The School District of Haverford Township

School District of Haverford Township
Havertown, Pennsylvania
Delaware County

Financial Statements
Year Ended June 30, 2021

bbd

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SCHOOL DISTRICT OF HAVERFORD TOWNSHIP

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SCHOOL DISTRICT OF HAVERFORD TOWNSHIP

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INDEPENDENT AUDITOR'S REPORT

Board of School Directors
School District of Haverford Township
Havertown, Pennsylvania

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of School District of Haverford Township, Havertown, Pennsylvania as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise School District of Haverford Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of School District of Haverford Township, Havertown, Pennsylvania as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Change in Accounting Principle

As described in Note 15 to the financial statements, the District adopted new accounting guidance, GASB Statement No. 84, *"Fiduciary Activities"*. Our opinions are not modified with respect to that matter.

Report on Summarized Comparative Information

We have previously audited the School District of Haverford Township's 2020 financial statements, and our report dated December 13, 2020 expressed unmodified opinions on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedule – General Fund, the schedules of the District's proportionate share of the net pension liability - PSERS and pension plan contributions - PSERS, schedule of changes in OPEB liability single-employer plan, and the schedules of the District's proportionate share of the net OPEB liability - PSERS and OPEB plan contributions – PSERS on pages 3 through 13 and 50 through 55 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise School District of Haverford Township's basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 20, 2022, on our consideration of the School District of Haverford Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering School District of Haverford Township's internal control over financial reporting and compliance.

BBD, LLP

Philadelphia, Pennsylvania
January 20, 2022

Management's discussion and analysis (***"MD&A"***) of the financial performance of the School District of Haverford Township (the ***"District"***) provides an overview of the District's financial performance for fiscal year ended June 30, 2021. Readers should also review the basic financial statements and related notes to enhance their understanding of the District's financial performance.

DISTRICT PROFILE

The District consists of five elementary schools, one middle school and one high school consisting of approximately 6,796 students. The District is coterminous with the Township of Haverford, which covers 10 square miles, is located in Delaware County, west of Philadelphia, in southeastern Pennsylvania and is comprised of the communities of Havertown, Haverford, Ardmore, Wynnewood, Bryn Mawr and Drexel Hill. There are approximately 953 full and part-time employees in the District consisting of 469 teachers and professional staff, 41 administrators and supervisors, and 443 support personnel including secretaries, maintenance staff, cafeteria staff and teacher aides.

DISTRICT MISSION STATEMENT

The mission of the School District of Haverford Township is to educate and to inspire a community of lifelong learners.

FINANCIAL HIGHLIGHTS

- The General Fund reported an increase in fund balance of $3,164,505, bringing the cumulative balance to $20,878,564 at the conclusion of the 2020-2021 fiscal year.

- At June 30, 2021, the General Fund fund balance includes $796,988 which is considered nonspendable, $8,447,597 committed to capital projects, $870,117 to balance the 2021-2022 budget and unassigned amounts of $10,763,862 or 8.00% of the $134,548,275 2021-2022 General Fund expenditure budget. Guidelines prescribed by the Pennsylvania Department of Education allow a district to maintain a maximum General Fund fund balance of 8.00% net of amounts otherwise assigned or committed of the following year's expenditure budget.

- Total General Fund revenues and other financing sources were $1,160,512 or 0.89% more than budgeted amounts and total General Fund expenditures and other financing uses were $2,847,354 or 2.18% less than budgeted amounts resulting in a net positive variance of $4,007,866.

- In December 2019, an outbreak of a novel strain of coronavirus (***"COVID-19"***) was identified and has since spread worldwide including the United States. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. As a result, the District experienced disruptions and operated under virtual, hybrid and in-person learning models during 2020-2021 as conditions permitted.

OVERVIEW OF THE FINANCIAL STATEMENTS

The MD&A is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplemental information in addition to the basic financial statements themselves.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *Statement of Net Position (Deficit)* presents information on all of the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial condition of the District is improving or deteriorating. To assess the District's overall health, the reader will need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

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

The government-wide financial statements distinguish the functions of the District that are principally supported by taxes and intergovernmental revenues from other functions that are intended to recover all or a significant portion of their costs through user fees and charges.

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

Governmental Activities

Most of the District's basic services are included here, such as regular and special education, support services, maintenance, transportation and administration.

Business-Type Activities

The District charges fees to cover the costs of its food services program.

The government-wide financial statements can be found on Pages 14 and 15 of this report.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the District's funds. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the District's funds can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the governmental near-term financing decisions. Both the *Balance Sheet – Governmental Funds* and *Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds* provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains three individual governmental funds. Information is presented separately in the *Balance Sheet – Governmental Funds* and *Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds* for each of the two major funds and the non-major fund.

The District adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with the budget.

The governmental fund financial statements can be found on Pages 16 through 19 of this report.

Proprietary Fund

The District maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Food Service Fund is reported as an enterprise fund of the proprietary fund type. Internal service funds are used to accumulate and allocate certain costs internally among the District's various functions. The District uses an internal service fund to account for its participation in a consortium with other participating school districts and educational agencies to provide self-insurance programs for health and prescription coverage. Because an internal service fund predominantly benefits governmental rather than business-type functions, it is included within governmental activities in the government-wide financial statements.

The Proprietary Fund financial statements provide separate financial information for the Food Service and Internal Service Funds.

The proprietary fund financial statements provide separate financial information for its major fund. The proprietary fund financial statements can be found on Pages 20 through 22 of this report.

Fiduciary Funds

The District is the trustee, or fiduciary, for assets that belong to others, consisting of scholarship and student activity funds. The District is responsible for ensuring that the assets reported in these funds are used for their intended purpose and by those to whom the assets belong. Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs.

The Fiduciary Fund financial statements can be found on Pages 23 and 24 of this report.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements.

The notes to the financial statements can be found on Pages 25 through 49 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information which consists of the budgetary comparison schedule for the general fund, schedules of the District's proportionate share of the net pension liability-PSERS and pension plan contributions-PSERS, schedule of changes in OPEB liability single-employer plan, and the schedules of the District's proportionate share of the net OPEB liability-PSERS and OPEB plan contributions-PSERS.

The required supplementary information can be found on Pages 50 through 55 of this report

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted above, net position may serve over time as a useful indicator of the District's financial condition. At the close of the 2020-2021 fiscal year the District's liabilities and deferred inflows exceeded assets and deferred outflows by $137,264,168. The following table presents condensed information for the *Statement of Net Position* of the District at June 30, 2021 and 2020.

	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
ASSETS						
Current assets	$ 72,706,834	$ 75,049,816	$ (640,176)	$ (455,059)	$ 72,066,658	$ 74,594,757
Noncurrent assets	146,111,503	129,490,417	377,843	465,598	146,489,346	129,956,015
Total assets	218,818,337	204,540,233	(262,333)	10,539	218,556,004	204,550,772
DEFERRED OUTFLOWS OF RESOURCES	38,896,913	34,133,277	371,888	310,333	39,268,801	34,443,610
LIABILITIES						
Current liabilities	19,980,639	17,597,787	202,709	221,236	20,183,348	17,819,023
Noncurrent liabilities	367,090,671	351,560,377	2,463,222	2,342,486	369,553,893	353,902,863
Total liabilities	387,071,310	369,158,164	2,665,931	2,563,722	389,737,241	371,721,886
DEFERRED INFLOWS OF RESOURCES	5,291,537	7,379,731	60,195	86,354	5,351,732	7,466,085
NET POSITION (DEFICIT)						
Net investment in capital assets	15,709,615	14,300,980	377,843	465,598	16,087,458	14,766,578
Restricted	176,119	200,137	-	-	176,119	200,137
Unrestricted (deficit)	(150,533,331)	(152,365,502)	(2,994,414)	(2,794,802)	(153,527,745)	(155,160,304)
Total net position (deficit)	$(134,647,597)	$(137,864,385)	$(2,616,571)	$(2,329,204)	$(137,264,168)	$(140,193,589)

The District's total assets as of June 30, 2021 were $218,556,004 of which $50,855,884 or 23.27% consisted of cash and $146,489,346 or 67.03% consisted of the District's investment in capital assets. The District's total liabilities as of June 30, 2021 were $389,737,241 of which $200,058,122 or 51.33% consisted of the actuarially determined net pension liability and $147,005,169 or 37.72% consisted of general obligation debt used to acquire and construct capital assets.

The District had a deficit in unrestricted net position of $153,527,745 at June 30, 2021. The District's unrestricted net position increased by $1,632,559 during 2020-2021 primarily due to the results of current year operations net of the change in the actuarially determined net pension liability and related deferred outflows and inflows of resources.

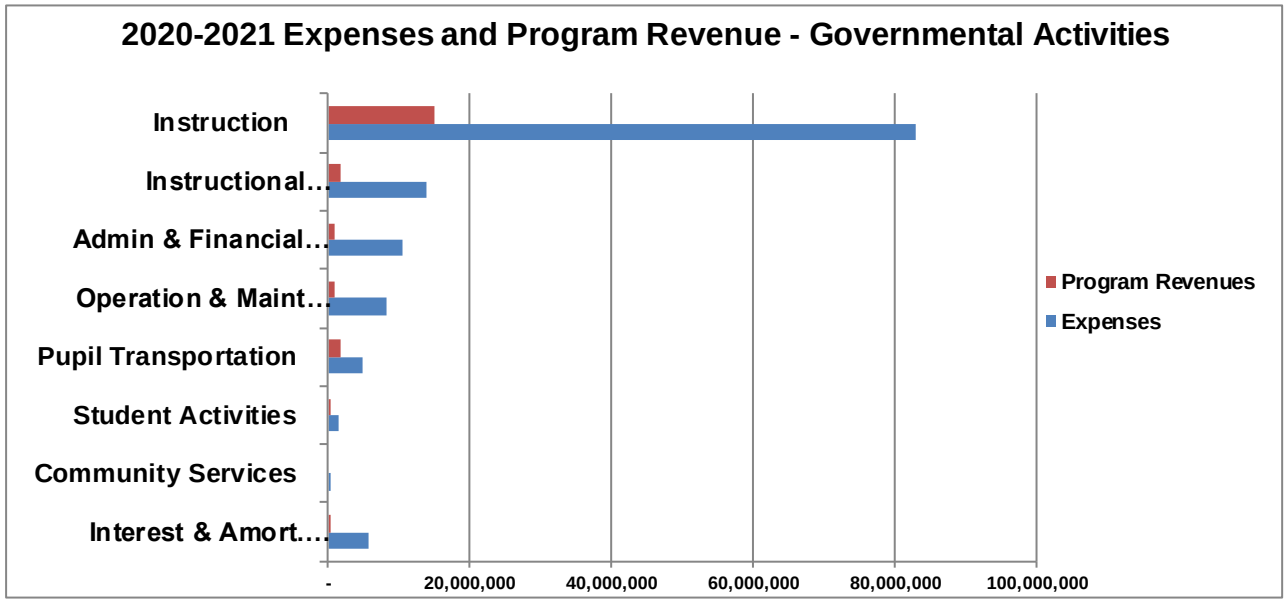
Another portion of the District's net position reflects its investment in capital assets net of accumulated depreciation less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. For the year ended June 30, 2021, the District's net investment in capital assets increased by $1,320,880 because the debt used to acquire the capital assets was being repaid faster than the capital assets were being depreciated.

The following table presents condensed information for the *Statement of Activities* of the District for 2021 and 2020:

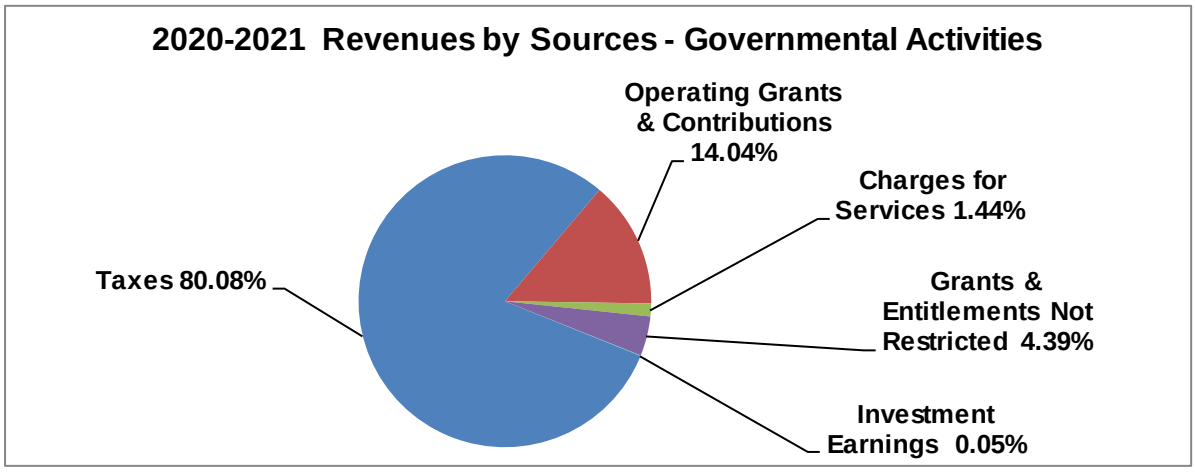
	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
REVENUES						
Program revenues						
Charges for services	$ 1,876,176	$ 892,294	$ 5,562	$ 983,192	$ 1,881,738	$ 1,875,486
Operating grants and contributions	18,368,088	17,966,846	829,579	488,380	19,197,667	18,455,226
Capital grants and contributions	-	-	-	-	-	-
General revenues						
Property taxes levied for general purposes	102,794,186	99,266,837	-	-	102,794,186	99,266,837
Other taxes levied for general purposes	1,940,903	1,746,798	-	-	1,940,903	1,746,798
Grants and entitlements not restricted to specific programs	5,736,081	5,735,835	-	-	5,736,081	5,735,835
Investment earnings	69,841	1,083,386	60	2,777	69,901	1,086,163
Total revenues	130,785,275	126,691,996	835,201	1,474,349	131,620,476	128,166,345
EXPENSES						
Instruction	82,730,315	80,100,525	-	-	82,730,315	80,100,525
Instructional student support services	13,840,393	12,971,855	-	-	13,840,393	12,971,855
Administrative and financial support services	10,391,334	9,795,142	-	-	10,391,334	9,795,142
Operation and maintenance of plant services	8,112,298	9,040,392	-	-	8,112,298	9,040,392
Pupil transportation	4,920,004	5,093,899	-	-	4,920,004	5,093,899
Student activities	1,450,360	1,550,656	-	-	1,450,360	1,550,656
Community services	137,263	184,822	-	-	137,263	184,822
Interest and amortization expense related to noncurrent liabilities	5,786,520	3,711,655	-	-	5,786,520	3,711,655
Food service	-	-	1,322,568	1,809,455	1,322,568	1,809,455
Total expenses	127,368,487	122,448,946	1,322,568	1,809,455	128,691,055	124,258,401
Change in net position (deficit) before Transfers	3,416,788	4,243,050	(487,367)	(335,106)	2,929,421	3,907,944
TRANSFERS	(200,000)	-	200,000	-	-	-
CHANGE IN NET POSITION (DEFICIT)	$ 3,216,788	$ 4,243,050	$ (287,367)	$ (335,106)	$ 2,929,421	$ 3,907,944

Overall, the District's financial position has been improving, but challenges such as increased pension contributions, state-mandated programs and negotiated contracts have a potential to offset these gains in future fiscal years. Management of the District continues to aggressively implement expense efficiency measures and revenue-generating strategies to combat these factors. In the governmental activities, the District's assessed tax base drives the majority of the revenue generated. A majority of the District's property tax base is in the form of residential housing. Although the District is primarily a residential community, the District also has a property tax base derived from commercial facilities.

