



Pequea Valley School District 2022 Audit

January 3, 2023

- ▶▶▶ Independent Auditors' Report for the year ended June 30, 2022
- ▶▶▶ Management's Discussion and Analysis.
Unaudited information prepared by John Bowden,
Chief of Finance and Operations.
- ▶▶▶ Government Wide Statements - Full accrual
basis statements.

Governmental Activities Highlights

- ▶▶▶ Capital asset additions of \$4.1M included architectural costs for Middle/High School construction project, Paradise Elementary playground project, Salisbury Elementary roof top units, and district office improvements.
- ▶▶▶ Issuance of \$29.3M in General Obligation Bonds to provide funds for various capital projects, including Middle/High School construction project.
- ▶▶▶ Net position increased by \$5.33M as of June 30, 2022.

PSERS Rates

Employer Contribution Rates	
2021-2022	34.9%
2022-2023	35.3%
2023-2024	34.0%
2024-2025	34.7%
2025-2026	35.5%

- ▶▶▶ As of 6/30/21, PSERS Plan was approximately 63.7% funded (about \$41.1 billion unfunded liability)
- ▶▶▶ PV's proportionate share is .0944% with a liability of \$38,758,000
- ▶▶▶ The PSERS OPEB Plan is 5.3% funded as of June 30, 2021
- ▶▶▶ PV's portion of the unfunded OPEB liability is \$2,231,000

Governmental Activities

Historical Analysis

	June 30, 2020	June 30, 2021	June 30, 2022
Current Assets	20,419,851	82,007,374	111,599,380
Noncurrent Assets	36,206,492	36,363,639	38,272,892
Total Assets	56,626,343	118,371,013	149,872,272
Deferred Outflows	8,657,807	10,180,000	9,047,000
Current Liabilities	7,805,398	7,237,980	8,372,677
Noncurrent Liabilities	50,352,942	113,049,540	129,984,158
Total Liabilities	58,158,340	120,287,520	138,356,835
Deferred Inflows	1,741,000	1,481,000	8,450,000
Total Net Position	5,384,810	6,782,493	12,112,437

