



**YORK SUBURBAN SCHOOL DISTRICT
YORK, PENNSYLVANIA**

AUDIT REPORT

JUNE 30, 2024

YORK SUBURBAN SCHOOL DISTRICT

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INDEPENDENT AUDITOR'S REPORT

January 20, 2025

Board of School Directors
York Suburban School District
York, Pennsylvania

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the York Suburban School District ("the District"), York, Pennsylvania, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the York Suburban School District, York, Pennsylvania, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof, and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Other Matter

The financial statements of the District for the year ended June 30, 2023 were audited by another auditor who expressed an unmodified opinion on those statements on February 6, 2024.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 12 and the schedule of the District's proportionate share of the net pension liability, schedule of District pension contributions, schedule of the District's proportionate share of the net OPEB liability - PSERS, schedule of District OPEB contributions - PSERS, and schedule of changes in the District's net OPEB liability - single employer plan on pages 55 through 59 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedule of expenditures of federal awards on page 65 is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance"), and is not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare

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the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund statements and schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 20, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Barbacane, Thornton & Company LLP
BARBACANE, THORNTON & COMPANY LLP

**YORK SUBURBAN SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED
JUNE 30, 2024**

Management's Discussion and Analysis of the financial performance of the York Suburban School District ("the District") provides an overall review of the District's financial activities for the fiscal year ended June 30, 2024. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers also should review the basic financial statements and the accompanying notes to enhance their understanding of the District's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2024 are as follows:

- In total, net position increased by \$6,253,080. Net position of governmental activities increased by \$6,039,565 while net position of business-type activities increased by \$213,515.
- Revenues totaled \$73,634,408. General revenues accounted for \$53,760,547, or 73% of total revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$19,873,861, or 27% of total revenues.
- The District had \$65,198,665 in expenses related to governmental activities. Of these expenses, \$17,568,714 was offset by program specific charges for services and operating grants and contributions. General revenues (primarily taxes and unrestricted grants and subsidies) of \$53,669,516 were adequate to provide for these programs.
- Among major funds, the general fund had \$70,980,908 in revenues and other financing sources and \$70,308,850 in expenditures and other financing uses. Revenues and other financing sources exceeded expenditures and other financing uses for the year by \$672,058, resulting in a fund balance of \$14,421,605.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements and notes to those financial statements. These financial statements are organized so the reader can understand the District as a financial whole.

The statement of net position and statement of activities provide information about the activities of the entire District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how the services were financed in the short-term as well as what remains for future spending.

The fund financial statements also look at the District's most significant funds with all other nonmajor funds presented in total in one column. In the case of the District, the general fund is the most significant fund.

**YORK SUBURBAN SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)
JUNE 30, 2024**

REPORTING THE DISTRICT AS A WHOLE

One of the most important questions asked about the District's finances is, "Is the District as a whole better off or worse off as a result of the year's activities?" The statement of net position and the statement of activities report information about the District as a whole and about its overall activities. These statements include all the assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the District (except for fiduciary funds held in trust for student purposes) using the accrual basis of accounting similar to the accounting used by private sector corporations. All of the current year's revenues and expenses are taken into consideration regardless of when cash is received or paid.

These two statements report the District's net position and changes during the fiscal year. The change in net position provides the reader a tool to assist in determining whether the District's financial health is improving or deteriorating. The reader will need to consider other nonfinancial factors such as the District's property tax base, current property tax laws, student enrollment growth, and facility conditions in arriving at a conclusion regarding the overall health of the District.

The entity-wide financial statements of the District are divided into two categories:

- **Governmental Activities** – All the District's basic services are included here, such as instruction, administration, and community services. Property taxes, state, and federal subsidies and grants finance most of these activities.
- **Business-type Activities** – These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The District's food service program is reported as a business-type activity.

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The fund financial statements of the District's major funds provide detailed information about the most significant funds - not the District as a whole. Some funds are required to be established by state statute, while many other funds are established by the District to help manage money for particular purposes and compliance with various grant provisions. The District's three types of funds, governmental, proprietary, and fiduciary, use different accounting approaches as described further in the notes to the financial statements.

Governmental Funds – Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending in future periods. These funds are reported using the modified accrual accounting method, which measures cash and other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps the reader

**YORK SUBURBAN SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)
JUNE 30, 2024**

determine whether there are more or fewer financial resources available to spend in the near future to finance the District's programs. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is reconciled in the basic financial statements.

Proprietary Funds – Proprietary funds use the accrual basis of accounting, the same as on the entity-wide statements; therefore, the statements will essentially match the business-type activities portion of the entity-wide statements.

Fiduciary Funds – The District is the trustee, or fiduciary, for its scholarship program and other items listed as private-purpose trusts. In addition, the District accounts for funds held on behalf of students of the District. All of the District's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position. The District excludes these activities from its other financial statements because the assets cannot be used by the District to finance its operations.

THE DISTRICT AS A WHOLE

The statement of net position provides the perspective of the District as a whole.

Table 1 provides a summary of the District's net position for 2024 compared to 2023:

**Table 1
Net Position**

	Governmental Activities		Business-type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Assets:						
Current and other assets	\$ 60,358,762	\$ 38,798,276	\$ 2,743,320	\$ 1,897,099	\$ 63,102,082	\$ 40,695,375
Capital assets	39,914,291	39,831,353	298,501	329,210	40,212,792	40,160,563
Total Assets	<u>100,273,053</u>	<u>78,629,629</u>	<u>3,041,821</u>	<u>2,226,309</u>	<u>103,314,874</u>	<u>80,855,938</u>
Deferred Outflows of Resources	15,181,597	13,346,507	-	-	15,181,597	13,346,507
Liabilities:						
Current liabilities	17,627,470	15,215,765	682,845	80,848	18,310,315	15,296,613
Noncurrent liabilities	131,716,702	115,312,676	-	-	131,716,702	115,312,676
Total Liabilities	<u>149,344,172</u>	<u>130,528,441</u>	<u>682,845</u>	<u>80,848</u>	<u>150,027,017</u>	<u>130,609,289</u>
Deferred Inflows of Resources	3,484,170	4,860,952	-	-	3,484,170	4,860,952
Net Position (Deficit):						
Net investment in capital assets	20,022,065	15,670,607	298,501	329,210	20,320,566	15,999,817
Restricted	3,305,596	2,923,767	-	-	3,305,596	2,923,767
Unrestricted (deficit)	(60,701,353)	(62,007,631)	2,060,475	1,816,251	(58,640,878)	(60,191,380)
Total Net Position (Deficit)	<u>\$ (37,373,692)</u>	<u>\$ (43,413,257)</u>	<u>\$ 2,358,976</u>	<u>\$ 2,145,461</u>	<u>\$ (35,014,716)</u>	<u>\$ (41,267,796)</u>

**YORK SUBURBAN SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)
JUNE 30, 2024**

Table 2 shows the changes in net position for fiscal year 2024 compared to 2023:

**Table 2
Changes in Net Position**

	Governmental Activities		Business-type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Revenues						
Program Revenues:						
Charges for services	\$ 288,962	\$ 244,115	\$ 665,278	\$ 744,433	\$ 954,240	\$ 988,548
Operating grants	10,640,193	11,160,447	1,639,869	1,569,684	12,280,062	12,730,131
Capital grants and contributions	6,639,559	325,036	-	-	6,639,559	325,036
General Revenues:						
Property taxes	45,561,365	50,177,795	-	-	45,561,365	50,177,795
Unrestricted grants and subsidies	5,541,615	5,366,458	-	-	5,541,615	5,366,458
Other	2,566,536	1,044,860	91,031	54,603	2,657,567	1,099,463
Total Revenues	71,238,230	68,318,711	2,396,178	2,368,720	73,634,408	70,687,431
Expenses						
Program Expenses:						
Instruction	44,070,448	40,669,364	-	-	44,070,448	40,669,364
Support Services:						
Instructional student support	6,187,269	5,299,129	-	-	6,187,269	5,299,129
Administrative and financial support services	5,895,805	4,937,257	-	-	5,895,805	4,937,257
Operation and maintenance of plant services	4,365,883	4,812,619	-	-	4,365,883	4,812,619
Pupil transportation	2,853,628	2,872,613	-	-	2,853,628	2,872,613
Student activities	1,173,747	1,113,752	-	-	1,173,747	1,113,752
Community services	7,420	13,871	-	-	7,420	13,871
Interest on long-term debt	644,465	951,474	-	-	644,465	951,474
Food service	-	-	2,182,663	2,017,403	2,182,663	2,017,403
Total Expenses	65,198,665	60,670,079	2,182,663	2,017,403	67,381,328	62,687,482
Change in Net Position	\$ 6,039,565	\$ 7,648,632	\$ 213,515	\$ 351,317	\$ 6,253,080	\$ 7,999,949

The changes in net position table show the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services. It identifies the cost of these services supported by tax revenue and unrestricted state entitlements. Table 4 shows, for business-type activities, the total cost of services and the net cost of services.

**YORK SUBURBAN SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)
JUNE 30, 2024**

**Table 3
Governmental Activities**

	2024		2023	
	Total Cost	Net Cost	Total Cost	Net Cost
Instruction	\$ 44,070,448	\$ 29,020,121	\$ 40,669,364	\$ 31,917,415
Support Services:				
Instructional student support	6,187,269	5,760,081	5,299,129	4,512,256
Administrative and financial support services	5,895,805	5,476,856	4,937,257	4,359,338
Operation and maintenance of plant services	4,365,883	4,055,648	4,812,619	4,472,351
Pupil transportation	2,853,628	1,955,858	2,872,613	2,220,570
Student activities	1,173,747	1,090,342	1,113,752	854,747
Community services	7,420	6,878	13,871	(22,634)
Interest on long-term debt	644,465	264,167	951,474	626,438
Total Expenses	\$ 65,198,665	\$ 47,629,951	\$ 60,670,079	\$ 48,940,481

**Table 4
Business-type Activities**

	2024		2023	
	Total Cost	Net Cost	Total Cost	Net Revenue
Food service	\$ 2,182,663	\$ (122,484)	\$ 2,017,403	\$ (296,714)

Governmental Activities

The District depends on a combination of tax revenues and governmental grants for governmental activities. For all governmental activities, general revenue support is 63% of the total governmental revenues. The community, as a whole, is the primary financial support for the District's students, although 37% comes from charges for services as well as operating grants and contributions, making them integral for the financial stability of the District.

Business-type Activities

Business-type activities consist of food service operations and are the same as the food service fund. This program had revenues of \$2,396,178 and expenses of \$2,182,663 for fiscal year 2024. Business-type activities receive no support from tax revenues.

GENERAL FUND BUDETARY HIGHLIGHTS

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

**YORK SUBURBAN SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)
JUNE 30, 2024**

During the course of fiscal year 2024, the District amended its general fund budget several times to accommodate differences from the original budget to the actual expenditures of the District. The District used site-based budgeting, and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

For the general fund, budgeted revenue totaled \$69,023,500, but the District realized actual revenues of \$70,980,642. The budgeted expenditures and transfers were \$70,452,561 plus a budgetary reserve for unexpected building repairs of \$590,848. The District expended \$70,308,850 (including transfers) without the need to utilize the budgetary reserve. The District budgets expenditures based upon a long-term strategy of sustainability and held the line on the actual expenditures during the year in support of that strategy.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2024, the District had \$40.21 million invested in capital assets, with \$39.91 million in governmental activities.

Table 5 shows the fiscal year 2024 balance compared to 2023:

**Table 5
Capital Assets at June 30
(Net of Depreciation)**

	Governmental Activities		Business-type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Land	\$ 485,450	\$ 485,450	\$ -	\$ -	\$ 485,450	\$ 485,450
Construction in progress	2,540,212	-	-	-	2,540,212	-
Site improvements	6,161,384	6,161,384	-	-	6,161,384	6,161,384
Buildings and improvements	80,516,983	80,949,155	-	-	80,516,983	80,949,155
Furniture and equipment	10,646,714	10,269,303	1,519,123	1,519,123	12,165,837	11,788,426
Right-to-use lease assets	156,678	156,678	-	-	156,678	156,678
Right-to-use subscriptions	289,343	289,343	-	-	289,343	289,343
Accumulated depreciation/ amortization	<u>(60,882,473)</u>	<u>(58,502,163)</u>	<u>(1,220,622)</u>	<u>(1,189,913)</u>	<u>(62,103,095)</u>	<u>(59,692,076)</u>
Totals	\$ 39,914,291	\$ 39,809,150	\$ 298,501	\$ 329,210	\$ 40,212,792	\$ 41,138,360

Debt Administration

At June 30, 2024, the District had \$48.577 million in bonds, notes, and leases outstanding, with \$4.298 million due within one year. Table 6 on the following page summarizes bonds and notes outstanding.

