
- Short Term Obligations of the United States Government or its agencies or instrumentalities;
- Deposits in savings accounts or time deposits or share accounts of institutions insured by the Federal Deposit Insurance Corporation (FDIC) or the Federal Savings and Loan Insurance Corporation (FSLIC) or the National Credit Union Share Insurance Fund (NCUSIF) 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, therefore, shall be pledged by the depository.
- Obligations of 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, the Commonwealth of Pennsylvania or any of its agencies or instrumentalities.
- Shares of investment company register under the Investment Company Act of 1940 whose shares are registered under the Securities act of 1933 with certain restrictions.

As of June 30, 2021, the District had the following investments:

Investment	Fair Value	Percent
Fixed Income	\$ 32,260	19.59%
PLGIT	132,448	84.41%
Total Investments	<u>\$ 164,708</u>	<u>100.00%</u>
Reconciliation to financial Statements		
Total Investments	\$ 164,708	2.51%
Total Deposits	6,390,383	97.49%
Total Cash and Investments	<u>\$ 6,555,091</u>	<u>100.00%</u>

The Fixed Income investment is comprised of a US Government obligation a Level I fair value measurement with a maturity in two years.

The District investment in PLGIT is valued using net asset value per share. The District has no limitation or restrictions on withdrawals on account held at PLGIT

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.

Credit Risk - The District has no investment policy that would limit its investment choices to certain credit ratings. The District's investment in PGLIT was rated AAAM Standard & Poor's.

Concentration of Credit Risk - The District places no limit on the amount the District may invest in any one issuer.

WYOMING AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE (5) – REAL ESTATE TAXES

The tax on real estate, as levied by the School Board, was 17.5554 mills in Luzerne County and 84.2951 mills in Wyoming County. Assessed valuation of property is established by the Board of Assessments and elected or appointed tax collectors are responsible for collection. During the fiscal year ended June 30, 2021, Wyoming Area School District collected \$ 15,690,448 after various adjustments for discounts, penalties and credits on a total tax levied in the amount of \$ 17,365,087. The Districts rate of collection approximated 90.36% on total taxes due during the June 30, 2021 fiscal year.

Tax assessments are certified prior to July 1st. The tax levy date is at the discretion of the District which typically allows 2% discount collection period of two months followed by a face value collection period of two months. A 10% penalty is charged for taxes collected after the face value period until January 1 which is the lien date. Taxpayers within the District have the option of paying in three installments. The discount (two percent) is not applicable to installment payments; however, the penalty (10 percent) will be added if second and third installments are paid subsequent to the due dates.

In the year ended June 30, 2021, the District sold its delinquent real estate tax receivables. The amount received by the District was \$ 1,369,752 recognized as revenue in the School District's governmental funds financial statements.

NOTE (6) – DUE FROM OTHER GOVERNMENTS

Amounts due from other governments represent receivables for revenues earned by the District. At June 30, 2021, the following amounts are due from other governmental units:

	<u>Governmental Funds</u>	<u>Enterprise Funds</u>	<u>Totals</u>
Federal	\$ 195,037	\$ 1,009	\$ 196,046
State	1,440,303	26,257	1,466,560
Local	539,498	-	539,498
	<u>\$ 2,174,838</u>	<u>\$ 27,266</u>	<u>\$ 2,202,104</u>

NOTE (7) - INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

The following is a summary of interfund receivables and payables at June 30, 2021:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 338,265	\$ -
Enterprise Fund – Food Services	-	338,265
	<u>\$ 338,265</u>	<u>\$ 338,265</u>

Interfund receivable/payables consist of shared costs which have not yet been reimbursed. All are expected to be collected in the subsequent year.

WYOMING AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE (7) - INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS (Continued)

Interfund transfers are summarized as follows at June 30, 2021:

	Transfers In	Transfers Out
General Fund	\$ 16,869	\$ 300,000
Capital Projects Fund	-	16,869
Enterprise Fund – Food Services	300,000	-
	<u>\$ 316,869</u>	<u>\$ 316,869</u>

Transfers are made to cover fund debt service payments and food service unpaid account write offs.

NOTE (8) - CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the Year Ended June 30, 2021 is as follows:

	Balance 6/30/2020	Increases	Decreases	Balance 6/30/2021
GOVERNMENTAL ACTIVITIES				
Capital Assets Not Being Depreciated:				
Land	\$ 1,329,844	\$ -	\$ -	\$ 1,329,844
Construction in Progress	449,163	-	(449,163)	-
Total Capital Assets Not Being Depreciated	<u>1,779,007</u>	<u>-</u>	<u>(449,163)</u>	<u>1,329,844</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	47,696,788	1,018,932	-	48,715,720
Improvements	1,970,193	-	-	1,970,193
Equipment and Fixtures	2,465,379	120,194	-	2,585,573
Infrastructure	378,508	-	-	378,508
Total Capital Assets Being Depreciation	<u>52,510,868</u>	<u>1,139,126</u>	<u>-</u>	<u>53,649,994</u>
Accumulated Depreciation				
Building and Improvements	(26,733,265)	(858,046)	-	(27,591,311)
Improvements	(1,970,193)	-	-	(1,970,193)
Equipment and Fixtures	(2,407,995)	(105,680)	-	(2,513,675)
Infrastructure	(378,508)	-	-	(378,508)
Total Accumulated Depreciation	<u>(31,489,961)</u>	<u>(963,726)</u>	<u>-</u>	<u>(32,453,687)</u>
Total Capital Assets Being Depreciated, Net	<u>21,020,907</u>	<u>175,400</u>	<u>-</u>	<u>21,196,307</u>
Governmental Activities, Capital Assets, Net	<u>\$ 22,799,914</u>	<u>\$ 175,400</u>	<u>(449,163)</u>	<u>\$ 22,526,151</u>

WYOMING AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE (8) - CAPITAL ASSETS AND DEPRECIATION (Continued)

BUSINESS-TYPE ACTIVITIES	Balance 6/30/2020	Increases	Decreases	Balance 6/30/2021
Capital Assets Being Depreciated:				
Food Service Equipment	\$ 830,479	\$ -	\$ -	\$ 830,479
Accumulated Depreciation	(793,687)	(6,487)	-	(800,174)
Business-Type Activities Capital Assets, Net	<u>\$ 36,792</u>	<u>\$ (6,487)</u>	<u>\$ -</u>	<u>\$ 30,305</u>

NOTE (9) - LONG TERM LIABILITIES

The following is a summary of the long-term liabilities for the year ending June 30, 2021:

	Outstanding Balance 6/30/20	Issued or Additions	Retirements	Outstanding Balance 6/30/21	Due Within One Year
Governmental Activities					
General obligation debt:					
Series of 2012	\$ 100,000	\$ -	\$ 100,000	\$ -	\$ -
Series of 2013	1,839,655	-	1,839,655	-	-
Series of 2015	6,955,000	-	6,955,000	-	-
Series of 2016	3,965,000	-	3,965,000	-	-
Series of 2018	1,546,000	-	1,546,000	-	-
Series of 2019A	1,255,000	-	-	1,255,000	-
Series of 2019B	7,165,000	-	15,000	7,150,000	5,000
Series of 2021A	-	8,005,000	-	8,005,000	-
Series of 2021B	-	4,815,000	-	4,815,000	845,000
	<u>22,825,655</u>	<u>12,820,000</u>	<u>14,420,655</u>	<u>21,225,000</u>	<u>850,000</u>
Bond Premium	-	985,435	37,004	948,431	-
Total general obligation debt	<u>22,825,655</u>	<u>13,805,435</u>	<u>14,457,659</u>	<u>22,173,431</u>	<u>850,000</u>
Capital Leases	64,442	-	30,052	34,390	9,519
Compensated Absences	583,195	24,160	-	607,355	60,736
Special Termination Benefits	211,256	-	32,109	179,147	78,604
Net Pension Liability	49,449,000	2,794,000	-	52,243,000	-
Net OPEB Liability (HIPAP)	2,248,000	57,000	-	2,305,000	-
Net OPEB Liability	<u>9,581,495</u>	<u>826,390</u>	<u>-</u>	<u>10,407,885</u>	<u>-</u>
Governmental Activities Long-Term Liabilities	<u>\$ 84,963,043</u>	<u>\$ 17,506,985</u>	<u>\$ 14,519,820</u>	<u>\$ 87,950,208</u>	<u>\$ 998,859</u>

Noncurrent liabilities are generally liquidated by the General Fund.

