

CENTRAL BUCKS SCHOOL DISTRICT

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

Year Ended June 30, 2025

CENTRAL BUCKS SCHOOL DISTRICT

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Independent Auditors' Report

To the Board of School Directors
Central Bucks School District
Doylestown, Pennsylvania

Report on the Audit of the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Central Bucks School District as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Central Bucks School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Central Bucks School District, as of June 30, 2025, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Central Bucks School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note M to the financial statements, Central Bucks School District implemented GASB Statement No. 101, Compensated Absences, during the current fiscal year. As a result of this implementation, the beginning net position was restated to reflect the change in the beginning balance of compensated absences. Our opinion is not modified with respect to this matter.

As discussed in Note M to the financial statements, Central Bucks School District restated its beginning net position to correct errors related to the reporting of capital assets and self-insurance claims. Our opinion is not modified with respect to these matters.

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 Central Bucks School District'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.

Auditors' 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 auditors' 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 Central Bucks School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Central Bucks School District's ability to continue as a going concern for a reasonable period of time.

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

To the Board of School Directors
Central Bucks School District
Doylestown, Pennsylvania

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6 to 14, the budgetary comparison information on pages 63 and 64, and the pension and other post-employment benefits (OPEB) schedules on pages 65 to 69, 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 Central Bucks School District'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*, is presented for purposes of additional analysis and is 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 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 8, 2026, on our consideration of Central Bucks School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Central Bucks School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Central Bucks School District's internal control over financial reporting and compliance.



Limerick, Pennsylvania
January 8, 2026

CENTRAL BUCKS SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

YEAR ENDED JUNE 30, 2025

The Central Bucks School District (the District) presents the readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2025. Please review it in conjunction with the District's financial statements and the accompanying notes to the financial statements.

School District Highlights

Central Bucks School District is a second-class school district (school districts in the Commonwealth of Pennsylvania are classified as first, second, third, or fourth class according to population) and operates under and pursuant to the code of education as amended and supplemented. The district is governed by the Board of School Directors. Nine members of the community are elected by voting region and serve for a term of four years. The Superintendent of Schools is considered a non-voting member of the board.

The school district is comprised of nine municipalities including the townships of Buckingham, Doylestown, New Britain, Plumstead, Warrington, Warwick, and the boroughs of Chalfont, Doylestown, and New Britain. The school district is located in the central part of Bucks County approximately 30 miles north of the city of Philadelphia. The school district covers approximately 122 square miles.

The district consists of 15 elementary schools for students in kindergarten through 6th grade, five middle schools for grades 7-9, and three high schools for grades 10-12.

Financial Highlights

- As of the close of the current fiscal year, the Unassigned fund balance for the General Fund is \$19,437,746 or 4.49% of the total General Fund subsequent year's budget. In addition, there is a Non-spendable fund balance of \$59,635 and an Assigned fund balance of \$36,519,740. The Non-spendable funds are amounts that are not in a spendable form and are primarily composed of prepaid expenditures. The Assigned funds are amounts that have been constrained to specific purposes by the School District. The balance of Assigned Funds is comprised of the following: \$5,408,830 for additional future healthcare obligations; a reserve of \$1,369,230 for future real estate tax assessment appeals; a budgetary reserve in the amount of \$5,741,680 to be used in future budget years as a supplement to revenues; and a capital project fund transfer of \$14,000,000 and \$10,000,000 for future expenditures related to district wide grade realignment in FY2026-2027. As such, the Assigned funds can only be used for other purposes if direction to do so is provided by the Board of Directors.

CENTRAL BUCKS SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
YEAR ENDED JUNE 30, 2025

- The impact of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, and GASB No. 75, Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions, resulted in the liabilities of the district exceeding its assets at the close of the most recent fiscal year. At the close of the 2015-16 school year the district was required to recognize its share of the state pension liability, and the current balance of that liability as of the close of this current fiscal year is \$490,875,000. In addition, beginning at the close of the 2017- 18 fiscal year, the district was also required to recognize its share of the state liability for other post-employment benefits. The current balance of that liability as of the close of this current fiscal year is \$20,859,000. The impact of the recognition of these liabilities resulted in taking the ending net position from a positive balance of \$372,135,806 to a negative balance of \$139,598,194. The basis of the pension and other post-employment benefits entries are further discussed in Note I and Note J of the financial statements, respectively.

Overview of the Financial Statements

This annual report consists of five parts: Management's Discussion and Analysis (this section), the basic financial statements, required supplementary information, other supplementary information and the single audit section. The basic financial statements include two kinds of statements that present different views of the District.

The first two statements are government-wide financial statements that provide both short-term and long term information about the District's overall financial status.

The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the government-wide statements. The governmental funds statements tell how basic services such as instruction and transportation were financed in the short-term as well as what remains for future spending. Fiduciary fund statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others. The Proprietary Fund provides the same type of information in the government-wide financial statements, only in more detail. The Proprietary Fund financial statements provide separate information for the Food Service function.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year.

CENTRAL BUCKS SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
YEAR ENDED JUNE 30, 2025

Figure CB-1 summarizes the major features of the District's financial statements, including the portion of the District they cover and the types of information they contain. The remainder of this overview section of management discussion and analysis explains the structure and contents of each of the statements.

FIGURE CB-1:

**Major Features of Central Bucks School District's
Government-Wide and Fund Financial Statements**

	Government-Wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as education, administration and community services	Activities the District operates similar to private business - Food Service	Instances in which the District is the trustee or agent to someone else's resources - Scholarship Funds
Required Financial Statements	Statement of Net Position, Statement of Activities	Balance Sheet; Statement of Revenues, Expenditures, and Changes in Fund Balance	Statement of Net Position; Statement of Revenues, Expenses and Changes in Net Position; Statement of Cash Flows	Statement of Fiduciary Net Position, Statement of Changes in Net Position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both financial and capital, and short-term and long-term
Type of Inflow-outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

CENTRAL BUCKS SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
YEAR ENDED JUNE 30, 2025

FINANCIAL ANALYSIS OF GOVERNMENT-WIDE FINANCIAL STATEMENTS

It was previously noted that the net position may serve over time as a useful indicator of a government's financial position and, given that the District's current position results from recognizing its portion of the state pension and other post-employment benefits liabilities, the net position still indicates a strong financial standing. It is important to note that without the recognition of the post-employment liabilities that were made in accordance with GASB 68 and GASB 75, the district's net position at the close of the most recent fiscal year would not be a negative balance of \$139,598,194 but would reflect a positive balance of \$372,135,806.

Condensed Statements of Net Position
June 30, 2025 and June 30, 2024

Central Bucks School District's Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2025	2024	2025	2024	2025	2024
ASSETS						
Current and other assets	\$ 166,026,518	\$ 131,267,888	\$ 2,028,527	\$ 1,663,469	\$ 168,055,045	\$ 132,931,357
Capital assets	359,403,441	359,746,512	836,843	823,907	360,240,284	360,570,419
TOTAL ASSETS	525,429,959	491,014,400	2,865,370	2,487,376	528,295,329	493,501,776
DEFERRED OUTFLOWS OF RESOURCES						
Pension	77,592,000	84,069,191	-	-	77,592,000	84,069,191
Other post-employment benefits	14,226,764	16,796,037	-	-	14,226,764	16,796,037
TOTAL DEFERRED OUTFLOWS OF RESOURCES	91,818,764	100,865,228	-	-	91,818,764	100,865,228
LIABILITIES						
Current liabilities	47,137,540	41,488,530	618,720	723,398	47,756,260	42,211,928
Long-term liabilities	662,483,921	653,184,127	-	-	662,483,921	653,184,127
TOTAL LIABILITIES	709,621,461	694,672,657	618,720	723,398	710,240,181	695,396,055
DEFERRED INFLOWS OF RESOURCES						
Pension	11,657,000	14,059,000	-	-	11,657,000	14,059,000
Other post-employment benefits	35,412,112	23,968,256	-	-	35,412,112	23,968,256
Deferred amounts on refunding bonds	156,344	757,154	-	-	156,344	757,154
TOTAL DEFERRED INFLOWS OF RESOURCES	47,225,456	38,784,410	-	-	47,225,456	38,784,410
NET POSITION						
Net investment in capital assets	311,606,914	356,848,491	836,843	823,907	312,443,757	357,672,398
Unrestricted	(451,205,108)	(498,425,930)	1,409,807	940,071	(449,795,301)	(497,485,859)
TOTAL NET POSITION	\$ (139,598,194)	\$ (141,577,439)	\$ 2,246,650	\$ 1,763,978	\$ (137,351,544)	\$ (139,813,461)

CENTRAL BUCKS SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

YEAR ENDED JUNE 30, 2025

Governmental Activities - Governmental activities increased the Central Bucks School District's net position by \$1,979,245. Business-type activities increased the District's net position by \$482,672, resulting in a total increase in net position of \$2,641,917. Key elements of this change in position are as follows:

Changes in Net Position **Years Ended June 30, 2025 and June 30, 2024**

Central Bucks School District's Change in Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2025	2024	2025	2024	2025	2024
REVENUES						
Program revenues						
Charges for services	\$ 654,963	\$ 720,370	\$ 4,013,669	\$ 3,709,119	\$ 4,668,632	\$ 4,429,489
Operating grants and contributions	85,288,595	80,634,486	2,323,998	2,447,040	87,612,593	83,081,526
Capital grants and contributions	358,934	454,961	-	-	358,934	454,961
General revenues						
Property taxes	268,253,607	253,524,613	-	-	268,253,607	253,524,613
Other taxes	36,816,380	35,129,002	-	-	36,816,380	35,129,002
Grants and contributions not restricted to specific programs	2,277,063	4,636,820	-	-	2,277,063	4,636,820
Other	9,300,916	10,463,951	44,534	78,923	9,345,450	10,542,874
TOTAL REVENUES	402,950,458	385,564,203	6,382,201	6,235,082	409,332,659	391,799,285
EXPENSES						
Instruction	244,114,034	231,551,304	-	-	244,114,034	231,551,304
Support services	127,943,063	117,427,117	-	-	127,943,063	117,427,117
Operation of non-instructional services	10,017,981	10,224,779	-	-	10,017,981	10,224,779
Facilities acquisition, construction, and improvement services	17,235,794	17,310,333	-	-	17,235,794	17,310,333
Special items - loss	-	120,000	-	-	-	120,000
Interest	1,660,341	(383,510)	-	-	1,660,341	(383,510)
Food service	-	-	5,899,529	6,919,108	5,899,529	6,919,108
TOTAL EXPENSES	400,971,213	376,250,023	5,899,529	6,919,108	406,870,742	383,169,131
CHANGE IN NET POSITION	1,979,245	9,314,180	482,672	(684,026)	2,461,917	8,630,154

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

As noted earlier, the Central Bucks School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the Central Bucks School District's Governmental Funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Central Bucks School District's financing requirements. In addition, Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

CENTRAL BUCKS SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
YEAR ENDED JUNE 30, 2025

The General Fund is the chief operating fund of the Central Bucks School District. General Fund revenues of the Central Bucks School District come from three basic sources. The largest source was provided by local funding totaling \$310,340,214 (77.4%). State funding amounted to \$87,391,480 (21.8%). Federal funding amounted to \$3,496,614 (0.9%). According to State criteria, Central Bucks is a relatively wealthy district and, as such, State and Federal funding continue to provide a relatively small percentage (22.7%) of total School District revenue.

General Fund expenses of the School District fall into four major categories, and the changes are as follows:

	<u>2024-2025</u>	<u>2023-2024</u>	<u>Change</u>	
Instruction	\$ 253,284,374	\$ 236,386,129	\$ 16,898,245	7.1%
Support services	129,457,405	114,238,950	15,218,455	13.3%
Non-instructional	10,491,671	10,562,450	(70,779)	-0.7%
Debt service	<u>1,927,760</u>	<u>2,953,750</u>	<u>(1,025,990)</u>	-34.7%
TOTALS	\$ <u>395,161,210</u>	\$ <u>364,141,279</u>	\$ <u>31,019,931</u>	<u>8.52%</u>

Revenues were less than budgeted estimates by \$2,066,812 due to some state and local revenues that were lower than originally predicted. There were less gains than expected in interest income, community school child care, social security subsidies, and retirement subsidies. Expenses were also less than expected but by less than 2.1% of budget. Detail of budget to actual can be found in supplemental schedules.

Budgetary line transfers were required to meet actual expenditures, which exceeded original estimates. These transfers, all relatively immaterial, were approved by the Board throughout the year.

Regarding the General Fund balance, the Board of Directors has adopted a practice to maintain an Unassigned fund balance of the General Fund at a range of 3-5% of the subsequent year's budget and the state law is no higher than 8%. At the end of the current fiscal year, Unassigned fund balance is \$19,437,746, representing 4.49% of the subsequent year's budget amount of \$432,742,335. As it is the intent of the Board to use funds over the recommended range to build a reserve for future capital projects, there is a fund balance of approximately \$14,000,000 for a transfer from the General Fund to the Capital Project Fund along with \$10,000,000 for the grade realignment slated to occur in the 2026-2027 school year for which work began in the 2024-2025 school year. In addition to the Unassigned fund balance, there is also a Non-spendable fund balance of \$59,635 and other Assigned fund balance of \$36,519,740 which includes the transfers listed above and funds sets aside for additional future healthcare obligations (\$5,408,830), future real estate tax assessment appeals (\$1,369,230), a budgetary reserve to be used in future budget years as a supplement to revenues (\$5,741,680).