General Fund Results



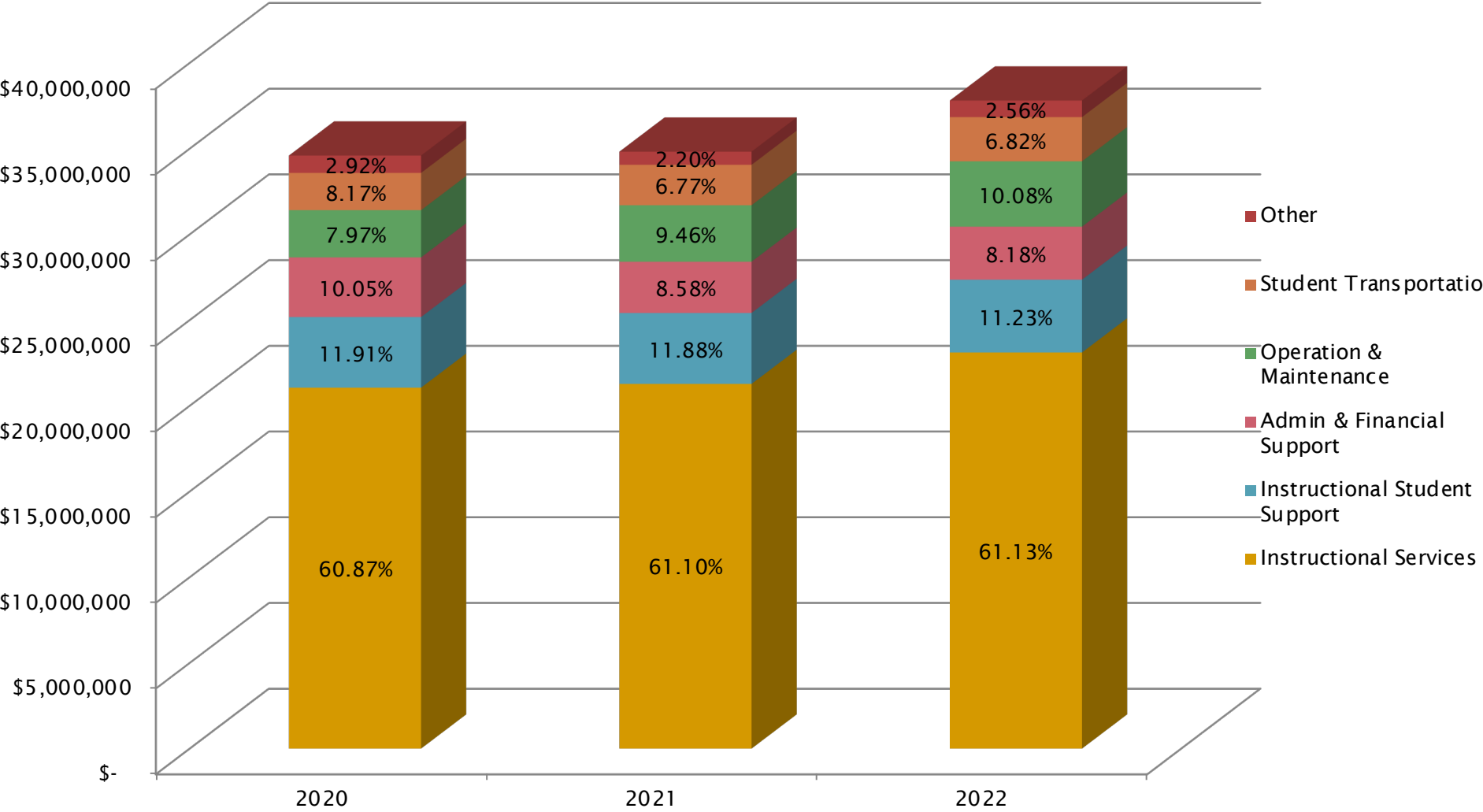
	2020	2021	2022 Actual	2022 Final Budget
Local Revenues	29,007,788	29,888,694	30,938,655	29,709,575
State Revenues	8,725,158	8,723,887	8,670,875	8,513,073
Federal Revenues	1,393,117	2,621,180	5,541,898	4,899,288
Total Revenues	39,126,063	41,233,761	45,151,428	43,121,936
% Increase vs. Prior Year	2.0%	5.4%	9.5%	
Instructional Services	21,056,721	21,274,895	23,109,236	21,773,982
Instructional Student Support	4,119,427	4,138,533	4,245,827	4,361,450
Admin & Financial Support	3,477,993	2,989,341	3,093,171	3,016,169
Operation & Maintenance	2,756,499	3,294,437	3,812,022	3,161,076
Student Transportation	2,174,085	2,358,781	2,578,523	2,653,063
Other	1,010,610	766,497	967,566	889,456
Total Expenditures	34,595,335	34,822,484	37,806,345	35,855,196
% Increase vs. Prior Year	3.9%	0.7%	8.6%	
Excess of Revenues over Expenditures	4,530,728	6,411,277	7,345,083	7,266,740

General Fund Results

	2020	2021	2022 Actual	2022 Final Budget
Excess of Revenues over Expenditures	4,530,728	6,411,277	7,345,083	7,266,740
Transfers In	-0-	-0-	1,039,275	-0-
Transfers Out	(3,736,400)	(3,024,300)	(4,098,056)	(4,203,053)
Other Sources	188,195	75,233	44,392	-0-
Budgetary Reserve	-0-	-0-	-0-	(3,063,917)
Total Net Other Financing Uses	(3,548,205)	(2,949,067)	(3,014,389)	(7,266,970)
Change in Fund Balance	982,523	3,462,210	4,330,694	(230)
Ending Fund Balance	12,546,084*	16,173,091	20,503,785	

* Ending fund balance was restated upon implementation of GASB 84, *Fiduciary Activities*. Restated balance at 7/1/20, as noted within the 2021 financial statements, was \$12,710,881.

