

**NORTHERN YORK COUNTY SCHOOL DISTRICT**

**FINANCIAL STATEMENTS**

**AND SUPPLEMENTARY INFORMATION**

**JUNE 30, 2010**



**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, 2010, 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, 2009 financial statements and, in our opinions dated December 23, 2009 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, 2010, 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 20, 2010 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 'Waggoner Frutiger &amp; Daub', written over a horizontal line.

December 20, 2010

**NORTHERN YORK COUNTY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2010**

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, 2010. Comparative financial information between fiscal years ending June 30, 2009 and June 30, 2010 is also presented in this report to show changes in the financial position of the District from prior to current year.

The intent of this discussion and analysis 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. The Management Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* issued June 1999.

### **FINANCIAL HIGHLIGHTS**

- For the year 2009-2010, 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 \$1,031,488 from the fund balance. Included in the budget was a \$15,000 transfer into the Food Service Fund to pay for new and replacement equipment. General Fund actual revenues exceeded actual expenditures by \$1,543,573 rather than the expenditures exceeding revenues by \$1,031,488 as expected. Actual revenues and other financing sources exceeded budgeted revenues by \$1,464,164 primarily in the areas of delinquent real estate tax, proceeds from extended term financing for capital leases and federal revenue from the Recovery Act grant dollars. General Fund actual expenditures and other financing sources and uses were lower than budgeted by \$1,110,897. These savings can be attributed to lower than anticipated transportation costs, lower than anticipated costs for operation and maintenance of buildings and equipment, and other financing uses.
- The District received \$726,524 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 property taxes due decrease by this amount.
- The District received \$1,242,812 of Federal grant dollars as part of the American Recovery and Reinvestment Act of 2009 (the Recovery Act). These funds were additional revenue from grants the District was already receiving such as Title I and IDEA Part B. These funds also made up the State Stabilization money that was used for instruction salaries and supplies.

### **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 basic financial statements include two kinds of statements, which present different views of the District.

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

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statements on pages 4 and 6 present how general District services, such as regular and special education, are financed in the short-term as well as what remains for future spending. The statement of revenues, expenditures and changes in fund balance – budget and actual for the general fund is shown on page 8 and provides the budgetary comparisons to the actual revenues, expenditures and other financing sources (uses). This is reported as part of the basic financial statements rather than as required supplementary information in accordance with requirements of the Pennsylvania Department of Education. 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, such as food service. Following the proprietary fund statements, the fiduciary fund statements on pages 12 and 13 present information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others, such as student activity and trust funds.

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

### **Government-Wide Statements**

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 fund financial statements provide detailed information about the most significant funds, or major funds – not the District as a whole. Funds are accounting components that the School District uses to keep track of specific sources of funding and spending on particular programs. 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 financial position and changes in financial position, rather than upon net income determination. These

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MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2010**

funds are reported using the modified accrual basis of accounting, which measures cash and all other 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, but provides more detail and additional information, such as cash flows.
- Fiduciary funds – The District is the trustee or agent for individuals, private organizations and/or governmental units, such as student activity funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong; the District cannot use these assets to finance its operations. 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 \$12,150,571 at June 30, 2010 which includes \$11,878,789 in Governmental Activities and \$271,782 in Business-type Activities. This shows an increase of \$1,388,742 over total net assets of \$10,761,829 at June 30, 2009.

**Statement of Net Assets**

	<u>2010</u>			<u>2009</u>		
	Governmental Activities	Business- Type Activities	Total School District	Governmental Activities	Business- Type Activities	Total School District
Current and other assets	\$11,189,766	\$174,862	\$11,364,628	\$9,865,146	\$146,448	\$10,011,594
Capital assets	44,431,962	331,582	44,763,544	44,980,452	381,198	45,361,650
Total Assets	\$55,621,728	\$506,444	\$56,128,172	\$54,845,598	\$527,646	\$55,373,244
Current and other liabilities	\$5,668,077	\$225,598	\$5,893,675	\$5,159,956	\$215,460	\$5,375,416
Long-term liabilities	38,074,862	9,064	38,083,926	39,235,999	--	39,235,999
Total Liabilities	\$43,742,939	\$234,662	\$43,977,601	\$44,395,955	\$215,460	\$44,611,415
Capital assets (net of related debt)	\$3,930,268	\$331,582	\$4,261,850	\$3,895,745	\$381,198	\$4,276,943
Restricted for Capital Projects	197,469	--	197,469	216,883	--	216,883
Unreserved	7,751,052	(59,800)	7,691,252	6,337,015	(69,012)	6,268,003
Total net assets	\$11,878,789	\$271,782	\$12,150,571	\$10,449,643	\$312,186	\$10,761,829
Total liabilities and net assets	\$55,621,728	\$506,444	\$56,128,172	\$54,845,598	\$527,646	\$55,373,244

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JUNE 30, 2010**

**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 2009-2010 fiscal year, the change in net assets for governmental activities reflects an increase of \$1,429,146 and a decrease of \$40,404 for business-type activities, or a total net increase of \$1,388,742 as reflected in the chart below.

**Statement of Activities**

	<u>2010</u>			<u>2009</u>		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
<b>Program Revenues</b>						
Charges for Services	\$245,453	\$815,661	\$1,061,114	\$207,912	\$826,248	\$1,034,160
Operating grants and contributions	13,035,301	309,453	13,344,754	12,268,352	305,317	12,573,669
Capital grants and contributions	520,081	--	520,081	521,494	--	521,494
<b>General Revenues</b>						
Taxes	22,350,488	--	22,350,488	22,771,330	--	22,771,330
Other local revenue	777,003	--	777,003	752,127	--	752,127
Investment earnings	86,645	242	86,887	310,804	693	311,497
<b>Total revenues</b>	<b>\$37,014,971</b>	<b>\$1,125,356</b>	<b>\$38,140,327</b>	<b>\$36,832,019</b>	<b>\$1,132,258</b>	<b>\$37,964,277</b>
<b>Direct expenses</b>	<b>\$35,570,825</b>	<b>\$1,180,760</b>	<b>\$36,751,585</b>	<b>\$35,160,489</b>	<b>\$1,241,807</b>	<b>\$36,402,296</b>
<b>Excess (deficiency) before transfers</b>	<b>\$1,444,146</b>	<b>\$(55,404)</b>	<b>\$1,388,742</b>	<b>\$1,671,530</b>	<b>\$(109,549)</b>	<b>\$1,561,981</b>
<b>Transfers between activities</b>	<b>(15,000)</b>	<b>15,000</b>	<b>--</b>	<b>(73,952)</b>	<b>73,952</b>	<b>--</b>
<b>Change in net assets</b>	<b>\$1,429,146</b>	<b>\$(40,404)</b>	<b>\$1,388,742</b>	<b>\$1,597,578</b>	<b>\$(35,597)</b>	<b>\$1,561,981</b>

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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 \$13,555,382 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 \$410,336 or 1.17% over the prior year for governmental activities. This increase was primarily due to salary and benefit costs increasing for instruction. Governmental activities program revenues increased \$803,077 or 6.18% over the prior year. The primary reason was due to an increase in real estate tax revenue and funding from The American Recovery and Reinvestment Act. Business-type activities posted a net loss of \$55,646 which is \$54,596 less than the prior year. Depreciation, a non cash item, represented \$55,753 of this loss in 2010 and \$54,595 in 2009.

<b>Governmental Activities</b>	<u>2010</u>			<u>2009</u>		
	Direct Expenses	Program Revenues	Net Cost	Direct Expenses	Program Revenues	Net Cost
Instruction	\$21,939,698	\$11,750,846	\$10,188,852	\$20,060,569	\$10,883,669	\$9,176,900
Instructional student support	2,409,323	183,272	2,226,051	2,511,178	170,447	2,340,731
Administrative and financial support	3,105,389	70,841	3,034,548	3,235,200	72,910	3,162,290
Operation and maintenance of plant	3,606,895	92,622	3,514,273	4,774,122	90,038	4,684,084
Pupil transportation	1,908,416	1,061,897	846,519	1,911,564	1,213,521	698,043
Student activities	1,063,786	173,196	890,590	1,047,261	136,599	910,662
Community services	5,306	--	5,306			
Depreciation - unallocated	6,250	--	6,250	6,250	--	6,250
Interest on long-term debt	1,525,762	468,161	1,057,601	1,614,345	430,574	1,183,771
<b>Total Government Activities</b>	<b>\$35,570,825</b>	<b>\$13,800,835</b>	<b>\$21,769,990</b>	<b>\$35,160,489</b>	<b>\$12,997,758</b>	<b>\$22,162,731</b>
Transfers paid			\$ 15,000			\$ 73,952
Investment earnings			\$ (86,645)			\$ (310,804)
<b>Total needs from taxes and other local sources</b>			<b>\$21,698,345</b>			<b>\$21,925,879</b>
<b>Business-type Activities</b>						
	Direct Expenses	Program Revenues	Net Cost	Direct Expenses	Program Revenues	Net Cost
Food Services	\$1,180,760	\$1,125,114	\$ 55,646	\$1,241,807	\$1,131,565	\$ 110,242
Transfers received			(15,000)			(73,952)
Investment earnings			(242)			(693)
<b>Total business-type</b>			<b>\$ 40,404</b>			<b>\$ 35,597</b>



**NORTHERN YORK COUNTY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2010**

**Governmental Fund Balance**

At June 30, 2010, the District governmental funds reported a combined fund balance of \$7,422,127, which is an increase of \$1,524,159 from June 30, 2009.

	<u>Governmental Fund Balance</u>			
	2010	2009	Change	% Change
General fund – reserved	\$ 188,099	\$ 150,311	\$ 37,788	25.14%
General fund – unreserved	7,036,559	5,530,774	1,505,785	27.23%
Capital Reserve fund – reserved	193,471	207,078	(13,607)	(6.57%)
Debt Service fund – reserved	3,998	9,805	(5,807)	(59.22%)
<b>Total governmental funds</b>	<b>\$ 7,422,127</b>	<b>\$ 5,897,968</b>	<b>\$ 1,524,159</b>	<b>25.84%</b>
<b>Total unreserved</b>	<b>\$ 7,036,559</b>	<b>\$ 5,530,774</b>	<b>\$ 1,505,785</b>	<b>27.23%</b>
<b>Total reserved</b>	<b>385,568</b>	<b>367,194</b>	<b>18,374</b>	<b>5.00%</b>
<b>Total governmental funds</b>	<b>\$ 7,422,127</b>	<b>\$ 5,897,968</b>	<b>\$ 1,524,159</b>	<b>25.84%</b>

**Governmental Funds – Reconciliation**

The increase in General Fund unreserved fund balance was not anticipated. The District did not increase the real estate tax rate and had planned on using fund balance to balance the budget. Due to the significant downturn in the economy and also the eventual significant increase in the PSERS rates, the District watched expenditures closely and purchased only supplies and other items as needed. The PSERS rate for the 2009-2010 year was ultimately set at an increase of only 0.02% higher than the previous year.