WYOMING AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE (9) - LONG TERM LIABILITIES (Continued)

Long-Term Debt Obligations

2012 General Obligation Bond - In March 2012, the District issued \$1,535,000 in General Obligation Bonds and Notes, Series of 2012, with stated interest rates of 0.4% to 2.0%. The proceeds from the bond issue were used to refinance the 2005 general obligation note of the district. The bonds mature in varying annual amounts commencing August 2012. Interest is payable semiannually on August 15 and February 15. The Bonds were issued as fully registered bonds in denominations of \$5,000. The Bonds are also fully insured by the MBIA Insurance Corporation. In addition, the bonds are general obligations of the District and the full faith, credit and taxing power of the District have been irrevocable pledged for the payment of the principal and interest on the 2012 bonds when due. The bonds have been paid in full during the current fiscal year.

2013 General Obligation Bond - In December 2013, the District issued \$2,000,000 in General Obligation Bonds and Notes, Series of 2013, with stated interest rates of 3.5%. The proceeds from the bond issue were used to refinance the 2012 general obligation note of the district. The bonds mature in varying annual amounts commencing January 2014. Interest only payments for the first twelve months will be followed by monthly payments of \$8,040 will be made for the following 37 years. On February 17, 2021, the District issues General Obligation Bonds, Series of 2021B for the current refunding of the Series 2013 Bonds.

2015 General Obligation Bond - In December 2015, the District issued \$9,995,000 in General Obligation Bonds and Notes, Series of 2015, with stated interest rates of 2.0% to 2.875%. The bonds mature in varying annual amounts commencing May 2016 and annually thereafter through November 2029. Interest is payable semi-annually on November 1 and May 1. The proceeds from the bond issue were used to refund a portion of the 2006 Series A General Obligation Bonds. On February 17, 2021, the District issues General Obligation Bonds, Series of 2021A for the current refunding of the Series 2015 Bonds

2016 General Obligation Bond - In December 2015, the District issued \$9,195,000 in General Obligation Bonds and Notes, Series of 2016, with stated interest rates of 2.0% to 4.0%. The bonds mature in varying annual amounts commencing May 2016 and thereafter through November 2024. Interest is payable semi-annually on November 1 and May 1. The proceeds from the bond issue were used to refund a portion of the 2006 Series A General Obligation Bonds. On February 17, 2021, the District issues General Obligation Bonds, Series of 2021B for the current refunding of the Series 2016 Bonds

2018 General Obligation Note - In April 2018, the District issued \$1,750,000 in General Obligation Note, Series of 2018, with stated interest rates of 2.7% to 4.0%. The note matures in varying annual amounts commencing in November 2018 and thereafter through May 2033. Interest is payable semi-annually on November 1 and May 1. The proceeds from the note issue were used to improve new and existing facilities of the District. On February 17, 2021, the District issues General Obligation Bonds, Series of 2021A for the current refunding of the Series 2018 Note

2019A General Obligation Bond - In July 2019, the District issued \$1,255,000 in General Obligation Bonds and Notes, Series 2019A, with a stated interest rate of 2.75% and matures on November 1, 2035. Interest payments are due semi-annually beginning November 1, 2019 through May 1, 2035. The proceeds from the bond issue were used to fund capital projects.

WYOMING AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE (9) - LONG TERM LIABILITIES (Continued)

Long-Term Debt Obligations (continued)

2019B General Obligation Bond - In July 2019, the District issued \$ 7,170,000 in General Obligation Bonds and Notes, Series of 2019B, with stated interest rates of 2.51% to 3.26%. The bonds mature in varying annual amounts commencing November 2019 and thereafter through November 2034. Interest is payable semi-annually on November 1 and May 1. The proceeds from the bond issue were used to advance refund a portion of the 2015 Series and 2016 Series General Obligation Bonds.

2021A General Obligation Bond - In February 2021, the District issued \$ 8,005,000 in General Obligation Bonds, Series of 2021A, with stated interest rates of 2.00% to 4.00%. The bonds mature in varying annual amounts commencing November 2022 and thereafter through November 2032. Interest is payable semi-annually on November 1 and May 1. The proceeds from the bond issue were used to refund a the 2015 Series General Obligation Bond and 2018 Series General Obligation Note.

2021B General Obligation Bond - In February 2021, the District issued \$ 4,815,000 in General Obligation Bonds, Series of 2019B, with stated interest rates of 2.00% to 4.00%. The bonds mature in varying annual amounts commencing November 2021 and thereafter through November 2039. Interest is payable semi-annually on November 1 and May 1. The proceeds from the bond issue were used to refund the 2013 Series and 2016 Series General Obligation Bonds.

Interest expense for General Obligation debt for the year ended June 30, 2021 was \$ 662,643.

Annual requirements to amortize principal and interest at June 30, 2021 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 850,000	\$ 630,832	1,480,832
2023	1,105,000	596,032	1,701,032
2024	1,195,000	550,106	1,745,106
2025	1,240,000	502,631	1,742,631
2026	1,290,000	453,842	1,743,842
2027 – 2031	7,020,000	1,677,681	8,697,681
2032 – 2036	7,670,000	653,973	8,323,973
2037 - 2040	855,000	34,550	889,550
	<u>21,225,000</u>	<u>5,099,647</u>	<u>26,324,647</u>

WYOMING AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE (10) – CAPITAL LEASES

The District is obligated under capital leasing arrangements for the purchase of equipment.

The assets acquired through the capital lease are as follows:

Asset	Governmental Activities
Furniture and Fixtures	\$ 112,630
Less: Accumulated Depreciation	76,576
Total	<u>\$ 36,054</u>

The future minimum lease obligations as of June 30, 2020, were as follows:

Year ending June 30,	Governmental Activities
2022	\$ 11,549
2023	11,549
2024	11,549
2025	<u>3,850</u>
Total Minimum Lease Payments	38,497
Less: Amount Representing Interest	<u>(1,493)</u>
Present Value of Minimum Lease Payments	<u>\$ 37,004</u>

NOTE (11) – 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, parttime hourly public-school employees who render at least 500 hours of service in the school year, and part-time per diem public school employees who render at least 80 days of service in the school year in any of the reporting entities in Pennsylvania. PSERS issues a publicly available financial report that can be obtained at www.psers.state.pa.us.

