

**SCHUYLKILL INTERMEDIATE UNIT NO. 29**

**SINGLE AUDIT REPORT**

**MARLIN, PENNSYLVANIA**

**FOR THE YEAR ENDED JUNE 30, 2022**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Schuylkill Intermediate Unit No. 29

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Schuylkill Intermediate Unit No. 29, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Schuylkill Intermediate Unit No. 29's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Schuylkill Intermediate Unit No. 29, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Schuylkill Intermediate Unit No. 29 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Schuylkill Intermediate Unit No. 29's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material

misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Schuylkill Intermediate Unit No. 29's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Schuylkill Intermediate Unit No. 29's ability to continue as a going concern for a reasonable period of time.

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

#### ***Required Supplementary Information***

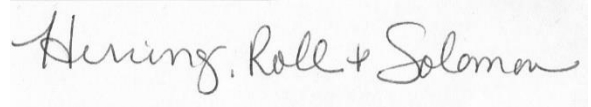
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 9-27, budgetary comparison information on pages 34-37, schedule of proportionate share of the net pension liability and contributions on page 76, schedule of proportionate share of the net OPEB liability – PSERS plan on page 77, and schedule of changes in the net OPEB liability – district specific plan on page 78 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Schuylkill Intermediate Unit No. 29's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, 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 September 20, 2023, on our consideration of the Schuylkill Intermediate Unit No. 29'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 Schuylkill Intermediate Unit No. 29'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 Schuylkill Intermediate Unit No. 29's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Hering, Roll & Solomon". The signature is written in dark ink on a light-colored, slightly textured background.

Sunbury, PA

September 20, 2023



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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 Board of Directors  
Schuylkill Intermediate Unit No. 29

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Schuylkill Intermediate Unit No. 29, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Schuylkill Intermediate Unit No. 29's basic financial statements and have issued our report thereon dated September 20, 2023.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Schuylkill Intermediate Unit No. 29'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 Schuylkill Intermediate Unit No. 29's internal control. Accordingly, we do not express an opinion on the effectiveness of Schuylkill Intermediate Unit No. 29's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be a significant deficiency.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Schuylkill Intermediate Unit No. 29's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2022-001.

## **Schuylkill Intermediate Unit No. 29's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Schuylkill Intermediate Unit No. 29's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Schuylkill Intermediate Unit No. 29's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **Purpose of This Report**

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

A handwritten signature in cursive script that reads "Hering, Roll + Solomon". The signature is written in dark ink on a light-colored, slightly textured background.

Sunbury, PA  
September 20, 2023



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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 Board of Directors  
Schuylkill Intermediate Unit No. 29

**Report on Compliance for Each Major Federal Program**

***Qualified Opinion***

We have audited Schuylkill Intermediate Unit No. 29's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Schuylkill Intermediate Unit No. 29's major federal programs for the year ended June 30, 2022. Schuylkill Intermediate Unit No. 29's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

*Qualified Opinion on CFDA 84.027 IDEA-B, 84.173 IDEA-B 619, 84.287 21st Century Community Learning Centers and 84.425 Education Stabilization Fund*

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion section of our report, Schuylkill Intermediate Unit No. 29 complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on CFDA 84.027 IDEA-B, 84.173 IDEA-B 619, 84.287 21st Century Community Learning Centers, and 84.425 Education Stabilization Fund for the year ended June 30, 2022.

***Basis for Qualified Opinion***

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

We are required to be independent of Schuylkill Intermediate Unit No. 29 and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Schuylkill Intermediate Unit No. 29's compliance with the compliance requirements referred to above.

*Matter(s) Giving Rise to Qualified Opinion on CFDA 84.027 IDEA-B, 84.173 IDEA-B 619, 84.287 21st Century Community Learning Centers, and 84.425 Education Stabilization Fund.*

As described in the accompanying schedule of findings and questioned costs, Schuylkill Intermediate Unit No. 29 did not comply with requirements regarding CFDA 84.027 IDEA-B, 84.173 IDEA-B 619, 84.287 21st Century Community Learning Centers, and 84.425 Education Stabilization Fund as described in finding number 2022-001 for Reporting.

Compliance with such requirements is necessary, in our opinion, for Schuylkill Intermediate Unit No. 29 to comply with the requirements applicable to that program.



### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Schuylkill Intermediate Unit No. 29's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Schuylkill Intermediate Unit No. 29's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Schuylkill Intermediate Unit No. 29's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Schuylkill Intermediate Unit No. 29's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Schuylkill Intermediate Unit No. 29's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Schuylkill Intermediate Unit No. 29's internal control over compliance. Accordingly, no such opinion is expressed.

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

### ***Other Matters***

The results of our auditing procedures disclosed other instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2022-001. Our opinion on each major federal program is not modified with respect to these matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on Schuylkill Intermediate Unit No. 29's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Schuylkill Intermediate Unit No. 29's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### ***Report on Internal Control over Compliance***

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be a significant deficiency.

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

*A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2022-001 to be a significant deficiency.

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

*Government Auditing Standards* requires the auditor to perform limited procedures on Schuylkill Intermediate Unit No. 29's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Schuylkill Intermediate Unit No. 29's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

A handwritten signature in cursive script that reads "Hering, Roll & Solomon". The signature is written in dark ink on a light-colored, slightly textured background.

Sunbury, PA

September 20, 2023

## **SCHUYLKILL INTERMEDIATE UNIT 29**

### **Management's Discussion and Analysis For the Year ended June 30, 2022**

Our discussion and analysis of the Intermediate Unit's financial performance provides an overview of the Intermediate Unit's financial activities for the fiscal year ended June 30, 2022. Please read it in conjunction with the Intermediate Unit's financial statements, which immediately follow this section.

The Management's Discussion and Analysis (MD&A) is required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34 – Basic Financial Statements – Management's Discussion and Analysis – for State and Local Governments issued in June 1999.

### **FINANCIAL HIGHLIGHTS**

- Net position increased by \$6,344,601.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of three parts – management's discussion and analysis (this section), the basic financial statements and notes to the financial statements. The basic financial statements include two types of statements that present different views of the Intermediate Unit:

- The first group of statements is entity wide financial statements that provide both short-term and long-term information about the Intermediate Unit's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Intermediate Unit, reporting the Unit's operations in more detail than the Entity-wide statements.
- The governmental funds statements tell how Intermediate Unit services and Special Education services are financed.
- Proprietary funds statements offer short and long-term financial information about the activities of the food service operations and Schuylkill Learning Academy. These activities are operated as a business entity.
- Fiduciary funds statements provide information about the financial relationships in which the Intermediate Unit acts solely as a trustee or agent for the benefit of others.

## SCHUYLKILL INTERMEDIATE UNIT 29

### Management's Discussion and Analysis

For the Year ended June 30, 2022

#### Entity-wide Statements

The entity-wide statements report information about the Intermediate Unit as a whole, using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the Intermediate Unit's assets and liabilities. All of the current year's revenues and expenditures are accounted for in the statement of activities, regardless of when cash is received or paid.

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

In the entity-wide financial statements, the Intermediate Unit's activities are divided into two categories:

- **Governmental activities** – Most of the Intermediate Unit's basic services are included here, such as program services, special "major" funds and not the Intermediate Unit as a whole. Funds are accounting devices the Intermediate Unit uses to keep track of specific sources of funding and spending on particular programs:
- **Business-type Activities** – The Intermediate Unit charges fees to cover the cost of certain services it provides. The Intermediate Unit's Cafeteria and Schuylkill Learning Academy Funds are included here.

The Intermediate Unit has three types of funds:

- **Governmental funds** – Most of the Intermediate Unit's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the Intermediate Unit's services. Because this information does not encompass the long-term focus on the Intermediate Unit-wide statements, we provide additional information with the governmental funds statements to explain the relationship between them.

## SCHUYLKILL INTERMEDIATE UNIT 29

### Management's Discussion and Analysis

For the Year ended June 30, 2022

- **Proprietary funds** – Services for which the Intermediate Unit charges fees are generally reported in proprietary funds. Proprietary funds are reported in the same way as the Intermediate Unit-wide statements.
- **Fiduciary funds** – The Intermediate Unit is the trustee, or fiduciary, for assets that belong to others, such as student activities funds. The Intermediate Unit is responsible for ensuring that those to whom the assets belong are used only for their intended purposes and assets reported in these funds. All of the Intermediate Unit's fiduciary activities are reported separate of the fiduciary net position. We exclude these activities from the entity-wide financial statements because the Intermediate Unit cannot use these assets to finance program services.

### FINANCIAL ANALYSIS OF THE INTERMEDIATE UNIT AS A WHOLE

The Intermediate Unit's total net position increased from (\$21,818,336) to (\$15,473,735) an increase of \$6,344,601. (See Table A-1)

The Unit's net position at June 30, 2022 is a negative (\$15,473,735). This negative balance is due primarily to the adoption of GASB Statement No. 68, resulting in a net pension liability of \$24,634,000, representing its proportionate share of PSERS' net pension liability.

**Table A-1**  
**Fiscal Year Ended June 30, 2022 and June 30, 2021**  
**Net Position**

	Governmental Activities	Governmental Activities	Business-type Activities		Total	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Current and other assets	\$ 10,137,274	\$ 8,246,038	\$ 767,962	\$ 585,805	\$ 10,905,236	\$ 8,831,843
Capital assets	5,369,680	5,608,722	45,813	10,669	5,415,493	5,619,391
<b>Total Assets</b>	<b>\$ 15,506,954</b>	<b>\$ 13,854,760</b>	<b>\$ 813,775</b>	<b>\$ 596,474</b>	<b>\$ 16,320,729</b>	<b>\$ 14,451,234</b>
Deferred outflows	6,333,220	5,156,596	156,525	160,225	6,489,745	5,316,821
Current liabilities	3,216,322	3,067,746	38,356	27,467	3,254,678	3,095,213
Long-term liabilities	28,365,851	33,756,744	688,260	1,026,811	29,054,111	34,783,555
<b>Total Liabilities</b>	<b>\$ 31,582,173</b>	<b>\$ 36,824,490</b>	<b>\$ 726,616</b>	<b>\$ 1,054,278</b>	<b>\$ 32,308,789</b>	<b>\$ 37,878,768</b>
Deferred inflows	5,868,472	3,595,796	144,897	111,830	6,013,369	3,707,626
Net investment in capital assets	5,369,680	5,608,722	45,813	\$ -	5,415,493	5,608,722
Non Spendable	2,514	3,914	\$ -	\$ -	2,514	3,914
Restricted net position	435,547	1,046,412	\$ -	\$ -	435,547	1,046,412
Unrestricted net position	(21,418,212)	(28,067,978)	90,923	(409,406)	(21,327,289)	(28,477,384)
<b>Total Net Position</b>	<b>\$ (15,610,471)</b>	<b>\$ (21,408,930)</b>	<b>\$ 136,736</b>	<b>\$ (409,406)</b>	<b>\$ (15,473,735)</b>	<b>\$ (21,818,336)</b>

# SCHUYLKILL INTERMEDIATE UNIT 29

## Management's Discussion and Analysis For the Year ended June 30, 2022

**Table A-2**  
**Fiscal Year Ended June 30, 2022 and June 30, 2021**  
**Changes in Net Position**

	Governmental Activities		Business-type Activities		Total	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 9,369,621	\$ 9,338,739	\$ 441,454	\$ 426,216	\$ 9,811,075	\$ 9,764,955
Operating Grants and Contributions	\$ 14,135,988	\$ 11,527,624	\$ 243,213	\$ 156,330	\$ 14,379,201	\$ 11,683,954
Grants, Subsidies & Contributions	\$ 1,600,739	\$ 1,603,364	\$ -	\$ -	\$ 1,600,739	\$ 1,603,364
Investment Income	\$ 10,532	\$ 639	\$ -	\$ -	\$ 10,532	\$ 639
Other	\$ -	\$ -	\$ 166,231	\$ -	\$ 166,231	\$ -
<b>Total Revenues</b>	<b>\$ 25,116,880</b>	<b>\$ 22,470,366</b>	<b>\$ 850,898</b>	<b>\$ 582,546</b>	<b>\$ 25,967,778</b>	<b>\$ 23,052,912</b>
<b>Expenses</b>						
Instructional	\$ 8,445,519	\$ 9,412,193	\$ -	\$ -	\$ 8,445,519	\$ 9,412,193
Instructional Support	\$ 6,977,563	\$ 6,474,227	\$ -	\$ -	\$ 6,977,563	\$ 6,474,227
Administrative	\$ 2,686,386	\$ 2,746,900	\$ -	\$ -	\$ 2,686,386	\$ 2,746,900
Operation and maintenance of facilities	\$ 833,914	\$ 1,103,787	\$ -	\$ -	\$ 833,914	\$ 1,103,787
Pupil Transportation	\$ 375,507	\$ 265,952	\$ -	\$ -	\$ 375,507	\$ 265,952
Community Services	\$ (615)	\$ 19,470	\$ -	\$ -	\$ (615)	\$ 19,470
Interest on long-term debt	\$ 147	\$ 617	\$ -	\$ -	\$ 147	\$ 617
Food Service	\$ -	\$ -	\$ 133,945	\$ 163,447	\$ 133,945	\$ 163,447
Other Enterprise Funds	\$ -	\$ -	\$ 170,811	\$ 146,210	\$ 170,811	\$ 146,210
<b>Total Expenses</b>	<b>\$ 19,318,421</b>	<b>\$ 20,023,146</b>	<b>\$ 304,756</b>	<b>\$ 309,657</b>	<b>\$ 19,623,177</b>	<b>\$ 20,332,803</b>
<b>Increase (Decrease) in net position</b>	<b>\$ 5,798,459</b>	<b>\$ 2,447,220</b>	<b>\$ 546,142</b>	<b>\$ 272,889</b>	<b>\$ 6,344,601</b>	<b>\$ 2,720,109</b>

**Changes in net position:** The Intermediate Unit's total revenues were \$25,967,778 for the year ended June 30, 2022 (see Table A-2). Charges for services make up 40% of total revenue, operating grants and contributions make up 53%, state subsidies 7%, and other revenue, such as interest income, accounted for the balance.