The Capital Project Fund has a total fund balance of \$63,495,870 as of the end of the current fiscal year, all of which is committed for capital improvements.

CENTRAL BUCKS SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
YEAR ENDED JUNE 30, 2025

FINANCIAL ANALYSIS OF PROPRIETARY FUND

The Central Bucks School District's Proprietary Fund provides the same type of information found in the government-wide financial statements, but in more detail. Net position of the Food Service Fund at the end of the year amounts to a balance of \$2,246,650, of which \$836,843 is the net investment in capital assets and \$1,409,807 is unrestricted. The Food Service Fund revenues are intended to offset daily operating costs to provide that service, such as labor, product, utilities, and equipment.

CAPITAL ASSETS

The Central Bucks School District's investment in capital assets for its governmental and business-type activities (net of accumulated depreciation) amounts to \$311,606,914 and \$836,843 respectively, as of June 30, 2025. The investment in capital assets includes land, construction in progress, site improvements, buildings and building improvements, machinery and equipment and vehicles. The construction in progress of \$10,207,423 as of June 30, 2025 reflects the expenditures recognized on construction contracts in progress as of the end of the year.

	Governmental Activities		Business-Type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Land	\$ 11,819,843	\$ 11,819,843	\$ -	\$ -	\$ 11,819,843	\$ 11,819,843
Construction in progress	10,207,423	14,204,731	-	-	10,207,423	14,204,731
Site improvements	18,978,904	16,942,714	-	-	18,978,904	16,942,714
Building and improvements	302,263,445	302,130,604	-	-	302,263,445	302,130,604
Vehicles	5,836,040	4,320,495	-	-	5,836,040	4,320,495
Machinery and equipment	8,566,907	9,177,597	836,843	823,907	9,403,750	10,001,504
Amortized assets	1,730,879	1,150,528	-	-	1,730,879	1,150,528
TOTAL	\$ 359,403,441	\$ 359,746,512	\$ 836,843	\$ 823,907	\$ 360,240,284	\$ 360,570,419

DEBT ADMINISTRATION

In the government-wide and the Proprietary Fund financial statements, outstanding debt is reported as liabilities.

For the year ended June 30, 2025, the School District had \$43,955,000 in future debt service requirements related to general obligation bonds, of which \$1,220,000 in principal and \$2,246,200 in interest is due within one year. Additional information on the School District's bonds payable can be found in Note G to the basic financial statements.

CENTRAL BUCKS SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
YEAR ENDED JUNE 30, 2025

General Fund Debt Schedule

Issue	Principal Balance as of 06/30/25	Payments Due 2025-2026		Retirement Date
		Principal	Interest	
2021	\$ 350,000	\$ 350,000	\$ 17,500	05/2026
2025	43,605,000	870,000	2,228,700	05/2050
TOTALS	\$ 43,955,000	\$ 1,220,000	\$ 2,246,200	

2024-2025 Average Rate of Interest = 5.00%

Year Ending June 30	Principal	Interest	Totals
2026	\$ 1,220,000	\$ 2,246,200	\$ 3,466,200
2027	960,000	2,136,750	3,096,750
TOTALS	\$ 2,180,000	\$ 4,382,950	\$ 6,562,950

CONTINUING DISCLOSURE

The downturn in the economy resulting from the pandemic has caused many homeowners and commercial property owners within the school district to file an appeal of the assessed value (taxable value) of their real estate. The tax assessment appeals, which had slowed since the time of the 2008 economic downturn, continued to tick up in the current fiscal year. The Central Bucks School District is a bedroom community and, as a percentage of tax parcels, has a small proportion of commercial properties. Starting in 2017-18, the district changed its accounting for potential real estate assessment appeals from a liability to an assignment of General Fund balance with a value of \$1.5M. This continued in the current year. Additionally, inflationary factors due to supply chain and energy constraints continue to put pressure on budgets across the state.

There will likely be continuing increases in the PSERS employer contribution rate over the near term as the funded rate of current pension liabilities goes from 63.6% as of 2022-23, to a projection of 80% funded by 2031-32.

There will be continued financial stress for 2025-26, 2026-27, and probably 2027-28 as the district transitions to full-day kindergarten in 2026-27. The process of creating space for full-day kindergarten involves moving the sixth-grade class from elementary schools into middle schools. The ninth-grade class will move from the middle schools into the high schools. Construction to create more space in the high schools and Mill Creek Elementary school should be complete early in the 2026-27 school year except for CB South High School which will have a later completion date due to its later construction start. In addition, a full-day Kindergarten program and transitioning the ninth grade into high school is likely to create the need for about 60 additional teaching and support staff positions. On a positive note, the district is seeing increased levels of earned income tax indicating continued wage growth in the district.

CENTRAL BUCKS SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
YEAR ENDED JUNE 30, 2025

REQUESTS FOR INFORMATION

This financial report is designed to provide a general financial overview of the Central Bucks District for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Central Bucks School District, Director of Finance, 20 Welden Drive, Doylestown, PA 18901.

CENTRAL BUCKS SCHOOL DISTRICT

STATEMENT OF NET POSITION

JUNE 30, 2025

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Cash and investments	\$ 135,220,525	\$ 1,423,794	\$ 136,644,319
Taxes receivable, net	9,821,328	-	9,821,328
Intergovernmental receivables	18,425,031	563,715	18,988,746
Other receivables	2,499,999	41,018	2,541,017
Inventories	59,635	-	59,635
Capital assets			
Leased assets			
Right to use assets	4,783,172	-	4,783,172
Accumulated amortization	(3,653,507)	-	(3,653,507)
SBITA assets			
Right to use assets	1,042,112	-	1,042,112
Accumulated amortization	(440,898)	-	(440,898)
Land and land improvements	11,819,843	-	11,819,843
Construction in progress	10,207,423	-	10,207,423
Buildings and building improvements	685,688,014	-	685,688,014
Site improvements	47,025,315	-	47,025,315
Machinery and equipment	30,688,630	4,088,509	34,777,139
Vehicles	18,178,452	-	18,178,452
Accumulated depreciation	(445,935,115)	(3,251,666)	(449,186,781)
TOTAL ASSETS	525,429,959	2,865,370	528,295,329
DEFERRED OUTFLOW OF RESOURCES			
Deferred outflows of resources for postemployment benefit liabilities	14,226,764	-	14,226,764
Deferred outflows of resources for pension	77,592,000	-	77,592,000
TOTAL DEFERRED OUTFLOWS OF RESOURCES	91,818,764	-	91,818,764
LIABILITIES			
Accounts payable	8,756,403	444,012	9,200,415
Accrued salaries and benefits	37,905,644	-	37,905,644
Accrued interest	286,832	-	286,832
Unearned revenue	188,661	174,708	363,369
Noncurrent liabilities			
Current portion of long-term obligations			
Bonds and notes payable	1,220,000	-	1,220,000
Compensated absences	9,133,121	-	9,133,121
Lease liabilities	560,318	-	560,318
SBITA liabilities	211,830	-	211,830
Due in more than one year			
Bonds and notes payable	42,735,000	-	42,735,000
Bond premiums, net	1,958,133	-	1,958,133
Compensated absences	29,636,385	-	29,636,385
Lease liabilities	573,396	-	573,396
SBITA liabilities	381,506	-	381,506
Net pension liability	490,875,000	-	490,875,000
Net OPEB liability	85,199,232	-	85,199,232
TOTAL LIABILITIES	709,621,461	618,720	710,240,181
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources for postemployment benefit liabilities	35,412,112	-	35,412,112
Deferred inflows of resources for pension	11,657,000	-	11,657,000
Deferred amount on refundings, net	156,344	-	156,344
TOTAL DEFERRED INFLOWS OF RESOURCES	47,225,456	-	47,225,456
NET POSITION			
Net investment in capital assets	311,606,914	836,843	312,443,757
Unrestricted	(451,205,108)	1,409,807	(449,795,301)
TOTAL NET POSITION	\$ (139,598,194)	\$ 2,246,650	\$ (137,351,544)

See accompanying notes to the basic financial statements.

CENTRAL BUCKS SCHOOL DISTRICT

STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2025

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
Instruction				
Regular programs-elementary/secondary	\$ 165,152,201	\$ 654,963	\$ 46,417,432	\$ -
Special programs-elementary/secondary	68,360,492	-	17,804,634	-
Vocational educational programs	5,867,219	-	-	-
Other instructional programs-elementary/secondary	4,700,881	-	1,315,130	-
Non-public school programs	33,241	-	-	-
TOTAL INSTRUCTION	<u>244,114,034</u>	<u>654,963</u>	<u>65,537,196</u>	<u>-</u>
Support services				
Pupil personnel	17,473,779	-	2,202,614	-
Instructional staff	21,679,659	-	2,025,399	-
Administration services	20,626,158	-	2,245,083	-
Pupil health	4,844,748	-	947,316	-
Business services	2,339,265	-	272,841	-
Operation and maintenance of plant services	30,281,115	-	2,472,683	-
Student transportation	24,708,186	-	4,727,369	-
Central	5,760,583	-	322,277	-
Other support services	229,570	-	-	-
TOTAL SUPPORT SERVICES	<u>127,943,063</u>	<u>-</u>	<u>15,215,582</u>	<u>-</u>
Operation of noninstructional services				
Student activities	6,589,190	-	749,433	-
Community services	3,428,791	-	3,786,384	-
TOTAL OPERATION OF NONINSTRUCTIONAL SERVICES	<u>10,017,981</u>	<u>-</u>	<u>4,535,817</u>	<u>-</u>
Facilities acquisition, construction, and improvement services	17,235,794	-	-	358,934
Interest on long-term debt	1,660,341	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES	<u>400,971,213</u>	<u>654,963</u>	<u>85,288,595</u>	<u>358,934</u>
BUSINESS-TYPE ACTIVITIES				
Food service	5,899,529	4,013,669	2,323,998	-
TOTAL SCHOOL DISTRICT ACTIVITIES	<u>\$ 406,870,742</u>	<u>\$ 4,668,632</u>	<u>\$ 87,612,593</u>	<u>\$ 358,934</u>

GENERAL REVENUES

Taxes

Property taxes, levied for general purposes

Earned income taxes

Public utility taxes

Grants, subsidies, contributions not restricted

Investment earnings

Gain on sale of capital assets

Miscellaneous

TOTAL GENERAL REVENUES

CHANGE IN NET POSITION

NET POSITION AT BEGINNING OF YEAR, AS PREVIOUSLY PRESENTED

RESTATEMENTS

NET POSITION AT BEGINNING OF YEAR, AS RESTATED

NET POSITION AT END OF YEAR

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Totals
\$ (118,079,806)	\$ -	\$ (118,079,806)
(50,555,858)	-	(50,555,858)
(5,867,219)	-	(5,867,219)
(3,385,751)	-	(3,385,751)
(33,241)	-	(33,241)
<u>(177,921,875)</u>	<u>-</u>	<u>(177,921,875)</u>
(15,271,165)	-	(15,271,165)
(19,654,260)	-	(19,654,260)
(18,381,075)	-	(18,381,075)
(3,897,432)	-	(3,897,432)
(2,066,424)	-	(2,066,424)
(27,808,432)	-	(27,808,432)
(19,980,817)	-	(19,980,817)
(5,438,306)	-	(5,438,306)
(229,570)	-	(229,570)
<u>(112,727,481)</u>	<u>-</u>	<u>(112,727,481)</u>
(5,839,757)	-	(5,839,757)
357,593	-	357,593
<u>(5,482,164)</u>	<u>-</u>	<u>(5,482,164)</u>
(16,876,860)	-	(16,876,860)
(1,660,341)	-	(1,660,341)
<u>(314,668,721)</u>	<u>-</u>	<u>(314,668,721)</u>
-	438,138	438,138
<u>(314,668,721)</u>	<u>438,138</u>	<u>(314,230,583)</u>
268,253,607	-	268,253,607
36,217,225	-	36,217,225
599,155	-	599,155
2,277,063	-	2,277,063
8,857,018	44,534	8,901,552
33,750	-	33,750
410,148	-	410,148
<u>316,647,966</u>	<u>44,534</u>	<u>316,692,500</u>
1,979,245	482,672	2,461,917
<u>(103,081,732)</u>	<u>1,365,044</u>	<u>(101,716,688)</u>
(38,495,707)	398,934	(38,096,773)
<u>(141,577,439)</u>	<u>1,763,978</u>	<u>(139,813,461)</u>
<u>\$ (139,598,194)</u>	<u>\$ 2,246,650</u>	<u>\$ (137,351,544)</u>

CENTRAL BUCKS SCHOOL DISTRICT**BALANCE SHEET****GOVERNMENTAL FUNDS****YEAR ENDED JUNE 30, 2025**

	General Fund	Capital Projects	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 67,991,824	\$ 67,228,701	\$ 135,220,525
Taxes receivable	9,821,328	-	9,821,328
Interfund receivables	41,695	-	41,695
Due from other governments	18,425,031	-	18,425,031
Other receivables	2,499,999	-	2,499,999
Inventories	59,635	-	59,635
TOTAL ASSETS	<u>\$ 98,839,512</u>	<u>\$ 67,228,701</u>	<u>\$ 166,068,213</u>
LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 5,065,267	\$ 3,691,136	\$ 8,756,403
Accrued salaries and benefits	34,904,439	-	34,904,439
Interfunds payables	-	41,695	41,695
Unearned revenue	188,661	-	188,661
TOTAL LIABILITIES	<u>40,158,367</u>	<u>3,732,831</u>	<u>43,891,198</u>
DEFERRED INFLOW OF RESOURCES			
Unavailable revenue-property taxes	<u>2,664,024</u>	<u>-</u>	<u>2,664,024</u>
FUND BALANCES			
Nonspendable			
Inventories	59,635	-	59,635
Committed			
Capital projects	-	63,495,870	63,495,870
Assigned			
Budgetary reserve	5,741,680	-	5,741,680
Healthcare	5,408,830	-	5,408,830
Tax assessment appeals	1,369,230	-	1,369,230
Capital projects	14,000,000	-	14,000,000
Structural and programmatic changes	10,000,000	-	10,000,000
Unassigned fund balance	19,437,746	-	19,437,746
TOTAL FUND BALANCES	<u>56,017,121</u>	<u>63,495,870</u>	<u>119,512,991</u>
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES	<u>\$ 98,839,512</u>	<u>\$ 67,228,701</u>	<u>\$ 166,068,213</u>

See accompanying notes to the basic financial statements.

