

NORTHERN YORK COUNTY SCHOOL DISTRICT
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
JUNE 30, 2009



WAGGONER, FRUTIGER & DAUB, LLP
CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

Board of Directors
Northern York County School District
Dillsburg, 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 the Northern York County School District as of and for the year ended June 30, 2009, which collectively comprise the School District's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the School District's management. Our responsibility is to express opinions on these financial statements based on our audit. The prior year summarized comparative information has been derived from the School District's June 30, 2008 financial statements and, in our opinions dated December 15, 2008 we expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Governmental 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 the Northern York County School District as of June 30, 2009, and the respective changes in financial position and cash flows, where appropriate, thereof and the respective budgetary comparison for the General Fund for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2009 on our consideration of the Northern York County School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis on Page MDA - 1 through MDA - 9 is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

A handwritten signature in black ink, appearing to read 'Timothy C. Waggoner'.

December 23, 2009

**NORTHERN YORK COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2009**

The management of the Northern York County School District is pleased to present the following discussion and analysis of the District's financial activities for the fiscal year ending June 30, 2009. Comparative financial information between fiscal years ending June 30, 2008 and June 30, 2009 is also presented in this report to show changes in the financial position of the District from prior to current year.

The purpose of this discussion is to provide a narrative summary of the financial position and activities of the District in order to enhance the reader's understanding of the District's basic financial statements.

FINANCIAL HIGHLIGHTS

- For the year 2008-2009, the School Board adopted a balanced General Fund Budget. In order to balance the budget, a real estate tax rate of 13.87 mills was required, along with the anticipated use of \$1,899,418 from the fund balance. Included in the budget was a \$13,000 transfer into the Food Service Fund to pay for new and replacement equipment. General Fund actual expenditures exceeded actual revenues by \$355,576 rather than the \$1,899,418 as expected. Actual revenues exceeded budgeted revenues by \$447,268, primarily in the areas of earned income tax, and current and interim real estate tax. General Fund actual expenditures and other financing sources and uses were lower than budgeted by \$1,096,574. These savings can be attributed to lower than anticipated instructional costs, support services and other financing uses.
- The District received \$722,039 from the State to fund property tax reductions. Property owners in the District who filed and received approval for a homestead/farmstead exclusion saw their net tax due decrease from 2007-2008.

OVERVIEW OF THE FINANCIAL STATEMENTS

These financial statements consist of three sections – Management's Discussion and Analysis (this section), the basic financial statements, and other required supplementary information.

The first two statements of the basic financial statements are government-wide financial statements. These statements on pages 2 and 3 consist of the Statement of Net Assets and the Statement of Activities. The government-wide financial statements provide both short-term and long-term information about the District's overall financial status.

The remaining basic financial statements consist of fund financial statements. These statements focus on individual funds of the District and provide a more detailed presentation of the District's operations. The governmental funds statements on pages 4 and 6 present how general District services are financed in the short-term as well as what remains for future spending. The statement of revenues, expenditures and changes in fund balance for the general fund is shown on page 8. This statement provides explanations to the financial statements and budgetary comparisons. The proprietary fund statements on pages 9 through 11 present both short-term and long-term information about the activities that the District operates similar to a business. Following the proprietary fund statements, the fiduciary fund statements on pages 12 and 13 present information on student activity and trust funds held by the District as trustee or agent for other organizations.

Notes to the basic financial statements are included on pages 14 through 29. These notes provide a more detailed explanation of the District's financial statements. Following the notes to the basic financial statements is

**NORTHERN YORK COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2009**

supplementary information on pages 31 through 49 that details the District's overall financial status, including 10 year comparison data.

Government-Wide Statements Report the District as a Whole

The government-wide statements report financial information about the District as a whole using accounting methods similar to the accounting used by private-sector companies. The Statement of Net Assets includes all of the District's assets and liabilities utilizing the full accrual basis of accounting. The Statement of Activities accounts for all of the District's revenues and expenses, regardless of when cash is received or paid.

These two government-wide statements report the District's net assets and changes in them. The District's net assets represent the difference between the District's assets and liabilities. The District's net assets are one way to measure the District's financial position, or financial health, over time. Increases or decreases in the District's net assets are one indicator of whether its financial health is improving or deteriorating, respectively. To assess the overall health of the District, non-financial factors must also be considered, such as changes in the District's property tax base and the performance of the students.

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

- Governmental activities – All of the District's basic services are included here, such as instruction, administration and community services. Real estate and earned income taxes, and state and federal subsidies and grants finance most of these activities.
- Business-type activities – The District operates a food service operation and charges fees to staff, students and visitors to help it cover the costs of the food service operation.

Fund Financial Statements

The District's fund financial statements provide detailed information about the most significant funds, or major funds – not the District as a whole. Some funds are required to be reported as major funds.

- Governmental funds – Most of the District's activities are reported in governmental funds, and focus on changes in financial resources, rather than upon net income determination. These funds are reported using the modified accrual basis of accounting, which measures cash and all financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's operations and the services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The relationship (or differences) between governmental activities (reported in the Statements of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements on pages 5 and 7.
- Proprietary funds – These funds are used to account for the District activities that are similar to business operations in the private sector. When the District charges customers for services it provides, these services are generally reported in proprietary funds. The Food Service Fund is the District's proprietary fund and is the same as the business-type activities reported in the government-wide statements.

**NORTHERN YORK COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
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- Fiduciary funds – The District is the trustee or agent for individuals, private organizations and/or governmental units. The financial statements for the fiduciary funds are shown on pages 12 and 13.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Assets

The District's total net assets were \$10,761,829 at June 30, 2009 which includes \$10,449,643 in Governmental Activities and \$312,186 in Business-type Activities. This shows an increase of \$1,561,981 over total net assets of \$9,199,848 at June 30, 2008.

Statement of Net Assets

	<u>2009</u>			<u>2008</u>		
	Governmental Activities	Business- Type Activities	Total School District	Governmental Activities	Business- Type Activities	Total School District
Current and other assets	\$9,865,146	\$146,448	\$10,011,594	\$10,232,326	\$84,617	\$10,316,943
Capital assets	44,980,452	381,198	45,361,650	45,055,322	417,259	45,472,581
Total Assets	\$54,845,598	\$527,646	\$55,373,244	\$55,287,648	\$501,876	\$55,789,524
Current and other liabilities	\$5,159,956	\$215,460	\$5,375,416	\$5,766,868	\$154,093	\$5,920,961
Long-term liabilities	39,235,999	--	39,235,999	40,668,715	--	40,668,715
Total Liabilities	\$44,395,955	\$215,460	\$44,611,415	\$46,435,583	\$154,093	\$46,589,676
Capital assets (net of related debt Restricted for Capital Projects Unreserved Total net assets	\$3,895,745 216,883 6,337,015 \$10,449,643	\$381,198 -- (69,012) \$312,186	\$4,276,943 216,883 6,268,003 \$10,761,829	\$2,597,438 (267,982) 6,522,609 \$8,852,065	\$417,259 -- (69,476) \$347,783	\$3,014,697 (267,982) 6,453,133 \$9,199,848
Total liabilities and net assets	\$54,845,598	\$527,646	\$55,373,244	\$55,287,648	\$501,876	\$55,789,524

**NORTHERN YORK COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2009**

Statement of Activities

The results of this year's operations as a whole are reported in the Statement of Activities. Direct expenses are listed by programs, and then offset by program revenues to determine net (expense) revenue and changes in net assets. General revenues, such as taxes, state subsidies, and investment earnings are then applied prior to transfers, and special items, to determine the change in net assets. For the 2008-2009 fiscal year, the change in net assets for governmental activities reflects an increase of \$1,597,578 and a decrease of \$35,597 for business-type activities, or a total net increase of \$1,561,981 as reflected in the chart below.

Statement of Activities

Program Revenues	<u>2009</u>			<u>2008</u>		
	Governmental Activities	Business-type Activities	Total School District	Governmental Activities	Business-type Activities	Total School District
Charges for Services	\$207,912	\$826,248	\$1,034,160	\$205,291	\$803,681	\$1,008,972
Operating grants and contributions	12,268,352	305,317	12,573,669	11,988,412	265,702	12,254,114
Capital grants and contributions	521,494	--	521,494	1,076,436	--	1,076,436
General Revenues						
Taxes	22,771,330	--	22,771,330	22,789,332	--	22,789,332
Other local revenue	752,127	--	752,127	23,139	--	23,139
Investment earnings	310,804	693	311,497	390,771	2,139	392,910
Total revenues	\$36,832,019	\$1,132,258	\$37,964,277	\$36,473,381	\$1,071,522	\$37,544,903
Direct expenses	\$35,160,489	\$1,241,807	\$36,402,296	\$33,398,199	\$1,193,610	\$34,591,809
Excess (deficiency) before transfers and special item	\$1,671,530	(109,549)	\$1,561,981	\$3,075,182	\$(122,088)	\$2,953,094
Transfers between activities	(73,952)	73,952	--	(24,079)	24,079	--
Change in net assets	\$1,597,578	\$(35,597)	\$1,561,981	\$3,051,103	\$(98,009)	\$2,953,094

**NORTHERN YORK COUNTY SCHOOL DISTRICT
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Governmental Activities

Direct expenses represent the actual cost of providing the services while the net cost represents the amount of cost that is not recovered through program revenues, meaning user charges, subsidies, grants, and contributions. The largest source of grants and contributions are state and federal sources, which provided \$12,789,846 for governmental activities. The net cost of services must be recovered through general revenue, primarily taxes. Amounts not recovered will reduce funds available for future years. Direct expenses increased \$1,762,291 or 5.28% over the prior year for governmental activities. This increase was primarily due to entering into a performance contract to update the heating system at the Sports and Learning Center, along with other energy saving measures. Governmental activities program revenues decreased by \$272,381 or 2.05% over the prior year. Interest on long-term debt accounted for \$257,786 of the reduction and was the result of the District refinancing a number of bond issues with lower interest rates. Business-type activities posted a net loss of \$110,242 which is \$13,985 less than the prior year. The District authorized a transfer of \$51,242 to write off debt from fiscal year 2007. Changes in purchasing and offerings are planned for 2010 in order to reduce the deficit.

Governmental Activities	<u>2009</u>			<u>2008</u>		
	Direct Expenses	Program Revenues	Net Cost	Direct Expenses	Program Revenues	Net Cost
Depreciation-unallocated	\$6,250	--	\$6,250	\$6,250	--	\$6,250
Instruction	20,060,569	10,883,669	9,176,900	19,863,047	\$10,979,378	8,883,669
Instructional student support	2,511,178	170,447	2,340,731	2,676,707	190,203	2,486,504
Administrative and financial support	3,235,200	72,910	3,162,290	3,138,204	89,445	3,048,759
Operation and maintenance of plant	4,774,122	90,038	4,684,084	3,226,567	101,699	3,124,868
Pupil transportation	1,911,564	1,213,521	698,043	1,795,193	1,084,108	711,085
Student activities	1,047,261	136,599	910,662	1,027,180	136,946	890,234
Interest on long-term debt	1,614,345	430,574	1,183,771	1,665,051	688,360	976,691
Total Government Activities	\$35,160,489	\$12,997,758	\$22,162,731	\$33,398,199	\$13,270,139	\$20,128,060
Transfers paid and special items			\$ 73,952			\$ 24,079
Investment earnings			\$ (310,804)			\$ (390,771)
Total needs from taxes and other local sources			\$21,925,879			\$19,761,368
Business-type Activities		<u>2009</u>			<u>2008</u>	
	Direct Expenses	Program Revenues	Net Cost	Direct Expenses	Program Revenues	Net Cost
Food Services	\$1,241,807	\$1,131,565	\$110,242	\$1,193,610	\$1,069,383	\$ 124,227
Transfers received and special items			(73,952)			(24,079)
Investment earnings			(693)			(2,139)
Total business-type activities			\$35,597			\$ 98,009

**NORTHERN YORK COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2009**

Governmental Fund Balance

At June 30, 2009, the District governmental funds reported a combined fund balance of \$5,897,968, which is an increase of \$129,289 from June 30, 2008.

	<u>Governmental Fund Balance</u>			
	2009	2008	Change	% Change
General fund – reserved	\$ 150,311	\$ 153,596	\$ (3,285)	(2.14)%
General fund – unreserved	5,530,774	5,883,065	(352,291)	(5.99)%
2002 Construction fund - reserved	--	(321,404)	321,404	(100.00)%
Capital Reserve fund – reserved	207,078	53,422	153,656	287.63%
Debt Service fund – reserved	9,805	--	9,805	100.00%
Total governmental funds	<u>\$ 5,897,968</u>	<u>\$ 5,768,679</u>	<u>\$ 129,289</u>	<u>2.24%</u>
Total unreserved	\$ 5,530,774	\$ 5,883,064	\$ (352,290)	(5.99)%
Total reserved	<u>367,194</u>	<u>(114,385)</u>	<u>481,579</u>	<u>421.01%</u>
Total governmental funds	<u>\$ 5,897,968</u>	<u>\$ 5,768,679</u>	<u>\$ 129,289</u>	<u>2.24%</u>

Governmental Funds – Reconciliation

The decrease in General Fund unreserved fund balance was anticipated. The District did not increase the real estate tax rate and had planned on using fund balance to balance the budget.