The relatively consistent balance in the Capital Reserve Fund reserved fund balance is a result of capital improvements that were planned for the 2008-2009 fiscal year but at the close of the fiscal year had not yet been made. The District anticipates using these funds during the 2010-2011 fiscal year.

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MANAGEMENT'S DISCUSSION AND ANALYSIS  
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**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>2010</u>			<u>2009</u>		
	Budget	Actual	Variance	Budget	Actual	Variance
Total revenues	\$36,743,607	\$37,244,778	\$ 501,171	\$36,323,842	\$36,771,110	\$ 447,268
Total expenditures	\$34,174,537	\$33,375,114	\$ 799,423	\$32,930,086	\$31,636,496	\$1,293,590
Revenues over (under) expenditures	\$ 2,569,070	\$ 3,869,664	\$1,300,594	\$ 3,393,756	\$ 5,134,614	\$1,740,858
Other financing sources (uses)	\$(3,600,558)	\$(2,326,091)	\$1,274,467	\$(5,293,174)	\$(5,490,190)	\$(197,016)
Net change in fund balance	\$(1,031,488)	\$ 1,543,573	\$2,575,061	\$(1,899,418)	\$ (355,576)	\$1,543,842

**CAPITAL ASSETS**

At June 30, 2010, the District recorded \$43,434,802 in Governmental activities capital assets, which represents an decrease of \$723,208 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>2010</u>	<u>2009</u>	<u>Change</u>
Governmental activities			
Land	\$ 326,188	\$ 326,188	\$ -
Site improvements	376,601	399,916	(23,315)
Buildings and Improvements	40,972,907	42,304,474	(1,331,567)
Infrastructure	25,000	31,250	(6,250)
Furniture and equipment	1,734,106	1,096,182	637,924
Total governmental capital assets	\$43,434,802	\$44,158,010	\$(723,208)
Business-type activities			
Food service equipment	\$ 331,582	\$ 381,198	\$ (49,616)

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**LONG-TERM LIABILITIES**

Bonds payable at June 30, 2009 were \$40,262,265 and \$38,759,515 at June 30, 2010. Scheduled principal payments totaling \$1,955,000 were made to bondholders during 2009-10. In November 2010 the District took advantage of an opportunity to advance refund the Series of 2005 General Obligation Bonds in which a savings of \$374,760 will be realized. Series of 2010 General Obligation Bonds were issued for \$10,330,000.

At June 30, 2009 the District did not have any lease-purchase obligations. At June 30, 2010 the District had \$467,072 of lease-purchase obligations composed of three leases, which were entered into during the year. Two leases were for computers with a cost of \$260,000 and \$305,907. The third lease was for telephone equipment with a cost of \$397,603. As of June 30, 2010 \$203,788 of cash remained in escrow related to these leases.

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 \$818,004 for the Governmental Activities and \$9,064 for the Business-type Activities for year ended June 30, 2010. 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 total \$160,271 and has been reflected in the Statement of Net Assets for year ended June 30, 2010. The combined change in these liabilities represents an increase from 2008-09 of \$49,541 in the Governmental Activities and \$9,064 in the Business-type Activities.

**2010-2011 BUDGET AND ECONOMIC FACTORS**

	Budget 2010-2011	Budget 2009-2010	Change
Total revenues	\$ 36,868,197	\$ 36,743,607	\$ 124,590
Total expenditures	35,547,222	34,174,537	1,372,685
Revenues over (under) expenditures	1,320,975	2,569,070	(1,248,095)
Other financing sources (uses)	(3,525,399)	( 3,600,558)	75,159
Net change in fund balance	<u>\$ (2,204,424)</u>	<u>\$ (1,031,488)</u>	<u>\$ (1,172,936)</u>

The new budget for 2010-2011 represents an increase in total expenditures of 4.02%. 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 2010-2011 budgeted revenues reflect a millage increase of .50 mills. The 2010-11 real estate tax assessment is 14.37 mills and is

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calculated 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 2010-2011 fiscal year.

Employee health care premiums increased 3% for 2010-2011. Health care premiums are anticipated to increase an additional three percent for 2011-2012, 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 2009-2010 unreserved fund balance of \$7,036,559 represents 18.63% 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 2009-2010 budget. The 2009-2010 budget reflects the receipt of \$726,524 from the state that was used to reduce property taxes. Northern York County's index was set at 5.1%. The index limits the rate of increase on tax mills. The 2009-2010 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 2010-2011 fiscal year is the first year of a four year contract with the Northern York Education Association.

#### **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, 2010**

	Governmental Activities	Business-type Activities	Totals	
			2010	Summarized 2009
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ 8,294,409	96,970	8,391,379	6,455,405
Taxes receivable	694,110	--	694,110	766,408
Due from other governments	1,886,895	32,184	1,919,079	2,463,511
Receivable from students	--	29,538	29,538	22,736
Other receivables	111,827	4,742	116,569	131,254
Inventories	188,099	11,428	199,527	164,360
Prepaid expenses	14,426	--	14,426	7,920
Total current assets	<u>11,189,766</u>	<u>174,862</u>	<u>11,364,628</u>	<u>10,011,594</u>
<b>Noncurrent Assets</b>				
Land	326,188	--	326,188	326,188
Site improvements	376,601	--	376,601	399,916
Buildings and improvements	40,972,907	--	40,972,907	42,304,474
Infrastructure	25,000	--	25,000	31,250
Furniture and equipment	1,734,106	331,582	2,065,688	1,477,380
Unamortized bond issuance costs	997,160	--	997,160	822,442
Total noncurrent assets	<u>44,431,962</u>	<u>331,582</u>	<u>44,763,544</u>	<u>45,361,650</u>
Total assets	<u>\$ 55,621,728</u>	<u>506,444</u>	<u>56,128,172</u>	<u>55,373,244</u>
<b>LIABILITIES AND NET ASSETS</b>				
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Current portion of long term liabilities	\$ 2,407,947	--	2,407,947	1,955,000
Accounts payable	512,405	3,082	515,487	592,847
Internal balances	(192,791)	192,791	--	--
Salaries and benefits payable	2,702,610	7,815	2,710,425	2,595,107
Accrued interest payable	206,328	--	206,328	213,681
Deferred revenues	31,578	21,910	53,488	18,781
Total current liabilities	<u>5,668,077</u>	<u>225,598</u>	<u>5,893,675</u>	<u>5,375,416</u>
<b>Noncurrent Liabilities</b>				
Bonds payable	36,629,515	--	36,629,515	38,307,265
Compensated absences payable	818,004	9,064	827,068	841,087
Other postemployment benefits payable	160,271	--	160,271	87,647
Lease-purchase obligation	467,072	--	467,072	--
Total noncurrent liabilities	<u>38,074,862</u>	<u>9,064</u>	<u>38,083,926</u>	<u>39,235,999</u>
Total liabilities	<u>43,742,939</u>	<u>234,662</u>	<u>43,977,601</u>	<u>44,611,415</u>
<b>NET ASSETS</b>				
Invested in capital assets - net of related debt	3,930,268	331,582	4,261,850	4,276,943
Restricted for capital projects	197,469	--	197,469	216,883
Unrestricted	7,751,052	(59,800)	7,691,252	6,268,003
Total net assets	<u>11,878,789</u>	<u>271,782</u>	<u>12,150,571</u>	<u>10,761,829</u>
Total liabilities and net assets	<u>\$ 55,621,728</u>	<u>506,444</u>	<u>56,128,172</u>	<u>55,373,244</u>

See accompanying notes.

**NORTHERN YORK COUNTY SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2010**

Function/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Assets		Totals Summarized 2009
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
<b>GOVERNMENTAL ACTIVITIES</b>						
Instruction	\$ 21,939,698	11,636,750	51,920	(10,188,852)	--	(9,992,640)
Instructional student support	2,409,323	183,272	--	(2,226,051)	--	(2,673,000)
Administrative and financial support services	3,105,389	70,841	--	(3,034,548)	--	(3,202,132)
Operation and maintenance of plant services	3,606,895	60,347	--	(3,514,273)	--	(3,491,709)
Pupil transportation	1,908,416	1,061,897	--	(846,519)	--	(698,043)
Student activities	1,063,786	22,194	--	(890,590)	--	(915,187)
Community services	5,306	--	--	(5,306)	--	--
Interest on long-term debt	1,525,762	--	468,161	(1,057,601)	--	(1,183,771)
Unallocated depreciation	6,250	--	--	(6,250)	--	(6,250)
Total governmental activities	35,570,825	13,035,301	520,081	(21,769,990)	--	(22,162,731)
<b>BUSINESS-TYPE ACTIVITIES</b>						
Food service	1,180,760	309,453	--	--	(55,646)	(110,242)
Total primary government	\$ 36,751,585	13,344,754	520,081	(21,769,990)	(55,646)	(22,272,973)

**GENERAL REVENUES AND TRANSFERS**

Taxes					
Property taxes, levied for general purposes, net	\$ 17,398,806			17,398,806	17,199,104
Earned income taxes	3,812,335			3,812,335	4,006,820
Taxes levied for specific purposes	1,139,347			1,139,347	1,565,406
State property tax reduction allocation	726,524			726,524	722,039
Investment earnings	86,645		242	86,887	311,497
Miscellaneous income	50,479		--	50,479	30,088
Transfers between governmental and business-type activities	(15,000)		15,000	--	--
Total general revenues and transfers	23,199,136		15,242	23,214,378	23,834,954
Change in net assets	1,429,146		(40,404)	1,388,742	1,501,981
<b>NET ASSETS-BEGINNING OF YEAR</b>	10,449,643		312,186	10,761,829	9,199,848
<b>NET ASSETS-END OF YEAR</b>	\$ 11,878,789		271,782	12,150,571	10,761,829

See accompanying notes.

