

LAMPETER-STRASBURG SCHOOL DISTRICT

Lampeter, Pennsylvania 17537

BOARD WORKSHOP MEETING AGENDA

November 18, 2024

BUSINESS AND FINANCE COMMITTEE

1. PRESENTATION OF 2023-2024 FINANCIAL STATEMENTS AND AUDIT

Withum will present audit information for the 2023-2024 financial statements, as posted.

MISCELLANEOUS

2. INTRODUCTION OF GARDEN SPOT FFA OFFICER TEAM

Mrs. Oberholtzer and Mrs. Ranck will introduce the 2024-2025 Garden Spot FFA Chapter Officers and provide a brief presentation.

3. PRESENTATION OF L-S HIGH SCHOOL INITIATIVES AND COMPREHENSIVE PLANNING GOALS

Dr. Feeney will present a review of Lampeter-Strasburg High School initiatives and progress toward Comprehensive Planning Goals.

PERSONNEL COMMITTEE

4. DISCUSSION OF UPDATED POLICY

Dr. Peart will lead a discussion on updated Policy 314 Physical Examination, as posted.

MISCELLANEOUS

5. REVIEW OF ACHIEVEMENT DATA

Dr. Godfrey will present a review of achievement data, as posted.

6. DISCUSSION OF PSBA PRINCIPLES FOR GOVERNANCE AND LEADERSHIP

Dr. Peart will lead a discussion of PSBA Principles for Governance and Leadership, as posted.



LAMPETER-STRASBURG SCHOOL DISTRICT
Lampeter, Pennsylvania
Lancaster County
Financial Statements
June 30, 2024
With Independent Auditor's Report

Lampeter-Strasburg School District
Table of Contents
June 30, 2024

Independent Auditor's Report	1-3
Management's Discussion and Analysis (Unaudited)	4-16
Basis Financial Statements	
<i>Government-wide Financial Statements</i>	
Statement of Net Position (Deficit)	17
Statement of Activities	18
<i>Fund Financial Statements</i>	
Balance Sheet – Governmental Funds	19
Reconciliation of Governmental Funds Balance Sheet to Net Position (Deficit) of Governmental Activities on the Statement of Net Position (Deficit)	20
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	21
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to Change in Net Position (Deficit) of	
Governmental Activities on the Statement of Activities	22
Statement of Net Position (Deficit) – Proprietary Funds	23
Statement of Revenues, Expenses and Changes in Net Position (Deficit) – Proprietary Funds	24
Statement of Cash Flows – Proprietary Funds	25
Statement of Net Position – Fiduciary Funds	26
Statement of Changes in Net Position – Fiduciary Funds	27
Notes to Financial Statements	28-50
Required Supplementary Information	
Budgetary Comparison Schedule – General Fund	51
Schedule of the District's Proportionate Share of the Net Pension Liability - PSERS	52
Schedule of the District's Pension Plan Contributions - PSERS	53
Schedule of Changes in OPEB Liability – Single Employer Plan	54
Schedule of the District's Proportionate Share of the Net OPEB Liability - PSERS	55
Schedule of the District's OPEB Plan Contributions - PSERS	56

Lampeter-Strasburg School District
Table of Contents
June 30, 2024

Single Audit

Schedule of Expenditures of Federal Awards	57-59
Notes to Schedule of Expenditures of Federal Awards	60
Summary Schedule of Prior Audit Findings	61
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	62
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	64
Schedule of Findings and Questioned Costs	67

INDEPENDENT AUDITOR'S REPORT

Board of School Directors of
Lampeter-Strasburg School District:

Opinions

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 Lampeter-Strasburg School District, Lampeter, Pennsylvania as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Lampeter-Strasburg School District's basic financial statements as listed in the table of contents.

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 Lampeter-Strasburg School District, Lampeter, Pennsylvania as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Lampeter-Strasburg School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Lampeter-Strasburg School District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedule – General Fund, the schedules of the District's proportionate share of the net pension liability - PSERS and pension plan contributions - PSERS, schedule of changes in OPEB liability single-employer plan, and the schedules of the District's proportionate share of the net OPEB liability -PSERS and OPEB plan contributions – PSERS on pages 4 through 16 and 51 through 56 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Lampeter-Strasburg School District's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated **DATE**, on our consideration of Lampeter-Strasburg 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Lampeter-Strasburg School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Lampeter-Strasburg School District's internal control over financial reporting and compliance.

DATE

Lampeter-Strasburg School District

Management's Discussion and Analysis (Unaudited)

June 30, 2024

Management's discussion and analysis ("MD&A") of the financial performance of the Lampeter-Strasburg School District (the "District") provides an overview of the District's financial performance for fiscal year ended June 30, 2024. Readers should also review the basic financial statements and related notes to enhance their understanding of the District's financial performance.

DISTRICT PROFILE

The District consists of two elementary schools, a middle school and a high school consisting of approximately 2,800 students. The District covers 36.2 square miles southeast of the City of Lancaster and is comprised of the Townships of Strasburg and West Lampeter, the Borough of Strasburg and an Annex of Lancaster City. As of the close of the 2023-2024 school year, there were 451 fulltime and regular parttime employees in the District, consisting of 213 teachers, 14 administrators, including general administration, principals and supervisors, and 224 support personnel including administrative assistants, maintenance staff, custodial staff, transportation staff, food service staff, technology staff, school monitors and staff nurses.

The District is committed to providing, in an accountable partnership with the parents and the community, opportunities for each learner to acquire the knowledge, skills and values to become a responsible, productive citizen.

FINANCIAL HIGHLIGHTS

- On a government-wide basis including all governmental activities and the business type activities, the liabilities and deferred inflows of resources exceeded the assets and deferred outflows of resources of the District resulting in a deficit in total net position at the close of the 2023-2024 fiscal year of \$4,002,520. During the 2023-2024 fiscal year, the District had an increase in total net position of \$8,084,332. The net position of governmental activities increased by \$8,137,342 and the net position of the business-type activities decreased by \$53,010.
- The General Fund reported an increase of fund balance of \$3,101,388, bringing the cumulative balance to \$15,552,756 at the conclusion of the 2023-2024 fiscal year.
- At June 30, 2024, the General Fund fund balance includes \$245,657 which is considered nonspendable, \$6,722,643 assigned to capital projects, \$1,111,500 assigned to retirement rate stabilization, \$32,005 assigned to technology initiatives, \$78,710 assigned for property tax assessment appeals, and an unassigned amount of \$7,362,241 or 11.61% of the \$63,388,239 General Fund expenditure budget for 2024-2025.
- Total General Fund revenues and other financing sources were \$3,641,443 more than budgeted amounts and total General Fund expenditures and other financing uses were \$278,964 more than budgeted amounts resulting in a net positive variance of \$3,362,479.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Lampeter-Strasburg School District
Management's Discussion and Analysis (Unaudited)
June 30, 2024

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

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

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

Governmental Activities

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

Business-Type Activities

The District charges fees to cover the costs of its food services and after-school childcare programs.

The government-wide financial statements can be found on Pages 17 and 18 of this report.

FUND FINANCIAL STATEMENTS

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

Governmental Funds

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

Lampeter-Strasburg School District
Management's Discussion and Analysis (Unaudited)
June 30, 2024

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

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

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

The governmental fund financial statements can be found on Pages 19 through 22 of this report.

Proprietary Funds

The District maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Food Service Fund and School Age Child Care Fund are reported as enterprise funds of the proprietary fund type. Internal service funds are used to accumulate and allocate certain costs internally among the District's various functions. The District uses its internal service fund to account for the District's self-funded healthcare program. Because an internal service fund predominantly benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

The proprietary fund financial statements provide separate financial information for its major fund and internal service fund. The proprietary fund financial statements can be found on Pages 23 through 25 of this report.

Fiduciary Funds

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

The fiduciary fund financial statements can be found on Pages 24 and 25 of this report.

Notes to the Financial Statements

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

The notes to the financial statements can be found on Pages 28 through 50 of this report.

Other Information

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

The required supplementary information can be found on Pages 51 through 56 of this report.

Lampeter-Strasburg School District
Management's Discussion and Analysis (Unaudited)
June 30, 2024

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted above, net position may serve over time as a useful indicator of the District's financial condition. At the close of the 2023-2024 fiscal year the District's liabilities and deferred inflows of resources assets exceeded assets and deferred outflows of resources by \$3,987,065. The following table presents condensed information for the *Statement of Net Position (Deficit)* of the District at June 30, 2024 and 2023.

	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Assets						
Current and other assets	\$ 54,837,811	\$ 40,400,865	\$ 1,000,379	\$ 1,124,998	\$ 55,838,190	\$ 41,525,863
Capital assets	<u>65,022,673</u>	<u>54,729,060</u>	<u>241,150</u>	<u>235,685</u>	<u>65,263,823</u>	<u>54,964,745</u>
Total assets	<u>119,860,484</u>	<u>95,129,925</u>	<u>1,241,529</u>	<u>1,360,683</u>	<u>121,102,013</u>	<u>96,490,608</u>
Deferred outflows of resources	<u>12,458,908</u>	<u>11,693,298</u>	<u>432,330</u>	<u>407,882</u>	<u>12,891,238</u>	<u>12,101,180</u>
Liabilities						
Current liabilities	8,475,528	10,103,743	88,785	83,650	8,564,313	10,187,393
Noncurrent liabilities	<u>122,936,357</u>	<u>102,532,564</u>	<u>2,669,742</u>	<u>2,664,589</u>	<u>125,606,099</u>	<u>105,197,153</u>
Total liabilities	<u>131,411,885</u>	<u>112,636,307</u>	<u>2,758,527</u>	<u>2,748,239</u>	<u>134,170,412</u>	<u>115,384,546</u>
Deferred inflows of resources	<u>3,667,084</u>	<u>5,083,835</u>	<u>158,275</u>	<u>210,259</u>	<u>3,825,359</u>	<u>5,294,094</u>
Net position (deficit)						
Net investment in capital assets	40,865,495	40,692,959	241,150	235,685	41,106,645	40,928,644
Restricted	7,118,325	4,852,014	-	-	7,118,325	4,852,014
Unrestricted (deficit)	<u>(50,743,397)</u>	<u>(56,441,892)</u>	<u>(1,484,093)</u>	<u>(1,425,618)</u>	<u>(52,227,490)</u>	<u>(57,867,510)</u>
Total net position (deficit)	<u>\$ (2,759,577)</u>	<u>\$ (10,896,919)</u>	<u>\$ (1,242,943)</u>	<u>\$ (1,189,933)</u>	<u>\$ (4,002,520)</u>	<u>\$ (12,086,852)</u>

The District's total assets as of June 30, 2024 were \$121,102,013 of which \$51,573,695 or 42.59%, consisted of cash and investments and \$65,263,823 or 53.89%, consisted of the District's net investment in capital assets. The District's total liabilities as of June 30, 2024 were \$134,170,412 of which \$46,411,904 or 34.59% consisted of general obligation debt used to acquire and construct capital assets and \$71,489,613 or 53.28%, consisted of the actuarially determined net pension liability.

The District had a deficit in unrestricted net position of \$52,227,490 at June 30, 2024. The District's unrestricted net position increased by \$5,640,020 during 2023-2024 primarily due to the results of current year operations and of the change in the District's actuarially determined net pension liability and related deferred outflows and inflows.

A portion of the District's net position reflects its restricted net position which totaled \$7,095,982 as of June 30, 2024. Most of the District's restricted net position is related to amounts restricted for capital expenditures. A small portion, \$22,343, is restricted for student activities at the elementary schools.

Another portion of the District's net position reflects its investment in capital assets net of accumulated depreciation less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. For the year ended June 30, 2024, the District's net investment in capital assets increased by \$178,001 because capital assets acquired with sources other than long-term debt exceeded the net depreciation expense in excess of the repayment of long-term debt used to acquire the capital assets.

Lampeter-Strasburg School District
Management's Discussion and Analysis (Unaudited)
June 30, 2024

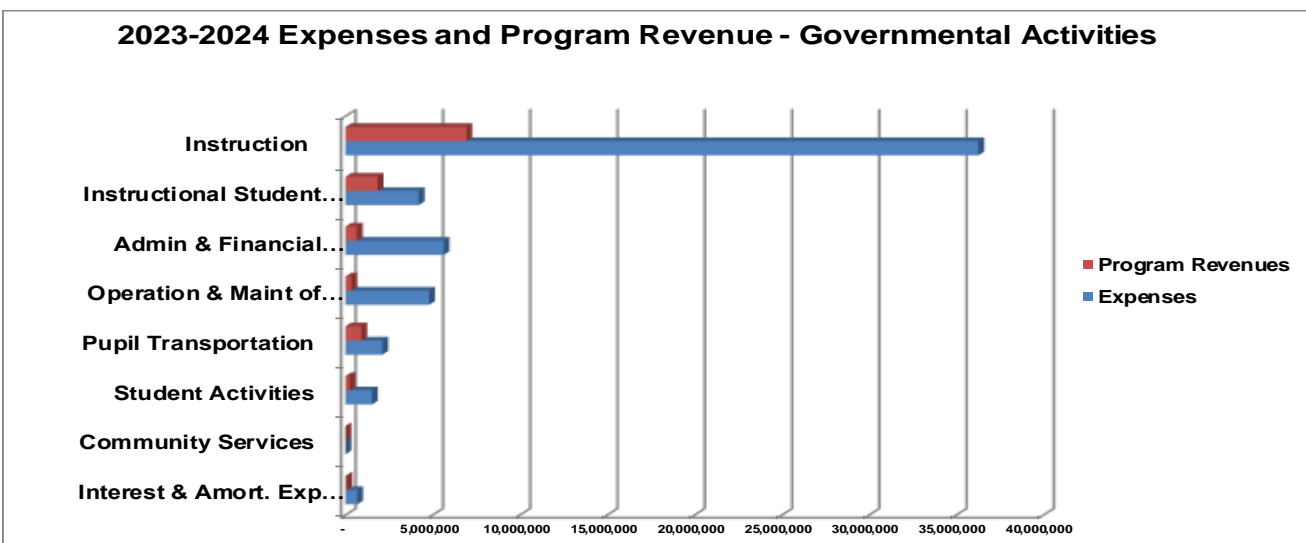
The following table presents condensed information for the Statement of Activities of the District for 2024 and 2023:

	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Revenues						
Program revenues						
Charges for services	\$ 165,070	\$ 212,357	\$ 1,482,162	\$ 1,510,837	\$ 1,647,232	\$ 1,723,194
Operating grants and contributions	10,781,226	11,667,178	1,437,431	1,359,182	12,218,657	13,026,360
General revenues						
Property taxes levied for general purposes	40,361,269	39,343,374	-	-	40,361,269	39,343,374
Other taxes levied for general purposes	4,629,567	4,700,013	-	-	4,629,567	4,700,013
Grants and entitlements not restricted to specific programs	5,803,423	5,384,675	-	-	5,803,423	5,384,675
Investment earnings	1,979,391	1,051,185	6,606	4,653	1,985,997	1,055,838
Gain (loss) on sale of capital assets	(409,646)	-	(5,104)	-	(414,750)	-
Total revenues	<u>63,310,300</u>	<u>62,358,782</u>	<u>2,921,095</u>	<u>2,874,672</u>	<u>66,231,395</u>	<u>65,233,454</u>
Expenses						
Instruction	36,257,859	34,465,687	-	-	36,257,859	34,465,687
Instructional student support services	4,191,271	3,975,008	-	-	4,191,271	3,975,008
Administrative and financial support services	5,619,810	5,387,672	-	-	5,619,810	5,387,672
Operation and maintenance of plant services	4,790,997	4,439,878	-	-	4,790,997	4,439,878
Pupil transportation	2,111,799	2,033,702	-	-	2,111,799	2,033,702
Student activities	1,512,579	1,442,727	-	-	1,512,579	1,442,727
Community services	6,000	6,000	-	-	6,000	6,000
Interest and amortization expense related to noncurrent liabilities	668,183	801,753	-	-	668,183	801,753
Food service	-	-	2,423,571	2,102,293	2,423,571	2,102,293
Child care	-	-	564,994	744,734	564,994	744,734
Total expenses	<u>55,158,498</u>	<u>52,552,427</u>	<u>2,988,565</u>	<u>2,847,027</u>	<u>58,147,063</u>	<u>55,399,454</u>
Change in net position before transfers	8,151,802	9,806,355	(67,470)	27,645	8,084,332	9,834,000
Transfers	<u>(14,460)</u>	<u>(88,310)</u>	<u>14,460</u>	<u>88,310</u>	<u>-</u>	<u>-</u>
Change in net position (deficit)	<u>\$ 8,137,342</u>	<u>\$ 9,718,045</u>	<u>\$ (53,010)</u>	<u>\$ 115,955</u>	<u>\$ 8,084,332</u>	<u>\$ 9,834,000</u>

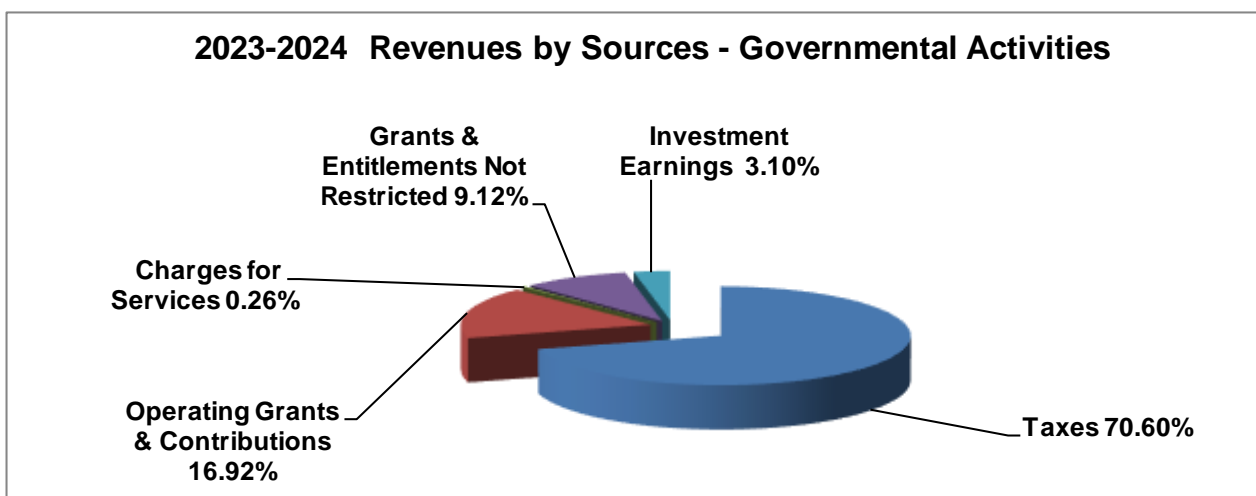
During 2023-2024, the District's net position increased by \$8,099,787 in part due to increases in state funding and savings in salaries, medical and other benefit costs, and building, department, and manager allocations. Future pension contributions, state-mandated programs and negotiated contracts have the potential to offset these gains in future fiscal years. Management of the District continues to aggressively implement cost efficiencies and revenue-generating strategies to combat these factors. In the governmental activities, the District's assessed property tax base drives most of the revenue generated. A significant portion of the District's property tax base is in the form of residential housing. Although the District is primarily a residential community, the District also has a property tax base derived from commercial facilities.