WYOMING AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

Benefits provided

PSERS provides retirement, disability, and death benefits. Members are eligible for monthly retirement benefits upon reaching (a) age 62 with at least 1 year of credited service; (b) age 60 with 30 or more years of credited service; or (c) 35 or more years of service regardless of age. Act 120 of 2010 (Act 120) preserves the benefits of existing members and introduced benefit reductions for individuals who become new members on or after July 1, 2011. Act 120 created two new membership classes, Membership Class T-E (Class T-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 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 benefit is vested and early retirement benefits may be elected. For Class TE 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 the disability.

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 TE 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 contribute at the Membership Class T-E rate of 7.5% (base rate) of the member's qualifying compensation. All new hires after June 30, 2011, who elect Class T-F membership, contribute at 10.3% (base rate) of the member's qualifying compensation. Membership Class T-E and Class T-F are affected by a "shared risk" provision in Act 120 of 2010 that in future fiscal years could cause the Membership Class T-E contribution rate to fluctuate between 10.3% and 12.3%.

WYOMING AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE (11) – PENSION PLAN (Continued)

Contributions (Continued)

Employer Contributions - The school districts' contractually required contribution rate for fiscal year ended June 30, 2021 was 34.51% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the District were \$ 4,906,050 for the year ended June 30, 2021.

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

At June 30, 2021, the District reported a liability of \$ 52,243,000 for its proportionate share of the net pension liability. The net pension was measured as of June 30, 2020, 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, 2019 to June 30, 2020. The District's proportion of the pension liability was calculated utilizing the employer's one-year reported covered payroll as it related to the total one-year reported covered payroll. At June 30, 2021, the District's proportion was .1061%, which was an increase of .0004% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2021, the District recognized pension expense of \$(1,266,797). At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in proportions	\$ 437,000	\$ 917,000
Changes in assumptions	-	-
Net difference between expected and actual experience	137,000	1,252,000
Net difference between projected and actual investment earnings	2,296,000	-
Contributions subsequent to the measurement date	4,906,050	-
	\$ 7,776,050	\$ 2,169,000

WYOMING AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE (11) – PENSION PLAN (CONTINUED)

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

\$ 4,906,050 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as reduction of the net pension liability in the year ended June 30, 2022.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:

2022	\$	(933,000)
2023		223,000
2024		727,000
2025		684,000

Actuarial assumptions

The total pension liability as of June 30, 2020 was determined by rolling forward the System's total pension liability as of the June 30, 2019 to June 30, 2020 using the following actuarial assumption, applied to all periods included in the measurement:

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

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of actuarial experience study that was performed for the five year period ending June 30, 2015.

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 investments expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

WYOMING AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE (11) – PENSION PLAN (CONTINUED)

Actuarial assumptions (Continued)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global public equity	15.0%	5.2%
Private Equity	15.0%	7.2
Fixed income	36.0%	1.1%
Commodities	8.0%	1.8%
Absolute return	10.0%	2.5%
Infrastructure/MLPs	6.0%	5.7%
Real estate	10.0%	5.5%
Risk parity	8.0%	3.3%
Cash	6.0%	(1.0)%
Financing (LIBOR)	(14.0%)	(0.7)%
	100.0%	

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, 2020.

Discount rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the net pension liability, calculated using the discount rate of 7.25%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease 6.25%	Current Discount Rate	1% Increase 8.25%
District's proportionate share of the net pension liability	\$ 64,635,000	\$ 52,243,000	\$ 41,744,000

WYOMING AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE (11) – PENSION PLAN (CONTINUED)

Pension 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.state.pa.us.

NOTE (12) - POSTEMPLOYMENT BENEFITES

District OPEB Plan

Plan Description:

The district offers postemployment dental, vision, life and health insurance benefits to employees upon their retirement with the same plan provisions provided to active employees. The following is a breakdown of eligibility requirements and coverage by group. The member must meet the requirements of one of the programs.

Benefits Provided

GROUP	ELIGIBILITY	COVERAGE AND PREMIUM SHARING	DURATION
I. ADMINISTRATORS	<ul style="list-style-type: none"> • 12 years of service with WASD • Act 110/43 	<ul style="list-style-type: none"> • Coverage: Medical, Prescription Drug, Dental and Vision • Premium Sharing: if the member reaches 12 years of service with WASD, WASD will pay the full premium less the PSERS supplement (if eligible) for medical, prescription drug, dental, and vision coverage for the member, spouse and non-spouse dependents. • If the member reaches eligibility through Act 110/43, but has not reached 12 years of service with WASD, the member and spouse may continue coverage by paying the full premium and determined for the purpose of COBRA • Dependents: Families Included. 	<p>The member may continue coverage until age 65.</p> <p>The spouse may continue coverage until the earliest of age 65, member age 65, or member death.</p> <p>Non-Spouse dependents may continue until age 26.</p>
II. TEACHERS	<ul style="list-style-type: none"> • Retire through PSERS 	<ul style="list-style-type: none"> • Coverage: Medical, Prescription Drug, Dental, and Vision • Premium Sharing: WASD will pay the full premium less the PSERS supplement (if eligible) for medical, prescription drug, dental, and vision coverage for the member, spouse and non-spouse dependents. • Dependents: Families included 	<p>Same as I</p>

WYOMING AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE (12) - POSTEMPLOYMENT BENEFITES (CONTINUED)

District OPEB Plan (Continued)

Benefits Provided (Continued)

III. SUPPORT STAFF	<ul style="list-style-type: none"> ▪ Age 55 with 15 years of full-time service with WASD ▪ Act 110/43 	<ul style="list-style-type: none"> ▪ Coverage: Medical, Prescription Drug, Dental, and Vision ▪ Premium Sharing: If the member reaches age 55 with 15 years of full-time service with WASD, WASD will pay the full premium less the PSERS supplement (if eligible) for medical prescription drug, dental, and vision coverage for the member. The spouse may elect coverage by paying the full premium as determined for the purpose of COBRA. <p>If the member reaches weligibility through Act 110/43, but has not reached 15 years of sull-time service with WASD, the member and spouse may continue coverage by paying the full premium as determined for the purpose of COBRA.</p> <ul style="list-style-type: none"> ▪ Dependents: Spouses included 	<p>The member may continue coverage until age 65</p> <p>The spouse may continue coverage until the earliest of age 65, member age65, or member death.</p>
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Notes: Act 110/43 Eligibility: All employee are eligible for this benefit upon retirement with 30 years of PSERS service or upon superannuation retirement.

PSERS Supplement: A retiree may receive a \$100 monthly medical reimbursement from PSERS if he (or she) meets one of the following qualifications at retirement:

- 1) 24.5 years of PSES service
- 2) Upon superannuation retirement with at least 15 years of PSERS service.