The total cost of all programs and services was \$19,623,177. The Intermediate Unit's costs related to education and servicing students accounted for 80% (Instruction, Instructional Student Support, Pupil Transportation). Administration costs accounted for 15%. Operation and Maintenance of Facilities accounted for 5%, and all other expenses accounted for the balance (see Table A-2).

Total revenue exceeded expenditures, increasing net position by \$6,344,601.

**SCHUYLKILL INTERMEDIATE UNIT 29****Management's Discussion and Analysis****For the Year ended June 30, 2022****Table A-3  
Net Cost of Governmental Activities**

	<b>Total Cost of Services</b>		<b>Net Cost of Services</b>	
	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>
Instruction	8,445,519	9,412,193	11,510,934	8,336,165
Instructional Student Support	6,977,563	6,474,227	(4,841,161)	(4,818,159)
Administration	2,686,386	2,746,900	(2,037,361)	(2,074,027)
Operation and Maintenance of Facilities	833,914	1,103,787	(372,835)	(867,452)
Pupil Transportation	375,507	265,952	(72,857)	286,777
Community Services	(615)	19,470	615	(19,470)
Interest on Long-term Debt	147	617	(147)	(617)
Food Service	133,945	163,447	67,557	21,718
Other Enterprise Funds	170,811	146,210	312,354	251,171
<b>Total Expense</b>	<b><u>\$19,623,177</u></b>	<b><u>\$20,332,803</u></b>	<b><u>\$4,567,099</u></b>	<b><u>1,116,106</u></b>

The results of this year's operation as a whole are reported in the Statement of Activities. Specific charges, grants, revenues and subsidies that directly relate to specific expense categories are represented to determine the final amount of the Intermediate Unit's activities that are supported by other general revenues. The largest charge for services is the member district contributions.

**SCHUYLKILL INTERMEDIATE UNIT 29****Management's Discussion and Analysis****For the Year ended June 30, 2022****FINANCIAL ANALYSIS OF THE INTERMEDIATE UNITS' FUNDS**

The Intermediate Unit's governmental funds reported a combined fund balance of \$6,962,952 an increase of \$1,744,797 from the prior year. The schedule below summarizes the fund balances and the total change in fund balances as of June 30, 2022 and 2021:

	Fund Balance June 30, 2022	Fund Balance June 30, 2021	Increase (Decrease)
<b>General Fund</b>			
Nonspendable	\$ 2,514	\$ 3,914	\$ (1,400)
Restricted			
Unassigned	3,427,310	2,891,869	535,441
<b>Special Education Fund</b>			
Restricted	-	526,429	(526,429)
Assigned	3,097,581	1,275,960	1,821,621
<b>Transportation Fund</b>			
Restricted	299,984	384,420	(84,436)
<b>Early Intervention Fund</b>			
Restricted	135,563	135,563	-
<b>Total</b>	<u>\$ 6,962,952</u>	<u>\$ 5,218,155</u>	<u>\$ 1,744,797</u>



## SCHUYLKILL INTERMEDIATE UNIT 29

### Management's Discussion and Analysis

For the Year ended June 30, 2022

#### REVENUES:

Revenues for the all Intermediate Unit's governmental funds increase \$3,474,141 or 11.5% from \$30,285,790 to \$33,759,931.

#### 2022

	<u>General</u>	<u>Special Education</u>	<u>Transportation</u>	<u>Early Intervention</u>	<u>Totals</u>
Local Sources	\$3,356,447	\$5,928,799		\$62,892	\$9,348,138
State Sources	1,571,106	2,390,199	302,753	3,575,738	\$7,839,796
Federal Sources	10,164,739			32,045	\$10,196,784
Total Revenue	15,092,292	8,318,998	302,753	3,670,675	27,384,718
Fund Transfers	411,758	5,671,831		291,624	6,375,213
Total Revenue & Other Financing Sources	<u>\$15,504,050</u>	<u>\$13,990,829</u>	<u>\$302,753</u>	<u>\$3,962,299</u>	<u>\$33,759,931</u>

#### 2021

	<u>General</u>	<u>Special Education</u>	<u>Transportation</u>	<u>Early Intervention</u>	<u>Totals</u>
Local Sources	\$3,013,663	\$6,095,477		\$38,363	\$9,147,503
State Sources	1,624,764	2,382,428	554,505	3,584,533	\$8,146,230
Federal Sources	7,412,214				\$7,412,214
Total Revenue	12,050,641	8,477,905	554,505	3,622,896	\$24,705,947
Fund Transfers	408,898	4,892,435		278,510	\$5,579,843
Total Revenue & Other Financing Sources	<u>\$12,459,539</u>	<u>\$13,370,340</u>	<u>\$554,505</u>	<u>\$3,901,406</u>	<u>\$30,285,790</u>

## SCHUYLKILL INTERMEDIATE UNIT 29

### Management's Discussion and Analysis For the Year ended June 30, 2022

	Final Budget <u>2022</u>	Actual Cost <u>2022</u>	Variance Positive (Negative)
<b>EXPENDITURES - General Fund</b>			
Regular Programs	\$ 4,477	\$ 9,689	\$ (5,212)
Special Programs	\$ -	\$ 84,383	\$ (84,383)
Other Instructional Programs	\$ 1,416,774	\$ 2,196,577	\$ (779,803.00)
Nonpublic School Programs	\$ 433,859	\$ 830,074	\$ (396,215)
Adult Education Programs	\$ 524,827	\$ 607,165	\$ (82,338)
Pre-Kindergarten	\$ 175,000	\$ 177,988	\$ (2,988)
Pupil Personnel Services	\$ 209,512	\$ 224,297	\$ (14,785)
Instructional Staff Services	\$ 986,841	\$ 1,788,092	\$ (801,251)
Pupil Health Services	\$ -	\$ 2,024	\$ (2,024)
Administrative Services	\$ 187,929	\$ 250,165	\$ (62,236)
Business Services	\$ 1,133,737	\$ 1,344,391	\$ (210,654)
Operation of Plant	\$ 67,150	\$ 55,940	\$ 11,210
Student Transportation	\$ -	\$ 114,267	\$ (114,267)
Central & Other Support	\$ 137,543	\$ 41,279	\$ 96,264
Other Support Services	\$ 92,968	\$ 1,280,838	\$ (1,187,870)
Community Services	\$ -	\$ (615)	\$ 615
<b>Total Expenditures</b>	<u>\$5,370,617</u>	<u>\$9,006,554</u>	<u>(\$3,635,937)</u>

#### **OTHER FINANCING (USES):**

Fund Transfers

There were five (5) areas with large variances when comparing budget to actual. Instructional Staff Services was over spent by \$801,251, Other Instructional Programs was over spent by \$779,803, Central & Other Support was over spent by \$1,187,870, Administrative Services was over spent by \$62,236 and Other Support Services were over spent by \$210,654. The variances were primarily the result of grant expenditure recognition along with new services provided to member districts.

Over the course of the year, the Intermediate Unit reviews expenditures and makes appropriate adjustments to cover unexpected expenditures in the annual operating budget that exceed the original line item budget.

**SCHUYLKILL INTERMEDIATE UNIT 29**  
Management's Discussion and Analysis  
For the Year ended June 30, 2022

**EXPENDITURES – 2022 vs. 2021 Actual**

	<b>2022</b>	<b>2021</b>	<b>Increase</b>
	<b><u>Actual</u></b>	<b><u>Actual</u></b>	<b><u>(Decrease)</u></b>
EXPENDITURES - General Fund			
Regular Programs	\$ 9,689	\$ 2,413	\$7,276
Special Programs	\$ 84,383	\$ (319)	\$84,702
Other Instructional Programs	2,196,577	2,160,000	36,577
Nonpublic School Programs	830,074	454,000	376,074
Adult Education Programs	607,165	589,587	17,578
Pre-Kindergarten	177,988	159,591	18,397
Pupil Personnel Services	224,297	159,463	64,834
Instructional Staff Services	1,788,092	1,581,246	206,846
Pupil Health Services	2,024	0	2,024
Administrative Services	250,165	283,017	(32,852)
Business Services	1,344,391	1,090,827	253,564
Operation of Plant	55,940	152,685	(96,745)
Student Transportation	114,267	40,977	73,290
Central & Other Support	41,279	36,927	4,352
Other Support Services	1,280,838	79,077	1,201,761
Community Services	(615)	19,470	(20,085)
<b>Total Expenditures</b>	<b><u>\$ 9,006,554</u></b>	<b><u>\$ 6,808,961</u></b>	<b><u>2,197,593</u></b>

When comparing Expenditures from 2021 to 2022, expenditures increased \$2,197,593 or 32.3%.

## SCHUYLKILL INTERMEDIATE UNIT 29

### Management's Discussion and Analysis For the Year ended June 30, 2022

#### EXPENDITURES – Special Revenue Funds

Total expenditures and other net financing uses for special revenue funds totaled \$17,045,125 for the Year ended June 30, 2022 as compared to \$17,279,537 for the year ended June 30, 2021 an decrease of \$234,412 or .09%

<b>2022</b>				
	<u>Special Education</u>	<u>Transportation</u>	<u>Early Intervention</u>	<u>Totals</u>
Instructional Special Programs	\$ 4,652,416		\$ 2,863,280	\$ 7,515,696
Pupil Personnel	\$ 144,459			\$ 144,459
Instructional Staff	\$ 687,024			\$ 687,024
Administration	\$ 1,369,804			\$ 1,369,804
Pupil Health	\$ 933,427		\$ 873,805	\$ 1,807,232
Business	\$ 519,614			\$ 519,614
Operation & Maintenance of Plant Servi	\$ 772,591			\$ 772,591
Student Transportation	\$ -	\$ 387,189		\$ 387,189
Facilities acq. construction and improver	\$ -			\$ -
Central & Other Support Services	\$ 3,389,745			\$ 3,389,745
Debt Service	\$ 40,013			\$ 40,013
Total Expenditures	\$ 12,509,093	\$ 387,189	\$ 3,737,085	\$ 16,633,367
Other Financing Uses	\$ 186,544		\$ 225,214	\$ 411,758
<b>Total Expenditures and</b>				<b>\$ -</b>
<b>Other Financial Uses</b>				<b>\$ -</b>
	\$ 12,695,637	\$ 387,189	\$ 3,962,299	\$ 17,045,125

<b>2021</b>				
	<u>Special Education</u>	<u>Transportation</u>	<u>Early Intervention</u>	<u>Totals</u>
Instructional Special Programs	\$ 5,114,317		\$ 2,811,013	\$ 7,925,330
Pupil Personnel	\$ 221,060			\$ 221,060
Instructional Staff	\$ 720,110			\$ 720,110
Administration	\$ 1,253,539			\$ 1,253,539
Pupil Health	\$ 527,322		\$ 858,969	\$ 1,386,291
Business	\$ 510,400		\$ 5,808	\$ 516,208
Operation & Maintenance of Plant Servi	\$ 888,562			\$ 888,562
Student Transportation		\$ 290,838		\$ 290,838
Facilities acq. construction and improver	\$ -			\$ -
Central & Other Support Services	\$ 3,566,880			\$ 3,566,880
Debt Service	\$ 48,927			\$ 48,927
Total Expenditures	\$ 12,851,117	\$ 290,838	\$ 3,675,790	\$ 16,817,745
Other Financing Uses	\$ 183,282	\$ -	\$ 278,510	\$ 461,792
<b>Total Expenditures and</b>				<b>\$ -</b>
<b>Other Financial Uses</b>				<b>\$ -</b>
	\$ 13,034,399	\$ 290,838	\$ 3,954,300	\$ 17,279,537

## **SCHUYLKILL INTERMEDIATE UNIT 29**

### **Management's Discussion and Analysis For the Year ended June 30, 2022**

Expenditures and Other Financing Uses increased / (decreased) by fund as follows:

	<b>2022</b>	<b>2021</b>	<b>Increase/(Decrease)Fund</b>
Special Education	\$12,695,637	\$13,034,399	(\$338,762)
Transportation	387,189	290,838	96,351
Early Intervention	3,962,299	3,954,300	7,999
<b>Total</b>	<b>\$17,045,125</b>	<b>\$17,279,537</b>	<b>(\$234,412)</b>

The Special Education expenditures decreased 3%. Early Intervention expenditures increased 1% due to additional services requested and provided to eligible children.

## **BUDGETARY PROCESS**

### **Intermediate Unit General Fund Budgets:**

The Intermediate Unit's General Fund Budget includes approximately 40 programs and grants in addition to the general fund program budget. The General Fund Program Budget, \$2,526,853 accounts for 37%, of the total general fund budget, with grants and other programs making up the balance 63%. The following is a description of the services offered by the Intermediate Unit's Program Budget:

#### **Curriculum Development and Instructional Improvement Services (Program 1)**

Activities designed to provide specialized curriculum assistance to teachers and or LEAs in developing the curriculum, preparing and utilizing special curriculum materials, and understanding and appreciating the various techniques which stimulate and motivate students.

#### **Educational Planning Services (Program 2)**

Activities concerned with the selection or identification of the overall, long-range goals, priorities and objectives of the organization or program, and the formulation of various courses of action in terms of identification of needs and relative costs and benefits for the purpose of deciding on courses of action to be followed in striving to achieve these goals, priorities and objectives.

## **SCHUYLKILL INTERMEDIATE UNIT 29**

### **Management's Discussion and Analysis**

**For the Year ended June 30, 2022**

#### **Instructional Materials Services (Program 3)**

Activities such as selecting, acquiring, preparing cataloging and circulating books and other printed materials, planning the use of the library by students, teachers and other members of the instructional staff; and guiding individuals in their use of library books and materials; whether maintained separately or as part of an instructional materials center. Included are activities for planning the use of the library by students and instructing students in their use of library books and materials, whether maintained separately or as part of an instructional materials center or related work-study area.

#### **Management Services (Program 4)**

Activities designed to assist school administrators in their administrative functions in order that they might accomplish these duties quickly and efficiently. This may include specialized assistance in such areas as data processing, accounting and dissemination and retrieval of information.

#### **Continuing Professional Education Services (Program 5)**

##### **Instructional Staff Development (Certified Staff Only)**

Activities associated with all certified staff development programs designed to contribute to the professional competence of the school entity's certified instructional staff. Activities may include travel and subsistence costs and all professional development costs such as: conference fees, consultant fees, contracted services, workshop registration fees, curriculum stipends, and the costs of substitute teachers employed by the LEA for the time that certified teachers are attending professional development programs.