The *Statement of Activities* provides detail that focuses on how the District finances its services. The *Statement of Activities* compares the costs of the District functions and programs with the resources those functions and programs generate themselves in the form of program revenues. As demonstrated by the following graph, all of the District's governmental activities are not self-supporting.



To the degree that the District's functions or programs cost more than they raise, the *Statement of Activities* shows how the District chose to finance the difference through general revenues. The following chart shows that the District relies on tax revenues to finance its governmental activities.



GOVERNMENTAL FUNDS

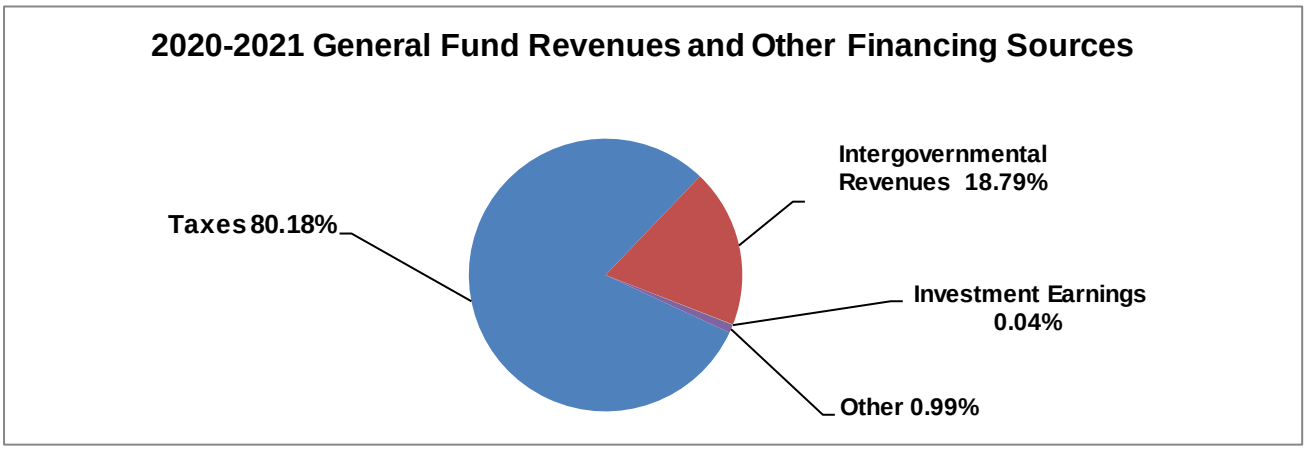
The governmental fund financial statements provide detailed information on the District's major funds. Some funds are required to be established by state statute while other funds are established by the District to manage monies restricted for a specific purpose. As of June 30, 2021, the District's governmental funds reported a combined fund balance of $39,355,599 which is a decrease of $6,605,749 from the prior year. The following table summarizes the District's total governmental fund balances as of June 30, 2021 and 2020 and the total 2021 change in governmental fund balances.

	2021	2020	$ Change
General Fund	$20,878,564	$17,714,059	$ 3,164,505
Capital Projects Fund	18,300,916	28,047,152	(9,746,236)
Student Sponsored Activity Fund	176,119	200,137	(24,018)
	$39,355,599	$45,961,348	$(6,605,749)

GENERAL FUND

The General Fund is the District's primary operating fund. At the conclusion of the 2020-2021 fiscal year, the General Fund fund balance was $20,878,564 representing an increase of $3,164,505 in relation to the prior year. The increase in the District's General Fund fund balance is due to many factors. The following analysis has been provided to assist the reader in understanding the financial activities of the General Fund during the 2020-2021 fiscal year.

The District's reliance upon tax revenues is demonstrated by the graph below that indicates 80.18% of General Fund revenues are derived from local taxes.



General Fund Revenues and Other Financing Sources

	2021	2020	Change	% Change
Tax revenues	$105,202,495	$100,835,594	$4,366,901	4.33
Intergovernmental revenues	24,657,373	23,869,952	787,421	3.30
Investment earnings	55,941	845,451	(789,510)	(93.38)
Other	1,291,163	628,903	662,260	105.30
	$131,206,972	$126,179,900	$5,027,072	3.98

Net tax revenues increased by $4,366,901 or 4.33% due to several factors. A millage increase of 3.23% and an increase in assessment in 2020-2021, an increase in real estate transfer taxes, and an increase in delinquent real estate tax collections accounted for most of the change which was offset by a decrease in interim real estate taxes. The following table summarizes changes in the District's tax revenues for 2021 compared to 2020:

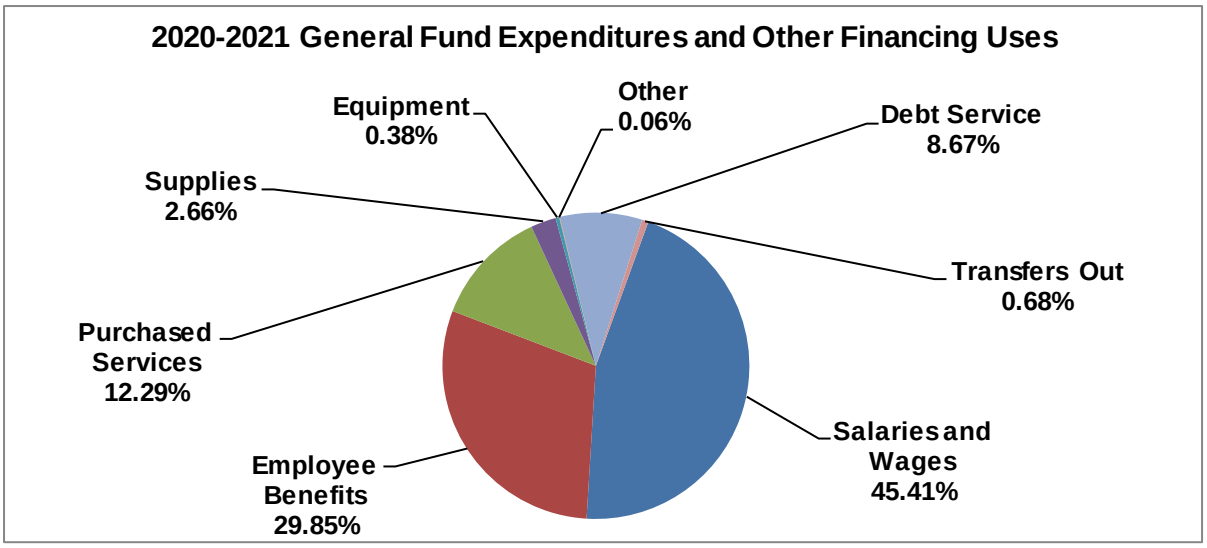
	2021	2020	Change	% Change
Real estate tax	$100,777,177	$ 97,330,453	$3,446,724	3.54
Interim real estate tax	80,570	385,062	(304,492)	(79.08)
PURTA tax	98,641	90,650	7,991	8.82
Realty transfer tax	1,842,262	1,656,148	186,114	11.24
Delinquent real estate tax	2,403,845	1,373,281	1,030,564	75.04
	$105,202,495	$100,835,594	$4,366,901	4.33

Intergovernmental (state) revenues remained relatively flat with a minor increase in retirement and social security contributions and offsetting reductions in special education subsidy, and transportation subsidy.

Intergovernmental (federal) revenues increased due in large part to increases in IDEA, the ESSER I, CARES and GEER grants. This was partially offset by a reduction in Medical Access and Title I funds.

Investment earnings decreased commensurate with the significantly decreased interest rates throughout the industry.

As the graph below illustrates, the largest portions of General Fund expenditures is for salaries and benefits. The District is an educational service entity and as such is labor intensive.



General Fund Expenditures and Other Financing Uses

	2021	2020	$ Change	% Change
Salaries and wages	$ 58,147,670	$ 57,144,502	$1,003,168	1.76
Employee benefits	38,216,737	37,493,640	723,097	1.93
Purchased services	15,731,357	14,548,475	1,182,882	8.13
Supplies	3,404,539	2,637,658	766,881	29.07
Equipment	490,748	511,273	(20,525)	(4.01)
Other	79,890	91,873	(11,983)	(13.04)
Debt service	11,100,617	10,117,684	982,933	9.71
Transfers out	870,909	1,272,008	(401,099)	(31.53)
	$128,042,467	$123,817,113	$4,225,354	3.41

Salaries and wages increased by $1,003,168 or 1.76% in 2020-2021 compared to 2019-2020 primarily as a result of scheduled salary increases within the District's collective bargaining agreements and employment agreements negotiated with various employee groups and individual employees.

Employee benefits increased in part due to an increase in the required employer annual retirement contribution to 34.51% from 34.29%. The increase in salaries and wages causes an increase in social security and retirement contributions which was partially offset by lower healthcare costs.

Purchased services and supplies increased 8.13% and 29.07%, respectively, the increases are primarily due to the impact of COVID-19 and the necessary related supplies and services the District needed to acquire in response to COVID-19.

Debt service increased by $982,933 or 9.71%, consistent with scheduled debt service maturities, existing and newly issued general obligation debt.

Transfers out during 2020-2021 consisted of transfers to the Capital Projects Fund from the General Fund committed fund balance to complete various capital projects around the District.

CAPITAL PROJECTS FUND

The Capital Projects Fund accounts for construction and renovation activity associated with the District's buildings and major equipment purchases. The Capital Projects Fund receives the majority of its revenues from the issuance of general obligation debt and transfers from the General Fund. During 2020-2021, the Capital Projects Fund reported a decrease in fund balance of $9,746, 236 due to expenditures related to the Lynnewood and High School Phase I construction project. The remaining fund balance of $18,300,916 as of June 30, 2021 is restricted for future capital expenditures.

GENERAL FUND BUDGET INFORMATION

The District maintains its financial records and prepares its financial reports on the modified accrual basis of accounting. The District budgets and expends funds according to procedures mandated by the Pennsylvania Department of Education. An annual operating budget is prepared by management and submitted to the School Board for approval prior to the beginning of the fiscal year on July 1 each year. The most significant budgeted fund is the General Fund.

In the 2020-2021 fiscal year, total General Fund revenues and other financing sources were $1,160,512 or 0.89% more than budgeted amounts and total General Fund expenditures and other financing uses were $2,847,354 or 2.18% less than budgeted amounts resulting in a net positive variance of $4,007,866. The 2020-2021 General Fund budget included the use of $843,361 of fund balance to balance the budget. Major budgetary highlights for 2020-2021 were as follows:

- Local source revenues were more than budget due to higher than anticipated delinquent tax collection and real estate transfer taxes. Additionally, the District received unbudgeted revenues for Federal COVID-19 pass-through funds and prior period refunds on our prescription benefit plan. Some of this was offset by lower investment earnings due to the low interest rates, low interim real estate tax collections and reduced rental income due to COVID-19.

- Actual expenditures were less than budgeted primarily due to the impact of COVID-19 on the results of operations. Savings were realized within salaries and wages in part due to unfilled vacancies and reduced medical and prescription costs. Supplies and purchased services partially offset these savings due to requirements from COVID-19. The budgetary reserve was not utilized in 2020-2021.

- Transfers out were $870,909 more than budget due to a transfer to the Capital Projects Fund from committed fund balance and a transfer to food service to cover operating expenses.

BUSINESS-TYPE ACTIVITIES AND FOOD SERVICE FUND

During 2020-2021, the net position of business-type activities and Food Service Fund decreased by $287,367 as a result of COVID-19 and the transfer to the Seamless Summer Option (SSO). As of June 30, 2021, the business-type activities and Food Service Fund had a deficit in net position of $2,616,571 due to the allocation of the Food Service Fund’s proportion of the District’s net pension and other post-employment benefit liabilities with PSERS totaling $2,463,222.

CAPITAL ASSETS

The District's investment in capital assets for its governmental and business-type activities as of June 30, 2021 amounted to $146,489,346 net of accumulated depreciation. This investment in capital assets includes land, land improvements, buildings and improvements and furniture and equipment. The total net increase in the District's investment in capital assets for the current fiscal year was $16,533,331 or 12.72%.

Current year capital additions were $22,028,274 and depreciation expense was $5,494,943.

Major capital additions for the current fiscal year included the following:

• Information technology chromebooks – capital lease	$ 1,552,932
• Lynnewood Elementary School – construction in progress	$13,230,914
• High School renovation project – construction in progress	$ 5,793,963

NONCURRENT LIABILITIES

At the end of the current fiscal year, the District had total general obligation debt of $147,005,169 consisting of $124,745,000 in bonds payable, $15,510,000 in notes payable and net deferred credits from bond premiums and discounts of $6,750,169. The entire amount is backed by the full faith and credit of the District. General obligation debt was issued to finance capital expenditures or to finance the retirement (refund) of prior obligation debt. The District's general obligation debt increased by $4,857,779 or 3.42% during the fiscal year.

State statutes limit the amount of general obligation debt the District may issue up to 225% of its borrowing base capacity which is calculated as the annual arithmetic average of the total revenues for the preceding three fiscal years. The District's outstanding general obligation debt of $147,005,169 is within the current debt limitation of the District which was $285,442,131 as of June 30, 2021.

The District's general obligation debt rating is a Moody's Aa2 underlying rating.