The decrease in the 2002 Construction Fund reserved fund balance is a result of the signing of the Performance Contract in May of 2008 and the re-payment of funds transferred to the General Fund that were not completed prior to June 30, 2008. The 2002 Construction Fund balance was reduced to zero during the 2008-2009 fiscal year.

The increase in the Capital Reserve Fund reserved fund balance is a result of planned capital improvements that were planned for the 2008-2009 fiscal year but at the close of the fiscal year had not yet been made.

**NORTHERN YORK COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2009**

General Fund Budget

A General Fund budget is adopted each year in accordance with the Pennsylvania School Code. The revised budget reflects budget transfers as approved by the Board. Contracted educational services, increased maintenance and utility costs, and unforeseen expenditures regularly require annual budget adjustments.

The District applies for State and Federal grants each year. Certain grants may not be anticipated during the budgeting process and must be added to the budget during the fiscal year. In addition, the grants that are anticipated during the budgeting process are based on estimates. The budget must then be modified based on the actual grant award.

General Fund Budget

	<u>2009</u>			<u>2008</u>		
	Budget	Actual	Variance	Budget	Actual	Variance
Total revenues	\$36,323,842	\$36,771,110	\$447,268	\$34,749,407	\$36,291,876	\$1,542,469
Total expenditures	\$32,930,086	\$31,636,496	\$1,293,590	\$30,808,309	\$30,526,409	\$ 281,900
Revenues over (under) expenditures	\$ 3,393,756	\$ 5,134,614	\$1,740,858	\$ 3,941,098	\$ 5,765,467	\$1,824,369
Other financing sources (uses)	\$(5,293,174)	\$(5,490,190)	\$ (197,016)	\$(3,671,624)	\$(3,299,807)	\$ 371,817
Net change in fund balance	<u>\$(1,899,418)</u>	<u>\$ (355,576)</u>	<u>\$1,543,842</u>	<u>\$ 269,474</u>	<u>\$ 2,465,660</u>	<u>\$2,196,186</u>

CAPITAL ASSETS

At June 30, 2009, the District recorded \$44,158,010 in Governmental activities capital assets, which represents an decrease of \$169,443 from the previous fiscal year. This net decrease is a result of the addition and replacement of equipment in a number of buildings within the District, netted against the depreciation of current capital assets. The District has made substantial capital improvements over the past few years.

Capital Assets (net of depreciation)

	<u>2009</u>	<u>2008</u>	<u>Change</u>
Governmental activities			
Land	\$ 326,188	\$ 326,188	\$ --
Site improvements	\$ 399,916	\$ 432,414	(32,498)
Buildings and Improvements	\$42,304,474	\$41,988,374	316,100
Infrastructure	\$ 31,250	\$ 37,500	(6,250)
Furniture and equipment	\$ 1,096,182	\$ 1,542,977	(446,795)
Total governmental capital assets	<u>\$44,158,010</u>	<u>\$44,327,453</u>	<u>\$ (169,443)</u>
Business-type activities			
Food service equipment	<u>\$ 381,198</u>	<u>\$ 417,259</u>	<u>\$ (36,061)</u>

**NORTHERN YORK COUNTY SCHOOL DISTRICT
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LONG-TERM LIABILITIES

Bonds payable at June 30, 2008 were \$41,730,015 and \$40,262,265 at June 30, 2009. Scheduled principal payments totaling \$1,935,000 were made to bondholders during 2008-09. In August of 2008 the District took advantage of an opportunity to refund a portion of the Series 2003 and Series A of 2003 General Obligation Bonds in which a savings of \$255,060 will be realized. In May of 2009, the Board of School Directors took advantage of an opportunity to advance refund the Series of 2001, 3002, 3003A and 2004 General Obligation Bonds in which a savings on interest in the amount of \$238,147 will be realized. Series 2008 and 2009 General Obligation Bonds were issued for \$9,930,000 and \$10,800,000, respectively. Additional principal payments of \$20,270,000 were made for the series 2001, 2003, 2003A, and 2004 refunds.

Reserve for Compensated Absences is reported under long-term liabilities. Under the terms of the School District's employment policies, employees are reimbursed for accrued vacation upon retirement or other termination of employment. The reimbursement rate is established by the employment contract and varies by employee classification. In addition, under the Pennsylvania School Code, employees are granted sick days annually, with all unused sick days accumulating in subsequent years. Upon retirement from the School District, employees are reimbursed based on their accumulated sick days, or a portion thereof, multiplied by an amount pre-established per the employment contract. The total liability for accrued vacation and sick leave has been reflected in the Statement of Net Assets and totals \$841,087 for year ended June 30, 2009. Employees who retire with 15 years of service are eligible to remain on the District's health care plan until age 65. The liability for these post employment benefits totals \$87,647 and has been reflected in the Statement of Net Assets for year ended June 30, 2009. The combined change in these liabilities represents an increase from 2007-08 of \$60,034.

2009-2010 BUDGET AND ECONOMIC FACTORS

	Budget 2009-2010	Budget 2008-2009	Change
Total revenues	\$ 36,744,607	\$ 36,524,842	\$219,765
Total expenditures	\$ 33,965,652	\$ 32,930,086	\$1,035,566
Revenues over (under) expenditures	\$ 2,778,955	\$ 3,594,756	\$(815,801)
Other financing sources (uses)	(3,810,441)	\$ (5,494,174)	\$1,683,733
Net change in fund balance	<u>\$ (1,031,486)</u>	<u>\$ (1,899,418)</u>	<u>\$867,932</u>

The new budget for 2009-2010 represents an increase in total expenditures of 3.15%. This increase is due to many factors such as: increase in salaries due to contracts and agreements, increase in medical insurance costs, new curriculum initiatives and increases in the costs for contracted special education instruction. The 2009-2010 budgeted revenues do not reflect a millage increase. The 2009-10 real estate tax assessment remains at 13.87 mills on each property's assessed value in each of the seven municipalities located within the Northern York County School District. The Board of School Directors approved a "balanced" budget for the 2009-2010 fiscal year.

**NORTHERN YORK COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Employee health care premiums increased 4% for 2009-2010. While health care premiums are anticipated to increase an additional two percent for 2010-2011, the District has adjusted its health insurance package and has implemented premium sharing with all personnel in an effort to reduce annual premium increases.

The general fund 2008-2009 unreserved fund balance of \$5,530,774 represents 14.64% of budgeted expenditures and other financing sources and uses. The fund balance is held to offset unforeseen expenditures and to fund future district expenditures.

During 2006, the Pennsylvania State Legislators passed Act 1 which is also called the Homeowner Property Tax Relief Act. The passage of this Act coincided with the enactment of Act 72 which is commonly referred to as the "Slots Bill". With the passage of these two pieces of legislation, the State intended to tax newly created gaming proceeds and use a portion of those funds to give a property tax credit to certain groups of residents. The State was able to allocate funds to the District from gaming proceeds for the 2008-2009 budget. The 2008-2009 budget reflects the receipt of \$722,039 from the state that was used to reduced property taxes. Northern York County's index was set at 5.5%. The index limits the rate of increase on tax mills. The 2008-2009 budget reflects a 0.0% increase in the property tax rate, which is less than the index provided to the District by the State.

The 2009-2010 fiscal year is the final year of a four year contract with the Northern York Education Association. The District and Association will begin negotiations in January 2010.

CONTACTING THE DISTRICT FINANCIAL MANAGEMENT

The District's financial report is intended to provide the readers with a general overview of the District's finances and to show the Board's accountability for the funds it receives. If you have questions about this report or wish to request additional financial information, please contact the Business Office of the Northern York County School District, 149 S. Baltimore Street, Dillsburg, PA 17019, and (717) 432-8691, ext. 1105.

NORTHERN YORK COUNTY SCHOOL DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2009

	Governmental Activities	Business-type Activities	Totals	
			2009	Summarized 2008
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 6,393,722	61,683	6,455,405	6,803,677
Taxes receivable	766,408	--	766,408	1,006,756
Due from other governments	2,429,765	33,746	2,463,511	2,180,130
Receivable from students	--	22,736	22,736	16,372
Other receivables	117,020	14,234	131,254	129,872
Inventories	150,311	14,049	164,360	164,910
Deposits	7,920	--	7,920	15,226
Total current assets	9,865,146	146,448	10,011,594	10,316,943
Noncurrent Assets				
Land	326,188	--	326,188	326,188
Site improvements	399,916	--	399,916	432,414
Buildings and improvements	42,304,474	--	42,304,474	41,988,374
Infrastructure	31,250	--	31,250	37,500
Furniture and equipment	1,096,182	381,198	1,477,380	1,960,236
Unamortized bond issuance costs	822,442	--	822,442	727,869
Total noncurrent assets	44,980,452	381,198	45,361,650	45,472,581
Total assets	\$ 54,845,598	527,646	55,373,244	55,789,524
LIABILITIES AND NET ASSETS				
LIABILITIES				
Current Liabilities				
Current portion of long term liabilities	\$ 1,955,000	--	1,955,000	1,930,000
Accounts payable	587,702	5,145	592,847	609,908
Internal balances	(191,445)	191,445	--	--
Contracts payable	--	--	--	470,615
Salaries and benefits payable	2,595,018	89	2,595,107	2,652,232
Accrued interest payable	213,681	--	213,681	239,913
Deferred revenues	--	18,781	18,781	18,293
Total current liabilities	5,159,956	215,460	5,375,416	5,920,961
Noncurrent Liabilities				
Bonds payable	38,307,265	--	38,307,265	39,800,015
Compensated absences payable	841,087	--	841,087	868,700
Other postemployment benefits payable	87,647	--	87,647	--
Total noncurrent liabilities	39,235,999	--	39,235,999	40,668,715
Total liabilities	44,395,955	215,460	44,611,415	46,589,676
NET ASSETS				
Invested in capital assets - net of related debt	3,895,745	381,198	4,276,943	3,014,697
Restricted for capital projects	216,883	--	216,883	(267,982)
Unrestricted	6,337,015	(69,012)	6,268,003	6,453,133
Total net assets	10,449,643	312,186	10,761,829	9,199,848
Total liabilities and net assets	\$ 54,845,598	527,646	55,373,244	55,789,524

See accompanying notes.

**NORTHERN YORK COUNTY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2009**

Function/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Assets		Totals Summarized 2008
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
GOVERNMENTAL ACTIVITIES						
Instruction	\$ 20,060,569	10,730,622	90,920	(9,176,900)	--	(8,883,669)
Instructional student support	2,511,178	170,447	--	(2,340,731)	--	(2,486,504)
Administrative and financial support services	3,235,200	72,910	--	(3,162,290)	--	(3,048,759)
Operation and maintenance of plant services	4,774,122	58,339	--	(4,684,084)	--	(3,124,868)
Pupil transportation	1,911,564	1,213,521	--	(698,043)	--	(711,085)
Student activities	1,047,261	22,513	--	(910,662)	--	(890,234)
Interest on long-term debt	1,614,345	--	430,574	(1,183,771)	--	(976,691)
Unallocated depreciation	6,250	--	--	(6,250)	--	(6,250)
Total governmental activities	35,160,489	12,268,352	521,494	(22,162,731)	--	(20,128,060)
BUSINESS-TYPE ACTIVITIES						
Food service	1,241,807	305,317	--	--	(110,242)	(124,227)
Total primary government	\$ 36,402,296	12,573,669	521,494	(22,162,731)	(110,242)	(20,252,287)
GENERAL REVENUES AND TRANSFERS						
Taxes						
Property taxes, levied for general purposes, net				17,199,104	--	17,403,155
Earned income taxes				4,006,820	--	3,841,495
Taxes levied for specific purposes				1,565,406	--	1,544,682
State property tax reduction allocation				722,039	--	--
Investment earnings				310,804	693	392,910
Miscellaneous income				30,088	--	23,139
Transfers between governmental and business-type activities				(73,952)	73,952	--
Total general revenues and transfers				23,760,309	74,645	23,205,381
Change in net assets				1,597,578	(35,597)	2,953,094
NET ASSETS-BEGINNING OF YEAR				8,852,065	347,783	6,246,754
NET ASSETS-END OF YEAR				\$ 10,449,643	312,186	\$ 9,199,848

See accompanying notes.

**NORTHERN YORK COUNTY SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2009**

	General Fund	Capital Reserve Fund	Nonmajor Funds	Totals	
				2009	2008
ASSETS					
Cash and cash equivalents	\$ 6,201,472	182,445	9,805	6,393,722	6,786,498
Taxes receivable	766,408	--	--	766,408	1,006,756
Due from other funds	192,492	24,633	--	217,125	177,019
Due from other governments	2,429,765	--	--	2,429,765	2,129,511
Other receivables	117,020	--	--	117,020	124,366
Inventories	150,311	--	--	150,311	153,597
Deposits	7,920	--	--	7,920	15,226
Total assets	\$ 9,865,388	207,078	9,805	10,082,271	10,392,973
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Due to other funds	\$ 25,680	--	--	25,680	41,677
Accounts payable	587,702	--	--	587,702	593,167
Contracts payable	--	--	--	--	470,615
Salaries and benefits payable	2,595,018	--	--	2,595,018	2,652,143
Deferred revenues	975,903	--	--	975,903	866,692
Total liabilities	4,184,303	--	--	4,184,303	4,624,294
FUND BALANCES					
Reserve for encumbrances	--	21,522	--	21,522	1,649,852
Specific fund balance reserves	150,311	185,556	9,805	345,672	(1,764,237)
Unreserved fund balance	5,530,774	--	--	5,530,774	5,883,064
Total fund balances	5,681,085	207,078	9,805	5,897,968	5,768,679
Total liabilities and fund balances	\$ 9,865,388	207,078	9,805	10,082,271	10,392,973

See accompanying notes.