CENTRAL BUCKS SCHOOL DISTRICT

RECONCILIATION OF TOTAL GOVERNMENTAL FUNDS BALANCE TO NET POSITION OF GOVERNMENTAL ACTIVITIES JUNE 30, 2025

TOTAL GOVERNMENTAL FUNDS BALANCES	\$ 119,512,991
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Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of assets is \$803,607,677, and the accumulated depreciation is \$445,935,115.

357,672,562

Right to use assets used in governmental activities are not current financial resources, and therefore are not reported in the fund. These assets consist of:

Leased assets

Right to use assets

4,783,172

Accumulated amortization

(3,653,507)

SBITA assets

Right to use assets

1,042,112

Accumulated amortization

(440,898)

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

Accrued interest

(286,832)

Bonds payable

(43,955,000)

Bond premiums

(1,958,133)

Deferred amounts on refundings, net of amortization

(156,344)

Lease obligations

(1,133,714)

Subscription-based technology arrangement obligations

(593,336)

Compensated absences

(38,769,506)

Net OPEB liability, net of related deferred outflows and inflows

(106,384,580)

Net pension liability, net of related deferred outflows and inflows

(424,940,000)

Long-term liabilities, including claims liabilities for self-insurance programs, are not due and payable in the current period and therefore are not reported in the governmental funds. The government-wide statements recognize the full estimated liability for claims, including incurred-but-not-reported (IBNR) amounts.

(3,001,205)

Some of the District's revenues will be collected after year end but are not available soon enough to pay for the current period's expenditures and, therefore, are unavailable in the funds:

Unavailable revenue - property taxes

2,664,024

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES	\$ <u>(139,598,194)</u>
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See accompanying notes to the basic financial statements.

CENTRAL BUCKS SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2025

	General Fund	Capital Projects	Total Governmental Funds
REVENUES			
Local sources	\$ 310,340,214	\$ 1,348,908	\$ 311,689,122
State sources	87,391,480	-	87,391,480
Federal sources	3,496,614	-	3,496,614
TOTAL REVENUES	<u>401,228,308</u>	<u>1,348,908</u>	<u>402,577,216</u>
EXPENDITURES			
Instruction	253,284,374	742,378	254,026,752
Support services	129,457,405	9,858,514	139,315,919
Operation of non-instructional services	10,491,671	-	10,491,671
Facilities acquisition, construction, and improvement services	-	15,403,726	15,403,726
Debt service	1,927,760	463,469	2,391,229
TOTAL EXPENDITURES	<u>395,161,210</u>	<u>26,468,087</u>	<u>421,629,297</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>6,067,098</u>	<u>(25,119,179)</u>	<u>(19,052,081)</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of fixed assets	33,750	-	33,750
SBITA	835,380	-	835,380
Leases issued (as lessee)	-	1,201,000	1,201,000
Issuance of general obligation bonds	-	43,605,000	43,605,000
Premiums on bond issuances	-	1,821,870	1,821,870
Interfund transfers in	-	14,750,000	14,750,000
Interfund transfers out	(14,750,000)	-	(14,750,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(13,880,870)</u>	<u>61,377,870</u>	<u>47,497,000</u>
NET CHANGE IN FUND BALANCES	(7,813,772)	36,258,691	28,444,919
FUND BALANCES - BEGINNING	<u>63,830,893</u>	<u>27,237,179</u>	<u>91,068,072</u>
FUND BALANCES - ENDING	<u>\$ 56,017,121</u>	<u>\$ 63,495,870</u>	<u>\$ 119,512,991</u>

See accompanying notes to the basic financial statements.

CENTRAL BUCKS SCHOOL DISTRICT
RECONCILIATION OF NET CHANGE IN FUND BALANCES -
GOVERNMENTAL FUNDS TO CHANGE IN NET POSITION
OF GOVERNMENTAL ACTIVITIES
YEAR ENDED JUNE 30, 2025

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS \$ 28,444,919

Capital outlays are reported in Governmental Funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation or amortization expense. This is the amount by which depreciation and amortization exceeded capital outlays in the period.

Capital outlays	\$ 23,210,130	
Less depreciation and amortization expense	<u>(23,553,201)</u>	(343,071)

Because some revenues will not be collected within sixty days of the District's fiscal year; those revenues are not considered as "available" revenues in the governmental funds. 339,492

In the Statement of Activities, certain operating expenses - compensated absences (vacations and sick leave) - are measured by the amounts earned during the year. In the governmental funds, expenditures for these items are measured by the amount of financial resources used (the amounts actually paid). (1,226,508)

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

Accrued interest expense	(276,296)	
Pension expense	19,489,809	
Other post-employment benefits (OPEB) expense	<u>(978,317)</u>	18,235,196

Governmental funds report expenditures for claims when they are paid, whereas the government-wide statements recognize expenses when the related liabilities are incurred. This is the change in the estimated self-insurance claims liability, including IBNR amounts: 601,505

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to Governmental Funds, while the repayment of the principal of long-term debt consumes the current financial resources of Governmental Funds. Neither transaction, however, has any effect on net position. In addition, Governmental Funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Bond issued	(43,605,000)	
Premium	(1,821,870)	
SBITA issued	(835,380)	
Lease issued	(1,201,000)	
Repayment of bond principal	1,345,000	
Amortization of bond premiums and refundings	912,701	
Repayment of lease obligations	822,153	
Repayment of subscription-based technology arrangement obligations	<u>311,108</u>	(44,072,288)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 1,979,245

See accompanying notes to the basic financial statements.

CENTRAL BUCKS SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2025

	<u>Food Service Fund</u>
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 1,423,794
Due from other governments	563,715
Other receivables	<u>41,018</u>
TOTAL CURRENT ASSETS	<u>2,028,527</u>
NONCURRENENT ASSETS	
Machinery and equipment	4,088,509
Accumulated depreciation	<u>(3,251,666)</u>
TOTAL NONCURRENT ASSETS	<u>836,843</u>
TOTAL ASSETS	<u>2,865,370</u>
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	444,012
Unearned revenue	<u>174,708</u>
TOTAL CURRENT LIABILITIES	<u>618,720</u>
TOTAL LIABILITIES	<u>618,720</u>
NET POSITION	
Net investment in capital assets	836,843
Unrestricted	<u>1,409,807</u>
TOTAL NET POSITION	<u>\$ 2,246,650</u>

See accompanying notes to the basic financial statements.

CENTRAL BUCKS SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2025

	<u>Food Service Fund</u>
OPERATING REVENUES	
Food service revenue	\$ <u>4,013,669</u>
OPERATING EXPENSES	
Purchased professional and technical services	9,450
Purchased property services	139,192
Other purchased services	5,641,769
Supplies	21,214
Depreciation	87,904
TOTAL OPERATING EXPENSES	<u>5,899,529</u>
OPERATING LOSS	<u>(1,885,860)</u>
NONOPERATING REVENUES	
Earnings on investments	44,534
State sources	688,504
Federal sources	1,635,494
TOTAL NONOPERATING REVENUES	<u>2,368,532</u>
CHANGE IN NET POSITION	482,672
NET POSITION AT BEGINNING OF YEAR, AS PREVIOUSLY PRESENTED	<u>1,365,044</u>
RESTATEMENT	398,934
NET POSITION AT BEGINNING OF YEAR, AS RESTATED	<u>1,763,978</u>
NET POSITION AT END OF YEAR	\$ <u><u>2,246,650</u></u>

See accompanying notes to the basic financial statements.

CENTRAL BUCKS SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2025

	<u>Food Service Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from users	\$ 4,049,416
Cash payments to suppliers for goods and services	<u>(5,504,562)</u>
NET CASH USED BY OPERATING ACTIVITIES	<u>(1,455,146)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State sources	678,859
Federal sources	<u>1,353,440</u>
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	<u>2,032,299</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of property and equipment	<u>(100,840)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Earnings on investments	<u>44,534</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	520,847
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>902,947</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 1,423,794</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES	
Operating loss	\$ (1,885,860)
Adjustments to reconcile operating loss to net cash used by operating activities	
Depreciation	87,904
Donated commodities	321,740
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources	
Decrease in	
Due from other funds	125,748
(Decrease) in	
Accounts payable	(14,677)
Unearned revenue	<u>(90,001)</u>
NET CASH USED BY OPERATING ACTIVITIES	<u><u>\$ (1,455,146)</u></u>
NONCASH NONCAPITAL FINANCING ACTIVITIES	
USDA donated commodities	<u><u>\$ 321,740</u></u>

See accompanying notes to the basic financial statements.

CENTRAL BUCKS SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2025

	Private-Purpose Trust Funds	Custodial Fund
ASSETS		
Cash	\$ <u>83,243</u>	\$ <u>1,760,781</u>
TOTAL ASSETS	<u>83,243</u>	<u>1,760,781</u>
NET POSITION		
Restricted for scholarships	83,243	-
Restricted for custodial purposes	<u>-</u>	<u>1,760,781</u>
TOTAL NET POSITION	\$ <u><u>83,243</u></u>	\$ <u><u>1,760,781</u></u>

See accompanying notes to the basic financial statements.

CENTRAL BUCKS SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2025

	Private-Purpose Trust Funds	Custodial Fund
ADDITIONS		
Gifts and contributions		
For scholarships	\$ 10,702	\$ -
Revenue from student sponsored activities	-	4,840,936
Interest	2,966	-
	<u>13,668</u>	<u>4,840,936</u>
TOTAL ADDITIONS		
	<u>13,668</u>	<u>4,840,936</u>
DEDUCTIONS		
Scholarships awarded	35,243	-
Student sponsored activities	-	4,773,725
	<u>35,243</u>	<u>4,773,725</u>
TOTAL DEDUCTIONS		
	<u>35,243</u>	<u>4,773,725</u>
CHANGE IN FIDUCIARY NET POSITION	(21,575)	67,211
NET POSITION AT BEGINNING OF YEAR	<u>104,818</u>	<u>1,693,570</u>
NET POSITION AT END OF YEAR	<u>\$ 83,243</u>	<u>\$ 1,760,781</u>

See accompanying notes to the basic financial statements.

CENTRAL BUCKS SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

Joint Venture

The School District is a participating school district in Middle Bucks Institute of Technology (the "Institute"), which was organized and is governed by a group of four school districts located in Bucks County, Pennsylvania. The Institute provides career and vocational education to high school students who are residents of the participating school districts, as well as out- of-school adults. Each school district is responsible for a share of the operating budget based on student enrollment using a formula described within the Articles of Agreement of the joint venture. Continuing education for out-of-school adults receives no school district funding.

The value of the School District's interest in the Institute as of June 30, 2025 has not been determined and is not reflected in these financial statements. As of June 30, 2025, the total net position of the Institute's governmental activities was \$(1,442,170) and the total fund balance of the Institute's governmental funds was \$618,137.

Audited financial statements of the Institute can be obtained at their administrative offices at: Middle Bucks Institute of Technology, 2740 York Road, Jamison, PA 18929.

CENTRAL BUCKS SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation and Accounting

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities.

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

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

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

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

Fund Financial Statements

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

CENTRAL BUCKS SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Proprietary funds are used to account for operations (1) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (2) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of the fund are included on the statement of net position. The statement of revenues, expenses, and changes in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net position. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the School District's proprietary fund are charges to customers for sales and services. Operating expenses for the proprietary fund include cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Fiduciary funds are reported using the economic resources measurement focus.

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

CENTRAL BUCKS SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Accounting

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

Governmental Funds

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

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

Proprietary Fund

Food Service Fund - The Food Service Fund is used to account for the School District's food service operations that are operated in a manner similar to for-profit business enterprises. The fund accounts for all revenues, food purchases, and costs and expenses for its food service program.

Fiduciary Funds

Private-Purpose Trust Funds - The School District's trust funds account for the receipts and disbursements of monies contributed to the School District for scholarships and memorials.

Custodial Fund - The custodial fund accounts for the receipts and disbursements of monies from student activity organizations. These organizations exist at the explicit approval, subject to revocation, of the School District's governing body. This accounting reflects the School District's custodial relationship with the student activity organizations.

CENTRAL BUCKS SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

The School District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Cash and cash equivalents include deposits in the Pennsylvania School District Liquid Asset Fund ("PSDLAF"). PSDLAF was established as a common law trust organized under the laws of the Commonwealth of Pennsylvania. Shares of the PSDLAF are offered to certain Pennsylvania school districts, intermediate units, and area vocational- technical schools. The purpose of the PSDLAF is to enable governmental units to pool their available funds for investment in instruments authorized by Section 440.1 of the Pennsylvania Public School Code of 1949, as amended.