**NORTHERN YORK COUNTY SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2010**

	General Fund	Capital Reserve Fund	Nonmajor Funds	Totals	
				2010	2009
<b>ASSETS</b>					
Cash and cash equivalents	\$ 8,005,090	285,321	3,998	8,294,409	6,393,722
Taxes receivable	694,110	--	--	694,110	766,408
Due from other funds	200,603	22,218	--	222,821	217,125
Due from other governments	1,886,895	--	--	1,886,895	2,429,765
Other receivables	111,827	--	--	111,827	117,020
Inventories	188,099	--	--	188,099	150,311
Prepaid expenses	14,426	--	--	14,426	7,920
Total assets	\$ 11,101,050	307,539	3,998	11,412,587	10,082,271
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Due to other funds	\$ 30,030	--	--	30,030	25,680
Accounts payable	398,337	114,068	--	512,405	587,702
Salaries and benefits payable	2,702,610	--	--	2,702,610	2,595,018
Deferred revenues	745,415	--	--	745,415	975,903
Total liabilities	3,876,392	114,068	--	3,990,460	4,184,303
<b>FUND BALANCES</b>					
Reserve for encumbrances	--	--	--	--	21,522
Reserved fund balance	188,099	193,471	3,998	385,568	345,672
Unreserved fund balance	7,036,559	--	--	7,036,559	5,530,774
Total fund balances	7,224,658	193,471	3,998	7,422,127	5,897,968
Total liabilities and fund balances	\$ 11,101,050	307,539	3,998	11,412,587	10,082,271

See accompanying notes.

**NORTHERN YORK COUNTY SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS  
JUNE 30, 2010**

<b>TOTAL FUND BALANCES - GOVERNMENTAL FUNDS</b>		<b>\$ 7,422,127</b>
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 \$67,047,862 and the accumulated depreciation is \$23,613,060.		43,434,802
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.		713,837
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 \$1,129,409, with related accumulated amortization of \$132,249.		997,160
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	(206,328)	
Bond/notes payable	(38,759,515)	
Lease-purchase obligation	(745,019)	
Accumulated compensated absences	(818,004)	
Other postemployment benefits payable	(160,271)	(40,689,137)
<b>TOTAL NET ASSETS - GOVERNMENTAL ACTIVITIES</b>		<b>\$ <u>11,878,789</u></b>

See accompanying notes.



**NORTHERN YORK COUNTY SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2010**

	General Fund	Capital Reserve Fund	Nonmajor Funds	Totals	
				2010	2009
<b>REVENUES</b>					
Local sources	\$ 23,886,779	362	--	23,887,141	23,743,405
State sources	11,965,602	--	--	11,965,602	12,623,256
Federal sources	1,392,397	--	--	1,392,397	421,267
Total revenues	<u>37,244,778</u>	<u>362</u>	<u>--</u>	<u>37,245,140</u>	<u>36,787,928</u>
<b>EXPENDITURES</b>					
Instruction	21,579,582	--	--	21,579,582	19,836,803
Support services	10,236,542	138,337	67,445	10,442,324	10,985,664
Operation of noninstructional services	1,066,196	--	--	1,066,196	1,040,789
Facilities acquisition, construction and improvement services	304,825	43,370	--	348,195	1,660,125
Debt service	187,961	--	3,117,151	3,305,112	3,548,945
Refund of prior years' receipts	8	--	--	8	68,420
Total expenditures	<u>33,375,114</u>	<u>181,707</u>	<u>3,184,596</u>	<u>36,741,417</u>	<u>37,140,746</u>
Excess of revenues over (under) expenditures	<u>3,869,664</u>	<u>(181,345)</u>	<u>(3,184,596)</u>	<u>503,723</u>	<u>(352,818)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Net proceeds from sale of bonds	--	--	10,155,066	10,155,066	20,745,907
Proceeds from extended term financing	932,089	--	--	932,089	--
Interfund transfers in	--	167,738	3,107,346	3,275,084	5,426,089
Insurance recoveries	31,368	--	--	31,368	--
Sale of fixed assets	536	--	--	536	3,297
Refunding of G.O. Bonds	--	--	(10,083,623)	(10,083,623)	(20,193,145)
Interfund transfers out	(3,290,084)	--	--	(3,290,084)	(5,500,041)
Total other financing sources (uses)	<u>(2,326,091)</u>	<u>167,738</u>	<u>3,178,789</u>	<u>1,020,436</u>	<u>482,107</u>
Net change in fund balance	1,543,573	(13,607)	(5,807)	1,524,159	129,289
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>5,681,085</u>	<u>207,078</u>	<u>9,805</u>	<u>5,897,968</u>	<u>5,768,679</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 7,224,658</u>	<u>193,471</u>	<u>3,998</u>	<u>7,422,127</u>	<u>5,897,968</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, 2010**

**NET CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS** \$ 1,524,159

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	1,163,085	
Depreciation expense	<u>(1,886,293)</u>	(723,208)

Some taxes will not be collected for several months after the School District's fiscal year end and they are not considered as "available" revenues in the governmental funds. Deferred revenues decreased by this amount during the year. (262,066)

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. 12,027,070

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	(10,330,000)	
Bond issuance costs	242,379	
Amortization of bond issuance cost	(67,661)	
Amortization of deferred refunding loss	<u>(7,250)</u>	(10,162,532)

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	23,083	
Other postemployment benefits payable	<u>(72,624)</u>	(49,541)

Capitalization of extended term financing		(932,089)
---	--	-----------

Net change in accrued interest expense on bonds payable		<u>7,353</u>
---	--	--------------

**CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES** **\$ 1,429,146**

See accompanying notes.

**NORTHERN YORK COUNTY SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**YEAR ENDED JUNE 30, 2010**

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Local sources	\$ 23,194,154	23,194,154	23,886,779	692,625
State sources	12,702,791	12,702,791	11,965,602	(737,189)
Federal sources	846,662	846,662	1,392,397	545,735
Total revenues	<u>36,743,607</u>	<u>36,743,607</u>	<u>37,244,778</u>	<u>501,171</u>
<b>EXPENDITURES</b>				
Instruction				
Regular programs	15,719,285	15,729,646	16,229,005	(499,359)
Special programs	4,587,765	4,587,765	4,304,121	283,644
Vocational education programs	574,389	574,389	566,702	7,687
Other instructional programs	525,366	525,366	479,754	45,612
Total instruction	<u>21,406,805</u>	<u>21,417,166</u>	<u>21,579,582</u>	<u>(162,416)</u>
Support services				
Pupil personnel	1,081,900	1,081,900	1,040,374	41,526
Instructional staff	695,155	699,765	642,842	56,923
Administration	2,114,580	2,117,739	2,092,410	25,329
Pupil health	432,021	432,021	421,202	10,819
Business	442,243	439,495	422,407	17,088
Operation and maintenance of plant	3,685,169	3,552,760	3,297,694	255,066
Student transportation	2,633,831	2,633,831	1,901,163	732,668
Central	367,727	388,973	388,233	740
Other support services	28,515	30,217	30,217	--
Total support services	<u>11,481,141</u>	<u>11,376,701</u>	<u>10,236,542</u>	<u>1,140,159</u>
Operation of noninstructional services				
Student activities	1,077,709	1,072,403	1,060,890	11,513
Community services	--	5,306	5,306	--
Total operation of noninstructional services	<u>1,077,709</u>	<u>1,077,709</u>	<u>1,066,196</u>	<u>11,513</u>
Facilities acquisition, construction and improvement services				
Debt service	193,669	193,661	187,961	5,700
Refund of prior years' receipts	--	--	8	(8)
Total expenditures	<u>34,159,324</u>	<u>34,174,537</u>	<u>33,375,114</u>	<u>799,423</u>
Excess of revenues over expenditures	<u>2,584,283</u>	<u>2,569,070</u>	<u>3,869,664</u>	<u>1,300,594</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from extended term financing	--	--	932,089	932,089
Insurance recoveries	--	--	31,368	31,368
Sale of fixed assets	1,000	1,000	536	(464)
Interfund transfers out	(3,616,771)	(3,601,558)	(3,290,084)	311,474
Total other financing uses	<u>(3,615,771)</u>	<u>(3,600,558)</u>	<u>(2,326,091)</u>	<u>1,274,467</u>
Net change in fund balance	(1,031,488)	(1,031,488)	1,543,573	2,575,061
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>4,258,753</u>	<u>4,258,753</u>	<u>5,681,085</u>	<u>1,422,332</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 3,227,265</u>	<u>3,227,265</u>	<u>7,224,658</u>	<u>3,997,393</u>

See accompanying notes.

**NORTHERN YORK COUNTY SCHOOL DISTRICT**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUND**  
**JUNE 30, 2010**

	Food Service	Totals	
		2010	Summarized 2009
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 96,970	96,970	61,683
Due from other funds	7,812	7,812	--
Due from other governments	32,184	32,184	33,746
Receivable from students	29,538	29,538	22,736
Other receivables	4,742	4,742	14,234
Inventories - at cost	11,428	11,428	14,049
<b>Total current assets</b>	<b>182,674</b>	<b>182,674</b>	<b>146,448</b>
<b>Noncurrent Assets</b>			
Food service equipment	998,547	998,547	992,410
Accumulated depreciation	(666,965)	(666,965)	(611,212)
<b>Total noncurrent assets</b>	<b>331,582</b>	<b>331,582</b>	<b>381,198</b>
<b>Total assets</b>	<b>\$ 514,256</b>	<b>514,256</b>	<b>527,646</b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable	\$ 3,082	3,082	5,145
Due to other funds	200,603	200,603	191,445
Salaries and benefits payable	7,815	7,815	89
Deferred revenues	21,910	21,910	18,781
<b>Total current liabilities</b>	<b>233,410</b>	<b>233,410</b>	<b>215,460</b>
<b>Noncurrent Liabilities</b>			
Compensated absences payable	9,064	9,064	--
<b>Total liabilities</b>	<b>242,474</b>	<b>242,474</b>	<b>215,460</b>
<b>NET ASSETS</b>			
Invested in capital assets - net of related debt	331,582	331,582	381,198
Unrestricted deficit	(59,800)	(59,800)	(69,012)
<b>Total net assets</b>	<b>271,782</b>	<b>271,782</b>	<b>312,186</b>
<b>Total liabilities and net assets</b>	<b>\$ 514,256</b>	<b>514,256</b>	<b>527,646</b>

See accompanying notes.