General Fund – Expense Analysis



Capital Reserve Fund

Fiscal Year	Fund Additions	Expenditures	Ending Fund Balance
2021-22	1,134	273,311	1,375,764
2020-21	737	406,073	1,647,941
2019-20	28,269	371,316	2,053,277

Capital Project Fund

	2021	2022
Total Revenue	938	34,280
Total Expenditures	1,645,096	3,312,639
Other Financing Sources, Net	<u>60,038,916</u>	<u>28,826,282</u>
Change in Fund Balance	58,394,758	25,547,923
Beginning Fund Balance	-0-	58,394,758
Ending Fund Balance	58,394,758	83,942,681

Fund Balance Components

	General Fund	Capital Projects Fund	Capital Reserve Fund
Nonspendable Prepaid Expenses	5,851	-0-	-0-
Nonspendable Interfund Advance	428,344	-0-	-0-
Restricted for Capital Outlays	-0-	83,942,681	-0-
Committed (Board) for Future Capital Projects	9,800,000	-0-	-0-
Committed (Board) for Future Health Care Costs	3,500,000	-0-	-0-
Assigned for Future Capital Outlays	4,000,000	-0-	1,375,764
Unassigned (Residual General Fund Balance)	2,769,590	-0-	-0-
Total	20,503,785	83,942,681	1,375,764

Food Service Fund



	2019-20	2020-21	2021-22
Operating Revenues	176,911	81,155	127,650
Non-operating Revenues	423,232	435,561	895,736
Total Revenues	600,143	516,716	1,023,386
Salaries and Benefits	261,348	247,687	249,145
Purchased Services	176,018	176,030	209,210
Supplies	230,109	197,473	313,327
Depreciation	19,194	19,194	19,194
Total Expenses	686,669	640,384	790,876
Change in Net Position	(86,526)	(123,668)	232,510

Internal Service Fund



	2019-20	2020-21	2021-22
Charges for Services	3,935,870	4,024,093	3,073,166
Employee Benefits	4,010,904	4,024,093	2,831,745
Non Operating Revenues	4,209	31	582
Interfund Transfers	-0-	-0-	(1,039,275)
Change in Net Position	(70,825)	31	(797,272)

Other Financial Statement Components

▶▶▶ Notes to Financial Statements

- ▶ Note 1 - Summary of Significant Accounting Policies
- ▶ Note 10 - Long-Term Debt
- ▶ Note 14 - Defined Benefit Pension Plan
- ▶ Note 15 - Other Postemployment Benefits (OPEB)

▶▶▶ Supplemental Schedules provide additional detail to basic financial statements

▶▶▶ Single Audit (Compliance Audit of the School District's Federal Grants) and Related Reports

Single Audit

- ▶▶▶ Compliance audit of federal awards
- ▶▶▶ Major programs tested were School Breakfast Program, National School Lunch Program, and Education Stabilization Fund
- ▶▶▶ No questioned costs, two findings
 - › #2022-001 – Schedule of Expenditures of Federal Awards
 - › #2022-004 – COVID-19 Education Stabilization Fund

Thank You & Staff Recognition



John Bowden and Britney Hevner

Thanks to John, Britney, and the rest of the Business Office staff for helping us during our audit.

Pequea Valley School District

We value our relationship with you and thank you for your business.