Investments

The deposit and investment policy of the School District adheres to state statutes. There were no deposit or investment transactions during the year that were in violation of either the state statutes or the policy of the School District.

Short-Term Interfund Receivables/Payables

During the course of operations, transactions may occur between individual funds for interfund reimbursements or transfers. These receivables and payables are classified as "interfund receivables" or "interfund payables" on the governmental funds balance sheet. These amounts are eliminated in the statement of net position, except for amounts due between governmental and business-type activities which, when present, are shown as internal balances.

Inventories

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

Capital Assets and Depreciation

Capital assets, which include land and land improvements, buildings and building improvements, construction in progress, furniture, fixtures, equipment, vehicles, and right-to-use assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The School District defines a capital asset as an asset with an initial individual cost equal to or greater than \$5,000 or purchased with debt proceeds and must also have an estimated useful life in excess of one year. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

CENTRAL BUCKS SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

	<u>Years</u>
Land improvements, buildings and building improvements	15-40
Furniture, fixtures, and equipment, and right-to-use assets	5-20
Vehicles	8

Unearned Revenue

Unearned revenue arises when assets are recognized before the revenue recognition criteria have been satisfied. Unearned revenue arises when resources are received by the School District before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when revenue recognition criteria are met or when the School District has a legal claim to the resources, the liability for unearned revenue is removed from the governmental funds balance sheet and revenue is recognized.

Long-Term Obligations

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

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

CENTRAL BUCKS SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences

Full-time School District employees (excluding teachers) earn vacation based on job classifications and length of service. Unused vacation pay is due upon termination. School District employees accumulate sick time in accordance with their applicable contracts. Compensated absences are reported as accrued in the government-wide financial statements. Governmental funds report only matured compensated absences payable to currently terminated employees and are included in accrued salaries and benefits.

The School District implemented GASB Statement No. 101, Compensated Absences, effective July 1, 2024. The objective of GASB 101 is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. In accordance with GASB Statement No. 101, when the School District presents the net change in compensated absences rather than gross additions and reductions, this presentation is disclosed in the notes to the financial statements. This presentation is disclosed in Note G to the financial statements.

The adoption of GASB 101 did have a material impact on the financial statements. See Note M for additional information.

CENTRAL BUCKS SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The School District has two items that qualify for reporting in this category, which include deferred outflow of resources related to pension activity and deferred outflows of resources related to other post-employment benefits (OPEB) activity, which is reported in the government-wide statement of net position.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The School District has four items that qualify for reporting in this category. The first item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. The second item, deferred inflows related to pension activity, is reported in the government-wide statement of net position. The third item, deferred inflows related to other post-employment benefits (OPEB) activity, is reported in the government-wide statement of net position. The fourth item is the School District's deferred amount on refunding, which is reported net of accumulated amortization on the government-wide statement of net position. The deferred amount on refunding is the result of deferred charges on debt refundings. A deferred charge on refunding results from the difference in the carrying value of refunded debt, reacquisition price, and any unamortized premium/discount on the refunded debt. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Net Position

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

CENTRAL BUCKS SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balances

Fund balances are classified as follows:

- *Non-spendable* - Amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.
- *Restricted* - Amounts that can be spent only for specific purposes because of state or federal laws or externally imposed conditions by grantors or creditors.
- *Committed* - Amounts constrained to specific purposes by the School District itself, using its highest level of decision-making authority (the Board of School Directors). To be reported as committed, amounts cannot be used for any other purpose unless the School District takes the same highest-level action to remove or change the constraint.
- *Assigned* - Amounts the School District intends to use for a specific purpose. Intent can be expressed by the Board of School Directors or by an official or body to which the Board of School Directors delegates the authority. The School Board has delegated such authority to the Chief Financial Officer.
- *Unassigned* - All amounts not included in other spendable classifications.

The Board of Directors establishes (and modifies or rescinds) fund balance commitments by passage of a motion. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a commitment of the fund. Assigned fund balance is intended to be used by the School District for specific purposes but does not meet the criteria to be classified as restricted or committed.

The details of the fund balances are included in the governmental funds balance sheet. Restricted funds are used first, followed by committed resources and then assigned resources, to the extent that expenditure authority has been budgeted by the Board of School Directors. The School District does reserve the right to first reduce unassigned fund balance to defer the use of these other classified funds. In the event that unassigned fund balance becomes zero, then assigned and committed fund balances are used in that order.

Use of Estimates

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

CENTRAL BUCKS SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE B - CASH AND INVESTMENTS

Cash

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits may not be returned to it. The School District's policy is that all monies be invested in accordance with the Pennsylvania Public School Code of 1949, as amended. As of June 30, 2025, the total bank balance of the School District's deposits was \$140,921,151, of which \$2,240,376 was insured, \$124,292,651 was uninsured but collateralized with securities held by the pledging bank's trust department not in the School District's name, and \$14,388,124 was held in the Pennsylvania School District Liquid Asset Fund (PSDLAF) and are uninsured. 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 the objective is to maintain a stable net asset value of \$1 per share, is rated by a nationally recognized statistical rating organization and is subject to an independent annual audit.

As of June 30, 2025, the School District had a \$50,000,000 irrevocable stand-by letter of credit issued by the Federal Home Loan Bank of Pittsburgh, expiring on December 22, 2025, that served as collateral for the School District's deposits.

Interest Rate Risk

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

Credit Risk

State law permits the School District to invest funds in the following types of investments:

- Obligations of the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America
- Obligations of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth
- Obligations of any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision

As of June 30, 2025, the School District had no investments.

CENTRAL BUCKS SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE C - TAXES

The School Board is authorized by state law to levy property taxes for School District operations, capital improvements, and debt service. In addition, the School District levies a 0.5% earned income tax. Property taxes are based on assessed valuations of real property within the School District.

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

Discount period	July 1 to August 31 - 2% of gross levy
Face period	September 1 to October 31
Penalty period	November 1 to collection - 10% of gross levy
Lien date	January 1

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

NOTE D - TAXES RECEIVABLE

Taxes receivable as of June 30, 2025 consisted of earned income taxes, real estate taxes, and real estate transfer taxes. All taxes receivables are considered fully collectible. A summary of taxes receivable is as follows:

Earned income taxes	\$ 6,014,232
Real estate taxes	2,820,033
Real estate transfer taxes	<u>987,063</u>
TOTAL	\$ <u>9,821,328</u>

CENTRAL BUCKS SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE E - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund Receivables and Payables

The composition of interfund balances as of June 30, 2025, is as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General fund	\$ 41,695	\$ -
Capital project fund	<u>-</u>	<u>41,695</u>
	<u>\$ 41,695</u>	<u>\$ 41,695</u>

Interfund balances as of June 30, 2025 included the following:

- A \$41,695 interfund balance due from the capital projects fund to the general fund is related to capital project fund expenditures paid by the general fund that had not been reimbursed as of June 30, 2025.

Interfund Transfers

The School District typically transfers funds from the general fund to the capital project fund to pay for improvements and capital acquisitions. Transfers from the general fund to the capital Project Fund totaled \$14,750,000 during the year ended June 30, 2025.

CENTRAL BUCKS SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE F - CAPITAL ASSETS

A summary of changes in capital assets is as follows:

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 11,819,843	\$ -	\$ -	\$ 11,819,843
Construction in progress	14,204,731	16,255,132	(20,252,440)	10,207,423
TOTAL CAPITAL ASSETS NOT BEING DEPRECIATED	26,024,574	16,255,132	(20,252,440)	22,027,266
Capital assets being depreciated				
Site improvements	43,265,526	3,759,789	-	47,025,315
Buildings and building improvements	667,474,491	18,213,523	-	685,688,014
Machinery and equipment	30,350,604	338,026	-	30,688,630
Vehicles	18,796,377	2,859,720	(3,477,645)	18,178,452
TOTAL CAPITAL ASSETS BEING DEPRECIATED	759,886,998	25,171,058	(3,477,645)	781,580,411
Accumulated depreciation				
Site improvements	(26,322,812)	(1,723,599)	-	(28,046,411)
Buildings and building improvements	(365,343,887)	(18,080,682)	-	(383,424,569)
Machinery and equipment	(21,173,007)	(948,716)	-	(22,121,723)
Vehicles	(14,475,882)	(1,344,175)	3,477,645	(12,342,412)
TOTAL ACCUMULATED DEPRECIATION	(427,315,588)	(22,097,172)	3,477,645	(445,935,115)
TOTAL CAPITAL ASSETS BEING DEPRECIATED, net	332,571,410	3,073,886	-	335,645,296
Capital assets being amortized				
Right-to-use assets - equipment	3,582,172	1,201,000	-	4,783,172
Right-to-use-assets -subscription-based information technology arrangements	666,873	835,380	(460,141)	1,042,112
TOTAL CAPITAL ASSETS BEING AMORTIZED	4,249,045	2,036,380	(460,141)	5,825,284
Accumulated amortization				
Right-to-use assets - equipment	(2,503,897)	(1,149,610)	-	(3,653,507)
Right-to-use-assets -subscription-based information technology arrangements	(594,620)	(306,419)	460,141	(440,898)
TOTAL ACCUMULATED AMORTIZATION	(3,098,517)	(1,456,029)	460,141	(4,094,405)
TOTAL CAPITAL ASSETS BEING AMORTIZED, net	1,150,528	580,351	-	1,730,879
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, net	\$ 359,746,512	\$ 19,329,018	\$ (20,252,440)	\$ 359,403,441
BUSINESS-TYPE ACTIVITIES				
Capital assets being depreciated				
Machinery and equipment	\$ 3,987,669	\$ 100,840	\$ -	\$ 4,088,509
Accumulated depreciation	(3,163,762)	(87,904)	-	(3,251,666)
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, net	\$ 823,907	\$ 12,936	\$ -	\$ 836,843

CENTRAL BUCKS SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE F - CAPITAL ASSETS (Continued)

Depreciation and amortization expense was charged to governmental functions as follows:

Instruction - regular programs	\$ 2,479,303
Operation and maintenance of plant	243,069
Student transportation services	1,701,482
Central services	437,524
Facilities	<u>17,235,794</u>
 TOTAL	 \$ <u><u>22,097,172</u></u>

NOTE G - LONG-TERM DEBT

General Obligation Bonds

The School District issues general obligation bonds to provide funds for acquisition and construction of major capital facilities or to refund prior year bond issues. General obligation bonds are direct obligations and pledge the full faith and credit of the School District.

Bonds outstanding as of June 30, 2025 include the following bond issue:

- *Series of 2021:* The remaining bonds are stated to mature on May 15 of each year from 2025 through 2026 inclusive, with interest payable semi-annually on May 15 and November 15 of each year. The interest rate on the bonds is 5%.
- *Series of 2025:* The School District issued new Series of 2025 bonds. The remaining bonds are stated to mature on May 15 of each year from 2026 through 2050 inclusive, with interest payable semi-annually on May 15 and November 15 of each year. The interest rate on the bonds is 5%.

Certain bonds have been defeased in substance by placing an amount in irrevocable trusts to provide for all future debt service payments on the refunded bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the financial statements.

CENTRAL BUCKS SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE G - LONG-TERM DEBT (Continued)

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 1,220,000	\$ 2,246,200	\$ 3,466,200
2027	960,000	2,136,750	3,096,750
2028	1,010,000	2,088,750	3,098,750
2029	1,060,000	2,038,250	3,098,250
2030	1,110,000	1,985,250	3,095,250
2031-2035	6,450,000	9,035,000	15,485,000
2036-2040	8,235,000	7,252,750	15,487,750
2041-2045	10,500,000	4,978,750	15,478,750
2046-2050	13,410,000	2,077,000	15,487,000
TOTALS	\$ <u>43,955,000</u>	\$ <u>33,838,700</u>	\$ <u>77,793,700</u>

General obligation bond debt service payments are made from the School District's general fund.

Long-Term Lease Obligations

The School District leases certain equipment under various long-term leases. For the government-wide financial statements, the lease obligations are reported as debt and the related assets are included in right-to-use assets. For the fund financial statements, the proceeds from the financing are reported as proceeds from financed purchases in the year the lease was initiated, and subsequent lease payments are classified as debt service expenditures. Actual or imputed interest rates on the long-term leases range from 3.64% to 5.867%.

Future required payments under these leases are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 560,318	\$ 42,228	\$ 602,546
2027	<u>573,396</u>	<u>21,149</u>	<u>594,545</u>
TOTALS	\$ <u>1,133,714</u>	\$ <u>63,377</u>	\$ <u>1,197,091</u>

Lease payments are made from the School District's general fund and capital project fund.

CENTRAL BUCKS SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE G - LONG-TERM DEBT (Continued)

Summary

Long-term liability activity for the year ended June 30, 2025 was as follows:

	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025	Due Within One Year
General obligation bonds					
Series of 2021	\$ 1,695,000	\$ -	\$ (1,345,000)	\$ 350,000	\$ 350,000
Series of 2025	-	43,605,000	-	43,605,000	870,000
TOTAL GENERAL OBLIGATION BONDS	1,695,000	43,605,000	(1,345,000)	43,955,000	1,220,000
Bond premiums	448,154	1,821,870	(311,891)	1,958,133	-
TOTAL GENERAL OBLIGATION BONDS, net	2,143,154	45,426,870	(1,656,891)	45,913,133	1,220,000
Long-term lease obligations	754,867	1,201,000	(822,153)	1,133,714	560,318
Subscription-based technology arrangement obligations	69,064	835,380	(311,108)	593,336	211,830
Compensated absences	37,542,998	1,226,510	-	38,769,508	9,133,121
Net pension obligation	514,440,000	-	(23,565,000)	490,875,000	-
Net OPEB obligation	98,234,044	-	(13,034,812)	85,199,232	-
TOTAL LONG-TERM LIABILITIES	\$ 653,184,127	\$ 48,689,760	\$ (39,389,964)	\$ 662,483,923	\$ 11,125,269

NOTE H - DEFERRED INFLOWS OF RESOURCES AND UNAVAILABLE AND UNEARNED REVENUE

General Fund

Unearned revenue represents revenue collected before the revenue is earned by the School District.

