

Audited  
Financial  
Statements

June 30,  
2024

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**Southern York County  
School District**

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Southern York County School District  
Glen Rock, Pennsylvania

### ***REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS***

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Southern York County School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the 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, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Southern York County School District, 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 Southern York County School District 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 Southern York County School District'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 the Southern York County 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 the Southern York County 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 on pages 4 through 9, the budgetary comparison schedule on page 59, and the schedules related to the pension and OPEB liabilities on pages 60 to 64 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 Southern York County 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 December 16, 2024, on our consideration of Southern York County School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Southern York County School District 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 Southern York County School District's internal control over financial reporting and compliance.



Chambersburg, Pennsylvania  
December 16, 2024

# **SOUTHERN YORK COUNTY SCHOOL DISTRICT**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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### ***OVERVIEW OF THE FINANCIAL STATEMENTS***

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The Management Discussion and Analysis of Southern York County School District's (the School District) financial performance provides a brief overview of the School District's financial activities for the fiscal year ended June 30, 2024. The Management Discussion and Analysis is an element of the reporting model adopted by the Governmental Accounting Standard Board (GASB), in their Statement No. 34 Basic Financial Statements.

The accompanying financial statements for Southern York County School District for the fiscal year ended June 30, 2024 have been prepared in accordance with GASB Statement No. 34 and present both Government-Wide and Fund Level Financial Statements using both the accrual and modified accrual basis of accounting, respectively. The Government-Wide Financial Statements show financial information about the activities of the School District as a whole and provide a longer-term view of the School District's finances. The two statements that provide this information are the Statement of Net Position and the Statement of Activities. These statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities. These statements are prepared using the accrual basis of accounting. All assets, deferred outflows of resources, liabilities and deferred inflows of resources of the School District are included in these statements, and all of the current year's revenues and expenses are taken into consideration regardless of when cash is received or paid. This method of financial presentation is similar to the accounting used by most private-sector companies.

Fund Financial Statements show how the School District finances its services in the short term, as well as, what remains for future spending. Fund Financial Statements provide separate information for the School District's most significant funds and then non-major funds are aggregated and presented together. The modified accrual method of accounting is used in Governmental Fund Financial Statements. This method measures cash and all other financial assets that can be readily converted to cash. In the financial statements there is a reconciliation, which shows the differences between the Government-Wide Financial Statements and the Governmental Fund Financial Statements. Proprietary funds present activities that operate similar to business-type activities including internal services funds. Lastly, a Statement of Fiduciary Net Position is provided which provides financial information about activities in which the School Board acts solely as an agent for the benefit of students. These activities are excluded from the other financial statements of the School District because these assets cannot be used to finance the School District's operations.

**SOUTHERN YORK COUNTY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FINANCIAL HIGHLIGHTS**

**Government-Wide Financial Statements**

**Comparative Summary of Net Position as of June 30, 2024 and June 30, 2023**

	June 30, 2024		June 30, 2023	
	Governmental Activities	Business Type Activities	Governmental Activities	Business Type Activities
<b>Assets</b>				
Current Assets	\$ 43,260,037	\$ 740,585	\$ 55,808,980	\$ 695,852
Capital and Other Assets	91,056,060	792,724	78,771,609	108,258
<b>Total Assets</b>	<u>134,316,097</u>	<u>1,533,309</u>	<u>134,580,589</u>	<u>804,110</u>
Deferred Outflows of Resources	13,557,074	-	13,152,388	-
<b>Total Deferred Outflows of Resources</b>	<u>13,557,074</u>	<u>-</u>	<u>13,152,388</u>	<u>-</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>\$ 147,873,171</u>	<u>\$ 1,533,309</u>	<u>\$ 147,732,977</u>	<u>\$ 804,110</u>
<b>Liabilities</b>				
Current and Other Liabilities	\$ 13,156,379	\$ 54,444	\$ 13,597,370	\$ 54,365
Long-Term Liabilities	155,008,043	-	158,464,265	-
<b>Total Liabilities</b>	<u>168,164,422</u>	<u>54,444</u>	<u>172,061,635</u>	<u>54,365</u>
Deferred Inflows of Resources	5,532,525	-	5,731,294	-
<b>Total Deferred Inflows of Resources</b>	<u>5,532,525</u>	<u>-</u>	<u>5,731,294</u>	<u>-</u>
<b>Net Position</b>				
Net Investment in Capital Assets	14,895,677	792,724	16,776,173	108,258
Restricted	1,385,584	48,905	1,133,750	53,948
Unrestricted (deficit)	(42,105,037)	637,236	(47,969,875)	587,539
<b>Total Net Position</b>	<u>(25,823,776)</u>	<u>1,478,865</u>	<u>(30,059,952)</u>	<u>749,745</u>
<b>Total Liabilities, Deferred Inflows of Resources and Net Position</b>	<u>\$ 147,873,171</u>	<u>\$ 1,533,309</u>	<u>\$ 147,732,977</u>	<u>\$ 804,110</u>