PSERS Retirement:

- 1) Pension Class T-C or T-D: An employee is eligible for PSERS retirement if he (or she) is eligible for either i) PSERS early retirement while under 62 with 5 years of PSERS Service or ii) PSERS superannuation retirement upon reaching age 60 with 30 years of PSERS service, age 62 with 1 year of PSERS service or 35 years of PSERS service regardless of age. In general, these pension classes apply to individuals who where members of PSERS prior to July 1, 2011.
- 2) Pension Class T-E or T-F: An employee is eligible for PSERS retirement if he (or she) is eligible for either i)PSERS early retirement while under 65 with 10 years of PSERS Service or ii) PSERS superannuation retirement upon reaching age 65 with 3 years of PSERS service or upon attainment of a total combination of age plus service equal to or greater than 92 with a minimum of 35 years of PSERS service. In general, these pension classes apply to individuals who became members of PSERS on or after July 1, 2011 and prior to July 1, 2019.
- 3) Pension Class T-G: An employee is eligible for PSERS retirement if he (or she) is eligible for either i) PSERS early retirement while under 67 with 10 years of PSERS Service or ii) PSERS superannuation retirement upon reaching age 67 with 3 years of PSERS service or upon attainment of a total combination of age plus service equal to or greater than 97 with a minimum of 35 years of PSERS service. In general, this pension class applies to individuals who became a member of PSERS on or after July 1, 2019.
- 4) Pension Class T-H: An employee is eligible for PSERS retirement if he (or she) is eligible for either i) PSERS early retirement while under 67 with 10 years of PSERS Service or ii) PSERS superannuation retirement upon reaching age 67 with 3 years of PSERS service. In general , this pension class applies to individuals who became members of PSERS on or after July 1, 2019.
- 5) All individuals except those in Pension Class T-G are eligible for a special early retirement upon reaching age 55 with 25 years of PSERS service. Individuals in Pension Class T-G are eligible for a special early retirement upon reaching age 57 with 25 years of PSERS service.

WYOMING AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE (12) - POSTEMPLOYMENT BENEFITES (CONTINUED)

District OPEB Plan (Continued)

Employees covered by District Plan:

As of the most recent actuarial valuation as of July 1, 2020, the following employees were covered by the benefit terms:

Active Participants	288
Vested Former Participants	-
Retired Participants	9

Funding Policy

The District contribution to the Retiree Health Program consists of pay-as-you-go premiums in excess of the retiree contributions.

Actuarial assumptions

Discount Rate – 1.86% - Based on S & P Municipal Bond 20-Year High Grand Rate Index at July 1, 2020.

Salary – An assumption for salary increases is used only for spreading contributions over future pay under the entry age normal cost method. For this purpose, salary increases are composed of a 2.5% cost of living adjustment, 1% real wage growth, and for teachers and administrators a merit increase which varies by age from 2.75 to 0.00%.

Withdrawal – Rates of withdrawal vary by age, gender and years of service. Sample rates for employees with more than 10 years of service are shown below. Rates for new employees start at 22.9% for both men and women and decrease with age and service.

Age	Male Rate	Female Rate	Age	Male Rate	Female Rate
25	2.57%	5.02%	45	1.37%	1.65%
30	2.57%	4.02%	50	1.92%	2.06%
35	1.50%	2.85%	55	3.38%	3.11%
40	1.34%	1.60%	60	5.57%	6.40%

Mortality – Separate rates are assumed preretirement and postretirement using the rates assumed in the PSERS defined benefit pension plan actuarial valuation.

Incorporated into the table are rates projected generationally by the Buck Modified 2016 projection scale to reflect mortality improvement.

Disability – No disability was assumed.

WYOMING AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE (12) - POSTEMPLOYMENT BENEFITES (CONTINUED)

District OPEB Plan (Continued)

Actuarial assumptions (Continued):

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

Age	Age 55 & 25 years of service		Superannuation	
	Male	Female	Male	Female
55	19%	19%	27%	10%
56	17%	17%	32%	30%
57	17%	17%	32%	30%
58	17%	17%	32%	35%
59	22%	21%	31%	36%
60	14%	17%	31%	36%
61	29%	30%	29%	31%
62	51%	61%	51%	61%
63	26%	26%	26%	26%
64	21%	22%	21%	22%
65	100%	100%	100%	100%

• If an Administrator reaches age 52 & 25 years of service or age 55 & 20 years of service, or if any employee reaches 30 years of service (prior to age 55), retirement rates are 10% until the member reaches any of the age and service requirements above.

Percent of Eligible Retirees Electing Coverage in Plan - 100% of Teachers and Administrators, 100% of Support Staff (full-time) eligible to receive a subsidy, 20% of full-time Support Staff not eligible to receive a subsidy, and 5% of the part-time Support Staff (never eligible to receive a subsidy) are assumed to elect coverage.

Percent Married at Retirement – 55% of Administrators and Teachers and 10 % of Support Staff are assumed to be married and have a spouse covered by the plan at retirement. Non-spouse dependents are deemed to be immaterial.

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

Per Capital Claims Cost – Making use of weighted averages for various plan designs, the per capita claims cost for medical and prescription drug is based on the expected portion of the group's overall cost attributed to individuals in the specified age and gender brackets. Dental and vision costs are assumed to not vary with age or gender. The resulting cost are as follows:

Age	Medical and Prescription Drug Combined	
	Males	Females
45-49	\$ 7,480	\$ 10,803
50-54	\$ 9,907	\$ 12,210
55-59	\$ 12,066	\$ 12,776
60-64	\$ 15,746	\$ 14,676

WYOMING AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE (12) - POSTEMPLOYMENT BENEFITES (CONTINUED)

District OPEB Plan (Continued)

Actuarial assumptions (Continued):

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

Health Care Cost Trend Rate – 5.% in 2018 through 2023. Rates gradually decrease from 5.4% in 2024 to 4.0% in 2075 and later based on the Society of Actuaries Long-Run Medical Cost Trend Model.

Actuarial Value of Assets – Equal to Market Value of Assets

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

Participant Data – Based on census information as of October 2020. Due to the timing of school district turnover, the data is believed to be representative of the population for the 2020-2021 school year.

Changes in the Total OPEB Liability

The District's total OPEB liability of \$10,407,885 has been measured as of July 1, 2021. The total OPEB liability was determined by an actuarial valuation as of July 1, 2020 and by rolling forward the liabilities from July 1, 2019 actuarial valuation through the measurement date.

The District's change in its total OPEB liability for the year ended June 30, 2020 was as follows:

Balance at 7/1/2019	\$ 9,581,495
Service cost	670,357
Interest	340,710
Changes of benefit terms	-
Difference between expected and actual experience	(1,235,544)
Changes of assumptions	1,256,980
Benefit payments	(206,113)
Balance at 7/1/2020	<u>\$ 10,407,885</u>

Changes in assumptions: The discount rate from 3.36% to 1.86%. The trend assumption was updated.

Changes of benefit terms: None.

WYOMING AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE (12) - POSTEMPLOYMENT BENEFITES (CONTINUED)

District OPEB Plan (Continued)

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

For the year ended June 30, 2021, the District recognized OPEB expense of \$ 863,176. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ 1,346,266	\$ 262,871
Differences between expected and actual experience	-	1,162,458
Benefit payments subsequent to the measurement date	143,965	-
	\$ 1,490,231	\$ 1,425,329

The \$ 143,965 reported as deferred outflows of resources related to OPEB resulting from District benefit payments subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2022. The amount reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	
2022	\$ (3,926)
2023	(3,926)
2024	(3,926)
2025	(3,926)
2026	(3,926)
Thereafter	(79,063)

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

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (0.86 percent) or 1-percentage point higher (2.86 percent) than the current discount rate:

	1% Decrease 0.86%	Current Discount Rate 1.86%	1% Increase 2.86%
District's total OPEB liability	\$ 11,251,649	\$ 10,407,885	\$ 9,596,760

WYOMING AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE (12) - POSTEMPLOYMENT BENEFITES (CONTINUED)

District OPEB Plan (Continued)

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

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

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
District's total OPEB liability	<u>\$ 8,965,309</u>	<u>\$ 10,407,885</u>	<u>\$ 12,120,538</u>

Health Insurance Premium Assistance Program (HIPAP)

The Pennsylvania Public School Employees' Retirement System ("PSERS") provides a Health Insurance Premium Assistance Plan ("PSERS Plan"). The PSERS Plan is a governmental cost-sharing multi-employer other postemployment benefit plan (OPEB) for all eligible retirees who qualify and elect to participate. Employer contributions rates for Premium Assistance are established to provide reserves in the Health Insurance Account that are sufficient for the payment of Premium Assistance benefits of each succeeding year.