##### **Instruction Staff Development Services (Non-Certified Staff Only)**

Activities associated with all staff development programs designed to contribute to the professional competence of the school entity's non-certified instructional staff. Activities may include travel and subsistence costs and all other professional development costs, such as: conference fees, consultant fees, contracted services, workshop registration fees, curriculum development seminar costs, teacher induction program costs, mentor stipends, and the cost of substitute teachers employed by the LEA for the time the instructional staff member is attending professional development programs.

## **SCHUYLKILL INTERMEDIATE UNIT 29**

### **Management's Discussion and Analysis**

For the Year ended June 30, 2022

#### **Pupil Personnel Services (Program 6)**

Activities organized for the dissemination of educational, occupational, and personal social information to help acquaint students with the curriculum and with educational and vocational opportunities and requirements. Such information might be provided directly to students through activities such as group or individual guidance, or it might be provided indirectly to students through staff members or parents.

#### **State and Federal Agency Liaison Services (Program 7)**

Activities associated with acquiring, conducting and managing programs or planning, administration, implementation, coordination, reporting, and or evaluation of programs and projects, which are federally or state funded. Grant Writer costs are included in this category.

In addition to the seven (7) programs included in the general fund program budget, the office of the executive director, business office, board secretary and treasurer are reported in this budget.

#### **Intermediate Unit General Fund Program Budget:**

Annually in January, the Intermediate Unit Administration prepares the General Fund Program Budget for the following fiscal year. The Program Budget is presented to the Chief School Administrators at their January Meeting for review, discussion and approval. At the meeting of the Intermediate Unit 29 Board of Directors in February, the budget is presented for review and approval. Following the approval of the budget by the Board of Directors, the Administration forwards copies of the program budget to the twelve member districts of the Intermediate Unit. Included with the program budget are individual ballots and a resolution that must be completed by each member district. During the months of April and May, the local member districts are required to approve the program budget, indicate on the individual ballot how each member voted and adopt the resolution.

An original resolution and each signed ballots are then forwarded to the Intermediate Unit. A program budget is approved when a majority of the twelve school districts and a majority of the 108 board members, using the proportionate vote as calculated by the Pennsylvania Department of Education, vote in favor of the budget.

## **SCHUYLKILL INTERMEDIATE UNIT 29**

Management's Discussion and Analysis  
For the Year ended June 30, 2022

### **Other grants and programs:**

In addition to the general fund program budget, the Intermediate Unit obtains various state and federal grants throughout the year. Grant expenditures must equal grant revenue.

- Act 89 Non Public
- 21<sup>st</sup> Century – Cohort
- Title II Improvement – Non Public
- Safe Schools Initiatives
- ABLE 231 – Federal Program
- ABLE 143 – State Program2
- Family Literacy
- ELECT
- ESL – Title III
- Data Governance Grant
- Title I Non Public
- IDEA-B
- IDEA-B 619
- Jobs First-STEM
- Project AWARE
- STEM Design Challenge
- Effective Standards Based Instruction Grant
- School Climate Grant



## **SCHUYLKILL INTERMEDIATE UNIT 29**

Management's Discussion and Analysis  
For the Year ended June 30, 2022

Other programs were offered by the Intermediate Unit, and included:

- Schuylkill Learning Academy
- Youth Conferences
- Curriculum Workshop
- Technology Workshop
- Summer School
- GED Program
- ERate
- Title I District Contracts
- ESL (English as a second language)
- Day Care
- Transition Fair
- Surrogate Parent Training
- Local Task Force
- Interagency Representation
- Life Long Learning Center Programs

Budgets are prepared for these programs where revenues equal expenditures. At year end, if expenditures exceed revenues, the Intermediate Unit's general fund absorbs the excess expenditures; however, if revenues exceed expenditures, excess revenues are used to reduce or maintain district costs in subsequent years.

### **Special Revenue Funds Budgets:**

The Intermediate Units Special Revenue funds include the following programs:

Special Education Fund;  
District Special Education services;  
Access Administrative Time Study;  
CORE Operations;  
IDEA Grants;  
Day Care Program, and  
Extended School Year  
Transportation Fund  
Early Intervention Fund

## **SCHUYLKILL INTERMEDIATE UNIT 29**

Management's Discussion and Analysis  
For the Year ended June 30, 2022

### **Special Education Fund:**

#### **District Services Special Education Budget**

The twelve school districts comprising the Intermediate Unit 29 contract with the Intermediate Unit to provide Special Education Services. These services consist of the following:

##### **Classes housed in the Center for Exceptional Children for:**

- Life Skills
- Emotional Support
- Autistic Support
- Physical Support, and
- Multi Handicapped Support

Cost for these services are determined on an actual cost per student served basis. Maintenance of the Center for Exceptional Children is calculated in relation to each district's percent of market value to the total county market value.

##### **Related Services available include:**

- Deaf / Hearing
- Blind and Visual;
- Orientation Mobility
- Speech and Language
- Physical Therapy
- Occupational Therapy

Cost for these services are based on a per pupil served basis.

##### **Itinerant Services available include:**

- Physical Therapy
- Occupational Therapy
- Psychological Services
- Social Workers
- Clerical Support
- Supervisory Services
- Penn Data Services
- Medical Access Billing Services, and
- Technology Support

Cost for these services are based on a per pupil served basis.

## **SCHUYLKILL INTERMEDIATE UNIT 29**

### **Management's Discussion and Analysis For the Year ended June 30, 2022**

When preparing the District Services Special Education Budget, it was anticipated that revenues would equal expenditures. However, due to changes in requested services by districts after the budget was prepared, some districts were entitled to a refund and others had to pay additional monies. To insure that the actual revenues equal the actual expenditures, an entry was made to the books of accounts to record a receivable or payable to the member districts based on the final reconciliation of Special Education costs.

Other programs recorded in the Special Education Fund are Access Administrative Time Study, CORE Operations, IDEA 619, IDEA section 611 part B, Day Care and Extended School Year.

#### **Transportation Fund:**

The Intermediate Unit operates a transportation program for transporting students to the Center for Exceptional Children. Transportation is provided by Intermediate Unit vehicles and through private contractors.

#### **Early Intervention Fund:**

The Intermediate Unit's early intervention program provides services to member districts at no charge for children ages three (3) to five (5). The early intervention program is funded by the following:

- State early intervention allocation;
- Early intervention medical access billings;
- IDEA Section 619 allocations;
- IDEA Section 611 part B Component I allocation;
- Kindergarten Age Pre School Billings

Since this program is based on allocations, revenue must equal expenditures. However, if expenditures exceed revenues, the Unit may request additional state funds, and if revenue exceeds expenditures, the excess revenue must be returned to the Commonwealth.

## **SCHUYLKILL INTERMEDIATE UNIT 29**

### **Management's Discussion and Analysis For the Year ended June 30, 2022**

#### **CAPITAL ASSETS AND DEBT ADMINISTRATION**

##### **CAPITAL ASSETS**

The Intermediate Unit has invested to date, \$14,275,353 in capital assets that includes the Center for Exceptional Children, land, and equipment. Currently, Board Policy states "anything to be considered as equipment must be valued at a minimum of \$1,500". Computer equipment is recorded as equipment when the value of all components equal or exceed the \$1,500 threshold. Depreciation expense for the year totaled \$338,688.

##### **DEBT ADMINISTRATION**

Non-Current Liabilities and current portion of long term debt consist of accrued vacation pay, sick leave and retirement incentives for qualifying employees of the Intermediate Unit and post employment benefits such as retiree health insurance. Additional detailed information about the Liabilities is included in the financial statements.

##### **LABOR RELATIONS**

The Schuylkill Intermediate Unit 29 Education Association, an affiliation of the Pennsylvania State Teachers Association (PSEA) represents Special Education, Early Intervention, Non-Public and Schuylkill Learning Academy Professional Personnel. This group, which represents approximately 57 employees, has the responsibility of bargaining for these employees. The Board and the Association approved a new contract on December 14, 2020 for the period July 1, 2020 through June 30, 2023.

The Schuylkill Intermediate Unit 29 Education Support Services Association, an affiliation of the Pennsylvania State Teachers Association (PSEA), represents the non-professional personnel. This group consists of secretaries, teacher aides, custodians, bus drivers and cafeteria personnel. This group, which represents approximately 62 employees, has the responsibility of bargaining for these employees. A three year contract was approved effective July 1, 2019 which provides the following hourly increases:

2019-2020	\$.55
2020-2021	\$.50
2021-2022	\$.50

**SCHUYLKILL INTERMEDIATE UNIT 29**  
Management's Discussion and Analysis  
For the Year ended June 30, 2022

The Intermediate Unit 29 Board approved a (3) three year contract for the Act 93 and Compensation Plan Personnel, representing approximately 63 employees. The Administrators of the Intermediate Unit 29 meet with a Committee of the Board of Directors to prepare recommendations to the Board as a whole for increases in salaries and /or benefits. The Act 93 Plan was approved for a (3) year period beginning July 1, 2021 through June 30, 2024. Salary increases each year are calculated based on the average percent increase of the 12 member schools Act 93 personnel or \$1,400 whichever is greater.

**FACTORS BEARING ON THE INTERMEDIATE UNIT'S FUTURE**

The major issue facing the Intermediate Unit, and all school entities throughout the Commonwealth is future retirement cost. The rate increased in the year ended June 30, 2022 to 34.94% of wages from 34.51% for the year ended June 30, 2021. The rate is 35.26% for the year ended June 30, 2023 and is projected to decrease for the year ended June 30, 2024 to an estimated amount of 34%.

**CONTACTING THE INTERMEDIATE UNIT FINANCIAL MANAGEMENT**

This financial report is designed to provide the Board of Directors, the Administration and citizens of the member districts with a general overview of the Intermediate Unit's finances and to show the Board's accountability for the monies received. If you have any questions about this report or wish to request additional financial information, please contact Kristina Frantz, CPA, Business Manager, Schuylkill Intermediate Unit 29, P.O. Box 130, 17 Maple Avenue, Mar Lin, PA 17951.

**SCHUYLKILL INTERMEDIATE UNIT NO. 29**

**STATEMENT OF NET POSITION**

**JUNE 30, 2022**

<b>ASSETS</b>	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 7,427,977	\$ 573,877	\$ 8,001,854
Intergovernmental receivables	2,274,278	45,150	2,319,428
Internal Balances	0	37,949	37,949
Other receivables	432,505	141,330	573,835
Inventories	2,514	7,605	10,119
Land	95,000	0	95,000
Site Improvements (net of accumulated depreciation)	183,661	0	183,661
Building and building improvements (net of accumulated depreciation)	4,827,990	0	4,827,990
Furniture and equipment (net of accumulated depreciation)	263,029	45,813	308,842
<b>TOTAL ASSETS</b>	<b>15,506,954</b>	<b>851,724</b>	<b>16,358,678</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pensions, net of accumulated amortization	5,581,699	137,255	5,718,954
Other post employment benefits	751,521	19,270	770,791
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>6,333,220</b>	<b>156,525</b>	<b>6,489,745</b>
<b>LIABILITIES AND NET POSITION</b>			
<b>LIABILITIES</b>			
Internal balances	51,786	3,038	54,824
Intergovernmental payables	159,529	0	159,529
Accounts payable	1,109,981	3,606	1,113,587
Accrued salaries and benefits	1,746,751	29,232	1,775,983
Current portion of long-term debt	42,000	0	42,000
Unearned revenues	106,275	2,480	108,755
Other current liabilities	0	0	0
Long term debt	538,351	0	538,351
Net OPEB liability	3,784,716	97,044	3,881,760
Net pension liability	24,042,784	591,216	24,634,000
<b>TOTAL LIABILITIES</b>	<b>31,582,173</b>	<b>726,616</b>	<b>32,308,789</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pensions, net of accumulated amortization	5,306,512	130,488	5,437,000
Other post employment benefits	561,960	14,409	576,369
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>5,868,472</b>	<b>144,897</b>	<b>6,013,369</b>
<b>NET POSITION</b>			
Net investment in capital assets	5,369,680	45,813	5,415,493
Nonspendable fund balance	2,514	0	2,514
Restricted	435,547	0	435,547
Unrestricted (deficit)	(21,418,212)	90,923	(21,327,289)
<b>TOTAL NET POSITION</b>	<b>\$ (15,610,471)</b>	<b>\$ 136,736</b>	<b>\$ (15,473,735)</b>

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

**SCHUYLKILL INTERMEDIATE UNIT NO. 29**

**STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED JUNE 30, 2022**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>GOVERNMENTAL ACTIVITIES</b>						
Instruction	\$ 8,445,519	\$ 6,203,790	\$ 13,752,663	\$ 11,510,934	\$ 0	\$ 11,510,934
Instructional student support	6,977,563	1,873,274	263,128	(4,841,161)	0	(4,841,161)
Administrative and financial support services	2,686,386	528,828	120,197	(2,037,361)	0	(2,037,361)
Operation and maintenance of plant services	833,914	461,079	0	(372,835)	0	(372,835)
Pupil transportation	375,507	302,650	0	(72,857)	0	(72,857)
Community services	(615)	0	0	615	0	615
Interest on long-term debt	147	0	0	(147)	0	(147)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>19,318,421</b>	<b>9,369,621</b>	<b>14,135,988</b>	<b>4,187,188</b>	<b>0</b>	<b>4,187,188</b>
<b>BUSINESS-TYPE ACTIVITIES</b>						
Food services	133,945	1,480	200,022	0	67,557	67,557
Other enterprise funds	170,811	439,974	43,191	0	312,354	312,354
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>304,756</b>	<b>441,454</b>	<b>243,213</b>	<b>0</b>	<b>379,911</b>	<b>379,911</b>
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>19,623,177</b>	<b>9,811,075</b>	<b>14,379,201</b>	<b>4,187,188</b>	<b>379,911</b>	<b>4,567,099</b>
<b>GENERAL REVENUES AND TRANSFERS</b>						
Grants, subsidies, and contributions not restricted				1,600,739	0	1,600,739
Investment earnings				10,532	0	10,532
Refund of prior year expenditures				0	166,231	166,231
Fund transfers				0	0	0
<b>TOTAL GENERAL REVENUES AND TRANSFERS</b>				<b>1,611,271</b>	<b>166,231</b>	<b>1,777,502</b>
<b>CHANGE IN NET POSITION</b>				<b>5,798,459</b>	<b>546,142</b>	<b>6,344,601</b>
<b>NET POSITION - BEGINNING</b>				<b>(21,408,930)</b>	<b>(409,406)</b>	<b>(21,818,336)</b>
<b>NET POSITION - ENDING</b>				<b>\$ (15,610,471)</b>	<b>\$ 136,736</b>	<b>\$ (15,473,735)</b>