**NORTHERN YORK COUNTY SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
PROPRIETARY FUND  
YEAR ENDED JUNE 30, 2010**

	Food Service	Totals	
		2010	Summarized 2009
<b>OPERATING REVENUES</b>			
Food services	\$ 798,810	798,810	799,087
Special events	16,736	16,736	27,082
Other operating revenue	115	115	79
<b>Total operating revenues</b>	<b>815,661</b>	<b>815,661</b>	<b>826,248</b>
<b>OPERATING EXPENSES</b>			
Food and beverages	442,622	442,622	494,203
Donated commodities	57,650	57,650	60,006
Salaries and wages	404,154	404,154	401,333
Payroll taxes	30,865	30,865	33,717
Employee benefits	137,172	137,172	133,274
Retirement	18,525	18,525	18,910
Depreciation	55,753	55,753	54,595
Other expenses	34,019	34,019	45,769
<b>Total operating expenses</b>	<b>1,180,760</b>	<b>1,180,760</b>	<b>1,241,807</b>
<b>Operating loss</b>	<b>(365,099)</b>	<b>(365,099)</b>	<b>(415,559)</b>
<b>NONOPERATING REVENUES</b>			
Interest earned	242	242	693
State subsidies	54,707	54,707	56,990
Federal subsidies	199,592	199,592	189,569
U.S.D.A. commodities subsidy	55,154	55,154	58,758
<b>Total nonoperating revenues</b>	<b>309,695</b>	<b>309,695</b>	<b>306,010</b>
<b>Loss before operating transfers</b>	<b>(55,404)</b>	<b>(55,404)</b>	<b>(109,549)</b>
<b>OPERATING TRANSFERS IN</b>			
General Fund	15,000	15,000	73,952
<b>Total operating transfers in</b>	<b>15,000</b>	<b>15,000</b>	<b>73,952</b>
<b>Change in net assets</b>	<b>(40,404)</b>	<b>(40,404)</b>	<b>(35,597)</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>312,186</b>	<b>312,186</b>	<b>347,783</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 271,782</b>	<b>271,782</b>	<b>312,186</b>

See accompanying notes.

**NORTHERN YORK COUNTY SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
YEAR ENDED JUNE 30, 2010**

	Food Service	Totals	
		2010	Summarized 2009
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from users	\$ 821,480	821,480	811,644
Cash payments to employees for payroll and benefits	(564,768)	(564,768)	(547,209)
Cash payments to suppliers for goods and services	(444,560)	(444,560)	(509,783)
Cash payments for other operating expenses	(34,019)	(34,019)	(45,769)
Net cash used in operating activities	<u>(221,867)</u>	<u>(221,867)</u>	<u>(291,117)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Grants and subsidies received from nonoperating activities:			
State subsidies	55,421	55,421	60,555
Federal subsidies	200,440	200,440	202,877
Operating transfers in	7,188	7,188	90,030
Net cash provided by noncapital financing activities	<u>263,049</u>	<u>263,049</u>	<u>353,462</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchase of food service equipment	(6,137)	(6,137)	(21,240)
Loss on disposal of equipment	--	--	2,706
Net cash used in capital and related financing activities	<u>(6,137)</u>	<u>(6,137)</u>	<u>(18,534)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest earned	242	242	693
Net cash provided by investing activities	<u>242</u>	<u>242</u>	<u>693</u>
Net increase (decrease) in cash and cash equivalents	35,287	35,287	44,504
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>61,683</u>	<u>61,683</u>	<u>17,179</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 96,970</u>	<u>96,970</u>	<u>61,683</u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES</b>			
Operating loss	\$ (365,099)	(365,099)	(415,559)
Adjustments to reconcile operating loss to net cash used in operating activities:			
Depreciation	55,753	55,753	54,595
Donated commodities	55,154	55,154	58,758
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	2,690	2,690	(15,092)
(Increase) decrease in inventories	2,621	2,621	(2,736)
Increase (decrease) in due to other funds	9,158	9,158	40,025
Increase (decrease) in accounts payable	(2,063)	(2,063)	(11,596)
Increase (decrease) in accrued salaries and benefits	7,726	7,726	--
Increase (decrease) in other current payables	3,129	3,129	488
Increase (decrease) uncompensated absences payable	9,064	9,064	--
Total adjustments	<u>143,232</u>	<u>143,232</u>	<u>124,442</u>
Net cash used in operating activities	<u>\$ (221,867)</u>	<u>(221,867)</u>	<u>(291,117)</u>

See accompanying notes.

**NORTHERN YORK COUNTY SCHOOL DISTRICT  
STATEMENT OF NET ASSETS  
FIDUCIARY FUNDS  
JUNE 30, 2010**

	Student Activities	Special Olympics	Private Purpose Trusts	Totals	
				2010	Summarized 2009
<b>ASSETS</b>					
Cash and cash equivalents	\$ 80,188	2,791	300,915	383,894	400,993
Total assets	\$ 80,188	2,791	300,915	383,894	400,993
<b>LIABILITIES AND NET ASSETS</b>					
<b>LIABILITIES</b>					
Due to student groups	\$ 80,188	2,791	--	82,979	88,618
Total liabilities	80,188	2,791	--	82,979	88,618
<b>NET ASSETS</b>					
Restricted	--	--	300,915	300,915	312,375
Total net assets	--	--	300,915	300,915	312,375
Total liabilities and net assets	\$ 80,188	2,791	300,915	383,894	400,993

See accompanying notes.

**NORTHERN YORK COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010**

**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



**NORTHERN YORK COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010**

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.

**NORTHERN YORK COUNTY SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**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 District 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 account 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 sixty 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**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

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, owned by the School District. Investments include 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  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010**

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, personal and vacation leave benefits are accrued as a liability using the termination method. An accrual for earned sick, personal and vacation 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  
JUNE 30, 2010**

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. Certain accounts in the prior-year financial information may have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements. Accordingly, such information should be read in conjunction with the School District's financial statements for the year ended June 30, 2009, from which the summarized information was derived.

**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 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, 2010 the School District had deposit balances in the amount of \$2,141,425, of which \$251,000 was insured and \$1,890,425 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 deposits, in the form of certificates of deposit of \$3,490,000 and cash equivalents of \$3,341,869 were with Pennsylvania School District Liquid Asset Fund (PSDLAF). The cash equivalents are invested by PSDLAF directly in portfolios of securities held by a third party custodian and are collateralized with securities held by the PSDLAF agent in a collateral pool. \$490,000 of the certificate of deposit balance was insured by the FDIC, with the remaining amount being held in a collateralized certificate of deposit investment pool. Investments in the PSDLAF are subject to income, market and credit risk related to the potential for decline in current income, the potential for a decline in market value and the potential that an issuer of securities held in the investment portfolios of the fund would fail to make timely payments of principal and interest payments, respectively. Additionally, 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 (PLGIT) in the amount of \$285,321. These deposits are invested by PLGIT directly in portfolios of securities which are held by a third party custodian. Since PLGIT 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 in the PLGIT are subject to income, market and credit risk related to the potential for decline in current income, the potential for a decline in market value and the potential that an issuer of securities held in the investment portfolios of the fund would fail to make timely payments of principal and interest payments, respectively.

**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  
JUNE 30, 2010**

**C. NOTES TO GENERAL FUND BALANCE SHEET**

<b>CASH AND CASH EQUIVALENTS</b>	
Cash management checking - operating	\$ 579,433
Cash management checking - payroll	389,223
Cash – escrow	203,788
PSDLAF	<u>6,832,646</u>
Total	<u>\$ 8,005,090</u>
<b>TAXES RECEIVABLE</b>	
Current real estate receivable	\$ 76,410
Delinquent:	
Real estate tax	604,577
Personal taxes	25,256
Less: allowance for uncollectibles	<u>(12,133)</u>
Total	<u>\$ 694,110</u>
<b>DUE FROM OTHER FUNDS</b>	
Food Service Fund	\$ <u>200,603</u>
<b>DUE FROM OTHER GOVERNMENTS</b>	
West Shore Tax Bureau - Earned income tax	\$ 1,217,074
York County Recorder of Deeds - Realty transfer tax	27,327
Amusement tax	1,127
Dual enrollment	6,759
Social security subsidy	77,149
Retirement subsidy	147,897
H1-N1 reimbursement	581
Midwestern IU	2,000
IDEA – CAIU	176,789
Academic Achievement Award	9,013
ARRA – IDEA Part B	58,747
ARRA – IDEA Section 619	61,068
ARRA – state fiscal stabilization	71,389
Medical assistance	<u>29,975</u>
Total	<u>\$ 1,886,895</u>
<b>OTHER RECEIVABLES</b>	
Fuel reimbursements	\$ 31,827
Mainstream and consortium fees	50,661
CAIU	25,000
Transportation and refunds	<u>4,339</u>
Total	<u>\$ 111,827</u>
<b>INVENTORIES</b>	
Maintenance supplies	\$ <u>188,099</u>
<b>DEPOSITS</b>	
Fees and supplies	\$ <u>14,426</u>
<b>DUE TO OTHER FUNDS</b>	
Capital Reserve Fund	\$ 22,218
Food Service Fund	<u>7,812</u>
Total	<u>\$ 30,030</u>

**NORTHERN YORK COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010**

**ACCOUNTS PAYABLE**

This represents expenditures incurred during the 2009-10 school year or supply inventories on hand at June 30, 2010 year that were not paid until after June 30, 2010.

\$ 398,337

**SALARIES AND BENEFITS PAYABLE**

This represents the amount of contracted salaries and benefits of professional employees for the year ended June 30, 2010, that were unpaid as of that date.