**YORK SUBURBAN SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)
JUNE 30, 2024**

**Table 6
Outstanding Debt at Year End
(In Thousands)**

	Governmental Activities	
	2024	2023
General Obligation Bonds and Notes:		
Series of 2016	\$ 1,675	\$ 2,075
Series of 2019	9,480	9,485
Series of 2019A	7,145	10,705
Series of 2020	9,416	9,538
Series of 2023	9,995	-
Series of 2024	9,480	-
Total	\$ 47,191	\$ 31,803

The District has no special assessment debt. Long-term debt is liquidated from the debt service fund.

FOR THE FUTURE

The challenges for the future for the York Suburban School District for financing the instructional programs and support services are considerable.

- The District's tax base has had little growth over the last five years. Assessed value of real estate is at \$1.85 billion for fiscal year 2024 - 2025. The increase from 2023 - 2024 to 2024 - 2025 was less than 0.1% and netted the District approximately \$25,000 in additional tax revenue.
- The state legislature adopted legislation, known as Act 5, effective July 1, 2019, which changes retirement benefits for new employees under the Public-School Employee Retirement System. This is a further attempt to slow down projected retirement expenses for both the state government and local school districts. The PSERS rates are just under 34% of salaries for the fiscal year 2024 - 2025.
- Rising pension contributions costs will continue to put pressure on the District's financial position. For fiscal year 2024 - 2025, the District budgeted to contribute approximately \$10 million or 13.5% of total governmental expenditures toward PSERS.
- The District transitioned to a self-funded health insurance model five years ago. The program experienced savings over the last three years after an increase in costs in the first year of the program. Fiscal year 2023 - 2024 saw a 5% increase in costs; however, the pace of this increase is slower than the industry average.

**YORK SUBURBAN SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)
JUNE 30, 2024**

- Enrollment in the District totals 3,047 K-12 in the 2024 - 2025 school year as of October 1, 2024, 56 less than the prior year.
- The District's number of Historically Underperforming Students – identified by the Pennsylvania Department of Education as Economically Disadvantaged (44%), Special Education (12.2%) and English Language Learners (7%)
- The District continues its planning multiple construction projects to upgrade the facilities. These projects a school for intermediate level students, renovated high school, and several other smaller capital projects. The total estimated cost for the projects is \$120 Million.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money received. If you have questions about this report or need additional financial information, please contact Michelle Kendig, Chief Financial & Operations Officer, York Suburban School District, 1800 Hollywood Drive, York, PA 17403.

YORK SUBURBAN SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2024
(With Summarized Comparative Data for June 30, 2023)

	Governmental Activities	Business-type Activities	Totals	
			2024	2023
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
ASSETS:				
Cash and cash equivalents	\$ 55,648,244	\$ 2,525,444	\$ 58,173,688	\$ 36,399,045
Taxes receivable, net of allowance	1,678,807	-	1,678,807	1,640,346
Due from other governments	2,714,909	156,002	2,870,911	2,533,914
Other receivables	294,599	14,070	308,669	78,567
Inventories	-	47,804	47,804	42,679
Prepaid items	-	-	-	824
Bond prepaid insurance	22,203	-	22,203	22,203
Land	485,450	-	485,450	485,450
Construction-in-progress	2,540,212	-	2,540,212	-
Site improvements	1,708,888	-	1,708,888	1,925,244
Buildings and improvements	33,063,075	-	33,063,075	34,978,017
Machinery and equipment	2,074,623	298,501	2,373,124	2,531,824
Right-to-use lease assets	-	-	-	52,132
Right-to-use subscriptions	42,043	-	42,043	165,693
TOTAL ASSETS	100,273,053	3,041,821	103,314,874	80,855,938
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred outflows related to pension	14,047,060	-	14,047,060	12,020,542
Deferred outflows related to OPEB	967,962	-	967,962	1,069,316
Deferred change on bond refunding	166,575	-	166,575	256,649
TOTAL DEFERRED OUTFLOWS OF RESOURCES	15,181,597	-	15,181,597	13,346,507
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 115,454,650	\$ 3,041,821	\$ 118,496,471	\$ 94,202,445
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION (DEFICIT)				
LIABILITIES:				
Accounts payable	\$ 2,687,385	\$ 664,908	\$ 3,352,293	\$ 1,788,480
Accrued salaries, payroll withholdings, and benefits	10,159,081	-	10,159,081	8,272,162
Accrued interest payable	250,809	-	250,809	258,216
Unearned revenues	-	17,937	17,937	17,937
Long-term liabilities:				
Portion due or payable within one year:				
Bonds and notes payable, net	4,257,313	-	4,257,313	4,350,210
Lease liability	-	-	-	52,443
Subscription liability	40,571	-	40,571	123,000
Compensated absences	232,311	-	232,311	434,165
Portion due or payable after one year:				
Bonds and notes payable, net	44,279,484	-	44,279,484	28,876,395
Subscription liability	-	-	-	40,571
Accumulated compensated absences	542,061	-	542,061	1,013,050
Net pension liability	80,787,000	-	80,787,000	79,492,195
Net OPEB liability	6,108,157	-	6,108,157	5,890,465
TOTAL LIABILITIES	149,344,172	682,845	150,027,017	130,609,289
DEFERRED INFLOWS OF RESOURCES:				
Deferred inflows related to pension	1,202,000	-	1,202,000	2,229,000
Deferred inflows related to OPEB	2,282,170	-	2,282,170	2,631,952
TOTAL DEFERRED INFLOWS OF RESOURCES	3,484,170	-	3,484,170	4,860,952
NET POSITION (DEFICIT):				
Net investment in capital assets	20,022,065	298,501	20,320,566	15,999,817
Restricted capital projects, student activities, and debt service	3,305,596	-	3,305,596	2,923,767
Unrestricted (deficit)	(60,701,353)	2,060,475	(58,640,878)	(60,191,380)
TOTAL NET POSITION (DEFICIT)	(37,373,692)	2,358,976	(35,014,716)	(41,267,796)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION (DEFICIT)	\$ 115,454,650	\$ 3,041,821	\$ 118,496,471	\$ 94,202,445

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

**YORK SUBURBAN SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024
(With Summarized Comparative Data for the Year Ended June 30, 2023)**

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position (Deficit)			
		Charges for Services	Operating	Capital	Governmental Activities	Business-type Activities	Totals	
			Grants and Contributions	Grants and Contributions			2024	2023
GOVERNMENTAL ACTIVITIES:								
Instruction	\$44,070,448	\$ 288,962	\$ 8,121,806	\$ 6,639,559	\$ (29,020,121)	\$ -	\$ (29,020,121)	\$ (31,917,415)
Instructional student support	6,187,269	-	427,188	-	(5,760,081)	-	(5,760,081)	(4,512,256)
Administrative and financial support services	5,895,805	-	418,949	-	(5,476,856)	-	(5,476,856)	(4,359,338)
Operation and maintenance of plant services	4,365,883	-	310,235	-	(4,055,648)	-	(4,055,648)	(4,472,351)
Pupil transportation	2,853,628	-	897,770	-	(1,955,858)	-	(1,955,858)	(2,220,570)
Student activities	1,173,747	-	83,405	-	(1,090,342)	-	(1,090,342)	(854,747)
Community services	7,420	-	542	-	(6,878)	-	(6,878)	22,634
Interest on long-term debt and bond issuance costs	644,465	-	380,298	-	(264,167)	-	(264,167)	(626,438)
TOTAL GOVERNMENTAL ACTIVITIES	65,198,665	288,962	10,640,193	6,639,559	(47,629,951)	-	(47,629,951)	(48,940,481)
BUSINESS-TYPE ACTIVITIES:								
Food service	2,182,663	665,278	1,639,869	-	-	122,484	122,484	296,714
TOTAL BUSINESS-TYPE ACTIVITIES	2,182,663	665,278	1,639,869	-	-	122,484	122,484	296,714
TOTAL PRIMARY GOVERNMENT	\$67,381,328	\$ 954,240	\$ 12,280,062	\$ 6,639,559	(47,629,951)	122,484	(47,507,467)	(48,643,767)
GENERAL REVENUES								
Property taxes levied for general purposes					45,561,365	-	45,561,365	50,177,795
Grants and entitlements not restricted to specific programs					5,541,615	-	5,541,615	5,366,458
Investment earnings					1,795,661	83,521	1,879,182	771,291
Transfers					(7,510)	7,510	-	-
Miscellaneous					778,385	-	778,385	328,172
TOTAL GENERAL REVENUES					53,669,516	91,031	53,760,547	56,643,716
CHANGE IN NET POSITION (DEFICIT)					6,039,565	213,515	6,253,080	7,999,949
NET POSITION (DEFICIT), BEGINNING OF YEAR					(43,413,257)	2,145,461	(41,267,796)	(49,267,745)
NET POSITION (DEFICIT), END OF YEAR					\$ (37,373,692)	\$ 2,358,976	\$ (35,014,716)	\$ (41,267,796)

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

**YORK SUBURBAN SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2024
(With Summarized Comparative Data for June 30, 2023)**

	General Fund	Capital Projects Fund	Debt Service Fund	Nonmajor Governmental Funds	Totals	
					2024	2023
ASSETS						
Cash and cash equivalents	\$ 21,455,728	\$ 8,099,714	\$ 21,505,217	\$ 3,019,555	\$ 54,080,214	\$ 34,326,127
Taxes receivable, net	1,678,807	-	-	-	1,678,807	1,640,346
Due from other funds	53,000	13,800	200,000	300,000	566,800	1,383,273
Other receivables	2,714,909	-	-	-	2,714,909	2,368,774
Due from other governments	228,314	-	-	-	228,314	70,080
Prepaid expenditures	-	-	-	-	-	824
TOTAL ASSETS	\$ 26,130,758	\$ 8,113,514	\$ 21,705,217	\$ 3,319,555	\$ 59,269,044	\$ 39,789,424
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES:						
Accounts payable	\$ 642,331	\$ 1,087,735	\$ -	\$ 159	\$ 1,730,225	\$ 999,274
Accrued salaries, payroll withholdings, and benefits	10,159,081	-	-	-	10,159,081	8,272,162
Due to other funds	300,000	253,000	-	13,800	566,800	2,862,621
TOTAL LIABILITIES	11,101,412	1,340,735	-	13,959	12,456,106	12,134,057
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues - delinquent taxes	607,741	-	-	-	607,741	1,112,228
TOTAL DEFERRED INFLOWS OF RESOURCES	607,741	-	-	-	607,741	1,112,228
FUND BALANCES:						
Nonspendable	-	-	-	-	-	824
Restricted	-	6,772,779	21,705,217	3,227,123	31,705,119	11,971,194
Committed	-	-	-	78,473	78,473	821,574
Assigned	10,342,432	-	-	-	10,342,432	10,175,434
Unassigned	4,079,173	-	-	-	4,079,173	3,574,113
TOTAL FUND BALANCES	14,421,605	6,772,779	21,705,217	3,305,596	46,205,197	26,543,139
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 26,130,758	\$ 8,113,514	\$ 21,705,217	\$ 3,319,555	\$ 59,269,044	\$ 39,789,424

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

**YORK SUBURBAN SCHOOL DISTRICT
RECONCILIATION OF BALANCE SHEET - GOVERNMENTAL FUNDS
TO STATEMENT OF NET POSITION
JUNE 30, 2024**

TOTAL GOVERNMENTAL FUND BALANCES \$ 46,205,197

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

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

Land	\$	485,450	
Site improvements		6,161,384	
Buildings and improvements		81,088,113	
Furniture and equipment		10,075,584	
Construction in progress		2,540,212	
Right-to-use assets		156,678	
Right-to-use subscriptions		289,343	
Accumulated depreciation/amortization		<u>(60,882,473)</u>	39,914,291

Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Those liabilities consist of:

Bonds and note payable, net		(48,536,797)	
Subscription liability		(40,571)	
Accumulated compensated absences		(774,372)	
Accrued interest payable		(250,809)	
Net pension liability		(80,787,000)	
Net OPEB liability		<u>(6,108,157)</u>	(136,497,706)

Issuance of debt resulted in prepaid insurance costs and deferred charges which will be amortized over the life of new debt but do not represent current rights. 188,778

An internal service fund is used by the District to charge the cost of health insurance claims to the individual funds. The assets and liabilities of the internal service fund are included with governmental activities. 677,155

Deferred inflows and outflows of resources related to the District's pension and OPEB plans do not represent current resources or uses of resources and, therefore, are not reported in the funds. Deferred inflows and outflows of resources consist of the following:

Deferred outflows of resources:			
Deferred outflows related to pension		14,047,060	
Deferred outflows related to OPEB		967,962	
Deferred inflows of resources:			
Deferred inflows related to pension		(1,202,000)	
Deferred inflows related to OPEB		<u>(2,282,170)</u>	11,530,852

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. 607,741

NET DEFICIT OF GOVERNMENTAL ACTIVITIES \$ (37,373,692)

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

YORK SUBURBAN SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024
(With Summarized Comparative Data for the Year Ended June 30, 2023)

	General Fund	Capital Projects Fund	Debt Service Fund	Nonmajor Governmental Funds	Totals	
					2024	2023
REVENUES						
Local sources	\$53,741,783	\$ 202,772	\$ 468,899	\$ 97,914	\$54,511,368	\$52,441,417
State sources	15,122,932	-	-	-	15,122,932	14,306,041
Federal sources	2,115,927	-	-	-	2,115,927	1,304,722
TOTAL REVENUES	<u>70,980,642</u>	<u>202,772</u>	<u>468,899</u>	<u>97,914</u>	<u>71,750,227</u>	<u>68,052,180</u>
EXPENDITURES						
Current:						
Instruction	44,210,636	182,705	-	-	44,393,341	42,335,541
Support services	18,436,779	-	265,247	-	18,702,026	17,670,280
Operation of noninstructional services	1,160,644	-	-	89,350	1,249,994	1,255,922
Capital outlay	-	2,294,715	-	13,800	2,308,515	141,647
Debt service	-	-	5,257,948	-	5,257,948	5,303,502
TOTAL EXPENDITURES	<u>63,808,059</u>	<u>2,477,420</u>	<u>5,523,195</u>	<u>103,150</u>	<u>71,911,824</u>	<u>66,706,892</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>7,172,583</u>	<u>(2,274,648)</u>	<u>(5,054,296)</u>	<u>(5,236)</u>	<u>(161,597)</u>	<u>1,345,288</u>
OTHER FINANCING SOURCES (USES)						
Issuance of debt	-	-	19,475,000	-	19,475,000	-
Bond discount	-	-	(161,383)	-	(161,383)	-
Bond premiums	-	-	517,282	-	517,282	-
Proceeds from sale of capital asset	-	-	-	-	-	1,495
Transfers in	-	-	6,193,281	300,000	6,493,281	5,852,003
Transfers out	(6,500,791)	-	-	-	(6,500,791)	(5,852,003)
Refund or prior year receipts	266	-	-	-	266	-
Proceeds from extended-term financing	-	-	-	-	-	43,864
TOTAL OTHER FINANCING SOURCES (USES)	<u>(6,500,525)</u>	<u>-</u>	<u>26,024,180</u>	<u>300,000</u>	<u>19,823,655</u>	<u>45,359</u>
NET CHANGE IN FUND BALANCES	672,058	(2,274,648)	20,969,884	294,764	19,662,058	1,390,647
FUND BALANCES, BEGINNING OF YEAR	<u>13,749,547</u>	<u>9,047,427</u>	<u>735,333</u>	<u>3,010,832</u>	<u>26,543,139</u>	<u>25,152,492</u>
FUND BALANCES, END OF YEAR	<u>\$14,421,605</u>	<u>\$ 6,772,779</u>	<u>\$21,705,217</u>	<u>\$ 3,305,596</u>	<u>\$46,205,197</u>	<u>\$26,543,139</u>

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

**YORK SUBURBAN SCHOOL DISTRICT
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024**

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS \$ 19,662,058

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/amortization expense. This is the amount by which depreciation/amortization exceeded capital outlays and disposals in the period. 105,141

Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered as "available" revenues in the governmental funds. Unavailable tax revenues decreased by this amount this year. (504,487)

An internal service fund has been established to account for self-insured healthcare costs. The net revenue is reported with governmental activities. (468,023)

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. Also, 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. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This amount is the net effect of these differences in the treatment of long-term and related items. (15,217,416)

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 the governmental funds:

Compensated absences	\$	672,843	
Net pension liability and related deferrals		1,758,713	
Net OPEB liability and related deferrals		30,736	
		2,462,292	2,462,292

CHANGE IN NET DEFICIT OF GOVERNMENTAL ACTIVITIES \$ 6,039,565

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

**YORK SUBURBAN SCHOOL DISTRICT
BUDGETARY COMPARISON STATEMENT - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual (GAAP Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Local sources	\$ 52,973,396	\$ 52,196,791	\$ 53,741,783	\$ 1,544,992
State sources	14,835,852	14,835,852	15,122,932	287,080
Federal sources	1,214,252	1,990,857	2,115,927	125,070
TOTAL REVENUES	<u>69,023,500</u>	<u>69,023,500</u>	<u>70,980,642</u>	<u>1,957,142</u>
EXPENDITURES				
Instruction:				
Regular programs	31,698,090	31,698,090	31,469,218	228,872
Special programs	10,797,903	10,797,903	11,303,782	(505,879)
Vocational programs	1,399,633	1,399,633	1,321,278	78,355
Other instructional programs	189,107	189,107	78,523	110,584
Nonpublic school programs	10,000	10,000	37,835	(27,835)
Total Instruction	<u>44,094,733</u>	<u>44,094,733</u>	<u>44,210,636</u>	<u>(115,903)</u>
Support services:				
Pupil personnel services	2,798,295	2,798,295	2,754,803	43,492
Instructional staff services	2,432,627	2,432,627	2,310,146	122,481
Administrative services	4,450,882	4,450,882	4,152,618	298,264
Pupil health	639,397	639,397	841,294	(201,897)
Business services	847,370	847,370	951,530	(104,160)
Operation and maintenance of plant services	4,336,522	4,336,522	4,199,909	136,613
Student transportation services	2,686,621	2,686,621	2,803,545	(116,924)
Central support services	410,068	410,068	417,293	(7,225)
Other support services	-	-	5,641	(5,641)
Total Support Services	<u>18,601,782</u>	<u>18,601,782</u>	<u>18,436,779</u>	<u>165,003</u>
Operation of noninstructional services:				
Student activities	1,121,855	1,121,855	1,153,146	(31,291)
Community services	13,000	13,000	7,498	5,502
Total Operation of Noninstructional Services	<u>1,134,855</u>	<u>1,134,855</u>	<u>1,160,644</u>	<u>(25,789)</u>
TOTAL EXPENDITURES	<u>63,831,370</u>	<u>63,831,370</u>	<u>63,808,059</u>	<u>23,311</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>5,192,130</u>	<u>5,192,130</u>	<u>7,172,583</u>	<u>1,980,453</u>
OTHER FINANCING SOURCES (USES)				
Budgetary reserve	(590,848)	(590,848)	-	590,848
Transfers to other funds	(6,030,343)	(6,030,343)	(6,500,791)	(470,448)
Refund or prior year receipts	-	-	266	266
TOTAL OTHER FINANCING SOURCES (USES)	<u>(6,621,191)</u>	<u>(6,621,191)</u>	<u>(6,500,525)</u>	<u>120,666</u>
NET CHANGE IN FUND BALANCE	(1,429,061)	(1,429,061)	672,058	2,101,119
FUND BALANCE, BEGINNING OF YEAR	<u>13,749,547</u>	<u>13,749,547</u>	<u>13,749,547</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 12,320,486</u>	<u>\$ 12,320,486</u>	<u>\$ 14,421,605</u>	<u>\$ 2,101,119</u>

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

**YORK SUBURBAN SCHOOL DISTRICT
STATEMENTS OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2024 AND 2023**

	Food Service Fund		Internal Service Fund	
	2024	2023	2024	2023
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
ASSETS:				
Cash and cash equivalents	\$ 2,525,444	\$ 1,681,517	\$ 1,568,030	\$ 391,401
Due from other funds	-	-	-	1,479,348
Due from other governments	156,002	165,140	-	-
Accounts receivable	14,070	7,763	66,285	724
Inventories	47,804	42,679	-	-
Furniture and equipment, net	298,501	329,210	-	-
TOTAL ASSETS	\$ 3,041,821	\$ 2,226,309	\$ 1,634,315	\$ 1,871,473
LIABILITIES AND NET POSITION				
LIABILITIES:				
Accounts payable	\$ 664,908	62,911	957,160	\$ 726,295
Unearned revenues	17,937	17,937	-	-
TOTAL LIABILITIES	682,845	80,848	957,160	726,295
NET POSITION:				
Investment in capital assets	298,501	329,210	-	-
Unrestricted	2,060,475	1,816,251	677,155	1,145,178
TOTAL NET POSITION	2,358,976	2,145,461	677,155	1,145,178
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 3,041,821	\$ 2,226,309	\$ 1,634,315	\$ 1,871,473

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

YORK SUBURBAN SCHOOL DISTRICT
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -
PROPRIETARY FUNDS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	Food Service Fund		Internal Service Fund	
	2024	2023	2024	2023
OPERATING REVENUES				
Food service revenues	\$ 665,278	\$ 745,542	\$ -	\$ -
Charges for health insurance	-	-	5,927,920	6,330,012
Total Operating Revenues	<u>665,278</u>	<u>745,542</u>	<u>5,927,920</u>	<u>6,330,012</u>
OPERATING EXPENSES				
Supplies, small equipment, and contracted services	2,151,954	1,960,634	-	-
Depreciation	30,709	56,769	-	-
Insurance claims	-	-	6,279,364	5,976,285
Administrative fees	-	-	116,579	227,255
Total Operating Expenses	<u>2,182,663</u>	<u>2,017,403</u>	<u>6,395,943</u>	<u>6,203,540</u>
OPERATING (LOSS) INCOME	<u>(1,517,385)</u>	<u>(1,271,861)</u>	<u>(468,023)</u>	<u>126,472</u>
NONOPERATING REVENUES				
Earnings on investments	83,521	53,494	-	-
State sources	283,195	213,296	-	-
Federal sources	1,356,674	1,356,388	-	-
Total Nonoperating Revenues	<u>1,723,390</u>	<u>1,623,178</u>	<u>-</u>	<u>-</u>
OPERATING TRANSFERS				
Transfer in	7,510	-	-	-
Total Operating Transfers	<u>7,510</u>	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN NET POSITION	213,515	351,317	(468,023)	126,472
NET POSITION, BEGINNING OF YEAR	<u>2,145,461</u>	<u>1,794,144</u>	<u>1,145,178</u>	<u>1,018,706</u>
NET POSITION, END OF YEAR	<u>\$ 2,358,976</u>	<u>\$ 2,145,461</u>	<u>\$ 677,155</u>	<u>\$ 1,145,178</u>

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

**YORK SUBURBAN SCHOOL DISTRICT
STATEMENTS OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

	Food Service Fund		Internal Service Fund	
	2024	2023	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers	\$ 658,971	\$ 650,721	\$ 7,341,707	\$ 6,329,288
Payments to suppliers	(1,390,934)	(1,772,246)	-	-
Cash payments for health insurance costs	-	-	(6,165,078)	(7,879,311)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(731,963)</u>	<u>(1,121,525)</u>	<u>1,176,629</u>	<u>(1,550,023)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers from general fund	7,510	-	-	-
State sources	282,718	188,572	-	-
Federal sources	1,202,141	1,251,600	-	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>1,492,369</u>	<u>1,440,172</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Purchase of capital assets	-	(122,528)	-	-
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>-</u>	<u>(122,528)</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Earnings on investments	83,521	53,494	-	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>83,521</u>	<u>53,494</u>	<u>-</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	843,927	249,613	1,176,629	(1,550,023)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,681,517</u>	<u>1,431,904</u>	<u>391,401</u>	<u>1,941,424</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 2,525,444</u>	<u>\$ 1,681,517</u>	<u>\$ 1,568,030</u>	<u>\$ 391,401</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ (1,517,385)	\$ (1,271,861)	\$ (468,023)	\$ 126,472
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:				
Depreciation	30,709	56,769	-	-
Donated commodities	164,148	160,175	-	-
Decrease (Increase) in:				
Accounts receivable	(6,307)	(7,763)	(65,561)	(724)
Due from other funds	-	-	1,479,348	-
Inventories	(5,125)	(25,178)	-	-
Increase (Decrease) in:				
Accounts payable	601,997	62,911	230,865	438,884
Accrued salaries and benefits	-	-	-	(2,114,655)
Due to other funds	-	(9,520)	-	-
Unearned revenues	-	(87,058)	-	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (731,963)</u>	<u>\$ (1,121,525)</u>	<u>\$ 1,176,629</u>	<u>\$ (1,550,023)</u>
SUPPLEMENTAL DISCLOSURE				
Noncash noncapital financing activity:				
USDA donated commodities	<u>\$ 164,148</u>	<u>\$ 246,206</u>	<u>\$ -</u>	<u>\$ -</u>

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

YORK SUBURBAN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The York Suburban School District (“the District”) operates a public school system which is comprised of the Townships of Spring Garden and Springettsbury.