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

**Lampeter-Strasburg School District
Management's Discussion and Analysis (Unaudited)
June 30, 2024**



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



GOVERNMENTAL FUNDS

The governmental fund financial statements provide detailed information of the District's major funds. Some funds are required to be established by State statute while other funds are established by the District to manage monies restricted for a specific purpose. As of June 30, 2024, the District's governmental funds reported a combined fund balance of \$45,257,292 which is an increase of \$16,323,760 from the prior year. The following table summarizes the District's total governmental fund balances as of June 30, 2024 and 2023 and the total 2024 change in governmental fund balances.

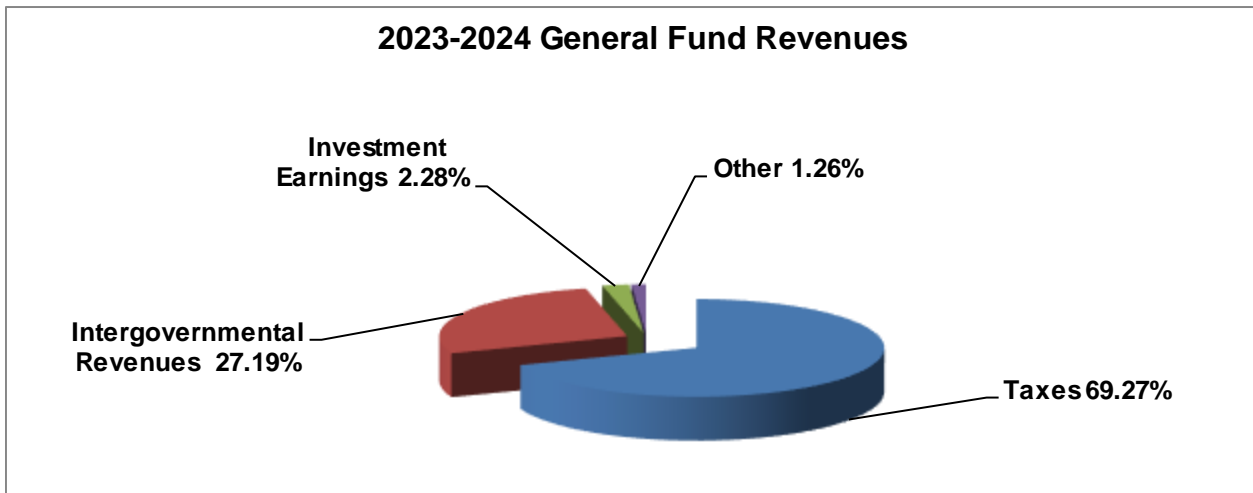
Lampeter-Strasburg School District
Management's Discussion and Analysis (Unaudited)
June 30, 2024

	<u>2024</u>	<u>2023</u>	<u>\$ Change</u>
General fund	\$ 15,552,756	\$ 12,451,368	\$ 3,101,388
Capital projects fund	29,682,193	16,460,427	13,221,766
Public purpose trust fund	22,343	21,737	606
	<u>\$ 45,257,292</u>	<u>\$ 28,933,532</u>	<u>\$ 16,323,760</u>

GENERAL FUND

The General Fund is the District's primary operating fund. At the conclusion of the 2023-2024 fiscal year, the General Fund fund balance was \$15,552,756 representing an increase of \$3,101,388 in relation to the prior year. The increase in the District's General Fund fund balance is due to many factors. The following analysis has been provided to assist the reader in understanding the financial activities of the General Fund during the 2023-2024 fiscal year.

The District's reliance upon tax revenues is demonstrated by the graph below that indicates 69.36% of General Fund revenues are derived from local taxes.



General Fund Revenues and Other Financing Sources

	<u>2024</u>	<u>2023</u>	<u>\$ Change</u>	<u>% Change</u>
Tax revenues	\$ 44,172,855	\$ 43,237,321	\$ (64,466)	-0.15
Intergovernmental revenues	17,341,954	17,886,467	(544,513)	-3.04
Investment earnings	1,454,115	220,100	1,234,015	560.66
Other	802,829	274,106	804	0.29
	<u>\$ 63,771,753</u>	<u>\$ 61,617,994</u>	<u>\$ 625,840</u>	<u>1.02%</u>

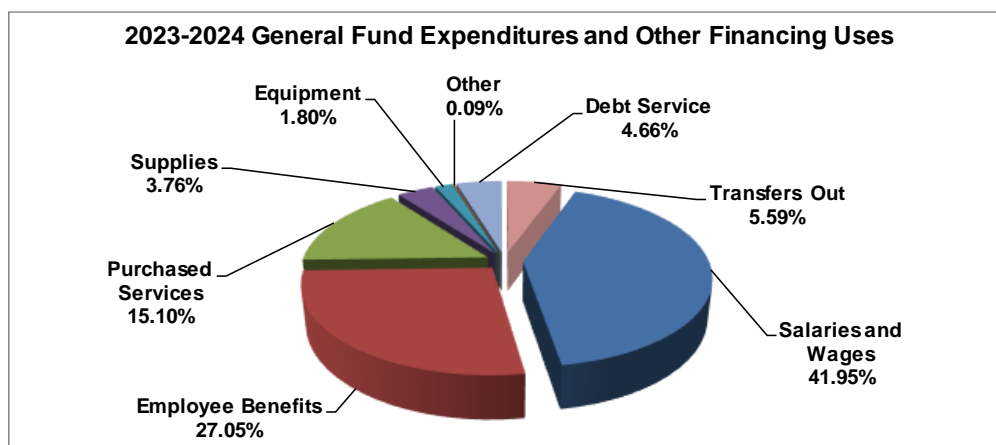
Net tax revenues increased by \$935,534 or 2.16%. The largest factor in this change was a 2.2% millage increase in 2023-2024. In addition, the continued growth of earned income tax was offset by a reduction in interim tax assessments and transfer taxes collected after a strong performance in 2022-2023. The following table summarizes the changes in the District's tax revenues for 2024 compared to 2023:

Lampeter-Strasburg School District
Management's Discussion and Analysis (Unaudited)
June 30, 2024

	<u>2024</u>	<u>2023</u>	<u>\$ Change</u>	<u>% Change</u>
Real estate tax	\$ 38,883,653	\$ 37,776,720	\$ 1,106,933	2.93
Interim tax	94,610	238,474	(143,864)	-60.33
PURTA tax	37,267	39,291	(2,024)	-5.15
Earned income tax	4,022,844	3,955,766	67,078	1.70
Transfer tax	606,723	744,247	(137,524)	-18.48
Delinquent tax	527,758	482,823	44,935	9.31
	<u>\$ 44,172,855</u>	<u>\$ 43,237,321</u>	<u>\$ 935,534</u>	<u>2.16%</u>

Intergovernmental revenues decreased primarily due to additional governmental funding received to aid with additional costs incurred associated with the COVID-19 in 2022-2023.

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



General Fund Expenditures and Other Financing Uses

	<u>2024</u>	<u>2023</u>	<u>\$ Change</u>	<u>% Change</u>
Salaries and wages	\$ 25,449,578	\$ 24,328,533	\$ 1,121,045	4.61
Employee benefits	16,408,885	16,496,168	(87,283)	-0.53
Purchased services	9,159,083	8,668,552	490,531	5.66
Supplies and energy	2,282,186	1,849,539	432,647	23.39
Equipment	1,089,052	1,857,337	(768,285)	-41.36
Other	57,137	54,469	2,668	4.90
Debt service	2,831,429	2,821,278	10,151	0.36
Transfers out	3,393,015	2,903,578	(38,482)	-1.33
	<u>\$ 60,670,365</u>	<u>\$ 58,979,454</u>	<u>\$ 1,162,992</u>	<u>1.97%</u>

Employee benefits decreased by \$87,283 or 0.53%. This decrease is primarily due to lower health insurance expenses during 2023-2024. The District is self-insured and expenses are tied directly to claim activity.

Purchased services increased by \$490,531 or 5.66%. This increase is mainly attributed to additional special education program costs and additional transportation expenses.

Lampeter-Strasburg School District
Management's Discussion and Analysis (Unaudited)
June 30, 2024

Supplies increased by \$432,647 or 23.39%. This increase is a direct correlation to the furniture and supplies purchased for the new Early Childhood Center.

Equipment decreased by \$768,285 or 41.36%. Expenses in 2022-2023 included purchases with additional governmental funding related to COVID-19, including HVAC equipment, new vans for student transportation, and custodial equipment. These purchases were not repeated in 2023-2024.

CAPITAL PROJECTS FUND

The Capital Projects Fund accounts for construction and renovation activity associated with the District's buildings and major equipment purchases. The Capital Projects Fund receives the majority of its revenues from the issuance of general obligation debt and transfers from the General Fund. During 2023-2024, the Capital Projects Fund reported an increase in fund balance of \$13,221,766 primarily due to the issuance of new debt and bond premiums in the amount of \$23,257,328, offset by capital expenditures. The remaining fund balance of \$29,682,193 as of June 30, 2024 is restricted for future capital expenditures.

GENERAL FUND BUDGET INFORMATION

Total General Fund revenues and other financing sources were \$3,641,443 more than budgeted amounts and total General Fund expenditures and other financing uses were \$278,964 more than budgeted amounts resulting in a net positive variance of \$3,362,479. Major budgetary highlights for 2023-2024 were as follows:

- Total local source revenues were over budget by \$1,953,307. This is primarily due to increased earnings on investments. Interest rates remained high during 2023-2024, accounting for \$1,339,115 of this total budget variance.
- Total state source revenues were over budget by \$717,444. This is primarily due to an increase in state subsidies, as well as PCCD and supplemental equipment grant funding.
- Total federal source revenues were over budget by \$442,773. This is primarily due to additional governmental funding received to help offset expenses related to the COVID-19, including salaries, benefits, and technology needs.
- Total actual expenditures were under budget by \$479,962. This variance is largely a result of lower-than-expected health insurance costs, reduced charter and cyber school enrollment, and utility savings. Additional special education program costs and start-up expenses for the new Early Childhood Center offset this overall difference.

BUSINESS-TYPE ACTIVITIES AND PROPRIETARY FUNDS

During 2023-2024, the net position of the business-type activities and proprietary funds decreased by \$53,010. The net position of the Food Service Fund decreased by \$65,553 and the net position of the School-Age Child Care Fund increased by \$12,543. As of June 30, 2024, the business-type activities and proprietary funds had a deficit in net position of \$1,242,943 due in large part to the net pension and other post-employment benefit liabilities.

CAPITAL ASSETS

The District's net capital assets for its governmental and business-type activities as of June 30, 2024 amounted to \$65,229,278 net of accumulated depreciation. This investment in capital assets includes land and improvements, buildings and improvements, furniture and equipment and right-to-use leased equipment and subscription assets. The total increase in the District's net investment in capital assets for the current fiscal year was \$10,264,533 or 18.67%. The increase was the result of current year capital additions in excess of depreciation expense. Current year depreciation expense was \$3,044,147, capital expenditures were \$14,281,95, and the net book value of disposed assets was \$978,727. The major capital additions for the current year consisted of construction in progress for the early childhood building totaling \$11,807,584 and critical capital projects totaling \$628,576.

Lampeter-Strasburg School District

Management's Discussion and Analysis (Unaudited)

June 30, 2024

NONCURRENT LIABILITIES

At the end of the current fiscal year, the District had total general obligation debt of \$46,411,904 consisting of \$43,500,000 in bonds payable and \$2,911,904 in unamortized bond premiums. The entire amount is backed by the full faith and credit of the District. The District's general obligation debt increased by \$21,125,686 or 83.55% during the fiscal year.

State statutes limit the amount of general obligation debt the District may issue up to 225% of its borrowing base capacity which is calculated as the annual arithmetic average of the total revenues for the preceding three fiscal years. The current debt limitation for the District is \$136,727,723 which exceeds the District's outstanding general obligation debt as of June 30, 2024. The District maintains an AA- rating from Standard and Poor's.

The District reports its allocated portion of its defined benefit unfunded benefit obligation related to its participation in the Pennsylvania State Employees' Retirement System ("**PSERS**"). The District's allocated portion of the net pension liability is an actuarially determined estimate of the unfunded cost of the pension plan obligation which totaled \$71,489,613 of June 30, 2024. The District's net pension liability decreased by \$444,599 or 0.62% during the fiscal year.

The District reports a liability for its other post-employment benefits ("**OPEB**") related to its single employer OPEB plan and its participation in the PSERS health insurance premium assistance program. The District's net OPEB liability is an actuarially determined estimate of the unfunded cost of the total OPEB liability which totaled \$4,503,272 as of June 30, 2024. The District's net OPEB liability increased by \$253,587 or 5.97% during the fiscal year.

Other noncurrent liabilities consist of the District's liabilities for leases payable, subscription liabilities, and accrued retirement bonuses, which totaled \$3,201,311 as of June 30, 2024. These liabilities decreased by \$525,727 or 14.11 during the fiscal year.

FACTORS BEARING ON THE DISTRICT'S FUTURE

The implications of COVID-19 and the ensuing inflationary pressures continue to impact the District in ways unimagined since early 2020. From online learning to deep cleaning efforts, staffing impacts and anticipated widespread financial declines, the District has seen the effects of this emergency. The Board has taken a cautious approach, trying to keep staffing levels as close to "normal" as possible. The District is data-driven and continues gathering information as we look to build future budgets. All internal groups are aware of the concerns and continue to rise to meet the challenges.

The District adopted a 2024-2025 budget totaling \$63,388,239 including a budgeted use of fund balance of \$660,135 in General Fund fund balance as of June 30, 2024, and the real estate tax millage increased to 18.4120 mills or 2.5%.

As we have seen throughout the nation, the economic situation is having an effect on the public sector. Challenges face many school districts in Pennsylvania on a number of issues. With the passage of Act 1 of 2006, our District is faced with a cap on the amount of money that can be funded from a property tax increase without voter referendums. This cap is based upon a percentage calculated and provided annually by the Pennsylvania Department of Education. The District will face pressure to keep tax increases at or well below the allowable increase for the foreseeable future.

In addition to demonstrating proficiency of the Pennsylvania Core and Academic Standards, our District is faced with additional challenges from the mandates imposed by the Federal government through the reauthorization of the Elementary and Secondary Education Act, or Every Student Succeeds Act ("**ESSA**"). ESSA has far-reaching requirements on standardized testing; reporting academic performance; adequate yearly progress goals; teacher qualifications, certifications, and training; disaggregation of student achievement data; the education of English Language Learners and extensive reporting to the community. It will require a continued, and possibly greater, emphasis on investment in curricular materials, staff development, and communication to comply with ESSA's mandates.

Lampeter-Strasburg School District

Management's Discussion and Analysis (Unaudited)

June 30, 2024

Many school districts face the common problem of escalating costs for employee benefits, particularly the retirement expenses of the Public School Employees' Retirement System ("**PSERS**") and, as in the case for our District, self-insured healthcare costs. Both of these costs are set by outside influences and, therefore, are not discretionary costs that can be controlled by District management.

Market performance of the invested PSERS funds have resulted in estimated increases that will affect our employer contributions for years to come. While the actual effect of the current market has yet to be determined, higher employer costs in the short term and high rates into the future are being planned for by the District through the use of an assigned fund balance integrated with millage increases. This condition has had an alarming effect on school district budgeting across the Commonwealth and has led to significant reductions in programs and services. The portion of funds assigned in the District's fund balance to be used to contain the projected increases in the employer share of PSERS will not be enough to alleviate the problem, but it will allow the District to prudently plan for any potential changes. The District is fortunate to have anticipated the looming crisis and fortunate to have assigned funds to help lessen the dramatic impact that other school districts may experience.

The Commonwealth has attempted to lessen the burden of the Public School Employees' Retirement System ("**PSERS**") and reduce benefits for individuals who become new members of PSERS. The employer contribution rate for 2024-2025 is 33.90%, which is a decrease of 0.29% from the 2023-2024 employer contribution rate of 34.00%. The employer contribution rate for 2025-2026 is projected at 34.72% and expected to continue to climb to 35.41% in 2026-2027.

Today's extremely competitive job market is also impacting the District with a few positions unfilled. With low unemployment levels and private business raising hourly rates exponentially, the District will face many challenges to remain competitive in this market. The Administration and Board will continue to look forward to ensure the District remains an employer of choice.

The costs of medical benefits will continue to have an effect on the District budget, as the District continues to offer a competitive benefits package to employees through the District's self-insured plan. The District continues to implement various strategies to lower the pace of medical inflation, including a near-site clinic and high deductible health plan option.

Maintaining an appropriate physical environment for learning requires investment in the construction, expansion, and renovation of school facilities. This is a well-planned and ongoing process in our District, accompanied by constant monitoring of enrollment trends and financial implications for the District. The District completed a comprehensive Feasibility Study looking at every building, the educational delivery system and growth projections. This Study included many recommendations addressing campus safety, large and small renovations and a new Kindergarten/ Early Childhood Center. This new building opened for students in August 2024. Another recommendation from the study was for comprehensive renovations to Martin Meylin Middle School. Designs were recently completed, and the project was bid and awarded in October 2024. Comprehensive renovations are expected to be completed in the summer of 2026. The Board of School Directors approved the study but continues to monitor the economic climate and discuss options. Further details of the Study and recommendations may be found on the District website at <https://www.l-spioneers.org/Departments/Buildings-And-Grounds/Feasibility-Study/>.

In conclusion, the District has committed itself to financial and educational excellence for the future. The District's systems of budgeting and internal controls are well regarded and consistently followed. Continued diligence in all financial matters will be a key component of continued financial performance well into the future.

CONTACTING THE DISTRICT FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Business Manager, Lampeter-Strasburg School District, P.O. Box 428, Lampeter, PA 17537.

Lampeter-Strasburg School District
Statement of Net Position (Deficit)
June 30, 2024

	Governmental Activities	Business-type Activities	Total
Asset and Deferred Outflows of Resources			
Current assets			
Cash and cash equivalents	\$ 42,111,183	\$ 686,375	\$ 42,797,558
Investments	8,776,137	-	8,776,137
Taxes receivable	1,241,930	-	1,241,930
Due from other governments	2,449,363	37,001	2,486,364
Internal balances	(179,129)	179,129	-
Other receivables	273,722	8,114	281,836
Inventories	90,547	89,760	180,307
Prepaid expenses	74,058	-	74,058
Total current assets	54,837,811	1,000,379	55,838,190
Noncurrent assets			
Capital assets, net	65,022,673	241,150	65,263,823
Total assets	119,860,484	1,241,529	121,102,013
Deferred outflows of resources			
Deferred charges - pension	11,541,413	428,464	11,969,877
Deferred charges - OPEB	916,010	3,866.00	919,876
Deferred amounts on debt refunding	1,485	-	1,485
Total deferred outflows of resources	12,458,908	432,330	12,891,238
Liabilities, Deferred Inflows of Resources and Net Position (Deficit)			
Current liabilities			
Accounts payable	1,756,297	5,659	1,761,956
Accrued salaries, payroll withholdings and benefits	6,033,915	7,535	6,041,450
Due to other governments	185,757	-	185,757
Accrued interest payable	419,393	-	419,393
Unearned revenue	80,166	75,591	155,757
Total current liabilities	8,475,528	88,785	8,564,313
Noncurrent liabilities			
Due within one year	2,422,911	-	2,422,911
Due in more than one year	120,513,446	2,669,742	123,183,188
Total noncurrent liabilities	122,936,357	2,669,742	125,606,099
Total liabilities	131,411,885	2,758,527	134,170,412
Deferred inflows of resources			
Deferred credits - pension	1,718,214	63,786	1,782,000
Deferred credits - OPEB	1,948,870	94,489	2,043,359
Total deferred outflows of resources	3,667,084	158,275	3,825,359
Net position (deficit)			
Net investment in capital assets	40,865,495	241,150	41,106,645
Restricted	7,118,325	-	7,118,325
Unrestricted (deficit)	(50,743,397)	(1,484,093)	(52,227,490)
Total net position (deficit)	\$ (2,759,577)	\$ (1,242,943)	\$ (4,002,520)

The Notes to the Financial Statements are an integral part of this statement.