Unavailable revenue represents delinquent tax revenues earned but not collected within 60 days subsequent to the School District's year-end. It is expected that these receivables will be collected and included in revenues of future fiscal years. In the governmental funds financial statements, these receivables are reported as deferred inflows of resources.

Food Service Fund

Unearned revenue represents the total balance of amounts paid by students in advance of meals served.

CENTRAL BUCKS SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE I - DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan Description

The Public School Employees' Retirement System (PSERS) is a governmental cost-sharing multi-employer defined benefit pension plan that provides retirement benefits to public school employees of the Commonwealth of Pennsylvania.

The members eligible to participate in the System include all full-time public school employees, part-time hourly public school employees who render at least 500 hours of service in the school year, and part-time per-diem public school employees who render at least 80 days of service in the school year in any of the reporting entities in Pennsylvania. PSERS issues a publicly available financial report that can be obtained at www.pa.gov/PSERS.

Benefits Provided

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

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

Benefits are generally equal to 1% to 2.5%, depending upon membership class, of the members' 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.

CENTRAL BUCKS SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE I - DEFINED BENEFIT 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.

Member Contributions

The contribution rates based on qualified member compensation for virtually all members are presented below:

Member Contribution Rates				
Membership Class	Continuous Employment Since	Defined Benefit (DB) Contribution Rate	DC Contribution Rate	Total Contribution Rate
T-C	Prior to July 22, 1983	5.25%	N/A	5.25%
				6.25%
T-C	On or after July 22, 1983	6.25%	N/A	6.25%
T-D	Prior to July 22, 1983	6.50%	N/A	6.50%
T-D	On or after July 22, 1983	7.50%	N/A	7.50%
T-E	On or after July 1, 2011	7.50% base rate with shared risk provision	N/A	Prior to 7/1/21: 7.50%
				After 7/1/21: 8.00%
T-F	On or after July 1, 2011	10.30% base rate with shared risk provision	N/A	Prior to 7/1/21: 10.3%
				After 7/1/21: 10.8%
T-G	On or after July 1, 2019	5.50% base rate with shared risk provision	2.75%	Prior to 7/1/21: 8.25%
				After 7/1/21: 9.0%
T-H	On or after July 1, 2019	4.50% base rate with shared risk provision	3.00%	Prior to 7/1/21: 7.50%
				After 7/1/21: 8.25%
DC	On or after July 1, 2019	N/A	7.50%	7.50%

Shared Risk Program Summary				
Membership Class	Defined Benefit (DB) Base Rate	Shared Risk Increment	Minimum	Maximum
T-E	7.50%	+/-0.50%	5.50%	9.50%
T-F	10.30%	+/-0.50%	8.30%	12.30%
T-G	5.50%	+/-0.75%	2.50%	0.16%
T-H	4.50%	+/-0.75%	1.50%	7.50%

CENTRAL BUCKS SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE I - DEFINED BENEFIT PENSION PLAN (Continued)

Employer Contributions

The School District's contractually required contribution rate for the fiscal year ended June 30, 2025 was 32.92%* 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 School District were \$64,157,000 for the year ended June 30, 2025.

*The defined contribution rate of 0.35% is an estimated rate. It is recommended employers use the actual defined contributions made to the PSERS defined contribution plan. This may impact contributions made to the pension plan.

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

As of June 30, 2025, the School District reported a liability of \$490,875,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, 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, 2023 to June 30, 2024. The School District's proportion of the net pension liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. As of June 30, 2025, the School District's proportion was 1.1728%, which was an increase of 0.0164% from its proportion measured as of June 30, 2023.

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

For the year ended June 30, 2025, the School District recognized pension expense of \$44,667,191. As of June 30, 2025, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 7,718,000
Net difference between projected and actual investment earnings	8,126,000	-
Changes in proportions	5,309,000	3,939,000
Contributions subsequent to the measurement date	<u>64,157,000</u>	<u>-</u>
	<u>\$ 77,592,000</u>	<u>\$ 11,657,000</u>

CENTRAL BUCKS SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE I - DEFINED BENEFIT PENSION PLAN (Continued)

An amount of \$64,157,000 reported as deferred outflows of resources related to pensions resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending</u> <u>June 30,</u>	
2026	\$ (14,328,000)
2027	13,819,000
2028	3,934,000
2029	<u>(1,647,000)</u>
	<u>\$ 1,778,000</u>

Changes in actuarial assumptions

The total pension liability as of June 30, 2024 was determined by rolling forward the System's total pension liability as of the June 30, 2023 actuarial valuation to June 30, 2024 using the following actuarial assumptions, applied to all periods included in the measurement.

- Valuation Date - June 30, 2023
- Actuarial cost method - Entry Age Normal - level % of pay.
- Investment return - 7.00%, includes inflation at 2.50%.
- Salary growth - Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.
- The discount rate used to measure the Total Pension Liability was 7.00% as of June 30, 2023 and as of June 30, 2024.
- Demographic and economic assumptions approved by the Board for use effective with the June 30, 2021 actuarial valuation:
 - o Salary growth rate - decreased from 5.00% to 4.50%.
 - o Real wage growth and merit or seniority increases (components for salary growth) - decreased from 2.75% and 2.25% to 2.50% and 2.00%, respectively.

CENTRAL BUCKS SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE I - DEFINED BENEFIT PENSION PLAN (Continued)

- o Mortality rates - Previously based on the RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSERS' experience, and projected using a modified version of the MP-2015 Mortality Improvement Scale. Effective with the June 30, 2021 actuarial valuation, mortality rates are based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study that was performed for the five-year period ended June 30, 2020.

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.

The following 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, 2024.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global public equity	30.0%	4.8%
Private equity	12.0%	6.7%
Fixed income	33.5%	3.9%
Commodities	5.0%	2.5%
Infrastructure	10.0%	6.4%
Real estate	9.5%	5.9%
	<u>100.0%</u>	

CENTRAL BUCKS SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE I - DEFINED BENEFIT PENSION PLAN (Continued)

Discount rate

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

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

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

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
School District's proportionate share of the net pension liability	\$ <u>646,632,000</u>	\$ <u>490,875,000</u>	\$ <u>359,349,000</u>

Pension Plan Fiduciary Net Position

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

CENTRAL BUCKS SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE J - OTHER POST-EMPLOYMENT BENEFITS (OPEB)

GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions* (GASB 75), requires governments to account for other post-employment benefits (OPEB) on an accrual basis, rather than on a pay-as-you-go basis. GASB 75 requires the liability for defined benefit OPEB (net OPEB liability) to be measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position.

Health Insurance Premium Assistance Program

General Information about the Health Insurance Premium Assistance Program

The System provides Premium Assistance, which is a governmental cost sharing, multiple-employer other postemployment benefit plan (OPEB) for all eligible retirees who qualify and elect to participate. Employer contribution rates for Premium Assistance are established to provide reserves in the Health Insurance Account that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Effective January 1, 2002 under the provisions of Act 9 of 2001, participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of \$100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS' Health Options Program. As of June 30, 2024, there were no assumed future benefit increases to participating eligible retirees.

Premium Assistance Eligibility Criteria

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

- Have 24 ½ or more years of service, or
- Are a disability retiree, or
- Have 15 or more years of service and retired after reaching superannuation age.

For Class DC members to become eligible for premium assistance, they must satisfy the following criteria:

- Attain Medicare eligibility with 24 ½ or more eligibility points, or
- Have 15 or more eligibility points and terminated after age 67, and
- Have received all or part of their distributions.

CENTRAL BUCKS SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE J - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Pension Plan Description

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

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.

Employer Contributions

The School District's contractually required contribution rate for the fiscal year ended June 30, 2025 was 0.63% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the OPEB plan from the School District were \$1,228,000 for the year ended June 30, 2025.

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

As of June 30, 2025, the School District reported a liability of \$20,859,000 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2024, 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, 2023 to June 30, 2024. The School District's proportion of the net OPEB liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. As of June 30, 2025, the School District's proportion was 1.1742%, which was an increase of 0.0208% from its proportion measured as of June 30, 2023.

CENTRAL BUCKS SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE J - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

For the year ended June 30, 2025, the School District recognized OPEB expense of \$838,365. As of June 30, 2025, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 79,000	\$ 313,000
Changes in assumptions	1,271,000	3,185,000
Net difference between projected and actual investment earnings	21,000	-
Changes in proportions	491,000	331,000
Contributions subsequent to the measurement date	<u>1,228,000</u>	<u>-</u>
	<u>\$ 3,090,000</u>	<u>\$ 3,829,000</u>

An amount of \$1,228,000 reported as deferred outflows of resources related to OPEB resulting from the School District's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	
2026	\$ (508,000)
2027	(641,000)
2028	(758,000)
2029	(64,000)
2030	<u>4,000</u>
	<u>\$ (1,967,000)</u>

CENTRAL BUCKS SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE J - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Actuarial Assumptions

The Total OPEB Liability as of June 30, 2024, was determined by rolling forward the System's Total OPEB Liability as of June 30, 2023, to June 30, 2024, using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method - Entry Age Normal - level % of pay.
- Investment return - 4.21% - S&P 20 Year Municipal Bond Rate.
- Salary growth - Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.
- Premium Assistance reimbursement is capped at \$1,200 per year.
- Assumed Healthcare cost trends were applied to retirees with less than \$1,200 in Premium Assistance per year.
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.
- Participation rate:
 - o Eligible retirees will elect to participate Pre-age 65 at 50%
 - o Eligible retirees will elect to participate Post-age 65 at 70%

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study that was performed for the five year period ending June 30, 2020.

The following assumptions were used to determine the contribution rate:

- The results of the actuarial valuation as of June 30, 2022 determined the employer contribution rate for fiscal year 2024.
- Cost Method: Amount necessary to assure solvency of Premium Assistance through the third fiscal year after the valuation date.
- Asset valuation method: Market Value.
- Participation rate: The actual data for retirees benefiting under the Plan as of June 30, 2021 was used in lieu of the 63% utilization assumption for eligible retirees.
- Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale.

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

CENTRAL BUCKS SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE J - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

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 following 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, 2024.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	<u>100.0%</u>	<u>1.7%</u>
	<u>100.0%</u>	

The discount rate used to measure the Total OPEB Liability was 4.21%. Under the plan's funding policy, contributions are structured for short term funding of Premium Assistance. The funding policy sets contribution rates necessary to assure solvency of Premium Assistance through the third fiscal year after the actuarial valuation date. The Premium Assistance account is funded to establish reserves that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Due to the short term funding policy, the OPEB plan's fiduciary net position was not projected to be sufficient to meet projected future benefit payments, therefore the plan is considered a "pay-as-you-go" plan. A discount rate of 4.21%, which represents the S&P 20 year Municipal Bond Rate at June 30, 2024, was applied to all projected benefit payments to measure the total OPEB liability.

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

Healthcare cost trends were applied to retirees receiving less than \$1,200 in annual Premium Assistance. As of June 30, 2024, 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, 2024, 92,149 retirees were receiving the maximum amount allowed of \$1,200 per year. As of June 30, 2023, 489 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.

CENTRAL BUCKS SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE J - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

The following presents the System net OPEB liability for June 30, 2023, calculated using current Healthcare cost trends as well as what the System net OPEB liability would be if the health cost trends were 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease	Current Trend Rate	1% Increase
Net OPEB liability	\$ <u>20,857,000</u>	\$ <u>20,859,000</u>	\$ <u>20,861,000</u>

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability, calculated using the discount rate of 4.21%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.21%) or 1-percentage-point higher (5.21%) than the current rate:

	1% Decrease 3.21%	Current Discount Rate 4.21%	1% Increase 5.21%
School District's proportionate share of the net OPEB liability	\$ <u>23,565,000</u>	\$ <u>20,859,000</u>	\$ <u>18,594,000</u>

OPEB Plan Fiduciary Net Position

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

Central Bucks School District Retiree Health Benefit Program

General Information about the OPEB Plan

Central Bucks School District Retiree Health Benefit Program (the "Plan") is a single employer defined benefit plan. The benefits, benefits level, employee contribution, and employer contribution are administered by the Central Bucks Board of School Directors and can be amended by the School District through its personnel manual and union contracts. The Plan is not accounted for as a trust fund since an irrevocable trust has not been established to account for the Plan. The Plan does not issue a stand-alone financial report. The activity of the Plan is reported in the School District's General Fund.

CENTRAL BUCKS SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE J - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Benefits Provided

The School District provides medical insurance benefits to eligible retired employees and eligible dependents. Eligibility provisions vary depending on the employee classification. Retirees contribute from 20% to 102% of the premium cost for the benefits elected. Benefits are payable until the retiree reaches age 65 or, if earlier, becomes covered by another insurance plan. If the retiree dies or reaches age 65, the spouse (if under age 65) is eligible to elect COBRA.