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

Premium Assistance Eligibility Criteria

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

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

Pension Plan description

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

WYOMING AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE (12) - POSTEMPLOYMENT BENEFITES (CONTINUED)

Health Insurance Premium Assistance Program (HIPAP) (Continued)

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, 2020, there were no assumed future benefit increased to participating eligible retirees.

Employer Contributions:

The District's contractually required contribution rate for the fiscal year ended June 30, 2020 was 0.84% 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 \$ 120,000 for the year ended June 30, 2021.

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2021, the District reported a liability of \$ 2,305,000 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2020, 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, 2019 to June 30, 2020. 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, 2021, the District's proportion was 0.1067%, which was an increase of 0.0010% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2021, the District recognized OPEB expense of (\$ 40,500). At June 30, 2021, 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>
Change in proportions	\$ 42,000	\$ 93,000
Changes in assumptions	94,000	51,000
Difference between expected and actual experience	21,000	-
Net difference between projected and actual investment earnings	4,000	-
Contributions subsequent to the measurement date	120,000	-
	<u>\$ 281,000</u>	<u>\$ 144,000</u>

WYOMING AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE (12) - POSTEMPLOYMENT BENEFITES (CONTINUED)

Health Insurance Premium Assistance Program (HIPAP) (Continued)

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

The \$ 120,000 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to PEB will be recognized in OPEB expense as follows:

Year Ended June 30:		
2022	\$	(14,000)
2023		(15,000)
2024		(16,000)
2025		32,000
2026		20,000
Thereafter		10,000

Actuarial Assumptions

The Total OPEB Liability as of June 30, 2020, was determined by rolling forward the System's Total OPEB Liability as of June 30, 2019 to June 30, 2020 using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method – Entry Age Normal- level % of pay
- Investment return – 2.66% - S & P 20 Year Municipal Bond Rate
- Salary growth – Effective average of 5.00%, comprised of inflation of 2.75% and 2.25% for real wage growth and for merit or seniority increases.
- Premium Assistance reimbursement is capped at \$1,200 per year
- Assumed Healthcare cost trends were applied to retirees with less than \$1,200 in premium assistance per year.
- Mortality rates were based on the RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale.
- Participation rate:
 - Eligible retirees will elect to participate Pre-age 65 at 50%
 - Eligible retirees will elect to participate Post age 65 at 70%

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actual experience study that was performed for the five-year period ending June 30, 2015.

WYOMING AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE (12) - POSTEMPLOYMENT BENEFITES (CONTINUED)

Health Insurance Premium Assistance Program (HIPAP) (Continued)

Actuarial Assumptions (Continued)

The following assumptions were used to determine the contribution rate:

- The results of the actuarial valuation as of June 30, 2018 determined the employer contribution rate for fiscal year 2020.
- Cost Method: Amount necessary to assure solvency of Premium Assistance through the third fiscal year after the valuation date.
- Asset valuation method: Market Value
- Participation rate: 63% of eligible retirees are assumed to elect premium assistance.
- Mortality rates and retirement ages were based on the RP-2000 Combined Healthy Annuitant Tables with age set back 3 for both males and females for healthy annuitants and for dependent beneficiaries. For disabled annuitants, the RP-200 Combined Disabled Tables with age set back 7 years for males and 3 years for females for disabled annuitants. (A unisex table based on the RP-2000 Combined Healthy Annuitant Tables with age set back 3 years for both genders assuming the population consists of 25% males and 75 % females is used to determine actuarial equivalent benefits.)

Investments:

Investments consist primarily of short-term assets designed to protect the principal of the plan assets. The expected rate of return of 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 of reach succeeding year.

<u>OPEB – Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	50.3%	(1.00%)
US Core Fixed Income	46.5%	(0.10%)
Non-US Developed Fixed	3.2%	(0.10%)
	<u>100.0%</u>	

The above was the Board's adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2020.

WYOMING AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE (12) - POSTEMPLOYMENT BENEFITES (CONTINUED)

Health Insurance Premium Assistance Program (HIPAP) (Continued)

Discount Rate and Changes in Actuarial Assumptions:

The discount rate used to measure the Total OPEB Liability was 2.66%. Under the plan's funding policy, contributions are structured for short term funding of Premium Assistance. The funding policy sets contributions rates necessary to assure solvency of Premium Assistance through the third fiscal year after the actuarial valuation date. The Premium Assistance account is funded to establish reserves that are sufficient for the payment of premium Assistance benefits for each succeeding year. Due to the short-term funding policy, the OPEB Plan's fiduciary net position was not projected to be sufficient to meet projected future benefit payments, therefore the plan is considered a "pay-as-you-go" plan. A discount rate of 2.66% which represents the S & P 20 Year Municipal Bond Rate at June 30, 2020, 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, 2020, retirees Premium Assistance benefits are not subject to future healthcare cost increases. The annual Premium Assistance reimbursements for qualifying retirees is capped at a maximum of \$1,200. As of June 30, 2020, 93,693 retirees were receiving the maximum amount allowed of \$1,200 per year. As of June 30, 2020, 688 members were receiving less than the maximum amount allowed of \$1,200 per year. The actual number of retirees receiving less than \$1,200 per year cap is a small percentage of the total population and has a minimal impact on the Healthcare Cost Trends as depicted below.

The following presents the District's Proportionate Share of the net OPEB liability of June 30, 2020, calculated using current Healthcare cost trends as well as what the District's Proportionate Share of the net OPEB liability would be if the health cost trends were 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
District's proportionate share of net OPEB liability	<u>\$ 2,305,000</u>	<u>\$ 2,305,000</u>	<u>\$ 2,306,000</u>

WYOMING AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE (12) - POSTEMPLOYMENT BENEFITES (CONTINUED)

Health Insurance Premium Assistance Program (HIPAP) (Continued)

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

The following presents the net OPEB liability, calculated using the discount rate of 2.66%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (1.66%) or 1-percentage point higher (3.66%) than the current rate:

	1% Decrease 1.66%	Current Discount Rate 2.66%	1% Increase 3.66%
District's proportionate share of the net OPEB liability	<u>\$ 2,629,000</u>	<u>\$ 2,305,000</u>	<u>\$ 2,038,000</u>

OPEB plan fiduciary net position

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

NOTE (13) – HEALTH TRUST

The District entered an agreement on September 9, 1999 to join the NEPA School Districts (Health) Trust. The trust is a self-funded insurance trust and was setup to provide health and welfare benefits and reimbursement and/or to provide stop-loss coverage for self-funded benefits, and/or provide death and/or disability benefits through the life or disability insurance on the life of any participant or group coverage for participants. The trust was established for the sole and exclusive benefit of the employees of the member public school entities. It was established to provide the most cost-effective method for paying for health and welfare benefits of the employees, their beneficiaries and dependents of the public-school entities who are parties of the trust agreement. An audit financial statement is completed annually. A copy of the audited financial statements may be obtained directly from the trust.

NOTE (14) – TAX ABATEMENTS AND OTHER TAX ARRANGEMENTS

The Districts Local Economic Revitalization Tax Assistance (LERTA) is authorized by the school board. Recipients are eligible for tax abatement for various reasons such as development costs, property location or renovations that would otherwise result in increased assessments. LERTA tax abatements are based on the increase of value of the improvement.