Lampeter-Strasburg School District
Statement of Activities
Year Ended June 30, 2024

		Program Revenues			Net (Expense) Revenue and Changes in Net Position (Deficit)		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
	Expenses						
Governmental activities							
Instruction	\$ 36,257,859	\$ 11,998	\$ 6,916,205	\$ -	\$ (29,329,656)	\$ -	\$ (29,329,656)
Instructional student support	4,191,271	-	1,844,555	-	(2,346,716)	-	(2,346,716)
Administrative and financial support services	5,619,810	-	646,401	-	(4,973,409)	-	(4,973,409)
Operation and maintenance of plant services	4,790,997	26,786	313,763	-	(4,450,448)	-	(4,450,448)
Pupil transportation	2,111,799	-	900,778	-	(1,211,021)	-	(1,211,021)
Student activities	1,512,579	126,286	99,354	-	(1,286,939)	-	(1,286,939)
Community services	6,000	-	-	-	(6,000)	-	(6,000)
Interest and amortization expense related to noncurrent liabilities	668,183	-	60,170	-	(608,013)	-	(608,013)
Total governmental activities	<u>55,158,498</u>	<u>165,070</u>	<u>10,781,226</u>	<u>-</u>	<u>(44,212,202)</u>	<u>-</u>	<u>(44,212,202)</u>
Business-type activities							
Food service	2,423,571	973,629	1,374,871	-	-	(75,071)	(75,071)
Child care	564,994	508,533	62,560	-	-	6,099	6,099
Total business-type activities	<u>2,988,565</u>	<u>1,482,162</u>	<u>1,437,431</u>	<u>-</u>	<u>-</u>	<u>(68,972)</u>	<u>(68,972)</u>
Total primary government	<u>\$ 58,147,063</u>	<u>\$ 1,647,232</u>	<u>\$ 12,218,657</u>	<u>\$ -</u>	<u>(44,212,202)</u>	<u>(68,972)</u>	<u>(44,281,174)</u>
General revenues							
Property taxes levied for general purposes					40,361,269	-	40,361,269
Other taxes levied for general purposes					4,629,567	-	4,629,567
Grants and entitlements not restricted to specific programs					5,803,423	-	5,803,423
Investment earnings (losses)					1,979,391	6,606	1,985,997
Gain (loss) on disposal of capital assets					(409,646)	(5,104)	(414,750)
Transfers					<u>(14,460)</u>	<u>14,460</u>	<u>-</u>
Total general revenues and transfers					<u>52,349,544</u>	<u>15,962</u>	<u>52,365,506</u>
Change in net position (deficit)					8,137,342	(53,010)	8,084,332
Net position (deficit)							
Beginning of year					<u>(10,896,919)</u>	<u>(1,189,933)</u>	<u>(12,086,852)</u>
End of year					<u>\$ (2,759,577)</u>	<u>\$ (1,242,943)</u>	<u>\$ (4,002,520)</u>

The Notes to the Financial Statements are an integral part of this statement.

Lampeter-Strasburg School District
Balance Sheet - Governmental Fund
June 30, 2024

	Major Funds			
	General Fund	Capital Projects Fund	Public Purpose Trust	Total
Assets				
Cash and cash equivalents	\$ 10,011,266	\$ 30,074,550	\$ 22,343	\$ 40,108,159
Investments	8,776,137	-	-	8,776,137
Taxes receivable, net	1,241,930	-	-	1,241,930
Due from other funds	235,226	449,672	-	684,898
Due from other governments	2,449,363	-	-	2,449,363
Other receivables	53,556	-	-	53,556
Inventories	90,547	-	-	90,547
Prepaid items	155,110	-	-	155,110
 Total assets	 <u>\$ 23,013,135</u>	 <u>\$ 30,524,222</u>	 <u>\$ 22,343</u>	 <u>\$ 53,559,700</u>
Liabilities, Deferred Outflows of Resources and Fund Balances				
Liabilities				
Accounts payable	\$ 679,015	\$ 392,357	\$ -	\$ 1,071,372
Due to other funds	194,189	449,672	-	643,861
Accrued salaries, payroll withholdings and benefits	6,033,915	-	-	6,033,915
Due to other governments	185,757	-	-	185,757
Unearned revenue	80,166	-	-	80,166
Total liabilities	<u>7,173,042</u>	<u>842,029</u>	<u>-</u>	<u>8,015,071</u>
 Deferred inflows of resources				
Unavailable revenues - property and per capita taxes	<u>287,337</u>	<u>-</u>	<u>-</u>	<u>287,337</u>
 Fund balances				
Nonspendable				
Inventories	90,547	-	-	90,547
Prepaid items	155,110	-	-	155,110
Restricted for				
Capital projects	-	29,682,193	-	29,682,193
Student organizations	-	-	22,343	22,343
Assigned to				
Employer retirement rate stabilization	1,111,500	-	-	1,111,500
Property tax assessment appeals	78,710	-	-	78,710
Technology initiatives	32,005	-	-	32,005
Capital projects	6,722,643	-	-	6,722,643
Unassigned	<u>7,362,241</u>	<u>-</u>	<u>-</u>	<u>7,362,241</u>
Total fund balances	<u>15,552,756</u>	<u>29,682,193</u>	<u>22,343</u>	<u>45,257,292</u>
 Total liabilities, deferred inflows of resources and fund balances	 <u>\$ 23,013,135</u>	 <u>\$ 30,524,222</u>	 <u>\$ 22,343</u>	 <u>\$ 53,559,700</u>

The Notes to the Financial Statements are an integral part of this statement.

Lampeter-Strasburg School District
Reconciliation of Governmental Funds Balance Sheet to Net Position (Deficit) of
Governmental Activities on the Statement of Net Position (Deficit)
June 30, 2024

Total Governmental Fund Balances **\$ 45,257,292**

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds balance sheet. 64,939,538

Deferred outflows of resources for deferred amounts on debt refunding are currently expended in the governmental funds, whereas they are capitalized and amortized over the life of the respective debt in the government-wide statement of net position (deficit). 1,485

Deferred outflows of resources and deferred inflows of resources related to pensions and other post-employment benefits are not reported as assets and liabilities in the governmental funds balance sheet. 8,709,287

Some of the District's property taxes and certain other receivables will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred inflows of resources on the governmental funds balance sheet. 337,337

The Internal Service Fund is used by management to charge the cost of health insurance claims to the General Fund. The assets and liabilities of the District's Internal Service Fund are included in the governmental activities on the government-wide statement of net position (deficit). 1,318,099

Noncurrent liabilities are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds balance sheet. (122,936,357)

Accrued interest payable on long-term liabilities is included in the statement of net position (deficit), but is excluded from the governmental funds balance sheet until due and payable. (419,393)

Net Position (Deficit) of Governmental Activities **\$ (2,792,712)**

The Notes to the Financial Statements are an integral part of this statement.

Lampeter-Strasburg School District
Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Fund
Year Ended June 30, 2024

	Major Funds			
	General Fund	Capital Projects Fund	Public Purpose Trust	Total
Revenues				
Local sources	\$ 46,212,109	\$ 452,227	\$ 1,408	\$ 46,665,744
State sources	14,810,645	-	-	14,810,645
Federal sources	2,221,080	-	-	2,221,080
Total revenues	<u>63,243,834</u>	<u>452,227</u>	<u>1,408</u>	<u>63,697,469</u>
Expenditures				
Current				
Instruction	36,053,876	-	-	36,053,876
Support services	17,138,241	257,328	-	17,395,569
Operation of noninstructional services	1,253,766	-	802	1,254,568
Facilities acquisition, construction and improvement services	-	13,609,016	-	13,609,016
Debt service	2,831,429	-	-	2,831,429
Total expenditures	<u>57,277,312</u>	<u>13,866,344</u>	<u>802</u>	<u>71,144,458</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,966,522</u>	<u>(13,414,117)</u>	<u>606</u>	<u>(7,446,989)</u>
Other financing sources (uses)				
Proceeds from extended term financing	-	21,665,000	-	21,665,000
Proceeds from other right to use arrangements	-	-	-	-
Proceeds from bond premiums	-	1,592,328	-	1,592,328
Proceeds from sale of capital assets	527,919	-	-	527,919
Refund of prior year's receipts	(38)	-	-	(38)
Transfers in	-	3,393,015	-	3,393,015
Transfers out	(3,393,015)	(14,460)	-	(3,407,475)
Noncurrent liabilities	<u>(2,865,134)</u>	<u>26,635,883</u>	<u>-</u>	<u>23,770,749</u>
Net change in fund balances	3,101,388	13,221,766	606	16,323,760
Fund balances				
Beginning of year	<u>12,451,368</u>	<u>16,460,427</u>	<u>21,737</u>	<u>28,933,532</u>
End of year	<u>\$ 15,552,756</u>	<u>\$ 29,682,193</u>	<u>\$ 22,343</u>	<u>\$ 45,257,292</u>

The Notes to the Financial Statements are an integral part of this statement.

Lampeter-Strasburg School District
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund
Balances of Governmental Funds to Change in Net Position (Deficit) of
Governmental Activities on the Statement of Activities
Year Ended June 30, 2024

Net Change in Fund Balances - Governmental Funds **\$ 16,323,760**

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

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

Capital outlay expenditures	14,281,799	
Net book value of disposed of capital assets	(958,119)	
Depreciation and amortization expense	<u>(3,047,985)</u>	10,275,695

Because some property taxes and certain other revenues will not be collected for several months after the District's fiscal year ends, they are not considered as "available" revenues in the governmental funds. Deferred inflows of resources increased by this amount in the current period.

Deferred inflows of resources June 30, 2023	(296,697)	
Deferred inflows of resources June 30, 2024	<u>287,337</u>	(9,360)

The Internal Service Fund is used by management to charge the cost of health insurance claims to the General Fund. The change in net position of the Internal Service Fund is reported with the governmental activities.

(94,741)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on the change in net position of governmental activities. Also, governmental funds report the effect of premiums, discounts and similar items when long-term debt is issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Repayment of bonds payable	1,990,000	
Proceeds from bonds payable	(21,665,000)	
Proceeds from bond premiums	(1,592,328)	
Repayment of leases payable	161,696	
Repayment of subscriptions payable	132,829	
Amortization of premiums and deferred amounts on refunding	<u>140,669</u>	(20,832,134)

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

Change in current year accrued interest	(136,579)	
Change in net pension liability and related deferred inflows and outflows	2,445,693	
Current year change in accrued retirement bonuses	224,423	
Change in net OPEB liability and related deferred inflows and outflows	<u>(59,415)</u>	<u>2,474,122</u>

Change In Net Position (Deficit) of Governmental Activities **\$ 8,137,342**

The Notes to the Financial Statements are an integral part of this statement.

Lampeter-Strasburg School District
Statement of Net Position (Deficit) – Proprietary Funds
June 30, 2024

	Major Funds			
	Food Service Fund	School-Age Child Care Fund	Total	Internal Service Fund
Assets and Deferred Outflows of Resources				
Current assets				
Cash and cash equivalents	\$ 399,150	\$ 287,225	\$ 686,375	\$ 2,003,024
Due from other governments	37,001	-	37,001	-
Due from other funds	128,751	50,378	179,129	-
Other receivables	2,635	5,479	8,114	220,166
Inventories	89,760	-	89,760	-
Prepaid expenses	-	-	-	-
Total current assets	<u>657,297</u>	<u>343,082</u>	<u>1,000,379</u>	<u>2,223,190</u>
Noncurrent assets				
Capital assets, net	<u>241,150</u>	<u>-</u>	<u>241,150</u>	<u>-</u>
Total assets	<u>898,447</u>	<u>343,082</u>	<u>1,241,529</u>	<u>2,223,190</u>
Deferred outflows of resources				
Deferred charges - pension	290,276	138,188	428,464	-
Deferred charges - OPEB	<u>(3,718)</u>	<u>7,584</u>	<u>3,866</u>	<u>-</u>
Total deferred outflows of resources	<u>286,558</u>	<u>145,772</u>	<u>432,330</u>	<u>-</u>
Liabilities, Deferred Inflows of Resources and Net Position (Deficit)				
Current liabilities				
Accounts payable	1,836	3,823	5,659	684,925
Due to other funds	-	-	-	220,166
Accrued salaries, payroll withholdings and benefits	6,013	1,522	7,535	-
Unearned revenue	<u>75,591</u>	<u>-</u>	<u>75,591</u>	<u>-</u>
Total current liabilities	<u>83,440</u>	<u>5,345.00</u>	<u>88,785</u>	<u>905,091</u>
Noncurrent liabilities				
Due within one year	-	-	-	-
Due in more than one year	<u>1,789,987</u>	<u>879,755</u>	<u>2,669,742</u>	<u>-</u>
Total noncurrent liabilities	<u>1,789,987</u>	<u>879,755</u>	<u>2,669,742</u>	<u>-</u>
Total liabilities	<u>1,873,427</u>	<u>885,100</u>	<u>2,758,527</u>	<u>905,091</u>
Deferred inflows of resources				
Deferred charges - pension	43,214	20,572	63,786	-
Deferred charges - OPEB	<u>77,303</u>	<u>17,186</u>	<u>94,489</u>	<u>-</u>
Total deferred inflows of resources	<u>120,517</u>	<u>37,758</u>	<u>158,275</u>	<u>-</u>
Net position (deficit)				
Net investment in capital assets	241,150	-	241,150	-
Unrestricted (deficit)	<u>(1,050,089)</u>	<u>(434,004)</u>	<u>(1,484,093)</u>	<u>1,318,099</u>
Total net position (deficit)	<u>\$ (808,939)</u>	<u>\$ (434,004)</u>	<u>\$ (1,242,943)</u>	<u>\$ 1,318,099</u>

The Notes to the Financial Statements are an integral part of this statement.

Lampeter-Strasburg School District
Statement of Revenues, Expenses and Changes in Net Position (Deficit) –
Proprietary Funds
Year Ended June 30, 2024

	Major Funds			
	Food Service Fund	School-Age Child Care Fund	Total	Internal Service Fund
Operating revenues				
Charges for services	\$ 973,629	\$ 508,533	\$ 1,482,162	\$ 5,231,337
Operating expenses				
Salaries	676,526	327,402	1,003,928	-
Employee benefits	397,325	145,759	543,084	5,399,127
Purchased professional and technical services	66,277	1,349	67,626	-
Supplies	1,246,825	90,484	1,337,309	-
Depreciation	36,618	-	36,618	-
Total operating expenses	2,423,571	564,994	2,988,565	5,399,127
Operating income (loss)	(1,449,942)	(56,461)	(1,506,403)	(167,790)
Nonoperating revenues (losses)				
Earnings on investments	162	6,444	6,606	73,049
Loss on sale of capital assets	(5,104)	-	(5,104)	-
State sources	396,907	62,560	459,467	-
Federal sources	977,964	-	977,964	-
Total nonoperating revenues	1,369,929	69,004	1,438,933	73,049
Change in net position (deficit) before transfers	(80,013)	12,543	(67,470)	(94,741)
Transfer in	14,460	-	14,460	-
Change in net position (deficit)	(65,553)	12,543	(53,010)	(94,741)
Net position (deficit)				
Beginning of year	(743,386)	(446,547)	(1,189,933)	1,412,840
End of year	\$ (808,939)	\$ (434,004)	\$ (1,242,943)	\$ 1,318,099

The Notes to the Financial Statements are an integral part of this statement.

Lampeter-Strasburg School District
Statement of Cash Flows – Proprietary Funds
Year Ended June 30, 2024

	Major Funds			
	Food Service Fund	School-Age Child Care Fund	Total	Internal Service Fund
Operating activities				
Cash received from charges for services	\$ 997,400	\$ 507,686	\$ 1,505,086	\$ -
Cash received from assessments made to other funds	-	-	-	5,231,337
Cash payments to employees for services	(1,079,844)	(546,958)	(1,626,802)	-
Cash payments for insurance claims	-	-	-	(5,398,095)
Cash payments to supplies for goods and services	(1,179,853)	(88,010)	(1,267,863)	-
Net cash used in operating activities	(1,262,297)	(127,282)	(1,389,579)	(166,758)
Financing activities				
Noncapital				
State sources	396,907	62,560	459,467	-
Federal sources	814,758	-	814,758	-
Total noncapital	1,211,665	62,560	1,274,225	-
Capital				
Acquisition of capital assets	(32,727)	-	(32,727)	-
Total capital	(32,727)	-	(32,727)	-
Net cash provided by financing activities	1,178,938	62,560	1,241,498	-
Investment activities				
Earnings on investments	162	6,444	6,606	73,049
Net sale of investments	-	-	-	714,207
Net cash provided by investing activities	162	6,444	6,606	787,256
Net change in cash	(83,197)	(58,278)	\$ (141,475)	620,498
Cash				
Beginning of year	482,347	345,503	827,850	1,382,526
Ending of year	\$ 399,150	\$ 287,225	\$ 686,375	\$ 2,003,024
Reconciliation of operating loss to net cash provided by (used in) operating activities				
Operating income (loss)	\$ (1,449,942)	\$ (56,461)	\$ (1,506,403)	\$ (167,790)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities				
Depreciation	36,618	-	36,618	-
Donated commodities used	163,206	-	163,206	-
Change in assets and liabilities				
Due from other governments	(30,751)	-	(30,751)	-
Due from other funds	(5,300)	4,631	(669)	-
Other receivables	6,635	(5,478)	1,157.00	353,819
Inventories	(1,042)	-	(1,042)	-
Prepaid expenses	14,450	-	14,450	-
Accounts payable	1,836	3,823	5,659	(353,819)
Due to other funds	-	-	-	1,032
Accrued salaries, payroll withholdings and benefits	(10,032)	1,522	(8,510)	-
Unearned revenue	7,986	-	7,986	-
Noncurrent liabilities and deferred charges and credits	4,039	(75,319)	(71,280)	-
Net cash used in operating activities	\$ (1,262,297)	\$ (127,282)	\$ (1,389,579)	\$ (166,758)
Supplemental disclosure				
Noncash noncapital financing activity				
USDA donated commodities	\$ 143,554	\$ -	\$ 143,554	\$ -

The Notes to the Financial Statements are an integral part of this statement.