**NORTHERN YORK COUNTY SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2009**

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS		\$ 5,897,968
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of assets is \$65,884,776 and the accumulated depreciation is \$21,726,766.		44,158,010
Property taxes receivable will be collected, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds.		975,903
Bond issuance costs and amounts of bond discounts and similar items are reported in the governmental funds when debt is first issued. The statement of net assets reports these items as assets or liabilities with amortization over the life of the related debt. Bond issuance costs and bond discounts totaled \$943,458, with related accumulated amortization of \$121,016.		822,442
Long-term liabilities, including bonds payable and extended term financing, are not due and payable in the current period, and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:		
Accrued interest payable	(213,681)	
Bond/notes payable	(40,262,265)	
Accumulated compensated absences	(841,087)	
Other postemployment benefits payable	(87,647)	(41,404,680)
TOTAL NET ASSETS - GOVERNMENTAL ACTIVITIES		\$ 10,449,643

See accompanying notes.

**NORTHERN YORK COUNTY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2009**

	General Fund	Capital Reserve Fund	Nonmajor Funds	Totals	
				2009	2008
REVENUES					
Local sources	\$ 23,726,587	2,458	14,360	23,743,405	23,738,354
State sources	12,623,256	--	--	12,623,256	12,074,146
Federal sources	421,267	--	--	421,267	489,114
Total revenues	<u>36,771,110</u>	<u>2,458</u>	<u>14,360</u>	<u>36,787,928</u>	<u>36,301,614</u>
EXPENDITURES					
Instruction	19,836,803	--	--	19,836,803	19,254,552
Support services	10,690,484	114,696	180,484	10,985,664	10,416,656
Operation of noninstructional services	1,040,789	--	--	1,040,789	1,015,829
Facilities acquisition, construction and improvement services	--	1,660,125	--	1,660,125	456,211
Debt service	--	--	3,548,945	3,548,945	3,417,401
Refund of prior years' receipts	68,420	--	--	68,420	--
Total expenditures	<u>31,636,496</u>	<u>1,774,821</u>	<u>3,729,429</u>	<u>37,140,746</u>	<u>34,560,649</u>
Excess of revenues over (under) expenditures	<u>5,134,614</u>	<u>(1,772,363)</u>	<u>(3,715,069)</u>	<u>(352,818)</u>	<u>1,740,965</u>
OTHER FINANCING SOURCES (USES)					
Net proceeds from sale of bonds	--	--	20,745,907	20,745,907	--
Interfund transfers in	--	1,926,019	3,500,070	5,426,089	3,914,143
Sale of fixed assets	3,297	--	--	3,297	2,262
Refunding of G.O. Bonds	--	--	(20,193,145)	(20,193,145)	--
Interfund transfers out	(5,493,487)	--	(6,554)	(5,500,041)	(3,938,222)
Total other financing sources (uses)	<u>(5,490,190)</u>	<u>1,926,019</u>	<u>4,046,278</u>	<u>482,107</u>	<u>(21,817)</u>
Net change in fund balance	(355,576)	153,656	331,209	129,289	1,719,148
FUND BALANCE, BEGINNING OF YEAR	<u>6,036,661</u>	<u>53,422</u>	<u>(321,404)</u>	<u>5,768,679</u>	<u>4,049,531</u>
FUND BALANCE, END OF YEAR	<u>\$ 5,681,085</u>	<u>207,078</u>	<u>9,805</u>	<u>5,897,968</u>	<u>5,768,679</u>

See accompanying notes.

**NORTHERN YORK COUNTY SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2009**

NET CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS \$ 129,289

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

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

Capital outlays	1,681,709	
Depreciation expense	<u>(1,851,152)</u>	(169,443)

Some taxes will not be collected for several months after the District's fiscal year end and they are not considered as "available" revenues in the governmental funds.

Deferred revenues increased by this amount during the year.		109,211
---	--	---------

Repayment of bond principal is an expenditure and other financing use in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

22,205,000

The issuance of long term obligations (e.g. bonds, leases, loans) provides current financial resources to governmental funds, while the repayment of the principal of long term obligations consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long term obligations and related items.

Issuance of general obligation bonds	(20,730,000)	
Bond issuance costs	164,577	
Amortization of bond issuance cost	(70,004)	
Amortization of deferred refunding loss	<u>(7,250)</u>	(20,642,677)

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

Decrease to compensated absences	27,613	
Other postemployment benefits payable	<u>(87,647)</u>	(60,034)

Net change in accrued interest expense on bonds payable		<u>26,232</u>
---	--	---------------

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ 1,597,578

NORTHERN YORK COUNTY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Local sources	\$ 22,949,976	22,949,976	23,726,587	776,611
State sources	12,896,678	12,896,678	12,623,256	(273,422)
Federal sources	477,188	477,188	421,267	(55,921)
Total revenues	<u>36,323,842</u>	<u>36,323,842</u>	<u>36,771,110</u>	<u>447,268</u>
EXPENDITURES				
Instruction				
Regular programs	15,420,114	15,420,114	14,954,988	465,126
Special programs	4,107,330	4,107,330	3,906,544	200,786
Vocational education programs	598,438	598,438	544,574	53,864
Other instructional programs	425,407	425,407	430,697	(5,290)
Total instruction	<u>20,551,289</u>	<u>20,551,289</u>	<u>19,836,803</u>	<u>714,486</u>
Support services				
Pupil personnel	1,074,679	1,074,679	1,067,586	7,093
Instructional staff	942,381	942,381	799,016	143,365
Administration	2,260,084	2,260,084	2,260,503	(419)
Pupil health	395,829	395,829	397,203	(1,374)
Business	457,576	457,576	445,737	11,839
Operation and maintenance of plant	3,729,813	3,729,813	3,416,378	313,435
Student transportation	2,131,988	2,131,988	1,913,031	218,957
Central	369,476	369,476	363,339	6,137
Other support services	29,000	29,000	27,691	1,309
Total support services	<u>11,390,826</u>	<u>11,390,826</u>	<u>10,690,484</u>	<u>700,342</u>
Operation of noninstructional services				
Student activities	987,971	987,971	1,040,789	(52,818)
Refund of prior years' receipts	--	--	68,420	(68,420)
Total expenditures	<u>32,930,086</u>	<u>32,930,086</u>	<u>31,636,496</u>	<u>1,293,590</u>
Excess of revenues over expenditures	<u>3,393,756</u>	<u>3,393,756</u>	<u>5,134,614</u>	<u>1,740,858</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from extended term financing	200,000	200,000	--	(200,000)
Sale of fixed assets	1,000	1,000	3,297	2,297
Interfund transfers out	(5,494,174)	(5,494,174)	(5,493,487)	687
Total other financing uses	<u>(5,293,174)</u>	<u>(5,293,174)</u>	<u>(5,490,190)</u>	<u>(197,016)</u>
Net change in fund balance	<u>(1,899,418)</u>	<u>(1,899,418)</u>	<u>(355,576)</u>	<u>1,543,842</u>
FUND BALANCE, BEGINNING OF YEAR	<u>5,022,346</u>	<u>5,022,346</u>	<u>6,036,661</u>	<u>1,014,315</u>
FUND BALANCE, END OF YEAR	<u>\$ 3,122,928</u>	<u>3,122,928</u>	<u>5,681,085</u>	<u>2,558,157</u>

See accompanying notes.

**NORTHERN YORK COUNTY SCHOOL DISTRICT
STATEMENT OF NET ASSETS
PROPRIETARY FUND
JUNE 30, 2009**

ASSETS	Food Service	Totals	
		2009	Summarized 2008
Current Assets			
Cash and cash equivalents	\$ 61,683	61,683	17,179
Due from other funds	--	--	16,078
Due from other governments	33,746	33,746	50,619
Receivable from students	22,736	22,736	16,372
Other receivables	14,234	14,234	5,506
Inventories - at cost	14,049	14,049	11,313
Total current assets	146,448	146,448	117,067
Noncurrent Assets			
Food service equipment	992,410	992,410	982,620
Accumulated depreciation	(611,212)	(611,212)	(565,361)
Total noncurrent assets	381,198	381,198	417,259
Total assets	\$ 527,646	527,646	534,326
 LIABILITIES AND NET ASSETS			
LIABILITIES			
Current Liabilities			
Accounts payable	\$ 5,145	5,145	16,741
Due to other funds	191,445	191,445	151,420
Salaries and benefits payable	89	89	89
Deferred revenues	18,781	18,781	18,293
Total current liabilities	215,460	215,460	186,543
Noncurrent Liabilities			
Total liabilities	215,460	215,460	186,543
 NET ASSETS			
Invested in capital assets - net of related debt	381,198	381,198	417,259
Unrestricted deficit	(69,012)	(69,012)	(69,476)
Total net assets	312,186	312,186	347,783
Total liabilities and net assets	\$ 527,646	527,646	534,326

See accompanying notes.

**NORTHERN YORK COUNTY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2009**

	Food Service	Totals	
		2009	Summarized 2008
OPERATING REVENUES			
Food services	\$ 799,087	799,087	781,707
Special events	27,082	27,082	21,670
Other operating revenue	79	79	304
Total operating revenues	826,248	826,248	803,681
OPERATING EXPENSES			
Food and beverages	494,203	494,203	487,054
Donated commodities	60,006	60,006	53,914
Salaries and wages	401,333	401,333	373,576
Payroll taxes	33,717	33,717	28,091
Employee benefits	133,274	133,274	129,087
Retirement	18,910	18,910	25,802
Depreciation	54,595	54,595	54,594
Other expenses	45,769	45,769	41,492
Total operating expenses	1,241,807	1,241,807	1,193,610
Operating loss	(415,559)	(415,559)	(389,929)
NONOPERATING REVENUES			
Interest earned	693	693	2,139
State subsidies	56,990	56,990	57,184
Federal subsidies	189,569	189,569	153,717
U.S.D.A. commodities subsidy	58,758	58,758	54,801
Total nonoperating revenues	306,010	306,010	267,841
Loss before operating transfers	(109,549)	(109,549)	(122,088)
OPERATING TRANSFERS IN			
General Fund	73,952	73,952	24,079
Total operating transfers in	73,952	73,952	24,079
Change in net assets	(35,597)	(35,597)	(98,009)
NET ASSETS, BEGINNING OF YEAR	347,783	347,783	445,792
NET ASSETS, END OF YEAR	\$ 312,186	312,186	347,783

See accompanying notes.

**NORTHERN YORK COUNTY SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2009**

	Food Service	Totals	
		2009	Summarized 2008
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from users	\$ 811,644	811,644	792,543
Cash payments to employees for payroll and benefits	(547,209)	(547,209)	(485,456)
Cash payments to suppliers for goods and services	(509,783)	(509,783)	(466,390)
Cash payments for other operating expenses	(45,769)	(45,769)	(41,492)
Net cash used in operating activities	(291,117)	(291,117)	(200,795)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Grants and subsidies received from nonoperating activities:			
State subsidies	60,555	60,555	55,810
Federal subsidies	202,877	202,877	150,409
Operating transfers in	90,030	90,030	8,001
Net cash provided by noncapital financing activities	353,462	353,462	214,220
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of food service equipment	(21,240)	(21,240)	(16,078)
Loss on disposal of equipment	2,706	2,706	--
Net cash used in capital and related financing activities	(18,534)	(18,534)	(16,078)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest earned	693	693	2,139
Net cash provided by investing activities	693	693	2,139
Net increase (decrease) in cash and cash equivalents	44,504	44,504	(514)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	17,179	17,179	17,693
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 61,683	61,683	17,179
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES			
Operating loss	\$ (415,559)	(415,559)	(389,929)
Adjustments to reconcile operating loss to net cash used in operating activities:			
Depreciation	54,595	54,595	54,594
Donated commodities	58,758	58,758	54,801
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(15,092)	(15,092)	(5,035)
(Increase) decrease in inventories	(2,736)	(2,736)	4,837
Increase (decrease) in due to other funds	40,025	40,025	71,100
Increase (decrease) in accounts payable	(11,596)	(11,596)	14,940
Increase (decrease) in other current payables	488	488	(6,103)
Total adjustments	124,442	124,442	189,134
Net cash used in operating activities	\$ (291,117)	(291,117)	(200,795)

See accompanying notes.

**NORTHERN YORK COUNTY SCHOOL DISTRICT
STATEMENT OF NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2009**

	Student Activities	Special Olympics	Private Purpose Trusts	Totals	
				2009	Summarized 2008
ASSETS					
Cash and cash equivalents	\$ 85,452	3,166	312,375	400,993	404,077
Total assets	\$ 85,452	3,166	312,375	400,993	404,077
LIABILITIES AND NET ASSETS					
LIABILITIES					
Due to student groups	\$ 85,452	3,166	--	88,618	84,127
Total liabilities	85,452	3,166	--	88,618	84,127
NET ASSETS					
Restricted	--	--	312,375	312,375	319,950
Total net assets	--	--	312,375	312,375	319,950
Total liabilities and net assets	\$ 85,452	3,166	312,375	400,993	404,077

See accompanying notes.