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

**SCHUYLKILL INTERMEDIATE UNIT NO. 29**

**BALANCE SHEET**

**GOVERNMENTAL FUNDS**

**JUNE 30, 2022**

	<u>General</u>	<u>Special Education</u>	<u>Special Education Transportation</u>	<u>State Funded Early Intervention</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 2,434,964	\$ 5,577,336	\$ 412,262	\$ (996,585)	\$ 7,427,977
Cash restricted	0	0	0	0	0
Due from other funds	2,442,270	0	0	1,507,515	3,949,785
Intergovernmental receivables	220,262	478,772	0	0	699,034
State revenue receivable	718,747	0	0	0	718,747
Federal revenue receivable	856,497	0	0	0	856,497
Other receivables	410,203	7,994	0	14,308	432,505
Inventories	2,514	0	0	0	2,514
Prepaid expenses	0	0	0	0	0
<b>TOTAL ASSETS</b>	<b>\$ <u>7,085,457</u></b>	<b>\$ <u>6,064,102</u></b>	<b>\$ <u>412,262</u></b>	<b>\$ <u>525,238</u></b>	<b>\$ <u>14,087,059</u></b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Due to other funds	\$ 2,787,469	\$ 961,692	\$ 109,094	\$ 143,316	\$ 4,001,571
Accounts payable	199,388	901,390	3,184	6,019	1,109,981
Accrued salaries and benefits	404,816	1,103,439	0	238,496	1,746,751
Intergovernmental payables	159,529	0	0	0	159,529
Unearned revenue	104,431	0	0	1,844	106,275
<b>TOTAL LIABILITIES</b>	<b>3,655,633</b>	<b>2,966,521</b>	<b>112,278</b>	<b>389,675</b>	<b>7,124,107</b>
<b>FUND BALANCES</b>					
Nonspendable fund balance	2,514	0	0	0	2,514
Restricted fund balance	0	0	299,984	135,563	435,547
Assigned fund balance	0	3,097,581	0	0	3,097,581
Unassigned fund balance	3,427,310	0	0	0	3,427,310
<b>TOTAL FUND BALANCES</b>	<b>3,429,824</b>	<b>3,097,581</b>	<b>299,984</b>	<b>135,563</b>	<b>6,962,952</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ <u>7,085,457</u></b>	<b>\$ <u>6,064,102</u></b>	<b>\$ <u>412,262</u></b>	<b>\$ <u>525,238</u></b>	<b>\$ <u>14,087,059</u></b>

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



**SCHUYLKILL INTERMEDIATE UNIT NO. 29**

**RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION**

**GOVERNMENTAL FUNDS**

**AS OF JUNE 30, 2022**

<b>TOTAL FUND BALANCES - GOVERNMENTAL FUNDS</b>		<b>\$ 6,962,952</b>
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Amounts reported for governmental activities in the statement  
of net assets are different because:

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

Cost of capital assets	14,205,309	
Less: accumulated depreciation	<u>(8,835,629)</u>	5,369,680

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

Compensated absences	(580,351)	
Other postemployment benefits	(3,784,716)	
Net pension liability	(24,042,784)	
Deferred outflows of resources	6,333,220	
Deferred inflows of resources	<u>(5,868,472)</u>	<u>(27,943,103)</u>

<b>TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES</b>		<b>\$ <u>(15,610,471)</u></b>
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See notes to financial statements  
which are an integral part of this statement

**SCHUYLKILL INTERMEDIATE UNIT NO. 29**

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

**ALL GOVERNMENTAL FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2022**

	<u>General</u>	<u>Special Education</u>	<u>Special Education Transportation</u>	<u>State Funded Early Intervention</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Local sources	\$ 3,356,447	\$ 5,928,799	\$ 0	\$ 62,892	\$ 9,348,138
State sources	1,571,106	2,390,199	302,753	3,575,738	7,839,796
Federal sources	<u>10,164,739</u>	<u>0</u>	<u>0</u>	<u>32,045</u>	<u>10,196,784</u>
<b>TOTAL REVENUES</b>	<u>15,092,292</u>	<u>8,318,998</u>	<u>302,753</u>	<u>3,670,675</u>	<u>27,384,718</u>
<b>EXPENDITURES</b>					
Instruction	3,905,877	4,652,416	0	2,863,280	11,421,573
Support services	5,101,292	7,816,664	387,189	873,805	14,178,950
Operation of noninstructional services	(615)	0	0	0	(615)
Facilities acquisition, construction and improvements	0	0	0	0	0
Debt service	<u>0</u>	<u>40,013</u>	<u>0</u>	<u>0</u>	<u>40,013</u>
<b>TOTAL EXPENDITURES</b>	<u>9,006,554</u>	<u>12,509,093</u>	<u>387,189</u>	<u>3,737,085</u>	<u>25,639,921</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	6,085,738	(4,190,095)	(84,436)	(66,410)	1,744,797
<b>OTHER FINANCING SOURCES (USES)</b>					
Interfund transfers	411,758	5,671,831	0	291,624	6,375,213
Transfers to other funds	<u>(5,963,455)</u>	<u>(186,544)</u>	<u>0</u>	<u>(225,214)</u>	<u>(6,375,213)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(5,551,697)</u>	<u>5,485,287</u>	<u>0</u>	<u>66,410</u>	<u>0</u>
<b>NET CHANGE IN FUND BALANCES</b>	534,041	1,295,192	(84,436)	0	1,744,797
<b>FUND BALANCES - BEGINNING</b>	<u>2,895,783</u>	<u>1,802,389</u>	<u>384,420</u>	<u>135,563</u>	<u>5,218,155</u>
<b>FUND BALANCES - ENDING</b>	<u><u>\$ 3,429,824</u></u>	<u><u>\$ 3,097,581</u></u>	<u><u>\$ 299,984</u></u>	<u><u>\$ 135,563</u></u>	<u><u>\$ 6,962,952</u></u>

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

**SCHUYLKILL INTERMEDIATE UNIT NO. 29**

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

**GOVERNMENTAL FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2022**

**TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS** \$ 1,744,797

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

(239,042)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Accrued compensated absences 106,587

Postemployment benefits 80,061

Repayment of debt principal is expensed in the governmental funds,  
but the repayment reduces long-term liabilities in the statement of net assets 39,867

Change in net pension liability 5,235,696

Change in pension related deferred outflows of resources 1,123,215

Change in pension related deferred inflows of resources (2,292,722)

**CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES** \$ 5,798,459

**SCHUYLKILL INTERMEDIATE UNIT NO. 29**

**STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**

**GENERAL FUND**

**FOR THE YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance With
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
<b>REVENUES</b>				
Local sources	\$ 1,324,184	1,324,184	3,356,447	\$ 3,132,631
State sources	1,060,875	1,060,875	1,571,106	1,605,250
Federal sources	586,687	586,687	10,164,739	6,820,958
<b>TOTAL REVENUES</b>	<u>2,971,746</u>	<u>2,971,746</u>	<u>15,092,292</u>	<u>11,558,839</u>
<b>EXPENDITURES</b>				
Regular programs	4,477	4,477	9,689	(5,212)
Special programs	0	0	84,383	(84,383)
Other instructional programs	1,416,774	1,416,774	2,196,577	(779,803)
Nonpublic school programs	433,859	433,859	830,074	(396,215)
Adult education programs	524,827	524,827	607,165	(82,338)
Pre-Kindergarten	175,000	175,000	177,988	(2,988)
Pupil personnel services	209,512	209,512	224,297	(14,785)
Instructional staff services	986,841	986,841	1,788,092	(801,251)
Pupil health services	0	0	2,024	(2,024)
Administrative services	187,929	187,929	250,165	(62,236)
Business services	1,133,737	1,133,737	1,344,391	(210,654)
Operation and maintenance of plant services	67,150	67,150	55,940	11,210
Student transportation services	0	0	114,267	(114,267)
Central and other support services	137,543	137,543	41,279	96,264
Other support services	92,968	92,968	1,280,838	(1,187,870)
Community services	0	0	(615)	615
<b>TOTAL EXPENDITURES</b>	<u>5,370,617</u>	<u>5,370,617</u>	<u>9,006,554</u>	<u>(3,635,937)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(2,398,871)</u>	<u>(2,398,871)</u>	<u>6,085,738</u>	<u>7,922,902</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Interfund transfers	0	0	411,758	411,758
Transfers to other funds	143,608	143,608	(5,963,455)	(6,107,063)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>143,608</u>	<u>143,608</u>	<u>(5,551,697)</u>	<u>(5,695,305)</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>(2,255,263)</u>	<u>(2,255,263)</u>	<u>534,041</u>	<u>2,227,597</u>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>(5,974,507)</u>	<u>(5,974,507)</u>	<u>2,895,783</u>	<u>0</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ (8,229,770)</u>	<u>\$ (8,229,770)</u>	<u>\$ 3,429,824</u>	<u>\$ 2,227,597</u>

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

**SCHUYLKILL INTERMEDIATE UNIT NO. 29**

**STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**

**SPECIAL EDUCATION FUND**

**FOR THE YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance With
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
<b>REVENUES</b>				
Local sources	\$ 6,337,257	\$ 6,337,257	\$ 5,928,799	\$ (408,458)
State sources	2,131,956	2,131,956	2,390,199	258,243
Federal sources	0	0	0	0
<b>TOTAL REVENUES</b>	<u>8,469,213</u>	<u>8,469,213</u>	<u>8,318,998</u>	<u>(150,215)</u>
<b>EXPENDITURES</b>				
Special programs	4,834,506	4,834,506	4,652,416	182,090
Pupil personnel services	232,698	232,698	144,459	221,060
Instructional staff services	619,741	619,741	687,024	(67,283)
Administrative services	1,380,251	1,380,251	1,369,804	10,447
Business Services	550,998	550,998	519,614	31,384
Pupil health	997,105	997,105	933,427	63,678
Operation and maintenance of plant services	1,016,265	1,016,265	772,591	243,674
Facilities acquisition, construction and improvements	0	0	0	0
Central and other support services	107,301	107,301	108,480	(1,179)
Other support services	4,088,409	4,088,409	3,281,265	807,144
Debt service	0	0	40,013	(40,013)
<b>TOTAL EXPENDITURES</b>	<u>13,827,274</u>	<u>13,827,274</u>	<u>12,509,093</u>	<u>1,451,002</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(5,358,061)</u>	<u>(5,358,061)</u>	<u>(4,190,095)</u>	<u>1,300,787</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Interfund transfers	5,549,241	5,549,241	5,671,831	122,590
Transfers to other funds	(191,180)	(191,180)	(186,544)	4,636
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>5,358,061</u>	<u>5,358,061</u>	<u>5,485,287</u>	<u>127,226</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>0</u>	<u>0</u>	<u>1,295,192</u>	<u>1,428,013</u>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>1,539,772</u>	<u>1,539,802</u>	<u>1,802,389</u>	<u>0</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 1,539,772</u>	<u>\$ 1,539,802</u>	<u>\$ 3,097,581</u>	<u>\$ 1,428,013</u>

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

**SCHUYLKILL INTERMEDIATE UNIT NO. 29**

**STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**

**SPECIAL EDUCATION - TRANSPORTATION FUND**

**FOR THE YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance With
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
<b>REVENUES</b>				
Local sources	\$ 25	\$ 25	\$ 0	\$ (25)
State sources	835,707	835,707	302,753	(532,954)
<b>TOTAL REVENUES</b>	835,732	835,732	302,753	(532,979)
<b>EXPENDITURES</b>				
Student transportation services	773,826	773,826	387,189	386,637
<b>TOTAL EXPENDITURES</b>	773,826	773,826	387,189	386,637
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	61,906	61,906	(84,436)	(146,342)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (out)	(61,906)	(61,906)	0	61,906
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	(61,906)	(61,906)	0	61,906
<b>NET CHANGE IN FUND BALANCES</b>	0	0	(84,436)	(84,436)
<b>FUND BALANCE - BEGINNING OF YEAR</b>	(187,864)	(187,864)	384,420	572,284
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ (187,864)</u>	<u>\$ (187,864)</u>	<u>\$ 299,984</u>	<u>\$ 487,848</u>

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

**SCHUYLKILL INTERMEDIATE UNIT NO. 29**

**STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**

**STATE FUNDED EARLY INTERVENTION**

**FOR THE YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance With
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
<b>REVENUES</b>				
Local sources	\$ 40,020	\$ 40,020	\$ 62,892	\$ 22,872
State sources	3,586,855	3,586,855	3,575,738	(11,117)
	0	0	32,045	32,045
<b>TOTAL REVENUES</b>	<u>3,626,875</u>	<u>3,626,875</u>	<u>3,670,675</u>	<u>43,800</u>
<b>EXPENDITURES</b>				
Special programs	3,050,765	3,050,765	2,863,280	187,485
Instructional staff services	0	0	0	0
Pupil health	868,702	868,702	873,805	(5,103)
Non-Instructional Staff Development	0	0	0	0
<b>TOTAL EXPENDITURES</b>	<u>3,919,467</u>	<u>3,919,467</u>	<u>3,737,085</u>	<u>182,382</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(292,592)</u>	<u>(292,592)</u>	<u>(66,410)</u>	<u>226,182</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Interfund transfers	254,365	254,365	291,624	37,259
Transfers to other funds	(219,686)	(219,686)	(225,214)	(5,528)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>34,679</u>	<u>34,679</u>	<u>66,410</u>	<u>31,731</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>(257,913)</u>	<u>(257,913)</u>	<u>0</u>	<u>257,913</u>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>(751,093)</u>	<u>(748,093)</u>	<u>135,563</u>	<u>883,656</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ (1,009,006)</u>	<u>\$ (1,006,006)</u>	<u>\$ 135,563</u>	<u>\$ 1,141,569</u>