Lampeter-Strasburg School District
Statement of Net Position - Fiduciary Funds
June 30, 2024 with Summarized Comparative Totals for 2023

	Private- Purpose Trust	Custodial Funds	Total
Asset			
Cash and cash equivalents	\$ 373,150	\$ 165,284	\$ 538,434
Accounts receivable	-	818	818
Total assets	<u>373,150</u>	<u>166,102</u>	<u>539,252</u>
Liabilities			
Accounts payable	-	17,830	17,830
Net position			
Restricted for student activities	-	148,272	148,272
Noncurrent assets	<u>373,150</u>	<u>-</u>	<u>373,150</u>
Total net position	<u>\$ 373,150</u>	<u>\$ 148,272</u>	<u>\$ 521,422</u>

The Notes to the Financial Statements are an integral part of this statement.

Lampeter-Strasburg School District
Statement of Changes in Net Position - Fiduciary Funds
Year Ended June 30, 2024

	Private- Purpose Trust	Custodial Funds	Total	2023
Additions				
Receipts from student groups	\$ -	\$ 290,111	\$ 290,111	\$ 320,550
Local contributions	190,137	-	190,137	26,275
Investment earnings	16,002	-	16,002	3,366
Total additions	<u>206,139</u>	<u>290,111</u>	<u>496,250</u>	<u>350,191</u>
Deductions				
Student activity disbursements	-	297,235	297,235	291,556
Scholarships awarded and fees paid	15,200	-	15,200	33,831
Total deductions	<u>15,200</u>	<u>297,235</u>	<u>312,435</u>	<u>325,387</u>
Changes in net position	190,939	(7,124)	183,815	24,804
Net position				
Beginning of year	<u>182,211</u>	<u>155,396</u>	<u>337,607</u>	<u>312,803</u>
End of year	<u>\$ 373,150</u>	<u>\$ 148,272</u>	<u>\$ 521,422</u>	<u>\$ 337,607</u>

The Notes to the Financial Statements are an integral part of this statement.

Lampeter-Strasburg School District
Notes to Financial Statements
June 30, 2024

1. ORGANIZATION AND PURPOSES

The Lampeter-Strasburg School District (the "District") operates two elementary schools, one middle school and a high school to provide education and related services to the residents in the Townships of Strasburg and West Lampeter and the Borough of Strasburg. The District operates under current standards prescribed by the Pennsylvania Department of Education in accordance with the provisions of the School Laws of Pennsylvania as a school district of the third class. The District operates under a locally elected nine-member board form of government (the "School Board").

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

Reporting Entity

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

Government-Wide Financial Statements

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

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of timing of the related cash flows. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared as further defined below. Therefore, governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements of governmental funds.

The government-wide statement of net position (deficit) presents the financial position of the District which is the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources and is classified in one of three components. Net investment in capital assets consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of borrowing attributable to acquiring, constructing, or improving those assets. The net position of the District is reported as restricted when constraints placed on net position use is either externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Unrestricted net position is the net position that does not meet the definition of "net investment in capital assets" or "restricted net position."

Lampeter-Strasburg School District
Notes to Financial Statements
June 30, 2024

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

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

Except for interfund activity and balances between the funds that underlie governmental activities and the funds that underlie business-type activities, which are reported as transfers and internal balances, the effect of interfund activity has been removed from these statements.

Fund Financial Statements

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

Governmental Funds

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

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

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

Revenue Recognition

In applying the "susceptible to accrual concept" under the modified accrual basis, revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers tax revenue to be available if collected within 60 days of the end of the fiscal period. Deferred inflows of resources are reported in connection with receivables for tax revenues that are not considered to be available to liquidate liabilities of the current period. Revenue from federal, state and other grants designated for payment of specific District expenditures is recognized when the related expenditures are incurred; accordingly, when such funds are received, they are reported as unearned revenues until earned. Other receipts are recorded as revenue when received in cash because they are generally not measurable until actually received.

Lampeter-Strasburg School District
Notes to Financial Statements
June 30, 2024

Expenditure Recognition

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences, special termination benefits, other post-employment benefits and claims and judgments are recorded only when payment is due. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds.

Proprietary Funds

Like the government-wide financial statements, proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. These funds account for operations that are primarily financed by user charges. The economic resource focus concerns determining costs as a means of maintaining the capital investment and management control. Revenues are recognized when they are earned, and expenses are recognized when they are incurred. Allocations of certain costs, such as depreciation, are recorded in proprietary funds. The District reports the following proprietary funds:

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

The School-Age Child Care Fund accounts for tuition revenue and program expenses for a program designed to provide care for students after school hours.

The Internal Service Fund is used to account for hospitalization costs which are services provided to the District's employees as benefits.

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

Fiduciary Funds

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

Cash and Cash Equivalents

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

Investments

Investments are stated at fair value based upon quoted market prices, except for certificates of deposit which are recorded at cost which approximates fair value.

Lampeter-Strasburg School District
Notes to Financial Statements
June 30, 2024

Fair Value Measurements of Assets and Liabilities

GAAP defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. GAAP establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the District. Unobservable inputs reflect the District's assumptions about the inputs market participants would use in pricing the asset or liability based on the best information available in the circumstances.

The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 – Valuations based on quoted prices in active markets for identical assets or liabilities that the District has the ability to access. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these assets and liabilities does not require a significant degree of judgment.

Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 – Valuations based on inputs that are unobservable, that is, inputs that reflect the District's own assumptions.

Interfund Receivables and Payables

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

Property Taxes

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

July 1 – September 30	– Discount period, 2% of gross levy
October 1 – December 31	– Face period
January 1	– Lien date

The County Board of Assessments determines assessed valuations of property and the District bills and collects its own property taxes. The tax on real estate for public school purposes for fiscal 2023-2024 was 17.9629 mills (\$17.96 for \$1,000 of assessed valuation). The District experiences very small losses from uncollectible property taxes. Property taxes constitute a lien against real property and usually can be collected in full when title transfers. The District has no property taxes receivable greater than 3 years old.

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

Installment One	– August 31
Installment Two	– October 31
Installment Three	– December 31

The discount (two percent) is not applicable to installment payments.

Lampeter-Strasburg School District
Notes to Financial Statements
June 30, 2024

Unearned Revenues

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

Prepaid Items and Inventories

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

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

Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary fund financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than \$5,000. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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

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

Property, plant, and equipment (net of salvage value) of the District is depreciated using the straight-line method over the following estimated useful lives: buildings – 40 years; building improvements – 20 years; land improvements – 20 years; furniture, fixtures and equipment – 5-12 years; vehicles – 5-10 years.

Impairment of Long-Lived Assets

The District evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. A capital asset is generally considered impaired if both (a) the decline in service utility of the capital asset is large in magnitude and (b) the event or change in circumstances is outside the normal life cycle of the capital asset. If a capital asset is considered to be impaired, the amount of impairment is measured by the method that most reflects the decline in service utility of the capital asset at the lower of carrying value or fair value for impaired capital assets that will no longer be used by the District. No impairment losses were recognized in the year ended June 30, 2024.

Long-Term Obligations

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Bonds payable are reported net of the applicable bond premium or discount. Bond premiums and discounts are deferred and amortized over the life of the bonds. Deferred amounts on refunding are recorded as a deferred outflow of resources and amortized over the life of the old debt or the life of the new debt, whichever is shorter. All amounts are amortized using the straight-line method.

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

Lampeter-Strasburg School District
Notes to Financial Statements
June 30, 2024

Fund Equity

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

Nonspendable

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

Restricted

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

Committed

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

Assigned

Assigned fund balances are amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the Business Manager or (b) an appointed body (e.g., finance committee) or (c) an official to which the District has delegated the authority to assign, modify or rescind amounts to be used for specific purposes. Assigned fund balance includes (a) all remaining amounts that are reported in governmental funds (other than the General Fund) that are not classified as non-spendable, restricted or committed, and (b) amounts in the General Fund that are intended to be used for a specific purpose. Specific amounts that are not restricted or committed in a special revenue fund or the capital projects fund are assigned for purposes in accordance with the nature of their fund type.

Unassigned

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

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

Use of Estimates

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

Implementation of New Accounting Pronouncements

GASB Statement No. 100, *Accounting Changes and Error Corrections* was effective for the District for the year ended June 30, 2024. GASB Statement No. 100 enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability. The implementation of GASB Statement No. 100 had no impact on the financial statements of the District for the year ended June 30, 2024.

Lampeter-Strasburg School District
Notes to Financial Statements
June 30, 2024

New Accounting Pronouncements

GASB Statement No. 101, *Compensated Absences* will be effective for the District for the year ended June 30, 2025. GASB Statement No. 101 will update the recognition and measurement guidance for compensated absences by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. GASB Statement No. 101 will require that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

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

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

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

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

4. DEPOSITS AND INVESTMENTS

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

Lampeter-Strasburg School District
Notes to Financial Statements
June 30, 2024

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned. At June 30, 2024, the carrying amount of the District's deposits was \$43,335,992 and the bank balance was \$43,877,915. The District is required by state statute to deposit funds in depositories that are either banks, banking institutions or trust companies located in Commonwealth of Pennsylvania. To the extent that such deposits exceed federal insurance, the depositories must pledge as collateral obligations of the United States, Commonwealth of Pennsylvania or any political subdivision. Under Act 72 of 1971, as amended, the depositories may meet this collateralization requirement by pooling appropriate securities to cover all public funds on deposit. Of the bank balance, \$500,000 was covered by federal depository insurance and \$36,606,013 was collateralized by the District's depositories in accordance with Act 72. The remaining cash deposits of the District are in the Pennsylvania School District Liquid Asset Fund ("PSDLAF"). Although not registered with the Securities and Exchange Commission and not subject to regulatory oversight, PSDLAF acts like a money market mutual fund in that its objective is to maintain a stable net asset value of \$1 per share, is rated by a nationally recognized statistical rating organization and is subject to an independent annual audit. As of June 30, 2024, PSDLAF was rated as AAAm by a nationally recognized statistical rating agency.

Investments

As of June 30, 2024, the District had the following investments:

Investments Type	Fair Value	Investments Maturities (In Years)			
		Less than 1	1 - 5	6 - 10	11 - 15
U.S. Treasury and agency securities	\$ 8,776,137	\$ -	\$ 7,951,577	\$ 824,560	\$ -

U.S. Treasury and agency securities were valued using Level 2 inputs.

Custodial Credit Risk - Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of the investments or collateral security that are in the possession of an outside party. The District had no investments subject to custodial credit risk as of June 30, 2024.

Interest Rate Risk

The District's investment policy limits investment maturities in accordance with state statutes as a means of managing its exposure to fair value losses arising from increasing interest rates. At June 30, 2024, the District was subject to interest rate risk to the extent interest rate changes impact the District's investments.

Credit Risk

The District's investment policy limits its investments that are not backed by the "full faith and credit" of the federal and state government to those with the highest credit rating available for such investments issued by a recognized statistical rating organization.

5. CAPITAL ASSETS

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

Lampeter-Strasburg School District
Notes to Financial Statements
June 30, 2024

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets not being depreciated				
Land and improvements	\$ 6,159,900	\$ -	\$ 20,618	\$ 6,139,282
Construction in progress	15,983,822	13,505,987	4,556,603	24,933,206
Total capital assets not being depreciated	<u>22,143,722</u>	<u>13,505,987</u>	<u>4,577,221</u>	<u>31,072,488</u>
Capital assets being depreciated				
Buildings and improvements	89,022,906	4,210,546	2,479,494	90,753,958
Furniture and equipment	5,548,300	1,063,283	114,815	6,496,768
Right-to-use leased equipment	179,290	-	-	179,290
Right-to-use subscription assets	572,897	97,122	30,890	639,129
Total capital assets being depreciated	<u>95,323,393</u>	<u>5,370,951</u>	<u>2,625,199</u>	<u>98,069,145</u>
Less accumulated depreciation for				
Buildings and improvements	(58,838,582)	(2,379,271)	(1,560,413)	(59,657,440)
Furniture and equipment	(3,500,599)	(504,291)	(96,370)	(3,908,520)
Right-to-use leased equipment	(89,645)	(35,858)	-	(125,503)
Right-to-use subscription assets	(309,229)	(128,565)	(10,297)	(427,497)
Total accumulated depreciation	<u>(62,738,055)</u>	<u>(3,047,985)</u>	<u>(1,667,080)</u>	<u>(64,118,960)</u>
Total capital assets being depreciated, net	<u>32,585,338</u>	<u>2,322,966</u>	<u>958,119</u>	<u>33,950,185</u>
Governmental activities, net	<u>\$ 54,729,060</u>	<u>\$ 15,828,953</u>	<u>\$ 5,535,340</u>	<u>\$ 65,022,673</u>
Business-type activities				
Capital assets being depreciated				
Machinery and equipment	\$ 760,971	\$ 32,728	\$ 41,174	\$ 834,873
Less accumulated depreciation				
Machinery and equipment	(525,286)	(36,618)	(36,070)	(597,974)
	<u>\$ 235,685</u>	<u>\$ (3,890)</u>	<u>\$ 5,104</u>	<u>\$ 236,899</u>

Depreciation and amortization expense were charged to functions/programs of the District as follows:

Governmental activities

Instruction	\$ 2,289,518
Administrative and financial support services	248,910
Operation and maintenance of plant services	290,092
Pupil transportation	136,502
Student activities	79,125
Total depreciation expense – governmental activities	<u>\$ 3,044,147</u>

Business-type activities

Food service	<u>\$ 36,618</u>
--------------	------------------

As of June 30, 2024, the District had outstanding construction commitments for its early childhood building and other critical capital projects in the amount of \$1,304,919.

6. INTERNAL RECEIVABLES, PAYABLES AND TRANSFERS

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

Lampeter-Strasburg School District
Notes to Financial Statements
June 30, 2024

<u>Receivable To</u>	<u>Amount</u>	<u>Payable From</u>	<u>Amount</u>
School-Age Child Care Fund	\$ 62,560	General Fund	\$ 62,560
General Fund	220,166	Internal Service Fund	220,166
Food Service Fund	128,751	General Fund	128,751
General Fund	12,182	School-Age Child Care Fund	12,182
	<u>\$ 423,659</u>		<u>\$ 423,659</u>

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

A summary of interfund transfers for the year ended June 30, 2024 is as follows:

<u>Transfers In</u>	<u>Amount</u>	<u>Transfers Out</u>	<u>Amount</u>
Food Service Fund	\$ 14,460	Capital Projects Fund	\$ 14,460
Capital Projects Fund	2,865,096	General Fund	2,865,096
	<u>\$ 2,879,556</u>		<u>\$ 2,879,556</u>

A transfer was made from the Capital Projects Fund to the Food Service Fund as a capital contribution. A transfer was made from the General Fund to the Capital Projects Fund for future capital expenditures.

7. CHANGE IN NONCURRENT LIABILITIES

The following summarizes the changes in noncurrent liabilities for the year ended June 30, 2024:

	<u>Balance June 30, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2024</u>	<u>Amount Due Within One Year</u>
Governmental activities					
General obligation debt					
Bonds payable	\$ 23,825,000	\$ 21,665,000	\$ 1,990,000	\$ 43,500,000	\$ 2,030,000
Bond premiums	1,461,218	1,592,328	141,642	2,911,904	212,196
	<u>25,286,218</u>	<u>23,257,328</u>	<u>2,131,642</u>	<u>46,411,904</u>	<u>2,242,196</u>
Other noncurrent liabilities					
Leases payable	319,357	-	161,696	157,661	83,945
Subscriptions payable	227,086	-	132,829	94,257	122,018
Accrued retirement bonuses	3,151,089	-	224,423	2,926,666	-
OPEB liability	1,259,318	324,092	-	1,583,410	-
Net OPEB liability – PSERS	2,913,114	-	81,284	2,831,830	-
Net pension liability – PSERS	69,376,382	-	445,752	68,930,630	-
Total other noncurrent liabilities	<u>77,246,346</u>	<u>324,092</u>	<u>1,045,984</u>	<u>76,524,454</u>	<u>205,963</u>
Total governmental activities	<u>102,532,564</u>	<u>23,581,420</u>	<u>3,177,626</u>	<u>122,936,358</u>	<u>2,448,159</u>
Business-type activities					
Accrued retirement bonuses	29,506	-	6,779	22,727	-
OPEB liability	10,159	5,895	-	16,054	-
Net OPEB liability – PSERS	67,094	4,884	-	71,978	-
Net pension liability – PSERS	2,557,830	1,153	-	2,558,983	-
Total business-type activities	<u>2,664,589</u>	<u>11,932</u>	<u>6,779</u>	<u>2,669,742</u>	<u>-</u>
Total noncurrent liabilities	<u>\$ 105,197,153</u>	<u>\$ 23,593,352</u>	<u>\$ 3,184,405</u>	<u>\$ 125,606,100</u>	<u>\$ 2,448,159</u>

Non-current liabilities of governmental activities are generally liquidated by the General Fund, while noncurrent liabilities of the business-type activities are liquidated by the Food Service and School-Age Child Care Funds.

Lampeter-Strasburg School District
Notes to Financial Statements
June 30, 2024

8. GENERAL OBLIGATION DEBT

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

General obligation debt outstanding as of June 30, 2024 consisted of the following:

<u>Descriptions</u>	<u>Interest Rate(s)</u>	<u>Original Issue Amount</u>	<u>Final Maturity</u>	<u>Principal Outstanding</u>
General obligation bonds				
Series of 2017	2.41%	\$ 7,555,000	03/01/2027	\$ 1,795,000
Series of 2021	1.33%	\$ 9,250,000	03/01/2028	6,440,000
Series of 2022	3.00% - 5.00%	\$ 13,610,000	03/01/2037	13,600,000
Series of 2023	3.25% - 5.00%	\$ 21,665,000	3/1/202044	21,665,000
				<u>\$ 43,500,000</u>

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

<u>Year Ending June 30,</u>	<u>Principal Maturities</u>	<u>Interest Maturities</u>	<u>Total Maturities</u>
2025	\$ 2,030,000	\$ 1,569,617	\$ 3,599,617
2026	2,060,000	1,857,928	3,917,928
2027	2,095,000	1,823,841	3,918,841
2028	2,095,000	1,789,181	3,884,181
2029	1,490,000	1,761,000	3,251,000
2030-2024	8,640,000	7,610,500	16,250,500
2035-2039	11,025,000	5,223,750	16,248,750
2040-2044	14,065,000	2,178,250	16,243,250
	<u>\$ 43,500,000</u>	<u>\$ 23,814,067</u>	<u>\$ 67,314,067</u>

9. LEASES PAYABLE

The District has entered into long-term lease agreements for vehicles and equipment. Initial lease liabilities were recorded in the amount \$803,509. As of June 30, 2024, the value of the lease liabilities is \$157,661. The leases have interest rates between 2.70% and 4.96%. The vehicle and equipment's estimated useful lives were 4 to 5 years as of their contract commencements. The value of the vehicles, equipment, and intangible right-to-use assets as of June 30, 2023 is \$156,425, net of accumulated depreciation and amortization of \$647,184, and is included with noncurrent assets on the statement of net position (deficit).