**NORTHERN YORK COUNTY SCHOOL DISTRICT
STATEMENT OF CHANGES IN NET ASSETS
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2009**

	Private Purpose Trusts	Totals	
		2009	Summarized 2008
ADDITIONS			
Donations	\$ 9,047	9,047	15,159
Interest	3,105	3,105	8,989
Total additions	12,152	12,152	24,148
DEDUCTIONS			
Scholarships	19,727	19,727	23,085
Other expense	--	--	123
Total deductions	19,727	19,727	23,208
Change in net assets	(7,575)	(7,575)	940
NET ASSETS, BEGINNING OF YEAR	319,950	319,950	319,010
NET ASSETS, END OF YEAR	\$ 312,375	312,375	319,950

See accompanying notes.

**NORTHERN YORK COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

A. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Northern York County School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its proprietary fund provided they do not conflict with or contradict GASB pronouncements. The more significant of the School District's accounting policies are described below.

1. The Reporting Entity

In evaluating how to define the School District for financial reporting purposes, management has considered all potential component units consistent with the guidance contained in GASB Statement #39 (an amendment of Statement #14, "The Financial Reporting Entity.") The criteria used by the School District to evaluate the possible inclusion of related entities within its reporting entity are financial accountability and the nature and significance of the relationship. In determining financial accountability in a given case, the School District reviews the applicability of the following criteria:

The School District is financially accountable for:

1. Organizations that make up the legal School District entity.
2. Legally separate organizations if School District officials appoint a voting majority of the organizations' governing body and the School District is able to impose its will on the organization or if there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.
 - a. Impose its will - If the School District can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization.
 - b. Financial benefit or burden - Exists if the School District (1) is entitled to the organization's resources or (2) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide support to, the organization or (3) is obligated in some manner for the debt of the organization.
3. Organizations that are fiscally dependent on the School District. Fiscal dependency is established if the organization is unable to adopt its budget, levy taxes or set rates or charges, or issue bonded debt without approval by the School District.

Based on the foregoing criteria, the School District has no component entities that need to be included in the School District's general purpose financial statements.

Joint Ventures

The School District is a participant in several joint ventures, each of which is a separate legal entity that offers services to the School District and its residents. These entities serve multiple school districts and municipalities and therefore are not included in this reporting entity as a component unit. These entities do not have taxing authority, but are required to adopt an annual budget, which is funded primarily by its members and others that use its services.

The joint venture entities are as follows:

Cumberland-Perry Area Vocational Technical School – vocational technical education services
Capital Area Intermediate Unit – special education services
West Shore Tax Bureau – earned income tax collection
Lincoln Benefits Trust – health and welfare benefits

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The most recent audited financial statements of these joint ventures are available for inspection at the School District's administrative office.

2. Basis of Presentation

The School District's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements

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

The statement of net assets presents the financial condition of the governmental and business-type activities of the School District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities and for the single business-type activity of the School District. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the School District.

Fund Financial Statements

During the year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

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

3. Fund Accounting

The School District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary.

Governmental Funds

Governmental funds are those through which most governmental functions of the School District are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the School District's major governmental funds:

General Fund

The general fund is the operating fund of the School District and is used to account for all financial resources except those required to be accounted for in another fund.

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Capital Reserve Fund

The capital reserve fund was established by the Board to fund various capital projects. These projects include the purchase of equipment, computers and various improvements to school property.

Proprietary Fund

Proprietary funds focus on the determination of the changes in net assets, financial position and cash flows. Proprietary funds are classified as enterprise or internal service. The School District has one enterprise fund and no internal service funds.

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications; pension trust funds, investment trust funds, private purpose trust funds and agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. The School District's only trust funds are private purpose trust funds which account for scholarship programs for students. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District's agency funds accounts for assets held as an agent for various student activities.

4. Measurement Focus and Basis of Accounting

The government-wide, proprietary and fiduciary fund financial statements are reported 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 the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Net assets (total assets less total liabilities) are used as a practical measure of economic resources and the operating statement includes all transactions and events that increased or decreased net assets. Depreciation is charged as expense against current operations and accumulated depreciation is reported on the statement of net assets.

Additionally, the School District reports the following nonmajor governmental funds:

The debt service funds account for accumulation of resources for, and the payment of long-term debt principal, interest and related costs.

The construction fund is used to cover various capital projects. These projects include the purchase of equipment, computers and various improvements to school property.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers tax revenue to be available if collected within 60 days of the end of the fiscal period. Revenue from federal, state and other grants designated for payment of specific School District expenditures is recognized when the related expenditures are incurred; accordingly, when such funds are received, they are recorded as deferred revenues until earned. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

5. Budgets and Budgetary Accounting

An operating 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.

NORTHERN YORK COUNTY SCHOOL DISTRICT
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The Pennsylvania School Code dictates specific procedures relative to adoption of the School District's budget and reporting of its financial statements, specifically:

The School District, before levying annual school taxes, is required to prepare an operating budget for the succeeding fiscal year.

The School District is required to publish notice by advertisement, at least once in two newspapers of general circulation in the municipality in which it is located, and within fifteen days of final action, that the proposed budget has been prepared and is available for public inspection at the administrative office of the School 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 ten days prior to when final action on adoption is taken by the Board.

Legal budgetary control is maintained at the sub-function/major object level. The Board of School Directors may make transfers of funds appropriated to any particular item of expenditure by legislative action in accordance with the Pennsylvania School Code. Management may amend the budget at the sub-function/sub-object level without Board approval. 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. The Board of School Directors made no supplemental budgetary appropriations throughout the year.

In order to preserve a portion of an appropriation for which an expenditure has been committed by a purchase order, contract or other form of commitment, an encumbrance is recorded. Encumbrances outstanding at year end are reported in the fund financial statements as reservation of fund balances.

Included in the General Fund budget are program budgets as prescribed by the federal and state agencies funding the program. These budgets are approved on a program by program basis by the federal and state funding agencies.

6. Cash and Cash Equivalents and Investments

Cash includes all demand deposits, petty cash, savings, money market accounts, and certificates of deposit maturing within three months from when purchased, owned by the School District. Investments include all certificates of deposit with maturities greater than three months, repurchase agreements, investment trusts which mature at a future date, mutual funds and United States treasury notes. Investments are stated at market value. Accrued interest is included with other receivables on the balance sheet.

For purposes of the statement of cash flows, the proprietary fund considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

7. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "due from other funds" and "due to other funds", respectively. These amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

8. Inventories

On government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used. Donated commodities are recognized as revenue at the estimated cost value and expensed as used.

On fund financial statements, inventories of governmental funds are based upon the latest invoice price, which approximates cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption.

**NORTHERN YORK COUNTY SCHOOL DISTRICT
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9. Prepaid Expenses

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

10. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary fund are reported both in the business-type activities column of the government-wide statement of net assets and in the respective fund. All capital assets shown on the government-wide statement of net assets are presented net of accumulated depreciation.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of \$1,500. The School District has a tunnel that students use to cross a major highway that is classified as an infrastructure asset. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets except land, land improvements and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-type Activities Estimated Lives</u>
Buildings and Improvements	20-50 years	N/A
Furniture and Equipment	5-15 years	5-12 years
Infrastructure (tunnel)	20 years	N/A

11. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental or business type activity columns in the statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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 while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

12. Compensated Absences

Sick leave benefits are accrued as a liability using the termination method. An accrual for earned sick leave is made to the extent that it is probable that benefits will result in termination payments. The liability is an estimate based on the School District's past experience of making termination payments.

The compensated absence liability is reported on the government-wide financial statements.

13. Encumbrances

Encumbrances at year end are reported in the fund financial statements as reservations of fund balance since they do not constitute expenditures or liabilities, but serve as authorization for expenditures in the subsequent year.

NORTHERN YORK COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
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14. 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.

15. Comparative Data

Comparative total data for prior years has been presented in the accompanying financial statements in order to provide an understanding of changes in the School District's financial position and results of operations. This prior-year summarized comparative information is not presented in the level of detail required for presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the School District's financial statements for the year ended June 30, 2008, from which the summarized information was derived. Certain reclassifications were made to prior year summarized comparative information in order to conform with current year presentation. An adjustment to remove deferred revenues of \$278,110 from the 2008 current liabilities on the government-wide statement of net assets has been made. The impact was an increase to prior year revenues of \$278,110, with a corresponding increase to unrestricted net assets as of June 30, 2008.

B. DEPOSITS AND INVESTMENTS

Deposits

Custodial Credit Risk

All of the School District's cash deposits are either insured or collateralized. Custodial credit risk is the risk that the School District's deposits may not be recoverable to it in the event of a depository institution failure. The School District does not have a formal policy regarding custodial credit risk for deposits. However, they require all deposits in excess of FDIC insurance coverage to be collateralized by the depository institution with approved collateral as provided by law. At June 30, 2009 the School District had deposit balances in the amount of \$1,464,070, of which \$250,000 was insured and \$1,214,070 was collateralized with securities held by the bank's agent in a collateral pool. The School District is exposed to custodial credit risk because the collateral securities held by the bank's agents are not in the School District's name.

Cash equivalents were with Pennsylvania School District Liquid Asset Fund (PSDLAF) in the amount of \$5,478,656. These deposits are invested by PSDLAF directly in portfolios of securities held by a third party custodian. \$250,000 of the balance was insured by the FDIC, and \$5,228,656 was collateralized with securities held by the PSDLAF's agent in a collateral pool. The School District is exposed to custodial credit risk because the collateral securities held by PSDLAF's agents are not in the School District's name.

Cash equivalents were with Pennsylvania Local Government Investment Trust (PLIGIT) in the amount of \$182,445. These deposits are invested by PLIGIT directly in portfolios of securities which are held by a third party custodian. Since PLIGIT is acting in a fiduciary capacity for the School District and recognize the School District as the pledgee of the collateral securities, these deposits are considered to be held by the agent in the School District's name.

Investments

The School District's investment policy is to adhere to Sec. 440.1 of the Public School Code of 1949, as amended, to invest in United States Treasury Bills, short term obligations of the United States Government or its agencies and instrumentalities, or in deposits in savings accounts or time deposits or share accounts of institutions insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation or the National Credit Union Share Insurance Fund, to the extent that such accounts are so insured, and for any amounts above the insured maximums, provided that approved collateral as required by provisions of Act No. 72 of the Commonwealth of Pennsylvania are pledged by the depository.

**NORTHERN YORK COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
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C. NOTES TO GENERAL FUND BALANCE SHEET

CASH AND CASH EQUIVALENTS	
Cash management checking - operating	\$ 720,193
Cash management checking - payroll	2,623
PSDLAF	<u>5,478,656</u>
Total	<u>\$ 6,201,472</u>
TAXES RECEIVABLE	
Current real estate receivable	\$ 96,723
Delinquent:	
Real estate tax	658,423
Personal taxes	22,704
Less: allowance for uncollectibles	<u>(11,442)</u>
Total	<u>\$ 766,408</u>
DUE FROM OTHER FUNDS	
Food Service Fund	\$ <u>192,492</u>
DUE FROM OTHER GOVERNMENTS	
Earned income tax	\$ 1,665,764
Realty transfer tax	33,869
Amusement tax	1,146
Alternative Ed	20,012
DARE grant	1,247
Transportation subsidy	8,078
Rental subsidy	228,357
Dual enrollment	(994)
Social security subsidy	75,115
Retirement subsidy	141,629
Title I	69,018
Title IV	800
IDEA	<u>185,724</u>
Total	<u>\$ 2,429,765</u>
OTHER RECEIVABLES	
Fuel reimbursements	\$ 41,809
Mainstream and consortium fees	54,850
Transportation and refunds	9,188
Other	<u>11,173</u>
Total	<u>\$ 117,020</u>
INVENTORIES	
Maintenance supplies	\$ <u>150,311</u>
DEPOSITS	
Fees and supplies	\$ <u>7,920</u>
DUE TO OTHER FUNDS	
Capital Reserve Fund	\$ 24,633
Food Service Fund	<u>1,047</u>
Total	<u>\$ 25,680</u>

**NORTHERN YORK COUNTY SCHOOL DISTRICT
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ACCOUNTS PAYABLE

This represents expenditures incurred during the 2008-09 school year or supply inventories on hand at June 30, 2009 year that were not paid until after June 30, 2009.

\$ 587,702

SALARIES AND BENEFITS PAYABLE

This represents the amount of contracted salaries and benefits of professional employees for the year ended June 30, 2009, that were unpaid as of that date.

Accrued salaries					\$ 1,683,205
Accrued benefits:					
Retirement		284,262			
Medical insurance		458,391			
Dental insurance		29,671			
Social security		127,504			
Payroll withholdings		8,942			
Life insurance		<u>3,043</u>			
Total					\$ <u>2,595,018</u>

DEFERRED REVENUES

Delinquent taxes that were not received within 60 days of June 30, 2009.