The District reports its allocated portion of its defined benefit unfunded benefit obligation related to its participation in PSERS. The District's allocated portion of the net pension liability is an actuarially determined estimate of the unfunded cost of the pension plan obligation which totaled $200,058,122 as of June 30, 2021. The District's net pension liability increased by $10,073,950 or 5.30% during the fiscal year.

The District reports a liability for its other post-employment benefits (***"OPEB"***) related to its single employer OPEB plan and its participation in the PSERS health insurance premium assistance program. The District's OPEB liability is an actuarially determined estimate of the unfunded cost of the OPEB obligation which totaled $13,090,829 as of June 30, 2021. The District's OPEB liability increased by $1,777,155 or 15.71% during the fiscal year.

Other noncurrent liabilities consist of the District's liabilities for capital leases and compensated absences, which totaled $3,762,226 as of June 30, 2021. These liabilities increased by $660,619 or 21.30% during the fiscal year.

The District uses swap contracts that have fixed interest payments made in exchange for variable interest payments received based on an underlying interest rate index. These interest payments received are meant to offset the variable interest cost of the hedged bond. These are considered hedging derivative instruments, and are used to reduce financial risks, such as offsetting increases in interest rate costs. As of June 30, 2021, the District had one interest rate swap related to its general obligation bonds, Series of 2009.

FACTORS BEARING ON THE DISTRICT'S FUTURE

At the time these financial statements were prepared and audited, the District was aware of several existing circumstances that could significantly affect its financial health in the future.

- The District adopted a balanced 2021-2022 budget totaling $135,348,275 which used $870,117 of General Fund fund balance as of June 30, 2021 and the real estate tax millage rate was increased by 2.60%. The District was part of a countywide reassessment and the millage rate was reset at 16.7458 from 33.5791 and then the District added a tax increase of 2.60% for a final millage rate of 17.1811.

- The District expects the historical trend for greater local tax effort to fund instructional programs and services to continue as state and federal funding for public education is expected to remain stagnant. The Commonwealth of Pennsylvania only accounted for approximately 16.91% of total revenue sources to fund costs supporting the District's educational programs during fiscal 2020-2021. The Federal revenues accounted for 1.88% of revenues. Local sources of revenue, primarily property taxes, now support approximately 81.21% of the costs of educational programs and services in the District

- In 2006, Act 1 was passed, which provides taxpayer relief through gambling revenues generated at the state level. The intent of this legislation was to provide a mechanism to relieve the burden of funding public education from property owners. This legislation put a "ceiling" on the percentage increase of local real estate taxes that can be levied year-to-year in order to balance the school district budget. Pennsylvania school districts are now required to seek approval through back-end referendum to increase taxes higher than the approved index. This law puts an already increased burden on the District's revenue stream in future years. This legislation introduced certain new requirements on school districts which include the following:

  - In the event a school district wishes to increase the property tax millage rate by more than an index annually prescribed by the state (Act 1 Index for 2021-2022 was 3.0% but due to the countywide reassessment, the law required a maximum index of the prior year or 2.60%), the school district must seek voter approval (known commonly as a "back-end referendum") prior to implementing the millage rate increase. In the event voters do not approve the millage rate increase, the school district must limit its millage rate increase to the index. Certain exceptions are provided under Act 1 that, if approved by the appropriate authority, may permit increases above the Act 1 index without the need for a back-end referendum. Typically, these exceptions relate to emergencies and cost increases in excess of the Act 1 index (e.g., retirement system contributions or increase in special education costs) over which the school district has no control. For 2021-2022, the District increased taxes at the allowable Act 1 Index of 2.60%

- In November 2010 and, again, in 2017 legislation was signed into law to implement a series of actuarial and funding changes to the Public School Employees' Retirement System (***"PSERS"***). The 2017 law has taken effect as of July 2019. The law changed the pension plans for all new hires effective July 1, 2019. It does not impact the pension benefits of current or retired PSERS members. Based on available projections, school districts will not see relief from the new legislation until 2035. The employer contribution rate for 2022-2023 is projected at 35.79%. Currently, the employer contribution rate for 2021-2022 is 34.94%.

- The District's Board of School Directors has implemented a capital improvement program that will borrow up to $68 million dollars to fund the building of a new Lynnewood Elementary School, the addition of classrooms and partial renovations to the High School, and capital improvements to the Chatham Park and Coopertown Elementary Schools. The debt service associated with the new debt will phase in over seven years adding approximately $2.1 million to budgets until leveling off 2023-2024. The resulting millage impact is anticipated to be an additional 0.66 mills and may require the District to exceed the Act 1 index during the phase in. The District has issued approximately $53,000,000 of general obligation bonds, proceeds of which have or will be used for the New Lynnewood Elementary and phase one of the renovations to the High School. New Lynnewood Elementary School and the High School Phase 1 project were completed for the start of the 2021-2022 school. The High School Phase 2 and climate controls projects will begin in 2022 and be completed over the next 2 years.

CONTACTING THE DISTRICT FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Business Administrator, School District of Haverford Township 50 East Eagle Road Havertown, Pennsylvania 19083.

SCHOOL DISTRICT OF HAVERFORD TOWNSHIP

STATEMENT OF NET POSITION (DEFICIT)

June 30, 2021 with summarized comparative totals for 2020

	Governmental Activities	Business-type Activities	Totals 2021	Totals 2020
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
CURRENT ASSETS				
Cash	$ 50,855,884	$ -	$ 50,855,884	$ 55,686,854
Taxes receivable	1,884,317	-	1,884,317	2,260,162
Due from other governments	5,054,252	72,880	5,127,132	5,348,667
Internal balances	793,773	(793,773)	-	-
Other receivables	593,128	-	593,128	894,320
Inventories	-	80,717	80,717	46,162
Prepaid expenses	13,525,480	-	13,525,480	10,358,592
Total current assets	72,706,834	(640,176)	72,066,658	74,594,757
NONCURRENT ASSETS				
Capital assets, net	146,111,503	377,843	146,489,346	129,956,015
Total assets	218,818,337	(262,333)	218,556,004	204,550,772
DEFERRED OUTFLOWS OF RESOURCES				
Deferred amounts on debt refunding	277,255	-	277,255	369,674
Accumulated decrease in fair value of hedging derivative	5,637,547	-	5,637,547	7,356,020
Deferred charges OPEB - single employer	1,668,340	-	1,668,340	237,508
Deferred charges on proportionate share of OPEB - PSERS	1,073,349	10,984	1,084,333	995,778
Deferred charges on proportionate share of pension - PSERS	30,240,422	360,904	30,601,326	25,484,630
Total deferred outflows of resources	38,896,913	371,888	39,268,801	34,443,610
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION (DEFICIT)				
CURRENT LIABILITIES				
Accounts payable	3,763,231	8,899	3,772,130	3,380,838
Accrued salaries, payroll withholdings and benefits	15,431,973	80,438	15,512,411	13,536,046
Unearned revenue	-	113,372	113,372	95,667
Grants received in advance	-	-	-	46,191
Accrued interest payable	785,435	-	785,435	760,281
Total current liabilities	19,980,639	202,709	20,183,348	17,819,023
NONCURRENT LIABILITIES				
Due within one year	9,184,742	-	9,184,742	7,785,669
Due in more than one year	357,905,929	2,463,222	360,369,151	346,117,194
Total noncurrent liabilities	367,090,671	2,463,222	369,553,893	353,902,863
Total liabilities	387,071,310	2,665,931	389,737,241	371,721,886
DEFERRED INFLOWS OF RESOURCES				
Deferred credits OPEB - single employer	238,732	-	238,732	144,085
Deferred credits on proportionate share of OPEB - PSERS	210,594	2,406	213,000	271,000
Deferred credits on proportionate share of pension - PSERS	4,842,211	57,789	4,900,000	7,051,000
Total deferred inflows of resources	5,291,537	60,195	5,351,732	7,466,085
NET POSITION (DEFICIT)				
Net investment in capital assets	15,709,615	377,843	16,087,458	14,766,578
Restricted	176,119	-	176,119	200,137
Unrestricted	(150,533,331)	(2,994,414)	(153,527,745)	(155,160,304)
Total net position (deficit)	$ (134,647,597)	$ (2,616,571)	$ (137,264,168)	$ (140,193,589)

See accompanying notes

SCHOOL DISTRICT OF HAVERFORD TOWNSHIP

STATEMENT OF ACTIVITIES

Year ended June 30, 2021 with summarized comparative totals for 2020

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position (Deficit): Governmental Activities	Net (Expense) Revenue and Changes in Net Position (Deficit): Business-type Activities	2021	2020
GOVERNMENTAL ACTIVITIES								
Instruction	$ 82,730,315	$ 1,280,527	$ 13,682,986	$ -	$ (67,766,802)	$ -	$ (67,766,802)	$ (66,931,840)
Instructional student support	13,840,393	-	1,638,114	-	(12,202,279)	-	(12,202,279)	(11,415,125)
Administrative and financial support services	10,391,334	-	980,689	-	(9,410,645)	-	(9,410,645)	(8,904,551)
Operation and maintenance of plant services	8,112,298	49,563	671,521	-	(7,391,214)	-	(7,391,214)	(8,109,231)
Pupil transportation	4,920,004	513,205	1,238,502	-	(3,168,297)	-	(3,168,297)	(3,236,943)
Student activities	1,450,360	32,881	146,701	-	(1,270,778)	-	(1,270,778)	(1,218,754)
Community services	137,263	-	-	-	(137,263)	-	(137,263)	(184,822)
Interest and amortization expense related to noncurrent liabilities	5,786,520	-	9,575	-	(5,776,945)	-	(5,776,945)	(3,588,540)
Total governmental activities	127,368,487	1,876,176	18,368,088	-	(107,124,223)	-	(107,124,223)	(103,589,806)
BUSINESS-TYPE ACTIVITIES								
Food service	1,322,568	5,562	829,579	-	-	(487,427)	(487,427)	(337,883)
Total primary government	$ 128,691,055	$ 1,881,738	$ 19,197,667	$ -	(107,124,223)	(487,427)	(107,611,650)	(103,927,689)
GENERAL REVENUES								
Property taxes levied for general purposes					102,794,186	-	102,794,186	99,266,837
Other taxes levied for general purposes					1,940,903	-	1,940,903	1,746,798
Grants and entitlements not restricted to specific programs					5,736,081	-	5,736,081	5,735,835
Investment earnings					69,841	60	69,901	1,086,163
TRANSFERS					(200,000)	200,000	-	-
Total general revenues and transfers					110,341,011	200,060	110,541,071	107,835,633
CHANGE IN NET POSITION (DEFICIT)					3,216,788	(287,367)	2,929,421	3,907,944
NET POSITION (DEFICIT)								
Beginning of year					(137,864,385)	(2,329,204)	(140,193,589)	(144,101,533)
End of year					$ (134,647,597)	$ (2,616,571)	$ (137,264,168)	$ (140,193,589)

See accompanying notes

SCHOOL DISTRICT OF HAVERFORD TOWNSHIP

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2021 with summarized comparative totals for 2020

	Major Funds			Totals	
	General Fund	Capital Projects Fund	School Sponsored Activity Fund	2021	2020
ASSETS					
Cash	$ 29,643,288	$ 21,036,477	$ 176,119	$ 50,855,884	$ 55,592,675
Taxes receivable	1,884,317	-	-	1,884,317	2,260,162
Due from other funds	966,908	-	-	966,908	797,180
Due from other governments	5,054,252	-	-	5,054,252	5,317,380
Other receivables	593,128	-	-	593,128	894,320
Prepaid items	796,988	-	-	796,988	2,575
Total assets	$ 38,938,881	$ 21,036,477	$ 176,119	$ 60,151,477	$ 64,864,292
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 1,200,805	$ 2,562,426	$ -	$ 3,763,231	$ 3,348,010
Due to other funds	-	173,135	-	173,135	170,493
Accrued salaries, payroll withholdings and benefits	15,431,973	-	-	15,431,973	13,443,305
Grants received in advance	-	-	-	-	46,191
Total liabilities	16,632,778	2,735,561	-	19,368,339	17,007,999
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues - property taxes	1,427,539	-	-	1,427,539	1,894,945
FUND BALANCES					
Nonspendable					
Prepaid items	796,988	-	-	796,988	2,575
Restricted to					
Student activities	-	-	176,119	176,119	200,137
Committed to					
Capital projects	8,447,597	18,300,916	-	26,748,513	34,365,010
Balance 2020-2021 budget	-	-	-	-	843,881
Balance 2021-2022 budget	870,117	-	-	870,117	-
Unassigned	10,763,862	-	-	10,763,862	10,549,745
Total fund balances	20,878,564	18,300,916	176,119	39,355,599	45,961,348
Total liabilities, deferred inflows of resources and fund balances	$ 38,938,881	$ 21,036,477	$ 176,119	$ 60,151,477	$ 64,864,292

See accompanying notes

SCHOOL DISTRICT OF HAVERFORD TOWNSHIP

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO NET POSITION OF GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF NET POSITION (DEFICIT)

June 30, 2021

TOTAL GOVERNMENTAL FUND BALANCES	$ 39,355,599
Amounts reported for governmental activities in the statement of net position (deficit) are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds balance sheet.	146,111,503
Some of the District's property taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred inflows of resources on the governmental funds balance sheet.	1,427,539
Deferred outflows of resources for deferred amounts on debt refunding are currently expended in the governmental funds, whereas they are capitalized and amortized over the life of the respective debt in the government-wide statement of net position (deficit).	277,255
Deferred outflows of resources and deferred inflows of resources related to pensions and other postemployment benefits are not reported as assets and liabilities in the governmental funds balance sheet.	27,690,574
Deferred outflows created from derivative hedging transactions are not reported as assets and liabilities in the governmental funds balance sheet.	5,637,547
Noncurrent liabilities are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds balance sheet.	(367,090,671)
Accrued interest payable on long-term liabilities is included in the statement of net position (deficit), but is excluded from the governmental funds balance sheet until due and payable.	(785,435)
The Internal Service Fund is used by management to charge the cost of health and prescription insurance premiums and claims to the General Fund. The assets and liabilities of the Internal Service Fund are included in the governmental activities on the government-wide statement of net position (deficit).	12,728,492
NET POSITION (DEFICIT) OF GOVERNMENTAL ACTIVITIES	$ (134,647,597)