Accrued salaries					\$ 1,715,420
Accrued benefits:					
Retirement		300,534			
Medical insurance		474,598			
Dental insurance		33,532			
Social security		129,785			
Payroll withholdings		5,226			
Income protection		34,316			
Vision		4,023			
Life insurance		<u>5,176</u>			
Total					<u>\$ 987,190</u>
					<u>\$ 2,702,610</u>

**DEFERRED REVENUES**

Federal subsidies - ARRA – Title I	\$ 31,578
Delinquent personal taxes	11,506
Delinquent real estate taxes	457,050
Delinquent earned income taxes	<u>245,281</u>
Total	<u>\$ 745,415</u>

**D. CHANGES IN CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2010 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Land	\$ 326,188	--	--	326,188
Total capital assets not being depreciated	<u>326,188</u>	<u>--</u>	<u>--</u>	<u>326,188</u>
Capital assets being depreciated				
Site improvements	935,083	9,500	--	944,583
Buildings and improvements	58,196,890	--	--	58,196,890
Infrastructure	125,000	--	--	125,000
Furniture and equipment	6,301,615	1,153,586	--	7,455,201
Total assets being depreciated	<u>65,558,588</u>	<u>1,163,086</u>	<u>--</u>	<u>66,721,674</u>
Less accumulated depreciation for:				
Site improvements	535,167	32,815	--	567,982
Buildings and improvements	15,892,416	1,331,567	--	17,223,983
Infrastructure	93,750	6,250	--	100,000
Furniture and equipment	5,205,433	515,662	--	5,721,095
Total accumulated depreciation	<u>21,726,766</u>	<u>1,886,294</u>	<u>--</u>	<u>23,613,060</u>
Total capital assets, being depreciated - net	<u>43,831,822</u>	<u>(723,208)</u>	<u>--</u>	<u>43,108,614</u>
Governmental activities, capital assets - net	<u>\$ 44,158,010</u>	<u>(723,208)</u>	<u>--</u>	<u>43,434,802</u>

**NORTHERN YORK COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type Activities</b>				
Capital assets being depreciated				
Equipment	\$ 992,411	6,136	--	998,547
Total capital assets, being depreciated	992,411	6,136	--	998,547
Less accumulated depreciation for:				
Equipment	611,213	55,752	--	666,965
Total accumulated depreciation	611,213	55,752	--	666,965
Total capital assets being depreciated, net	381,198	(49,616)	--	331,582
Business-type activities capital assets, net	\$ 381,198	(49,616)	--	331,582

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

<b>Governmental activities:</b>		
Instruction		\$ 896,632
Instructional student support		598,659
Administrative and financial support services		30,069
Operation and maintenance of plant service		224,576
Student activities		36,074
Unallocated		6,250
Total depreciation expense - governmental activities		\$ 1,792,260
<b>Business-type activities:</b>		
Food Service		\$ 55,753
Total depreciation expense - business-type activities		\$ 55,753

**E. LONG TERM DEBT - GOVERNMENTAL**

1. During the year ended June 30, 2010, governmental long term debt changed as follows:

	General Oblig. Bonds	Comp. Absences Payable	Other Post Employment Benefits	Extended Term Financing	Total Long-Term Debt
Beginning of year	\$ 40,262,265	841,087	87,647	--	41,190,999
Borrowings	10,330,000	--	--	932,089	11,262,089
Principal retirement	(11,840,000)	--	--	(187,070)	(12,027,070)
Amortization of deferred refunding loss	7,250	--	--	--	7,250
Increase (decrease) in	--	(14,019)	72,624	--	58,605
End of year	\$ 38,759,515	827,068	160,271	745,019	40,491,873

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

For fiscal year ending June 30,	Principal Maturities	Interest	Total Debt Service
2011	\$ 2,130,000	1,279,248	3,409,248
2012	2,220,000	1,197,335	3,417,335
2013	2,430,000	1,138,089	3,568,089
2014	2,525,000	1,069,176	3,594,176
2015	2,590,000	995,236	3,585,236
2016-2020	14,045,000	3,658,839	17,703,839
2021-2025	12,905,000	1,063,375	13,968,375
	\$ 38,845,000	10,401,298	49,246,298



**NORTHERN YORK COUNTY SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

3. Scheduled future principal maturities of General Obligation Bonds at June 30, 2010, are as follows:

a. General Obligation Bonds, Series of 2010 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, 2011	1.000	\$ 5,000
2012	2.000	115,000
2013	2.000	240,000
2014	2.000	245,000
2015	2.000	245,000
2016	2.300	250,000
2017	2.650	260,000
2018	3.000	600,000
2019	3.100	1,375,000
2020	3.250	2,255,000
2021	3.375	2,330,000
2022	3.500	<u>2,410,000</u>
Total		\$ <u>10,330,000</u>

b. 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, 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>9,170,000</u>

c. 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, 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>9,870,000</u>

**NORTHERN YORK COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010**

- d. 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, 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>5,265,000</u>

- 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, 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>4,210,000</u>

- f. The General Obligation Bonds, Series 2010 were issued on February 18, 2010 in the amount of \$10,330,000 to refund the General Obligation Bonds, Series 2005 originally issued in the aggregate principal amount of \$10,000,000. The new bonds bear interest from 1.00% to 3.50% and are due in annual installments ranging from \$5,000 to \$2,410,000 through November 15, 2022. The bonds are payable pursuant to a resolution of the Board of School Directors of the School District. The new issue will reduce debt service payments for the School District by \$434,389.

**NORTHERN YORK COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010**

**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.

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, 2010, the rate of employer contribution was 4.78% of covered payroll. The 4.78% rate is composed of a pension contribution rate of 4.00% for pension benefits and .78% for healthcare insurance premium assistance. The School District is reimbursed by the Commonwealth for one half of the total amount contributed or 2.39%. The School District's contributions to PSERS for the years ended June 30, 2010, 2009 and 2008 were \$823,446, \$793,049 and \$1,116,743 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 installments 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 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. At the actuarial valuation as of January 1, 2008 there were 20 participants in this employee group, 17 active participants and 3 retired participants.

**NORTHERN YORK COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010**

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). At the actuarial valuation as of January 1, 2008 there were 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.

**Annual OPEB Cost and Net OPEB Obligation** - For the year ended June 30, 2010, 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	\$ 175,632
Less adjustment to the annual required contribution	--
Annual OPEB cost	175,632
Amounts contributed:	
Payments of current premiums	(103,008)
Increase in net OPEB obligation	72,624
OPEB obligation - beginning of year	87,647
OPEB obligation - end of year	\$ 160,271

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, 2010:	
Annual OPEB cost	\$ 175,632
Percentage contributed	59%
Net OPEB obligation	\$ 160,271

**Funding Status and Funding Progress** - As of January 1, 2008, the actuarial accrued liability for benefits was \$1,076,152 for active participants and \$371,038 for retired participants for a total of \$1,447,190, 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.

**NORTHERN YORK COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010**

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.

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 participants. This program is offered for a duration of up to 18 months after an employees' termination date. At June 30, 2010, there were 3 participants covered under COBRA.

**J. CONSTRUCTION COMMITMENTS AND RESERVE FOR ENCUMBRANCES**

Capital Reserve Fund

At June 30, 2010 the School District had no commitments or encumbrances.

**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 School 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, 2010 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.

**NORTHERN YORK COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010**

4. The School District provides health and welfare benefits for its employees as a member of the Lincoln Benefits Trust, a claim servicing pool. 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, 2010.

As a member of the trust the School District remains responsible for the economic risk of providing stated benefits to employees. Claims incurred between \$125,000 and \$300,000 are paid from the Trust minipool. Claims incurred over \$300,000 are paid from a stop loss insurance policy purchased by the Trust.

Changes in net assets for the School District's account at Lincoln Benefit Trust (based on audited financial statements of Lincoln Benefit Trust) were as follows for the year ended June 30, 2010:

Net assets – July 1, 2009	\$ 3,251,968
Contributions and interest income	4,772,605
Claims paid	(3,316,146)
Stop-loss insurance	(110,841)
Minipool premiums	(50,653)
Administrative fees	(167,984)
other	<u>(6,111)</u>
Net assets – June 30, 2010	\$ <u>4,372,838</u>

Overall, the Lincoln Benefit Trust had net assets of \$48,359,729 as of June 30, 2010, and showed an increase in net assets of \$7,177,403 for the year then ended. Financial statements of the Trust are available at the School District Administrative Office.

**L. INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS**

Interfund balances at June 30, 2010 are as follows:

Interfund receivables and payables are the result of budgeted 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	\$ 200,603	30,030
Capital Reserve Fund	22,218	--
Proprietary Fund (Food Service)	<u>7,812</u>	<u>200,603</u>
Total interfund receivables and payables	\$ <u>230,633</u>	<u>230,633</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	\$ 3,290,084	--
Capital Reserve Fund	--	167,738
Non-major Governmental Funds		
Debt Service Funds	--	3,107,346
Proprietary Fund		
Food Service	--	<u>15,000</u>
Total interfund transfers	\$ <u>3,290,084</u>	<u>3,290,084</u>

**NORTHERN YORK COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010**

**M. REQUIRED INDIVIDUAL FUND DISCLOSURES**

The following funds had functions which had an excess of expenditures over appropriations for the year ended June 30, 2010:

<u>Fund</u>	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Excess of Actual over Budgeted Expenditures</u>
General Fund			
Instruction			
Regular programs	15,729,646	16,229,005	499,359
Facilities acquisition, construction and improvement services	109,300	304,825	195,525
Refund of prior years' receipts	--	8	8

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.



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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 the Northern York County School District for the year ended June 30, 2010 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 the 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 the 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, 2010 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 &amp; Daub'.

December 20, 2010



**NORTHERN YORK COUNTY SCHOOL DISTRICT  
POSTEMPLOYMENT BENEFITS PLAN  
REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2010**

**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%
2010		175,632	59%

See auditor's report on supplementary information.

**NORTHERN YORK COUNTY SCHOOL DISTRICT  
 COMBINING BALANCE SHEET - ALL NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2010**

	Debt Service Funds	Totals Summarized	
		2010	2009
<b>ASSETS</b>			
Cash and cash equivalents	\$ 3,998	3,998	9,805
Total assets	\$ 3,998	3,998	9,805
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES</b>			
None	\$ --	--	--
Total liabilities	--	--	--
<b>FUND BALANCE</b>			
Specific fund balance reserves	3,998	3,998	9,805
Total fund balance	3,998	3,998	9,805
Total liabilities and fund balance	\$ 3,998	3,998	9,805

See auditor's report on supplementary information.