\$ 975,903

D. CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2009 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 326,188	--	--	326,188
Total capital assets not being depreciated	326,188	--	--	326,188
Capital assets being depreciated				
Site improvements	935,083	--	--	935,083
Buildings and improvements	56,568,560	1,628,330	--	58,196,890
Infrastructure	125,000	--	--	125,000
Furniture and equipment	6,248,236	53,379	--	6,301,615
Total assets being depreciated	63,876,879	53,379	--	65,558,588
Less accumulated depreciation for:				
Site improvements	502,669	32,498	--	535,167
Buildings and improvements	14,580,186	1,312,230	--	15,892,416
Infrastructure	87,500	6,250	--	93,750
Furniture and equipment	4,705,259	500,174	--	5,205,433
Total accumulated depreciation	19,875,614	1,851,152	--	21,726,766
Total capital assets, being depreciated - net	44,001,265	(169,443)	--	43,831,822
Governmental activities, capital assets - net	\$ 44,327,453	(169,443)	--	44,158,010

**NORTHERN YORK COUNTY SCHOOL DISTRICT
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	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type Activities				
Capital assets being depreciated				
Equipment	\$ 982,621	21,240	11,450	992,411
Total capital assets, being depreciated	<u>982,621</u>	<u>21,240</u>	<u>--</u>	<u>992,411</u>
Less accumulated depreciation for:				
Equipment	565,362	54,595	8,744	611,213
Total accumulated depreciation	<u>565,362</u>	<u>54,595</u>	<u>8,744</u>	<u>611,213</u>
Total capital assets being depreciated, net	<u>417,259</u>	<u>(33,355)</u>	<u>2,706</u>	<u>381,198</u>
Business-type activities capital assets, net	<u>\$ 417,259</u>	<u>(33,355)</u>	<u>2,706</u>	<u>381,198</u>

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

Governmental activities:		
Instruction	\$ 1,113,892	
Instructional student support	453,713	
Administrative and financial support services	54,404	
Operation and maintenance of plant service	192,534	
Student activities	30,359	
Unallocated	6,250	
Total depreciation expense - governmental activities	<u>\$ 1,851,152</u>	
Business-type activities:		
Food Service	\$ 54,595	
Total depreciation expense - business-type activities	<u>\$ 54,595</u>	

E. LONG TERM DEBT - GOVERNMENTAL

1. During the year ended June 30, 2009, governmental long term debt changed as follows:

	<u>General Oblig. Bonds</u>	<u>Comp. Absences Payable</u>	<u>Other Post Employment Benefits</u>	<u>Total Long-Term Debt</u>
Beginning of year	\$ 41,730,015	868,700	--	42,598,715
Borrowings	20,730,000	--	--	20,730,000
Principal retirement	(22,205,000)	--	--	(22,205,000)
Deferred refunding loss	7,250	--	--	7,250
Increase (decrease) in	<u>--</u>	<u>(27,613)</u>	<u>87,647</u>	<u>60,034</u>
End of year	<u>\$ 40,262,265</u>	<u>841,087</u>	<u>87,647</u>	<u>41,190,999</u>

2. The aggregate debt service requirements for all general obligation long term debt borrowings are as follows:

<u>For fiscal year ending June 30,</u>	<u>Principal Maturities</u>	<u>Interest</u>	<u>Total Debt Service</u>
2010	\$ 1,955,000	1,365,771	3,320,771
2011	2,195,000	1,321,379	3,516,379
2012	2,280,000	1,280,174	3,560,174
2013	2,380,000	1,235,071	3,615,071
2014	2,455,000	1,165,821	3,620,821
2015-2019	13,410,000	4,988,128	18,398,128
2020-2024	15,310,000	6,347,889	21,657,889
2024-2025	<u>370,000</u>	<u>8,602</u>	<u>378,602</u>
	<u>\$ 40,355,000</u>	<u>17,712,835</u>	<u>58,067,835</u>

**NORTHERN YORK COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
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3. Scheduled future principal maturities of General Obligation Bonds at June 30, 2009, are as follows:
- a. General Obligation Bonds, Series of 2009 due serially on November 15, with interest payable semi-annually and principal maturities as follows:

<u>Date of Maturity</u>	<u>Interest Rates</u>	<u>Amount</u>
November 15, 2009	2.000	\$ 1,630,000
2010	2.000	1,855,000
2011	2.000	1,345,000
2012	2.000	770,000
2013	2.250	685,000
2014	2.500	695,000
2015	2.750	715,000
2016	3.000	740,000
2017	3.250	760,000
2018	3.500	790,000
2019	3.500	<u>815,000</u>
Total		\$ <u>10,800,000</u>

- b. General Obligation Bonds, Series of 2008 due serially on November 15, with interest payable semi-annually and principal maturities as follows:

<u>Date of Maturity</u>	<u>Interest Rates</u>	<u>Amount</u>
November 15, 2009	2.200	\$ 55,000
2010	2.200	55,000
2011	3.000	635,000
2012	3.000	1,290,000
2013	3.250	1,335,000
2014	3.100	1,375,000
2015	3.250	1,420,000
2016	3.400	1,470,000
2017	3.550	1,520,000
2018	3.650	<u>770,000</u>
Total		\$ <u>9,925,000</u>

NORTHERN YORK COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
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- c. General Obligation Bonds, Series of 2006 due serially on November 15, with interest payable semi-annually and principal maturities as follows:

<u>Date of Maturity</u>	<u>Interest Rates</u>	<u>Amount</u>
November 15, 2009	3.750	\$ 5,000
2010	3.750	5,000
2011	3.600	15,000
2012	3.625	30,000
2013	3.625	30,000
2014	3.750	30,000
2015	3.750	35,000
2016	3.800	40,000
2017	4.000	40,000
2018	4.000	410,000
2019	4.000	420,000
2020	4.000	440,000
2021	4.000	460,000
2022	4.125	480,000
2023	4.150	<u>2,830,000</u>
Total		\$ <u>5,270,000</u>

- d. General Obligation Bonds, Series of 2005 due serially on November 15, with interest payable semi-annually and principal maturities as follows:

<u>Date of Maturity</u>	<u>Interest Rates</u>	<u>Amount</u>
November 15, 2009	2.900	\$ 60,000
2010	3.000	65,000
2011	3.050	65,000
2012	3.200	65,000
2013	3.350	170,000
2014	3.450	180,000
2015	3.550	180,000
2016	3.650	185,000
2017	3.750	195,000
2018	3.900	540,000
2019	4.000	1,320,000
2020	4.050	2,215,000
2021	4.100	2,305,000
2022	4.200	<u>2,400,000</u>
Total		\$ <u>9,945,000</u>

**NORTHERN YORK COUNTY SCHOOL DISTRICT
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- e. General Obligation Bonds, Series of 2004A, due serially on August 15, with interest payable semi-annually and principal maturities as follows:

<u>Date of Maturity</u>	<u>Interest Rates</u>	<u>Amount</u>
August 15, 2009	3.000	\$ 205,000
2010	3.000	215,000
2011	3.200	220,000
2012	3.300	225,000
2013	3.500	235,000
2014	3.650	245,000
2015	3.750	255,000
2016	4.000	260,000
2017	4.000	275,000
2018	4.100	285,000
2019	4.200	295,000
2020	4.300	310,000
2021	4.400	325,000
2022	4.500	340,000
2023	4.600	355,000
2024	4.650	<u>370,000</u>
Total		<u>\$ 4,415,000</u>

F. OPERATING LEASE COMMITMENTS

During the year ended June 30, 2009 the School District leased four copiers. Lease payments for the year ended June 30, 2009 totaled \$25,936. As of June 30, 2009 these lease agreements had not reached maturity. The following is a schedule by years of future lease rentals under this lease at June 30, 2009:

Year Ending June 30:	
2010	25,936
2011	<u>6,484</u>
Total	<u>\$ 32,420</u>

G. EMPLOYEE RETIREMENT SYSTEM

The Northern York County School District contributes to the Public School Employees Retirement System (PSERS), a governmental cost sharing multiple-employer defined benefit pension plan. PSERS provides retirement and disability benefits including legislative mandated ad hoc cost-of-living adjustments, healthcare insurance premium assistance to qualifying annuitants, Plan members and beneficiaries according to the Public School Employees' Retirement Code (Act No. 96 of October 2, 1975, as amended) (24 PA C.S. 8101-8535). PSERS issues a comprehensive annual financial report that includes financial statements and required supplementary information for the Plan. A copy of the report may be obtained by writing to: Diane J. Wert, Office of Financial Management, PSERS, P. O. Box 125, Harrisburg, PA 17108-0125. The report is also available in the publication section of the PSERS site on the Internet.

**NORTHERN YORK COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

The contribution policy is established in the Public School Employees' Retirement Code and requires contributions by active members, employers, and the Commonwealth of Pennsylvania. Active members who joined the system prior to July 22, 1983, contribute at 5.25% (membership class TC) or at 6.50% (membership class TD) of the member's qualifying compensation. Members who joined the system on or after July 22, 1983 and who were active or inactive as of July 1, 2001, contribute at 6.25% (membership class TC) or at 7.50% (membership class TD) of the member's qualifying compensation. Members who joined the system after June 30, 2001 contribute at 7.50% (automatic membership class TD). For all new hires and for members who elected class TD membership, the higher contribution rates began with service rendered on or after January 1, 2002. The School District is required to contribute based upon an actuarial valuation. For the year ended June 30, 2009, the rate of employer contribution was 4.76% of covered payroll. The 4.76% rate is composed of a pension contribution rate of 4.00% for pension benefits and .76% for healthcare insurance premium assistance. The School District is reimbursed by the Commonwealth for one half of the total amount contributed or 2.38%. The School District's contributions to PSERS for the years ended June 30, 2009, 2008 and 2007 were \$793,049, \$1,116,743 and \$945,230 respectively, which were equal to the required contribution for those years.

H. PROPERTY TAX CALENDAR

Real estate taxes are assessed on July 15, of each year and become due and payable on that date. Taxpayers are given a two percent discount if they pay their taxes by September 15. All taxes levied on July 15, become delinquent on November 15, and are charged a ten percent penalty. Taxpayers may elect to pay at the face amount three equal instruments due August 15, October 15 and December 15. By January 15, of the following year, all delinquent taxpayers are turned over for collection to the County Tax Claims Bureau. Uncollected real estate taxes attach as an enforceable lien on property when recorded by the Tax Claims Bureau in January.

I. POSTEMPLOYMENT BENEFITS

Effective July 1, 2008, the School District adopted GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*.

Plan Description – The School District provides continuation of medical, and dental benefits, including prescription drug coverage, to eligible retired employees and qualified spouses/beneficiaries until the retired employee reaches Medicare age. In order to obtain coverage, retired employees must provide payment for 50% to 100% of the premium cost determined for the purpose of COBRA, depending on the employee group and length of service.

The School District pays 50% of the premiums for medical, dental, and prescription drug benefits for eligible retirees in the administrators employee group. To be eligible for the this group the retiree would have to be a retired administrator with 15 years of continuous service with the School District, 30 years of service with PSERS, and be eligible for retirement with PSERS. There are currently 20 participants in this employee group, 17 active participants and 3 retired participants.

Retired employees in the teacher and support staff groups pay 100% of their premiums for medical, dental, and prescription drug benefits under the School District's postemployment benefit plan. All employees are eligible for this benefit upon retirement with 30 years of PSERS service or upon superannuation retirement (age 60 with 30 years of service, age 62 with 1 year of service, or 35 years of service regardless of age). There are currently 269 participants in the teacher employee group, 242 active participants and 27 retired participants, and there are currently 114 participants in the support staff employee group, 109 active participants and 5 retired participants.

The School District's postemployment benefits are administered by School District personnel. The plan does not issue a separate stand-alone financial statement.

Funding Policy – The School District contributes up to 50% of the cost of current-year premiums for eligible retired Plan members and qualified spouses/beneficiaries. The School District funds Other Post Employment Benefits (OPEB) on a pay-as-you-go basis, and there is no obligation to make contributions in advance of when the insurance premiums are due for payment.

**NORTHERN YORK COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

Annual OPEB Cost and Net OPEB Obligation - For the year ended June 30, 2009, the School District has estimated the cost (annual expense) of providing retiree medical, dental, and prescription drug benefits through an actuarial valuation as of January 1, 2008. In accordance with GASB Statement No. 45, the valuation computes an annual required contribution, which represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period of thirty years. This valuation's computed contribution and actual funding are summarized as follows:

	<u>Amount</u>
Annual required contribution	\$177,068
Less adjustment to the annual required contribution	--
Annual OPEB cost	177,068
Amounts contributed:	
Payments of current premiums	(89,421)
Increase in net OPEB obligation	87,647
OPEB obligation - beginning of year	--
OPEB obligation - end of year	\$ 87,647

The annual OPEB cost, the percentage contributed to the plan, and the net OPEB obligation for the current year are as follows:

	<u>Amount</u>
For Fiscal Year Ended June 30, 2009:	
Annual OPEB cost	\$177,068
Percentage contributed	51%
Net OPEB obligation	\$ 87,647

Funding Status and Funding Progress - As of June 30, 2009, the actuarial accrued liability for benefits was \$1,447,190 for active participants and \$1,076,152 for retired participants for a total of \$371,038, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$14,800,648 and the ratio of the unfunded actuarial accrued liability to the covered payroll was 9.78%.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial methods and assumptions - Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the health care cost trend. Amounts are determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

**NORTHERN YORK COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

In the January 1, 2008 actuarial valuation, the Entry Age Normal cost method was used. The actuarial assumptions include an annual health care cost trend rate of 9% initially, reduced by decrements to an ultimate rate of 5% after eight years. Both rates included a 4.5% inflation assumption. The Unfunded Actuarial Accrued Liability is being amortized over 30 years as a level percentage of projected payroll on an open basis, with 29 years remaining.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the School District provides healthcare benefits to eligible former employees and their dependents. Requirements are outlined by the federal government for this coverage. The premium is paid in full by the eligible participant. This program is offered for a duration of up to 18 months after an employees' termination date. At June 30, 2009, there were 5 participants covered under COBRA.