Employees Covered by Benefit Terms

As of July 1, 2024, the following employees were covered by the benefit terms:

Active employees	2,337
Inactive employees or beneficiaries currently receiving benefit payments	<u>71</u>
TOTAL	<u><u>2,408</u></u>

Total OPEB Liability

The School District's total OPEB liability of \$64,340,232 was measured as of June 30, 2025 and was determined by an actuarial valuation as of July 1, 2024.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	5.20%
Healthcare cost trend rates:	
2024 - 2025 trend (open access / open choice 2)	10.58% / -10.95%
2025-2026 trend	8.00%
Ultimate trend	4.54%
Year ultimate trend is reached	2090
Salary increases	3.50%

The discount rate was based on the index provided by *Bond Buyer 20-Bond General Obligation Index* based on the 20-year AA municipal bond rate as of June 30, 2025.

CENTRAL BUCKS SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE J - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Mortality rates were based on Pub-2010 General Employees Headcount-Weighted Mortality fully generational using Scale MP-2021, Pub-2010 General Retirees Headcount-Weighted Mortality fully generational using Scale MP-2021, Pub-2010 Teachers Employees Headcount-Weighted Mortality fully generational using Scale MP-2021, and Pub-2010 Teachers Retirees Headcount-Weighted Mortality fully generational using Scale MP-2021.

The following were significant changes from the previous actuarial valuation:

- Increasing the discount rate from 3.65% to 5.20%.
- Initial trend rates were advanced, the model for trends in subsequent years is based on the Getzen Model as updated through September 2024.
- The assumed plan in for future retirees was changed from Open Choice 1 (10/10) to Open Choice 2 (20/40) based on information from the district.

Changes in the Total OPEB Liability

OPEB liability as of July 1, 2024	\$ 77,366,044
Changes for the year:	
Service cost	2,976,047
Interest	3,212,000
Assumption changes	(10,974,335)
Difference between actual and expected experience	(6,957,539)
Benefit changes	<u>(1,281,985)</u>
OPEB liability as of June 30, 2025	<u>\$ 64,340,232</u>

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

The following presents the total OPEB liability, calculated using a discount rate of 5.20%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (4.20%) or one percentage point higher (6.20%) than the current rate:

	1% Decrease 4.20%	Current Discount Rate 5.20%	1% Increase 6.20%
	<u> </u>	<u> </u>	<u> </u>
Total OPEB liability	\$ <u>70,288,984</u>	\$ <u>64,340,232</u>	\$ <u>58,787,661</u>

CENTRAL BUCKS SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE J - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

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

The following presents the total OPEB liability, calculated using the trend rate starting at 10.58% / -10.95%, as well as what the School District's total OPEB liability would be if it were calculated using a healthcare cost trend rates that is one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Total OPEB liability	\$ <u>55,890,563</u>	\$ <u>64,340,232</u>	\$ <u>74,389,004</u>

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

For the year ended June 30, 2025, the School District recognized an OPEB expense of \$2,649,937. As of June 30, 2025, the School District reported deferred outflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Change in assumptions	\$ 10,503,486	\$ 14,411,138
Difference between expected and actual experience	<u>633,278</u>	<u>17,171,974</u>
TOTALS	\$ <u>11,136,764</u>	\$ <u>31,583,112</u>

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

<u>For the Year Ending June 30,</u>	<u>Amount</u>
2026	\$ (3,538,110)
2027	(3,590,899)
2028	(2,030,226)
2029	(1,521,892)
2030	(1,449,169)
Thereafter	<u>(8,316,052)</u>
TOTAL	\$ <u>(20,446,348)</u>

CENTRAL BUCKS SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE J - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Summary of Net Other Post-Employment Liabilities and Related Deferred Outflows of Resources and Deferred Inflows of Resources

The following is a summary of the School District's net other post-employment liabilities and related deferred outflows of resources and deferred inflows of resources:

	Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources
Health insurance premium assistance program	\$ 20,859,000	\$ 3,090,000	\$ 3,829,000
School District's post-employment benefit plan	<u>64,340,232</u>	<u>11,136,764</u>	<u>31,583,112</u>
 TOTALS	 <u>\$ 85,199,232</u>	 <u>\$ 14,226,764</u>	 <u>\$ 35,412,112</u>

NOTE K - COMMITMENTS AND CONTINGENCIES

Construction Contracts

As of June 30, 2025, the School District was committed under various construction contracts, totaling \$29,874,117.

Other Commitments

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

Litigation

Litigation Filed Under the Equal Pay Act

There are two sets of cases against the School District that were filed under the Equal Pay Act. The first set of cases includes two lawsuits that were filed against the School District under the Equal Pay Act and have been consolidated. The Plaintiffs argue that men were paid more favorably than women and have asserted a settlement demand of \$7.9 million. A trial held in July 2024 resulted in a hung jury. In May 2025, the jury in a second trial found in favor of the Plaintiffs. Court awarded \$926,730 to the two plaintiffs plus attorney fees and other costs. There is insurance coverage for the awards subject to deductibles, limitations, and exclusions. The district is appealing the judgement to the U.S. Court of Appeals for the Third Circuit.

CENTRAL BUCKS SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE K - COMMITMENTS AND CONTINGENCIES (Continued)

A second set of similar cases were filed against the School District in January 2025 by 130 women who will, in the aggregate, be seeking millions of dollars in damages. The trial court dismissed the claims of all except one of the plaintiffs and directed that each plaintiff must file a separate action. The plaintiffs have appealed the court's order to the Third Circuit. There has been no indication the extent of damages the 130 plaintiffs may be seeking, assuming that the Third Circuit reverses the District Court and allows their action to proceed. The School District will vigorously defend the cases.

The School District is protected from loss under insurance coverage, subject to deductibles, limitations, and exclusions.

Litigation Claiming Discrimination/Retaliation

Counsel for the School District is representing the School District in a discrimination/retaliation case brought by a former employee whose job was lost and was not regained when there was a subsequent vacancy. The School District has achieved summary judgment; however, management believes the Plaintiff will appeal. In the event that the Plaintiff were to prevail, the Plaintiff would be able to recover the value of lost wages as well as legal fees. Although the value of the lost wages is not material to the School District, the Plaintiff's legal fees are estimated to be in the range of \$500,000 to \$1,000,000. The School District is vigorously defending the case and management believes that the case will ultimately be decided on appeal in favor of the School District.

Litigation Claiming Retaliation

A former employee of a certain nonprofit organization (the plaintiff) filed a claim against the School District on September 25, 2024, alleging that management of the School District ceased supporting the nonprofit organization as retaliation for the nonprofit organization's and the plaintiff's protected activities in advocating for certain positions with which School District management and the School Board at the time disagreed. The plaintiff alleges that their position was eliminated solely due to financial constraints brought on by the School District's decision. The plaintiff seeks damages for loss of position (approximately \$90,000 per year), attorneys' fees, and an award of punitive damages against the School District. The School District filed a Motion to Dismiss the Complaint on the basis that it is time barred and/or that the School District is immune for the state law claims brought under the Political Subdivision Tort Claims Act. Finally, the School District asserts that the plaintiff cannot recover punitive damages against the School District as a matter of law. The Court denied the Motion to Dismiss without issuing an opinion. The court dismissed all claims for punitive damages against the district. The matter is now proceeding to Discovery. The district will be filing a Motion for Summary Judgment after the close of Discovery.

CENTRAL BUCKS SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE K - COMMITMENTS AND CONTINGENCIES (Continued)

Litigation Claiming Damage to Health

The plaintiffs, husband and wife, filed a Complaint against numerous defendants alleging that each defendant is in some way responsible for the husband's exposure to asbestos over the course of several decades and his consequent diagnosis with lung cancer. The School District filed a "short form" answer as permitted by special pleading rules pertaining to asbestos litigation, which prevents the need for any further pleadings. Discovery has recently begun, but the plaintiffs asserts exposure to asbestos while the husband was performing work on Lenape Middle School sometime in the 1980s. Given the uncertainty of the facts at this stage, the scope of the School District's potential liability cannot reasonably be estimated.

Litigation Asserting the District Violated the Sunshine Act

This is litigation contending that the Board of School Directors violated the Sunshine Act during their December 3, 2023 meeting when they approved the minutes of the prior meeting prior to permitting public comment and when they amended the agenda at the meeting to take certain actions. The lawsuit also accuses them of debating agency business at a retreat held on January 30, 2024. There is no claim for damages in this case or available under the Sunshine Act. The plaintiffs are requesting their attorney's fees. There is no evidence that the Board willfully or with wanton disregard violated the Sunshine Act. This case settled in August 2025, with the district agreeing to pay \$75,000 to the Plaintiffs in fees/costs.

Other Contingencies

Allegations of Mistreatment of Students

Allegations of the mistreatment of certain students by a teacher and an aide at one of the School District's elementary schools were made in November 2024. Generally, the allegations include: (1) that students were mistreated and/or abused by staff in the subject classroom; (2) that families were not properly notified as to incidents which may have resulted in injuries to students within the room and/or complaints and concerns about what was occurring within the room; and (3) that there was a failure to properly and/or fully report allegations of child abuse and neglect by various staff and administrators. Management believes that any damages would be covered by insurance, subject to an insurance deductible of \$100,000.

Termination Grievance

In June 2025, an arbitrator issued an opinion and award reinstating the employment of an aide for an autistic support classroom. The aide was placed on leave in October 2023 and ultimately terminated for inappropriately swatting a student with a nylon toy tunnel while the student was having a tantrum. The arbitrator's award includes back pay for the aide. The School District is currently appealing the arbitrator's decision to the Bucks County Court of Common Pleas on the grounds that it violates public policy regarding the safety and treatment of students.

CENTRAL BUCKS SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE K - COMMITMENTS AND CONTINGENCIES (Continued)

Threatened Litigation by Former Student

The district is in receipt of a letter of representation from an attorney on behalf of a former student. For a number of reasons, this student's parents withdrew the student from the district prior to the 2024-2025 school year and placed the student in a private school. The parents are now looking for the district to fund the student's education at the private school for the 2024-2025 and 2025-2026 school years. During the 2025-2026 school year, we understand that the student will be in 12th grade and is expected to graduate in June 2026. The parents are also looking for the district to reimburse them for the counsel fees they have incurred. This is not a request for the payment of tuition and legal fees that stems from a special education dispute. A monetary settlement demand has not yet been made in this case.

Allegation of an Inappropriate Teacher/Student Relationship

The case involves an allegation under federal and state claims that a music teacher at the high school developed an inappropriate relationship with a male student and that the relationship continued after graduation. Plaintiff is claiming damages including emotional distress and economic losses. The district lawyers are vigorously defending the case and have drafted the Motion for Summary Judgment.

NOTE L - RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. It is the policy of the School District to purchase commercial insurance for the risks of loss to which it is exposed, including workers' compensation and liability insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

Beginning July 1, 2018, the School District began self-funding healthcare and prescription benefits for its employees. The School District currently reports the cost of these benefits in its General Fund. Claims expenditures and liabilities are reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported.

CENTRAL BUCKS SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE L - RISK MANAGEMENT (Continued)

As of June 30, 2025, the liability for healthcare claims was \$5,468,079 and is included in accrued salaries and benefits. This liability is the School District's best estimate based on available information. Changes in the reported liability for the years ended June 30, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Liability balance as of beginning of year	\$ 4,943,556	\$ 2,307,919
Current-year claims and changes in estimates	55,928,451	51,458,431
Claim payments	<u>(55,403,928)</u>	<u>(48,822,794)</u>
TOTALS	\$ <u>5,468,079</u>	\$ <u>4,943,556</u>

As of June 30, 2025, the School District's claim payments for prescription benefits exceeded current-year claims and changes in estimates by \$789,305. This asset, which is included in other receivables, is the School District's best estimate based on available information. Changes in the reported asset for the years ended June 30, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
(Asset) balance as of beginning of year	\$ (1,199,410)	\$ (559,083)
Current-year claims and changes in estimates	17,370,022	12,256,362
Claim payments	<u>(16,959,917)</u>	<u>(12,896,689)</u>
TOTALS	\$ <u>(789,305)</u>	\$ <u>(1,199,410)</u>

CENTRAL BUCKS SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE M - PRIOR PERIOD ADJUSTMENT

Restatement of Net Position of Governmental and Business-Type Activities

During the current year, the Central Bucks School District implemented GASB Statement No. 101, *Compensated Absences*. In addition to the value of unused vacation time owed to employees upon separation of employment, the Central Bucks School District now recognizes an estimated amount of sick leave earned as of June 30, 2024 that will be used by employees as time off in future years as part of the liability for compensated absences. The effects of the change in accounting principle are summarized below in the “Restatement – GASB 101 implementation” column in the table below.

The district identified errors in the reporting of capital assets in the prior year’s financial statements. Specifically, construction in progress was previously understated, and an excessive amount was transferred to depreciable building assets. In addition, food service equipment was not properly separated from governmental activities equipment, and certain vehicle additions from the prior year were not included in the capital asset footnote disclosure.

During the current year, the district identified that the estimated liability for self-insurance claims, including incurred-but-not-reported (IBNR) claims, had not been previously recorded in the government-wide financial statements. To correct this error, beginning net position for governmental activities has been restated to recognize the full claims liability.

As a result, adjustments have been made to beginning net position to correct these errors. The effect of these prior period adjustments on beginning net position are summarized below in the “Restatement – Correction of an error” column in the table below.