There were no amounts recorded or receivable from other governments in association with the forgone taxes. The District did not make other commitments other than to reduce taxes as part of the tax abatement agreements.

WYOMING AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE (15) - CONTINGENCIES

Property Tax

Property tax assessment appeals are regularly encountered during the course of each fiscal year. As of the date of this report the ultimate outcome of these property tax assessment appeals are not readily ascertainable. The District is unable to access and quantify the potential liability; therefore, it has elected not to record any expense or liability on the accompanying basic financial statements of the School District at fiscal year end June 30, 2021.

Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases commercial insurance for such situations. Any settled claims have not exceeded commercial insurance coverage in any of the past three fiscal years.

Litigation

The District encounters lawsuits arising principally in the normal course of operations. In the opinion of the administration, the outcome of these lawsuits will not have a material adverse effect on the accompanying basic financial statement. Accordingly, no provision for any such losses has been recorded on the accompanying basic financial statements of the School District at fiscal year end June 30, 2021.

Grant Programs

The District participates in numerous state and federal grant programs. Various rules and regulations of the grantor agencies govern these programs. Cost 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 collect ability of any related receivable at June 30, 2021 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 for such contingencies has been recorded on the accompanying basic financial statements of the School District at fiscal year end June 30, 2021.

NOTE (16) – PRIOR PERIOD ADJUSTMENT

The District has increased its July 1, 2020 net position in the custodial fund by \$109,839 due to the effects of implementing GASB Statement No. 84, "Fiduciary Activities." Amounts previously recorded as liabilities are now recognized as net position.

NOTE (17) – SUBSEQUENT EVENTS

The District has evaluated subsequent events through March 22, 2022, which is the date at which the financial statements were available to be issued

<<<< REQUIRED SUPPLEMENTARY INFORMATION >>>>

WYOMING AREA SCHOOL DISTRICT

**Schedule of the District's Proportionate Share of the Net Pension Liability
Pennsylvania Public School Employee's Retirement System (PSERS)**

*Last 10 Fiscal Years**
(UNAUDITED)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's portion of the net pension liability	0.1061%	0.1057%	0.1050%	0.1039%	0.1140%	0.1205%	0.0930%	0.9260%
District's proportionate share of the net pension liability	\$ 52,243,000	\$49,449,000	\$50,405,000	\$51,315,000	\$56,495,000	\$ 52,195,000	\$36,810,000	\$37,907,000
District's covered-employee payroll	\$ 14,970,684	\$ 14,581,371	\$ 14,142,679	\$ 13,832,423	\$ 14,758,837	\$ 13,629,107	\$ 11,866,349	\$ 11,882,126
District's proportionate share of net pension liability as a percentage of covered payroll	348.97%	339.12%	356.40%	370.98%	382.79%	383.97%	310.20%	319.03%
Plan fiduciary net position as a percentage of the total pension liability	54.32%	55.66%	54.00%	51.84%	50.14%	54.36%	57.24%	54.49%

*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is complete, available information is presented.

WYOMING AREA SCHOOL DISTRICT

Schedule of District Pension Contributions Pennsylvania Public School Employees' Retirement System (PSERS)

*Last 10 Years**
(UNAUDITED)

	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contributions	\$ 4,906,050	\$ 4,956,033	\$ 4,725,039	\$ 4,480,186	\$ 4,309,580	\$ 3,584,766	\$ 2,815,042	\$ 2,222,318
Contributions in relation to the contractually required contributions	(4,906,050)	(4,956,033)	(4,725,039)	(4,480,186)	(4,309,580)	(3,584,766)	(2,815,042)	(2,222,318)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District covered-employee payroll	\$ 14,640,555	\$ 15,298,409	\$ 14,142,679	\$ 13,832,423	\$ 14,758,837	\$ 14,339,602	\$ 13,731,912	\$ 11,866,349
Contributions as a percentage of covered-employee payroll	33.51%	33.45%	33.41%	32.39%	29.20%	25.00%	20.50%	18.73%

Amounts were based on actual contributions during the fiscal year.

*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is complete, available information is presented.

WYOMING AREA SCHOOL DISTRICT

**Schedule of the District's Proportionate Share of The Net OPEB Liability
 Pennsylvania Public School Employees' Retirement System (PSERS)
 Health Insurance Premium Assistance Program**

*Last 10 Years**
(UNAUDITED)

	2021	2020	2019	2018	2017
District's proportion of the net OPEB liability	0.1061%	0.1057%	0.1050%	0.1039%	0.1140%
District's proportion of the net OPEB liability – dollar value	\$ 2,305,000	\$ 2,248,000	\$ 2,189,000	\$ 2,117,000	\$ 2,456,000
District's covered employee payroll	\$ 14,970,684	\$ 14,581,371	\$ 14,142,679	\$ 13,832,423	\$ 14,758,837
District's proportionate share of the net OPEB liability as a percentage of its covered employee payroll	15.40%	15.42%	15.48%	15.30%	16.64%
Plan fiduciary net position as a percentage of the total OPEB liability	5.69%	5.69%	5.56%	5.73%	5.73%

*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is complete, available information is presented.

WYOMING AREA SCHOOL DISTRICT

Schedule of District OPEB Contributions Pennsylvania Public School Employees' Retirement System (PSERS) Health Insurance Premium Assistance Program

*Last 10 Years**
(UNAUDITED)

	2021	2020	2019	2018
Contractually required contributions	126,000	121,000	117,000	115,000
Contributions in relation to the contractually required contributions	126,000	121,000	117,000	115,000
Contribution excess	-	-	-	-
District's covered employee payroll	14,970,684	14,581,371	14,142,679	13,832,472,423
Contributions as a percentage of covered-employee payroll	.84%	.83%	.83%	.83%

Amounts were based on actual contributions during the fiscal year.

*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is complete, available information is presented.

WYOMING AREA SCHOOL DISTRICT

Schedule of Changes of Total OPEB Obligation and Related Ratios District OPEB Plan

Last 10 Years*
(UNAUDITED)

	2021	2020	2019	2018
Total OPEB Obligation				
Service cost	670,357	671,073	629,899	602,828
Interest	340,710	288,817	283,943	208,977
Changes in benefit terms	-	-	-	-
Differences between expected and actual experience	(1,235,544)	-	(29,276)	-
Changes in assumptions	1,256,980	(305,194)	(11,390)	278,965
Benefit payments	(206,113)	(205,055)	(399,547)	(485,144)
Net change	826,390	449,641	473,629	605,626
Total OPEB Liability - beginning	9,581,495	9,131,854	8,658,225	8,052,599
Total OPEB Liability - ending	10,407,885	9,581,495	9,131,854	8,658,225
Covered-Employee payroll	14,147,462	13,944,444	13,249,878	13,249,878
Total OPEB Liability as a % of Covered-Employee payroll	73.57%	68.71%	68.92%	65.35%

Notes to Schedule

Changes of Benefit Terms

- None.

Changes of Assumptions

- The discount rate changed from 3.36% to 1.86%. The trend assumption was updated.

*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is complete, available information is presented.