See accompanying notes

SCHOOL DISTRICT OF HAVERFORD TOWNSHIP

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

Year ended June 30, 2021 with summarized comparative totals for 2020

	Major Funds			Totals	
	General Fund	Capital Projects Fund	School Sponsored Activity Fund	2021	2020
REVENUES					
Local sources	$ 106,549,599	$ 13,900	$ 32,881	$ 106,596,380	$ 102,663,362
State sources	22,190,578	-	-	22,190,578	22,138,615
Federal sources	2,466,795	-	-	2,466,795	1,731,337
Total revenues	131,206,972	13,900	32,881	131,253,753	126,533,314
EXPENDITURES					
Current					
Instruction	78,898,919	-	-	78,898,919	75,847,304
Support services	35,905,267	1,830,523	-	37,735,790	35,976,708
Operation of noninstructional services	1,459,169	-	56,899	1,516,068	1,651,307
Facilities acquisition, construction and improvement services	-	20,220,489	-	20,220,489	15,371,376
Debt service	10,908,203	-	-	10,908,203	10,117,684
Total expenditures	127,171,558	22,051,012	56,899	149,279,469	138,964,379
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	4,035,414	(22,037,112)	(24,018)	(18,025,716)	(12,431,065)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	670,909	-	670,909	1,272,008
Transfers out	(870,909)	-	-	(870,909)	(1,272,008)
Issuance of debt	-	9,615,000	-	9,615,000	34,995,000
Issuance of debt - refunding	-	15,515,000	-	15,515,000	8,315,000
Bond premiums	-	380,942	-	380,942	2,937,944
Payment of debt - refunding	-	(15,413,907)	-	(15,413,907)	(10,091,086)
Proceeds from extended term financing	-	1,522,932	-	1,522,932	673,522
Total other financing sources (uses)	(870,909)	12,290,876	-	11,419,967	36,830,380
NET CHANGE IN FUND BALANCES	3,164,505	(9,746,236)	(24,018)	(6,605,749)	24,399,315
FUND BALANCES					
Beginning of year	17,714,059	28,047,152	200,137	45,961,348	21,562,033
End of year	$ 20,878,564	$ 18,300,916	$ 176,119	$ 39,355,599	$ 45,961,348

See accompanying notes

SCHOOL DISTRICT OF HAVERFORD TOWNSHIP

RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF ACTIVITIES

Year ended June 30, 2021

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS		$ (6,605,749)
Amounts reported for governmental activities in the statement of activities are different because:		
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 and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.		
Capital outlay expenditures	$ 22,028,274	
Depreciation expense	(5,407,188)	16,621,086
Because some tax 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. Deferred inflows of resources decreased by this amount this year.		
Deferred inflows of resources June 30, 2020	(1,894,945)	
Deferred inflows of resources June 30, 2021	1,427,539	(467,406)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on the change in net position of governmental activities. Also, governmental funds report the effect of premiums, discounts and similar items when long-term debt is issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Issuance of debt	(25,130,000)	
Repayment of bonds payable	19,765,000	
Repayment of notes payable	5,000	
Proceeds from bond premiums	(380,942)	
Proceeds from extended term financing	(1,522,932)	
Repayment of capital leases payable	1,006,915	
Amortization of discounts, premiums and deferred amounts on refunding	790,744	(5,466,215)
Some expenses reported in the statement of activities do not require the use of current financial resources, and, therefore are not reported as expenditures in governmental funds.		
Current year change in accrued interest payable	(25,154)	
Current year change in compensated absences	(144,602)	
Current year change in net pension liability - PSERS and deferred outflows and inflows	(2,773,159)	
Current year change in OPEB liability - single employer and deferred outflows and inflows	(277,557)	
Current year change in net OPEB liability - PSERS and deferred outflows and inflows	(16,931)	(3,237,403)
The Internal Service Fund is used by management to charge the cost of health and prescription insurance premiums and claims to the General Fund. The change in net position of the Internal Service Fund is reported within the governmental activities.		2,372,475
CHANGE IN NET POSITION (DEFICIT) OF GOVERNMENTAL ACTIVITIES		$ 3,216,788

See accompanying notes

SCHOOL DISTRICT OF HAVERFORD TOWNSHIP

STATEMENT OF NET POSITION (DEFICIT) - PROPRIETARY FUNDS

June 30, 2021 with summarized comparative totals for 2020

	Major Fund Food Service Fund	Internal Service Fund	Totals 2021	Totals 2020
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
CURRENT ASSETS				
Cash	$ -	$ -	$ -	$ 94,179
Due from other governments	72,880	-	72,880	31,287
Inventories	80,717	-	80,717	46,162
Prepaid expenses	-	12,728,492	12,728,492	10,356,017
Total current assets	153,597	12,728,492	12,882,089	10,527,645
NONCURRENT ASSETS				
Capital assets, net	377,843	-	377,843	465,598
Total assets	531,440	12,728,492	13,259,932	10,993,243
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on proportionate share of pension - PSERS	360,904	-	360,904	300,559
Deferred charges on proportionate share of OPEB - PSERS	10,984	-	10,984	9,774
Total deferred outflows of resources	371,888	-	371,888	310,333
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION (DEFICIT)				
LIABILITIES				
Accounts payable	8,899	-	8,899	32,828
Due to other funds	793,773	-	793,773	626,687
Accrued salaries, payroll withholdings and benefits	80,438	-	80,438	92,741
Unearned revenue	113,372	-	113,372	95,667
Total current liabilities	996,482	-	996,482	847,923
NONCURRENT LIABILITIES				
Net pension liability - PSERS	2,359,431	-	2,359,431	2,240,622
Net OPEB liability - PSERS	103,791	-	103,791	101,864
Total noncurrent liabilities	2,463,222	-	2,463,222	2,342,486
Total liabilities	3,459,704	-	3,459,704	3,190,409
DEFERRED INFLOWS OF RESOURCES				
Deferred credits on proportionate share of pension - PSERS	57,789	-	57,789	83,158
Deferred credits on proportionate share of OPEB - PSERS	2,406	-	2,406	3,196
Total deferred inflows of resources	60,195	-	60,195	86,354
NET POSITION (DEFICIT)				
Net investment in capital assets	377,843	-	377,843	465,598
Unrestricted (deficit)	(2,994,414)	12,728,492	9,734,078	7,561,215
Total net position (deficit)	$ (2,616,571)	$ 12,728,492	$ 10,111,921	$ 8,026,813

See accompanying notes

SCHOOL DISTRICT OF HAVERFORD TOWNSHIP

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (DEFICIT) - PROPRIETARY FUNDS

Year ended June 30, 2021 with summarized comparative totals for 2020

	Major Fund Food Service Fund	Internal Service Fund	Totals 2021	Totals 2020
OPERATING REVENUES				
Charges for services	$ 5,562	$ 14,664,932	$ 14,670,494	$ 15,527,639
OPERATING EXPENSES				
Salaries and wages	452,492	-	452,492	685,656
Employee benefits	302,729	10,913,892	11,216,621	11,088,506
Purchased professional and technical services	42,090	1,391,175	1,433,265	1,121,621
Purchased property services	30,442	-	30,442	53,457
Other purchased services	45,028	-	45,028	253
Supplies	346,667	-	346,667	587,321
Depreciation	87,755	-	87,755	90,168
Other	15,365	-	15,365	266
Total operating expenses	1,322,568	12,305,067	13,627,635	13,627,248
Operating income (loss)	(1,317,006)	2,359,865	1,042,859	1,900,391
NONOPERATING REVENUES				
Earnings on investments	60	12,610	12,670	136,330
State sources	117,441	-	117,441	160,092
Federal sources	712,138	-	712,138	328,288
Total nonoperating revenues	829,639	12,610	842,249	624,710
Change in net position before transfers	(487,367)	2,372,475	1,885,108	-
Transfers in	200,000	-	200,000	-
CHANGE IN NET POSITION (DEFICIT)	(287,367)	2,372,475	2,085,108	2,525,101
NET POSITION (DEFICIT)				
Beginning of year	(2,329,204)	10,356,017	8,026,813	5,501,712
End of year	$ (2,616,571)	$ 12,728,492	$ 10,111,921	$ 8,026,813

See accompanying notes

SCHOOL DISTRICT OF HAVERFORD TOWNSHIP

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

Year ended June 30, 2021 with summarized comparative totals for 2020

	Major Fund Food Service Fund	Internal Service Fund	Totals 2021	Totals 2020
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from charges for services	$ 23,267	$ -	$ 23,267	$ 1,035,547
Cash received for assessments made to other fund	-	14,664,932	14,664,932	14,544,447
Cash payments to employees for services	(567,416)	-	(567,416)	(891,895)
Cash payments to suppliers for goods and services	(483,672)	-	(483,672)	(706,223)
Cash payments for insurance claims	-	(13,286,367)	(13,286,367)	(13,653,974)
Cash payments for other operating expenses	-	(1,391,175)	(1,391,175)	(1,024,026)
Net cash used for operating activities	(1,027,821)	(12,610)	(1,040,431)	(696,124)
CASH FLOWS FROM NONCAPITALFINANCING ACTIVITIES				
State sources	115,832	-	115,832	158,654
Federal sources	617,750	-	617,750	260,890
Transfers in	200,000	-	200,000	-
Net cash provided by noncapital financing activities	933,582	-	933,582	419,544
CASH FLOWS FROM INVESTING ACTIVITIES				
Earnings on investments	60	12,610	12,670	136,330
Net decrease in cash	(94,179)	-	(94,179)	(140,250)
CASH				
Beginning of year	94,179	-	94,179	234,429
End of year	$ -	$ -	$ -	$ 94,179
Reconciliation of operating income (loss) to net cash used for operating activities:				
Operating income (loss)	$ (1,317,006)	$ 2,359,865	$ 1,042,859	$ 1,900,391
Adjustments to reconcile operating loss to net cash used for operating activities				
Depreciation	87,755	-	87,755	90,168
Donated commodities used	54,404	-	54,404	54,627
(Increase) decrease in				
Other receivables	-	-	-	8,356
Inventories	(34,555)	-	(34,555)	(41,875)
Prepaid expenses	-	(2,372,475)	(2,372,475)	(2,860,207)
Deferred outflows of resources	(61,555)	-	(61,555)	8,658
Increase (decrease) in				
Accounts payable	(23,929)	-	(23,929)	19,917
Due to other funds	167,086	-	167,086	287,236
Accrued salaries, payroll withholdings and benefits	(12,303)	-	(12,303)	3,188
Unearned revenue	17,705	-	17,705	43,999
Net pension liability	118,809	-	118,809	(244,069)
Net OPEB liability	1,927	-	1,927	(6,051)
Deferred inflows of resources	(26,159)	-	(26,159)	39,538
Net cash used for operating activities	$ (1,027,821)	$ (12,610)	$ (1,040,431)	$ (696,124)
SUPPLEMENTAL DISCLOSURE				
Noncash noncapital financing activity				
USDA donated commodities	$ 54,404	$ -	$ 54,404	$ 54,627

See accompanying notes

SCHOOL DISTRICT OF HAVERFORD TOWNSHIP

STATEMENT OF NET POSITION - FIDUCIARY FUNDS

June 30, 2021 with summarized comparative totals for 2020

	Private-Purpose Trust	Custodial Funds	Total 2021	Total 2020
ASSETS				
Cash	$ 121,049	$ 382,198	$ 503,247	$ 607,937
NET POSITION				
Net position held in trust for scholarships	121,049	-	121,049	124,344
Net position held in trust for student activities	-	382,198	382,198	483,593
Total net position	$ 121,049	$ 382,198	$ 503,247	$ 607,937

See accompanying notes

SCHOOL DISTRICT OF HAVERFORD TOWNSHIP

STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS

Year ended June 30, 2021 with summarized comparative totals for 2020

	Private-Purpose Trust	Custodial Funds	Total 2021	Total 2020
ADDITIONS				
Receipts from student groups	$ -	$ 316,142	$ 316,142	$ 1,256,846
Local contributions	53,602	-	53,602	40,223
Total additions	53,602	316,142	369,744	1,297,069
DEDUCTIONS				
Scholarships awarded and fees paid	56,897	-	56,897	48,845
Student activity disbursements	-	417,537	417,537	1,183,980
Total deductions	56,897	417,537	474,434	1,232,825
CHANGE IN NET POSITION	(3,295)	(101,395)	(104,690)	64,244
NET POSITION				
Beginning of year	124,344	483,593	607,937	543,693
End of year	$ 121,049	$ 382,198	$ 503,247	$ 607,937

See accompanying notes

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The School District of Haverford Township (the ***"District"***) operates five elementary schools, a middle school , a high school and an online virtual educational program to provide education and related services to the residents of Haverford Township. The District operates under current standards prescribed by the Pennsylvania Department of Education in accordance with the provisions of the School Laws of Pennsylvania as a school district of the third class. The District operates under a locally elected nine-member board form of government (the ***"School Board"***).

The financial statements of the District have been prepared in accordance with generally accepted accounting principles (***"GAAP"***) as applied to governmental units. The Governmental Accounting Standards Board (***"GASB"***) is the authoritative standard-setting body for the establishment of governmental accounting and financial reporting principles. The more significant of these accounting policies are as follows:

Reporting Entity

GASB has established the criteria for determining the activities, organizations and functions of government to be included in the financial statements of the reporting entity. In evaluating the District as a reporting entity, management has addressed all potential component units which may or may not fall within the District's accountability. The criteria used to evaluate component units for possible inclusion as part of the District's reporting entity are financial accountability and the nature and significance of the relationship. The District is considered to be an independent reporting entity and has no component units.

Basis of Presentation

Government-Wide Financial Statements

The statement of net position (deficit) 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 activities. These statements include the financial activities of the primary government except for fiduciary funds.

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of timing of related cash flow. 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 as further defined below. Therefore, governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements of governmental funds.

The government-wide statement of net position (deficit) presents the financial position of the District which is the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources and is classified 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 borrowing attributable to acquiring, constructing or improving those assets. The net position of the District is reported as restricted when constraints placed on net position use is 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. Unrestricted net position is the net position that does not meet the definition of "net investment in capital assets" or "restricted net position."

The statement of net position (deficit) includes separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until that time. Deferred inflows of resources represent an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

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

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 proprietary fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. 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, except those required to be accounted for in another fund.

The Capital Projects Fund accounts for financial resources restricted, committed or assigned to be used for capital expenditures or for the acquisition, construction of capital facilities, improvements and/or equipment.

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 District considers tax revenue to be available if collected within 60 days of the end of the fiscal period. Deferred inflows of resources are reported in connection with receivables for tax revenues that are not considered to be available to liquidate liabilities of the current 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 receipts are recorded as revenue when received in cash because they are generally 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, debt service expenditures, as well as expenditures related to compensated absences, special termination benefits, other post-employment benefits and claims and judgments are recorded only when payment is due. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds.