Future minimum lease payments under these leases are as follows for the year ending June 30:

2025	\$ 125,226
2026	37,010
Less: Amount representing interest	<u>(4,575)</u>
Present value of minimum lease payments	<u>\$ 157,661</u>

Lampeter-Strasburg School District
Notes to Financial Statements
June 30, 2024

10. SUBSCRIPTIONS PAYABLE

The District has entered into long-term lease agreements for subscription-based information technology arrangements. Initial subscription liabilities were recorded in the amount \$493,980. As of June 30, 2024, the value of the subscription liabilities is \$94,257. The subscriptions have interest rates between 0.08% and 5.08%. The subscriptions' estimated useful lives were 3 to 5 years as of their contract commencements. The value of the intangible right-to-use subscription assets as of June 30, 2024 is \$211,632, net of accumulated amortization of \$427,497, and is included with noncurrent assets on the statement of net position (deficit).

Future minimum lease payments under these leases are as follows for the year ending June 30:

2025	\$ 62,317
2026	36,308
Less: Amount representing interest	<u>(4,368)</u>
Present value of minimum subscription payments	<u>\$ 94,257</u>

11. ACCRUED RETIREMENT BONUSES

Upon voluntary retirement, a professional employee with qualifying years of service according to either the collective bargaining agreement or administrator agreement will receive a lump sum retirement bonus. A summary of the amount recorded as a liability for these accrued retirement bonuses is as follows for June 30, 2024:

	<u>Governmental Activities</u>	<u>Business Type</u>
Accrued retirement benefit	\$ 2,109,621	\$ 15,722
Accumulated sick day payout	<u>817,045</u>	<u>7,005</u>
	<u>\$ 2,926,666</u>	<u>\$ 22,727</u>

12. PENSION PLAN

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

Plan Description

PSERS is a governmental cost-sharing multiple-employer defined benefit pension plan that provides retirement benefits to public school employees of the Commonwealth of Pennsylvania. The members eligible to participate in PSERS include all full-time public employees, part-time hourly public school employees who render at least 500 hours of service in the school year, and part-time per diem public school employees who render at least 80 days of service in the school year in any of the reporting entities in Pennsylvania. PSERS issues a publicly available financial report that can be obtained at www.psers.state.pa.us.

Benefits Provided

PSERS provides retirement, disability, and death benefits. Members are eligible for monthly retirement benefits upon reaching (a) age 62 with at least 1 year credited service; (b) age 60 with 30 more years of credited service; or (c) 35 or more years of service regardless of age. Act 120 of 2010 (Act 120) preserves the benefits of existing members and introduced benefit reductions for individuals who become new members on or after July 1, 2011.

Lampeter-Strasburg School District
Notes to Financial Statements
June 30, 2024

Act 120 created two membership classes, Membership Class T-E (Class T-E) and Membership Class T-F (Class T-F). To qualify for normal retirement, Class T-E and Class T-F members must work until age 65 with a minimum of 3 years of service or attain a total combination of age and service that is equal to or greater than 92 with a minimum of 35 years of service.

Act 5 of 2017 (Act 5) introduced a hybrid benefit with two membership classes and a separate defined contribution plan for individuals who become new members on or after July 1, 2019. Act 5 created two new hybrid membership classes, Membership Class T-G (Class T-G) and Membership Class T-H (Class T-H) and the separate defined contribution membership class, Membership Class DC (Class DC). To qualify for normal retirement, Class T-G and Class T-H members must work until age 67 with a minimum of 3 years of credited service. Class T-G may also qualify for normal retirement by attaining a total combination of age and service that is equal to or greater than 97 with a minimum of 35 years of credited service.

Benefits are generally equal to 1.00% or 2.50%, depending upon membership class, of the member's final average salary (as defined in the code) multiplied by the number of years of credited service. For members whose membership started prior to July 1, 2011, after completion of five years of service, a member's right to the defined benefits is vested and early retirement benefits may be elected. For Class T-E and Class T-F members, the right to benefits is vested after ten years of service.

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

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

Contributions

Member Contributions

The contribution rates based on qualified member compensation for virtually all members are presented below:

Member Contribution Rates				
Membership Class	Continuous Employment Since	Defined Benefit (DB) Contribution Rate	DC Contribution Rate	Total Contribution Rate
T-C	Prior to July 22, 1983	5.25%	N/A	5.25%
				6.25%
T-C	On or after July 22, 1983	6.25%	N/A	6.25%
T-D	Prior to July 22, 1983	6.50%	N/A	6.50%
T-D	On or after July 22, 1983	7.50%	N/A	7.50%
T-E	On or after July 1, 2011	7.50% base rate with shared risk provision	N/A	Prior to 7/1/21: 7.50% After 7/1/21: 8.00%
T-F	On or after July 1, 2011	10.30% base rate with shared risk provision	N/A	Prior to 7/1/21: 10.30% After 7/1/21: 10.8%
T-G	On or after July 1, 2019	5.50% base rate with shared risk provision	2.75%	Prior to 7/1/21: 8.25% After 7/1/21: 9.00%

Lampeter-Strasburg School District
Notes to Financial Statements
June 30, 2024

T-H	On or after July 1, 2019	4.50% base rate with shared risk provision	3.00%	Prior to 7/1/21: 7.50% After 7/1/21: 8.25%
DC	On or after July 1, 2019	N/A	7.50%	7.50%

Shared Risk Program Summary				
Membership Class	Defined Benefit (DB) Base Rate	Shared Risk Increment	Minimum	Maximum
T-E	7.50%	+/-0.50%	5.50%	9.50%
T-F	10.30%	+/-0.50%	8.30%	12.30%
T-G	5.50%	+/-0.75%	2.50%	8.50%
T-H	4.50%	+/-0.75%	1.50%	7.50%

Employer Contributions

The District's contractually required contribution rate for fiscal year ended June 30, 2024 was 34.00% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the District were \$8,658,877 for the year ended June 30, 2024.

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

At June 30, 2024, the District reported a liability of \$24,582,177 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by rolling forward PSERS' total pension liability as of June 30, 2021 to June 30, 2022. The District's proportion of the net pension liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2024, the District's proportion was 0.1607 percent, which was a decrease of 0.0011 percent from its proportion measured as of June 30, 2023.

For the year ended June 30, 2024, the District recognized net pension expense of \$6,098,000. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 16,000	\$ 979,000
Changes in assumptions	1,067,000	-
Net difference between projected and actual investment earnings	2,023,000	-
Changes in proportions	205,000	803,000
Contributions subsequent to the measurement date	8,658,877	-
	<u>\$ 11,969,877</u>	<u>\$ 1,782,000</u>

Lampeter-Strasburg School District
Notes to Financial Statements
June 30, 2024

\$8,658,877 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense are as follows:

Year Ending June 30,

2025	\$ 574,000
2026	(1,747,000)
2027	2,026,000
2028	676,000
	<u>\$ 1,529,000</u>

Actuarial Assumptions

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

- Valuation date – June 30, 2022.
- Actuarial cost method – entry age normal – level % of pay.
- Investment return – 7.00%, includes inflation at 2.75%.
- Salary growth – Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 retiree tables for males and females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 improvement scale.
- The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022 and as of June 30, 2023.
- Demographic and economic assumptions approved by the Board for use effective with the June 30, 2022 actuarial valuation:
 - Salary growth rate - decreased from 5.00% to 4.50%.
 - Real wage growth and merit or seniority increases (components for salary growth) - decreased from 2.75% and 2.25% to 2.50% and 2.00%, respectively.
 - Mortality rates - Previously based on the RP-2014 mortality tables for males and females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 mortality improvement scale. Effective with the June 30, 2021 actuarial valuation, mortality rates are based on a blend of 50% PubT-2010 and 50% PubG-2010 retiree tables for males and females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 improvement scale.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study that was performed for the five-year period ending June 30, 2020.

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

Lampeter-Strasburg School District
Notes to Financial Statements
June 30, 2024

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

	Target Rate	Long-Term Expected Real Rate of Return
Asset class		
Global public equity	30.0%	5.2%
Private equity	12.0%	7.9%
Fixed income	33.0%	3.2%
Commodities	7.5%	2.7%
Infrastructure/MLPs	10.0%	5.4%
Real estate	11.0%	5.7%
Absolute return	4.0%	4.1%
Cash	3.0%	1.2%
Leverage	<u>-10.5%</u>	1.2%
	<u>100%</u>	

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following represents the net pension liability, calculated using the discount rate of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.00%) or 1-percentage point higher (8.00%) than the current rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
District's proportionate share of the net pension liability	<u>\$ 93,041,983</u>	<u>\$ 71,934,213</u>	<u>\$ 54,137,805</u>

Pension Plan Fiduciary Net Position

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

Lampeter-Strasburg School District
Notes to Financial Statements
June 30, 2024

13. OTHER POST-EMPLOYMENT BENEFITS

Single-Employer Defined Benefit OPEB Plan

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

OPEB Plan Membership

Membership in the OPEB plan consisted of the following at July 1, 2023:

Active participants	367
Vested former participants	-
Retired participants	14
	<u>381</u>

Funding Policy

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

OPEB Liability

The District's OPEB liability has been measured as of June 30, 2024. The total OPEB liability was determined by an actuarial valuation as of July 1, 2023, and by rolling forward the liabilities from the July 1, 2023 actuarial valuation through the measurement date. No significant events or changes in assumptions occurred between the valuation date and the fiscal year end. The net OPEB liability is \$1,599,464, all of which is unfunded. As of June 30, 2024, the OPEB liability of \$1,583,410 is related to the governmental funds and is recorded in the governmental activities in the government-wide statement of net position (deficit) and the remaining \$16,054 of the OPEB liability is recorded as a liability in the proprietary fund statement of net position, and in the business-type activities in the government-wide statement of net position (deficit). The District's change in its OPEB liability for the year ended June 30, 2024 was as follows:

Balances as of July 1, 2023	<u>\$ 1,269,477</u>
Changes for the year	
Service cost	62,382
Interest on total OPEB liability	52,453
Changes of benefit terms	(238)
Difference between expected and actual experience	75,361
Changes of assumptions	213,708
Benefit payments	<u>(73,679)</u>
Net changes	<u>329,987</u>
Balances as of June 30, 2024	<u>\$ 1,599,464</u>

Lampeter-Strasburg School District
Notes to Financial Statements
June 30, 2024

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

For the year ended June 30, 2024, the District recognized net OPEB expense of \$235,456. At June 30, 2024, the District had deferred outflows of resources and deferred inflows of resources related to the OPEB plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 71,229	\$ 1,075,719
Changes in assumptions	317,395	289,640
Benefit payments subsequent to measurement date	66,134	-
	<u>\$ 454,758</u>	<u>\$ 1,365,359</u>

\$66,134 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

2025	\$ (21,532)
2026	(118,840)
2027	(118,840)
2028	(118,840)
2029	(118,840)
Thereafter	(479,843)
	<u>\$ (976,735)</u>

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

The following presents the OPEB liability for June 30, 2024, calculated using current healthcare cost trends as well as what the OPEB liability would be if it health cost trends were 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>1% Decrease</u>	<u>Trend Rate</u>	<u>1% Increase</u>
OPEB liability	<u>\$ 1,469,023</u>	<u>\$ 1,599,464</u>	<u>\$ 1,749,247</u>

The following presents the net OPEB liability of the District calculated using the discount rate of 4.13%, as well as what the OPEB liability would be if it were calculated using the discount rate that is one percentage point lower (3.13%) or 1 percentage point higher (5.13%) than the current rate:

Sensitivity of the OPEB Liability to Changes in the Discount Rate

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
	<u>3.13%</u>	<u>Discount Rate</u>	<u>5.13%</u>
		<u>4.13%</u>	
OPEB liability	<u>\$ 1,704,020</u>	<u>\$ 1,599,464</u>	<u>\$ 1,499,208</u>

Lampeter-Strasburg School District
Notes to Financial Statements
June 30, 2024

Actuarial Methods and Significant Assumptions

The OPEB Liability as of June 30, 2024, was determined by rolling forward the OPEB liability as of July 1, 2023 to June 30, 2024 using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method - entry age normal.
- Discount rate – 4.13% - 20-year high-grade municipal rate index; previously rate of 4.06% was assumed
- Salary growth – 2.5% cost of living adjustment, 1.5% real wage growth, and for teachers and administrators a merit increase which varies from 2.75 to 0%
- Assumed healthcare cost trends –7.0% in 2023, with a 0.5% decrease per year until 5.5% in 2026; rates gradually decrease from 5.4% in 2027 to 4.1% in 2075.
- Mortality – PubT-2010 headcount-weighted mortality table including rates for contingent survivors for teachers. PubG-2010 headcount-weighted mortality table including rates for contingent survivors for all other employees. Incorporated into the table are rates projected generationally using Scale MP-2021 to reflect mortality improvement.

Cost Sharing Multiple-Employer Defined Benefit OPEB Plan

PSERS provides health insurance premium assistance which is a governmental cost sharing, multiple-employer OPEB plan for all eligible retirees who qualify and elect to participate. Employer contribution rates for health insurance premium assistance are established to provide reserves in the health insurance account that are sufficient for the payment of health insurance premium assistance benefits for each succeeding year. Effective January 1, 2002, under the provisions of Act 9 of 2001, participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of \$100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS' health options program. As of June 30, 2023, there were no assumed future benefit increases to participating eligible retirees.

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

- Have 24 ½ or more years of service, or
- Are a disability retiree, or

For Class DC members to become eligible for health insurance premium assistance, they must satisfy the following criteria:

- Attain Medicare eligibility with 24 ½ or more eligibility points, or
- Have 15 or more eligibility points and terminated after age 67, and
- Have received all or part of their distributions.

Benefits Provided

Participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of \$100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS' health options program.

Lampeter-Strasburg School District
Notes to Financial Statements
June 30, 2024

Employer Contributions

The District's contractually required contribution rate for the fiscal year ended June 30, 2024 was 0.75% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the OPEB plan from the District were \$183,545 for the year ended June 30, 2024.

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

At June 30, 2024, the District reported a liability of \$2,903,808 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by rolling forward PSERS' total OPEB liability as of June 30, 2021 to June 30, 2023. The District's proportion of the net OPEB liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2024, the District's proportion was 0.1605 percent, which was a decrease of 0.0014 percent from its proportion measured as of June 30, 2023.

For the year ended June 30, 2024, the District recognized OPEB expense of \$69,000. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 19,000	\$ 29,000
Changes in assumptions	251,000	549,000
Net difference between projected and actual investment earnings	7,000	-
Changes in proportions	22,000	100,000
Contributions subsequent to the measurement date	166,118	-
	<u>\$ 465,118</u>	<u>\$ 678,000</u>

\$166,118 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

2025	\$ (81,000)
2026	(91,000)
2027	(98,000)
2028	(99,000)
2029	(10,000)
	<u>\$ (379,000)</u>

Lampeter-Strasburg School District
Notes to Financial Statements
June 30, 2024

Actuarial Assumptions

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

- Actuarial cost method – entry age normal – level % of pay
- Investment return – 4.13% – Standard & Poors 20-year municipal bond rate
- Salary growth – Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.
- Premium assistance reimbursement is capped at \$1,200 per year.
- Assumed healthcare cost trends were applied to retirees with less than \$1,200 in premium assistance per year.
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.

Participation rate:

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

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study that was performed for the year period ending June 30, 2020.

The following assumptions were used to determine the contribution rate:

- The results of the actuarial valuation as of June 30, 2021 determined the employer contribution rate for fiscal year 2022.
- Cost method - amount necessary to assure solvency of premium assistance through the third fiscal year after the valuation date.
- Asset valuation method: market value.
- Participation rate: the actual data for retirees benefiting under the OPEB plan as of June 30, 2021 was used in lieu of the 63% utilization assumption for eligible retirees.
- Mortality tables for males and females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 mortality improvement scale.

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

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

OPEB - Asset Class	Target Rate	Long-Term Expected Real Rate of Return
Cash	<u>100.00</u> %	1.20 %

Lampeter-Strasburg School District
Notes to Financial Statements
June 30, 2024

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

Discount Rate

The discount rate used to measure the total OPEB liability was 4.13%. Under the OPEB plan's funding policy, contributions are structured for short term funding of health insurance premium assistance. The funding policy sets contribution rates necessary to assure solvency of health insurance premium assistance through the third fiscal year after the actuarial valuation date. The health insurance premium assistance account is funded to establish reserves that are sufficient for the payment of health insurance premium assistance benefits for each succeeding year. Due to the short-term funding policy, the OPEB plan's fiduciary net position was not projected to be sufficient to meet projected future benefit payments, therefore the OPEB plan is considered a "pay-as-you-go" plan. A discount rate of 4.09% which represents the Standard & Poors 20-year municipal bond rate at June 30, 2023, was applied to all projected benefit payments to measure the total OPEB liability.

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

Healthcare cost trends were applied to retirees receiving less than \$1,200 in annual health insurance premium assistance. As of June 30, 2023, retirees' health insurance premium assistance benefits are not subject to future healthcare cost increases. The healthcare insurance premium assistance reimbursement for qualifying retirees is capped at a maximum of \$1,200. The actual number of retirees receiving less than the \$1,200 per year cap is a small percentage of the total population and has a minimal impact on healthcare cost trends as depicted below.

The following presents the net OPEB liability for June 30, 2023, calculated using current healthcare cost trends as well as what net OPEB liability would be if health cost trends were 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>1% Decrease</u>	<u>Trend Rate</u>	<u>1% Increase</u>
District's proportionate share of the net OPEB liability	<u>\$ 2,903,535</u>	<u>\$ 2,903,808</u>	<u>\$ 2,904,028</u>

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

The following presents the net OPEB liability, calculated using the discount rate of 4.13%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.13%) or 1-percentage-point higher (5.13%) than the current rate:

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
	<u>3.9%</u>	<u>Discount Rate</u>	<u>5.09%</u>
District's proportionate share of the net OPEB liability	<u>\$ 3,283,095</u>	<u>\$ 2,903,808</u>	<u>\$ 2,586,319</u>

OPEB Plan Fiduciary Net Position

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

Lampeter-Strasburg School District
Notes to Financial Statements
June 30, 2024

14. JOINT VENTURES AND JOINTLY GOVERNED ORGANIZATION

Joint Ventures

Lancaster County Career and Technology Center

The District and the other 15 Lancaster County school districts participate in the Lancaster County Career and Technology Center ("LCCTC"). The LCCTC provides vocational-technical training and education to students of the participating school districts. The LCCTC is controlled by a joint board comprised of representative school board members of the participating school districts. District oversight of the LCCTC operations is the responsibility of the joint board. The District's share of operating costs for the LCCTC fluctuates based on the District's percentage of enrollment. The District's share of operating costs for 2023-2024 was \$690,123.

Lancaster County Career and Technology Center Authority

The District and the other 15 Lancaster County school districts also participate in a joint venture for the operation of the Lancaster County Career and Technology Center Authority (the "Authority"). The Authority oversees acquiring, holding, constructing, improving and maintaining the LCCTC school buildings and facilities. The Authority is controlled by a joint board comprised of representative school board members of the participating school districts in the Authority. As further described below, the participating school districts have entered into a long-term lease agreement with the Authority to provide rental payments sufficient to retire the Authority's outstanding debt obligations. The District's share of rent expense for 2023-2024 was \$89,690.