**WYOMING AREA SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual (Budgetary) Basis	Variance with Final Budget
	Original	Final		
REVENUES:				
Local Sources:				
Property Taxes Levied For General Purposes	\$ 15,264,935	\$ 15,264,935	\$ 15,691,262	\$ 426,327
Other Local Enabling Taxes	3,353,660	3,353,660	4,116,768	763,108
Investment Earnings	9,000	9,000	32,695	23,695
Other General Purpose Revenues	711,019	711,019	653,543	(57,476)
Local Sources	19,338,614	19,338,614	20,494,268	1,155,654
State Sources	16,065,085	16,065,085	16,419,872	354,787
Federal Sources	1,805,819	1,805,819	1,568,751	(237,068)
TOTAL REVENUES	37,209,518	37,209,518	38,482,891	1,273,373
EXPENDITURES:				
INSTRUCTION				
Regular programs - elementary/secondary	16,232,262	16,232,262	16,108,820	(123,442)
Special programs - elementary/secondary	6,461,644	6,461,644	7,330,422	868,778
Vocational educational programs	995,324	995,324	990,994	(4,330)
Other instructional programs	1,019,240	1,019,240	711,112	(308,128)
Nonpublic school programs	7,503	7,503	8,364	861
TOTAL INSTRUCTION	24,715,973	24,715,973	25,149,712	433,739
SUPPORT SERVICES				
Students	1,099,859	1,099,859	964,577	(135,282)
Instructional staff	499,947	499,947	441,746	(58,201)
Administration	2,181,191	2,181,191	2,238,153	56,962
Pupil health	606,322	606,322	668,518	62,196
Business	361,409	361,409	446,630	85,221
Operation and maintenance of plant services	3,544,238	3,544,238	2,880,496	(663,742)
Student transportation services	2,542,459	2,542,459	2,561,568	19,109
Central support services	238,093	238,093	216,941	(21,152)
Other support services	46,000	46,000	33,497	(12,503)
TOTAL SUPPORT SERVICES	11,119,518	11,119,518	10,452,126	(667,392)
NON INSTRUCTIONAL SERVICES				
Student activities	558,804	558,804	563,276	4,472
Facilities Acquisition, Construction and Improvement Services	7,500	7,500	-	(7,500)
Community services	115,466	115,466	31,124	(84,342)
TOTAL NON INSTRUCTIONAL SERVICES	681,770	681,770	594,400	(87,370)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	692,257	692,257	2,286,653	1,594,396
OTHER FINANCING SOURCES (USES):				
Refunds of prior years receipts	-	-	(2,496)	(2,496)
Debt Service	(404,059)	(404,059)	(1,581,767)	(1,177,708)
Proceeds from capital lease	-	-	-	-
Sale of fixed asset	-	-	646	646
Budgetary reserve	(25,000)	(25,000)	-	25,000
Fund transfers	(1,657,449)	(1,657,449)	(283,131)	1,374,318
TOTAL OTHER FINANCING SOURCES (USES):	\$ (2,086,508)	\$ (2,086,508)	\$ (1,866,748)	\$ 219,760
NET CHANGE IN FUND BALANCE	(1,394,251)	(1,394,251)	419,905	1,814,156
Fund Balance Beginning July 1, 2019			2,967,855	
FUND BALANCE ENDING JUNE 30, 2020			\$ 3,387,760	

See accompanying notes to basic financial statements

**WYOMING AREA SCHOOL DISTRICT
NOTES TO THE BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2021**

NOTE (1) – BUDGETARY INFORMATION

The budget for the general fund is adopted on the modified accrual basis of accounting which is consistent with generally accepted accounting principles. All annual appropriations lapse at year-end. All budget amounts presented in the accompanying required supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions to the annual budget during the year).

<<<< SUPPLEMENTARY INFORMATION >>>>

Wyoming Area School District
Schedule of Expenditures of Federal Awards
For The Year Ended June 30, 2021

Federal Grantor/ Project Title	Federal CFDA No.	Pass Through Grantor Number	GRANT PERIOD BEG/END Date	Program or Award Amount	Total Rec'd for The Year	Acc.(Def.) Revenue 7/1/2020	Revenue Recognized	Expenditures	Acc.(Def.) Revenue 6/30/2021
<u>U.S. DEPARTMENT OF EDUCATION</u>									
PASSED THROUGH THE PA DEPARTMENT OF EDUCATION									
ESEA Title I - Improving Basic Programs	84.010	013-21-0495	7/1/20 - 9/30/21	681,122	489,704		544,523	544,523	54,819
ESEA Title I - Improving Basic Programs	84.010	013-20-0495	7/1/19 - 9/30/20	583,060	124,935	52,347	72,588	72,588	-
					614,639	52,347	617,111	617,111	54,819
Title II - Improving Teacher Quality	84.367	020-21-0495	7/1/20 - 9/30/21	99,877	64,438	-	90,887	90,887	26,449
Title II - Improving Teacher Quality	84.367	020-20-0495	7/1/19 - 9/30/20	106,506	-	(3,934)	1,452	1,452	(2,482)
Title II - Improving Teacher Quality	84.367	020-13-0495	7/1/12 - 9/30/13	127,075	-	(513)	-	-	(513)
					64,438	(4,447)	92,339	92,339	23,454
Title IV - Student Supports and Academic Enrichment	84.424	144-200495	7/1/20 - 9/30/21	43,330	37,140	-	33,116	33,116	(4,024)
Title IV - Student Supports and Academic Enrichment	84.424	144-200495	7/1/19 - 9/30/20	43,305	12,373	3,718	7,357	7,357	(1,298)
					49,513	3,718	40,473	40,473	(5,322)
CARES Act - ESSER I Fund Local	84.425	200-200495	3/13/20 - 9/30/22	469,263	469,263	-	465,811	465,811	(3,452)
COVID 19 SECIM	84.425	252-200495	3/13/20 - 9/30/22	39,311	8,276	-	16,394	16,394	8,118
aSTI GEER	84.425	254-200495	3/13/20 - 9/30/22	57,037	57,037	-	55,889	55,889	(1,148)
CARES Act - ESSER II Fund Local	84.425	200-210495	3/13/20 - 9/30/23	2,471,874	-	-	39,590	39,590	39,590
					534,576	-	577,684	577,684	43,108
PASSED THROUGH OTHER LOCAL EDUCATION AGENCIES									
Special Education - Grants to States (IDEA Grant)	84.027	2020-2021	7/1/20 - 9/30/21	307,209	307,209	-	307,209	307,209	-
Special Education - Grants to States (IDEA Grant)	84.027	2019-2020	7/1/19 - 9/30/20	289,316	289,316	289,316	-	-	-
					596,525	289,316	307,209	307,209	-
TOTAL US DEPARTMENT OF EDUCATION					1,859,691	340,934	1,634,816	1,634,816	116,059
<u>U.S. DEPARTMENT OF TREASURY</u>									
PASSED THROUGH THE PA COMM ON CRIME AND DELINQUENCY									
20-21 ESSER COVID-19 Relief	84.425D	2020-ES-01-34961	3/13/20 - 9/30/22	61,733	-	-	52,542	52,542	52,542
COVID-19 - Coronavirus Relief Fund	21.019	2020-CS-01-34088	3/14/20-10/30/20	210,545	210,545	45,677	164,868	164,868	-
					210,545	45,677	217,410	217,410	52,542
PASSED THROUGH LUZERNE COUNTY									
COVID-19 - Coronavirus Relief Fund	21.019	C000074007	3/1/20-12/31/20	32,535	32,535	-	32,535	32,535	-
TOTAL US DEPARTMENT OF TREASURY					243,080	45,677	249,945	249,945	52,542
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>									
PASSED THROUGH THE PA DEPARTMENT PUBLIC WELFARE									
Title XIX Reimbursement for Administrative Claiming	93.778	N/A	7/1/20 - 6/30/21	23,736	10,216	-	23,736	23,736	13,520
Title XIX Reimbursement for Administrative Claiming	93.778	N/A	7/1/19 - 6/30/20	17,317	10,481	10,481	-	-	-
TOTAL US DEPT OF HEALTH AND HUMAN SERVICES					20,697	10,481	23,736	23,736	13,520