The school district consists of York Suburban High School, York Suburban Middle School, and the Valley View, Yorkshire, Indian Rock, East York Elementary Schools, as well as the School District Administration Office which is located in the Education Center.

Reporting Entity

Governmental Accounting Standards Board (“GASB”) Statements define the criteria used to determine the composition of the reporting entity. These standards require that the reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable, (3) organizations that are fiscally dependent on the primary government and a financial benefit or burden exists, and (4) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. The District is not a component unit of any other entities. Based on the above criteria, the District has no component units.

Joint Ventures

The following joint ventures are not component units of the York Suburban School District and are not included in this report.

York County School of Technology

The District is one of fourteen member school districts participating in the operation of the York County School of Technology. The School is operated, administered, and managed by a joint operating committee consisting of board members from the fourteen member school districts. These members are elected by their individual school district board of directors. The District’s share of annual operating and capital costs for York County School of Technology are reflected in intergovernmental expenditures of the general fund. During the year ended June 30, 2024, the District paid \$1,270,390 to the York County School of Technology for operating expenditures. In addition, the District paid \$236,392 to the York County School of Technology Authority for debt service payments.

York/LIU Joint Authority

This is a separate legal entity organized by thirteen local school districts to provide services in York County. Each of the member school districts appoints one member to service on the joint operating committee, and each has an ongoing financial responsibility to fund the District’s operations. During the year ended June 30, 2024, the District paid \$67,250 to the Authority for these services.

YORK SUBURBAN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Lincoln Intermediate Unit #12

This is a separate legal entity organized by constituent school districts in York, Adams, and Franklin counties to provide services to the school districts. Each member school district appoints one member to serve on the Board of Directors of the Intermediate Unit. The District contracts with the Intermediate Unit primarily for special education services and training. During the year ended June 30, 2024, the District paid \$2,951,711 to the Lincoln Intermediate Unit.

Complete financial statements for each of the entities described above can be obtained from each respective administrative office.

Basis of Presentation

Entity-wide Financial Statements

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

The entity-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting as further defined under proprietary funds below. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the entity-wide statements and the statements of governmental funds.

The entity-wide statement of activities presents a comparison between expenses and program revenues for each function of the business-type activities of the District and for each governmental program. Expenses are those that are specifically associated with a service or program and are, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Revenues which are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program is self-financing or draws from the general revenues of the District.

Except for interfund activity and balances between the funds that underlie governmental activities and the funds that underlie business-type activities, which are reported as transfers

YORK SUBURBAN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

and internal balances, the effect of interfund activity has been removed from these statements.

The entity-wide financial statements report net position in one of three components. Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of borrowings attributable to acquiring, constructing, or improving those assets. Net position is reported as restricted when constraints placed on net position use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Net position as of June 30, 2024 consists of \$3,227,123 restricted for capital projects and \$78,473 committed for student activities. Unrestricted net position consists of net position that does not meet the definition of "net investment in capital assets" or "restricted."

Fund Financial Statements

During the school year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements report detailed information about the District. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Fiduciary fund financial statements are presented by fund type.

Governmental Funds

All governmental funds are accounted for using the modified accrual basis of accounting and the current financial resources measurement focus. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

The District reports the following major governmental funds:

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

The **Capital Project Fund** is used to account for financial resources obtained for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

The **Debt Service Fund** is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

YORK SUBURBAN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The District reports the following nonmajor governmental funds:

The **Capital Reserve Fund** is authorized by P. L. 145 Act of April 30, 1943 known as 53 PS 1432 and accounts for monies transferred during any fiscal year from appropriations, or from surplus monies in the general fund, to be used for future capital improvements.

The **Student Sponsored Activity Fund** is used to account for monies raised by student clubs through fundraising and pay for expenditures for student activities such as field trips.

Proprietary Funds

Proprietary funds are accounted for using the accrual basis of accounting. These funds account for operations that are financed primarily by user charges. The economic resources measurement focus concerns determining costs as a means of maintaining the capital investment and management control. Revenues are recognized when they are earned, and expenses are recognized when they are incurred. Allocations of certain costs, such as depreciation, are recorded in proprietary funds. The District does not attempt to allocate all "building-wide costs" to the enterprise fund. Thus, general fund expenditures which partially benefit the enterprise fund (utilities, janitorial services, insurance, etc.) are not recognized proportionately in the enterprise fund. Similarly, the enterprise fund does not recognize a cost for the building space it occupies.

The District's proprietary funds consist of the food service fund and the internal service fund. The food service fund is a major enterprise fund used to account for operations where the intent of the governmental entity is to recover the costs of providing goods and services to the District's student population and staff primarily through user charges. This fund is used to account for the District's food service operations that are financed and operated in a manner similar to private business enterprises. The fund accounts for all revenues, food purchases, and costs and expenses for the Food Service Program. The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the District on a cost reimbursement basis. The District's only internal service fund is used to account for the operation of the District's self-insurance program for employee medical and prescription drug claims on a cost reimbursement basis.

The District reports the following proprietary funds:

The **Food Service Fund** is used to account for all revenues and expenses pertaining to cafeteria operations as authorized under Section 504 of Public School Code of 1949. It is the intent of the governing body that the cost of providing food goods or services to the students on a continuing basis be financed or recovered primarily through user charges or cost reimbursement plans.

YORK SUBURBAN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The School District does not attempt to allocate "building-wide costs" to the food service fund. Thus, general fund expenditures which partially benefit the food service fund (utilities, janitorial services, insurance, etc.) are not proportionately recognized within the food service fund; similarly, the food service fund does not recognize a cost for the building space it occupies (no rental-of-facilities expense).

The **Self-Insurance Fund** is used to account for resources, derived primarily from premiums collected from other funds, for payment of medical and dental insurance premiums and claims.

Revenue Recognition

In applying the "susceptible to accrual concept" under the modified accrual basis, 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 government considers tax revenue and similar revenue streams to be available if collected within 60 days of the end of the fiscal period. Revenue from federal, state, and other grants designated for payment of specific District expenditures is recognized when the related expenditures are incurred; accordingly, when such funds are received, they are reported as unearned revenues until earned.

Other revenues, including certain other charges for services and miscellaneous revenues, are recorded as revenue when received in cash because they generally are not measurable until actually received.

Expenditure Recognition

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred. However, principal and interest on general long-term debt which has not matured are recognized when paid. Liabilities for compensated absences and special termination benefits are recognized as fund liabilities to the extent they mature each period. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds.

Cash and Cash Equivalents

The District has limited authority as to the types of allowable investments. Cash consists of cash on hand and checking, savings, and money market account balances.

Cash and cash equivalents are defined as short-term, highly liquid investments that are readily convertible to known amounts of cash and include investments with original maturities of three months or less.

YORK SUBURBAN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

All investments are stated at cost, which approximates fair value.

Inventories

The Food Service Fund food inventory consists of expendable supplies held for consumption and federal government donated commodities that are valued at estimated fair market value. The expendable supplies are recorded as an expense when used, the cost of governmental fund inventories are recorded as expenditures when purchased rather than when consumed. The value of governmental fund inventories is not significant at June 30, 2024.

Receivables/Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the entity-wide and proprietary fund financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$1,500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed, inclusive of ancillary costs.

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

Buildings and improvements	20 - 50 years
Site improvements	20 years
Machinery and equipment	5 - 20 years
Right-to-use lease assets	term of lease
Right-to-use subscription assets	term of subscription

YORK SUBURBAN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Compensated Absences

Liability for compensated absences is accounted for in accordance with the provisions of GASB standards, which require entities to accrue for employees' rights to receive compensation for vacation leave, or payments in lieu of accrued vacation or sick leave, as such benefits are earned, and payment becomes probable.

The estimate of the liabilities for compensated absences has been calculated using the vesting method in accordance with the provisions of the GASB. Under that method, the District has identified the amount earned to date by each employee, determined the cost of that benefit by reference to the benefit provisions and the current rates paid by the District, and estimated the probability of the payment of that benefit to employees upon retirement.

Liabilities for vested, unused vacation pay, and sick pay are recorded in the government-wide and proprietary fund financial statements and are expensed as incurred.

Payments for vacation and sick leave are expensed as paid in the governmental fund financial statements.

Long-term Obligations

In the entity-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are netted against outstanding principal balances and amortized over the life of the bonds. Bond issuance costs are expensed when incurred. Deferred amounts on refunding are recorded as a deferred inflow or outflow of resources and amortized over the life of the old debt or the life of the new debt, whichever is shorter. All amortized amounts are amortized using the straight-line method.

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

Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has three items that qualify for reporting in this category on the government-wide statements. The deferred loss on refunding is reported in the government-wide statement of

YORK SUBURBAN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

net position. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price, and this amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Also, certain changes to the net pension liability and net OPEB liability are required to be amortized over a period of years; the unamortized portions of these changes are reflected as deferred outflows of resources on the entity-wide statement of net position.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category on the government-wide statements. Certain changes to the net pension liability and net OPEB liability are required to be amortized over a period of years; the unamortized portions of these changes are reflected as deferred inflows of resources on the entity-wide statement of net position. The governmental funds report unavailable revenues from one source: property taxes. These amounts are reflected as deferred inflows of resources on the general fund balance sheet and recognized as an inflow of resources in the period that the amounts become available.

Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first and then unrestricted resources as they are needed.

Fund balances of the governmental funds are classified, if applicable, as follows:

Nonspendable – amounts that cannot be spent either because they are in nonspendable 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 constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by formal action of the Board of Directors. The Board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through resolutions approved by the Board of Directors.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The Finance Committee, the Superintendent, or the Business Manager may assign amounts for specific purposes.

YORK SUBURBAN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Unassigned – all other spendable amounts.

Comparative Data

Comparative totals for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations. However, presentation of prior year totals by fund and activity type have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read. Summarized comparative information should be read in conjunction with the District's financial statements for the year ended June 30, 2023, from which the summarized information was derived.

Use of Estimates in the Preparation of Financial Statements

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

NOTE 2 DEPOSITS AND INVESTMENTS

Deposits

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned. The District does not have a policy for custodial credit risk but adheres to the requirements of Act 72 of the Commonwealth of Pennsylvania. At June 30, 2024, the carrying amount of the District's deposits was \$58,173,688, and the bank balance was \$59,261,507. Of the bank balance, \$250,000 was covered by federal depository insurance, and \$11,672,690 was exposed to custodial credit risk because it was uninsured, and the collateral held by the depository's agent was not in the District's name. The remaining \$47,338,817 in cash deposits of the District are in the Pennsylvania School District Liquid Asset Fund ("PSDLAF"). Although not registered with the Securities and Exchange Commission and not subject to regulatory oversight, PSDLAF acts like a money market mutual fund in that their objective is to maintain a stable net asset value of \$1 per share, is rated by a nationally recognized rating organization, and is subject to an independent annual audit.