Proprietary Fund

Like the government-wide financial statements, proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. These funds account for operations that are primarily financed by user charges. 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 reports the following proprietary funds:

The Food Service Fund accounts for the revenues and costs of providing meals to students during the school year.

The Internal Service Fund is used to account for the District's participation in a consortium with other participating school districts and educational agencies to provide self-insurance programs for health and prescription coverage.

This fund distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the District's Proprietary Fund are charges for services. Operating expenses for the District's Proprietary Funds include payroll, employee benefits, supplies and administrative costs. All revenues or expenses not meeting this definition are reported as nonoperating revenues and expenses.

Fiduciary Funds

Fiduciary funds reporting focuses on net assets and changes in net assets and are accounted for using the economic resources measurement focus and the accrual basis of accounting. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial funds. The private-purpose trust fund accounts for activities in various scholarship accounts, whose sole purpose is to provide annual scholarships to particular students as described by donor stipulations. Custodial funds are used to account for assets held on behalf of individuals and/or government units and are, therefore, not available to support the District's own programs. The District has one custodial fund consisting of funds held on behalf of the students.

Cash and Cash Equivalents

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

Interfund Receivables and Payables

Funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/due from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Property Taxes

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

July 1 – August 31	-	Discount period, 2% of gross levy
September 1 – October 31	-	Face period
October 31 to collection	-	Penalty period, 10% of gross levy
February 28	-	Lien date

The County Board of Assessments determines assessed valuations of property, and the District's taxes are billed and collected by a local tax collector. The tax on real estate for public school purposes for fiscal 2020-2021 was 33.5791 mills ($33.5791 for $1,000 of assessed valuation). The District experiences very small losses from uncollectible property taxes. Property taxes constitute a lien against real property and usually can be collected in full when title transfers. Only balances that remain after tax sales are written off each year. Accordingly, an allowance for doubtful accounts has not been established by the District for property taxes receivable.

Taxpayers within the District have the option of paying in three installments. These installments have the following due dates:

Installment One	-	August 31
Installment Two	-	October 31
Installment Three	-	November 30

The discount (two percent) is not applicable to installment payments; however, the penalty (10 percent) will be added if second and third installments are paid subsequent to the due dates.

Prepaid Items and Inventories

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the government-wide and fund financial statements.

All inventories are valued at the lower of cost (first-in, first-out method) or market.

Unearned Revenues

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary fund financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than $5,000 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 (net of salvage value) of the District is depreciated using the straight-line method over the following estimated useful lives: buildings and improvements – 20-40 years, and furniture and equipment – 5-10 years.

Impairment of Long-Lived Assets

The District evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. A capital asset is generally considered impaired if both (a) the decline in service utility of the capital asset is large in magnitude and (b) the event or change in circumstances is outside the normal life cycle of the capital asset. If a capital asset is considered to be impaired, the amount of impairment is measured by the method that most reflects the decline in service utility of the capital asset at the lower of carrying value or fair value for impaired capital assets that will no longer be used by the District. No impairment losses were recognized for the year ended June 30, 2021.

Compensated Absences

District policies permit employees to accumulate earned but unused vacation, personal and sick days. The liability for these compensated absences is recorded as a non-current liability in the government-wide financial statements. A liability for these amounts is recorded in the governmental funds financial statements only to the extent they have matured, for example, as a result of employee resignations and retirements.

Long-Term Obligations

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Bonds payable are reported net of the applicable bond premium or discount. Bond premiums and discounts are deferred and amortized over the life of the bonds. Deferred amounts on refunding are recorded as a deferred outflow of resources and amortized over the life of the old debt or the life of the new debt, whichever is shorter. All 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 and uses. 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 except for refundings paid from proceeds which are reported as other financing costs.

Fund Equity

As prescribed by GASB, governmental funds report fund balance in classifications based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the fund can be spent. The District reports the following fund balance classifications:

Nonspendable

Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form – such as inventory or prepaid insurance or (b) legally or contractually required to be maintained intact – such as a trust that must be retained in perpetuity.

Restricted

Restricted fund balances are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed

Committed fund balances are amounts that can only be used for specific purposes determined by a formal action of the District's highest level of decision-making authority, the School Board. Committed amounts cannot be used for any other purpose unless the School Board removes those constraints by taking the same type of formal action (e.g., resolution).

Assigned

Assigned fund balances are amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the Business Administrator or (b) an appointed body (e.g., finance committee) or (c) an official to which the District has delegated the authority to assign, modify or rescind amounts to be used for specific purposes.

Assigned fund balance includes (a) all remaining amounts that are reported in governmental funds (other than the General Fund) that are not classified as nonspendable, restricted or committed, and (b) amounts in the General Fund that are intended to be used for a specific purpose. Specific amounts that are not restricted or committed in a special revenue fund or the capital projects fund are assigned for purposes in accordance with the nature of their fund type.

Unassigned

Unassigned fund balance is the residual classification for the General Fund. This classification represents General Fund fund balance that has not been assigned to other funds, and that has not been restricted, committed or assigned to specific purposes within the General Fund.

When both restricted and unrestricted resources are available for use, it is the District's policy to use externally restricted resources first, then unrestricted resources–committed, assigned or unassigned–in order as needed.

The School Board has set a General Fund maximum unassigned fund balance of 8% of the following year's expenditure budget in accordance with guidelines prescribed by the Pennsylvania Department of Education.

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. Certain amounts presented in the prior year have been reclassified in order to be consistent with the current year's presentation. 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, 2020, from which the summarized information was derived.

Use of Estimates

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

Implementation of New Accounting Pronouncements

Effective July 1, 2020, the District adopted the provisions of GASB Statement No.84 *"Fiduciary Activities"* GASB Statement No. 90 *"Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61";* GASB Statement No. 93 *"Replacement of Interbank Offered Rates";* GASB Statement No. 95, *"Postponements of Effective Dates of Certain Authoritative Guidance"* and GASB Statement No. 97, *"Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No. 84*, *and a Supersession of GASB Statement No. 32"*.

GASB Statement No. 84 improved guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. GASB Statement No. 84 established criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. As a result of the implementation of Statement No. 84 the District reported restricted net position and changes in fiduciary net position for its Student Activities Fund for the year ended June 30, 2021. In addition, student activities that did meet the criteria to be reported as a Fiduciary Fund were reclassified as a Special Revenue Fund.

GASB Statement No. 90 improved the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defined a majority equity interest and specified that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. The implementation of GASB Statement No. 90 had no impact on the financial statements of the District for the year ended June 30, 2021.

GASB Statement No. 93 addresses those and other accounting and financial implications that result from the replacement from IBOR by (1) providing exceptions for certain hedging derivatives to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment; (2) clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate; (3) clarifying that the uncertainty related to the continued availability of IBOR's does not, by itself affect the assessment of whether the occurrence of a hedged expected transaction is probable; (4) removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap; (5) identifying a secured overnight financing rate and the effective federal funds rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap and; (6) clarifying the definition of a reference rate, as it is used in GASB Statement 53 "Accounting and Financial Reporting for Derivative Instruments". The implementation of GASB Statement No. 93 had no impact on the District's financial statements for the year ended June 30, 2021.

GASB Statement No. 95 provided temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by postponing the effective dates of certain provisions in statements that first became effective or are scheduled to be effective for periods beginning after June 15, 2018, and later. See references to GASB Statement No. 95 within the various pronouncements above to determine the impact on each individual statement. The implementation of GASB Statement No. 95 by the District postponed the implementation of GASB Statement No. 84 until year ended June 30, 2021 as described above and the implementation of GASB Statement No 87 until year ended June 30, 2022 as described below.

The objectives of GASB Statement No. 97 are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The implementation of GASB Statement No. 97 had no impact on the financial statements of the District for the year ended June 30, 2021.

New Accounting Pronouncements

GASB Statement No. 87, *"Leases"* will be effective for the District for the year ended June 30, 2022. The objective of GASB Statement No. 87 is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. GASB Statement No. 87 increases the usefulness of financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under GASB Statement No. 87, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about leasing activities.

GASB Statement No. 89, *"Accounting for Interest Cost Incurred Before the End of a Construction Period"*, will be effective for the District for the year ended June 30, 2022. The objectives of GASB Statement No. 89 are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. GASB Statement No. 89 establishes accounting required for interest cost incurred before the end of a construction period. Such interest costs includes all interest that previously was accounted for in accordance with the requirements of GASB Statement No. 62, *"Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements"*, which are superseded by GASB Statement No. 89. GASB Statement No. 89 requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. GASB Statement No. 89 also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with government fund accounting principles.

GASB Statement No. 91, *"Conduit Debt Obligations"* will be effective for the District for the year ended June 30, 2022. GASB Statement No. 91 provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

GASB Statement No. 92, *"Omnibus 2020"* will be effective for the District for the year ended June 30, 2022. GASB Statement No. 92 addresses a variety of topics to enhance comparability in accounting and financial reporting and improve consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

GASB Statement No. 94, *"Public-Private and Public-Public Partnerships and Availability Payment* Arrangements" will be effective for the District for the year ended June 30, 2023. GASB Statement No. 94 improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (***"PPP"s***). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

GASB Statement No. 96, *"Subscription-Based Information Technology Arrangements"* will be effective for the District for the year ended June 30, 2023. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (***"SBITA"s***) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

(2) STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

An annual budget is adopted prior to the beginning of each year for the General Fund on a modified accrual basis of accounting. The General Fund is the only fund for which a budget is legally required, although project-length financial plans are adopted for the Capital Projects fund.

The District is required to publish notice by advertisement at least once in two newspapers of general circulation in the municipalities in which it is located, and within 20 days of final action, that the proposed budget has been prepared and is available for public inspection at the administrative offices of the District. Notice that public hearings will be held on the proposed operating budget must be included in the advertisement; such hearings are required to be scheduled at least 10 days prior to when final action on adoption is taken by the School Board.

After the legal adoption of the budget, the School Board is required to file a copy of the budget with the Pennsylvania Department of Education by July 31. Additional copies of the budget also are required to be filed with the House Education Committee and the Senate Education Committee by September 15.

Legal budgetary control is maintained at the sub-function/major object level. The School Board may make transfers of funds appropriated in any particular item of expenditure by legislative action in accordance with Pennsylvania School Code. Management may amend the budget at the sub-function/sub-object level without approval from the School Board. Appropriations lapse at the end of the fiscal period. Budgetary information reflected in the financial statements is presented at or below the level of budgetary control and includes the effect of approved budget amendments.

(3) DEPOSITS

State statutes authorize the District to invest in U.S. Treasury bills, time or share accounts of institutions insured by the Federal Deposit Insurance Corporation or in certificates of deposit when they are secured by proper bond or collateral, repurchase agreements, state treasurer's investment pools or mutual funds.

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. At June 30, 2021, the carrying amount of the District's deposits was $51,359,131 and the bank balance was $53,911,691. The District is required by state statute to deposit funds in depositories that are either banks, banking institutions or trust companies located in the Commonwealth of Pennsylvania. To the extent that such deposits exceed federal insurance, the depositories must pledge as collateral obligations of the United States, Commonwealth of Pennsylvania or any political subdivision. Under Act 72 of 1971, as amended, the depositories may meet this collateralization requirement by pooling appropriate securities to cover all public funds on deposit. Of the bank balance, $250,248 was covered by federal depository insurance and $14,624,196 was collateralized by the District's depositories in accordance with Act 72 and the collateral was held by the depositories' agent in pooled public funds. The remaining cash deposits of the District are in the Pennsylvania Local Government Investment Trust (***"PLGIT"***). Although not registered with the Securities and Exchange Commission and not subject to regulatory oversight, PLGIT acts like a money market mutual fund in that its objective is to maintain a stable net assets value of $1 per share, is rated by a nationally recognized statistical rating organization and are subject to independent annual audit. As of June 30, 2021, PLGIT was rated as AAA by a nationally recognized statistical rating agency.

(4) CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Construction in progress	$ 18,487,474	$20,009,529	$ -	$ 38,497,003
Capital assets being depreciated				
Land and improvements	4,537,556	-	-	4,537,556
Buildings and improvements	180,708,042	-	-	180,708,042
Furniture, equipment and vehicles	14,119,881	2,018,745	-	16,138,626
Books, periodicals and materials	3,697,339	-	-	3,697,339
Total capital assets being depreciated	203,062,818	2,018,745	-	205,081,563
Less accumulated depreciation for				
Land and improvements	(2,602,716)	(157,861)	-	(2,760,577)
Buildings and improvements	(73,821,118)	(4,315,157)	-	(78,136,275)
Furniture, equipment and vehicles	(12,773,698)	(776,454)	-	(13,550,152)
Books, periodicals and materials	(2,862,343)	(157,716)	-	(3,020,059)
Total accumulated depreciation	(92,059,875)	(5,407,188)	-	(97,467,063)
Total capital assets being depreciated, net	111,002,943	(3,388,443)	-	107,614,500
Governmental activities, net	$129,490,417	$16,621,086	$ -	$146,111,503
Business-type activities				
Machinery and equipment	$ 1,534,578	$ -	$ -	$ 1,534,578
Less accumulated depreciation	(1,068,980)	(87,755)	-	(1,156,735)
Business-type activities, net	$ 465,598	$ (87,755)	$ -	$ 377,843

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

Governmental activities	
Instruction	$3,673,777
Instructional student support	611,243
Administrative and financial support services	464,305
Operation and maintenance of plant services	366,620
Pupil transportation	229,691
Student activities	61,552
Total depreciation expense – governmental activities	$5,407,188
Business-type activities	
Food service	$ 87,755

As of June 30, 2021, the District had outstanding construction projects to be completed. Construction commitments and the amounts completed as of June 30, 2021 are as follows:

Description	Project Amount	Completed Through June 30, 2021	Remaining Commitments
Haverford High School Phase I	$ 7,934,557	$ 5,082,350	$ 2,852,207
Haverford High School music wing	8,428,238	-	8,428,238
New Lynnewood Elementary	28,314,530	25,149,228	3,165,302
	$44,677,325	$30,231,578	$14,445,747

As of June 30, 2021, the remaining construction in progress was related to projects that were not under a construction commitment.

(5) INTERNAL RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2021 is as follows:

Receivable To	Amount	Payable From	Amount
General Fund	$793,773	Food Service Fund	$793,773
General Fund	173,135	Capital Projects Fund	173,135
	$966,908		$966,908

Interfund balances between funds represent temporary loans recorded at year-end as the result of a final allocation of revenues and expenditures.