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

**SCHUYLKILL INTERMEDIATE UNIT NO. 29**

**STATEMENT OF NET POSITION**

**PROPRIETARY FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Schuykill Learning Academy</u>	<u>Food Service</u>	<u>Total Proprietary Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 573,877	\$ 0	\$ 573,877
Inventories	0	7,605	7,605
Intergovernmental receivables	0	45,150	45,150
Interfund receivables	37,949	0	37,949
Other receivables	<u>141,330</u>	<u>0</u>	<u>141,330</u>
<b>TOTAL ASSETS</b>	753,156	52,755	805,911
<b>NON CURRENT ASSETS</b>			
Equipment (Net)	<u>0</u>	<u>45,813</u>	<u>45,813</u>
<b>TOTAL ASSETS</b>	753,156	98,568	851,724
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pensions, net of accumulated amortization	137,255	0	137,255
Other post employment benefits	<u>19,270</u>	<u>0</u>	<u>19,270</u>
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	156,525	0	156,525
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Interfund payables	0	3,038	3,038
Accounts payable	145	3,461	3,606
Unearned revenue	0	2,480	2,480
Accrued salaries and benefits	29,232	0	29,232
Other Current Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL CURRENT LIABILITIES</b>	29,377	8,979	38,356
<b>NON CURRENT LIABILITIES</b>			
Net pension liability	591,216	0	591,216
Net OPEB liability	<u>97,044</u>	<u>0</u>	<u>97,044</u>
<b>TOTAL NON CURRENT LIABILITIES</b>	688,260	0	688,260
<b>TOTAL LIABILITIES</b>	717,637	8,979	726,616
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pensions, net of accumulated amortization	130,488	0	130,488
Other post employment benefits	<u>14,409</u>	<u>0</u>	<u>14,409</u>
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	144,897	0	144,897
<b>NET POSITION (Unrestricted)</b>	\$ <u><u>47,147</u></u>	\$ <u><u>89,589</u></u>	\$ <u><u>136,736</u></u>

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



**SCHUYLKILL INTERMEDIATE UNIT NO. 29**

**STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN NET POSITION**

**PROPRIETARY FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Schuykill Learning Academy</u>	<u>Food Service</u>	<u>Total Proprietary Funds</u>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 439,974	\$ 1,480	\$ 441,454
<b>TOTAL OPERATING REVENUES</b>	<u>439,974</u>	<u>1,480</u>	<u>441,454</u>
<b>OPERATING EXPENSES</b>			
Salaries	154,862	0	154,862
Employee benefits	6,815	3,966	10,781
Other purchased services	757	116,302	117,059
Depreciation	0	10,006	10,006
Supplies	<u>8,377</u>	<u>3,671</u>	<u>12,048</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>170,811</u>	<u>133,945</u>	<u>304,756</u>
<b>OPERATING (LOSS)</b>	<u>269,163</u>	<u>(132,465)</u>	<u>136,698</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Refunds of a Prior Year Expenditure	0	166,231	166,231
State sources	43,191	4,621	47,812
Federal sources	<u>0</u>	<u>195,401</u>	<u>195,401</u>
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<u>43,191</u>	<u>366,253</u>	<u>409,444</u>
<b>CHANGE IN NET POSITION</b>	<u>312,354</u>	<u>233,788</u>	<u>546,142</u>
<b>NET POSITION - BEGINNING OF YEAR</b>	<u>(265,207)</u>	<u>(144,199)</u>	<u>(409,406)</u>
<b>NET POSITION - END OF YEAR</b>	\$ <u><u>47,147</u></u>	\$ <u><u>89,589</u></u>	\$ <u><u>136,736</u></u>

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

**SCHUYLKILL INTERMEDIATE UNIT NO. 29**

**STATEMENT OF CASH FLOWS**

**PROPRIETARY FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2022**

	Schuylkill Learning Academy	Food Service	Total Proprietary Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from users	\$ 409,375	\$ 19,239	\$ 428,614
Cash payments to suppliers for goods and services	(277,028)	(12,346)	(289,374)
Cash payments to employees for services	(16,050)	(327,995)	(344,045)
<b>NET CASH PROVIDED BY(USED FOR) OPERATING ACTIVITIES</b>	<u>116,297</u>	<u>(321,102)</u>	<u>(204,805)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>			
State sources	43,190	4,620	47,810
Federal sources	0	195,401	195,401
Receipt from Refund of Prior Year Expenditures	0	166,231	166,231
<b>NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES</b>	<u>43,190</u>	<u>366,252</u>	<u>409,442</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchase of equipment	0	(45,150)	(45,150)
<b>NET CASH PROVIDED BY(USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u>0</u>	<u>(45,150)</u>	<u>(45,150)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>159,487</u>	<u>0</u>	<u>159,487</u>
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<u>414,390</u>	<u>0</u>	<u>414,390</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 573,877</u>	<u>\$ 0</u>	<u>\$ 573,877</u>
<b>OPERATING (LOSS)</b>	\$ 269,163	\$ (132,465)	\$ 136,698
<b>ADJUSTMENTS TO RECONCILE OPERATING (LOSS) TO NET CASH (USED) BY OPERATING ACTIVITIES:</b>			
Depreciation and Net Amortization	0	10,006	10,006
Changes in current assets and current liabilities			
(Increase) Decrease in inventories	0	(2,277)	(2,277)
(Increase) Decrease in accounts receivable	(30,599)	(27,743)	(58,342)
(Increase) Decrease in deferred outflows	(23,605)	27,304	3,699
Increase (Decrease) in accounts payable	(6,916)	5,663	(1,253)
Increase (Decrease) in accrued salaries and benefits	20,202	(8,384)	11,818
Increase (Decrease) in deferred inflows	52,207	(19,139)	33,068
Increase (Decrease) in Other Postemp Benefit Obligations	(771)	(23,476)	(24,247)
Increase (Decrease) in Other Current Liabilities	0	(23)	(23)
Increase (Decrease) in net pension liabilities	(163,384)	(150,920)	(314,304)
Increase (Decrease) in unearned revenue	0	352	352
<b>TOTAL ADJUSTMENTS</b>	<u>(152,866)</u>	<u>(188,637)</u>	<u>0</u>
<b>TOTAL CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>	<u>\$ 116,297</u>	<u>\$ (321,102)</u>	<u>\$ (204,805)</u>

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

**SCHUYLKILL INTERMEDIATE UNIT NO. 29**

**STATEMENT OF NET POSITION**

**FIDUCIARY FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Agency</u>	<u>Activity</u>	<u>Total Fiduciary Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 10,116	\$ 8,993	\$ 19,109
Due from other funds	<u>16,875</u>	<u>0</u>	<u>16,875</u>
<b>TOTAL ASSETS</b>	<u>\$ 26,991</u>	<u>\$ 8,993</u>	<u>\$ 35,984</u>
<b>LIABILITIES AND NET POSITION</b>			
<b>LIABILITIES</b>			
Due to other funds	\$ 0	\$ 0	\$ 0
Account Payable	0	0	0
Other current liabilities	0	8,993	8,993
Payroll deductions	<u>26,991</u>	<u>0</u>	<u>26,991</u>
<b>TOTAL LIABILITIES</b>	<u>26,991</u>	<u>8,993</u>	<u>35,984</u>
 <b>NET POSITION</b>	 <u>0</u>	 <u>0</u>	 <u>0</u>
 <b>TOTAL LIABILITIES AND NET POSITION</b>	 <u>\$ 26,991</u>	 <u>\$ 8,993</u>	 <u>\$ 35,984</u>

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

## **SCHUYLKILL INTERMEDIATE UNIT NO. 29**

### **NOTES TO FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED JUNE 30, 2022**

##### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Schuylkill Intermediate Unit No. 29 provides special education and training to students of the twelve member school districts which provide financial support to the Unit. The Unit also provides various other educational services to its member districts.

The financial statements of the Schuylkill Intermediate Unit No. 29 have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the Unit are described below.

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

The financial statements include:

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

The Unit adopted Statement of Governmental Accounting Standards (GASB Statement) No. 68, *“Accounting and Financial Reporting for Pensions-An Amendment of GASB Statement No. 27”* in the fiscal year ended June 30, 2015. The Unit also adopted the provisions of GASB Statement No. 71, *“Pension Transition for Contributions Made Subsequent to the Measurement Date-An Amendment of GASB Statement No. 68”*.

##### **REPORTING ENTITY**

The Unit includes all funds, agencies, and boards for which the Unit is financially accountable. Governmental Accounting Standards Board (GASB) Statement No. 14 states the primary basis of determining whether outside agencies and organizations should be considered component units of the Unit and included in the Unit’s financial statements is financial accountability. Financial accountability has been defined as follows: A primary government has substantive authority to appoint a voting majority of the component unit’s board; the primary government is either able to impose its will on a component unit or there is a potential for the component unit to provide specific financial burdens on the primary government; and the component unit is fiscally dependent on the primary government. The Unit has no component units.

## SCHUYLKILL INTERMEDIATE UNIT NO. 29

### NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### BASIS OF PRESENTATION

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

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

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

Depreciation expense can be specifically identified by function and is included in the direct expenses of each function. The effect of interfund activity has been removed from these statements.

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

Proprietary fund operating revenues, such as charges for services result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

**SCHUYLKILL INTERMEDIATE UNIT NO. 29**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**BASIS OF PRESENTATION (Continued)**

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

The Unit reports the following major governmental funds:

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

**Special Education, Special Education - Transportation, and State Funded Early Intervention Funds** - These funds are required to be reported as major funds by the State of Pennsylvania.

The Unit reports the following major proprietary fund types:

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

**Schuykill Learning Academy Fund** - This fund is used to account for all financial transactions related to Day Treatment and Community Care for students requiring specialized services.

Other fund types:

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

**BASIS OF ACCOUNTING**

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

**SCHUYLKILL INTERMEDIATE UNIT NO. 29**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**BASIS OF ACCOUNTING (Continued)**

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

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

**BUDGETING**

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the general and special revenue funds. All unencumbered budget appropriations, except capital projects, lapse at the end of each fiscal year.

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

**DEPOSITS**

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

## SCHUYLKILL INTERMEDIATE UNIT NO. 29

### NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### INVENTORY

On the government-wide financial statements and in the proprietary fund, inventories are presented at the lower of cost or market on a first-in, first-out basis, and are expensed when used. A physical count of the inventory was taken at June 30, 2022. Inventory consists of purchased food, supplies, and surplus commodities received from the federal government. Food and supply purchases are recorded at invoice cost, computed on a first-in, first-out method. Surplus commodities are stated at standard costs, as determined by the Department of Agriculture. In the financial statements, commodities received are recorded as deferred revenue until consumed.

##### CAPITAL ASSETS

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

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

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

##### ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.



**SCHUYLKILL INTERMEDIATE UNIT NO. 29**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**COMPENSATED ABSENCES**

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

**FUND EQUITY**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for a restricted purpose.

**NET POSITION**

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

**OTHER POSTEMPLOYMENT BENEFIT OBLIGATIONS**

The School adopted the provisions of GASB Statement No. 75, *“Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions”* for the fiscal year ended June 30, 2018. The adoption of this statement resulted in a restatement of net position in the year ended June 30, 2018.

This statement provides the accounting and reporting requirements for the benefit plans, as well as, requires that public sector employers accrue the cost of any postretirement healthcare or similar benefits (OPEB) they may offer to employees. For the purpose of the financial statements, GASB Statement No. 75 requires that governments account for and report the annual cost of OPEB and the outstanding obligations and commitments related to OPEB in the same manner as they currently do for pensions. The disclosure requirements of GASB Statement No. 75 are included in Note 7.

**SCHUYLKILL INTERMEDIATE UNIT NO. 29**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

**NOTE 2 - DEPOSITS AND INVESTMENTS**

**DEPOSITS**

**Custodial Credit Risk**

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

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

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

At June 30, 2022, the net carrying book amount of the Unit's deposits was \$8,020,963.52 and the bank balance was \$11,589,363.91. Of the bank balance, \$63,593.42 was covered by federal depository insurance coverage, and \$11,525,770.49 was uninsured and collateralized with securities held by the pledging institution's trust department, but not in the Unit's name.

Of the bank balance, a portion of the District's deposits of \$11,525,770.49 are in the Pennsylvania School District Liquid Asset Fund (PSDLAF). Although not registered with the Securities and Exchange Commission and not subject to regulatory oversight, PSDLAF acts like a money market mutual fund in that its objective is to maintain a stable net asset value of \$1 per share, is rated nationally by a recognized statistical rating organization, and is subject to an independent annual audit.