**Wyoming Area School District
Schedule of Expenditures of Federal Awards
For The Year Ended June 30, 2021**

Federal Grantor/ Project Title	Federal CFDA No.	Pass Through Grantor Number	GRANT PERIOD BEG/END Date	Program or Award Amount	Total Rec'd for The Year	Acc.(Def.) Revenue 7/1/2020	Revenue Recognized	Expenditures	Acc.(Def.) Revenue 6/30/2021
U.S. DEPARTMENT OF AGRICULTURE									
CHILD NUTRITION CLUSTER									
PASSED THROUGH THE PA DEPARTMENT OF EDUCATION									
National School Lunch Program	10.555	N/A	7/1/18 - 6/30/19	N/A	112,763	-	131,247	131,247	18,484
National School Lunch Program	10.555	N/A	7/1/19 - 6/30/20	N/A	560	560	-	-	-
School Breakfast Program	10.553	N/A	7/1/18 - 6/30/19	N/A	51,775	-	59,549	59,549	7,774
School Breakfast Program	10.553	N/A	7/1/19 - 6/30/20	N/A	354	354	-	-	-
					<u>165,452</u>	<u>914</u>	<u>190,796</u>	<u>190,796</u>	<u>26,258</u>
PASSED THROUGH THE PA DEPARTMENT OF AGRICULTURE									
Food Distribution (Value of USDA Donated Commodities)	10.555	N/A	7/1/19 - 6/30/20	N/A	28,616	-	28,616	28,616	-
					<u>194,068</u>	<u>914</u>	<u>219,412</u>	<u>219,412</u>	<u>26,258</u>
TOTAL CHILD NUTRITION CLUSTER					<u>\$ 2,317,536</u>	<u>\$ 398,006</u>	<u>\$ 2,127,909</u>	<u>\$ 2,127,909</u>	<u>\$ 208,379</u>
TOTAL FEDERAL AWARDS					<u>\$ 2,317,536</u>	<u>\$ 398,006</u>	<u>\$ 2,127,909</u>	<u>\$ 2,127,909</u>	<u>\$ 208,379</u>

Identification of Major Program Rule:
Total Expenditures \$ 2,127,909

Programs selected for testing:

CARES Act - ESSER I Fund Local	465,811
COVID 19 SECIM	16,394
aSTI GEER	55,889
CARES Act - ESSER II Fund Local	39,590
20-21 ESSER COVID-19 Relief	<u>52,542</u>
	630,226

Calculation utilized to select programs tested $(\$2,127,909 / \$630,226) =$ 29.62%

See Notes to Schedule of Federal Awards

WYOMING AREA SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2021

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Wyoming Area School District under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of Wyoming Area School District, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Wyoming Area School District.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursements.

NOTE 3 - RECONCILIATION TO FINANCIAL STATEMENTS:

Federal financial assistance revenues are reported in the District's general-purpose financial statements as follows:

General fund	\$	1,568,751
Plus: Luzerne County Covid Grant, reported as Local Sources		32,535
Plus: Passed through Intermediate Unit, reported as Local Sources		307,209
Total General fund		1,908,495
Food Service Fund		219,412
Total Food Service Fund		2,127,907
Rounding		2
Total per schedule	\$	21,217,909

WYOMING AREA SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2021

NOTE 4 - RECONCILIATION OF TOTAL MONEY RECEIVED FOR THE YEAR WITH THE STATE AND FEDERAL SUBSIDY DISBURSEMENT REPORT:

The following projects are subtracted from the total received for the year column of the Schedule of Expenditures of Federal Awards Report to reconcile with the State and Federal Subsidy Disbursement by Account Code Report.

Although these funds were not listed on the Audit Confirmation of Federal Subsidy Payments, they must be included on the Schedule of Expenditures of Federal Awards.

Federal Grantor/ Project Title	Federal CFDA No.	Pass Through Grantor Number	Grant Period Beg / End Date	Total Rec'd for the Year
<u>Indirect funding</u>				
Special Education – Grants to States (IDEA)	84.027	2019-2020	7/1/19 – 6/30/20	\$ 289,316
Special Education – Grants to States (IDEA)	84.027	2020-2021	7/1/20 – 6/30/21	307,209
Medical Assistance Program – (Title XIX Administrative Claims	93.778	n/a	7/1/19 – 6/30/20	10,481
Medical Assistance Program – (Title XIX Administrative Claims	93.778	n/a	7/1/20 – 6/30/21	10,216
PCCD – COVID-19 Relief Fund	21.019	n/a	3/1/20 – 10/30/20	210,545
PCCD – COVID-19 Relief Fund – Passed through Luzerne County	21.019	C000074007	3/1/20 - 12/31/20	32,535
Food Distribution (Value of USDA Donated Commodities	10.555	n/a	7/1/19 – 6/30/20	28,616
Total Federal Funds not on Federal and State Subsidy Report 2020-2021				<u>\$ 888,918</u>
<u>RECAP</u>				
Total received for the year per Schedule of Federal Expenditures and Awards				\$ 2,317,536
Add: State Funding on Confirmation				5,863
Less: Total Federal Funds not on confirmation (from above)				<u>(888,918)</u>
Total from Federal and State Subsidy Report 2020-2021				<u>\$ 1,434,481</u>

NOTE 5 - INDIRECT COST RATE

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

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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

To the School Board of Directors
of the Wyoming Area School District
Exeter, PA

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, and each major fund of the Wyoming Area School District, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Wyoming Area School District's basic financial statements, and have issued our report thereon dated March 22, 2022.

Internal Control over Financial Reporting

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

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

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


**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**

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Wyoming Area School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests 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.



Pittston, Pa
March 22, 2022

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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

To the School Board of Directors
of the Wyoming Area School District
Exeter, PA

Report on Compliance for Each Major Federal Program

We have audited Wyoming Area School District's compliance with the types of compliance requirements described in the *OMB Circular Compliance Supplement* that could have a direct and material effect on each of Wyoming Area School District's major federal programs for the year ended June 30, 2021. Wyoming Area School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

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

Opinion on Each Major Federal Program

In our opinion, Wyoming Area School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.


Report on Internal Control over Compliance

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

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

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

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



Pittston, Pa.
March 22, 2022

WYOMING AREA SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued Unmodified

Internal control over financial reporting:

 Material weakness (es) identified? yes X no

 Significant deficiency (ies) identified not considered to be
 material weaknesses: yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal Control over major programs:

 Material weakness (es) identified? X

 Significant deficiency (ies) identified not considered to be
 material weaknesses: X none reported

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

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

Identification of major programs(s):

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.425	CARES Act - ESSER I Fund Local
84.425	COVID 19 SECIM
84.425	aSTI GEER
84.425	CARES Act - ESSER II Fund Local
84.425D	20-21 ESSER COVID-19 Relief

Dollar threshold used to distinguish between Type A and Type B Programs \$ 750,000

Auditee qualified as low-risk auditee? X yes no

WYOMING AREA SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

Section II – Financial Statement Findings

None

Section III Federal Awards Findings and Questioned Costs

None

Section IV – Schedule of Prior Year Audit Findings

No audit findings reported in prior year