J. CONSTRUCTION COMMITMENTS AND RESERVE FOR ENCUMBRANCES

Capital Reserve Fund

At June 30, 2008, the School District had entered into contract commitments with McClure Company, Inc. for work related to the Sports and Learning Center Renovations in the amount of \$1,649,852. As of June 30, 2009 \$21,522 is reflected as a reserve for encumbrances within the Capital Reserve fund balance.

K. CONTINGENT LIABILITIES AND RECOVERIES

1. The School District is subject to real estate tax assessment appeals on an ongoing basis. If tax appeals are successful, the result is a loss of tax revenue to the School District. It is anticipated that any material loss of tax revenue on individual tax appeals will be offset with additional revenues from other properties or other sources of revenue and would not create a financial hardship to the School District.
2. The School District is involved in various lawsuits in the normal course of operations. Management cannot predict the outcome of the lawsuits or estimate the amount of any loss that may result. Accordingly, no provision for any contingent liabilities that may result have been made in the financial statements. Management believes that losses resulting from these matters, if any, would be covered under the District's professional liability insurance policy and would not have a material effect on the financial position of the School District.
3. The School District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the School District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable at June 30, 2009 may be impaired. In the opinion of the School District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.
4. The School District provides health and welfare benefits for its employees as a member of the Lincoln Benefits Trust. The Trust is composed of the Lincoln Intermediate Unit and other Pennsylvania school districts under an amended agreement dated October 28, 1998. Each participating employer is responsible for making sufficient contributions to the trust to fund its plan on an actuarially sound basis and annual contributions are determined accordingly. An employer may withdraw from the Trust at the end of any year with sixty days notice to the Trust. Upon withdrawal, the employers account balance, if positive, is retained by the Trust. Any negative account balance is payable to the Trust. The school district has a positive balance at June 30, 2009.

**NORTHERN YORK COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

L. INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

Interfund balances at June 30, 2009 are as follows:

Interfund receivables and payables are the result of transfers due from the general fund to the indicated funds and amounts due to the general fund for proprietary fund salaries and benefits paid out of the general fund.

	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ 192,492	25,680
Non-major Governmental Funds		
Capital Reserve Fund	24,633	--
Proprietary Fund (Food Service)	--	<u>191,445</u>
Total interfund receivables and payables	<u>\$ 217,125</u>	<u>217,125</u>

Transfers reflect reimbursements of expenses paid by the indicated fund on behalf of the other fund.

	<u>Transfers to Other Funds</u>	<u>Transfer from Other Funds</u>
Interfund transfers:		
General Fund	\$ 5,493,487	--
Non-major Governmental Funds		
Capital Reserve Fund	--	1,926,019
2002 Construction Fund	781	321,404
Debt Service Funds	5,773	3,178,666
Proprietary Fund:		
Food Service	--	<u>73,952</u>
Total interfund transfers	<u>\$ 5,500,041</u>	<u>5,500,041</u>

M. REQUIRED INDIVIDUAL FUND DISCLOSURES

The following funds had functions which had an excess of expenditures over appropriations for the year ended June 30, 2009:

<u>Fund</u>	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Excess of Actual over Budgeted Expenditures</u>
General Fund			
Instruction			
Other instructional programs	\$ 425,407	430,697	5,290
Support services			
Administration	2,260,084	2,260,503	419
Pupil health	395,829	397,203	1,374
Operation of noninstructional services			
student activities	987,971	1,040,789	52,818
Refund of prior years' receipts	--	68,420	68,420

Funds sufficient to provide for the excess expenditures were made available from other functions within the fund including the General Fund's budgeted fund balance.

WAGGONER, FRUTIGER & DAUB, LLP

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Independent Auditor's Report on Supplementary Information

Board of Directors
Northern York County School District
Dillsburg, Pennsylvania

Our report on our audit of the general purpose financial statements of Northern York County School District for the year ended June 30, 2009 appears on page 1. Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The postemployment benefit plan - required supplemental information on page 31 is not a required part of the basic financial statements of Northern York County School District, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplemental information; however, we did not audit the information and express no opinion on it. The combining and individual fund and account group financial statements and schedules listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of Northern York County School District. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements for the year ended June 30, 2009 and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

A handwritten signature in black ink, appearing to read 'Waggoner Frutiger & Daub'.

December 23, 2009

**NORTHERN YORK COUNTY SCHOOL DISTRICT
POSTEMPLOYMENT BENEFITS PLAN
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2009**

SCHEDULES OF FUNDING PROGRESS

	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
Administrators	1/1/2008	--	177,334	177,334	0.00%	1,308,644	13.55%
Staff support	1/1/2008	--	183,136	183,136	0.00%	2,116,083	8.65%
Teachers	1/1/2008	--	1,086,720	1,086,720	0.00%	11,375,921	9.55%
Total	1/1/2008	--	1,447,190	1,447,190	0.00%	14,800,648	9.78%

SCHEDULES OF EMPLOYER CONTRIBUTIONS

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2009	\$ 177,068	51%

See auditor's report on supplementary information.

**NORTHERN YORK COUNTY SCHOOL DISTRICT
COMBINING BALANCE SHEET - ALL NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2009**

	Debt Service Funds	<u>Totals</u>	
		2009	Summarized 2008
ASSETS			
Cash and cash equivalents	\$ 9,805	9,805	177,034
Due from other funds	--	--	25,599
Total assets	<u>\$ 9,805</u>	<u>9,805</u>	<u>202,633</u>
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Contracts payable	\$ --	--	470,615
Total liabilities	<u>--</u>	<u>--</u>	<u>470,615</u>
FUND BALANCE			
Reserve for encumbrances	--	--	1,649,852
Specific fund balance reserves	9,805	9,805	(1,917,834)
Total fund balance	<u>9,805</u>	<u>9,805</u>	<u>(267,982)</u>
Total liabilities and fund balance	<u>\$ 9,805</u>	<u>9,805</u>	<u>202,633</u>

See auditor's report on supplementary information.

NORTHERN YORK COUNTY SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL DEBT SERVICE FUNDS
JUNE 30, 2009

	Totals	
	2009	Summarized 2008
ASSETS		
Cash and cash equivalents	\$ 9,805	--
Total assets	\$ 9,805	--
 LIABILITIES AND FUND BALANCE		
LIABILITIES		
	\$ --	--
FUND BALANCE		
Specific fund balance reserves	9,805	--
Total liabilities and fund balance	\$ 9,805	--

See auditor's report on supplementary information.

**NORTHERN YORK COUNTY SCHOOL DISTRICT
COMBINING STATEMENT OF NET ASSETS
PRIVATE PURPOSE TRUST FUNDS
JUNE 30, 2009**

	William Potter Scholarship & Childrens' Assistance	Ronald Detter Scholarship Fund	Joan E. Maljevac Progress Award	Patricia Heatwole Scholarship Fund	Northern High School Scholarship Fund	Theodore Laukmann Trust
\$	269,889	9,066	877	15,448	7,380	1,000
\$	269,889	9,066	877	15,448	7,380	1,000

ASSETS

Cash and cash equivalents
Total assets

LIABILITIES AND NET ASSETS

LIABILITIES

\$ -- -- -- -- -- --

NET ASSETS

Restricted
Total liabilities and net assets

\$	269,889	9,066	877	15,448	7,380	1,000
\$	269,889	9,066	877	15,448	7,380	1,000

	Wellsville Elementary Scholarship Fund	Ellery Crone Scholarship Fund	Future Teachers Scholarship Fund	Adams Electric Coop Scholarship Fund	Totals Summarized 2008 2009
\$	6,899	184	1,132	500	312,375
\$	6,899	184	1,132	500	312,375

ASSETS

Cash and cash equivalents
Total assets

LIABILITIES AND NET ASSETS

LIABILITIES

\$ -- -- -- -- -- --

NET ASSETS

Restricted
Total liabilities and net assets

\$	6,899	184	1,132	500	312,375
\$	6,899	184	1,132	500	312,375

See auditor's report on supplementary information.

**NORTHERN YORK COUNTY SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2009**

	Capital Project Funds		Totals	
	2002 Construction Fund	Debt Service Funds	2009	Summarized 2008
REVENUES				
Local sources	\$ 781	13,579	14,360	9,738
Total revenues	781	13,579	14,360	9,738
EXPENDITURES				
Support services	--	180,484	180,484	160,628
Facilities acquisition, construction and improvement services	--	--	--	456,211
Debt service	--	3,548,945	3,548,945	3,417,401
Total expenditures	--	3,729,429	3,729,429	4,034,240
Excess of revenues over (under) expenditures	781	(3,715,850)	(3,715,069)	(4,024,502)
OTHER FINANCING SOURCES (USES)				
Net proceeds from sale of bonds	--	20,745,907	20,745,907	--
Interfund transfers in	321,404	3,178,666	3,500,070	3,599,133
Interfund transfers out	(781)	(5,773)	(6,554)	(321,143)
Refunding of G.O. Bonds	--	(20,193,145)	(20,193,145)	--
Total other financing sources (uses)	320,623	3,725,655	4,046,278	3,277,990
Change in fund balance	321,404	9,805	331,209	(746,512)
FUND BALANCE, BEGINNING OF YEAR	(321,404)	--	(321,404)	478,530
FUND BALANCE, END OF YEAR	\$ --	9,805	9,805	(267,982)

See auditor's report on supplementary information.

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
ALL DEBT SERVICE FUNDS
YEAR ENDED JUNE 30, 2009**

	G.O. Bonds Series of 2009	G.O. Bonds Series of 2008	G.O. Bonds Series of 2006	G.O. Bonds Series of 2005	G.O. Bonds Series of 2004A	G.O. Bonds Series of 2004	G.O. Bonds Series of 2003A	G.O. Bonds Series of 2003	G.O. Bonds Series of 2001	Totals	
										2009	Summarized 2008
REVENUES											
Interest earned	\$ 4,461	9,118	--	--	--	--	--	--	--	13,579	--
EXPENDITURES											
Support services	65,340	115,144	--	--	--	--	--	--	--	180,484	--
Debt service	--	5,000	5,000	45,000	200,000	560,000	385,000	560,000	395,000	2,155,000	1,815,000
Principal	--	216,270	215,186	399,604	178,735	263,390	39,868	63,295	17,597	1,393,945	1,602,401
Interest											
Total expenditures	65,340	336,414	220,186	444,604	378,735	823,390	424,868	623,295	412,597	3,729,429	3,417,401
Excess of revenues over (under) expenditures	(60,879)	(327,296)	(220,186)	(444,604)	(378,735)	(823,390)	(424,868)	(623,295)	(412,597)	(3,715,850)	(3,417,401)
OTHER FINANCING SOURCES (USES)											
Proceeds from sale of bonds:											
Face	10,800,000	9,930,000	--	--	--	--	--	--	--	20,730,000	--
Bond premium (discount)	(28,267)	44,174	--	--	--	--	--	--	--	15,907	--
Net proceeds from sale of bonds	10,771,733	9,974,174	--	--	--	--	--	--	--	20,745,907	--
Transfers from General Fund	--	221,270	220,186	444,604	378,735	823,390	424,868	623,295	42,318	3,178,666	3,417,401
Transfer to/(from) Bond Fund	(10,701,049)	(9,862,375)	--	--	--	7,439,250	6,744,101	6,009,794	370,279	--	--
Transfers to General Fund	--	(5,773)	--	--	--	--	--	--	--	(5,773)	(10)
Refunding of G.O. Bonds	--	--	--	--	--	(7,439,250)	(6,744,101)	(6,009,794)	--	(20,193,145)	--
Total other financing sources (uses)	70,684	327,296	220,186	444,604	378,735	823,390	424,868	623,295	412,597	3,725,655	3,417,391
Change in fund balance	9,805	--	--	--	--	--	--	--	--	9,805	(10)
FUND BALANCE, BEGINNING OF YEAR	--	--	--	--	--	--	--	--	--	--	10
FUND BALANCE, END OF YEAR	\$ 9,805	--	--	--	--	--	--	--	--	9,805	--

See auditor's report on supplementary information.

**NORTHERN YORK COUNTY SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN NET ASSETS
PRIVATE PURPOSE TRUST FUNDS
YEAR ENDED JUNE 30, 2009**

	William Potter Scholarship & Childrens' Assistance	Ronald Detter Scholarship Fund	Joan E. Maljevac Progress Award	Patricia Heatwole Scholarship Fund	Northern High School Scholarship Fund	Theodore Laukman Trust	Wellsville Elementary Scholarship Fund
\$	--	20	--	360	520	--	637
	2,540	119	14	206	107	--	93
	2,540	139	14	566	627	--	730
	8,750	--	250	500	1,575	--	632
	--	--	--	--	--	--	--
	8,750	--	250	500	1,575	--	632
	(6,210)	139	(236)	66	(948)	--	98
	276,099	8,927	1,113	15,382	8,328	1,000	6,801
\$	269,889	9,066	877	15,448	7,380	1,000	6,899

ADDITIONS

Donations
Interest

Total additions

DEDUCTIONS

Scholarships
Other expense

Total deductions

Change in net assets

NET ASSETS, BEGINNING OF YEAR
NET ASSETS, END OF YEAR

	Adams				Totals
	Eichelberger Scholarship Fund	Ellery Crone Scholarship	Future Teachers Scholarship	Electric Coop Scholarship	
\$	5,020	990	1,000	500	9,047
	--	7	19	--	3,105
	5,020	997	1,019	500	12,152
	5,020	1,000	2,000	--	19,727
	--	--	--	--	--
	5,020	1,000	2,000	--	19,727
	--	(3)	(981)	500	(7,575)
	--	187	2,113	--	319,950
\$	--	184	1,132	500	312,375
					319,950

ADDITIONS

Donations
Interest

Total additions

DEDUCTIONS

Scholarships
Other expense

Total deductions

Change in net assets

NET ASSETS, BEGINNING OF YEAR
NET ASSETS, END OF YEAR

See auditor's report on supplementary information.