A summary of interfund transfers for the year ended June 30, 2021 is as follows:

Transfers In	Amount	Transfers Out	Amount
Capital Projects Fund	$670,909	General Fund	$670,909
Food Service Fund	200,000	General Fund	200,000
	$870,909		$870,909

Transfers from General Fund to Capital Projects Fund and Food Service Fund represent transfers to subsidize costs associated with the acquisition of capital assets and food service operations.

(6) NONCURRENT LIABILITIES

The following summarizes the changes in noncurrent liabilities for the year ended June 30, 2021:

	Balance July 1, 2020	Increases	Decreases	Balance June 30, 2021	Amount Due Within One Year
Governmental activities					
General obligation debt					
Bonds payable	$134,895,000	$ 9,615,000	$19,765,000	$124,745,000	$7,240,000
Notes payable	-	15,515,000	5,000	15,510,000	220,000
Bond premiums	7,277,763	380,942	891,844	6,766,861	891,844
Bond discounts	(25,373)	-	(8,681)	(16,692)	(8,681)
Total general obligation debt	142,147,390	25,510,942	20,653,163	147,005,169	8,343,163
Other noncurrent liabilities					
Capital leases payable	1,458,873	1,522,932	1,006,915	1,974,890	841,579
Compensated absences	1,642,734	144,602	-	1,787,336	-
OPEB liability	2,676,568	1,613,742	-	4,290,310	-
Net OPEB liability – PSERS	8,535,242	161,486	-	8,696,728	-
Net pension liability – PSERS	187,743,550	9,955,141	-	197,698,691	-
Derivative instrument liability – interest rate swap	7,356,020	-	1,718,473	5,637,547	-
Total other noncurrent liabilities	209,412,987	13,397,903	2,725,388	220,085,502	841,579
Total governmental activities	351,560,377	38,908,845	23,378,551	367,090,671	9,184,742

Business-type activities					
Net OPEB liability – PSERS	101,864	1,927	-	103,791	-
Net pension liability – PSERS	2,240,622	118,809	-	2,359,431	-
Total business-type activities	2,342,486	120,736	-	2,463,222	-
Total noncurrent activities	$353,902,863	$39,029,581	$23,378,551	$369,553,893	$9,184,742

Noncurrent liabilities of governmental activities are generally liquidated by the General Fund, while noncurrent liabilities of the business-type activities are liquidated by the Food Service Fund.

(7) GENERAL OBLIGATION DEBT

General obligation debt is a direct obligation of the District for which full faith and credit are pledged and is payable from unrestricted local sources. The District has not pledged any assets as collateral for general obligation debt. General obligation debt was issued to finance capital expenditures or to finance the retirement (refund) of prior general obligation debt.

General obligation debt outstanding as of June 30, 2021 consisted of the following:

Description	Interest Rate(s)	Issue Amount	Final Maturity	Principal Outstanding
General obligation bonds				
Series of 2009	Variable	$45,750,000	03/01/2030	$ 32,185,000
Series of 2017	0.95% - 5.00%	$21,070,000	09/15/2023	14,490,000
Series of 2018	2.75% - 3.625%	$ 9,380,000	03/15/2036	9,370,000
Series of 2019	4.00% - 5.00%	$16,355,000	09/01/2034	15,905,000
Series of 2019A	2.00% - 3.00%	$34,995,000	03/01/2037	34,990,000
Series of 2019B	5.00%	$ 8,315,000	03/01/2030	8,190,000
Series of 2021A	2.00%	$ 8,610,000	03/15/2037	8,610,000
Series of 2021B	2.00% - 5.00%	$ 1,005,000	03/15/2031	1,005,000
Total general obligation bonds				124,745,000
General obligation notes				
Series of 2020	1.39%	$15,515,000	03/15/2029	15,510,000
Total general obligation debt				$140,255,000

General obligation notes that bear interest at a variable rate are adjusted weekly based upon the Securities Industry and Financial Markets.

General Obligation Notes, Series of 2020

On August 20, 2020, the District issued general obligation notes, Series of 2020, in the amount of $15,515,000 the proceeds from which were used to (a) advance refund the remaining portion of the District's general obligation bonds, Series of 2015A; and (b) to pay for the cost of issuance. The District currently refunded a portion the general obligation bonds, Series of 2015A to reduce future debt service payments by $1,070,475.

General Obligation Bonds, Series of 2021A

On May 20, 2021, the District issued general obligation bonds, Series of 2021A, in the amount of $8,610,000 the proceeds from which will be used to finance a portion of a capital improvement program consisting of (a) the design, construction, and equipping of additions, renovations and improvements to Haverford High School, Coopertown Elementary School and Chatham Park Elementary School (b) the design, construction, and equipping of Lynnewood Elementary School and (c) to pay for the cost of issuance.

General Obligation Bonds, Series of 2021B

On May 20, 2021, the District issued general obligation bonds, Series of 2021B, in the amount of $1,005,000 the proceeds from which will be used to finance all or a portion of (a) the School District's acquisition of new school buses and (b) to pay for the cost of issuance.

Annual debt service requirements to maturity on these obligations are as follows:

Year ending June 30,	Principal	Interest	Total
2022	$ 7,460,000	$ 4,768,591	$ 12,228,591
2023	8,015,000	4,501,011	12,516,011
2024	8,390,000	4,164,215	12,554,215
2025	8,650,000	3,909,631	12,559,631
2026	8,920,000	3,640,599	12,560,599
2027-2031	46,925,000	13,075,347	60,000,347
2032-2036	42,640,000	5,226,293	47,866,293
2037	9,255,000	264,700	9,519,700
	$140,255,000	$39,550,387	$179,805,387

In-Substance Defeasance

The District has advance refunded its general obligation bonds, Series of 2015A by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust funds. The investments and earnings from the investments are sufficient to fully service the advance refunded debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and, therefore, removed as a liability from the District's government-wide financial statements. At June 30, 2021, $13,455,000 of the Series of 2015A general obligation bonds is considered defeased. The District has authorized to call the remaining defeased bonds for redemption on March 15, 2023.

(8) CAPITAL LEASES

The District has entered into long-term lease agreements for information technology and maintenance equipment and vehicles and transportation vehicles. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of future minimum lease payments as of the inception dates. The future minimum lease payments under the capital leases and the net present value of the future minimum lease payments as of June 30, 2021 are as follows:

Year ending June 30,	Principal	Interest	Total
2022	$ 841,579	$30,097	$ 871,676
2023	678,720	17,065	695,785
2024	454,591	6,339	460,930
	$1,974,890	$53,501	$2,028,391

(9) DERIVATIVE FINANCIAL INSTRUMENTS

Interest Rate Swap Agreement

The District uses a swap contract that has fixed interest payments made in exchange for variable interest payments received based on an underlying interest rate index. Hedging derivatives instruments are used to reduce financial risks, such as offsetting increases in variable interest rate costs of the hedged item. These derivative instruments are evaluated to determine if they are effective in significantly reducing the identified financial risk at year end. If the derivative is determined to be an effective hedge, its fair value is an asset or liability with a corresponding offset to deferred outflows or inflows of resources on the statement of net position. Deferred outflows or inflows of resources constitute changes in fair values of effectively-hedged derivative instruments. If the derivative instruments are determined to be ineffective, they are considered investment derivatives in which their fair values are recognized against investment income in the statement of activities.

At June 30, 2021, the District had the following derivative financial instrument outstanding:

	Changes in Fair Value		Fair Value at June 30, 2020		
	Classification	Amount	Classification	Amount	Notional
Governmental Activities					
Cash flow hedge					
Pay fixed interest rate swaps	Deferred outflows of resources	$1,718,473	Debt	$(5,637,547)	$32,185,000

The District currently has one interest rate swap agreement. The District utilized a regression method analysis to evaluate the hedge effectiveness for its interest rate swap. This method evaluates effectiveness by measuring the statistical relationship between the fair value or cash flows of the interest rate swap and the item it is hedged against. The analysis confirmed that the changes in cash flows of the interest rate swap instrument substantially offsets the changes in cash flows of the item hedged against and met within reason all required criteria.

Fair Value

The fair value of the interest rate swap was derived from proprietary models based upon well recognized financial principles and reasonable estimates about relevant future market conditions. The interest rate swaps were valued based upon Level 2 inputs.

Objective and Terms of Hedging Derivative Instrument

Type	Objective	Notional Amount	Effective Date	Maturity Date	Terms	Counterparty Credit Rating
Pay fixed interest rate swaps	Hedge changes in cash flows on the GOB Series of 2009	$32,185,000	04/17/2008	03/01/2030	Pay 3.75900%; receives variable rate equal to USD-SIFMA municipal swap index	AA/AA-

Credit Risk

As of June 30, 2021, the District was not exposed to credit risk because the swap had a negative fair value. However, should interest rates change and the fair value of the swap becomes positive, the District would be exposed to credit risk in the amount of the derivative's fair value. The swap counterparty was rated AA by Fitch Ratings and AA- by Standard & Poor's as of June 30, 2021.

Interest Rate Risk

The District is exposed to interest rate risk on its swap agreement. On the District's pay-fixed interest rate swap, as the USD-SIFMA municipal swap index decreases, the District's net payment on the swap increases.

Basis Risk

The District is exposed to basis risk on its pay-fixed interest rate swap because the variable rate payments received by the District on this hedging derivative instrument are based on a rate or index other than interest rates the District pays on its hedged variable rate debt, which is remarketed every week.

Termination Risk

The District or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. If at the time of termination the swap has a negative fair value, the District would be liable to the counterparty for a payment equal to the swap's fair value.

(10) OTHER POST-EMPLOYMENT BENEFITS

Single-Employer Defined Benefit OPEB Plan

The District's other post-employment benefits (***"OPEB"***) include a single-employer defined benefit plan that provides medical and prescription drug benefits to certain retirees, spouses and their dependents. The School Board has the authority to establish and amend benefit provisions. The OPEB Plan does not issue any financial report and is not included in the report of any public employee retirement system or any other entity.

OPEB Plan Membership

Membership in the OPEB plan consisted of the following at July 1, 2020:

Active employees	780
Vested former participants	-
Retired participants	18
Total	798

Funding Policy

The District's contributions are funded on a pay-as-you-go basis. The contribution requirements of retirees are established and may be amended by the School Board.

OPEB Liability

The District's OPEB liability has been measured as of June 30, 2021. The total OPEB liability was determined by an actuarial valuation as of July 1, 2020, and by rolling forward the liabilities from the July 1, 2020 actuarial valuation through the measurement date. The OPEB liability is $4,290,310, all of which is unfunded. As of June 30, 2021, the OPEB liability of $4,290,310 is related to the governmental funds and is recorded in the governmental activities in the government-wide statement of net position (deficit).

The District's change in its OPEB liability for the year ended June 30, 2021 was as follows:

Balance as of July 1, 2020	$2,676,568
Changes for the year:	
Service cost	199,461
Interest on total OPEB liability	94,414
Differences between expected and actual experience	(114,344)
Changes in assumptions	1,556,188
Benefit payments	(121,977)
Net changes	1,613,742
Balance as of June 30, 2021	$4,290,310

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

For the year ended June 30, 2021, the District recognized OPEB expense of $394,962. At June 30, 2021, the District had deferred outflows of resources and deferred inflows of resources related to the OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$170,047
Changes of assumptions	1,550,935	68,685
Contributions subsequent to the measurement date	117,405	-
	$1,668,340	$238,732

$117,405 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30,	
2022	$ 101,087
2023	101,087
2024	101,087
2025	101,087
2026	101,087
Thereafter	806,768
	$1,312,203

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

The following presents the OPEB liability for June 30, 2021, calculated using current healthcare cost trends as well as what the OPEB liability would be if health cost trends were 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease	Trend Rate	1% Increase
OPEB liability	$3,741,151	$4,290,310	$4,951,891

Sensitivity of the OPEB Liability to Changes in the Discount Rate

The following presents the OPEB liability of the District calculated using the discount rate of 1.86%, as well as what the OPEB liability would be if it were calculated using the discount rate that is one percentage point lower (0.86%) or 1 percentage point higher (2.86%) than the current rate:

	1% Decrease 0.86%	Current Discount Rate 1.86%	1% Increase 2.86%
OPEB Liability	$4,632,453	$4,290,310	$3,964,973

Actuarial Methods and Significant Assumptions

The OPEB Liability as of June 30, 2021, was determined by rolling forward the OPEB Liability as of July 1, 2020 to June 30, 2021 using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method - entry age normal
- Discount rate – 1.86% - 20-year high-grade municipal rate index. The discount rate changed from 3.36% to 1.86%.
- Salary growth – salary increases are composed of inflation of 2.50%, 1.00% for real wage growth and 0.00% to 2.75% for merit or seniority increases.
- Assumed healthcare cost trends – 5.50% in 2020 through 2023. Rates gradually decrease from 5.40% in 2024 to 4.00% in 2075 and later based on the Society of Actuaries long-run medical cost trend model.
- Mortality rates were based on the RP-2014 mortality tables for males and females, adjusted to reflect PSERS' experience and projected using the Buck Modified 2016 projection scale to reflect mortality improvement.

Cost Sharing Multiple-Employer Defined Benefit OPEB Plan

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

Plan Description

PSERS provides health insurance premium assistance which, is a governmental cost sharing, multiple-employer OPEB plan for all eligible retirees who qualify and elect to participate. Employer contribution rates for health insurance premium assistance are established to provide reserves in the health insurance account that are sufficient for the payment of health insurance premium assistance benefits for each succeeding year. Effective January 1, 2002 under the provisions of Act 9 of 2001, participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of $100 per month or their out-of- pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS' health options program. As of June 30, 2020, there were no assumed future benefit increases to participating eligible retirees.

Retirees of PSERS can participate in the health insurance premium assistance program if they satisfy the following criteria:

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

Benefits Provided

Participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of $100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS' health options program. As of June 30, 2020, there were no assumed future benefit increases to participating eligible retirees.

Employer Contributions

The District's contractually required contribution rate for the fiscal year ended June 30, 2021 was 0.82% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the OPEB plan from the District were $476,333 for the year ended June 30, 2021.

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

At June 30, 2021, the District reported a liability of $8,800,519 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by rolling forward PSERS' total OPEB liability as of June 30, 2019 to June 30, 2020. The District's proportion of the net OPEB liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2020, the District's proportion was 0.4073 percent, which was an increase of 0.0012 percent from its proportion measured as of June 30, 2019. As of June 30, 2021, the net OPEB liability of $8,696,728 is related to the governmental funds and is recorded in the governmental activities in the government-wide statement of net position (deficit) and the remaining $103,791 of the net OPEB liability is recorded as a liability in the proprietary fund statement of net position (deficit), and in the business-type activities in the government-wide statement of net position (deficit).