**NORTHERN YORK COUNTY SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 ALL DEBT SERVICE FUNDS  
 JUNE 30, 2010**

	G.O. Bonds Series of 2010	Totals 2010	Summarized 2009
<b>ASSETS</b>			
Cash and cash equivalents	\$ 3,998	3,998	9,805
Total assets	\$ 3,998	3,998	9,805
 <b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES</b>			
	\$ --	--	--
<b>FUND BALANCE</b>			
Specific fund balance reserves	3,998	3,998	9,805
Total liabilities and fund balance	\$ 3,998	3,998	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, 2010**

	William Potter Scholarship & Childrens' Assistance	Ronald Dettler Scholarship Fund	Joan E. Maljevac Progress Award	Patricia Heatwole Scholarship Fund	Northern High School Scholarship Fund	Theodore Laukmann Trust
<b>ASSETS</b>						
Cash and cash equivalents	\$ 261,800	9,094	380	14,571	6,839	1,000
Total assets	<u>\$ 261,800</u>	<u>9,094</u>	<u>380</u>	<u>14,571</u>	<u>6,839</u>	<u>1,000</u>

**LIABILITIES AND NET ASSETS**

LIABILITIES	\$ --	--	--	--	--	--
<b>NET ASSETS</b>						
Restricted	261,800	9,094	380	14,571	6,839	1,000
Total liabilities and net assets	<u>\$ 261,800</u>	<u>9,094</u>	<u>380</u>	<u>14,571</u>	<u>6,839</u>	<u>1,000</u>

	Wellsville Elementary Scholarship Fund	Ellery Crone Scholarship	Future Teachers Scholarship	Totals
				Summarized 2009
<b>ASSETS</b>				
Cash and cash equivalents	\$ 7,012	85	134	312,375
Total assets	<u>\$ 7,012</u>	<u>85</u>	<u>134</u>	<u>312,375</u>

**LIABILITIES AND NET ASSETS**

LIABILITIES	\$ --	--	--	--
<b>NET ASSETS</b>				
Restricted	7,012	85	134	312,375
Total liabilities and net assets	<u>\$ 7,012</u>	<u>85</u>	<u>134</u>	<u>312,375</u>

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, 2010**

	Debt Service Funds	Totals	
		2010	Summarized 2009
<b>REVENUES</b>			
Local sources	\$ --	--	14,360
<b>EXPENDITURES</b>			
Support services	67,445	67,445	180,484
Debt service	3,117,151	3,117,151	3,548,945
Total expenditures	3,184,596	3,184,596	3,729,429
Excess of revenues over (under) expenditures	(3,184,596)	(3,184,596)	(3,715,069)
<b>OTHER FINANCING SOURCES (USES)</b>			
Net proceeds from sale of bonds	10,155,066	10,155,066	20,745,907
Interfund transfers in	3,107,346	3,107,346	3,500,070
Interfund transfers out	--	--	(6,554)
Refunding of G.O. Bonds	(10,083,623)	(10,083,623)	(20,193,145)
Total other financing sources (uses)	3,178,789	3,178,789	4,046,278
Change in fund balance	(5,807)	(5,807)	331,209
<b>FUND BALANCE, BEGINNING OF YEAR</b>	9,805	9,805	(321,404)
<b>FUND BALANCE, END OF YEAR</b>	\$ 3,998	3,998	9,805

See auditor's report on supplementary information.

**NORTHERN YORK COUNTY SCHOOL DISTRICT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
ALL DEBT SERVICE FUNDS  
YEAR ENDED JUNE 30, 2010**

	G.O. Bonds Series of 2010	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	Totals	
							2010	Summarized 2009
<b>REVENUES</b>								
Interest earned	--	--	--	--	--	--	--	13,579
<b>EXPENDITURES</b>								
Support services	67,445	--	--	--	--	--	67,445	180,484
Debt service	--	1,630,000	55,000	5,000	60,000	205,000	1,955,000	2,155,000
Principal	--	251,226	323,773	214,999	199,493	172,660	1,162,151	1,393,945
Interest								
Total expenditures	67,445	1,881,226	378,773	219,999	259,493	377,660	3,184,596	3,729,429
Excess of revenues over (under) expenditures	(67,445)	(1,881,226)	(378,773)	(219,999)	(259,493)	(377,660)	(3,184,596)	(3,715,850)
<b>OTHER FINANCING SOURCES (USES)</b>								
Proceeds from sale of bonds:								
Face	10,330,000	--	--	--	--	--	10,330,000	20,730,000
Bond premium (discount)	(174,934)	--	--	--	--	--	(174,934)	15,907
Net proceeds from sale of bonds	10,155,066	--	--	--	--	--	10,155,066	20,745,907
Transfers from General Fund	--	1,871,421	378,773	219,999	259,493	377,660	3,107,346	3,178,666
Transfer to/(from) Bond Fund	(10,083,623)	--	--	--	10,083,623	--	--	--
Transfers to General Fund	--	--	--	--	--	--	--	--
Refunding of G.O. Bonds	--	--	--	--	(10,083,623)	--	(10,083,623)	(5,773)
Total other financing sources (uses)	71,443	1,871,421	378,773	219,999	259,493	377,660	3,178,789	3,725,655
Change in fund balance	3,998	(9,805)	--	--	--	--	(5,807)	9,805
<b>FUND BALANCE, BEGINNING OF YEAR</b>	--	9,805	--	--	--	--	9,805	--
<b>FUND BALANCE, END OF YEAR</b>	3,998	--	--	--	--	--	3,998	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, 2010**

	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	Wellsville Elementary Scholarship Fund
\$	--	--	--	75	105	--	656
	661	28	3	48	254	--	23
Total additions	661	28	3	123	359	--	679
<b>DEDUCTIONS</b>							
Scholarships	8,750	--	500	1,000	900	--	566
Other expense	--	--	--	--	--	--	--
Total deductions	8,750	--	500	1,000	900	--	566
Change in net assets	(8,089)	28	(497)	(877)	(541)	--	113
<b>NET ASSETS, BEGINNING OF YEAR</b>	269,889	9,066	877	15,448	7,380	1,000	6,899
<b>NET ASSETS, END OF YEAR</b>	\$ 261,800	\$ 9,094	\$ 380	\$ 14,571	\$ 6,839	\$ 1,000	\$ 7,012

	Eichelberger Scholarship Fund	Ellery Crone Scholarship	Future Teachers Scholarship	Adams Electric Coop Scholarship	Totals	Summarized 2009
\$	2,596	500	--	500	4,432	9,047
	--	301	2	--	1,320	3,105
Total additions	2,596	801	2	500	5,752	12,152
<b>DEDUCTIONS</b>						
Scholarships	2,596	900	1,000	1,000	17,212	19,727
Other expense	--	--	--	--	--	--
Total deductions	2,596	900	1,000	1,000	17,212	19,727
Change in net assets	--	(99)	(998)	(500)	(11,460)	(7,575)
<b>NET ASSETS, BEGINNING OF YEAR</b>	--	184	1,132	500	312,375	319,950
<b>NET ASSETS, END OF YEAR</b>	\$ --	\$ 85	\$ 134	\$ --	\$ 300,915	\$ 312,375

See auditor's report on supplementary information.

**NORTHERN YORK COUNTY SCHOOL DISTRICT  
STATEMENT OF CHANGES IN LONG TERM DEBT  
YEAR ENDED JUNE 30, 2010**

	Balance July 1, 2009	Borrowings and Accretion	Increase (Decrease)	Note Payments and Bonds Redeemed	Balance June 30, 2010
<b>GENERAL OBLIGATION BONDS</b>					
Series of 2004A, maturing serially through August 15, 2024, rates range from 3% to 4.65%	\$ 4,415,000	--	--	205,000	4,210,000
Series of 2005, maturing serially through November 15, 2022, rates range from 2.90% to 4.2%	9,945,000	--	--	9,945,000	--
Series of 2006, maturing serially through November 15, 2023, rates range from 3.75% to 4.15%	5,270,000	--	--	5,000	5,265,000
Series of 2008, maturing serially through November 15, 2018, rates range from 2.20% to 3.65%	9,925,000	--	--	55,000	9,870,000
Series of 2009, maturing serially through November 15, 2019, rates range from 2.00% to 3.50%	10,800,000	--	--	1,630,000	9,170,000
Series of 2010, maturing serially through November 15, 2022, rates range from 1.00% to 3.50%	--	10,330,000	--	--	10,330,000
Total general obligation bonds	40,355,000	10,330,000	--	11,840,000	38,845,000
Less deferred refunding loss (additional funds escrowed to pay future interest on defeased bonds)	(92,735)	--	7,250	--	(85,485)
Net general obligation bonds	40,262,265	10,330,000	7,250	11,840,000	38,759,515
<b>COMPENSATED ABSENCES PAYABLE</b>					
Accumulated vested vacation pay - payable in future years (note A.12)	97,881	--	17,184	--	115,065
Accumulated vested sick pay - payable in future years (note A.12)	564,838	--	(33,539)	--	531,299
Accumulated vested personal pay - payable in future years (note A.12)	178,368	--	2,336	--	180,704
Total compensated absences payable	841,087	--	(14,019)	--	827,068
<b>EXTENDED TERM FINANCING</b>					
Extended term financing for computers - maturing through 2011 at 3.55%	--	260,000	--	89,186	170,814
Extended term financing for computers - maturing through 2011 at 6.20%	--	305,907	--	97,884	208,023
Extended term financing for telephones - maturing through 2011 at 4.57%	--	366,182	--	--	366,182
Total extended term financing	--	932,089	--	187,070	745,019
<b>OTHER POSTEMPLOYMENT BENEFITS PAYABLE</b>					
Total long term debt	87,647	--	72,624	--	160,271
	\$ 41,190,999	11,262,089	65,855	12,027,070	40,491,873

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, 2010 AND 2009**

<b>REVENUES FROM LOCAL SOURCES</b>	<u>2010</u>	<u>2009</u>
Real estate taxes	\$ 17,398,806	17,199,104
Public utility realty taxes	31,789	28,722
Payments received in lieu of taxes	3,005	3,005
Per capita, Section 679	64,035	64,642
Per capita, Act 511	64,068	64,642
Earned income tax	3,812,335	4,006,820
Real estate transfer tax	327,999	401,860
Amusement tax	11,636	11,636
Delinquent taxes - all levies	898,881	881,688
Interest	86,283	293,986
Athletic admissions	44,946	41,323
Fees from students	7,970	5,495
Other student activity	98,086	67,268
Intermediate sources	871,994	512,232
Rent and use of school facilities	32,275	31,699
Contributions from private sources	51,920	23,550
Tuition	62,176	62,127
Other revenue	18,575	26,788
Total revenues from local sources	<u>23,886,779</u>	<u>23,726,587</u>
<b>REVENUES FROM STATE SOURCES</b>		
Basic instructional subsidy	6,373,718	6,924,096
Tuition	70,867	71,239
State Block Grant	123,045	114,171
Classrooms for the Future	--	67,370
Homebound instruction	--	576
Vocational education	47,044	36,247
Alternative education	--	20,012
Driver education	7,585	7,245
Migratory children	120	--
Special education of exceptional pupils	1,601,837	1,519,979
Other program subsidies	--	1,247
Transportation	1,058,657	1,210,323
Rental reimbursement	468,168	498,994
Health services	56,023	57,513
State property tax reduction allocation	726,524	722,039
Dual enrollment grant	12,887	9,015
PA accountability grant	388,030	388,030
Social security subsidy	628,108	611,067
Retirement subsidy	402,989	364,093
Total revenues from state sources	<u>11,965,602</u>	<u>12,623,256</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, 2010 AND 2009**