**NORTHERN YORK COUNTY SCHOOL DISTRICT
STATEMENT OF CHANGES IN LONG TERM DEBT
YEAR ENDED JUNE 30, 2009**

	Balance July 1, 2008	Borrowings and Accretion	Increase (Decrease)	Note Payments and Bonds Redeemed	Bonds Refunded	Balance June 30, 2009
GENERAL OBLIGATION BONDS						
Series of 2001, maturing serially through 2022, rates range from 4.05% to 4.65%	\$ 395,000	--	--	395,000	--	--
Series of 2003, maturing serially through 2017, rates range from 2.5% to 4.2%	6,510,000	--	--	560,000	5,950,000	--
Series of 2003A, maturing serially through 2018, rates range from 2.6% to 4.25%	7,050,000	--	--	385,000	6,665,000	--
Series of 2004, maturing serially through 2019, rates range from 3.0% to 4.00%	7,995,000	--	--	560,000	7,435,000	--
Series of 2004A, maturing serially through 2024, rates range from 3% to 4.65%	4,615,000	--	--	200,000	--	4,415,000
Series of 2005, maturing serially through 2023, rates range from 2.90% to 4.2%	9,990,000	--	--	45,000	--	9,945,000
Series of 2006, maturing serially through 2024, rates range from 3.75% to 4.15%	5,275,000	--	--	5,000	--	5,270,000
Series of 2008, maturing serially through 2018, rates range from 2.20% to 3.65%	--	9,930,000	--	5,000	--	9,925,000
Series of 2009, maturing serially through 2019, rates range from 2.00% to 3.50%	--	10,800,000	--	--	--	10,800,000
Total general obligation bonds	41,830,000	20,730,000	--	2,155,000	20,050,000	40,355,000
Less deferred refunding loss (additional funds escrowed to pay future interest on defeased bonds)	(99,985)	--	7,250	--	--	(92,735)
Net general obligation bonds	41,730,015	20,730,000	7,250	2,155,000	20,050,000	40,262,265
COMPENSATED ABSENCES PAYABLE						
Accumulated vested vacation pay - payable in future years (note A.12)	265,004	--	(167,123)	--	--	97,881
Accumulated vested sick pay - payable in future years (note A.12)	576,312	--	(11,474)	--	--	564,838
Accumulated vested personal pay - payable in future years (note A.12)	27,384	--	150,984	--	--	178,368
Total compensated absences payable	868,700	--	(27,613)	--	--	841,087
OTHER POSTEMPLOYMENT BENEFITS PAYABLE						
Total long term debt	\$ 42,598,715	20,730,000	67,284	2,155,000	20,050,000	41,190,999

See auditor's report on supplementary information.

**NORTHERN YORK COUNTY SCHOOL DISTRICT
SCHEDULES OF REVENUES AND OTHER FINANCING SOURCES
GENERAL FUND
YEARS ENDED JUNE 30, 2009 AND 2008**

REVENUES FROM LOCAL SOURCES	<u>2009</u>	<u>2008</u>
Real estate taxes	\$ 17,199,104	17,403,155
Public utility realty taxes	28,722	30,399
Payments received in lieu of taxes	3,005	3,005
Per capita, Section 679	64,642	63,855
Per capita, Act 511	64,642	63,855
Earned income tax	4,006,820	3,734,886
Real estate transfer tax	401,860	452,900
Amusement tax	11,636	11,636
Delinquent taxes - all levies	881,688	856,136
Interest	293,986	383,874
Athletic admissions	41,323	43,660
Fees from students	5,495	4,436
Other student activity	67,268	62,230
Intermediate sources	512,232	483,089
Rent and use of school facilities	31,699	32,510
Contributions from private sources	23,550	18,500
Tuition	62,127	62,455
Other revenue	26,788	18,035
Total revenues from local sources	<u>23,726,587</u>	<u>23,728,616</u>
REVENUES FROM STATE SOURCES		
Basic instructional subsidy	6,924,096	6,665,829
Tuition	71,239	54,851
State Block Grant	114,171	79,242
Classrooms for the Future	67,370	369,576
Homebound instruction	576	237
Vocational education	36,247	24,286
Alternative education	20,012	19,386
Driver education	7,245	7,365
Migratory Children	--	80
Special education of exceptional pupils	1,519,979	1,491,604
Other program subsidies	1,247	3,295
Transportation	1,210,323	1,080,388
Rental reimbursement	498,994	688,360
Health services	57,513	57,733
State property tax reduction allocation	722,039	--
Dual enrollment grant	9,015	12,301
PA accountability grant	388,030	393,141
Social security subsidy	611,067	583,883
Retirement subsidy	364,093	542,589
Total revenues from state sources	<u>12,623,256</u>	<u>12,074,146</u>

See auditor's report on supplementary information.

**NORTHERN YORK COUNTY SCHOOL DISTRICT
SCHEDULES OF REVENUES AND OTHER FINANCING SOURCES
GENERAL FUND
YEARS ENDED JUNE 30, 2009 AND 2008**

REVENUES FROM FEDERAL SOURCES	<u>2009</u>	<u>2008</u>
Title I	342,625	387,269
Title II	78,642	83,223
Title V	--	3,051
Access	--	15,571
Total revenues from federal sources	<u>421,267</u>	<u>489,114</u>
 OTHER FINANCING SOURCES		
Transfer from Capital Project Funds	--	315,000
Transfer from Debt Service Funds	--	10
Sale of fixed assets	3,297	2,262
Total other financing sources	<u>3,297</u>	<u>317,272</u>
 Total revenues and other financing sources	 <u>\$ 36,774,407</u>	 <u>36,609,148</u>

See auditor's report on supplementary information.

**NORTHERN YORK COUNTY SCHOOL DISTRICT
SCHEDULES OF EXPENDITURES AND OTHER FINANCING USES
GENERAL FUND
YEARS ENDED JUNE 30, 2009 AND 2008**

INSTRUCTION

REGULAR PROGRAMS	<u>2009</u>	<u>2008</u>
Salaries - teachers	\$ 9,392,272	9,033,658
Salaries - instructional assistance	304,513	306,520
Health insurance	2,320,221	2,321,874
Life insurance	14,779	15,273
Social security	733,642	707,938
Retirement	458,795	640,791
Tuition reimbursement (teachers)	165,443	144,617
Unemployment compensation	13	4,285
Worker's compensation	35,204	34,265
Other postemployment benefits	69,638	--
Contracted services	59,304	54,569
Repairs and maintenance	27,410	13,834
Equipment rentals	68,523	57,730
Printing and binding	761	--
Tuition to other schools	464,818	381,741
Travel	4,539	3,533
Teaching supplies	268,274	273,936
Textbooks	315,790	212,794
Instructional equipment	237,206	480,379
Other expenses	13,843	16,607
Total regular programs	<u>14,954,988</u>	<u>14,704,344</u>
SPECIAL PROGRAMS		
Salaries - teachers	1,452,259	1,289,044
Salaries - teachers aides	22,033	20,929
Salaries - instructional assistance	420,848	415,786
Health insurance	586,880	558,889
Life insurance	3,194	3,069
Other insurance	301	264
Social security	143,338	130,714
Retirement	88,977	122,710
Tuition reimbursement	25,346	14,769
Worker's compensation	5,860	6,313
Contracted services	792,713	628,228
Technical services	1,550	1,050
Repairs and maintenance	3,008	3,906
Printing and binding	--	160
Tuition to other schools	45,931	40,168
Travel	4,943	5,314
Intermediate unit services	207,665	245,163
Teaching supplies	20,622	32,666
Textbooks	19,487	28,134
Instructional equipment	58,980	31,966
Other expenses	2,609	488
Total special programs	<u>3,906,544</u>	<u>3,579,730</u>

See auditor's report on supplementary information.

**NORTHERN YORK COUNTY SCHOOL DISTRICT
SCHEDULES OF EXPENDITURES AND OTHER FINANCING USES
GENERAL FUND
YEARS ENDED JUNE 30, 2009 AND 2008**

VOCATIONAL EDUCATION PROGRAMS	2009	2008
Salaries - teachers, agricultural education	162,057	154,419
Health insurance	30,168	36,562
Life insurance	184	194
Social security	12,302	11,706
Retirement	7,716	11,010
Worker's compensation	554	578
Travel	531	790
Teaching supplies	6,154	8,478
Textbooks	4,829	3,104
Equipment	--	10
Other expenses	1,457	781
Cumberland-Perry Vo-Tech School - operations	318,622	306,310
Total vocational education programs	544,574	533,942
 OTHER INSTRUCTIONAL PROGRAMS		
Salaries - teachers, driver education	121,626	119,300
Salaries - teachers, summer school	7,052	7,115
Salaries - teachers, homebound instruction	6,369	9,442
Salaries - teachers, alternative education	114,321	103,121
Health insurance	84,713	82,057
Life insurance	366	377
Social security	18,308	18,069
Retirement	11,549	17,037
Worker's compensation	712	890
Contracted services	600	3,927
Vehicle maintenance	2,190	1,878
Automotive liability insurance	855	822
Private tuition	20,675	34,639
Tuition - dual enrollment	9,015	12,301
Travel	1,274	1,529
Gasoline	3,149	2,248
Teaching supplies	5,110	1,592
Title I/II/Non-PUB	22,653	12,462
Instructional equipment	160	730
Total other instructional programs	430,697	429,536
 ADULT EDUCATION PROGRAMS		
Contracted services	--	7,000
Total adult education programs	--	7,000
Total instruction	\$ 19,836,803	19,254,552

See auditor's report on supplementary information.

**NORTHERN YORK COUNTY SCHOOL DISTRICT
SCHEDULES OF EXPENDITURES AND OTHER FINANCING USES
GENERAL FUND
YEARS ENDED JUNE 30, 2009 AND 2008**

SUPPORT SERVICES

PUPIL PERSONNEL	<u>2009</u>	<u>2008</u>
Salaries - guidance	\$ 578,830	570,393
Salaries - clerical	125,365	112,693
Health insurance	173,969	171,946
Life insurance	1,105	1,117
Social security	53,375	51,821
Retirement	32,612	47,343
Tuition reimbursement	5,500	--
Worker's compensation	2,135	2,526
Contracted services	66,443	59,403
Rental of equipment	777	893
Communications	4,638	4,583
Travel	1,793	2,171
Materials and supplies	19,966	14,306
Textbooks	623	918
Other expenses	455	1,857
Total pupil personnel	<u>1,067,586</u>	<u>1,041,970</u>
 INSTRUCTIONAL STAFF		
Salaries - librarians	231,934	216,602
Salaries - instructional assistance	60,896	45,982
Salaries - professional development services	8,470	9,195
Health insurance	101,904	97,468
Life insurance	415	437
Social security	22,751	20,703
Retirement	14,217	19,510
Tuition reimbursement	4,767	--
Worker's compensation	952	990
Contracted services	21,944	21,743
Contracted technical services	56,217	36,403
Repairs and maintenance	20,329	8,526
Rental of equipment	2,539	57
Internet fees	24,200	23,053
Travel / conferences	6,625	4,728
Audiovisual supplies	4,121	3,333
Computer-assisted supplies	51,030	50,081
Library books and supplies	76,965	88,729
Development supplies	8,608	9,259
Equipment	79,644	159,472
Other expenses	488	1,908
Total instructional staff	<u>799,016</u>	<u>818,179</u>

See auditor's report on supplementary information.

**NORTHERN YORK COUNTY SCHOOL DISTRICT
SCHEDULES OF EXPENDITURES AND OTHER FINANCING USES
GENERAL FUND
YEARS ENDED JUNE 30, 2009 AND 2008**

ADMINISTRATION	2009	2008
Salaries - secretary and treasurer	4,498	7,529
Salaries - tax collection	70,447	70,493
Salaries - superintendent and assistant superintendent	260,899	233,950
Salaries - principals and assistants	712,663	690,049
Salaries - clerical	295,444	310,596
Health insurance	292,519	297,160
Life insurance	3,634	3,695
Other insurance	3,661	3,309
Social security	99,843	97,183
Retirement	57,880	86,624
Tuition reimbursement	9,825	5,133
Worker's compensation	4,863	4,928
Other postemployment benefits	19,783	--
Travel	10,860	5,688
Legal and auditing services	77,413	43,496
Other contracted services	172,327	132,020
Repairs and maintenance	16,698	22,092
Bonding and insurance	35,027	36,459
Communications	17,433	13,768
Board of director's expenses and supplies	32,669	20,470
Tax collection expenses and supplies	6,471	7,332
Administration expenses and supplies	54,693	59,987
Equipment	953	4,366
Total administration	2,260,503	2,156,327
 PUPIL HEALTH		
Salaries - nurses	259,661	239,408
Health insurance	85,073	82,347
Life insurance	473	466
Social security	19,660	18,144
Retirement	11,622	16,481
Worker's compensation	735	830
Contracted services	10,321	12,022
Travel	1,219	742
Materials and supplies	7,220	7,866
Equipment	1,219	246
Total pupil health	397,203	378,552

See auditor's report on supplementary information.