On September 20, 2011, the Authority authorized the issuance of Guaranteed Lease Revenue Bonds, Series of 2011 (the "2011 Revenue Bonds"), in the maximum aggregate principal amount of \$43,000,000 to provide funds for the renovations and additions to the Brownstown, Mount Joy and Willow Street campuses of the LCCTC and pay for the costs of issuance. The District and the 15 Lancaster County school districts have entered into a long-term lease agreement with the Authority stipulating that each school district will pay its proportionate share of the lease rentals in order to retire the 2011 Revenue Bonds based on real estate market values as set forth in the LCCTC organization agreement. The 2011 Revenue Bonds were issued in three different series over three years. The amount of each series was not to exceed \$10,000,000 without the participating school districts' approval. The 2011 Revenue Bonds were intended to be repaid over a period not to exceed thirty years, with gross annual debt service not to exceed \$1,985,000 and net annual debt service (after reimbursement by the Commonwealth of Pennsylvania) of \$1,330,000. On June 29, 2012, the Authority issued the first of three series in the total amount of \$9,995,000. On September 20, 2013 the Authority issued the second of three series in the total amount of \$9,995,000 which was refinanced in February 2017 and on July 9, 2014, the Authority issued the final of the three series in the total amount of \$3,900,000. On June 1 2020, the Authority refinanced its Series of 2013 and Series of 2014 Revenue Bonds by issuing the Series of 2020 Revenue Bonds in the amount of \$11,145,000.

The District's lease rental obligations for minimum rental payments related to the issued debt are as follows:

2025	\$ 67,344
2026	67,696
2027	67,235
2028	66,833
2029	66,845
2030-2034	330,962
2035-2037	197,546
	<u>\$ 864,461</u>

Both the LCCTC and the Authority prepare financial statements that are available to the public from their administrative office located at 1730 Hans Herr Drive, P.O. Box 527, Willow Street, PA 17584.

Lampeter-Strasburg School District
Notes to Financial Statements
June 30, 2024

Jointly Governed Organizations

Lancaster-Lebanon Intermediate Unit

The District and the other Lancaster and Lebanon County school districts are participating members of the Lancaster-Lebanon Intermediate Unit (the "LLIU"). The LLIU is a regional educational service agency, established by the Commonwealth of Pennsylvania, which is governed by a joint committee consisting of School Board members from each participating school district. The School Board of each participating school district must approve the annual program budget for the LLIU, but the participating school districts have no ongoing fiduciary interest or responsibility to the LLIU. The LLIU is a self-sustaining organization that provides a broad array of services to the participating school districts which include: curriculum development and instructional improvement; educational planning services; instructional material; continuing professional development; pupil personnel services; management services and federal liaison services. During 2023-2024, the District contracted with the LLIU for special education services which totaled \$2,031,735.

Lancaster-Lebanon Joint Authority

The District and the other Lancaster and Lebanon County school district are also participating members of the Lancaster-Lebanon Joint Authority (the "Authority"). The Authority oversees acquiring, holding, constructing, improving and maintaining the buildings and facilities maintained for the participating school districts and the LLIU, which is governed by a joint committee consisting of School Board members from each participating school district. During 2023-2024, the District did not have any financial transactions with the Authority.

Lancaster County Tax Collection Bureau

The District and the other 15 Lancaster County school districts along with Octorara Area School District of Chester County and the municipalities represented by those school districts are participating members of the Lancaster County Tax Collection Bureau (the "Bureau") for the collection of earned income taxes. Each participating school district appoints one member to serve on the joint operating committee and 16 members are appointed by the participating municipalities. The Bureau is a self-sustaining organization in which the participating members have no ongoing fiduciary interest or responsibility. The Bureau's operating expenditures are deducted from each members earned income tax distributions. During 2023-2024, the District's portion of operating expenditures for the Bureau totaled \$55,376.

15. CONTINGENCIES AND COMMITMENTS

Government Grants and Awards

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

Litigation

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

Lampeter-Strasburg School District
Notes to Financial Statements
June 30, 2024

16. RISK MANAGEMENT

Health Insurance

The District participates in a consortium with the LLIU to provide a self-insurance program for health insurance and related expenses for eligible employees, spouses and dependents. Accordingly, benefit payments plus an administrative charge are made to a third-party administrator, who approves and processes all claims. The District was limited in liability to \$450,000 per individual and \$6,828,782 in total for self-insurance medical claims for the year ended June 30, 2023. The District has recorded a liability in the Internal Service Fund for claims incurred through June 30, 2023 which has historically been satisfied within 60 days after June 30. The following table presents the components of the self-insurance medical claims liability and the related changes in the claims liability for the years ended June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Insurance claims liability – beginning of year	\$ 683,893	\$ 355,387
Current year insurance claims and changes in estimates	5,399,127	6,699,516
Insurance claims paid	<u>(5,398,095)</u>	<u>(6,371,010)</u>
Insurance claims liability – end of year	<u>\$ 684,925</u>	<u>\$ 683,893</u>

Workers' Compensation

The District, participating member school districts from Pennsylvania and the LLIU participate in the Lancaster-Lebanon Public Schools Workers' Compensation Fund (the "Fund"), which is a cooperative voluntary trust arrangement. The District and the other participating members pay an annual premium to the Fund for the purpose of seeking prevention or lessening of claims due to injuries of employees of the participating members and pooling workers' compensation and occupational disease insurance risks, reserves, claims and losses and providing self-insurance and reinsurance thereof. It is the intent of the participating members of the Fund that the Fund will utilize funds contributed by the participating members, which shall be held in trust by the Fund, to provide self-insurance and reimbursement to the members for their obligations to pay compensation as required under the Workers' Compensation Act and the Pennsylvania Occupational Disease Act and to purchase excess and aggregate insurance. As of June 30, 2024, the District is not aware of any additional assessments relating to this Fund.

Other Risks

The District is exposed to other risks of loss, including errors and omissions. The District has purchased a commercial insurance policy to safeguard its assets from risk of loss due to errors and omissions. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

17. SUBSEQUENT EVENTS

Management has evaluated subsequent events through **DATE**, the date on which the financial statements were available to be issued. No material subsequent events have occurred since June 30, 2024 that required recognition or disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

Lampeter-Strasburg School District
Budgetary Comparison Schedule – General Fund
Year Ended June 30, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Local sources	\$ 44,258,802	\$ 44,258,802	\$ 46,212,109	\$ 1,953,307
State sources	14,093,201	14,093,201	14,810,645	717,444
Federal sources	1,778,307	1,778,307	2,221,080	442,773
Total revenues	60,130,310	60,130,310	63,243,834	3,113,524
Expenditures				
Instruction				
Regular programs	24,848,537	24,848,537	24,043,295	805,242
Special programs	9,709,818	9,709,818	10,304,342	(594,524)
Vocational programs	1,049,828	1,049,828	1,102,891	(53,063)
Deferred Outflows of Resources	482,964	482,964	581,879	(98,915)
Nonpublic school programs	39,975	39,975	21,469	18,506
Total instruction	36,131,122	36,131,122	36,053,876	77,246
Support services				
Pupil support services	2,527,477	2,527,477	2,763,505	(236,028)
Instructional staff services	1,096,213	1,096,213	946,209	150,004
Administrative services	3,335,999	3,335,999	3,344,168	(8,169)
Pupil health	655,057	655,057	636,800	18,257
Business services	608,536	608,536	575,503	33,033
Operation and maintenance of plant services	4,817,693	4,817,693	4,568,189	249,504
Student transportation services	2,104,231	2,104,231	2,149,544	(45,313)
Support services - central	1,725,546	1,725,546	2,127,370	(401,824)
Other support services	27,400	27,400	26,953	447
Total support services	16,898,152	16,898,152	\$ 17,138,241	(240,089)
Operation of noninstructional services				
Student activities	1,177,852	1,177,852	1,246,016	(68,164)
Community services	6,000	6,000	6,000	-
Scholarship and awards	1,750	1,750	1,750	-
Total operation of noninstructional services	1,185,602	1,185,602	1,253,766	(68,164)
Facilities acquisition, construction and improvement services	-	-	-	-
Debt service	2,831,429	2,831,429	2,831,429	-
Total expenditures	57,046,305	57,046,305	57,277,312	(231,007)
Excess (deficiencies) of revenues over (under expenditures)	3,084,005	3,084,005	5,966,522	2,882,517
Other financing sources (uses)				
Transfers out	(2,865,096)	(2,865,096)	(3,393,015)	(527,919)
Proceeds from sale of capital assets	-	-	527,919	527,919
Refund of prior year receipts	-	-	(38)	(38)
Budgetary reserve	(480,000)	(480,000)	-	480,000
Total other financing sources (uses)	(3,345,096)	(3,345,096)	(2,865,134)	479,962
Net change in fund balance	\$ (261,091)	\$ (261,091)	3,101,388	\$ 3,362,479
Fund balance				
Beginning of year			12,451,368	
End of year			\$ 15,552,756	

See Independent Accountant's Report.

Lampeter-Strasburg School District
Schedule of the District's Proportionate Share of the Net Pension Liability - PSERS
Year Ended June 30,

	Measurement Date									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability	0.1607%	0.1618%	0.1637%	0.1620%	0.1658%	0.1677%	0.1687%	0.1654%	0.1627%	0.1586%
District's proportionate share of the net pension liability	\$ 71,489,613	\$ 71,934,212	\$ 67,209,867	\$ 79,767,206	\$ 77,565,564	\$ 80,504,000	\$ 83,318,000	\$ 81,967,000	\$ 70,474,000	\$ 62,775,000
District's covered-employee payroll	\$ 24,582,177	\$ 23,807,404	\$ 23,239,884	\$ 22,756,687	\$ 22,874,758	\$ 22,586,915	\$ 22,464,381	\$ 21,422,799	\$ 20,932,889	\$ 20,235,000
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	290.82%	302.15%	289.20%	350.52%	339.09%	356.42%	370.89%	382.62%	336.67%	310.23%
Plan fiduciary net position as a percentage of the total pension liability	61.85%	61.34%	63.67%	54.32%	55.66%	54.00%	52.00%	50.00%	54.00%	57.00%

See Independent Accountant's Report.

Lampeter-Strasburg School District
Schedule of the District's Pension Plan Contributions - PSERS
Year Ended June 30,

	Measurement Date									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 8,416,597	\$ 8,066,718	\$ 7,779,003	\$ 7,567,313	\$ 7,424,915	\$ 7,116,000	\$ 6,453,000	\$ 5,262,000	\$ 4,201,000	\$ 3,159,000
Contributions in relation to the contractually required contribution	<u>\$ 8,416,597</u>	<u>\$ 8,066,718</u>	<u>\$ 7,779,003</u>	<u>\$ 7,567,313</u>	<u>\$ 7,435,753</u>	<u>\$ 7,131,159</u>	<u>\$ 6,455,302</u>	<u>\$ 5,416,000</u>	<u>\$ 4,289,181</u>	<u>\$ 3,259,735</u>
Contribution deficiency (excess)	-	-	-	-	(10,838)	(15,159)	(2,302)	(154,000)	(88,181)	(100,735)
District's covered-employee payroll	\$ 24,582,177	\$ 23,807,404	\$ 23,239,884	\$ 22,756,687	\$ 22,874,758	\$ 22,586,915	\$ 22,464,381	\$ 21,422,799	\$ 20,932,889	\$ 20,235,020
Contributions as a percentage of covered-employee payroll	34.24%	33.88%	33.47%	33.25%	32.51%	31.57%	28.74%	25.28%	20.49%	16.11%

See Independent Accountant's Report.

Lampeter-Strasburg School District
Schedule of Changes in OPEB Liability – Single Employer Plan
Year Ended June 30,

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability							
Service cost	\$ 62,382	\$ 95,962	\$ 28,091	\$ 31,135	\$ 29,442	\$ 32,599	\$ 79,241
Interest on total OPEB liability	52,453	36,684	107,229	116,621	81,321	83,391	88,164
Changes of benefit terms	(238)	-	-	-	-	-	-
Differences between expected and actual experience	75,361	-	(1,425,761)	-	121,533	-	(52,534)
Changes of assumptions	213,708	(342,302)	26,584	-	660,443	-	738,499
Benefit payments	<u>(73,679)</u>	<u>(73,835)</u>	<u>(465,621)</u>	<u>(363,548)</u>	<u>(180,949)</u>	<u>(185,852)</u>	<u>(243,851)</u>
Net change in total OPEB liabilities	329,987	(283,491)	(1,729,478)	(215,792)	711,790	(69,862)	609,519
Total OPEB liability, beginning	<u>1,269,477</u>	<u>1,552,968</u>	<u>3,282,446</u>	<u>3,498,238</u>	<u>2,786,448</u>	<u>2,856,310</u>	<u>2,246,791</u>
Total OPEB liability, ending	<u>\$ 1,599,464</u>	<u>\$ 1,269,477</u>	<u>\$ 1,552,968</u>	<u>\$ 3,282,446</u>	<u>\$ 3,498,238</u>	<u>\$ 2,786,448</u>	<u>\$ 2,856,310</u>
Fiduciary net position as a % of total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered payroll	\$ 22,261,580	\$ 22,261,580	\$ 22,261,580	\$ 21,391,318	\$ 20,869,579	\$ 19,566,848	\$ 19,089,608
Net OPEB liability as a % of covered payroll	7.18%	5.70%	6.98%	15.34%	16.76%	14.24%	14.96%

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

See Independent Accountant's Report.

Lampeter-Strasburg School District
Schedule of the District's Proportionate Share of the OPEB Liability - PSERS
Year Ended June 30,

	Measurement Date						
	2023	2022	2021	2020	2019	2018	2017
District's proportion of the net OPEB liability	0.1605%	0.1619%	0.1639%	0.1621%	0.1658%	0.1677%	0.1687%
District's proportionate share of the net OPEB liability	\$ 2,903,808	\$ 2,980,208	\$ 3,884,566	\$ 3,502,490	\$ 3,526,304	\$ 3,496,000	\$ 3,437,000
District's covered-employee payroll	\$ 24,582,177	\$ 23,807,404	\$ 23,239,884	\$ 22,756,687	\$ 22,871,758	\$ 22,586,915	\$ 22,464,381
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	11.81%	12.52%	16.72%	15.39%	15.42%	15.48%	15.30%
Plan fiduciary net position as a percentage of the total net OPEB liability	7.22%	6.86%	5.30%	5.69%	5.56%	5.56%	6.00%

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

See Independent Accountant's Report.

Lampeter-Strasburg School District
Schedule of the District's OPEB Contributions -
Year Ended June 30,

	Measurement Date						
	2023	2022	2021	2020	2019	2018	2017
Contractually required contribution	\$ 183,545	\$ 189,055	\$ 190,722	\$ 190,829	\$ 189,959	\$ 187,000	\$ 187,000
Contributions in relation to the contractually required contribution	<u>\$ 183,545</u>	<u>\$ 189,055</u>	<u>\$ 190,722</u>	<u>\$ 190,739</u>	<u>\$ 189,315</u>	<u>\$ 186,480</u>	<u>\$ 183,490</u>
Contribution deficiency (excess)		-	-	90	644	520	3,510
District's covered-employee payroll	\$ 24,582,177	\$ 23,807,404	\$ 23,239,884	\$ 22,756,687	\$ 22,871,758	\$ 22,586,915	\$ 22,464,381
Contributions as a percentage of covered-employee payroll	0.75%	0.79%	0.82%	0.84%	0.83%	0.83%	0.82%

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

See Independent Accountant's Report.

SINGLE AUDIT

Lampeter-Strasburg School District
Schedule Expenditures of Federal Awards
Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Project Title	Source Code	Federal CFDA Number	Pass- Through Grantor's Number	Grant Period Beginning/ Ending Dates	Grant Amount	Total Received for Year	Accrued (Deferred) Revenue July 1, 2023	Revenue Recognized	Expenditures	Accrued (Deferred) Revenue June 30, 2024	Passed Through to Subrecipients
<u>U.S. Department of Education</u>											
Passed-Through the Pennsylvania Department of Education											
Title I - Improving Basic Programs	I	84.010	013-230220	07/11/22 - 09/30/23	\$ 508,650	\$ 237,558	\$ 215,432	\$ 22,126	\$ 22,126	\$ -	\$ -
Title I - Improving Basic Programs	I	84.010	013-240220	07/01/23 - 09/30/24	504,496	369,956	-	433,898	433,898	63,942	-
Total CFDA #84.010						607,514	215,432	456,024	456,024	63,942	-
Title II - Improving Teacher Quality	I	84.367	020-230220	07/11/22 - 09/30/23	83,871	11,619	11,619	-	-	-	-
Title II - Improving Teacher Quality	I	84.367	020-240220	07/01/23 - 09/30/24	82,930	77,350	-	82,930	82,930	5,580	-
Total CFDA #84.367						88,969	11,619	82,930	82,930	5,580	-
Title IV - Student Support and Academic Enrichment	I	84.424	144-230220	07/11/22 - 09/30/23	41,117	1,949	1,949	-	-	-	-
Title IV - Student Support and Academic Enrichment	I	84.424	144-240220	07/01/23 - 09/30/24	39,820	31,856	-	39,820	39,820	7,964	-
Total CFDA #84.424						33,805	1,949	39,820	39,820	7,964	-
ARP ESSER	I	84.425U	223-210220	3/13/20 - 9/30/24	2,929,903	1,012,148	229,326	893,224	893,224	110,402	-
ARP ESSER 7% Set Aside	I	84.425U	225-210220	3/13/20 - 9/30/24	227,719	157,333	17,297	140,036	140,036	-	-
ARP ESSER Homeless Children & Youth	I	84.425W	181-212217	3/13/20 - 9/30/24	18,674	3,351	1,231	9,329	9,329	7,209	-

See Independent Auditor's Report.

See accompanying notes to Schedule of Expenditures of Federal Awards and Certain State Grants.

Lampeter-Strasburg School District
Schedule Expenditures of Federal Awards
Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Project Title	Source Code	Federal CFDA Number	Pass- Through Grantor's Number	Grant Period Beginning/ Ending Dates	Grant Amount	Total Received for Year	Accrued (Deferred) Revenue July 1, 2023	Revenue Recognized	Expenditures	Accrued (Deferred) Revenue June 30, 2024	Passed Through to Subrecipients
Passed Through the Lancaster- Lebanon I.U. #13											
I.D.E.A. - Part B, Section 611	I	84.027	H027A230093	07/01/23 - 09/30/24	548,039	548,039	-	548,039	548,039	-	-
I.D.E.A. - Part B, Section 611	I	84.027X	H027X210093	07/01/21 - 09/30/23	118,399	49,976	-	49,976	49,976	-	-
I.D.E.A. - Part B, Section 619	I	84.173A	H173A180090	07/01/23 - 06/30/24	1,701	1,701	-	1,701	1,701	-	-
Total U.S. Department of Education						2,502,836	476,854	2,221,079	2,221,079	195,097	-
<u>U.S. Department of Agriculture</u>											
Passed-Through the Pennsylvania Department of Education											
Breakfast Program	I	10.553	N/A	07/01/23 - 06/30/24	N/A	188,797	-	188,797	188,797	-	-
P-EBT Local Admin Funds	I	10.649	N/A	07/01/23 - 06/30/24	N/A	653	-	653	653	-	-
National School Lunch Program	I	10.555	N/A	07/01/23 - 06/30/24	N/A	555,370	-	555,370	555,370	-	-
Supply Chain Assistance	I	10.555	N/A	07/01/23 - 06/30/24	N/A	69,939	-	69,939	69,939	-	-
Passed-Through the Pennsylvania Department of Agriculture											
National School Lunch Program	I	10.555	N/A	07/01/23 - 06/30/24	N/A	172,874	(27,414)	163,206	163,206	(37,082)	-
Total CFDA #10.555						798,183	(27,414)	788,515	788,515	(37,082)	-
Total U.S. Department of Agriculture						987,633	(27,414)	977,965	977,965	(37,082)	-
Total Federal Awards						\$ 3,490,469	\$ 449,440	\$ 3,199,044	\$ 3,199,044	\$ 158,015	\$ -

See Independent Auditor's Report.