Investments

Under Section 440.1 of the Public School Code of 1949, as amended, the District is permitted to invest its monies as follows: Obligations of (a) 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;

YORK SUBURBAN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 2 DEPOSITS AND INVESTMENTS (cont'd)

(b) the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth; (c) 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; (d) shares of an investment company registered under the Investment Company Act of 1940; or (e) deposits in savings accounts or time deposits or share accounts of institutions insured by the Federal Deposit Insurance Corporation ("FDIC"), the Federal Savings and Loan Insurance Corporation ("FSLIC"), or the National Credit Union Share Insurance Fund ("NCUSIF") to the extent that such accounts are so insured and for any amounts above the insured maximum, provided that approved collateral as provided by law is pledged by the depository.

Credit Risk

The District has no investment policy that would limit its investment choices to those with certain credit ratings. As of June 30, 2024, PSDLAF was rated as AAAM by a nationally recognized statistical rating organization. The District's investments in U.S. Treasury bonds are backed by the full faith and credit of the U.S. government and are not considered to have credit risk.

NOTE 3 PROPERTY TAXES

Property taxes are levied on July 1. Taxes are collected at a discount until August 31, at their face amount from September 1 until October 31, and include a penalty thereafter. The taxes are billed by the District. One Township is collected by an appointed tax collector and the other is collected by the District. Delinquent real estate taxes are sent to York County Tax Claim Bureau for collection on December 31.

NOTE 4 TAXES RECEIVABLE/DEFERRED INFLOWS OF RESOURCES

The School District collects property taxes, earned income taxes, other taxes, and fees primarily from taxpayers located in the following municipalities within York County, Pennsylvania: Spring Garden Township, and Springettsbury Township:

Taxes receivable consist of the following as of June 30, 2024:

Real estate taxes receivable	\$ 1,678,807
Taxes collected within 60 days, recorded as revenues in governmental funds	<u>1,071,066</u>
Real estate taxes to be collected after 60 days, recorded as deferred inflows of resources in governmental funds	<u>\$ 607,741</u>

YORK SUBURBAN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 5 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024 was as follows:

	Beginning Balance	Increases	Deletions/ Transfers	Ending Balance
<i>Governmental Activities</i>				
Capital assets not being depreciated:				
Land	\$ 485,450	\$ -	\$ -	\$ 485,450
Construction in progress	-	2,540,212	-	2,540,212
Total Capital Assets Not Being Depreciated	485,450	2,540,212	-	3,025,662
Capital assets being depreciated/ amortized:				
Site improvements	6,161,384	-	-	6,161,384
Buildings and improvements	80,949,155	138,958	571,130	80,516,983
Furniture and equipment	10,269,303	419,737	42,326	10,646,714
Right-to-use lease assets	156,678	-	-	156,678
Right-to-use subscriptions	289,343	-	-	289,343
Total Capital Assets Being Depreciated	97,825,863	558,695	613,456	97,771,102
Less accumulated depreciation/ amortization	58,502,163	2,993,766	613,456	60,882,473
Total Capital Assets Being Depreciated/ Amortized, Net	39,323,700	(2,435,071)	-	36,888,629
Governmental Activities Assets, Net	\$ 39,809,150	\$ 105,141	\$ -	\$ 39,914,291
<i>Business-type Activities</i>				
Capital assets being depreciated:				
Furniture and equipment	\$ 1,519,123	\$ -	\$ -	\$ 1,519,123
Less accumulated depreciation	1,189,913	30,709	-	1,220,622
Business-type Activities Assets, Net	\$ 329,210	\$ (30,709)	\$ -	\$ 298,501

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

<i>Governmental Activities:</i>	
Instruction	\$ 2,120,199
Instructional student support	258,692
Administrative and financial support services	253,703
Operation and maintenance of plant services	187,869
Pupil transportation	122,795
Student activities	50,508
Total Depreciation Expense - Governmental Activities	\$ 2,993,766

YORK SUBURBAN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 5 CAPITAL ASSETS (cont'd)

Governmental Activities:	
Business-type Activities:	
Food Service	<u>\$ 30,709</u>

NOTE 6 INTERNAL RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2024 is as follows:

<u>Receivable By</u>	<u>Amount</u>	<u>Payable From</u>	<u>Amount</u>
General Fund	\$ 53,000	General Fund	\$ 300,000
Capital Projects Fund	13,800	Capital Projects Fund	253,000
Debt Service Fund	200,000	Capital Reserve Fund	13,800
Capital Reserve Fund	<u>300,000</u>		
	<u>\$ 566,800</u>		<u>\$ 566,800</u>

Interfund balances between the various funds represent temporary loans recorded at year end subsequent to a final allocation of expenses. The balances generally are repaid shortly after year end.

During the year ended June 30, 2024, the general fund transferred \$6,193,281 to the debt service fund to support future debt service, \$300,000 to the capital reserve fund to support future capital needs, and \$7,510 to the food service fund.

NOTE 7 GENERAL LONG-TERM LIABILITIES

The following summarizes the changes in the long-term liabilities for the year for the year ended June 30, 2024:

	Balance <u>July 1, 2023</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2024</u>	Due Within <u>One Year</u>
<i>Governmental Activities:</i>					
Bonds and notes payable, net	\$ 33,226,605	\$19,830,899	\$4,520,707	\$ 48,536,797	\$ 4,257,313
Lease liability	52,443	-	52,443	-	-
Subscription liability	163,571	-	123,000	40,571	40,571
Accumulated compensated absences	1,447,215	-	672,843	774,372	232,311
Net pension liability	79,492,195	1,294,805	-	80,787,000	-
Net OPEB liability	5,890,465	217,692	-	6,108,157	-
TOTALS	<u>\$120,272,494</u>	<u>\$21,343,396</u>	<u>\$5,368,993</u>	<u>\$136,246,897</u>	<u>\$ 4,530,195</u>

YORK SUBURBAN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 7 GENERAL LONG-TERM LIABILITIES (cont'd)

Long-term liabilities of the governmental activities are anticipated to be liquidated by the general fund and debt service fund.

The District's long-term debt consisted of the following:

General Obligation Bonds

Series of 2019, dated February 21, 2019 due in annual installments through May 1, 2031, bearing interest rates of 1.90% to 4.00%	\$ 9,480,000
Series A of 2019, dated October 21, 2019 due in annual installments through June 30, 2028, bearing interest rates of 2.00% to 5.00%	7,145,000
Series of 2023, dated September 26, 2023 due in semi-annual installments through June 30, 2050	9,995,000
Series of 2024, dated February 26, 2024 due in semi-annual installments through September 30, 2050	9,480,000

General Obligation Notes

Series of 2016, dated May 2, 2016, due in annual installments through June 1, 2028 bearing interest rate of 2.27%	1,675,000
Series of 2020, dated October 13, 2020, due in annual installments through May 1, 2029, bearing interest rate of 1.40%	<u>9,416,000</u>

FINANCING TOTAL	<u>\$ 47,191,000</u>
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Bonds and Notes payable is comprised of the following:

Bonds and Notes payable, at face	\$ 47,191,000
Unamortized premium	<u>1,345,797</u>
Bonds and Notes payable, net	<u>\$ 48,536,797</u>
Amounts due in one year	\$ 4,257,313
Amounts due after one year	<u>44,279,484</u>
Bonds and Notes payable, net	<u>\$ 48,536,797</u>

YORK SUBURBAN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 7 GENERAL LONG-TERM LIABILITIES (cont'd)

Presented below is a summary of debt service requirements to maturity by years:

<u>Year Ending June 30,</u>	<u>Principal Maturities</u>	<u>Interest Maturities</u>	<u>Total Maturities</u>
2025	\$ 4,252,000	\$ 2,034,670	\$ 6,286,670
2026	4,408,000	1,926,650	6,334,650
2027	4,561,000	1,753,070	6,314,070
2028	4,647,000	1,573,847	6,220,847
2029	4,678,000	1,353,338	6,031,338
2030 - 2034	7,500,000	4,861,827	12,361,827
2035 - 2039	4,015,000	3,831,815	7,846,815
2040 - 2044	5,125,000	2,726,165	7,851,165
2045 - 2049	6,505,000	1,346,388	7,851,388
2050 - 2051	1,500,000	73,075	1,573,075
Total	<u>\$ 47,191,000</u>	<u>\$ 21,480,845</u>	<u>\$ 68,671,845</u>

NOTE 8 INFORMATION TECHNOLOGY SUBSCRIPTION ARRANGEMENTS

The District entered into several subscription arrangements ranging from 1 to 3 years for the use of subscription-based information technology. The arrangements require annual principal and interest payments ranging from \$11,457 to \$59,100 based on interest rates from 0.32% to 2.18%. See payment schedule broken out below:

<u>Year Ending June 30,</u>	<u>Principal Maturities</u>	<u>Interest Maturities</u>	<u>Total Maturities</u>
2025	\$ 40,571	\$ 886	\$ 41,457
Total	<u>\$ 40,571</u>	<u>\$ 886</u>	<u>\$ 41,457</u>

NOTE 9 PENSION PLAN

Plan Description

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

YORK SUBURBAN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 9 PENSION PLAN (cont'd)

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 annual comprehensive financial report that includes the financial statements and required supplementary information for the plan. A copy of this report may be obtained by writing to the Public School Employees' Retirement System, P.O. Box 125, Harrisburg, Pennsylvania, 17108-0125, or by visiting the PSERS website at www.psers.state.pa.us.

Benefits Provided

PSERS provides retirement, disability, and death benefits. Members are eligible for monthly retirement benefits upon reaching (a) age 62, with at least one year of credited service, (b) age 60 with 30 or more years of credited service, or (c) 35 or more years of service regardless of age. Act 120 of 2010 ("Act 120") preserves the benefits of existing members and introduced benefit reductions for individuals who became 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 three years of service, or attain a total combination and age and service that is equal to or greater than 92, with a minimum of 35 years of service. Benefits are generally equal to 2% or 2½%, depending upon the membership class, of the member's final average salary as defined in the Code, multiplied by the number of years of credited service. For members whose membership started prior to July 1, 2011, after completion of five years of service, a member's right to the defined benefits is vested and early retirement may be elected. For Class T-E and Class T-F members, the right to benefits is vested after ten years of service. Benefit terms may be amended by passing bills in the Pennsylvania Senate and House of Representatives and sending them to the Governor for approval.

Participants are eligible for disability retirement benefits after completion of five years of credited service. Such benefits are generally equal to 2% or 2½%, depending upon the 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 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.

YORK SUBURBAN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 9 PENSION PLAN (cont'd)

Member Contributions

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

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

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

Members who joined the system after June 30, 2011 automatically contribute at the Membership Class T-E rate of 7.50% (base rate) of the member's qualifying compensation. All new hires after June 30, 2011, who elect Class T-F membership, contribute at 10.30% (base rate) of the member's qualifying compensation. Membership Class T-E and T-F are affected by a "shared risk" provision in Act 120 that in future fiscal years could cause the Membership Class T-E contribution rate to fluctuate between 7.50% and 9.50%, and Membership Class T-F contribution rate to fluctuate between 10.30% and 12.30%.

Employer Contributions

The District's contractually required annual contribution is based on an actuarially determined amount that, when combined with the 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. For the year ended June 30, 2024, the rate of the employer contribution was 34.00% of covered payroll, which was comprised of 33.09% for pension contributions, 0.64% for healthcare contributions, and 0.27% for the PSERS defined contribution plan. The District's pension contribution to PSERS for the year ended June 30, 2024 was \$9,428,883.

Pension Liability and Expense, and Deferred Outflows and Inflows of Resources

At June 30, 2024, the District reported a liability of \$80,787,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, 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, 2022 to June 30, 2023. The District's proportion of the net pension liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2023, the District's proportion was 0.1816%, which was an increase of 0.0028% from its proportion measured as of June 30, 2022.