	Net position 6/30/2024 as previously reported	Restatement - GASB 101 implementation	Restatement - Correction of errors	Net position 6/30/2024 as restated
GOVERNMENT-WIDE				
Governmental activities	\$ (103,081,732)	\$ (35,265,369)	\$ (3,230,338)	\$ (141,577,439)
Business-type activities	1,365,044	-	398,934	1,763,978
Total government-wide	<u>\$ (101,716,688)</u>	<u>\$ (35,265,369)</u>	<u>\$ (2,831,404)</u>	<u>\$ (139,813,461)</u>
PROPRIETARY FUNDS				
Food service fund	<u>\$ 1,365,044</u>	<u>\$ -</u>	<u>\$ 398,934</u>	<u>\$ 1,763,978</u>

NOTE N - SUBSEQUENT EVENTS

The School District has evaluated all subsequent events through January 8, 2026, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

CENTRAL BUCKS SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
YEAR ENDED JUNE 30, 2025

	Budgeted Amount		Actual (GAAP) Basis	Variances Final to Actual
	Original	Final		
REVENUES				
Local sources	\$ 312,557,549	\$ 312,557,549	\$ 310,340,214	\$ (2,217,335)
State sources	87,347,927	87,347,927	87,391,480	43,553
Federal sources	3,389,644	3,389,644	3,496,614	106,970
TOTAL REVENUES	<u>403,295,120</u>	<u>403,295,120</u>	<u>401,228,308</u>	<u>(2,066,812)</u>
EXPENDITURES				
Instruction	249,920,368	253,155,087	253,284,374	(129,287)
Support services	139,774,176	136,546,654	129,457,405	7,089,249
Operation of non-instructional services	12,562,659	12,555,462	10,491,671	2,063,791
Debt service	1,429,750	1,429,750	1,927,760	(498,010)
TOTAL EXPENDITURES	<u>403,686,953</u>	<u>403,686,953</u>	<u>395,161,210</u>	<u>8,525,743</u>
EXCESS OF REVENUES OVER EXPENDITURES	(391,833)	(391,833)	6,067,098	6,458,931
OTHER FINANCING SOURCES (USES)				
SBITA	-	-	835,380	835,380
Proceeds from sale of fixed assets	-	-	33,750	33,750
Transfers	(14,750,000)	(14,750,000)	(14,750,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(14,750,000)</u>	<u>(14,750,000)</u>	<u>(13,880,870)</u>	<u>869,130</u>
EXCESS (DEFICIENCY) OVER REVENUES AND OTHER FINANCING SOURCES (USES)	<u>\$ (15,141,833)</u>	<u>\$ (15,141,833)</u>	<u>(7,813,772)</u>	<u>\$ 7,328,061</u>
FUND BALANCES - BEGINNING			<u>63,830,893</u>	
FUND BALANCES - ENDING			<u>\$ 56,017,121</u>	

See accompanying notes to the basic financial statements.

CENTRAL BUCKS SCHOOL DISTRICT

NOTE TO THE BUDGETARY COMPARISON SCHEDULE

JUNE 30, 2025

NOTE A - BUDGETARY INFORMATION

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. An annual appropriated budget is adopted for the General Fund. All annual appropriations lapse at fiscal year-end. Project-length financial plans are adopted for the Capital Project Fund.

The School District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to March 1, the Business Manager submits to the School Board a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at the School District offices to obtain taxpayer comments.
3. Prior to July 1, the budget is legally enacted through passage of an ordinance.
4. The Business Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the School Board.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund. Formal budgetary integration is not employed for the Capital Project Fund. Formal budgetary integration is also not employed for the Debt Service Fund because effective budgetary control is alternatively achieved through general obligation bond indenture provisions.
6. Budgeted amounts are as originally adopted or as amended by the School Board.

All budget amounts presented in the accompanying required supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions to the annual budgets during the year).

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CENTRAL BUCKS SCHOOL DISTRICT

SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY LAST TEN FISCAL YEARS

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
School District's proportion of the net pension liability	<u>1.1728%</u>	<u>1.1564%</u>	<u>1.1642%</u>	<u>1.1834%</u>
School District's proportionate share of the net pension liability	<u>\$ 490,875,000</u>	<u>\$ 514,440,000</u>	<u>\$ 517,588,000</u>	<u>\$ 485,865,000</u>
School District's covered payroll	<u>\$ 186,391,252</u>	<u>\$ 176,713,203</u>	<u>\$ 170,833,633</u>	<u>\$ 167,571,250</u>
School District's proportionate share of the net pension liability as a percentage of its covered payroll	<u>263.36%</u>	<u>291.12%</u>	<u>302.98%</u>	<u>289.95%</u>
The plan's fiduciary net position as a percentage of the total pension liability	<u>64.63%</u>	<u>61.85%</u>	<u>61.64%</u>	<u>63.67%</u>

NOTE TO SCHEDULE

The amounts presented for each fiscal year were determined as of the end of the previous fiscal year.

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<u>1.1811%</u>	<u>1.1669%</u>	<u>1.1539%</u>	<u>1.1333%</u>	<u>1.1200%</u>	<u>1.0975%</u>
\$ <u>581,562,000</u>	\$ <u>545,906,000</u>	\$ <u>553,929,000</u>	\$ <u>553,929,000</u>	\$ <u>555,036,000</u>	\$ <u>475,386,000</u>
\$ <u>165,255,946</u>	\$ <u>160,935,915</u>	\$ <u>155,388,484</u>	\$ <u>155,388,484</u>	\$ <u>145,056,187</u>	\$ <u>141,210,865</u>
<u>351.92%</u>	<u>339.21%</u>	<u>356.48%</u>	<u>356.48%</u>	<u>382.64%</u>	<u>336.65%</u>
<u>54.32%</u>	<u>55.66%</u>	<u>54.00%</u>	<u>51.84%</u>	<u>50.14%</u>	<u>54.30%</u>

CENTRAL BUCKS SCHOOL DISTRICT

SCHEDULE OF THE SCHOOL DISTRICT'S PENSION CONTRIBUTIONS LAST TEN FISCAL YEARS

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Contractually required contribution	\$ 64,157,000	\$ 61,442,191	\$ 60,630,300	\$ 58,066,352
Contributions in relation to the contractually required contribution	<u>64,157,000</u>	<u>61,442,191</u>	<u>60,630,300</u>	<u>58,066,352</u>
CONTRIBUTION (EXCESS) DEFICIENCY	\$ <u> </u>	\$ <u> -</u>	\$ <u> -</u>	\$ <u> -</u>
School District's covered payroll	\$ <u>194,888,619</u>	\$ <u>186,391,252</u>	\$ <u>176,713,203</u>	\$ <u>170,833,633</u>
Contributions as a percentage of covered payroll	<u>32.92%</u>	<u>32.96%</u>	<u>34.31%</u>	<u>33.99%</u>

NOTE TO SCHEDULE

The amounts presented for each fiscal year were determined as of the end of the current fiscal year.

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$ 56,153,126	\$ 55,129,384	\$ 52,465,108	\$ 49,320,305	\$ 44,058,631	\$ 36,264,047
<u>56,153,126</u>	<u>55,129,384</u>	<u>52,465,108</u>	<u>49,320,305</u>	<u>44,058,631</u>	<u>36,264,047</u>
\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>
\$ <u><u>167,571,250</u></u>	\$ <u><u>165,255,946</u></u>	\$ <u><u>160,935,915</u></u>	\$ <u><u>155,388,484</u></u>	\$ <u><u>150,885,722</u></u>	\$ <u><u>145,056,187</u></u>
<u><u>33.51%</u></u>	<u><u>33.36%</u></u>	<u><u>32.60%</u></u>	<u><u>31.74%</u></u>	<u><u>29.20%</u></u>	<u><u>25.00%</u></u>

CENTRAL BUCKS SCHOOL DISTRICT

SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY - HEALTH INSURANCE PREMIUM ASSISTANCE PLAN LAST NINE FISCAL YEARS

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
School District's proportion of the net OPEB liability	<u>1.1742%</u>	<u>1.1534%</u>	<u>1.1618%</u>	<u>1.1821%</u>
School District's proportionate share of the net OPEB liability	<u>\$ 20,859,000</u>	<u>\$ 20,868,000</u>	<u>\$ 21,386,000</u>	<u>\$ 28,016,000</u>
School District's covered payroll	<u>\$ 186,391,252</u>	<u>\$ 176,713,203</u>	<u>\$ 170,833,633</u>	<u>\$ 167,571,250</u>
School District's proportionate share of the net OPEB liability as a percentage of its covered payroll	<u>11.19%</u>	<u>11.81%</u>	<u>12.52%</u>	<u>16.72%</u>
The plan's fiduciary net position as a percentage of the total OPEB liability	<u>7.13%</u>	<u>7.22%</u>	<u>6.86%</u>	<u>5.30%</u>

NOTE TO SCHEDULE

This schedule is to present the requirement to show information for ten (10) years. However, until a full ten-year trend is compiled, information for only those years for which information is available is shown.

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<u>1.1774%</u>	<u>1.1669%</u>	<u>1.1539%</u>	<u>1.1333%</u>	<u>1.1200%</u>
\$ <u>25,440,000</u>	\$ <u>24,818,000</u>	\$ <u>24,058,000</u>	\$ <u>23,090,000</u>	<u>24,125,000</u>
\$ <u>165,255,946</u>	\$ <u>160,935,915</u>	\$ <u>155,388,484</u>	\$ <u>150,885,722</u>	<u>145,056,187</u>
<u>15.39%</u>	<u>15.42%</u>	<u>15.48%</u>	<u>15.30%</u>	<u>16.63%</u>
<u>5.69%</u>	<u>5.56%</u>	<u>5.56%</u>	<u>5.73%</u>	<u>5.47%</u>

CENTRAL BUCKS SCHOOL DISTRICT**SCHEDULE OF THE SCHOOL DISTRICT'S OPEB CONTRIBUTIONS -
HEALTH INSURANCE PREMIUM ASSISTANCE PLAN
LAST NINE FISCAL YEARS**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Contractually required contribution	\$ 1,228,000	\$ 1,188,365	\$ 1,325,349	\$ 1,366,669
Contributions in relation to the contractually required contribution	<u>1,228,000</u>	<u>1,188,365</u>	<u>1,325,349</u>	<u>1,366,669</u>
CONTRIBUTION (EXCESS) DEFICIENCY	\$ <u> </u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
School District's covered payroll	\$ <u>194,888,620</u>	\$ <u>186,391,252</u>	\$ <u>176,713,203</u>	\$ <u>170,833,633</u>
Contributions as a percentage of covered payroll	<u>0.63%</u>	<u>0.64%</u>	<u>0.75%</u>	<u>0.80%</u>

NOTE TO SCHEDULE

This schedule is to present the requirement to show information for ten (10) years. However, until a full ten-year trend is compiled, information for only those years for which information is available is shown.

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
\$ 1,374,084	\$ 371,000	\$ 1,335,768	\$ 1,289,724	\$ 1,252,351
<u>1,374,084</u>	<u>371,000</u>	<u>1,335,768</u>	<u>1,289,724</u>	<u>1,252,351</u>
\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
\$ <u>167,571,250</u>	\$ <u>44,715,533</u>	\$ <u>160,935,915</u>	\$ <u>155,388,484</u>	\$ <u>150,885,722</u>
<u>0.82%</u>	<u>0.83%</u>	<u>0.83%</u>	<u>0.83%</u>	<u>0.83%</u>

CENTRAL BUCKS SCHOOL DISTRICT

SCHEDULE OF CHANGES IN THE SCHOOL DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS - SINGLE EMPLOYER PLAN LAST NINE FISCAL YEARS

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
TOTAL OPEB LIABILITY				
Service cost	\$ 2,976,047	\$ 3,910,753	\$ 3,773,037	\$ 4,403,135
Interest	3,212,000	2,752,620	2,573,379	1,637,875
Plan change	-	-	-	-
Assumption changes	(10,974,335)	-	(5,052,026)	-
Difference between actual and expected experience	(6,957,539)	-	(8,835,443)	-
Benefit payments	<u>(1,281,985)</u>	<u>(1,601,633)</u>	<u>(1,545,232)</u>	<u>(955,921)</u>
NET CHANGE IN TOTAL OPEB LIABILITY	(13,025,812)	5,061,740	(9,086,285)	5,085,089
TOTAL OPEB LIABILITY, BEGINNING	<u>77,366,044</u>	<u>72,304,304</u>	<u>81,390,589</u>	<u>76,305,500</u>
TOTAL OPEB LIABILITY, ENDING	<u>\$ 64,340,232</u>	<u>\$ 77,366,044</u>	<u>\$ 72,304,304</u>	<u>\$ 81,390,589</u>
COVERED PAYROLL	<u>\$ 169,373,197</u>	<u>\$ 160,337,569</u>	<u>\$ 154,915,525</u>	<u>\$ 145,684,369</u>
TOTAL OPEB LIABILITY AS A PERCENTAGE OF COVERED PAYROLL	<u>37.99%</u>	<u>48.25%</u>	<u>46.67%</u>	<u>55.87%</u>

NOTES TO SCHEDULE

Valuation date: July 1, 2024

Significant changes from the previous actuarial valuation:

- Increasing the discount rate from 3.65% to 5.20%*
- Initial trend rates were advanced, the model for trends in subsequent years is based on the Gretzen Model as updated through September 2024*
- The assumed plan in for future retirees was changes from Open Choice 1 (10/10) to Open Choice 2 (20/40) based on information from the district*

This schedule is to present the requirement to show information for ten (10) years. However, until a full ten-year trend is compiled, information for only those years for which information is available is shown.