<b>REVENUES FROM FEDERAL SOURCES</b>	<u>2010</u>	<u>2009</u>
Title I	345,976	342,625
Title II	81,828	78,642
ARRA - Title I	77,939	--
ARRA - State Fiscal Stabilization	856,678	--
Access	29,976	--
Total revenues from federal sources	<u>1,392,397</u>	<u>421,267</u>
 <b>OTHER FINANCING SOURCES</b>		
Proceeds from extended term financing	932,089	--
Insurance recoveries	31,368	--
Sale of fixed assets	536	3,297
Total other financing sources	<u>963,993</u>	<u>3,297</u>
Total revenues and other financing sources	<u>\$ 38,208,771</u>	<u>36,774,407</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, 2010 AND 2009**

**INSTRUCTION**

<b>REGULAR PROGRAMS</b>	<u>2010</u>	<u>2009</u>
Salaries - teachers	\$ 9,901,287	9,392,272
Salaries - instructional assistance	330,447	304,513
Health insurance	2,376,899	2,320,221
Life insurance	16,522	14,779
Income protection insurance	26,447	--
Vision insurance	3,117	--
Social security	774,027	733,642
Retirement	477,693	458,795
Tuition reimbursement (teachers)	172,162	165,443
Unemployment compensation	1,793	13
Worker's compensation	36,608	35,204
Other postemployment benefits	87,868	69,638
Contracted services	62,528	59,304
Repairs and maintenance	100,673	27,410
Equipment rentals	86,782	68,523
Printing and binding	1,317	761
Tuition to other schools	529,880	464,818
Travel	3,403	4,539
Teaching supplies	282,338	268,274
Textbooks	364,975	315,790
Instructional equipment	587,122	237,206
Other expenses	5,117	13,843
Total regular programs	<u>16,229,005</u>	<u>14,954,988</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, 2010 AND 2009**

<b>SPECIAL PROGRAMS</b>	<u>2010</u>	<u>2009</u>
Salaries - teachers	1,503,369	1,452,259
Salaries - teachers aides	22,988	22,033
Salaries - instructional assistance	476,010	420,848
Health insurance	625,737	586,880
Life insurance	3,471	3,194
Income protection insurance	4,242	301
Vision insurance	488	--
Social security	151,131	143,338
Retirement	95,212	88,977
Tuition reimbursement	15,558	25,346
Worker's compensation	5,968	5,860
Contracted services	691,369	792,713
Technical services	3,284	1,550
Repairs and maintenance	34,517	3,008
Tuition to other schools	77,136	45,931
Travel	4,292	4,943
Intermediate unit services	471,434	207,665
Teaching supplies	21,904	20,622
Textbooks	26,478	19,487
Instructional equipment	69,048	58,980
Other expenses	485	2,609
Total special programs	<u>4,304,121</u>	<u>3,906,544</u>
<b>VOCATIONAL EDUCATION PROGRAMS</b>		
Salaries - teachers, agricultural education	173,067	162,057
Health insurance	31,108	30,168
Life insurance	201	184
Income protection insurance	274	--
Vision insurance	22	--
Social security	13,116	12,302
Retirement	8,273	7,716
Worker's compensation	516	554
Travel	121	531
Teaching supplies	633	6,154
Textbooks	1,755	4,829
Other expenses	516	1,457
Cumberland-Perry Vo-Tech School - operations	337,100	318,622
Total vocational education programs	<u>566,702</u>	<u>544,574</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, 2010 AND 2009**

<b>OTHER INSTRUCTIONAL PROGRAMS</b>	2010	2009
Salaries - teachers, driver education	124,000	121,626
Salaries - teachers, summer school	8,658	7,052
Salaries - teachers, homebound instruction	7,602	6,369
Salaries - teachers, alternative education	114,987	114,321
Health insurance	87,442	84,713
Life insurance	404	366
Income protection insurance	602	--
Vision insurance	78	--
Social security	19,215	18,308
Retirement	12,201	11,549
Worker's compensation	2,150	712
Contracted services	61,212	600
Vehicle maintenance	5,856	2,190
Automotive liability insurance	623	855
Private tuition	22,588	20,675
Tuition - dual enrollment	8,887	9,015
Travel	1,275	1,274
Gasoline	1,974	3,149
Teaching supplies	--	5,110
Title I/IU/Non-PUB	--	22,653
Instructional equipment	--	160
Total other instructional programs	<u>479,754</u>	<u>430,697</u>
Total instruction	<u>\$ 21,579,582</u>	<u>19,836,803</u>

**SUPPORT SERVICES**

<b>PUPIL PERSONNEL</b>		
Salaries - guidance	\$ 569,040	578,830
Salaries - clerical	130,959	125,365
Health insurance	173,643	173,969
Life insurance	1,212	1,105
Income protection insurance	1,578	--
Vision insurance	157	--
Social security	52,968	53,375
Retirement	39,507	32,612
Tuition reimbursement	--	5,500
Worker's compensation	2,086	2,135
Contracted services	46,280	66,443
Rental of equipment	420	777
Communications	1,369	4,638
Travel	3,808	1,793
Materials and supplies	13,397	19,966
Textbooks	1,284	623
Other expenses	2,666	455
Total pupil personnel	<u>1,040,374</u>	<u>1,067,586</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, 2010 AND 2009**

<b>INSTRUCTIONAL STAFF</b>	<u>2010</u>	<u>2009</u>
Salaries - librarians	231,375	231,934
Salaries - instructional assistance	51,168	60,896
Salaries - professional development services	3,440	8,470
Health insurance	99,729	101,904
Life insurance	431	415
Income protection insurance	633	--
Vision insurance	83	--
Social security	21,552	22,751
Retirement	13,670	14,217
Tuition reimbursement	5,295	4,767
Worker's compensation	865	952
Contracted services	16,215	21,944
Contracted technical services	32,426	56,217
Repairs and maintenance	1,254	20,329
Rental of equipment	3,340	2,539
Printing and binding	363	--
Internet fees	40,523	24,200
Travel / conferences	1,931	6,625
Audiovisual supplies	7,126	4,121
Computer-assisted supplies	35,277	51,030
Library books and supplies	55,993	76,965
Development supplies	53	8,608
Equipment	20,074	79,644
Other expenses	26	488
Total instructional staff	<u>642,842</u>	<u>799,016</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, 2010 AND 2009**

<b>ADMINISTRATION</b>	2010	2009
Salaries - secretary and treasurer	4,498	4,498
Salaries - tax collection	70,357	70,447
Salaries - superintendent and assistant superintendent	140,000	260,899
Salaries - principals and assistants	717,017	712,663
Salaries - clerical	310,109	295,444
Health insurance	299,255	292,519
Life insurance	3,283	3,634
Other insurance	3,553	3,661
Social security	94,125	99,843
Retirement	55,302	57,880
Tuition reimbursement	7,680	9,825
Worker's compensation	3,777	4,863
Other postemployment benefits	15,140	19,783
Travel	4,792	10,860
Legal and auditing services	86,158	77,413
Other contracted services	131,765	172,327
Repairs and maintenance	14,600	16,698
Bonding and insurance	43,033	35,027
Communications	12,855	17,433
Board of director's expenses and supplies	23,688	32,669
Tax collection expenses and supplies	3,116	6,471
Administration expenses and supplies	43,045	54,693
Equipment	5,262	953
Total administration	2,092,410	2,260,503
 <b>PUPIL HEALTH</b>		
Salaries - nurses	280,203	259,661
Health insurance	89,716	85,073
Life insurance	484	473
Income protection insurance	525	--
Vision insurance	34	--
Social security	21,181	19,660
Retirement	12,849	11,622
Worker's compensation	810	735
Contracted services	10,437	10,321
Materials and supplies	150	--
Travel	21	1,219
Materials and supplies	4,601	7,220
Equipment	191	1,219
Total pupil health	421,202	397,203

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, 2010 AND 2009**

<b>BUSINESS</b>	<u>2010</u>	<u>2009</u>
Salaries - supervision	87,726	85,200
Salaries - staff	147,310	167,454
Health insurance	58,945	78,336
Life insurance	677	727
Other insurance	381	335
Social security	17,827	19,187
Retirement	10,983	11,993
Unemployment compensation	3,864	5,544
Worker's compensation	1,003	1,200
Contracted services	53,741	35,049
Bonding insurance	1,138	1,408
Travel	373	525
Materials and supplies	29,948	30,216
Equipment	315	300
Other expenses	8,176	8,263
Total business	<u>422,407</u>	<u>445,737</u>
 <b>OPERATION AND MAINTENANCE OF PLANT SERVICES</b>		
Salaries - supervision	58,307	56,500
Salaries - staff	966,045	962,370
Health insurance	342,374	356,303
Life insurance	2,781	2,729
Other insurance	275	232
Social security	77,316	77,221
Retirement	47,110	46,313
Unemployment compensation	2,519	3,589
Worker's compensation	6,450	5,062
Contracted services	42,229	25,534
Refuse, cleaning and grounds maintenance	58,777	59,409
Utilities	898,358	916,979
Repairs and maintenance	257,738	305,497
Construction services	4,401	4,232
Insurance	92,687	90,114
Communications	30,549	62,469
Travel	170	165
Operational supplies	197,301	209,899
Fuel	190,549	196,953
Equipment	20,131	33,280
Other	1,627	1,528
Total operation and maintenance of plant services	<u>3,297,694</u>	<u>3,416,378</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, 2010 AND 2009**