# SCHUYLKILL INTERMEDIATE UNIT NO. 29

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED JUNE 30, 2022

#### NOTE 3 – CAPITAL ASSETS:

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

	Balance June 30, 2021	Net Additions (Deductions)	Balance June 30, 2022
<b>Governmental Activities:</b>			
Capital Assets, Not Being Depreciated			
Land	\$ 95,000	\$ 0	\$ 95,000
Total Capital Assets, Not Being Depreciated	95,000	0	95,000
Capital Assets, Being Depreciated:			
Site Improvements	659,889	-	659,889
Buildings and Improvements	12,578,018	0	12,578,018
Furniture and Equipment	782,762	89,640	872,402
Total Capital Assets, Being Depreciated	14,020,669	89,640	14,110,309
Accumulated Depreciation For:			
Site Improvements	(445,553)	(30,675)	(476,228)
Buildings and Improvements	(7,497,634)	(252,394)	(7,750,028)
Furniture and Equipment	(563,760)	(45,613)	(609,373)
Total Accumulated Depreciation	(8,506,947)	(328,682)	(8,835,629)
<b>Governmental Activities - Capital Assets, Net</b>	<b>\$ 5,608,722</b>	<b>\$ (239,042)</b>	<b>\$ 5,369,680</b>
<b>Proprietary Funds</b>			
Capital Assets, Being Depreciated			
Furniture and Equipment	24,894	45,150	70,044
Total Capital Assets, Being Depreciated	24,894	45,150	70,044
Accumulated Depreciation For:			
Furniture and Equipment	(14,225)	(10,006)	(24,231)
Total Accumulated Depreciation	(14,225)	(10,006)	(24,231)
<b>Proprietary Fund - Capital Assets, Net</b>	<b>\$ 10,669</b>	<b>\$ 35,144</b>	<b>\$ 45,813</b>

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

Instructional student support	\$ 76,288
Plant facilities	252,394
<b>Total Depreciation Expense</b>	<b>\$ 328,682</b>
<b>Total Proprietary Fund Depreciation Expense</b>	<b>\$ 10,006</b>

**SCHUYLKILL INTERMEDIATE UNIT NO. 29**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

**NOTE 4 - CHANGES IN LONG-TERM DEBT**

A summary of the changes in long-term debt is as follows:

	Compensated <u>Absences</u>
Long-Term Debt-July 1, 2021	\$686,938
Additions	
Reductions	<u>\$106,587</u>
Long-Term Debt-June 30,2022	<u>\$580,351</u>
Current Portion	<u>\$ 42,000</u>

**COMPENSATED ABSENCES**

Compensated absences at June 30, 2022, consist of the following:

Retirement Incentive	\$ 188,500
Sick Leave	285,178
Vacation	<u>106,573</u>
<b>Total</b>	<u>\$ 580,351</u>

## **SCHUYLKILL INTERMEDIATE UNIT NO. 29**

### **NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

#### **NOTE 5 - PENSION PLAN**

##### PENSIONS

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

##### PLAN DESCRIPTION

PSERS is a governmental cost-sharing multi-employer defined benefit pension plan that provides retirement benefits to public school employees of the Commonwealth of Pennsylvania. The members eligible to participate in the System include all full-time public school employees, part-time hourly public school employees who render at least 500 hours of service in the school year, and part-time per diem public school employees who render at least 80 days for 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](http://www.psers.state.pa.us).

##### BENEFITS PROVIDED

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

## **SCHUYLKILL INTERMEDIATE UNIT NO. 29**

### **NOTES TO FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED JUNE 30, 2022**

##### **NOTE 5 - PENSION PLAN (Continued)**

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

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

#### **CONTRIBUTIONS**

##### **Member Contributions:**

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

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

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

Members who joined the System after June 30, 2011, automatically contribute at the Membership Class T-E rate of 7.5% (base rate) of the member's qualifying compensation. All new hires after June 30, 2011, who elect Class T-F membership, contribute at 10.3% (base rate) of the member's qualifying compensation. Membership Class T-E and Class T-F are affected by a "shared risk" provision in Act 120 of 2010 that in future fiscal years could cause the Membership Class T-E contribution rate to fluctuate between 7.5% and 9.5% and Membership Class T-F contribution rate to fluctuate between 10.3% and 12.3%.

**SCHUYLKILL INTERMEDIATE UNIT NO. 29**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

**NOTE 5 - PENSION PLAN (Continued)**

**Employer Contributions:**

The Unit's contractually required contribution rate for fiscal year ended June 30, 2022 was 33.51% 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 Unit were \$2,960,579 for the year ended June 30, 2022.

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

At June 30, 2022, the Unit reported a liability of \$24,634,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, 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, 2020 to June 30, 2021. The Unit's proportion of the net pension liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2021, the District's proportion was 0.0600 percent, which was a decrease of .0013 from its proportion measured as of June 30, 2021.

For the year ended June 30, 2022, the Unit recognized pension expense of \$(171,000). At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 18,000	\$ 324,000
Changes in assumptions	1,195,000	-0-
Net difference between projected and actual investment earnings	-0-	-0-
Changes in proportions	1,545,375	3,921,000
Difference between employer contributions and proportionate share of total contributions	-0-	1,192,000
Contributions subsequent to the measurement date	<u>2,960,579</u>	<u>-0-</u>
	<u>\$ 5,718,954</u>	<u>\$ 5,437,000</u>

## **SCHUYLKILL INTERMEDIATE UNIT NO. 29**

### **NOTES TO FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED JUNE 30, 2022**

##### **NOTE 5 - PENSION PLAN (Continued)**

\$2,960,579 reported as deferred outflows and inflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. 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:	
2023	(715,416)
2024	(422,555)
2025	(421,161)
2026	(1,119,493)

##### **Actuarial assumptions**

The total pension liability as of June 30, 2021 was determined by rolling forward the System's total pension liability as of the June 30, 2020 actuarial valuation to June 30, 2020 using the following actuarial assumptions, applied to all periods included in the measurement:

- The Investment Rate of Return was 7.00%.
- The inflation assumption was 2.50%.
- Salary growth was an effective average of 4.50%, which was comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.
- Mortality rates were 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. For disabled annuitants, the RP-2000 Combined Disabled Tables (male and female) with age set back 7 years for males and 3 years for females to the RP-2014 Mortality Table for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale.

The actuarial assumptions used in the June 30, 2018 valuation were based on the experience study that was performed for the five-year period ending June 30, 2015.



## SCHUYLKILL INTERMEDIATE UNIT NO. 29

### NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

#### NOTE 5 – PENSION PLAN (Continued)

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global public equity	27.0%	5.2%
Private Equity	12.0%	7.3%
Fixed Income	35.0%	1.8%
Commodities	10.0%	2.0%
Absolute return	8.0%	3.1%
Infrastructure/MLPs	8.0%	5.1%
Real estate	10.0%	4.7%
Cash	3.0%	0.1%
Leverage	<u>(13.0%)</u>	(0.1%)
	<u>100%</u>	

The above was the Board's adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2021.

#### Discount rate

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

## SCHUYLKILL INTERMEDIATE UNIT NO. 29

### NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

#### NOTE 5 – PENSION PLAN (Continued)

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

The following presents the net pension liability, calculated using the discount rate of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease <u>6.00%</u>	Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
Unit's proportionate share of the net pension liability	\$32,333,000	\$24,634,000	\$18,140,000

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](http://www.psers.state.pa.us)

#### NOTE 6 - RISK MANAGEMENT

The Unit is a member of the Schuylkill County Health and Welfare Trust, a nonprofit organization which is an association of several governmental entities established to share the costs of providing health, dental, vision, prescription drug, and income protection coverage to employees. Members of the Trust include: Schuylkill County Intermediate Unit No. 29, Schuylkill County A.V.T.S., Schuylkill Haven Area School District, Shenandoah Valley School District, Pine Grove Area School District, Tamaqua Area School District, and North Schuylkill School District. The Unit is co-insured with outside insurance companies against any claim in excess of \$150,000. As of June 30, 2019, the date of the latest audit report, the Trust has reserves in the amount of \$3,887,641. Contribution rates are set by the Trust based on previous years cost experience. The Unit would share with other members, any costs in excess of the Trust's reserves.

The Unit is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Unit provides for these risks by the purchase of commercial insurance.

## **SCHUYLKILL INTERMEDIATE UNIT NO. 29**

### **NOTES TO FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED JUNE 30, 2022**

#### **NOTE 7 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS**

##### **SCHOOL SPECIFIC PLAN**

##### **PLAN DESCRIPTION**

The Schuylkill Intermediate Unit No. 29 Retiree Health Care Plan (the Plan) is a single-employer defined benefit healthcare insurance plan administered by the Board of Directors. The Plan provides postemployment healthcare insurance benefits to eligible retirees of the Unit in accordance with the various labor contracts and personnel policies.

##### **PLAN MEMBERSHIP**

As of June 30, 2022, the Plan's membership consisted of the following:

Active Participants	154
Retired Participants	<u>19</u>
Total	173

##### **CONTRIBUTIONS**

The contribution requirements of the plan members and the School are established and may be amended by the Board of Directors. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement No. 75. The plan is funded on a pay-as-you-go basis, i.e. premiums are paid annually to fund the healthcare benefits provided to current retirees, primarily through annual appropriations from the General Fund. Retiree contribution rates and amount vary depending on classification and years of service with the School.

##### **TOTAL OPEB LIABILITY**

The School Specific Plan's total OPEB liability of \$2,461,760 was measured as of the valuation date of July 1, 2021 and rolled forward for the fiscal year ending June 30, 2022.

##### **ACTUARIAL ASSUMPTIONS AND OTHER INPUTS:**

The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00%
Salary Increases	2.50% average, including inflation
Discount Rate	2.28%
Healthcare Cost Trend Rates	5.5% for 2018, decreasing to an ultimate rate of 4.0% by 2075

# SCHUYLKILL INTERMEDIATE UNIT NO. 29

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

### NOTE 7 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

#### SCHOOL SPECIFIC PLAN (Continued)

The discount rate was based on the S&P Municipal Bond 20 Year High Grade Rate Index at July 1, 2021.

Mortality rates are assumed using the rates assumed in the PSERS defined benefit pension plan actuarial valuation with projections incorporated based on the Buck Modified 2016 projection scale to reflect mortality improvement.

The actuarial assumptions used in the July 1, 2021 valuation were based on historical results, as a recent experience study was not completed.

Changes in the School's total OPEB liability for the plan for the fiscal year ended June 30, 2021 was as follows:

	Total OPEB Liability
Balance at 7/1/2020, valuation date	\$ 2,590,617
Service Cost	114,273
Interest	47,980
Changes of Benefit Terms	0
Difference between Expected and Actual Experience	0
Changes in Assumptions	(59,731)
Benefit Payments	<u>(231,379)</u>
Net Changes	<u>(128,857)</u>
Balance at 7/1/2021, valuation date	<u>\$ 2,461,760</u>

Changes in assumptions reflect a change in the discount rate from 3.86% to 2.28%, an update of trend assumptions, and an update of assumptions for salary, mortality, and retirement based on the new PSERS assumptions.

*Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates.* The following presents the total OPEB liability of the School, as well as what the School's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage point lower (1.28%) or 1-percentage higher (3.28%) than the current discount rate:

	1% Decrease <u>1.28%</u>	Current Discount Rate <u>2.28%</u>	1% Increase <u>3.28%</u>
School's Net OPEB Liability	\$ 2,220,685	\$ 2,461,760	\$ 2,743,610

**SCHUYLKILL INTERMEDIATE UNIT NO. 29**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

**NOTE 7 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)**

**SCHOOL SPECIFIC PLAN (Continued)**

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

The following presents the total OPEB liability of the School, as well as what the School's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (1.28%) or 1-percentage higher (3.28%) than the current discount rate:

	1% Decrease <u>1.28%</u>	Current Discount Rate <u>2.28%</u>	1% Increase <u>3.28%</u>
School's Net OPEB Liability	\$ 2,604,961	\$ 2,461,760	\$2,322,586

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

For the year ended June 30, 2022, the School Specific Plan recognized OPEB expense of \$149,271. At June 30, 2021, the School reported deferred outflows related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions	\$ 157,800	-0-
Differences between expected and actual experience	224,262	297,168
Benefit payments subsequent to the measurement date	<u>221,729</u> <u>\$ 603,791</u>	<u>91,201</u> <u>\$ 388,369</u>

Amounts, other than benefits payments subsequent to the measurement date, reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:

2020	\$ (12,982)
2021	(12,982)
2022	(12,982)
2023	(12,982)
2024	(12,982)
Thereafter	58,603

## SCHUYLKILL INTERMEDIATE UNIT NO. 29

### NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022

#### NOTE 7 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

##### **PSERS HEALTHCARE INSURANCE PREMIUM ASSISTANCE PLAN**

###### PLAN DISCRIPTION:

In addition, 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 postretirement benefits plan that provides premium assistance to eligible public school employees of the Commonwealth of Pennsylvania. Under the PSERS Plan, employer contribution rates for Premium Assistance are established to provide reserves in the Health Insurance Account that are sufficient for the payment of premium assistance benefits for each succeeding year. The administrative staff of PSERS administers the PSERS Plan. The control and management of PSERS, including the investment of its assets, is vested in the 15 member Board of Trustees (Board). The Commonwealth General Assembly has the authority to amend the benefit terms of the PSERS Plan by passing a bill in the Senate and House of Representatives and sending the bills to the Governor for approval. PSERS issues a publicly available financial report that can be obtained at [www.psers.state.pa.us](http://www.psers.state.pa.us).

###### *Premium Assistance Eligibility Criteria:*

- Retirees of the System can participate in the PSERS Plan 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 services and retired after reaching superannuation age, and
- Participate in the HOP or employer-sponsored health insurance program.

###### BENEFITS PROVIDED:

Participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of \$100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS' Health Options Program. As of June 30, 2021, there were no assumed future benefit increases to participating eligible retirees.

###### EMPLOYER CONTRIBUTIONS:

The schools' contractually required contribution rate for fiscal year ended June 30, 2022 was 0.82% of covered payroll, an actuarially determined 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.

**SCHUYLKILL INTERMEDIATE UNIT NO. 29**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

**NOTE 7 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)**

**PSERS HEALTHCARE INSURANCE PREMIUM ASSISTANCE PLAN**  
**(Continued)**

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

At June 30, 2022, the School reported a liability of \$1,420,000 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by rolling forward the System's total OPEB liability as of June 30, 2020 to June 30, 2021. The School'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 of all School Schools in the PSERS Plan. At June 30, 2021, the School's proportion was 0.0599 percent, which was a decrease of 0.0013 from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the School recognized OPEB expense of \$36,000. At June 30, 2022, the School 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>
Net difference between projected and actual investment earnings	\$ 3,000	\$ -0-
Difference between expected and Actual experience	13,000	
Changes in assumptions	151,000	19,000
Changes in proportions	<u>-0-</u>	<u>169,000</u>
	<u>\$ 167,000</u>	<u>\$ 188,000</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2023	\$ (10,485)
2024	(972)
2025	(14,523)
2026	(12,375)
2027	(10,228)
Thereafter	(8,417)

**SCHUYLKILL INTERMEDIATE UNIT NO. 29**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

**NOTE 7 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)**

**PSERS HEALTHCARE INSURANCE PREMIUM ASSISTANCE PLAN**  
**(Continued)**

*Actuarial Assumptions:*

The total OPEB liability as of June 30, 2021 was determined by rolling forward the System's total OPEB liability as of the June 30, 2020 actuarial valuation to June 30, 2021 measurement date using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method – Entry Age Normal – level % of pay.
- Investment return – 2.18% - S&P 20 Year Municipal Bond Rate.
- Salary growth – Effective average of 5.00%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit and seniority increases.
- Premium assistance reimbursement 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 RP-2015 Mortality Improvement Scale.
- Participation rate:
  - Eligible retirees will elect to participate pre age 65 at 50%.
  - Eligible retirees will elect to participate post age 65 at 70%.