YORK SUBURBAN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 9 PENSION PLAN (cont'd)

For the year ended June 30, 2024, the District recognized pension expense of \$7,669,628. At June 30, 2024, the 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>
Net difference between projected and actual investment earnings	\$ 2,286,000	\$ -
Difference between expected and actual experience	18,000	1,106,000
Changes in proportions	975,000	96,000
Changes in assumption	1,205,000	-
Difference between employer contributions and proportionate share of total contributions	134,177	-
Contributions subsequent to measurement date	<u>9,428,883</u>	<u>-</u>
	<u>\$14,047,060</u>	<u>\$ 1,202,000</u>

An amount of \$9,428,883 is reported as deferred outflows of resources resulting from the District's contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. The remaining amounts will be reported as deferred outflows of resources and deferred inflows of resources related to pension and will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	
2025	\$ 1,083,726
2026	(1,211,275)
2027	2,781,726
2028	<u>762,000</u>
	<u>\$ 3,416,177</u>

Actuarial Assumptions

The total pension liability as of June 30, 2023 was determined by rolling forward the system's total pension liability as of June 30, 2022 to June 30, 2023 using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method – entry age normal, level percentage of pay
- Investment return – 7.00%, including inflation of 2.75%

YORK SUBURBAN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 9 PENSION PLAN (cont'd)

- Salary increases – effective average of 4.50%, which reflects an allowance for inflation of 2.50%, real wage growth, and for merit or seniority increases of 2.00%
- Mortality rates were based on a blend of 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, 2022 valuation were based on the results of an actuarial experience study that was performed for the five-year the period ending June 30, 2020.

The long-term expected rate of return on pension plan investments was determined using the 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 PSERS Board of Directors. Plan assets are managed with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Global public equity	30.0%	5.2%
Private equity	12.0%	7.9%
Fixed income	33.0%	3.2%
Commodities	7.5%	2.7%
Infrastructure/MLPs	10.0%	5.4%
Real estate	11.0%	5.7%
Absolute return	4.0%	4.1%
Cash	3.0%	1.2%
Leverage	(10.5%)	1.2%
	<u>100.0%</u>	

The above was the PSERS Board's adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2023.

YORK SUBURBAN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 9 PENSION PLAN (cont'd)

Discount Rate

The discount 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 which are actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the net pension liability, calculated using the discount rate of 7.00%, as well as what the net 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%
Proportionate share of the net pension liability	\$ 104,723,000	\$ 80,787,000	\$ 60,593,000

Pension Plan Fiduciary Net Position

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

NOTE 10 PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM OTHER POSTEMPLOYMENT BENEFITS PLAN

Health Insurance Premium Assistance Program

The system provides premium assistance, which is a governmental cost sharing, multiple-employer other postemployment benefit ("OPEB") plan 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

YORK SUBURBAN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 10 PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM OTHER POSTEMPLOYMENT BENEFITS PLAN
(cont'd)

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, 2023, 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 24½ or more years of service, or
- Are a disability retiree, or
- Have 15 or more years of service and retired after reaching superannuation age, and
- Participate in the HOP or employer-sponsored health insurance program.

Pension Plan Description

The District contributes to the Public School Employees' Retirement System ("PSERS"), 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. Benefit terms and contributions may be amended by passing bills in the Pennsylvania Senate and House of Representatives and sending them to the Governor for approval. PSERS issues a publicly available annual comprehensive financial report that includes the financial statements and required supplementary information for the plan. A copy of this report may be obtained by visiting the PSERS website at www.psers.state.pa.us.

Benefits Provided

Participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of \$100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS' Health Options Program. As of June 30, 2021, there were no assumed future benefit increases to participating eligible retirees. Benefit terms may be amended by passing bills in the Pennsylvania Senate and House of Representatives and sending them to the Governor for approval.

YORK SUBURBAN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 10 PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM OTHER POSTEMPLOYMENT BENEFITS PLAN
(cont'd)

Employer Contributions

The District's contractually required annual contribution is based on an actuarially determined amount that, when combined with the 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. For the year ended June 30, 2024, the rate of the employer contribution was 34.00% of covered payroll, which was comprised of 33.09% for pension contributions, 0.64% for healthcare contributions, and 0.27% for the PSERS defined contribution plan. The District's OPEB contribution to PSERS for the year ended June 30, 2024 was \$182,366.

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

At June 30, 2024, the District reported a liability of \$3,271,000 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, 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, 2022 to June 30, 2023. The District's proportion of the net OPEB liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2023, the District's proportion was 0.1808%, which was an increase of 0.0025% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the District recognized OPEB expense of \$319,631. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual investment earnings	\$ 7,000	\$ -
Change in the proportionate share of the net pension liability	68,000	37,000
Change in assumptions	283,000	619,000
Difference between expected and actual experience	21,000	32,000
Difference between employer proportionate share of total contributions	1,704	-
Contributions subsequent to measurement date	<u>182,366</u>	<u>-</u>
	<u>\$ 563,070</u>	<u>\$ 688,000</u>

YORK SUBURBAN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 10 PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM OTHER POSTEMPLOYMENT BENEFITS PLAN
(cont'd)

An amount of \$182,366 is reported as deferred outflows of resources resulting from the District's contributions subsequent to the measurement date and will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2025. The remaining amounts will be reported as deferred outflows of resources and deferred inflows of resources related to OPEB and will be recognized in pension expense as follows:

Year Ending June 30,

2025	\$ (55,000)
2026	(77,574)
2027	(79,574)
2028	(97,574)
2029	<u>2,426</u>
	<u>\$ (307,296)</u>

Actuarial Assumptions

The total OPEB liability as of June 30, 2023 was determined by rolling forward the system's total OPEB liability as of June 30, 2022 to June 30, 2023 using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method – entry age normal - level percentage of pay
- Investment return – 4.13% - S&P 20-year Municipal Bond Rate
- Salary growth – .50% cost of living adjustment, 1.50% real wage growth, with a merit increase for professional staff and administrators varying from 0.00% to 2.75%
- 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-2020 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Mortality Improvement Scale.
- Participation rate:
 - Eligible retirees will elect to participate pre-age 65 at 50%.
 - Eligible retirees will elect to participate post-age 65 at 70%.

The following assumptions were used to determine the contribution rate:

- The results of the actuarial valuation as of June 30, 2021 determined the employer contribution rate for fiscal year 2023.

YORK SUBURBAN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 10 PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM OTHER POSTEMPLOYMENT BENEFITS PLAN
(cont'd)

- Cost method – Amount necessary to assure solvency of premium assistance through the third fiscal year after the valuation date
- Asset valuation method – Market Value
- Participation rate – 63% of eligible retirees are assumed to elect premium assistance.
- Morality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Mortality Improvement Scale.

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

The OPEB plan's policy in regard to the allocation of invested plan assets is established and may be amended by the Board. Under the program, as defined in the retirement code, employer contribution rates for premium assistance are established to provide reserves in the health insurance account that are sufficient for the payment of premium assistance benefits for each succeeding year.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Cash	<u>100.0%</u>	1.2%
	<u>100.0%</u>	

The above was the Board's adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2023.

Discount Rate

The discount rate used to measure the total OPEB liability was 4.13%, an increase from 4.09% as of June 30, 2022. 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 4.13%, which represents the S&P 20-year Municipal Bond

YORK SUBURBAN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 10 PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM OTHER POSTEMPLOYMENT BENEFITS PLAN
(cont'd)

Rate at June 30, 2023, was applied to all projected benefit payments to measure the total OPEB liability.

Sensitivity of the System's 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, 2023, 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, 2023, 92,667 retirees were receiving the maximum amount allowed of \$1,200 per year. As of June 30, 2023, 552 members were receiving less than the maximum amount allowed of \$1,200 per year. The actual number of retirees receiving less than the \$1,200 per year cap is a small percentage of the total population and has a minimal impact on healthcare cost trends as depicted below.

The following presents the system's net OPEB liability for June 30, 2023, calculated using current healthcare cost trends, as well as what the system's net OPEB liability would be if its healthcare cost trends were one percentage point lower or one percentage point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
System's net OPEB liability	\$ 3,698,000	\$ 3,271,000	\$ 2,913,000

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

The following presents the net OPEB liability, calculated using the discount rate of 4.13%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.13%) or one percentage point higher (5.13%) than the current rate:

	<u>1% Decrease 3.13%</u>	<u>Current Discount Rate 4.13%</u>	<u>1% Increase 5.13%</u>
Proportionate share of the net OPEB liability	\$ 3,698,000	\$ 3,271,000	\$ 2,913,000

YORK SUBURBAN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 10 PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM OTHER POSTEMPLOYMENT BENEFITS PLAN
(cont'd)

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.psers.pa.gov.

NOTE 11 SINGLE EMPLOYER OTHER POSTEMPLOYMENT BENEFITS PLAN

Plan Description

The District administers a single employer defined benefit healthcare plan ("the Retiree Health Plan") for employees who meet the eligibility requirements upon retirement. The District's retired employees are allowed to continue coverage for themselves and their dependents in the employer's group health plan until the retired employee reaches Medicare age. In order to obtain coverage, retired employees must provide payment equal to the premium determined for the purpose of COBRA. Under GASB Statement No. 75, retiree benefits are viewed as a form of deferred compensation. As such, the benefits are treated as being earned over the working lifetime of the employee so that the cost is fully charged to operations by the earliest date of eligibility under the plan. A plan report is available in the District office.

Funding Policy

The contribution requirements of plan members are established and may be amended by the Board of School Directors. The District has no assets accumulated in a trust or equivalent arrangement for the purpose of administering the OPEB plan. The required contribution is based on projected pay-as-you-go financing requirements, with any additional amount to prefund as determined annually by the Board of School Directors. For fiscal year 2024, the District paid \$103,812 to plan members eligible for receiving benefits.

Actuarial Assumptions and Other Inputs

The total OPEB liability was measured as of July 1, 2023 using the actuarial assumptions noted below.

Discount Rate

The discount used to measure the total OPEB liability was 4.13% based on S&P Municipal Bond 20-year High Grade Rate Index at July 1, 2023.

YORK SUBURBAN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 11 SINGLE EMPLOYER OTHER POSTEMPLOYMENT BENEFITS PLAN (cont'd)

Salary Increases

An assumption for salary increases is used only for spreading contributions over future pay under the entry age normal cost method. For this purpose, salary increases are composed of a 2.5% cost of living adjustment.

Withdrawal

Rates of withdrawal vary by age, gender, and years of service. The plan utilizes Actuary's Turnover Table T-3 for establishing withdrawal rates. Sample rates are as follows:

<u>Age</u>	<u>Rate</u>
25	3.90%
40	1.67%
55	3.66%

Mortality Rates

Pre-retirement mortality rates are established based on the PubT-2010 headcount-weighted mortality tables as published by the Society of Actuaries. Post-retirement mortality rates are established based on the PubG-2010 headcount-weight mortality tables as published by the Society of Actuaries. Mortality improvement utilizes Scale MP-2021 (Male and Female) as published by the Society of Actuaries.

Disability

No disability was assumed.

Retirement

Assumed retirement rates are based on PSERS plan experience and vary by age, service, and gender. All employees are assumed to retire when eligible for unreduced benefits under the PSERS system. For employees hired before July 1, 2011, this is the earlier of 1) age 60 with 30 years of service, 2) at least 35 years of service, or 3) age 62 with at least one year of service. For employees hired after July 1, 2011, this is the earlier of 1) age 65 with at least three years of service or 2) age plus at least 35 years of service equals 92.

Percent of Eligible Retirees Electing Coverage in Plan

Sixty percent of all employees and twenty percent of all spouses are assumed to elect coverage.

YORK SUBURBAN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 11 SINGLE EMPLOYER OTHER POSTEMPLOYMENT BENEFITS PLAN (cont'd)

Percent Married at Retirement

Eighty percent of employees are assumed to be married and 20 percent of spouses will participate in the retiree medical program. The spouse is assumed to be the opposite sex and the same age as the employee.