For the year ended June 30, 2021, the District recognized OPEB expense of $486,000. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to the OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 81,000	$ -
Changes in assumptions	359,000	193,000
Net difference between projected and actual investment earnings	15,000	-
Changes in proportions	153,000	20,000
Contributions subsequent to the measurement date	476,333	-
	$1,084,333	$213,000

$476,333 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30,	
2021	$ 68,000
2022	65,000
2023	63,000
2024	103,000
2025	73,000
Thereafter	23,000
	$395,000

Actuarial Assumptions

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

- Actuarial cost method - entry age normal - level % of pay
- Investment return – 2.66% - Standard & Poors 20 year municipal bond rate
- Salary growth - Effective average of 5.00%, comprised of inflation of 2.75% and 2.25% for real wage growth and for merit or seniority increases.
- Premium assistance reimbursement is capped at $1,200 per year.
- Assumed healthcare cost trends were applied to retirees with less than $1,200 in premium assistance per year.
- Mortality rates were based on the RP-2014 mortality tables for males and females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 mortality improvement scale.

Participation rate:

- Eligible retirees will elect to participate pre age 65 at 50%
- Eligible retirees will elect to participate post age 65 at 70%

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

The following assumptions were used to determine the contribution rate:

- The results of the actuarial valuation as of June 30, 2018 determined the employer contribution rate for fiscal year 2020.

- Cost method - amount necessary to assure solvency of premium assistance through the third fiscal year after the valuation date.
- Asset valuation method: market value.
- Participation rate: 63% of eligible retirees are assumed to elect premium assistance.
- Mortality rates and retirement ages were based on the RP-2000 combined healthy annuitant tables with age set back 3 for both males and females for healthy annuitants and for dependent beneficiaries. For disabled annuitants, the RP-2000 combined disabled tables with age set back 7 years for males and 3 years for females and disabled annuitants. (A unisex table based on the RP-2000 combined healthy annuitant tables with age set back 3 years for both genders assuming the population consists of 25% males and 75% females is used to determine actuarial equivalent benefits.)

Investments consist primarily of short term assets designed to protect the principal of the OPEB 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 health insurance premium assistance are established to provide reserves in the health insurance account that are sufficient for the payment of health insurance premium assistance benefits for each succeeding year.

OPEB – Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	50.30%	(1.00)%
US core fixed income	46.50%	(0.10)%
Non-US developed fixed	3.20%	(0.10)%
	100.00%	

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

Discount Rate

The discount rate used to measure the OPEB liability was 2.66%. Under the OPEB plan's funding policy, contributions are structured for short term funding of health insurance premium assistance. The funding policy sets contribution rates necessary to assure solvency of health insurance premium assistance through the third fiscal year after the actuarial valuation date. The health insurance premium assistance account is funded to establish reserves that are sufficient for the payment of health insurance 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 OPEB plan is considered a "pay-as-you-go" plan. A discount rate of 2.66% which represents the Standard & Poors 20 year municipal bond rate at June 30, 2020, was applied to all projected benefit payments to measure the total OPEB liability.

Sensitivity of District's Proportionate Share of the Net OPEB Liability to Change in Healthcare Cost Trend Rates

Healthcare cost trends were applied to retirees receiving less than $1,200 in annual health insurance premium assistance. As of June 30, 2020, retirees health insurance premium assistance benefits are not subject to future healthcare cost increases. The healthcare insurance premium assistance reimbursement for qualifying retirees is capped at a maximum of $1,200. 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 net OPEB liability for June 30, 2020, calculated using current healthcare cost trends as well as what net OPEB liability would be if health cost trends were 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease	Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	$8,799,391	$8,800,519	$8,801,419

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

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

	1% Decrease 1.66%	Current Discount Rate 2.66%	1% Increase 3.66%
District's proportionate share of the net OPEB liability	$10,033,950	$8,800,519	$7,779,133

OPEB Plan Fiduciary Net Position

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

(11) PENSION PLAN

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

Plan Description

PSERS is a governmental cost sharing 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 PSERS include all full-time public employees, part-time hourly public school employees who render at least 500 hours of service in the school year, and part-time per diem public school employees who render at least 80 days of service in the school year in any of the reporting entities in Pennsylvania. PSERS issues a publicly available financial report that can be obtained at www.psers.state.pa.us.

Benefits Provided

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

Participants are eligible for disability retirement benefits after completion of five years of credited service. Such benefits are generally equal to 2.00% or 2.50%, depending upon membership class, of the member's final average salary (as defined in the code) multiplied by the number of years of credited service, but not less than one-third of such salary nor greater than the benefit the member would have had at normal retirement age. Members over normal retirement age may apply for disability benefits.

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

Contributions

Member Contributions

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

Members who joined PSERS 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 PSERS 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 PSERS 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 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 of 2010 that in future fiscal years could cause 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 contribution rate for fiscal year ended June 30, 2021 was 33.51% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the District were $19,570,326 for the year ended June 30, 2021.

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

At June 30, 2021, the District reported a liability of $200,058,122 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by rolling forward PSERS' total pension liability as of June 30, 2019 to June 30, 2020. 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, 2020, the District's proportion was 0.4063 percent, which was an increase of 0.0002 percent from its proportion measured as of June 30, 2019. As of June 30, 2021, the net pension liability of $197,698,691 is related to the governmental funds and is recorded in the governmental activities in the government-wide statement of net position (deficit) and the remaining $2,359,431 of the net pension liability is recorded as a liability in the proprietary fund statement of net position (deficit), and in the business-type activities in the government-wide statement of net position (deficit).

For the year ended June 30, 2021, the District recognized pension expense of $22,310,000. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between expected and actual experience	$ 523,000	$4,795,000
Changes in assumptions	-	-
Net difference between projected and actual investment earnings	8,792,000	-
Changes in proportions	1,716,000	105,000
Contributions subsequent to the measurement date	19,570,326	-
	$30,601,326	$4,900,000

$19,570,326 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	
2021	$ 41,000
2022	852,000
2023	2,626,000
2024	2,612,000
	$6,131,000

Actuarial Assumptions

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

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

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

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global public equity	15.00 %	5.20%
Private equity	15.00 %	7.20%
Fixed income	36.00 %	1.10%
Commodities	8.00 %	1.80%
Absolute return	10.00 %	2.50%
Infrastructure/MLPs	6.00 %	5.70%
Real estate	10.00 %	5.50%
Risk parity	8.00 %	3.30%
Cash	6.00 %	-1.00%
Financing (LIBOR)	(14.00)%	-0.70%
	100.00 %	

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, 2020.

Discount Rate

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

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

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

	1% Decrease 6.25%	Discount Rate 7.25%	1% Increase 8.25%
District's proportionate share of the net pension liability	$247,514,169	$200,058,122	$159,856,220

Pension Plan Fiduciary Net Position

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

(12) JOINT VENTURES AND JOINTLY GOVERNED ORGANIZATION

Delaware County Vocational Technical School and Delaware Vocational Technical School Authority

The District and the other fourteen Delaware County school districts participate in the Delaware County Vocational Technical School (the ***"DCVTS"***). The DCVTS provides vocational-technical training and education to students of the participating school districts. The DCVTS is controlled by a joint Board comprised of representative School Board members of the participating school districts. District oversight of the DCVTS operations is the responsibility of the joint Board. The District's share of operating costs for the DCVTS fluctuates based on the District's percentage of enrollment. The District's share of operating costs for 2020-2021 was $837,312.

The District and the other fourteen Delaware County school districts also participate in a joint venture for the operation of the Delaware County Vocational-Technical School Authority (the ***"DCVTSA"***). The DCVTSA oversees acquiring holding, constructing, improving and maintaining the DCVTSA school buildings. The DCVTSA is controlled by a joint Board comprised of representative School Board members of the participating school districts in the DCVTS. During 2020-2021, the District did not have any financial transactions with the DCVTSA.

Both the DCVTS and the DCVTSA prepare financial statements that are available to the public from their administrative offices located at 200 Yale Avenue Morton, Pennsylvania 19070.

Delaware County Community College

The District and twelve other Delaware County schools sponsor the Delaware County Community College (the ***"DCCC"***). The DCCC provides higher education programs to the residents of southeastern Pennsylvania. Sponsoring school districts pay a share of the DCCC's operating and debt service costs which fluctuate based on each District's certified market values and in return residents of each of the sponsoring school districts pay a reduced cost to participate in DCCC higher education programs. The sponsoring school districts have entered into a long-term lease agreement with the DCCC to provide rental payments sufficient to retire the DCCC's outstanding debt obligations. The lease agreement expires in 2034-2035 unless the debt is retired earlier. The District's share of operating costs and rent expense for 2020-2021 was $1,351,647.

The DCCC prepares financial statements that are available to the public from their administrative offices located at 901 South Media Line Road, Media, Pennsylvania 19063.

The District's future annual lease payments to the DCCC are as follows:

Year ended June 30:	
2022	$ 264,608
2023	255,252
2024	235,952
2025	235,713
2026	235,743
2027-2031	1,178,632
2032-2035	636,656
	$3,042,556

Delaware County Intermediate Unit

The District and the other Delaware County school districts are participating members of the Delaware County Intermediate Unit (the ***"DCIU"***). The DCIU is a regional educational service agency, established by the Commonwealth of Pennsylvania, which is governed by a joint committee consisting of School Board members from each participating district. The School Board of each participating district must approve the annual operating budget of the DCIU but the participating districts have no ongoing fiduciary interest or responsibility to the DCIU. The DCIU is a self-sustaining organization that provides a broad array of services to participating districts which include: curriculum development and instructional improvement; educational planning services; instructional material; continuing professional development; pupil personnel services; management services; and state and federal liaison services.

(13) CONTINGENCIES AND COMMITMENTS

Government Grants and Awards

The District receives federal, state and local funding under a number of programs. Payments made by these sources under contractual agreements are provisional and subject to redetermination based on filing of reports and audits of those reports. Final settlements due from or to these sources are recorded in the year in which the related services are performed. Any adjustments resulting from subsequent examinations are recognized in the year in which the results of such examinations become known. District officials do not expect any significant adjustments as a result of these examinations.

Litigation

The District is a defendant in various matters of litigation and claims. These matters result from the normal course of business. It is not presently possible to determine the ultimate outcome or settlement cost, if any, of these matters.

(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 including workers compensation. For insured programs, there were no significant reductions in insurance coverages during the 2020-2021 year. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

The District participates in a consortium with other participating school districts and educational agencies from Delaware County to provide self-insurance programs for health and prescription insurance coverage and related expenses for eligible employees, spouses and dependents. Accordingly benefit payments plus an administrative charge are made to a third-party administrator, who approves and processes all claims. Since the District has not transferred its risk to the other participants in the consortium, GASB requires that it recognize and measure its claims, liabilities and related expenses. The District accounts for its participation in the consortium in the Internal Service Fund in the accompanying financial statements.

The following table presents the components of the self-insurance claims surplus (liability) and the related changes claims surplus (liability) for the years ended June 30, 2021 and 2020:

	2021	2020
Insurance claims surplus (liability) – beginning of year	$ 10,356,017	$ 7,495,810
Current year insurance claims, fees and changes in estimates	(12,305,067)	(11,817,793)
Insurance claims and fees paid	14,677,542	14,678,000
Insurance claims surplus (liability) – end of year	$ 12,728,492	$ 10,356,017

(15) PRIOR PERIOD RESTATEMENT

As a result of the implementation of GASB Statement No. 84 *"Fiduciary Activities"*, the District made a prior period adjustment to record net position for its Custodial Fund within it's fiduciary activities and to reclass student activities that do not meet the criteria of a Custodial Fund to its Student Sponsored Activity Fund, which is reported as a nonmajor governmental fund.

These prior period adjustments and its effect of net position at July 1, 2019 was an increase in Custodial Fund net position of $410,727 and an increase in the fund balance of the Student Sponsored Activity Fund of $176,215. Prior to the implementation of GASB Statement No. 84, custodial fund assets equaled liabilities and did not involve measurement of results of operations.

(16) SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 20, 2022, the date on which the financial statements were available to be issued. No material subsequent events have occurred since June 30, 2021 that required recognition or disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

SCHOOL DISTRICT OF HAVERFORD TOWNSHIP

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Year ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Local sources	$ 105,144,470	$ 105,144,470	$ 106,549,599	$ 1,405,129
State sources	23,487,341	23,361,310	22,190,578	(1,170,732)
Federal sources	1,540,680	1,540,680	2,466,795	926,115
Total revenues	130,172,491	130,046,460	131,206,972	1,160,512
EXPENDITURES				
Instruction				
Regular programs	52,339,722	52,703,673	51,606,362	1,097,311
Special programs	26,528,023	26,278,058	24,530,721	1,747,337
Vocational programs	775,884	775,884	837,312	(61,428)
Other instructional programs	647,393	671,020	567,197	103,823
Nonpublic programs	-	-	5,680	(5,680)
Adult education	1,351,645	1,351,645	1,351,647	(2)
Total instruction	81,642,667	81,780,280	78,898,919	2,881,361
Support services				
Pupil support services	6,269,593	6,285,439	6,602,712	(317,273)
Instructional staff services	4,300,690	4,364,878	4,226,645	138,233
Administrative services	5,843,521	5,858,846	5,790,681	68,165
Pupil health	2,714,894	2,638,595	2,297,852	340,743
Business services	1,299,637	1,360,953	1,411,422	(50,469)
Operation and maintenance of plant services	8,868,661	8,956,417	7,873,626	1,082,791
Student transportation services	5,450,038	5,404,412	4,932,902	471,510
Support services - central	1,854,406	2,086,313	2,656,351	(570,038)
Other support services	113,038	113,038	113,076	(38)
Total support services	36,714,478	37,068,891	35,905,267	1,163,624
Operation of noninstructional services				
Student activities	1,499,840	825,817	1,321,906	(496,089)
Community services	200,000	200,000	137,263	62,737
Total operation of noninstructional services	1,699,840	1,025,817	1,459,169	(433,352)
Debt service	11,014,833	11,014,833	10,908,203	106,630
Total expenditures	131,071,818	130,889,821	127,171,558	3,718,263
Excess (deficiency) of revenues over (under) expenditures	(899,327)	(843,361)	4,035,414	4,878,775
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(870,909)	(870,909)
Total other financing sources (uses)	-	-	(870,909)	(870,909)
NET CHANGE IN FUND BALANCE	$ (899,327)	$ (843,361)	3,164,505	$ 4,007,866
FUND BALANCE				
Beginning of year			17,714,059	
End of year			$ 20,878,564	