See accompanying notes to Schedule of Expenditures of Federal Awards and Certain State Grants.

Lampeter-Strasburg School District
Schedule Expenditures of Federal Awards
Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Project Title	Source Code	Federal CFDA Number	Pass- Through Grantor's Number	Grant Period Beginning/ Ending Dates	Grant Amount	Total Received for Year	Accrued (Deferred) Revenue July 1, 2023	Revenue Recognized	Expenditures	Accrued (Deferred) Revenue June 30, 2024	Passed Through to Subrecipients
Special Education Cluster (IDEA) (CFDA's #84.027 and #84.173)						\$ 599,716	\$ -	\$ 599,716	\$ 599,716	\$ -	\$ -
Child Nutrition Cluster (CFDA's #10.553 and #10.555)						\$ 986,980	\$ (27,414)	\$ 977,312	\$ 977,312	\$ (37,082)	\$ -
Education Stabilization Fund (CFDA's #84.425A-Y)						\$ 1,172,832	\$ 247,854	\$ 1,042,589	\$ 1,042,589	\$ 117,611	\$ -

Legend

D - Direct Funding

I - Indirect Funding

CFDA - Catalog of Federal Domestic Assistance

See Independent Auditor's Report.

See accompanying notes to Schedule of Expenditures of Federal Awards and Certain State Grants.

Lampeter-Strasburg School District
Notes to Financial Statements
June 30, 2024

1. FEDERAL EXPENDITURES

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

2. BASIS OF ACCOUNTING

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

3. NONMONETARY FEDERAL AWARDS – DONATED FOOD

The Commonwealth of Pennsylvania distributes federal surplus food to institutions (schools, hospitals and prisons) and to the needy. Expenditures reported in the Schedule of Expenditures of Federal Awards under ALN #10.555 USDA Commodities represent federal surplus food consumed by the District during the 2023-2024 fiscal year.

4. ACCESS PROGRAM

The District participates in the ACCESS Program which is a medical assistance program that reimburses local educational agencies for direct eligible health-related services provided to enrolled special needs students. Reimbursements are federal source revenues but are classified as fee-for-service and are not considered federal financial assistance. The amount of ACCESS funding recognized for the year ended June 30, 2024 was \$0.

5. INDIRECT COSTS

The District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance. No indirect costs were charged to the District's Federal awards for the year ended June 30, 2024.

**Lampeter-Strasburg School District
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2024**

There were no audit findings for the year ended June 30, 2023.

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

To the Board of School Directors of
Lampeter-Strasburg School District:

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

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

DATE

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

To the Board of School Directors of
Lampeter-Strasburg School District:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Lampeter-Strasburg School District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Lampeter-Strasburg School District's major federal programs for the year ended June 30, 2024. Lampeter-Strasburg School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Lampeter-Strasburg School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

DATE

**Lampeter-Strasburg School District
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024**

Summary of Auditor's Results

1. The auditor's report expresses an unmodified opinion on whether the financial statements of Lampeter-Strasburg School District were prepared in accordance with GAAP.
2. No significant deficiencies or material weaknesses relating to the audit of the financial statements of Lampeter-Strasburg School District are reported in the independent auditor's report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with Government Auditing Standards.
3. No instances of noncompliance material to the financial statements of Lampeter-Strasburg School District, which would be required to be reported in accordance with Government Auditing Standards, were disclosed during the audit.
4. No significant deficiencies or material weaknesses in internal control over the major federal award programs are reported in the independent auditor's report on compliance for each major program and on internal control over compliance required by the Uniform Guidance.
5. The auditor's report on compliance for the major federal award programs for Lampeter-Strasburg School District expresses an unmodified opinion on all major federal programs.
6. There are no audit findings that are required to be reported in accordance with 2 CFR Section 200.516(a).
7. The program tested as a major program was:

Education Stabilization Fund – Elementary and Secondary Education – ALN #84.425

Child Nutrition Cluster
Breakfast Program – ALN #10.553
National School Lunch Program – ALN #10.555
8. The threshold used for distinguishing between Type A and B programs was \$750,000.
9. The Lampeter-Strasburg School District did qualify as a low-risk auditee.

Findings – Financial Statement Audit

None

Findings and Questioned Costs – Major Federal Award Programs Audit

None

Book	Policy Manual
Section	300 Employees
Title	Physical Examination
Code	314

Purpose

In order to certify the fitness of administrative, professional and support employees to discharge efficiently the duties they will be performing and to protect the health of students and staff, **the Board shall require** physical examinations of all district employees prior to beginning employment.

Definitions

A **physical examination, for purposes of this policy**, shall mean a general examination by a licensed physician, certified registered nurse practitioner or a licensed physician assistant.

Authority

After receiving an offer of employment but prior to beginning employment, all candidates shall undergo ~~medical~~ **physical** examinations, as required by law and as the Board may require.[\[1\]](#)[\[2\]](#)[\[3\]](#)

The Board requires that all employees undergo a tuberculosis examination provided by the district upon initial employment, in accordance with regulations of the **PA** Department of Health.[\[1\]](#)[\[4\]](#)

The Board may require an employee to undergo a physical examination at the Board's request.[\[1\]](#)

An employee who presents a signed statement that a **physical** examination is contrary to **the employee's** religious beliefs shall be examined only when the Secretary of Health determines that ~~the employee presents~~ **facts exist indicating that certain conditions would present** a substantial menace to the health of others **in contact with the employee if the employee is not examined for those conditions.**[\[5\]](#)[\[6\]](#)

Guidelines

Employees exhibiting symptoms that indicate health concerns shall be referred to the school nurse or designated staff for further assessment, and may be excluded from school facilities in accordance with regulations of the PA Department of Health or guidance from state or local health officials for specified diseases and infectious conditions. Employees may return to school facilities when the criteria for readmission following a communicable disease have been met, in accordance with law, regulations or guidance from state or local health officials.[\[7\]](#)[\[8\]](#)[\[9\]](#)[\[10\]](#)

Delegation of Responsibility

The results of all required medical **physical** examinations shall be made known to the Superintendent on a confidential basis and discussed with the employee.

Medical records **and other health information** of an employee shall be **maintained confidentially and** kept in a file separate from the employee's personnel file.[\[3\]](#)[\[11\]](#)

Legal

[1. 24 P.S. 1418](#)

[2. 28 PA Code 23.43](#)

[3. 42 U.S.C. 12112](#)

[4. 28 PA Code 23.44](#)

[5. 24 P.S. 1419](#)

[6. 28 PA Code 23.45](#)

[7. 28 PA Code 27.71](#)

[8. 28 PA Code 27.72](#)

9. Pol. 334

10. Pol. 335

[11. 42 U.S.C. 2000ff et seq](#)

[24 P.S. 1416](#)

[42 U.S.C. 12101 et seq](#)

[U.S. Equal Employment Opportunity Commission – Questions and Answers on Religious Discrimination in the Workplace](#)

IF SIGNIFICANT REACTION WAS REPORTED, THE PHYSICIAN REPORT MUST STATE THAT THE APPLICANT IS FREE FROM CURRENT TUBERCULOSIS DISEASE OR IS UNDER ADEQUATE CHEMOTHERAPY FOR TUBERCULOSIS DISEASE:

IV. Significant Medical Conditions (✓)

	Yes	No	If Yes, Explain:
Allergies	<input type="checkbox"/>	<input type="checkbox"/>	
Asthma	<input type="checkbox"/>	<input type="checkbox"/>	
Cardiac	<input type="checkbox"/>	<input type="checkbox"/>	
Chemical Dependency	<input type="checkbox"/>	<input type="checkbox"/>	
Drugs.....	<input type="checkbox"/>	<input type="checkbox"/>	
Alcohol.....	<input type="checkbox"/>	<input type="checkbox"/>	
Diabetes Mellitus	<input type="checkbox"/>	<input type="checkbox"/>	
Gastrointestinal Disorder	<input type="checkbox"/>	<input type="checkbox"/>	
Hearing Disorder.....	<input type="checkbox"/>	<input type="checkbox"/>	
Hypertension	<input type="checkbox"/>	<input type="checkbox"/>	
Neuromuscular Disorder.....	<input type="checkbox"/>	<input type="checkbox"/>	
Orthopedic Condition.....	<input type="checkbox"/>	<input type="checkbox"/>	
Respiratory Illness.....	<input type="checkbox"/>	<input type="checkbox"/>	
Seizure Disorder.....	<input type="checkbox"/>	<input type="checkbox"/>	
Skin Disorder	<input type="checkbox"/>	<input type="checkbox"/>	
Vision Disorder.....	<input type="checkbox"/>	<input type="checkbox"/>	
Other (Specify).....	<input type="checkbox"/>	<input type="checkbox"/>	

V. Report of Physical Examination (✓)

	NORMAL	ABNORMAL	NOT EXAMINED	COMMENTS
Height (inches) _____				
Weight (pounds) _____				
Pulse _____				
Blood Pressure _____				
Hair/Scalp				
Skin				
Eyes – Visual Acuity: R _____ L _____				
Eyes – Color Vision				
Ears – Hearing (dB) R _____ L _____				
Nose and Throat				
Teeth and Gingiva				
Lymph Glands				
Heart – Murmur, etc...				
Lungs – Adventitious Findings				
Abdomen				
Genitourinary				
Neuromuscular System				
Extremities				

Are there any special medical problems or chronic diseases which require restriction of activity, medication or which might affect his/her work role? If so, specify _____

Physician Name (Print)

Signature of Examiner

Date

Physician Address

The statements and answers as recorded above are full, complete and true to the best of my knowledge and belief. I understand that any false or misleading statements may cause termination of my employment.

I authorize the physician or other person to disclose any knowledge or information pertaining to my health to the employing authority for whom this examination is performed.

Signature of Employee

Date

Hans Herr Elementary School 2023-2024 PSSA Achievement Data

HANS HERR EL SCH
Performance Level Distribution by Subject

English Language Arts Performance Level Results

Percentages at Each Performance Level*	Below Basic	Basic	Proficient	Advanced	Percentage of Students Below Basic and Basic in English Language Arts	Percentage of Students Proficient and Advanced in English Language Arts
School 2024	6	23	51	19	29.7 6 23	51 19 70.3
School 2023	6	29	43	22	35.2 6 29	43 22 64.8
School 2022	9	22	43	26	30.9 9 22	43 26 69.1
District 2024	6	28	48	19	33.7 6 28	48 19 66.3
State 2024	13	34	40	13	47.0 13 34	40 13 53.0

In 2024, 70.3 % of the students at HANS HERR EL SCH met or exceeded proficiency in English Language Arts. Comparatively, 53.0 % of the students in Pennsylvania met or exceeded proficiency in English Language Arts. Use the 2022 and 2023 data provided to determine your school’s three-year progress. These numbers indicate only the students who are in their full academic year.

HANS HERR EL SCH
Performance Level Distribution by Subject

Mathematics Performance Level Results

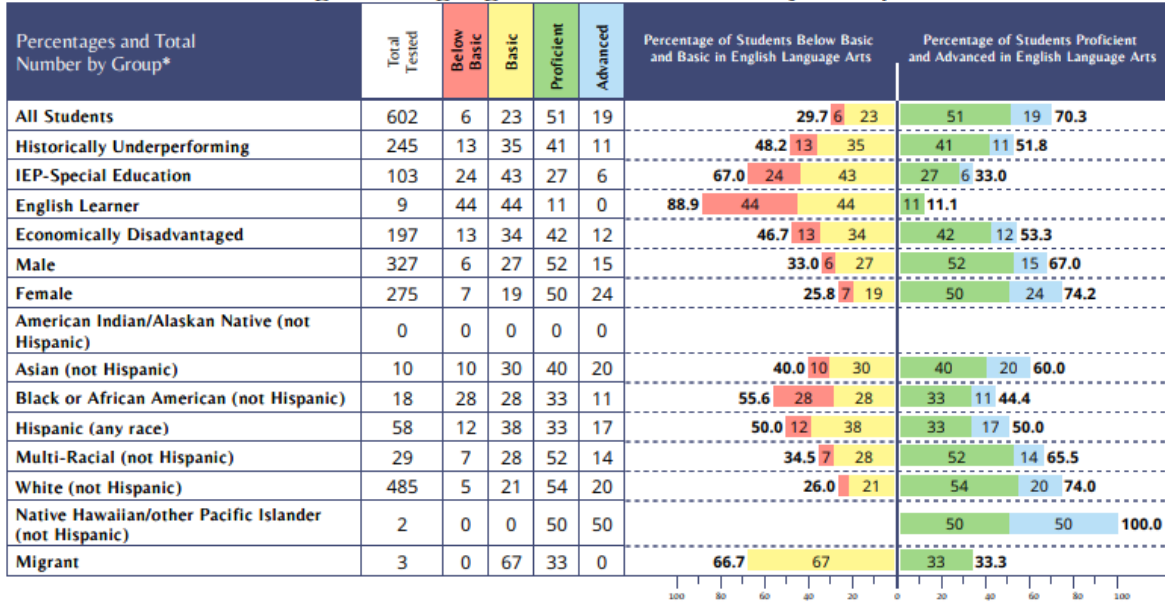
Percentages at Each Performance Level*	Below Basic	Basic	Proficient	Advanced	Percentage of Students Below Basic and Basic in Mathematics	Percentage of Students Proficient and Advanced in Mathematics
School 2024	9	27	36	28	36.2 9 27	36 28 63.8
School 2023	9	25	41	25	33.7 9 25	41 25 66.3
School 2022	12	29	36	23	40.5 12 29	36 23 59.5
District 2024	13	29	34	24	41.9 13 29	34 24 58.1
State 2024	32	28	25	16	59.6 32 28	25 16 40.4

In 2024, 63.8 % of the students at HANS HERR EL SCH met or exceeded proficiency in Mathematics. Comparatively, 40.4 % of the students in Pennsylvania met or exceeded proficiency in Mathematics. Use the 2022 and 2023 data provided to determine your school’s three-year progress. These numbers indicate only the students who are in their full academic year.

HANS HERR EL SCH

2024 Performance Level Distribution by Subject and Group

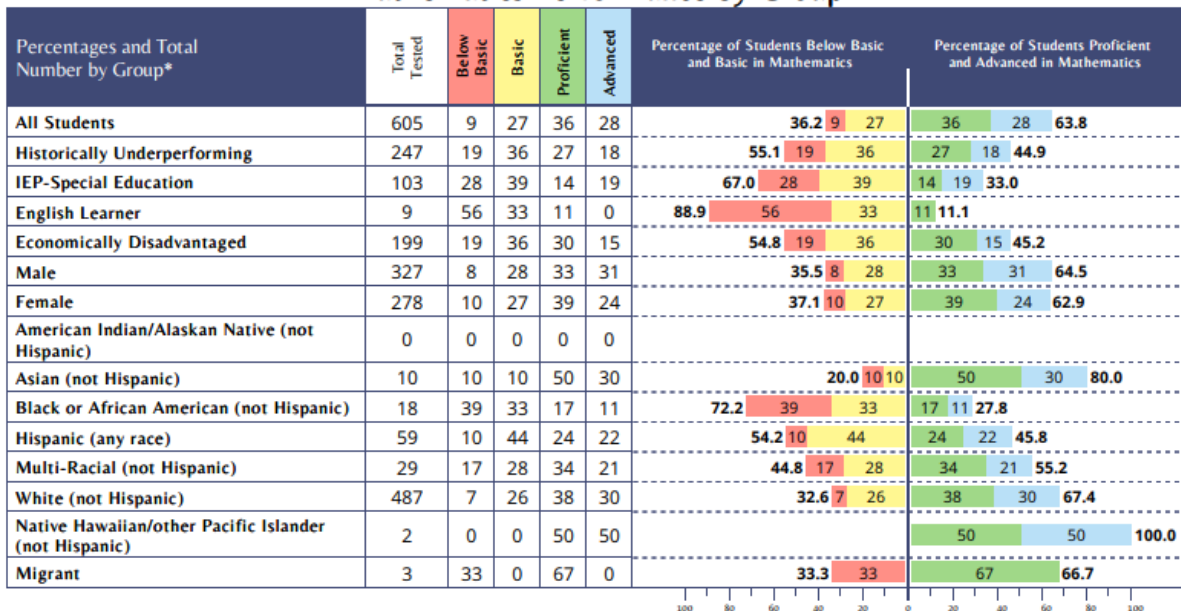
English Language Arts Performance by Group