The following assumptions were used to determine the contribution rate:

- The results of the actuarial valuation as of June 30, 2019 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 years for both males and females for healthy annuitants and for dependent beneficiaries. For disabled annuitants, the RP-2000 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).



**SCHUYLKILL INTERMEDIATE UNIT NO. 29**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

**NOTE 7 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)**

**PSERS HEALTHCARE INSURANCE PREMIUM ASSISTANCE PLAN**  
**(Continued)**

A recent actuarial experience study was not performed.

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

The OPEB plan's policy in regard to the allocation of invested plan assets is established and may be amended by the Board. Under the Program, as defined in the retirement code employer contribution rates for Premium Assistance are established to provide reserves in the Health Insurance Account that are sufficient for the payment of Premium Assistance benefits for each succeeding year. 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, 2018 were:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	79.8%	0.1%
US Core Fixed Income	17.5%	0.7%
Non-US Developed Fixed Income	<u>2.7%</u>	(0.3%)
	<u>100%</u>	

*Discount rate:*

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 contribution rates necessary to assure solvency of Premium Assistance through the third fiscal year after the actuarial valuation date. The Premium Assistance account is funded to establish reserves that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Due to the short-term funding policy, the OPEB plan's fiduciary net position was not projected to be sufficient to meet projected future benefit payments, therefore the plan is considered a "pay-as-you-go" plan. A discount rate of 2.18% which represents the S&P 20-year Municipal Bond Rate at June 30, 2021, was applied to all projected benefit payments to measure the total OPEB liability.

**SCHUYLKILL INTERMEDIATE UNIT NO. 29**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

**NOTE 7 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)**

**PSERS HEALTHCARE INSURANCE PREMIUM ASSISTANCE PLAN**  
**(Continued)**

*Sensitivity of the School's proportionate share of the net OPEB liability to changes in the healthcare cost trend rates:*

Healthcare cost trends were applied to retirees receiving less than \$1,200 in annual Premium Assistance. As of June 30, 2020, retirees Premium Assistance benefits are not subject to future healthcare cost increases. The annual Premium Assistance reimbursement for qualifying retirees is capped at a maximum of \$1,200. As of June 30, 2021, 93,392 retirees were receiving the maximum amount allowed of \$1,200 per year. As of June 30, 2021, 611 members were receiving less than the maximum amount allowed of \$1,200 per year. The actual number of retirees receiving less than the \$1,200 per year cap is a small percentage of the total population and has a minimal impact on Healthcare Cost Trends as depicted below.

The following presents the School's Proportionate Share of the net OPEB liability as well as what the School's Proportionate Share of the net OPEB liability would be if it was calculated using health cost trends that are 1-percentage point lower or 1-percentage higher than the current rate:

	1% Decrease <u>1.66%</u>	Current Discount Rate <u>2.66%</u>	1% Increase <u>3.66%</u>
School's Net OPEB Liability	\$ 1,420,000	\$ 1,420,000	\$ 1,420,000

*Sensitivity of the School's proportionate share of the net OPEB liability to changes in the discount rate:*

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

	1% Decrease <u>1.66%</u>	Current Discount Rate <u>2.66%</u>	1% Increase <u>3.66%</u>
School's Proportionate Share of the Net OPEB Liability	\$ 1,629,000	\$ 1,420,000	\$ 1,247,000

**SCHUYLKILL INTERMEDIATE UNIT NO. 29**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

**NOTE 7 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)**

**PSERS HEALTHCARE INSURANCE PREMIUM ASSISTANCE PLAN**  
**(Continued)**

OPEB plan fiduciary net position.

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

The following is a summary of the OPEB liability and deferred inflows and deferred outflows resulting from OPEB:

	Other Post Employment Benefits (OPEB) Liability	Deferred Inflows- OPEB	Deferred Outflows- OPEB
School Specific Plan	\$ 2,461,760	\$ 388,369	\$ 603,791
PSERS Healthcare Insurance Premium Assistance Plan	<u>1,420,000</u>	<u>188,000</u>	<u>167,000</u>
	<u>\$ 3,881,760</u>	<u>\$ 576,369</u>	<u>\$ 770,791</u>

**SCHUYLKILL INTERMEDIATE UNIT NO. 29**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2022**

**NOTE 8 - INTERFUND RECEIVABLES AND PAYABLES**

Interfund balances at June 30, 2022, consisted of the following individual fund receivables and payables.

	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ 2,442,270.00	\$ 2,787,469.00
Special Education Fund	\$ -	\$ 961,692.00
Transportation Fund	\$ -	\$ 109,094.00
Early Intervention Fund	\$ 1,507,515.00	\$ 143,316.00
Food Service Fund	\$ -	\$ 3,038.00
Agency Fund	\$ 16,875.00	\$ -
Schuylkill Learning Academy	\$ 37,949.00	\$ -
<b>TOTAL ALL FUNDS</b>	<b>\$ 4,004,609.00</b>	<b>\$ 4,004,609.00</b>

**NOTE 9 - FUND BALANCES**

The components of fund balances within the General and Special Revenue Funds are as follows:

	General	Special Education	Special Education Transportation	Early Intervention Fund
Nonspendable	\$ 2,514	\$ 0	\$ 0	\$ 0
Restricted	0		299,984	135,563
Assigned	0	3,097,581	0	0
Unassigned	<u>\$ 3,427,310</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u><u>\$ 3,429,824</u></u>	<u><u>\$ 3,097,581</u></u>	<u><u>\$ 299,984</u></u>	<u><u>\$ 135,563</u></u>

**SCHUYLKILL INTERMEDIATE UNIT NO. 29**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**NOTE 10 – GASB STATEMENT NO. 54**

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

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

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

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

**Committed** – Amounts constrained to be used for a specific purpose determined by a formal action of the Unit's board of directors (the Unit's highest level of decision-making authority).

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

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

**ORDER OF FUND BALANCE SPENDING POLICY**

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

**SCHUYLKILL INTERMEDIATE UNIT NO. 29**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**NOTE 11 – RELATED PARTIES**

The Unit shares a board of directors, executive director, director of plant services, computer technology, and business office staff with the Schuylkill Technology Center. During the year ended June 30, 2022, the Unit received a total of \$537,543 for the above services from the Center.

**NOTE 12 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through September 20, 2023, the date on which the financial statements were available to be issued.

## **SUPPLEMENTAL INFORMATION**

**SCHUYLKILL INTERMEDIATE UNIT NO. 29**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**A. SUMMARY OF AUDIT RESULTS**

1. Auditor's report expresses an unmodified opinion on the general purpose financial statements of Schuylkill Intermediate Unit No. 29.
2. A deficiency relating to the audit of the financial statements is reported in the 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*.
3. An instance of noncompliance material to the financial statements of Schuylkill Intermediate Unit No. 29, which would be required to be reported in accordance with *Government Auditing Standards* was disclosed during the audit.
4. A deficiency relating to the audit of the major federal award programs is reported in the Report on Compliance for Each Major Program and on Internal Control Over Compliance required by the Uniform Guidance.
5. The auditor's report on compliance for the major federal award programs for Schuylkill Intermediate Unit No. 29 expresses a qualified opinion on all major federal programs.
6. There was an audit findings relative to the major federal rewards programs for Schuylkill Intermediate Unit No. 29.
7. The programs tested as major programs were: IDEA-B – CFDA # 84.027, IDEA-B 619 – CFDA # 84.173, and Twenty-First Century Community Learning Centers – CFDA 84.287, and Education Stabilization Fund – CFDA 84.425.
8. The threshold for distinguishing types A and B Programs was \$750,000.
9. Schuylkill Intermediate Unit No. 29 was not a low-risk auditee.

**B. FINDINGS - FINANCIAL STATEMENTS AUDIT**

Findings related to the financial statements are required to be reported under generally accepted *Government Auditing Standards*.

**C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT**

Findings for federal awards are present as reportable conditions.



**SCHUYLKILL INTERMEDIATE UNIT NO. 29  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**Finding 2022-001**      The Intermediate Unit No. 29 did not file their Single Audit in a timely manner.

**CFDA and Title:**      10.553- Food Nutrition- Breakfast, 10.555, and 10.649 - Food Nutrition- Lunch, 84.287 – 21<sup>st</sup> Century Community Learning Centers, 84.027 – IDEA-B, 84.173 – IDEA-B 619, 84.010, 84.367, 84.424 – Various Title I, 84.365 – Title III, 84.425 - Education Stabilization Funds, 84.002 – Adult Basic Education, 93.558 – TANF, 93.778 - Medical Assistance.

**Federal Grantor:**      U.S. Department of Education, U.S. Department of Agriculture, U.S. Department of Human Services

**Pass-through Entity:** Commonwealth of Pennsylvania

**Compliance Area:**    Reporting

**Questioned Costs:**    \$0

**Criteria:**                The Intermediate Unit No. 29 was required to file their Single Audit by March 31, 2023.

**Condition:**             The Intermediate Unit No. 29 did not file their Single Audit by March 31, 2023.

**Amount of Questioned**

**Costs:** No questioned costs were noted in regards to filing the Single Audit by March 31, 2023.

**Effect:**                  The Intermediate Unit No. 29 did not file their Single Audit by the deadline, and therefore, is out of compliance with the grant agreement.

**Cause:**                  The Intermediate Unit No. 29 did not have controls in place to assure the timely filing of the Single Audit Reporting Package.

**Recommendation:**   We recommend that the Intermediate Unit No. 29 focus on adjusting financial records and having documents available for audit in a timely manner in order to meet the filing deadline.

**Views of Responsible  
Officials and Planned**

**Corrective Actions:**   The Intermediate Unit No. 29 Business Manager will provide stricter oversight in order to assure compliance with grant agreements and timely completion of the single audit report.



Serving the Needs of Education

September 30, 2023

Ms. Courtney Solomon  
Herring, Roll & Solomon  
41 South Fifth Street  
Sunbury, PA 17801

Dear Ms. Solomon:

Below, please find the Corrective Action Plan developed in response to 2021/2022 Schuylkill Intermediate Unit #29 Single Audit Finding.

SCHUYLKILL INTERMEDIATE UNIT #29  
CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED JUNE 30, 2022

CORRECTION CITED ON APPROVED PROGRAM EVALUATION FINAL REPORT	CFDA & TITLE	FEDERAL GRANTOR	CORRECTIVE ACTION	PERSON RESPONSIBLE	AMOUNT QUESTIONED	TIMELINE
The Intermediate Unit did not file their Single Audit in a timely manner	10.553- Food Nutrition-Breakfast, 10.555 and 10.559- Food Nutrition-Lunch, 84.287 – 21st Century Community Learning Centers, 84.027 – IDEA-B, 84.173 – IDEA-B 619, 84.010, 84.367, 84.424 – Various Title I, 84.365 – Title III, 84.002 – Adult Basic Education, 93.558 – TANF, 84.287 - 21st Century Community Learning Centers; 84.027 - IDEA-B, 84.010 - Title I, 84.367 - Title I, 84.424 - Safety Initiatives, 84.365 - Title III, 84.425 - Geers, 84.002 – Adult Basic Education, 93.558 - TANF, 93.778 - Medical Assistance, 10.555 - National School Lunch, 10.553 - National School Lunch, 10.649 - National School Lunch	U.S. Department of Education, U.S. Department of Agriculture, U.S. Department of Human Services	A new Business Manager was hired for the IU and the role of Assistant Business Manager was added to the organization. The increase in business office personnel will allow for a more realistic workload. In addition, the Executive Director will provide stricter oversight in order to assure compliance with grant agreements and timely completion of the single audit report.	IU Business Manager with oversight from the Executive Director.	No questioned costs were noted regarding filing the Single Audit.	09/30/23

Please do not hesitate to contact me at (570) 544-9131 if you have any additional questions.

Sincerely,

Shannon Brennan  
Interim Executive Director

**SCHUYLKILL INTERMEDIATE UNIT NO. 29**  
**STATUS OF PRIOR AUDIT FINDINGS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

Prior year finding:

Finding 2021-001      The Intermediate Unit did not file their Single Audit in a timely manner.

Status:

Beginning for the fiscal year ended June 30, 2023 the business manager provided stricter oversight to assure compliance with grant agreements and timely completion of the single audit report.