<b>STUDENT TRANSPORTATION SERVICES</b>	<u>2010</u>	<u>2009</u>
Salaries - supervisor	52,901	53,342
Health insurance	5,566	5,385
Life insurance	135	131
Social security	4,049	4,085
Retirement	2,529	2,539
Worker's compensation	152	143
Repairs and maintenance	2,544	--
Contracted carriers	1,824,493	1,836,270
Insurance	2,356	2,613
Advertising and supplies	5,809	2,865
Equipment	519	5,398
Other expenses	110	260
Total student transportation services	<u>1,901,163</u>	<u>1,913,031</u>
 <b>CENTRAL</b>		
Salaries	256,632	253,166
Health insurance	76,156	60,651
Life insurance	1,196	819
Vision insurance	44	--
Social security	19,385	19,193
Retirement	12,267	12,053
Worker's compensation	766	716
Purchased professional services	15,631	7,187
Travel	2,069	2,149
Materials and supplies	2,760	2,668
Equipment	356	3,495
Other expenses	971	1,242
Total central	<u>388,233</u>	<u>363,339</u>
 <b>OTHER SUPPORT SERVICES</b>		
Intermediate unit	<u>30,217</u>	<u>27,691</u>
Total support services	<u>\$ 10,236,542</u>	<u>10,690,484</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, 2010 AND 2009**

**OPERATION OF NONINSTRUCTIONAL SERVICES**

<b>STUDENT ACTIVITIES</b>	2010	2009
Salaries	\$ 533,892	524,546
Health insurance	29,002	34,322
Life insurance	314	392
Other insurance	363	318
Social security	40,532	40,174
Retirement	17,326	17,872
Tuition reimbursement	--	581
Unemployment compensation	430	481
Worker's compensation	486	1,535
Professional services	88,084	76,573
Contracted services	115,332	118,417
Insurance	9,320	9,052
Travel	20,157	25,168
Expenses and supplies	171,807	188,537
Equipment	33,330	2,490
Other expenses	515	331
Total student activities	<u>1,060,890</u>	<u>1,040,789</u>
 <b>COMMUNITY SERVICES</b>		
Materials and supplies	4,333	--
Contracted services	642	--
Travel	331	--
Total community services	<u>5,306</u>	<u>--</u>
Total operation of noninstructional services	<u>\$ 1,066,196</u>	<u>1,040,789</u>
 <b>FACILITIES ACQUISITION, CONSTRUCTION AND IMPROVEMENT</b>		
Construction services	\$ 109,300	--
Equipment	\$ 195,525	--
Total facilities acquisition, construction and improvements	<u>\$ 304,825</u>	<u>--</u>
 <b>DEBT SERVICE</b>		
Principal	<u>187,961</u>	<u>--</u>
Total debt service	<u>\$ 187,961</u>	<u>--</u>
 <b>OTHER EXPENDITURES</b>		
Refund of prior years' receipts	<u>\$ 8</u>	<u>68,420</u>
Total other expenditures	<u>\$ 8</u>	<u>68,420</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, 2010 AND 2009**

<b>FUND TRANSFERS</b>	<b>OTHER FINANCING USES</b>	
	<u>2010</u>	<u>2009</u>
Capital Projects Funds	\$ 167,738	2,246,642
Debt Service Funds	3,107,346	3,172,893
Food Service Fund	15,000	73,952
Total fund transfers	<u>3,290,084</u>	<u>5,493,487</u>
Total other financing uses	<u>\$ 3,290,084</u>	<u>5,493,487</u>
Total expenditures and other financing uses	<u>\$ 36,665,198</u>	<u>37,129,983</u>

See auditor's report on supplementary information.

**NORTHERN YORK COUNTY SCHOOL DISTRICT**  
**SCHEDULES OF REVENUES AND EXPENDITURES**  
**GENERAL FUND**  
**TEN YEARS ENDED JUNE 30, 2010**

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<b>REVENUES</b>										
Local sources	23,886,779	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
State sources	11,965,602	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
Federal sources	1,392,397	421,267	489,114	452,785	433,678	364,580	368,623	168,241	155,680	141,723
<b>Total revenues</b>	<b>37,244,778</b>	<b>36,771,110</b>	<b>36,291,876</b>	<b>34,343,985</b>	<b>32,342,480</b>	<b>30,194,396</b>	<b>27,586,557</b>	<b>25,470,324</b>	<b>24,338,850</b>	<b>23,365,267</b>
<b>EXPENDITURES</b>										
Instruction	21,579,582	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
Support services	10,236,542	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
Operation of noninstructional services	1,066,196	1,040,789	1,015,829	993,819	900,032	866,779	882,640	830,078	710,349	670,505
Facilities acquisition, construction and improvement services	304,825	--	--	38,817	--	--	--	--	26,849	--
Debt service	187,961	--	--	105,517	115,598	121,533	27,750	--	107,235	--
Refund of prior years' receipts	8	68,420	--	20,898	4,125	3,246	8,306	6,596	--	1,937
<b>Total expenditures</b>	<b>33,375,114</b>	<b>31,636,496</b>	<b>30,526,409</b>	<b>29,257,798</b>	<b>27,623,128</b>	<b>26,978,284</b>	<b>25,632,811</b>	<b>23,928,646</b>	<b>21,656,438</b>	<b>21,101,953</b>
Excess of revenues over expenditures	3,869,664	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
<b>OTHER FINANCING SOURCES (USES)</b>										
Proceeds from extended term financing	932,089	--	--	--	--	301,534	--	--	--	--
Interfund transfers in	--	--	315,010	--	124,767	25,514	--	--	--	236,518
Insurance recoveries	31,368	--	--	--	--	--	--	--	--	--
Sale of fixed assets	536	3,297	2,262	--	419	--	--	--	25,031	546
Refund of prior years' expenditures	--	--	--	--	--	--	--	--	--	17,394
Receipts from other LEAs	--	--	--	--	--	--	--	--	--	2,563
Interfund transfers out	(3,290,084)	(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)
<b>Total other financing uses</b>	<b>(2,326,091)</b>	<b>(5,490,190)</b>	<b>(3,299,807)</b>	<b>(3,491,371)</b>	<b>(3,293,447)</b>	<b>(2,308,271)</b>	<b>(2,542,361)</b>	<b>(3,806,140)</b>	<b>(3,302,200)</b>	<b>(3,583,407)</b>
<b>Change in fund balance</b>	<b>\$ 1,543,573</b>	<b>(355,576)</b>	<b>2,465,660</b>	<b>1,594,816</b>	<b>1,425,905</b>	<b>907,841</b>	<b>(588,615)</b>	<b>(2,264,462)</b>	<b>(619,788)</b>	<b>(1,320,093)</b>

See auditor's report on supplementary information.

**NORTHERN YORK COUNTY SCHOOL DISTRICT  
SCHEDULES OF STATISTICAL INFORMATION  
TEN YEARS ENDED JUNE 30, 2010**

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<b>CURRENT TAXABLE REAL ESTATE ASSESSED VALUATION - NET</b>										
Carroll Township	439,740,591	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
Monaghan Township	186,316,078	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
Warrington Township	274,730,497	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
Dillsburg Borough	123,703,821	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
Franklin Township	252,372,747	249,513,338	254,780,534	251,894,887	203,823,488	199,057,143	196,453,357	193,663,970	180,367,490	183,783,045
Wellsville Borough	14,593,800	14,509,156	15,140,303	14,881,128	11,603,354	11,391,753	11,490,337	11,490,337	11,078,805	11,456,132
Franklintown Borough	18,539,366	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
<b>Total</b>	<b>\$ 1,309,996,900</b>	<b>\$ 1,279,745,782</b>	<b>\$ 1,296,570,801</b>	<b>\$ 1,262,760,977</b>	<b>\$ 973,515,672</b>	<b>\$ 945,949,091</b>	<b>\$ 919,962,051</b>	<b>\$ 893,926,517</b>	<b>\$ 836,191,633</b>	<b>\$ 853,682,799</b>

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<b>REAL ESTATE TAX RATES</b>										
	13.87 Mills	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
<b>CURRENT REAL ESTATE TAX LEVY</b>										
Carroll Township	6,099,202	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
Monaghan Township	2,584,204	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
Warrington Township	3,810,512	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
Dillsburg Borough	1,715,772	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
Franklin Township	3,500,410	3,460,750	3,533,806	3,350,202	3,342,738	3,065,480	2,779,815	2,585,414	2,263,964	2,232,964
Wellsville Borough	202,416	201,242	209,996	197,919	190,295	175,433	162,629	153,396	139,039	139,192
Franklintown Borough	257,141	261,119	272,675	265,893	257,744	241,727	221,800	208,062	174,683	184,687
<b>Total</b>	<b>\$ 18,169,657</b>	<b>\$ 17,750,074</b>	<b>\$ 17,983,437</b>	<b>\$ 16,794,721</b>	<b>\$ 15,965,657</b>	<b>\$ 14,567,616</b>	<b>\$ 13,017,463</b>	<b>\$ 11,933,919</b>	<b>\$ 10,494,205</b>	<b>\$ 10,372,246</b>

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<b>CURRENT AND INTERIM REAL ESTATE TAX REVENUE</b>										
Carroll Township	6,060,154	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
Monaghan Township	2,456,692	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
Warrington Township	3,669,742	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
Dillsburg Borough	1,604,093	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
Franklin Township	3,195,866	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
Wellsville Borough	184,860	189,845	196,716	191,028	191,028	170,389	154,590	146,810	137,555	134,164
Franklintown Borough	227,399	244,033	262,486	250,548	250,548	225,252	208,450	185,100	169,934	169,930
<b>Total</b>	<b>\$ 17,398,806</b>	<b>\$ 17,199,104</b>	<b>\$ 17,403,154</b>	<b>\$ 16,313,614</b>	<b>\$ 16,334,504</b>	<b>\$ 14,085,943</b>	<b>\$ 12,608,550</b>	<b>\$ 11,427,760</b>	<b>\$ 10,458,239</b>	<b>\$ 9,909,150</b>

Ratio of net general long term debt to assessed valuation

3.09%	3.22%	3.29%	3.26%	4.71%	4.96%	4.55%	4.27%	4.37%	4.53%
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Ratio of annual debt service to total general fund expenditures

8.50%	9.56%	10.01%	10.84%	10.70%	7.38%	9.09%	11.32%	12.27%	11.30%
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Ratio of fund balance for general fund to general fund expenditures

19.70%	15.30%	17.68%	10.90%	6.37%	1.86%	-1.27%	0.97%	9.99%	12.43%
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NOTE: A reassessment occurred in 2007 and the real estate tax rates were reduced accordingly.