Per Capita Claims Cost

The per capita claims cost for medical and prescription drugs is based on the expected portion of the group's overall cost attributed to individuals in the specified age and gender brackets. Dental and vision costs are assumed to not vary with age or gender. The resulting costs are as follows:

<u>Age</u>	<u>Medical and Prescription Drug Combined</u>	
	<u>Males</u>	<u>Females</u>
45 - 49	\$ 6,116	\$ 8,833
50 - 54	\$ 8,100	\$ 9,983
55 - 59	\$ 9,865	\$ 10,445
60 - 64	\$ 12,874	\$ 11,999
65+	\$ 6,318	\$ 6,318

Retiree Contributions

Retiree contributions are assumed to increase at the same rate as the healthcare cost trend rate.

Healthcare Cost Trend

The healthcare cost trend was 7.0% in 2023 and decreasing in increments to 4.1% in 2075 and beyond.

Actuarial Cost Method – Entry Age Normal

Under the entry age normal cost method, the normal cost is the present value of benefits allocated to the year following the valuation date. Benefits are allocated on a level basis over the earnings of an individual between the date of hire and the assumed retirement age. The accrued liability as of the valuation date is the excess of the present value of future benefits over the present value of future normal cost. The unfunded accrued liability is the excess of the accrued liability over the actuarial value of assets. Actuarial gains and losses serve to reduce or increase the unfunded accrued liability.

YORK SUBURBAN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 11 SINGLE EMPLOYER OTHER POSTEMPLOYMENT BENEFITS PLAN (cont'd)

Participant Data

Participant data is based on census information as of July 2023, at which time the plan consisted of 378 participants, of which 358 were active and 20 were retired and receiving benefits.

Sensitivity Analysis

The following presents the net OPEB liability, calculated using the valuation discount rate, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate.

	1% Decrease 3.13%	Current Discount Rate 4.13%	1% Increase 5.13%
Total OPEB liability	\$ 3,045,077	\$ 2,837,157	\$ 2,639,784
Fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 3,045,077</u>	<u>\$ 2,837,157</u>	<u>\$ 2,639,784</u>

The following presents the net OPEB liability, calculated using the valuation healthcare cost trend rate, as well as what the net OPEB liability would be if it were calculated using a trend rate that is one percentage point lower each year or one percentage point higher each year than the current rate.

	1% Decrease	Current Rate	1% Increase
Total OPEB liability	\$ 2,518,976	\$ 2,837,157	\$ 3,206,599
Fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 2,518,976</u>	<u>\$ 2,837,157</u>	<u>\$ 3,206,599</u>

Changes in Total OPEB Liability

Total OPEB liability - beginning	<u>\$ 2,608,370</u>
Service cost	184,509
Interest	110,926
Changes in assumptions	45,437
Benefit payments	<u>(112,085)</u>
Net change	<u>228,787</u>
Total OPEB liability - ending	<u>\$ 2,837,157</u>

YORK SUBURBAN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 11 SINGLE EMPLOYER OTHER POSTEMPLOYMENT BENEFITS PLAN (cont'd)

The amount of OPEB expense for the single employer plan recognized by the District was (\$72,647) for the year ended June 30, 2024. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Change in assumptions	\$ 301,080	\$ 901,108
Differences between expected and actual experience	-	693,062
Benefit payments subsequent to the measurement date	<u>103,812</u>	<u>-</u>
	<u>\$ 404,892</u>	<u>\$ 1,594,170</u>

Change in assumptions: The discount rate changed from 4.06% to 4.13%.

An amount of \$103,812 is reported as deferred outflows of resources resulting from the District's contributions subsequent to the measurement date and will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2025. The remaining amounts will be reported as deferred outflows of resources and deferred inflows of resources related to OPEB and will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	
2025	\$ (152,189)
2026	(152,189)
2027	(152,189)
2028	(152,189)
2029	(152,189)
Thereafter	<u>(532,145)</u>
	<u>\$(1,293,090)</u>

NOTE 12 NET OPEB LIABILITY AGGREGATION

The District's aggregate net OPEB liability and deferred inflows and outflows of resources are as follows:

YORK SUBURBAN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 12 NET OPEB LIABILITY AGGREGATION (cont'd)

	<u>Net OPEB Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
District Plan (See Note 11)	\$ 2,837,157	\$ 404,892	\$ 1,594,170
PSERS Plan (See Note 10)	<u>3,271,000</u>	<u>563,070</u>	<u>688,000</u>
Total	<u>\$ 6,108,157</u>	<u>\$ 967,962</u>	<u>\$ 2,282,170</u>

NOTE 13 FUND BALANCES

As of June 30, 2024, fund balances are composed of the following:

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Restricted					
Capital projects	\$ -	\$ 6,772,779	\$21,705,217	\$ 3,227,123	\$ 31,705,119
Committed:					
Student activities	-	-	-	78,473	78,473
Assigned:					
Retirement/PSERS	1,425,924	-	-	-	1,425,924
Equipment	800,000	-	-	-	800,000
Capital purchases/ debt service	3,216,152	-	-	-	3,216,152
Technology	575,101	-	-	-	575,101
Healthcare	1,809,738	-	-	-	1,809,738
Special Education	200,000	-	-	-	200,000
Curriculum development	384,062	-	-	-	384,062
Budgetary reserve	200,000	-	-	-	200,000
Future budgetary reserve	1,731,455	-	-	-	1,731,455
Unassigned	<u>4,079,173</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,079,173</u>
Total Fund Balances	<u>\$14,421,605</u>	<u>\$ 6,772,779</u>	<u>\$21,705,217</u>	<u>\$ 3,305,596</u>	<u>\$ 46,205,197</u>

NOTE 14 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Significant losses are covered by commercial insurance for all major programs except for workers' compensation, for which the District retains risk of loss. For insured programs, there were no significant reductions in insurance coverages during the 2023 - 2024 year. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

YORK SUBURBAN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 14 RISK MANAGEMENT (cont'd)

Self-Insurance

As of July 1, 2018, the District implemented its own self-funded health care plan administered by Highmark. The plan is a "cost plus" plan in which the District pays Highmark for actual claims and administering the plan. On a monthly basis, the District transfers funds into the insurance account. Other sources of revenue are from stop loss-insurance coverage, COBRA payments, and employee reimbursements (including retirees who elect to continue coverage). The District maintains stop-loss coverage for claims greater than \$150,000 individually.

The ending liability in the Self-Insurance Fund represents unpaid claims and the estimated amount of incurred but not reported claims as of June 30, 2024. All expenditures for the District's risk management are recorded within the general fund.

NOTE 15 CONSTRUCTION COMMITMENTS

As of June 30, 2024, the District was in the process of several capital projects. Construction commitments completed to date are as follows:

Project	Contract Amount	Completed 6/30/2024	Commitment
Boiler project:			
Electrical Project	\$ 3,024,358	\$ 1,568,388	\$ 1,455,970
Total Commitments Related to Construction in progress	\$ 3,024,358	\$ 1,568,388	\$ 1,455,970

Additionally, the District had \$971,824 in construction in progress at June 30, 2024, which was not subject to any construction commitments.

NOTE 16 EXCESS OF EXPENDITURES OVER APPROPRIATIONS

General fund functions incurred expenditures in excess of appropriations in the following amounts for the year ended June 30, 2024:

Instruction	\$ 115,903
Operation of Noninstructional Services	\$ 25,789

YORK SUBURBAN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 16 EXCESS OF EXPENDITURES OVER APPROPRIATIONS (cont'd)

The excess of expenditures over appropriations was financed by areas in which expenditures did not exceed budgeted projections and revenues exceeding projections.

NOTE 17 DEFICIT NET POSITION

For governmental activities, the unrestricted net deficit amounts of \$60,701,353, includes the effect of the District's net pension and OPEB liabilities, including the net effects of related deferred inflows and outflows of resources.

NOTE 18 SUBSEQUENT EVENTS

The District has evaluated all subsequent events through January 20, 2025, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

**YORK SUBURBAN SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Pennsylvania Public School Employees' Retirement System (PSERS)**

	MEASUREMENT DATE									
	JUNE 30, 2023	JUNE 30, 2022	JUNE 30, 2021	JUNE 30, 2020	JUNE 30, 2019	JUNE 30, 2018	JUNE 30, 2017	JUNE 30, 2016	JUNE 30, 2015	JUNE 30, 2014
District's proportion of the net pension liability	0.1816%	0.1788%	0.1786%	0.1794%	0.1773%	0.1815%	0.1789%	0.1734%	0.1718%	0.1722%
District's proportion of the net pension liability - dollar value	\$ 80,787,000	\$ 79,492,195	\$ 73,327,320	\$ 88,334,795	\$ 82,945,564	\$ 87,129,012	\$ 88,355,857	\$ 85,931,538	\$ 74,415,701	\$ 68,157,995
District's covered employee payroll	\$ 26,401,753	\$ 26,219,074	\$ 25,302,937	\$ 25,150,778	\$ 24,446,280	\$ 24,436,703	\$ 23,916,982	\$ 22,532,311	\$ 22,284,281	\$ 21,983,524
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	305.99%	303.18%	289.80%	351.22%	339.30%	356.55%	369.43%	381.37%	333.94%	345.17%
Plan fiduciary net position as a percentage of the total pension liability	61.85%	61.34%	63.67%	54.32%	55.66%	54.00%	51.84%	50.14%	54.36%	57.24%

Note: The above information is presented as of the Plan's measurement date.

**YORK SUBURBAN SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS
Pennsylvania Public School Employees' Retirement System (PSERS)**

	<u>JUNE 30, 2024</u>	<u>JUNE 30, 2023</u>	<u>JUNE 30, 2022</u>	<u>JUNE 30, 2021</u>	<u>JUNE 30, 2020</u>	<u>JUNE 30, 2019</u>	<u>JUNE 30, 2018</u>	<u>JUNE 30, 2017</u>	<u>JUNE 30, 2016</u>	<u>JUNE 30, 2015</u>
Contractually required contribution	\$ 9,428,883	\$ 9,508,006	\$ 8,916,137	\$ 8,102,699	\$ 8,381,050	\$ 7,945,293	\$ 7,710,343	\$ 6,825,611	\$ 5,524,534	\$ 4,425,677
Contributions in relation to the contractually required contribution	<u>9,428,883</u>	<u>9,508,006</u>	<u>8,916,137</u>	<u>8,102,699</u>	<u>8,381,050</u>	<u>7,945,293</u>	<u>7,710,343</u>	<u>6,825,611</u>	<u>5,524,534</u>	<u>4,425,677</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered employee payroll	\$ 28,494,659	\$ 26,401,753	\$ 26,219,074	\$ 25,302,937	\$ 25,150,778	\$ 24,446,280	\$ 24,436,703	\$ 23,916,982	\$ 22,532,311	\$ 22,284,281
Contributions as a percentage of covered employee payroll	33.09%	36.01%	34.01%	32.02%	33.32%	32.50%	31.55%	28.54%	24.52%	19.86%

**YORK SUBURBAN SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
Pennsylvania Public School Employees' Retirement System (PSERS)**

	MEASUREMENT DATE						
	JUNE 30, 2023	JUNE 30, 2022	JUNE 30, 2021	JUNE 30, 2020	JUNE 30, 2019	JUNE 30, 2018	JUNE 30, 2017
District's proportion of the net OPEB liability	0.1808%	0.1783%	0.1785%	0.1792%	0.1773%	0.1815%	0.1789%
District's proportion of the net OPEB liability - dollar value	\$ 3,271,000	\$ 3,282,095	\$ 4,230,598	\$ 3,871,969	\$ 3,771,000	\$ 3,784,000	\$ 3,644,930
District's covered employee payroll	\$ 26,401,753	\$ 26,219,074	\$ 25,302,937	\$ 25,150,778	\$ 24,446,280	\$ 24,436,703	\$ 23,916,982
District's proportionate share of the net OPEB liability as a percentage of its covered employee payroll	12.39%	12.52%	16.72%	15.40%	15.43%	15.48%	15.24%
Plan fiduciary net position as a percentage of the total pension liability	7.22%	6.86%	5.30%	5.69%	5.56%	5.56%	5.73%

Note: The above information is presented as of the Plan's measurement date.