**NORTHERN YORK COUNTY SCHOOL DISTRICT
SCHEDULES OF EXPENDITURES AND OTHER FINANCING USES
GENERAL FUND
YEARS ENDED JUNE 30, 2009 AND 2008**

BUSINESS	<u>2009</u>	<u>2008</u>
Salaries - supervision	85,200	81,500
Salaries - clerical	167,454	172,493
Health insurance	78,336	75,674
Life insurance	727	727
Other insurance	335	298
Social security	19,187	19,312
Retirement	11,993	17,944
Unemployment compensation	5,544	3,486
Worker's compensation	1,200	2,426
Contracted services	35,049	22,733
Bonding insurance	1,408	210
Travel	525	884
Materials and supplies	30,216	17,884
Equipment	300	4,185
Other expenses	8,263	5,255
Total business	<u>445,737</u>	<u>425,011</u>
 OPERATION AND MAINTENANCE OF PLANT SERVICES		
Salaries - supervision	56,500	52,756
Salaries - other	962,370	928,490
Health insurance	356,303	364,099
Life insurance	2,729	2,700
Other insurance	232	205
Social security	77,221	74,941
Retirement	46,313	67,007
Unemployment compensation	3,589	2,955
Worker's compensation	5,062	12,789
Contracted services	25,534	36,407
Refuse, cleaning and grounds maintenance	59,409	52,743
Utilities	916,979	943,651
Repairs and maintenance	305,497	295,232
Construction services	4,232	1,998
Insurance	90,114	89,316
Communications	62,469	45,708
Printing and binding	--	194
Travel	165	896
Operational supplies	209,899	103,599
Fuel	196,953	170,373
Equipment	33,280	44,139
Other	1,528	1,646
Total operation and maintenance of plant services	<u>3,416,378</u>	<u>3,291,844</u>

See auditor's report on supplementary information.

**NORTHERN YORK COUNTY SCHOOL DISTRICT
SCHEDULES OF EXPENDITURES AND OTHER FINANCING USES
GENERAL FUND
YEARS ENDED JUNE 30, 2009 AND 2008**

STUDENT TRANSPORTATION SERVICES	2009	2008
Salaries - clerical	53,342	50,677
Health insurance	5,385	5,195
Life insurance	131	122
Social security	4,085	3,878
Retirement	2,539	3,603
Worker's compensation	143	145
Repairs and maintenance	--	2,400
Contracted carriers	1,836,270	1,720,806
Insurance	2,613	2,607
Advertising and supplies	2,865	1,366
Equipment	5,398	7,350
Other expenses	260	243
Total student transportation services	1,913,031	1,798,392
 CENTRAL		
Salaries	253,166	213,599
Health insurance	60,651	56,574
Life insurance	819	727
Social security	19,193	16,198
Retirement	12,053	15,101
Worker's compensation	716	794
Purchased professional service	7,187	5,860
Travel	2,149	1,867
Materials and supplies	2,668	4,351
Equipment	3,495	--
Other expenses	1,242	2,041
Total central	363,339	317,112
 OTHER SUPPORT SERVICES		
Intermediate unit	27,691	28,641
Total support services	\$ 10,690,484	10,256,028

See auditor's report on supplementary information.

**NORTHERN YORK COUNTY SCHOOL DISTRICT
SCHEDULES OF EXPENDITURES AND OTHER FINANCING USES
GENERAL FUND
YEARS ENDED JUNE 30, 2009 AND 2008**

OPERATION OF NONINSTRUCTIONAL SERVICES

STUDENT ACTIVITIES	2009	2008
Salaries	\$ 524,546	493,147
Health insurance	34,322	32,358
Life insurance	392	376
Other insurance	318	285
Social security	40,174	37,589
Retirement	17,872	25,780
Tuition reimbursement	581	332
Unemployment compensation	481	--
Worker's compensation	1,535	1,386
Professional services	76,573	90,025
Contracted services	118,417	113,039
Insurance	9,052	8,875
Travel	25,168	24,745
Expenses and supplies	188,537	170,209
Equipment	2,490	17,683
Other expenses	331	--
Total student activities	<u>1,040,789</u>	<u>1,015,829</u>
Total operation of noninstructional services	<u>\$ 1,040,789</u>	<u>1,015,829</u>

OTHER EXPENDITURES

Refund of prior years' receipts	\$ <u>68,420</u>	<u>--</u>
Total other expenditures	<u>\$ 68,420</u>	<u>--</u>

OTHER FINANCING USES

FUND TRANSFERS		
Capital Projects Funds	\$ 2,246,642	175,599
Debt Service Funds	3,172,893	3,417,401
Food Service Fund	73,952	24,079
Total fund transfers	<u>5,493,487</u>	<u>3,617,079</u>
Total other financing uses	<u>\$ 5,493,487</u>	<u>3,617,079</u>
Total expenditures and other financing uses	<u>\$ 37,129,983</u>	<u>34,143,488</u>

**NORTHERN YORK COUNTY SCHOOL DISTRICT
SCHEDULES OF REVENUES AND EXPENDITURES
GENERAL FUND**

TEN YEARS ENDED JUNE 30, 2009

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
REVENUES										
Local sources	\$ 23,726,587	23,728,616	22,653,873	21,451,666	19,611,811	17,448,002	15,919,789	14,945,998	14,289,565	13,655,199
State sources	12,623,256	12,074,146	11,237,327	10,457,136	10,218,005	9,769,932	9,382,294	9,237,172	8,933,979	8,416,697
Federal sources	421,267	489,114	452,785	433,678	364,580	368,623	168,241	155,680	141,723	140,657
Total revenues	36,771,110	36,291,876	34,343,985	32,342,480	30,194,396	27,586,557	25,470,324	24,338,850	23,365,267	22,212,553
EXPENDITURES										
Instruction	19,836,803	19,254,552	18,153,321	17,169,244	17,151,943	16,105,322	15,033,419	13,509,046	13,218,035	12,536,681
Support services	10,690,484	10,256,028	9,945,426	9,434,129	8,834,783	8,608,793	8,058,553	7,302,959	7,211,476	6,893,012
Operation of noninstructional services	1,040,789	1,015,829	993,819	900,032	866,779	882,640	830,078	710,349	670,505	637,182
Facilities acquisition, construction and improvement services	--	--	38,817	--	--	--	--	26,849	--	9,147
Debt service	--	--	105,517	115,598	121,533	27,750	--	107,235	--	--
Refund of prior years' receipts	68,420	--	20,898	4,125	3,246	8,306	6,596	--	1,937	26,109
Total expenditures	31,636,496	30,526,409	29,257,798	27,623,128	26,978,284	25,632,811	23,928,646	21,656,438	21,101,953	20,102,131
Excess of revenues over expenditures	5,134,614	5,765,467	5,086,187	4,719,352	3,216,112	1,953,746	1,541,678	2,682,412	2,263,314	2,110,422
OTHER FINANCING SOURCES (USES)										
Proceeds from extended term financing	--	--	--	--	301,554	--	--	--	--	--
Interfund transfers in	--	315,010	--	124,767	25,514	--	--	--	236,518	--
Sale of fixed assets	3,297	2,262	--	419	--	--	--	25,031	546	3,555
Refund of prior years' expenditures	--	--	--	--	--	--	--	--	17,394	93,720
Receipts from other LEAs	--	--	--	--	--	--	--	--	2,563	13,892
Interfund transfers out	(5,493,487)	(3,617,079)	(3,491,371)	(3,418,633)	(2,635,339)	(2,542,361)	(3,806,140)	(3,327,231)	(3,840,428)	(1,958,618)
Total other financing uses	(5,490,190)	(3,299,807)	(3,491,371)	(3,293,447)	(2,308,271)	(2,542,361)	(3,806,140)	(3,302,200)	(3,583,407)	(1,847,451)
Change in fund balance	\$ (355,576)	2,465,660	1,594,816	1,425,905	907,841	(588,615)	(2,264,462)	(619,788)	(1,320,093)	262,971

See auditor's report on supplementary information.

**NORTHERN YORK COUNTY SCHOOL DISTRICT
SCHEDULES OF STATISTICAL INFORMATION
TEN YEARS ENDED JUNE 30, 2009**

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
CURRENT TAXABLE REAL ESTATE ASSESSED VALUATION - NET										
Carroll Township	\$ 423,165,609	422,099,351	403,012,105	302,906,829	295,877,143	285,659,647	273,353,109	260,466,215	254,905,103	258,834,678
Monaghan Township	184,063,951	187,674,117	181,485,263	140,489,451	133,625,844	130,955,689	125,067,341	115,986,056	119,076,955	120,725,064
Warrington Township	268,941,168	273,150,829	269,131,128	202,285,732	195,965,455	190,751,590	187,962,172	173,102,390	184,636,132	185,338,798
Dillsburg Borough	120,726,388	124,066,330	122,364,511	96,688,720	94,335,195	88,973,640	86,804,419	81,271,713	84,624,856	81,367,554
Franklin Township	249,513,338	254,780,534	251,894,887	203,825,488	199,057,143	196,453,357	193,663,970	180,367,490	183,783,045	185,434,163
Wellsville Borough	14,509,156	15,140,303	14,881,128	11,603,354	11,391,753	11,493,216	11,490,337	11,078,805	11,456,132	11,565,064
Franklintown Borough	18,826,172	19,659,337	19,991,955	15,716,098	15,696,558	15,674,912	15,585,169	13,918,964	15,200,576	15,861,631
Total	\$ 1,279,745,782	1,296,570,801	1,262,760,977	973,515,672	945,949,091	919,962,051	893,926,517	836,191,633	853,682,799	859,126,952

	13.87 Mills	13.87 Mills	13.30 Mills	16.40 Mills	15.40 Mills	14.15 Mills	13.35 Mills	12.55 Mills	12.15 Mills	11.65 Mills
REAL ESTATE TAX RATES										
Carroll Township	\$ 5,869,307	5,854,518	5,360,061	4,967,672	4,556,508	4,042,084	3,649,264	3,268,851	3,097,097	3,015,424
Monaghan Township	2,552,967	2,603,040	2,413,754	2,304,027	2,057,838	1,853,023	1,669,649	1,455,625	1,446,785	1,406,447
Warrington Township	3,730,214	3,788,602	3,579,444	3,317,486	3,017,868	2,699,135	2,509,295	2,172,435	2,243,329	2,159,197
Dillsburg Borough	1,674,475	1,720,800	1,627,448	1,585,695	1,452,762	1,258,977	1,158,839	1,019,960	1,028,192	947,932
Franklin Township	3,460,750	3,533,806	3,350,202	3,342,738	3,065,480	2,779,815	2,585,414	2,263,612	2,232,964	2,160,308
Wellsville Borough	201,242	209,996	197,919	190,295	175,433	162,629	153,396	139,039	139,192	134,733
Franklintown Borough	261,119	272,675	265,893	257,744	241,727	221,800	208,062	174,683	184,687	184,788
Total	\$ 17,750,074	17,983,437	16,794,721	15,565,657	14,567,616	13,017,463	11,933,919	10,494,205	10,372,246	10,008,829

	3.22%	3.29%	3.37%	4.71%	4.96%	4.55%	4.27%	4.37%	4.53%	4.76%
CURRENT AND INTERIM REAL ESTATE TAX REVENUE										
Carroll Township	\$ 5,807,156	5,730,129	5,315,488	5,325,200	4,425,113	3,963,096	3,545,792	3,227,953	3,051,890	2,908,298
Monaghan Township	2,405,566	2,497,454	2,361,696	2,365,749	2,017,265	1,781,403	1,625,852	1,467,125	1,377,784	1,356,931
Warrington Township	3,629,959	3,650,752	3,441,106	3,445,493	2,920,118	2,598,601	2,367,461	2,193,753	2,134,203	2,067,296
Dillsburg Borough	1,610,462	1,645,850	1,562,571	1,569,985	1,406,077	1,240,149	1,104,913	1,001,970	944,581	904,982
Franklin Township	3,312,083	3,419,767	3,191,177	3,186,501	2,921,729	2,662,261	2,451,832	2,259,949	2,096,598	2,038,139
Wellsville Borough	189,845	196,716	191,028	191,028	170,389	154,590	146,810	137,555	134,164	132,198
Franklintown Borough	244,033	262,486	250,548	250,548	225,252	208,450	185,100	169,934	169,930	158,647
Total	\$ 17,199,104	17,403,154	16,313,614	16,334,504	14,085,943	12,608,550	11,427,760	10,458,239	9,909,150	9,566,491

Ratio of net general long term debt to assessed valuation	3.22%	3.29%	3.37%	4.71%	4.96%	4.55%	4.27%	4.37%	4.53%	4.76%
Ratio of annual debt service to total general fund expenditures	9.56%	10.01%	10.44%	10.70%	7.38%	9.09%	11.32%	12.27%	11.30%	9.22%
Ratio of fund balance for general fund to general fund expenditures	15.30%	17.68%	10.90%	6.37%	1.86%	-1.27%	0.97%	9.99%	12.43%	20.02%

NOTE: A reassessment occurred in 2007 and the real estate tax rates were reduced accordingly.

See auditor's report on supplementary information.