**SCHUYLKILL INTERMEDIATE UNIT 29**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND NON-FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

Federal Grantor/Pass Through Grantor/Program Title	Source Code	Federal CFDA Number	Passed Through Grantor's Number	Grant Period Beginning/Ending Date	Program or Award Amount	Total Received For Year	Accrued or (Deferred) Revenue 7/1/2021	Revenue Recognized	Expenditures	Accrued or (Deferred) Revenue 6/30/2022
<b>U.S. DEPARTMENT OF EDUCATION</b>										
<b>PASSED THROUGH STATE DEPARTMENT OF EDUCATION</b>										
21st Century Community Learning Centers *	(I)	84.287	4100058705	01-01-21/12-31-21	400,000	49,754	49,754	-	-	-
21st Century Community Learning Centers *	(I)	84.287	4100058705	01-01-21/12-31-21	400,000	239,526	-	239,526	239,526	-
21st Century Community Learning Centers *	(I)	84.287	4100058705	10-01-20/09-30-21	400,000	65,066	65,066	-	-	-
21st Century Community Learning Centers *	(I)	84.287	4100058705	10-01-21/09-30-22	430,930	351,477	-	414,599	414,599	63,122
21st Century Community Learning Centers *	(I)	84.287	4100058705	10-01-20/09-30-21	642,971	157,280	157,280	-	-	-
21st Century Community Learning Centers *	(I)	84.287	4100058705	10-01-21/09-30-22	600,000	534,013	-	624,627	624,627	90,614
Subtotal - 21st Century Community Learning Centers						1,397,116	272,100	1,278,752	1,278,752	153,736
IDEA-B *	(I)	84.027	62-210029	07-01-20/09-30-21	4,011,226	-	(7,676)	7,676	7,676	-
IDEA-B *	(I)	84.027	131-210029	07-01-20/09-30-21	409,990	-	(33,557)	33,557	33,557	-
IDEA-B *	(I)	84.027	62-220029	07-01-21/09-30-23	4,835,598	4,835,598	-	4,835,598	4,835,598	-
IDEA-B *	(I)	84.027	131-220029	07-01-21/09-30-22	411,127	411,127	-	411,127	411,127	-
ARP - IDEA 611 *	(I)	84.027	232-210029	07-01-21/09-30-22	55,405	55,405	-	55,405	55,405	-
Subtotal - IDEA-B						5,302,130	(41,233)	5,343,363	5,343,363	-
IDEA-B 619 *	(I)	84.173	131-200029	07-01-21/06-30-22	302,516	302,516	-	302,516	302,516	-
ARP - IDEA 619 *	(I)	84.173	231-210029	07-01-21/09-30-22	201,233	201,233	-	201,233	201,233	-
Subtotal - IDEA-B 619						503,749	-	503,749	503,749	-
Title I-Supports Effective Standards	(I)	84.010	149-210629	07-01-20/06-30-21	17,655	7,037	7,037	-	-	-
Title I-Supports Effective Standards	(I)	84.010	149-210029	07-01-20/06-30-21		21,237	-	31,536	31,536	10,299
Title I-Supports Effective Standards	(I)	84.010	149-220629		72,200	7,356	-	7,356	7,356	-
						35,630	7,037	38,892	38,892	10,299
Title I-Supports Effective Standards	(I)	84.367	149-220629	07-01-21/06-30-22	72,200	3,833	-	9,200	9,200	5,367
Title I-Supports Effective Standards	(I)	84.367	149-210629	07-01-20/06-30-21	9,200	6,133	6,133	-	-	-
Safety Initiatives	(I)	84.367	156-220629	07-01-21/06-30-22	205,931	5,744	-	45,954	45,954	40,210
						15,710	6,133	55,154	55,154	45,577
Safety Initiatives	(I)	84.424	156-220629	07-01-21/06-30-22	205,931	10,924	-	72,583	72,583	61,659
Title I-School Climate Regional Coordinators	(I)	84.424	149-210029	07-01-20/06-30-21	12,500	8,333	8,333	-	-	-
Title I-Additional Targeted School Improvements	(S)	N/A	157-210629	07-01-20/06-30-21	48,783	2,800	2,800	-	-	-
Subtotal - Title I - Improving Basic Programs						73,397	24,303	166,629	166,629	117,535
Title II- Teachers in the Workplace	(I)	84.367	220-200629	07-01-20/6-30-21	25,000	2,273	2,273	-	-	-
Subtotal - Title II - Teacher in the Workplace						2,273	2,273	-	-	-
Title III - Language Inst LEP	(I)	84.365	010-210629	07-16-20/09-30-22	23,167	10,811	(1,454)	12,265	12,265	-
Title III - Language Inst LEP	(I)	84.365	010-220629	07-01-21/09-30-23	27,272	23,342	-	22,357	22,357	(985)
Subtotal - Title III - Language Inst LEP						34,153	(1,454)	34,622	34,622	(985)
Title I-Supports Effective Standards *	(I)	84.425U	149-210629	07-01-20/06-30-21		43,067	43,067	-	-	-
Safety Initiatives *	(I)	84.425U	156-220629	07-01-21/06-30-22	205,931	69,136	-	87,394	87,394	18,258
Title I-Additional Targeted School Improvements *	(I)	84.425U	157-210629	07-01-20/06-30-21	48,783	29,722	29,722	-	-	-
GEERS II Emergency Assistance to Non-public School *	(I)	84.425C	255-210629	3-13-20/9-30-23	607,815	550,315	(5,131)	484,394	484,394	(71,052)
ARP ESSER 2.5% *	(I)	84.425U	224-210629	3-13-20/9-30-24	616,519	33,628	-	190,785	190,785	157,157
EI GEER Grant *	(I)	84.425C	162-190029	3-13-20/9-30-21	38,802	-	(12,885)	12,885	12,885	-
GEER Funds EI Compensatory Ed *	(I)	84.425C	163-190029	3-13-20/9-30-21	64,671	-	(21,003)	21,003	21,003	-
Subtotal						725,868	33,770	796,461	796,461	104,363

**SCHUYLKILL INTERMEDIATE UNIT 29**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND NON-FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

Federal Grantor/Pass Through Grantor/Program Title	Source Code	Federal CFDA Number	Passed Through Grantor's Number	Grant Period Beginning/Ending Date	Program or Award Amount	Total Received For Year	Accrued or (Deferred) Revenue 7/1/2021	Revenue Recognized	Expenditures	Accrued or (Deferred) Revenue 6/30/2022
-										
<b>PASSED THROUGH LUZERNE CO. COMM. COLLEGE</b>										
Adult Basic Education	(I)	84.002	41-2100841	07-01-20/06-30-21	175,755	56,509	56,509	-	-	-
Adult Basic Education	(I)	84.002	41-2200841	07-01-21/06-30-22	175,755	120,462	-	169,665	169,665	49,203
Subtotal - Adult Basic Education						176,971	56,509	169,665	169,665	49,203
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>						<b>8,215,657</b>	<b>346,268</b>	<b>8,293,241</b>	<b>8,293,241</b>	<b>423,852</b>
<b><u>U.S. DEPARTMENT OF HEALTH &amp; HUMAN SERVICES</u></b>										
<b>PASSED THROUGH STATE DEPARTMENT OF EDUCATION</b>										
TANF	(I)	93.558	4100060970	07-01-20/06-30-21	344,000	120,888	120,888	-	-	-
TANF	(I)	93.558	4100060970	07-01-20/06-30-21	344,000	249,584	-	357,410	357,410	107,826
Subtotal - TANF						370,472	120,888	357,410	357,410	107,826
<b>PASSED THROUGH STATE DEPARTMENT OF PUBLIC WELFARE</b>										
Medical Assistance	(I)	93.778	N/A	07-01-19/6-30-20		120,197	-	120,197	120,197	-
Subtotal - Medical Assistance						120,197	-	120,197	120,197	-
<b>TOTAL U. S. DEPARTMENT OF HEALTH &amp; HUMAN SERVICES</b>						<b>490,669</b>	<b>120,888</b>	<b>477,607</b>	<b>477,607</b>	<b>107,826</b>
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>										
<b>PASSED THROUGH STATE DEPARTMENT OF EDUCATION</b>										
National School Lunch	(I)	10.555	1-29-00-000-0	07-01-20/06-30-21	N/A	883	883	-	-	-
National School Lunch	(S)	N/A	1-29-00-000-0	07-01-20/06-30-21	N/A	29	29	-	-	-
National School Lunch	(S)	N/A	1-29-00-000-0	07-01-20/06-30-21	N/A	21	21	-	-	-
National School Lunch	(I)	10.553	1-29-00-000-0	07-01-20/06-30-21	N/A	472	472	-	-	-
National School Lunch	(I)	10.559	1-29-00-000-0	07-01-20/06-30-21		16,002	16,002			-
National School Lunch	(I)	10.555	1-29-00-000-0	07-01-21/06-30-22	N/A	89,609	-	89,609	89,609	-
National School Lunch	(S)	N/A	1-29-00-000-0	07-01-21/06-30-22	N/A	2,816	-	2,816	2,816	-
National School Lunch	(S)	N/A	1-29-00-000-0	07-01-21/06-30-22	N/A	1,805	-	1,805	1,805	-
National School Lunch	(I)	10.553	1-29-00-000-0	07-01-21/06-30-22	N/A	45,911	-	45,911	45,911	-
National School Lunch	(I)	10.649	1-29-00-000-0	07-01-21/06-30-22		614	-	614	614	-
Subtotal - National School Lunch						158,162	17,407	140,755	140,755	-
<b>PASSED THROUGH STATE DEPARTMENT OF AGRICULTURE</b>										
National School Lunch	(I)	10.555	1-29-00-000-0	07-01-19/06-30-20	(A)	5,948	(2,128)	5,596	5,596	(2,480)
<b>TOTAL DEPARTMENT OF AGRICULTURE</b>						<b>164,110</b>	<b>15,279</b>	<b>146,351</b>	<b>146,351</b>	<b>(2,480)</b>
Subtotal						<b>8,870,436</b>	<b>482,435</b>	<b>8,917,199</b>	<b>8,917,199</b>	<b>529,198</b>
Less State Funds						(7,429)	(2,808)	(4,621)	(4,621)	-
<b>TOTAL FEDERAL AWARDS</b>						<b>\$ 8,863,007</b>	<b>\$ 479,627</b>	<b>\$ 8,912,578</b>	<b>\$ 8,912,578</b>	<b>\$ 529,198</b>

**Source Code Legend:**

(I) Indicates Indirect Funding  
(S) Indicates Direct Funding  
(S) Indicates State Matching Funds  
(\*) Indicates Major Program

**Other Code Legend:**

(A) Total amount of commodities received  
(B) Beginning inventory at July 1, 2021  
(C) Total amount of commodities used  
(D) Ending inventory at June 30, 2022

**SCHUYLKILL INTERMEDIATE UNIT NO. 29**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE 2 – SUB-RECIPIENTS**

The Unit provided federal awards to sub-recipients as follows:

<u>Program Title</u>	<u>CFDA No.</u>	<u>Provided</u>
IDEA-B #62-160029	84.027	\$ 3,218,822
IDEA-B #131-150029	84.173	57,205

**NOTE 3 – INDIRECT COST**

The Unit did not elect to use the 10% de minimis indirect cost rate.

**SCHUYLKILL INTERMEDIATE UNIT NO. 29**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND CONTRIBUTIONS**  
**PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM OF PA**  
**June 30, 2022**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b>PROPORTIONATE SHARE OF THE NET PENSION LIABILITY</b>								
School's Proportion of the Net Pension Liability	0.0774%	0.0789%	0.0761%	0.0732%	0.0663%	0.0624%	0.6130%	0.0600%
School's Proportionate Share of Net Pension Liability	30,635,000	34,176,000	37,713,000	36,152,000	31,827,000	29,192,000	30,184,000	24,634,000
School's Covered-Employee Payroll	9,873,476	10,153,384	9,861,653	9,741,560	8,927,712	8,608,028	8,594,751	8,491,450
School's Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll	309%	337%	382%	371%	356%	339%	351%	290%
<b>SCHOOL CONTRIBUTIONS</b>								
Statutorily Required Contribution	2,041,951	2,546,484	2,865,442	2,903,617	2,865,264	2,871,683	2,865,049	2,871,683
Contributions in Relation to the Statutorily Required Contribution	<u>-2,041,951</u>	<u>-2,546,484</u>	<u>-2,865,442</u>	<u>-2,903,617</u>	<u>-2,865,264</u>	<u>-2,871,683</u>	<u>-2,865,049</u>	<u>-2,871,683</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School's Covered-Employee Payroll	9,873,476	10,153,384	9,861,653	9,741,560	8,927,712	8,608,028	8,594,751	8,491,450
Contributions as a Percentage of Covered-Employee Payroll	20.68%	25.08%	29.06%	29.80%	32.09%	33.36%	33.33%	33.82%

The Unit adopted GASB 68 on a prospective basis in 2015; therefore only two years are presented in the above schedule.

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

The Public School Employees' Retirement System Trust Fund's net pension liability and associated amounts are measured annually at June 30, based on an actuarial valuation as of the previous June 30. The Unit's contributions and related ratios represent cash contributions and any related accruals that coincide with the School's fiscal year ending June 30.

**SCHUYLKILL INTERMEDIATE UNIT NO 29  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB  
LIABILITY - PSERS PLAN**

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b>PROPORTIONATE SHARE OF THE NET OPEB LIABILITY</b>						
School's Proportion of the PSERS' Net OPEB Liability	0.0761%	0.0732%	0.0663%	0.0624%	0.6130%	0.0600%
School's Proportionate Share of the PSERS' OPEB Liability	\$ 1,639,000	\$ 1,491,000	\$ 1,382,000	\$ 1,327,000	\$ 1,322,000	\$ 1,420,000
School's Covered-Employee Payroll	\$ 9,861,653	\$ 9,741,560	\$ 8,927,712	\$ 8,608,028	\$ 8,594,751	\$ 8,491,450
School's Proportionate Share of the PSERS' Net OPEB Liability as a Percentage of Covered-Employee Payroll	16.6%	15.3%	15.5%	15.4%	15.4%	16.7%
Plan fiduciary net position as a percentage of the total PSERS' Net OPEB Liability	5%	6%	6%	6%	6%	6%

The Unit adopted GASB 75 on a prospective basis; therefore, information is presented for those years for which information is available.



**SCHUYLKILL INTERMEDIATE UNIT NO. 29**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN NET OPEB LIABILITY- DISTRICT SPECIFIC PLAN**  
**June 30, 2022**

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b>Total OPEB Liability</b>					
Service Cost	\$ 118,641	\$ 122,586	\$ 91,829	\$ 91,433	\$ 114,273
Interest	71,911	86,775	70,910	73,842	47,980
Changes in Benefit Terms	-	224,083	-	-	-
Differences between Expected and Actual Experience	-	(466,980)	-	269,114	-
Changes of Assumptions	25,109	6,291	(50,116)	166,978	(59,731)
Benefit Payments	(342,725)	(328,916)	(339,845)	(255,307)	(231,379)
Other Changes	-	-	-	-	-
Net Change	<u>(127,064)</u>	<u>(356,161)</u>	<u>(227,222)</u>	<u>346,060</u>	<u>(128,857)</u>
Total OPEB Liability-Beginning	<u>2,955,004</u>	<u>2,827,940</u>	<u>2,471,779</u>	<u>2,244,557</u>	<u>2,590,617</u>
Total OPEB Liability-Ending	<u><u>\$ 2,827,940</u></u>	<u><u>\$ 2,471,779</u></u>	<u><u>\$ 2,244,557</u></u>	<u><u>\$ 2,590,617</u></u>	<u><u>\$ 2,461,760</u></u>
 Covered-Employee Payroll	 \$ 9,387,232	 \$ 8,081,423	 \$ 8,081,423	 \$ 7,837,039	 \$ 7,837,039
 Total OPEB Liability as a % of Covered-Employee Payroll	 30.13%	 30.59%	 27.77%	 33.06%	 31.41%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.