HANS HERR EL SCH

2024 Performance Level Distribution by Subject and Group

Mathematics Performance by Group

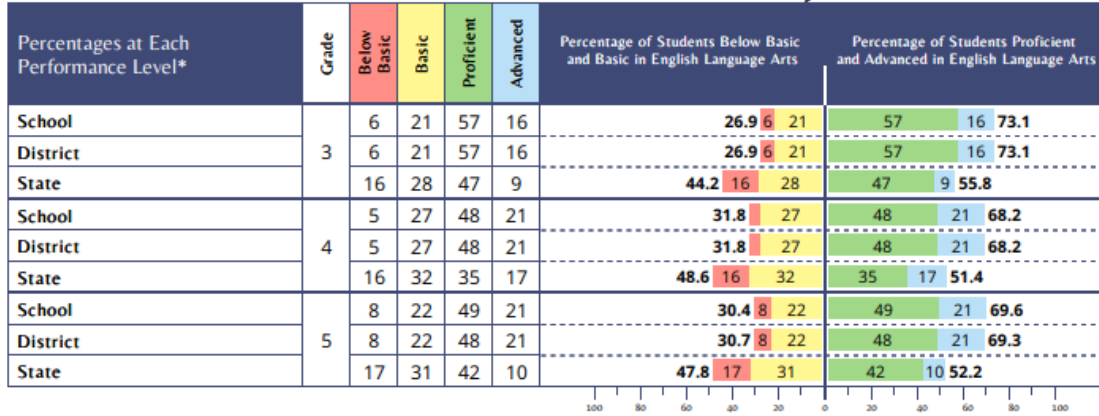


HANS HERR EL SCH

2024 Performance Level Distribution by Subject and Grade

English Language Arts

School, District, and State Performances by Grade

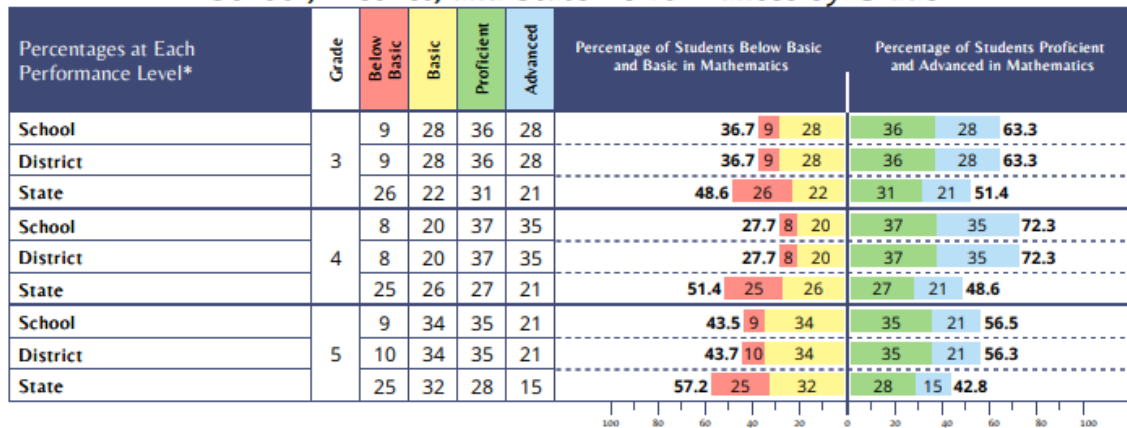


HANS HERR EL SCH

2024 Performance Level Distribution by Subject and Grade

Mathematics

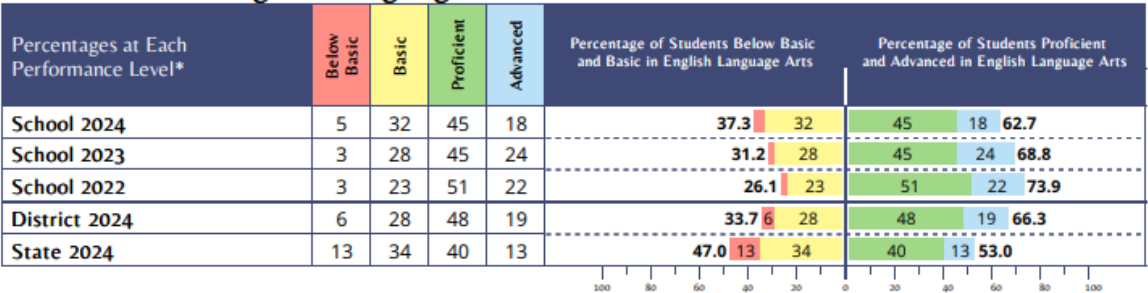
School, District, and State Performances by Grade



Martin Meylin Middle School 2023-2024 PSSA/Keystone Achievement Data

MARTIN MEYLIN MS
Performance Level Distribution by Subject

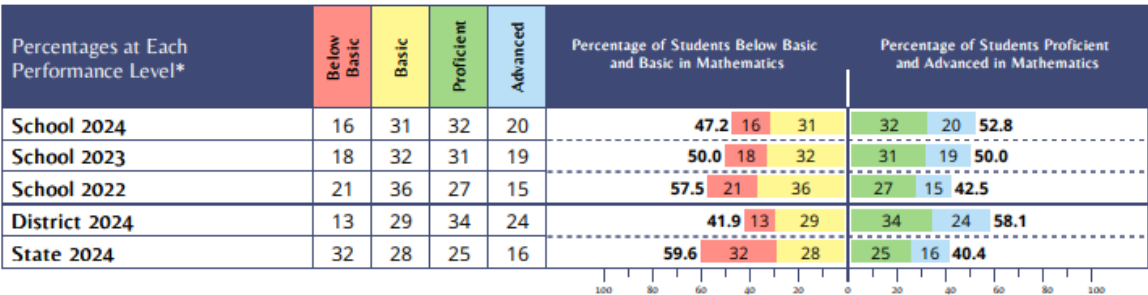
English Language Arts Performance Level Results



In 2024, 62.7 % of the students at MARTIN MEYLIN MS met or exceeded proficiency in English Language Arts. Comparatively, 53.0 % of the students in Pennsylvania met or exceeded proficiency in English Language Arts. Use the 2022 and 2023 data provided to determine your school's three-year progress. These numbers indicate only the students who are in their full academic year.

MARTIN MEYLIN MS
Performance Level Distribution by Subject

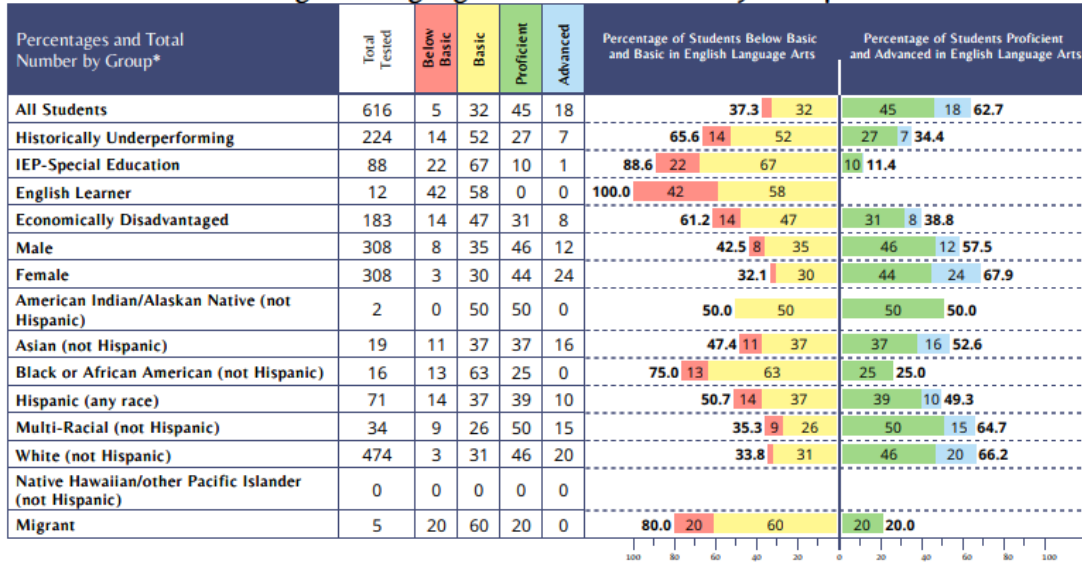
Mathematics Performance Level Results



In 2024, 52.8 % of the students at MARTIN MEYLIN MS met or exceeded proficiency in Mathematics. Comparatively, 40.4 % of the students in Pennsylvania met or exceeded proficiency in Mathematics. Use the 2022 and 2023 data provided to determine your school's three-year progress. These numbers indicate only the students who are in their full academic year.

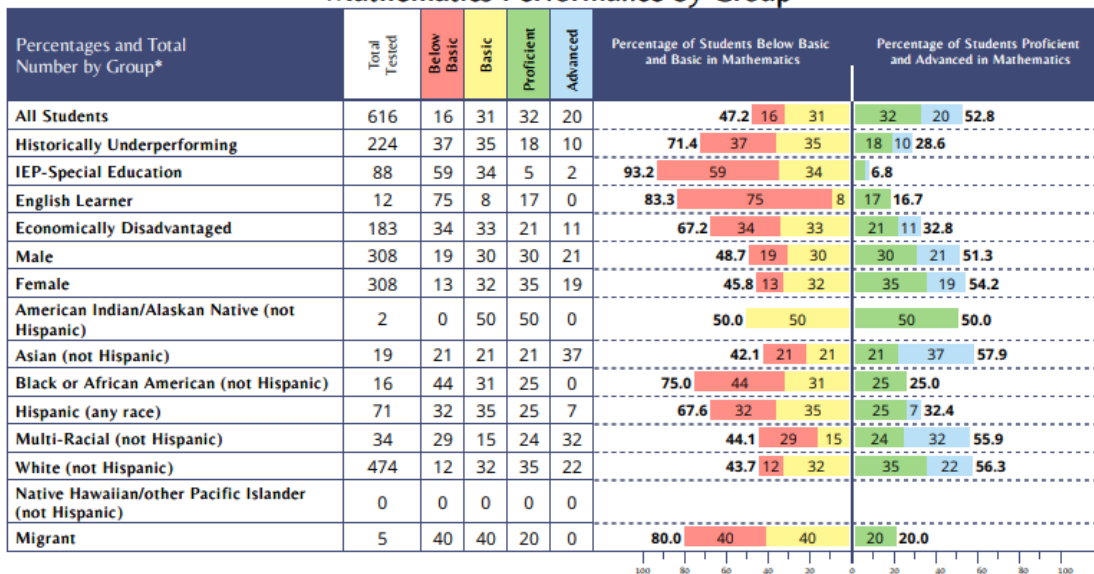
MARTIN MEYLIN MS
2024 Performance Level Distribution by Subject and Group

English Language Arts Performance by Group



MARTIN MEYLIN MS
2024 Performance Level Distribution by Subject and Group

Mathematics Performance by Group

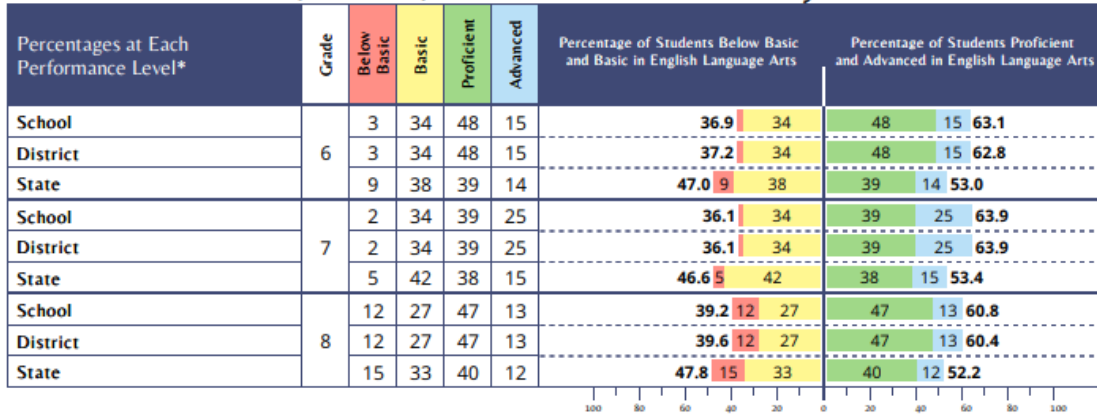


MARTIN MEYLIN MS

2024 Performance Level Distribution by Subject and Grade

English Language Arts

School, District, and State Performances by Grade

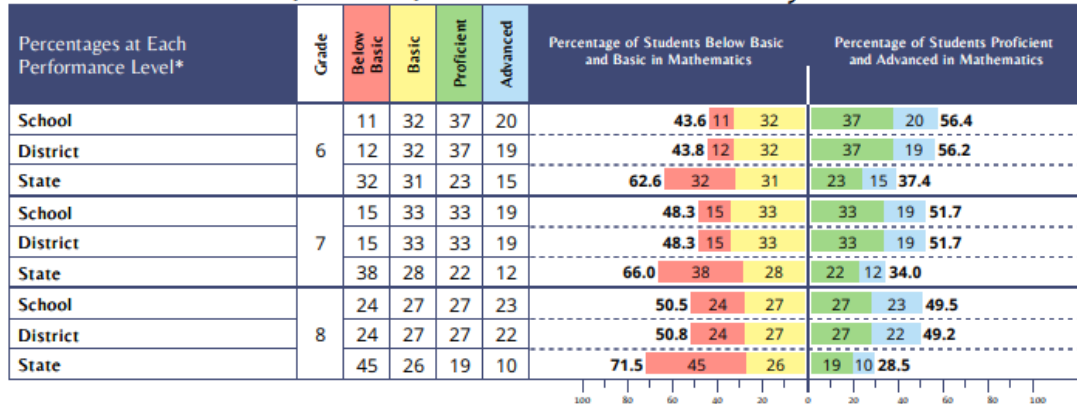


MARTIN MEYLIN MS

2024 Performance Level Distribution by Subject and Grade

Mathematics

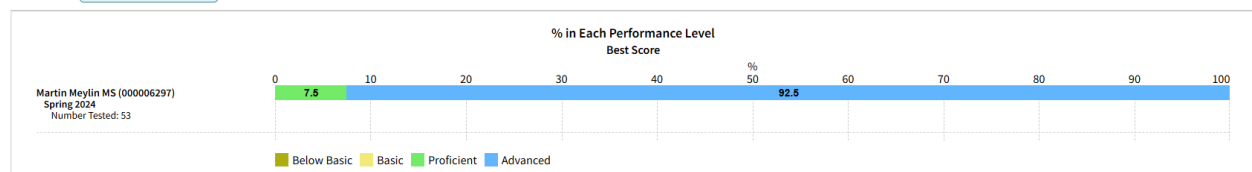
School, District, and State Performances by Grade



Group Summary: Performance Levels: Keystone, Martin Meylin MS (000006297), Algebra I, Spring 2024

Options Save Download Table Chart Transpose

Sort By: None



Lampeter-Strasburg High School 2023-2024 Keystone Achievement Data

Group Summary: Performance Levels: Keystone, Lampeter-Strasburg Shs (000002607), Algebra I

Options

Save

Download

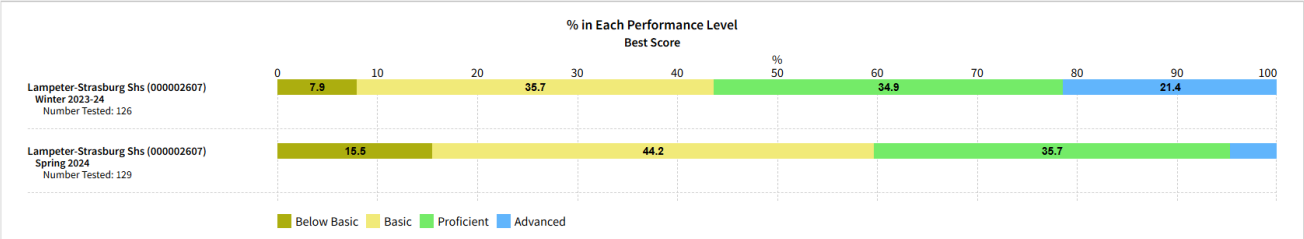
Table

Chart

Transpose

Sort By:

None



Group Summary: Performance Levels: Keystone, Lampeter-Strasburg Shs (000002607), Biology

Options

Save

Download

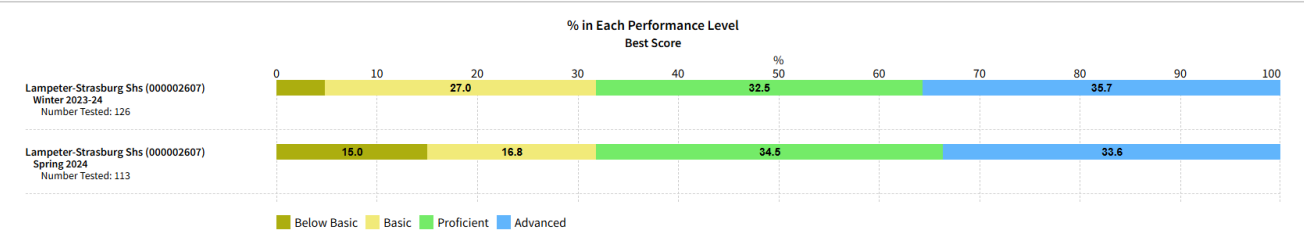
Table

Chart

Transpose

Sort By:

None



Group Summary: Performance Levels: Keystone, Lampeter-Strasburg Shs (000002607), Literature

Options

Save

Download

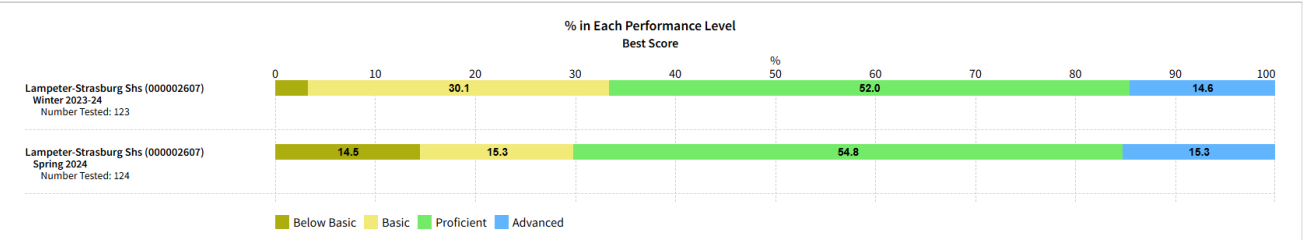
Table

Chart

Transpose

Sort By:

None





Pennsylvania School Boards Association PRINCIPLES FOR GOVERNANCE AND LEADERSHIP

Pennsylvania school boards are committed to providing **every** student the opportunity to grow and achieve. Our actions, as elected and appointed board members, ultimately have both short- and long-term impact in the classroom. Therefore, we pledge that we will...



LEAD RESPONSIBLY

- Prepare for, attend and actively participate in board meetings
- Work together with civility and cooperation, respecting that individuals hold differing opinions and ideas
- Participate in professional development, training and board retreats
- Collaborate with the superintendent, acknowledging their role as the 10th member of the board and commissioned officer of the commonwealth



ACT ETHICALLY

- Never use the position for improper benefit to self or others
- Avoid actual or perceived conflicts of interest
- Recognize school directors do not possess any authority outside of the collective board
- Accept that when a board has made a decision, it is time to move forward collectively and constructively



PLAN THOUGHTFULLY

- Implement a collaborative strategic planning process
- Set annual goals that are aligned with comprehensive plans, recognizing the need to adapt as situations change
- Develop a comprehensive financial plan and master facilities plan that anticipates short- and long-term needs
- Allocate resources to effectively impact student success



EVALUATE CONTINUOUSLY

- Make data-informed decisions
- Evaluate the superintendent annually
- Conduct a board self-assessment on a recurring basis
- Focus on student growth and achievement
- Review effectiveness of all comprehensive and strategic plans



COMMUNICATE CLEARLY

- Promote open, honest and respectful dialogue among the board, staff and community
- Acknowledge and listen to varied input from all stakeholders
- Promote transparency while protecting necessary confidential matters
- Set expectations and guidelines for individual board member communication



ADVOCATE EARNESTLY

- Promote public education as a keystone of our commonwealth
- Engage the community by seeking input, building support networks and generating action
- Champion public education by engaging local, state and federal officials



GOVERN EFFECTIVELY

- Establish and adhere to rules and procedures for board operations
- Develop, adopt, revise and review policy routinely
- Align board decisions to policy, ensuring compliance with the PA School Code and other local, state and federal laws
- Remain focused on the role of governance, effectively delegating management tasks to the administration

Represented by the signatures below, adoption of these principles assures the school board and individual school directors adhere to the same principles across our commonwealth.

Adopted on: _____