About Trout CPA

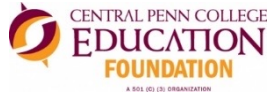
Who We Are

- › Serving Central Pennsylvania for over 90 years
- › 21 partners provide depth of knowledge
- › 120+ combined CPAs, professionals & support staff
- › Recognized as an industry leader





Community Involvement



Hempfield School District





Professional Commitment



**National Association of
Certified Valuators and Analysts**





Our Values

- Quality
- Accountability
- Lifelong Learning
- Team Building
- Communication
- Enthusiasm

Industry Expertise



Auto Dealerships



Retail (B2C)



Real Estate



Not-for-profit



Construction



Manufacturing & Distribution



Governmental



Agribusiness



Healthcare



Professional Services



Services Offered

Audit & Assurance

- ⚙ Employee Benefit Plans
- ⚙ Audits, Reviews & Compilation
- ⚙ Financial Reporting
- ⚙ Forecast and Projections
- ⚙ Agreed Upon Procedures

Accounting

- ⚙ Outsourced Accounting
 - CFO
 - Controller
 - Accountant
 - Bookkeeper
- ⚙ Software Training & Support

Tax

- ⚙ Corporate
- ⚙ Individual
- ⚙ State & Local Tax
- ⚙ Sales & Use Tax
- ⚙ Estate & Trust

Advisory

- ⚙ M&A
- ⚙ Due Diligence
- ⚙ Business Valuation
- ⚙ Succession Planning
- ⚙ Employee Benefit Plans
- ⚙ Estate & Trust Planning
- ⚙ Risk Advisory
- ⚙ Data Analytics



2022 Firm Honors

Top 300 Firms
INSIDE Public Accounting

Top 3 Accounting Firm, Consulting Firm, & Mergers and Acquisitions
Central Penn Business Journal's Reader Rankings

Best Places to Work in PA - Medium Sized Companies
Central Penn Business Journal

#1 Accounting Firm, #1 Tax Preparation Services, #2 Business Advisory Services
LNP Readers' Choice Awards



BEST PLACES to work in **PA**




Megan Senkowski

CPA, Partner



 msenkowski@troutcpa.com

 717-358-9194

Practice Areas

- › Audit & Attest Services
- › Government Agencies
- › Employee Benefit Plans
- › Employee Stock Ownership Plans
- › Non-profit Organizations

Education & Credentials

- › BS in Accounting - Villanova University - 1999
- › Certified Public Accountant – 2001

Professional Organizations

- › American Institute of Certified Public Accountants
- › Pennsylvania Institute of Certified Public Accountants

Certifications

- › AICPA Advanced Defined Contribution Plans Audit Certificate
- › AICPA Intermediate Single Audit Certificate

Board of Directors


- › Lancaster Early Education Center - Board President

Kelly Deihm

CPA, Talent Development Manager



 kdeihm@troutcpa.com

 717-358-9117

Practice Areas

- › Audit & Attest Services
- › Government Agencies
- › Employee Benefit Plans

Education & Credentials

- › BS in Accounting (cum laude) - Albright College - 2013
- › Certified Public Accountant – 2016

Professional Organizations

- › Pennsylvania Institute of Certified Public Accountants
- › Lancaster Young Professionals

Community Involvement


- › Leadership Lancaster - Core Class of 2019 Graduate, Finance Committee
- › Lancaster Early Education Center - Treasurer, Board Member

Haley Brubaker

CPA, Senior Accountant



 hbrubaker@troutcpa.com

 717-358-9098

Practice Areas

- › Audit & Attest Services
- › Government Agencies
- › Employee Benefit Plans
- › Construction & Real Estate Entities

Education & Credentials

- › BS in Accounting and a minor in Information Technology - Monmouth University - 2019
- › Certified Public Accountant - 2020

Professional Organizations

- › Pennsylvania Institute of Certified Public Accountants
- › American Institute of Certified Public Accountants
- › Lancaster Young Professionals

Community Involvement

- › Lancaster County Junior Golf Tour - Assistant Tournament Director



Office Locations

LANCASTER

1705 Oregon Pike | Lancaster, PA 17601 | 717-569-2900

LANCASTER CITY

160 E King Street | Lancaster, PA 17602 | 717-569-2900

MECHANICSBURG

930 Century Drive, Suite 104 | Mechanicsburg, PA 17055 | 717-697-2900