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
\$	4,310,038	\$ 3,131,381	\$ 3,025,489	\$ 3,265,570	\$ 7,319,129
	1,532,114	1,789,022	1,654,028	1,326,060	1,741,637
	(4,201,495)	-	-	-	-
	20,300,115	-	(2,922,098)	(1,414,840)	(21,128,466)
	(316,538)	-	1,652,345	-	-
	<u>(935,910)</u>	<u>(836,684)</u>	<u>(808,390)</u>	<u>(1,546,690)</u>	<u>(2,046,810)</u>
	20,688,324	4,083,719	2,601,374	1,630,100	(14,114,510)
	<u>55,616,976</u>	<u>51,533,257</u>	<u>48,931,883</u>	<u>47,301,783</u>	<u>61,416,293</u>
\$	<u>76,305,300</u>	\$ <u>55,616,976</u>	\$ <u>51,533,257</u>	\$ <u>48,931,883</u>	\$ <u>47,301,783</u>
\$	<u>145,684,369</u>	\$ <u>146,250,584</u>	\$ <u>141,990,859</u>	\$ <u>136,596,726</u>	\$ <u>132,618,181</u>
	<u>52.38%</u>	<u>38.03%</u>	<u>36.29%</u>	<u>35.82%</u>	<u>35.67%</u>

**SUPPLEMENTARY INFORMATION –
MAJOR FEDERAL AWARD PROGRAMS AUDIT**

**Independent Auditors' 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 School Directors
Central Bucks School District
Doylestown, Pennsylvania

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business- type activities, each major fund, and the aggregate remaining fund information of Central Bucks School District as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Central Bucks School District's basic financial statements, and have issued our report thereon dated January 8, 2026.

Report on Internal Control over Financial Reporting

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

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

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

To the Board of School Directors
Central Bucks School District
Doylestown, Pennsylvania

Report on Compliance and Other Matters

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

Purpose of this Report

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



Limerick, Pennsylvania
January 8, 2026

**Independent Auditors' Report on Compliance for Each Major Program and
on Internal Control Over Compliance Required by the Uniform Guidance**

To the Board of School Directors
Central Bucks School District
Doylestown, Pennsylvania

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Central Bucks School District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Central Bucks School District's major federal programs for the year ended June 30, 2025. Central Bucks School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Central Bucks School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

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

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

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

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

To the Board of School Directors
Central Bucks School District
Doylestown, Pennsylvania

Report on Internal Control over Compliance

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

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

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

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



Limerick, Pennsylvania
January 8, 2026

CENTRAL BUCKS SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass-Through Grantor/Program Title	Federal AL Number
U.S. Department of Education	
Passed through PA Department of Education	
Title I - Improving Basic Programs	84.010
Title I - Improving Basic Programs	84.010
Title I - Improving Basic Programs	84.010
TOTAL ALN 84.010 IMPROVING BASIC PROGRAMS (TITLE I)	
Passed Through Bucks County Intermediate Unit	
Special Education - Grants to States (IDEA)	84.027
Special Education - Grants to States (IDEA)	84.027
TOTAL ALN 84.027 SPECIAL EDUCATION - GRANTS TO STATES (IDEA)	
Passed Through Bucks County Intermediate Unit	
Special Education - Preschool Grants (IDEA Section 619)	84.173
TOTAL SPECIAL EDUCATION CLUSTER	
Passed through PA Department of Education	
Title III - Language Instruction for Limited English Proficient and Immigrant Studies	84.365
Title III - Language Instruction for Limited English Proficient and Immigrant Studies	84.365
TOTAL ALN 84-365 LANGUAGE INSTRUCTION FOR LIMITED ENGLISH PROFICIENT AND IMMIGRANT STUDIES (TITLE III)	
Passed through PA Department of Education	
Title II - Improving Teacher Quality	84.367
Title II - Improving Teacher Quality	84.367
TOTAL ALN 84.367 IMPROVING TEACHER QUALITY (TITLE II)	
Passed through PA Department of Education	
Title IV - Student Support and Academic Enrichment	84.424
Title IV - Student Support and Academic Enrichment	84.424
Title IV - Student Support and Academic Enrichment	84.424
TOTAL ALN 84.424 STUDENT SUPPORT AND ACADEMIC ENRICHMENT (TITLE IV)	
Passed through PA Department of Education	
American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER):	
COVID-19 ARP ESSER	84.425U
COVID-19 ARP ESSER Learning Loss	84.425U
COVID-19 ARP ESSER Summer Program	84.425U
COVID-19 ARP ESSER After School Programs	84.425U
COVID-19 ARP ESSER Homeless Children and Youth	84.425U
TOTAL ALN 84.425 EDUCATION STABILIZATION FUND	
TOTAL U.S. DEPARTMENT OF EDUCATION	
U.S. Department of Health and Human Services	
Passed through PA Department of Human Services	
Access	93.778
TOTAL ALN 93.778 ACCESS	
TOTAL MEDICAID CLUSTER	
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	

See accompanying notes to the schedule of expenditures of federal awards.

Federal Pass-Through Grantor's Number	Grant Period Beginning/ Ending Date	Program or Award Amount	Total Received for the Year	Accrued or (Unearned) Revenue at July 1, 2024	Revenue Recognized	Expenditures	Accrued or (Unearned) Revenue at June 30, 2025
FA-013-25-0069	09/03/24-9/30/25	\$ 586,272	\$ 448,756	\$ -	\$ 508,064	\$ 508,064	\$ 59,308
FA-013-24-0069	08/21/23-09/30/24	669,743	47,896	(41,280)	90,251	90,251	1,075
FA-013-23-0069	09/1/22-9/30/2023	608,466	-	(29,160)	29,160	29,160	-
			<u>496,652</u>	<u>(70,440)</u>	<u>627,475</u>	<u>627,475</u>	<u>60,383</u>
062-250022	07/01/24-06/30/25	2,844,609	86,372		2,844,609	2,844,609	2,758,237
062-240022	07/01/23-06/30/24	2,926,001	642,293	642,293	-	-	-
			<u>728,665</u>	<u>642,293</u>	<u>2,844,609</u>	<u>2,844,609</u>	<u>2,758,237</u>
I31-250022	07/01/24-06/30/25	7,581	-	-	7,581	7,581	7,581
			<u>728,665</u>	<u>642,293</u>	<u>2,852,190</u>	<u>2,852,190</u>	<u>2,765,818</u>
FA-010-25-0069	09/03/24-09/30/25	127,421	117,619	-	116,995	116,995	(624)
FA-010-24-0069	08/21/23-09/30/24	109,812	15,687	15,687	-	-	-
			<u>133,306</u>	<u>15,687</u>	<u>116,995</u>	<u>116,995</u>	<u>(624)</u>
FA-020-25-0069	09/3/24-09/30/25	266,502	200,402	-	257,417	257,417	57,015
FA-020-24-0069	08/21/23-09/30/24	297,606	65,226	63,405	1,821	1,821	-
			<u>265,628</u>	<u>63,405</u>	<u>259,238</u>	<u>259,238</u>	<u>57,015</u>
FA-144-25-0069	08/21/23-09/30/24	55,840	51,545	-	44,747	44,747	(6,798)
FA-144-24-0069	08/21/23-09/30/24	54,646	3,903	(381)	4,284	4,284	-
FA-144-23-0069	09/1/22-9/30/24	64,437	-	(2,209)	2,209	2,209	-
			<u>55,448</u>	<u>(2,590)</u>	<u>51,240</u>	<u>51,240</u>	<u>(6,798)</u>
223-210069	03/13/20-09/30/24	7,216,362	393,620	(98,823)	492,443	492,443	-
225-210069	03/13/20-09/30/24	400,623	176,375	176,375	-	-	-
225-210069	03/13/20-09/30/24	80,125	34,588	34,588	-	-	-
225-210069	03/13/20-09/30/24	80,125	31,718	30,090	1,628	1,628	-
181-212066	07/01/21-09/30/24	35,954	23,018	7,634	15,384	15,384	-
			<u>659,319</u>	<u>149,864</u>	<u>509,455</u>	<u>509,455</u>	<u>-</u>
			<u>2,339,018</u>	<u>798,219</u>	<u>4,416,593</u>	<u>4,416,593</u>	<u>2,875,794</u>
N/A	07/01/24-06/30/25	N/A	-	-	30,116	30,116	30,116
			<u>-</u>	<u>-</u>	<u>30,116</u>	<u>30,116</u>	<u>30,116</u>
			<u>-</u>	<u>-</u>	<u>30,116</u>	<u>30,116</u>	<u>30,116</u>
		\$	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,116</u>	<u>\$ 30,116</u>	<u>\$ 30,116</u>

CENTRAL BUCKS SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass-Through Grantor/Program Title	Federal AL Number
U.S. Department of Treasury	
Passed through PA Commission on Crime and Delinquency	
COVID-19 School Mental Health Grant	21.027
TOTAL ALN 21.027 COVID-19 SCHOOL MENTAL HEALTH GRANT	
U.S. Department of Agriculture	
Passed through PA Department of Education	
School Breakfast Program (SBP)	10.553
School Breakfast Program (SBP)	10.553
TOTAL ALN 10.553 SCHOOL BREAKFAST PROGRAM	
Passed through PA Department of Education	
National School Lunch Program (NSLP)	10.555
National School Lunch Program (NSLP)	10.555
Passed through PA Department of Agriculture	
National School Lunch Program (NSLP)	10.555
TOTAL ALN 10.555 NATIONAL SCHOOL LUNCH PROGRAM	
TOTAL CHILD NUTRITION CLUSTER	
TOTAL U.S. DEPARTMENT OF AGRICULTURE	
TOTAL FEDERAL AWARDS	

Note: No funds were passed through to subrecipients in the year ended June 30, 2025

See accompanying notes to the schedule of expenditures of federal awards.

Federal Pass-Through Grantor's Number	Grant Period Beginning/ Ending Date	Program or Award Amount	Total Received for the Year	Accrued or (Unearned) Revenue at July 1, 2024	Revenue Recognized	Expenditures	Accrued or (Unearned) Revenue at June 30, 2025
N/A	07/01/24-06/30/26	313,207	\$ 83,664	\$ -	\$ 133,390	\$ 133,390	\$ 49,726
			<u>83,664</u>	<u>-</u>	<u>133,390</u>	<u>133,390</u>	<u>49,726</u>
365	07/01/24-06/30/25	N/A	215,718	-	274,045	274,045	58,327
365	07/01/23-06/30/24	N/A	91,459	91,459	-	-	-
			<u>307,177</u>	<u>91,459</u>	<u>274,045</u>	<u>274,045</u>	<u>58,327</u>
362	07/01/24-06/30/25	N/A	736,191	-	1,039,709	1,039,709	303,518
362	07/01/23-06/30/24	N/A	310,072	310,072	-	-	-
N/A	07/01/24-06/30/25	N/A	321,740	-	321,740	321,740	-
			<u>1,368,003</u>	<u>310,072</u>	<u>1,361,449</u>	<u>1,361,449</u>	<u>303,518</u>
			<u>1,675,180</u>	<u>401,531</u>	<u>1,635,494</u>	<u>1,635,494</u>	<u>361,845</u>
			<u>1,675,180</u>	<u>401,531</u>	<u>1,635,494</u>	<u>1,635,494</u>	<u>361,845</u>
			<u>\$ 4,097,862</u>	<u>\$ 1,199,750</u>	<u>\$ 6,215,593</u>	<u>\$ 6,215,593</u>	<u>\$ 3,317,481</u>

CENTRAL BUCKS SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2025

NOTE A - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Central Bucks School District under programs of the federal government for the year ended June 30, 2025. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Central Bucks School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of Central Bucks School District.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Central Bucks School District did not elect to use the *de minimis* indirect cost rate.

NOTE C - NON-MONETARY FEDERAL AWARDS - DONATED COMMODITIES

The Commonwealth of Pennsylvania distributes federal surplus food to institutions (schools, hospitals, and prisons) and to the needy. Expenditures for USDA Donated Commodities, reported in the Schedule of Expenditures of Federal Awards under ALN 10.555, National School Lunch Program, represent surplus food consumed by Central Bucks School District during the year ended June 30, 2025.

CENTRAL BUCKS SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025

A. SUMMARY OF AUDITORS' RESULTS

Financial Statements:

Type of auditors' report issued: **Unmodified**

Significant deficiencies identified: **No**

Significant deficiencies identified that are considered to be material weaknesses: **No**

Noncompliance material to financial statements noted: **No**

Federal Awards:

Internal control over major program:

Significant deficiencies identified: **No**

Significant deficiencies identified that are considered to be material weaknesses: **No**

Type of auditors' report issued on compliance for major programs: **Unmodified**

Any audit findings disclosed that are required to be reported in accordance
with 2 CFR Section 200.516(a): **No**

Identification of major programs:

<u>Program Title</u>	<u>Federal AL Number</u>
Special Education Cluster (IDEA)	84.027/84.173

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

Auditee qualified as low risk auditee: **No**

B. FINDINGS – FINANCIAL STATEMENTS AUDIT

None.

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

None.

CENTRAL BUCKS SCHOOL DISTRICT
SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2025

2024-001 Reconciliation of Capital Asset Additions to Expenditures Reported in the Funds

Description of Finding: Management uses a third-party service provider to maintain its capital asset records. The summary of capital assets for the year ended June 30, 2024, provided by the third-party service provider did not capture all capital asset additions for the year ended June 30, 2024, and the summary does not include the cost of construction in progress. In addition, the summary was not updated to include all capital asset additions identified by the School District for the years ended June 30, 2023, and 2022.

Current Status: This finding has been resolved.