In accordance with GASB Statement No. 75, this schedule has been prepared prospectively as the above information for the preceding years is not readily available. This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

**YORK SUBURBAN SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS
Pennsylvania Public School Employees' Retirement System (PSERS)**

	<u>JUNE 30, 2024</u>	<u>JUNE 30, 2023</u>	<u>JUNE 30, 2022</u>	<u>JUNE 30, 2021</u>	<u>JUNE 30, 2020</u>	<u>JUNE 30, 2019</u>	<u>JUNE 30, 2018</u>
Contractually required contribution	\$ 182,366	\$ 207,439	\$ 209,477	\$ 197,492	\$ 210,592	\$ 202,288	\$ 201,625
Contributions in relation to the contractually required contribution	<u>182,366</u>	<u>207,439</u>	<u>209,477</u>	<u>197,492</u>	<u>210,592</u>	<u>202,288</u>	<u>201,625</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered employee payroll	\$ 28,494,659	\$ 26,401,753	\$ 26,219,074	\$ 25,302,937	\$ 25,150,778	\$ 24,446,280	\$ 24,436,703
Contributions as a percentage of covered employee payroll	0.64%	0.79%	0.80%	0.78%	0.84%	0.83%	0.83%

In accordance with GASB Statement No. 75, this schedule has been prepared prospectively as the above information for the preceding years is not readily available. This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

**YORK SUBURBAN SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S NET OPEB LIABILITY
SINGLE EMPLOYER OPEB PLAN**

	MEASUREMENT DATE						
	July 1, 2023	July 1, 2022	July 1, 2021	July 1, 2020	July 1, 2019	July 1, 2018	July 1, 2017
TOTAL OPEB LIABILITY							
Service cost	\$ 184,509	\$ 300,405	\$ 301,866	\$ 234,001	\$ 233,534	\$ 247,760	\$ 241,085
Interest on total OPEB liability	110,926	86,771	67,939	102,807	86,326	108,751	80,487
Difference between expected and actual experience	-	(289,360)	-	(69,937)	-	(810,603)	-
Effect of assumption changes or inputs	45,437	(937,809)	(100,848)	349,309	(75,365)	4,097	58,819
Benefit payments	(112,085)	(124,334)	(102,580)	(77,683)	(87,260)	(144,298)	(145,832)
NET CHANGE IN TOTAL OPEB LIABILITY	228,787	(964,327)	166,377	538,497	157,235	(594,293)	234,559
TOTAL OPEB LIABILITY, BEGINNING OF YEAR	<u>2,608,370</u>	<u>3,572,697</u>	<u>3,406,320</u>	<u>2,867,823</u>	<u>2,710,588</u>	<u>3,304,881</u>	<u>3,070,322</u>
TOTAL OPEB LIABILITY, END OF YEAR	<u>\$ 2,837,157</u>	<u>\$ 2,608,370</u>	<u>\$ 3,572,697</u>	<u>\$ 3,406,320</u>	<u>\$ 2,867,823</u>	<u>\$ 2,710,588</u>	<u>\$ 3,304,881</u>
PLAN FIDUCIARY NET POSITION							
PLAN FIDUCIARY NET POSITION, BEGINNING OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
PLAN FIDUCIARY NET POSITION, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
DISTRICT'S NET OPEB LIABILITY	<u>\$ 2,837,157</u>	<u>\$ 2,608,370</u>	<u>\$ 3,572,697</u>	<u>\$ 3,406,320</u>	<u>\$ 2,867,823</u>	<u>\$ 2,710,588</u>	<u>\$ 3,304,881</u>
Plan fiduciary net position as a percentage of total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered employee payroll	\$ 25,230,024	\$ 25,230,024	N/A	\$ 24,726,748	N/A	\$ 24,031,632	\$ 22,023,576
District's net OPEB liability as a percentage of covered payroll	11.25%	10.34%	N/A	13.78%	N/A	11.28%	15.01%
Expected average remaining service years of all participants	14	14	14	12	11	10	9

SINGLE AUDIT SUPPLEMENT



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

January 20, 2025

Board of School Directors
York Suburban School District
York, Pennsylvania

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the York Suburban School District ("the District"), York, Pennsylvania, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 20, 2025.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected, on

Board of School Directors
York Suburban School District

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.

Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Barbacane, Thornton & Company LLP
BARBACANE, THORNTON & COMPANY LLP



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

January 20, 2025

Board of School Directors
York Suburban School District
York, Pennsylvania

Report on Compliance for Each Major Each Federal Program

Opinion on Each Major Federal Program

We have audited the York Suburban School District's ("the District") compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2024. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and recommendations.

In our opinion, the 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 major federal program for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibility for the Audit of Compliance

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

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

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

Board of School Directors
York Suburban School District

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

Report on Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Barbacane, Thornton & Company LLP
BARBACANE, THORNTON & COMPANY LLP

**YORK SUBURBAN SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024**

FEDERAL GRANTOR/PASS-THROUGH GRANTOR PROJECT TITLE	SOURCE CODE	FEDERAL ALN NUMBER	PASS- THROUGH GRANTOR'S NUMBER	GRANT PERIOD BEGINNING/ ENDING DATES	GRANT AMOUNT	TOTAL RECEIVED FOR YEAR	ACCRUED (UNEARNED) REVENUE 7/01/2023	REVENUE RECOGNIZED	EXPENDITURES	ACCRUED (UNEARNED) REVENUE 6/30/2024	PASSED THROUGH TO SUB- RECIPIENTS
U.S. Department of Education											
<u>Passed Through the Pennsylvania Department of Education:</u>											
Title I Grants to Local Educational Agencies	I	84.010	013-23-0499	07/01/22 - 09/30/23	\$ 337,890	\$ 40,563	\$ 38,948	\$ 1,615	\$ 1,615	\$ -	\$ -
Title I Grants to Local Educational Agencies	I	84.010	013-24-0499	07/01/23 - 09/30/24	434,766	311,991	-	434,766	434,766	122,775	-
Total ALN 84.010						352,554	38,948	436,381	436,381	122,775	-
Title II - Improving Teacher Quality	I	84.287	020-23-0499	07/01/22 - 06/30/23	55,563	14,215	11,390	2,825	2,825	-	-
Title II - Improving Teacher Quality	I	84.287	020-24-0499	07/01/23 - 06/30/24	74,253	63,514	-	74,253	74,253	10,739	-
Total ALN 84.287						77,729	11,390	77,078	77,078	10,739	-
Title III - English Language Acquisition Grants	I	84.365	010-23-0499	07/01/22 - 09/30/23	30,367	-	1,728	-	-	1,728	-
Title III - English Language Acquisition Grants	I	84.365	010-24-0499	07/01/23 - 09/30/24	28,800	24,686	-	28,800	28,800	4,114	-
Total ALN 84.365						24,686	1,728	28,800	28,800	5,842	-
Title IV - Student Support and Academic Enrichment Grants	I	84.424	144-23-0499	07/01/22 - 09/30/23	28,483	14,012	14,012	-	-	-	-
Title IV - Student Support and Academic Enrichment Grants	I	84.424	144-24-0499	07/01/23 - 09/30/24	26,452	9,447	-	12,463	12,463	3,016	-
Total ALN 84.424						23,459	14,012	12,463	12,463	3,016	-
Education Stabilization Fund - CRRSA Act - ESSER II	I	84.425D	200-21-0499	03/13/20 - 09/30/23	1,317,418	30,638	30,638	-	-	-	-
Education Stabilization Fund - ARP Act - ESSER III	I	84.425U	223-21-0499	03/13/20 - 09/30/24	2,664,755	193,800	(345,898)	927,299	927,299	387,601	-
Education Stabilization Fund - ARP ESSER 7%	I	84.425U	225-21-0499	03/13/20 - 09/30/24	207,111	56,485	30,093	26,392	26,392	-	-
Education Stabilization Fund - APR ESSER Homeless Children and Youth	I	84.425W	181-21-2500	07/01/21 - 09/30/24	19,722	3,034	(1,048)	10,080	10,080	5,998	-
Total ALN 84.425						283,957	(286,215)	963,771	963,771	393,599	-
<u>Passed Through Lincoln Intermediate Unit No. 12:</u>											
IDEA Part B - Special Education	I	84.027	N/A	07/01/23 - 09/30/24	592,220	592,220	-	592,220	592,220	-	-
Total ALN 84.027						592,220	-	592,220	592,220	-	-
Special Education - Preschool Grants	I	84.173	N/A	07/01/23 - 09/30/24	5,214	5,214	-	5,214	5,214	-	-
Total ALN 84.173						5,214	-	5,214	5,214	-	-
Total U.S. Department of Education						1,359,819	(220,137)	2,115,927	2,115,927	535,971	-
U.S. Department of Agriculture											
<u>Passed Through the Pennsylvania Department of Education:</u>											
P-EBT Local Admin Funds	I	10.649	358	07/01/23 - 06/30/24	N/A	5,763	-	5,763	5,763	-	-
Total ALN 10.649						5,763	-	5,763	5,763	-	-
School Breakfast Program	I	10.553	365	07/01/22 - 06/30/23	N/A	33,324	33,324	-	-	-	-
School Breakfast Program	I	10.553	365	07/01/23 - 06/30/24	N/A	275,807	-	275,807	275,807	-	-
Total ALN 10.553						309,131	33,324	275,807	275,807	-	-
COVID-19 National School Lunch Program	I	10.555	N/A	07/01/23 - 06/30/24	N/A	72,695	-	72,695	72,695	-	-
National School Lunch Program	I	10.555	N/A	07/01/22 - 06/30/23	N/A	101,145	101,145	-	-	-	-
National School Lunch Program	I	10.555	N/A	07/01/23 - 06/30/24	N/A	713,407	-	838,261	838,261	124,854	-
Total ALN 10.555						887,247	101,145	910,956	910,956	124,854	-
<u>Passed Through the Pennsylvania Department of Agriculture:</u>											
National School Lunch Program - commodities	I	10.555	N/A	07/01/23 - 06/30/24	N/A	164,148	-	164,148	164,148	-	-
Total ALN 10.555						164,148	-	164,148	164,148	-	-
Total U.S. Department of Agriculture						1,366,289	134,469	1,356,674	1,356,674	124,854	-
TOTAL FEDERAL AWARDS						\$2,726,108	\$ (85,668)	\$ 3,472,601	\$ 3,472,601	\$ 660,825	\$ -
Total Special Education Cluster (ALN 84.027, 84.173)						\$ 597,434	\$ -	\$ 597,434	\$ 597,434	\$ -	\$ -
Total Child Nutrition Cluster (ALN 10.553, 10.555)						\$ 1,360,526	\$ 134,469	\$ 1,350,911	\$ 1,350,911	\$ 124,854	\$ -

Source Code

I - Indirect

YORK SUBURBAN SCHOOL DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE A SCOPE OF THIS SCHEDULE

The schedule of expenditures of federal awards reflects federal expenditures for all individual grants which were active during the fiscal year.

NOTE B BASIS OF ACCOUNTING

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

NOTE C NONMONETARY FEDERAL AWARDS - DONATED FOOD

The Commonwealth of Pennsylvania distributes federal surplus food to institutions (schools, hospitals, and prisons) and to the needy. Expenditures reported in the schedule of expenditures of federal awards under ALN 10.555 includes surplus food consumed by the District during the 2023 - 2024 fiscal year.

NOTE D INDIRECT COST RATE

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

YORK SUBURBAN SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND RECOMMENDATIONS

PART A - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued [*unmodified, qualified, adverse, or disclaimer*]:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X None reported
- Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X None reported

Type of auditor's report issued on compliance for major programs [*unmodified, qualified, adverse, or disclaimer*]:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?

_____ Yes X No

Identification of major programs:

Assistance Listing Numbers	Name of Federal Program or Cluster
84.425D, 84.425U, 84.425W	Education Stabilization Fund
10.553, 10.555	Child Nutrition Cluster

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

_____ Yes X No

YORK SUBURBAN SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND RECOMMENDATIONS (CONT'D)

PART B - FINDINGS RELATED TO FINANCIAL STATEMENTS

STATUS OF PRIOR YEAR FINDINGS

None.

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None.

PART C - FINDINGS RELATED TO FEDERAL AWARDS

STATUS OF PRIOR YEAR FINDINGS

None.

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None.