SCHOOL DISTRICT OF HAVERFORD TOWNSHIP

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - PSERS

Year ended June 30

	Measurement Date						
	2020	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
District's proportion of the net pension liability	0.4063%	0.4061%	0.4021%	0.4030%	0.3953%	0.3868%	0.3753%
District's proportionate share of the net pension liability	$ 200,058,122	$ 189,984,172	$ 193,027,964	$ 199,035,272	$ 195,898,000	$ 167,543,000	$ 148,547,000
District's covered-employee payroll	$ 57,167,543	$ 56,012,453	$ 54,153,999	$ 53,658,233	$ 51,200,446	$ 49,766,024	$ 47,889,410
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	349.95%	339.18%	356.44%	370.93%	382.61%	336.66%	310.19%
Plan fiduciary net position as a percentage of the total pension liability	54.32%	55.66%	54.00%	52.00%	50.00%	54.00%	57.00%

In accordance with GASB Statement No. 68, this schedule has been prepared prospectively. This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

SCHOOL DISTRICT OF HAVERFORD TOWNSHIP

SCHEDULE OF THE DISTRICT'S PENSION PLAN CONTRIBUTIONS - PSERS

Year ended June 30

	Measurement Date						
	2020	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Contractually required contribution	$ 18,982,503	$ 18,186,116	$ 17,062,422	$ 15,414,379	$ 12,576,000	$ 9,988,000	$ 7,476,000
Contributions in relation to the contractually required contribution	$ 18,982,503	$ 18,186,116	$ 17,062,422	$ 15,414,379	12,576,000	9,988,000	7,476,000
Contribution deficiency (excess)	-	-	-	-	-	-	-
District's covered-employee payroll	$ 57,167,543	$ 56,012,453	$ 54,153,999	$ 53,658,233	$ 51,200,446	$ 49,766,024	$ 47,889,410
Contributions as a percentage of covered-employee payroll	33.21%	32.47%	31.51%	28.73%	24.56%	20.07%	15.61%

In accordance with GASB Statement No. 68, this schedule has been prepared prospectively. This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

SCHOOL DISTRICT OF HAVERFORD TOWNSHIP

SCHEDULE OF CHANGES IN OPEB LIABILITY - SINGLE EMPLOYER PLAN

Year ended June 30

	2021	2020	2019	2018
TOTAL OPEB LIABILITY				
Service cost	$ 199,461	$ 197,582	$ 214,963	$ 198,958
Interest on total OPEB liability	94,414	81,135	82,784	58,686
Differences between expected and actual experience	(114,344)	-	(81,288)	-
Changes of assumptions	1,556,188	(80,133)	133	144,272
Benefit payments	(121,977)	(102,767)	(143,396)	(114,043)
Net change in total OPEB liability	1,613,742	95,817	73,196	287,873
Total OPEB liability, beginning	2,676,568	2,580,751	2,507,555	2,219,682
Total OPEB liability, ending	$ 4,290,310	$ 2,676,568	$ 2,580,751	$ 2,507,555
Fiduciary net position as a % of total OPEB liability	0.00%	0.00%	0.00%	0.00%
Covered payroll	$ 54,037,201	$ 51,222,215	$ 51,222,215	$ 49,284,101
Net OPEB liability as a % of covered payroll	7.94%	5.23%	5.04%	5.09%

In accordance with GASB Statement No. 75, this schedule has been prepared prospectively. This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

SCHOOL DISTRICT OF HAVERFORD TOWNSHIP

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY -PSERS

Year ended June 30

	Measurement Date			
	2020	**2019**	**2018**	**2017**
District's proportion of the net OPEB liability	0.4073%	0.4061%	0.4021%	0.4030%
District's proportionate share of the net OPEB liability	$ 8,800,519	$ 8,637,105	$ 8,383,580	$ 8,210,770
District's covered-employee payroll	$ 57,167,543	$ 56,012,453	$ 54,153,999	$ 53,658,233
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	15.39%	15.42%	15.48%	15.00%
Plan fiduciary net position as a percentage of the total OPEB liability	5.69%	5.56%	5.56%	6.00%

In accordance with GASB Statement No. 75, this schedule has been prepared prospectively. This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

SCHOOL DISTRICT OF HAVERFORD TOWNSHIP

SCHEDULE OF THE DISTRICT'S OPEB PLAN CONTRIBUTIONS - PSERS

Year ended June 30

	Measurement Date			
	2020	**2019**	**2018**	**2017**
Contractually required contribution	$ 479,486	$ 465,273	$ 449,242	$ 445,549
Contributions in relation to the contractually required contribution	$ 479,486	$ 465,273	$ 449,242	$ 445,549
Contribution deficiency (excess)	-	-	-	-
District's covered-employee payroll	$ 57,167,543	$ 56,012,453	$ 54,153,999	$ 53,658,233
Contributions as a percentage of covered-employee payroll	0.84%	0.83%	0.83%	0.83%

In accordance with GASB Statement No. 75, this schedule has been prepared prospectively. This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

SINGLE AUDIT

SCHOOL DISTRICT OF HAVERFORD TOWNSHIP

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Project Title	Source Code	Federal CFDA Number	Pass-Through Grantor's Number	Grant Period Beginning/ Ending Dates	Grant Amount	Total Received for Year	Accrued (Deferred) Revenue July 1, 2020	Revenue Recognized	Expenditures	Accrued (Deferred) Revenue June 30, 2021	Passed Through to Subrecipients
U.S. Department of Education											
Passed-Through the Pennsylvania Department of Education											
Title I - Improving Basic Programs	I	84.010	013-200186	07/01/19 - 09/30/20	$ 197,110	$ 40,849	$ 40,849	$ -	$ -	$ -	$ -
Title I - Improving Basic Programs	I	84.010	013-210186	07/01/20 - 09/30/21	179,466	137,836	-	179,466	179,466	41,630	-
Total CFDA #84.010						178,685	40,849	179,466	179,466	41,630	-
Title II - Improving Teacher Quality	I	84.367	020-200186	07/01/19 - 09/30/20	99,619	-	(46,191)	46,191	46,191	-	-
Title II - Improving Teacher Quality	I	84.367	020-210186	07/01/20 - 09/30/21	94,440	36,298	-	57,145	57,145	20,847	-
Total CFDA #84.367						36,298	(46,191)	103,336	103,336	20,847	-
Title IV - Student Support and Academic Enrichment	I	84.424	144-200458	07/01/19 - 09/30/20	15,396	5,499	5,499	-	-	-	-
Title IV - Student Support and Academic Enrichment	I	84.424	144-210458	07/01/20 - 09/30/21	14,855	4,571	-	14,855	14,855	10,284	-
Total CFDA #84.424						10,070	5,499	14,855	14,855	10,284	-
Education Stabilization Fund (SECIM)	I	84.425	252-200186	03/13/20 - 09/30/21	80,398	21,157	-	31,019	31,019	9,862	-
Education Stabilization Fund (ESSER I)	I	84.425	200-200186	03/13/20 - 09/30/21	160,881	160,881	-	160,881	160,881	-	-
Passed Through the Pennsylvania Commission on Crime and Delinquency											
Education Stabilization Fund (PCCD Part II)	I	84.425	2020-ES-01 34984	03/13/20 - 09/30/22	211,976	-	-	198,615	198,615	198,615	-
Total CFDA #84.425						182,038	-	390,515	390,515	208,477	-
Passed Through the Delaware County I.U.											
I.D.E.A. - Part B, Section 611	I	84.027	N/A	07/01/20 - 06/30/21	1,164,085	1,164,085	-	1,164,085	1,164,085	-	-
I.D.E.A. - Part B, Section 619	I	84.173	N/A	07/01/20 - 06/30/21	3,822	3,822	-	3,822	3,822	-	-
Total U.S. Department of Education						1,574,998	157	1,856,079	1,856,079	281,238	-

Continued on next page

Federal Grantor/Pass-Through Grantor/Project Title	Source Code	Federal CFDA Number	Pass-Through Grantor's Number	Grant Period Beginning/ Ending Dates	Grant Amount	Total Received for Year	Accrued (Deferred) Revenue July 1, 2020	Revenue Recognized	Expenditures	Accrued (Deferred) Revenue June 30, 2021	Passed Through to Subrecipients
U.S. Department of Treasury											
Passed Through the Pennsylvania Commission on Crime and Delinquency											
COVID-19 Relief Fund	I	21.019	2020-CS-01 33570	06/01/20 - 10/30/20	342,635	342,635	-	342,635	342,635	-	-
Passed Through the County of Delaware											
COVID-19 Relief Fund	I	21.019	N/A	03/01/20 - 12/30/20	244,133	244,133	-	244,133	244,133	-	-
Total CFDA #21.019						586,768	-	586,768	586,768	-	-
Total U.S. Department of Treasury						586,768	-	586,768	586,768	-	-
U.S. Department of Health and Social Services											
Passed-Through the Pennsylvania Department of Public Welfare											
Medical Assistance Program	I	93.778	N/A	07/01/20 - 06/30/21	N/A	23,948	-	23,948	23,948	-	-
U.S. Department of Agriculture											
Passed-Through the Pennsylvania Department of Education											
Breakfast Program	I	10.553	N/A	07/01/19 - 06/30/20	N/A	9,846	9,846	-	-	-	-
Breakfast Program	I	10.553	N/A	07/01/20 - 06/30/21	N/A	148,108	-	155,366	155,366	7,258	-
Total CFDA #10.553						157,954	9,846	155,366	155,366	7,258	-
National School Lunch Program	I	10.555	N/A	07/01/19 - 06/30/20	N/A	18,621	18,621	-	-	-	-
National School Lunch Program	I	10.555	N/A	07/01/20 - 06/30/21	N/A	441,175	-	502,368	502,368	61,193	-
Total CFDA #10.555						459,796	18,621	502,368	502,368	61,193	-
Passed-Through the Pennsylvania Department of Agriculture											
National School Lunch Program	I	10.555	N/A	07/01/19 - 06/30/20	N/A	a) 77,897	b) (5,942)	c) 54,404	54,404	d) (29,435)	-
Total U.S. Department of Agriculture						695,647	22,525	712,138	712,138	39,016	-
Total Federal Awards						$2,881,361	$ 22,682	$3,178,933	$3,178,933	$ 320,254	$ -
Special Education Cluster (IDEA) (CFDA's #84.027 and #84.173)						$1,167,907	$ -	$1,167,907	$1,167,907	$ -	$ -
Child Nutrition Cluster (CFDA's #10.553 and #10.555)						$ 695,647	$ 22,525	$ 712,138	$ 712,138	$ 39,016	$ -

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Federal Grantor/Pass-Through Grantor/Project Title	Source Code	Federal CFDA Number	Pass-Through Grantor's Number	Grant Period Beginning/ Ending Dates	Grant Amount	Total Received for Year	Accrued (Deferred) Revenue July 1, 2020	Revenue Recognized	Expenditures	Accrued (Deferred) Revenue June 30, 2021	Passed Through to Subrecipients

Footnotes

a) Total amount of commodities received
b) Beginning inventory July 1
c) Total amount of commodities used
d) Ending inventory June 30

Source Codes

D - Direct Funding
I - Indirect Funding
S - State Share

SCHOOL DISTRICT OF HAVERFORD TOWNSHIP

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2021

(1) FEDERAL EXPENDITURES

The Schedule of Expenditures of Federal Awards reflects federal expenditures for all individual grants which were active during the fiscal year.

(2) BASIS OF ACCOUNTING

The District uses the modified accrual method of recording transactions except as noted for the accounting of donated commodities in Note 3. Revenues are recorded when measurable and available. Expenditures are recorded when incurred.

(3) 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 CFDA #10.555 National School Lunch Program and passed through the Pennsylvania Department of Agriculture represent federal surplus food consumed by the District during the 2020-2021 fiscal year.

(4) ACCESS PROGRAM

The District participates in the ACCESS Program which is a medical assistance program that reimburses local educational agencies for direct eligible health-related services provided to enrolled special needs students. Reimbursements are federal source revenues but are classified as fee-for-service and are not considered federal financial assistance. The amount of ACCESS funding recognized for the year ended June 30, 2021 was $0.

(5) INDIRECT COSTS

The District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance. No indirect costs were charged to the District's Federal awards for the year ended June 30, 2021.

SCHOOL DISTRICT OF HAVERFORD TOWNSHIP

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year ended June 30, 2021

There were no audit findings for the year ended June 30, 2020.

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

Board of School Directors
School District of Haverford Township
Havertown, 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 School District of Haverford Township, Havertown, Pennsylvania, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise School District of Haverford Township's basic financial statements, and have issued our report thereon dated January 20, 2022.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

BBD, LLP

Philadelphia, Pennsylvania
January 20, 2022

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

Board of School Directors
School District of Haverford Township
Havertown, Pennsylvania

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control over Compliance

Management of School District of Haverford Township 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 School District of Haverford Township'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 School District of Haverford Township'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.

BBD, LLP

Philadelphia, Pennsylvania
January 20, 2022

SCHOOL DISTRICT OF HAVERFORD TOWNSHIP

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended June 30, 2021

SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on whether the financial statements of the School District of Haverford Township were prepared in accordance with GAAP.

2. No significant deficiencies or material weaknesses relating to the audit of the financial statements of the School District of Haverford Township are reported in the 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.

3. No instances of noncompliance material to the financial statements of the School District of Haverford Township, which would be required to be reported in accordance with Government Auditing Standards, were disclosed during the audit.

4. No significant deficiencies or material weaknesses in internal control over the major federal award programs are reported in the independent auditor's report on compliance for each major program and on internal control over compliance required by the Uniform Guidance.

5. The auditor's report on compliance for the major federal award programs for the School District of Haverford Township expresses an unmodified opinion on all major federal programs.

6. There are no audit findings that are required to be reported in accordance with 2 CFR Section 200.516(a).

7. The programs tested as major programs were:

   Education Stabilization Fund – CFDA Number 84.425

   Coronavirus Relief Fund – CFDA Number 21.019

8. The threshold used for distinguishing between Type A and B programs was $750,000.

9. The School District of Haverford Township did qualify as a low-risk auditee.

FINDINGS—FINANCIAL STATEMENT AUDIT

None

FINDINGS AND QUESTIONED COSTS—MAJOR FEDERAL AWARD PROGRAMS AUDIT

None