The (\$ 42,105,037) of unrestricted net position as of June 30, 2024, represents the accumulated results of all past year's operations for governmental activities. The amount of unrestricted net position represents the amount of funds the School District would have remained if all of the outstanding obligations were paid as of June 30, 2024. Unrestricted net position is in a deficit, which is attributed to the \$ 73.5 million net pension obligation. The pension obligation is recorded at 100% of the pension cost, but the state reimburses 50% of this cost when paid. Net Investment in Capital Assets of \$ 14,895,677 represents that the value of the capitalized assets plus unspent bond proceeds less the current debt outstanding. The School District capitalizes assets purchased that cost greater than \$ 5,000. Many of the projects financed with debt would have been used to purchase assets with a cost less than \$ 5,000, which would be expensed in both the Fund Financial Statements and the Government-Wide Financial Statements. The physical plant of the School District is currently valued in excess of \$ 200 million dollars and is properly insured for that value.

**SOUTHERN YORK COUNTY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

The results of the current year's operations are reflected in the Statement of Activities for the year ended June 30, 2024. As reflected in the Statement of Activities, the change in net position for the current year was \$ 4,236,176 for Governmental and \$ 729,120 for Business-Type Activities. This statement provides a summary of the total cost of the services provided by the School District, and the offsetting revenue used to support those services. Below is a summary of the School District's functions, as well as the School District's net cost (total cost less revenues generated by the activities or grants and funding specific to the program). The net cost is the amount of financial burden, which was placed on the School District's taxpayers and the cost provided by non-specific grants (such as basic education funding).

**Comparative Summary of Cost of Services and Change in Net Position  
For the Years Ended June 30, 2024 and June 30, 2023**

	Year Ended June 30, 2024			Year Ended June 30, 2023		
	Total Cost of Services	Program Revenue	Net Cost of Services	Total Cost of Services	Program Revenue	Net Cost of Services
<b>Governmental and Business-Type Activities</b>						
Regular Program Instruction	\$ 24,069,808	\$ 4,108,893	\$ 19,960,915	\$ 23,693,574	\$ 3,972,057	\$ 19,721,517
Special Program Instruction	8,565,364	3,778,193	4,787,171	8,051,623	3,679,691	4,371,932
Other Program Instruction	1,218,566	63,218	1,155,348	1,200,978	72,414	1,128,564
Administration and Other Support	6,537,141	1,371,620	5,165,521	6,306,794	886,880	5,419,914
Interest and Fiscal Charges	2,916,500	319,092	2,597,408	2,573,704	319,477	2,254,227
Operation of Plant Services	9,441,366	568,061	8,873,305	5,856,708	636,552	5,220,156
Pupil Support Services	5,778,826	1,385,939	4,392,887	5,191,961	1,178,285	4,013,676
Student Transportation Services	2,815,881	1,045,188	1,770,693	2,792,379	997,252	1,795,127
Food Service	1,832,392	2,526,251	(693,859)	1,634,233	1,824,268	(190,035)
Non-Instructional Support Services	1,327,082	352,364	974,718	1,208,601	269,291	939,310
Adult and Community Services	11,454	15,735	(4,281)	4,820	9,717	(4,897)
Total Governmental and Business-Type Activities	<u>\$ 64,514,380</u>	<u>\$ 15,534,554</u>	<u>\$ 48,979,826</u>	<u>\$ 58,515,375</u>	<u>\$ 13,845,884</u>	<u>\$ 44,669,491</u>

As shown in the above schedule, 2024 programs generated \$ 15,534,554 in revenue to offset the total cost of services. Program revenue consists of charges to users and operating or capital grants provided by state or federal subsidies. The additional revenue used to provide the School District services was generated from taxes, investment earnings, or grants and entitlements from the state, which were not restricted for specific programs. Overall, the taxes paid by the School District's residents provided approximately 57.81% of the School District's support for the year ended June 30, 2024. Below is a summary of the revenues used to provide services for the School District. The continued increase in Program Revenues is attributable to Federal grants as a result of the COVID-19 pandemic.

Revenue Source	Year Ended June 30, 2024		Year Ended June 30, 2023	
	Program Revenue	General Revenue	Program Revenue	General Revenue
Charges for Services	\$ 1,126,743	\$ -	\$ 1,157,256	\$ -
Operating Grants and Contributions	13,290,490	-	12,120,249	-
Capital Grants and Contributions	1,117,321	-	568,379	-
Taxes	-	40,167,190	-	39,868,530
Unrestricted Grants and Entitlements	-	10,775,560	-	10,094,068
Investment Earnings	-	2,699,111	-	2,443,422
Miscellaneous/Transfers	-	303,261	-	45,925
<b>Total Revenue</b>	<u>\$ 15,534,554</u>	<u>\$ 53,945,122</u>	<u>\$ 13,845,884</u>	<u>\$ 52,451,945</u>



**SOUTHERN YORK COUNTY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

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***FUND FINANCIAL STATEMENTS***

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As stated earlier, Fund Financial Statements provide the reader with an understanding of how the School District finances its services in the short-term, and what funds are available for future spending. School Boards establish various funds to control and manage resources for particular purposes or due to legal requirements. The three significant funds that the School District maintains are: the General Fund, which is the principal operating fund of the School District; the Capital Reserve Fund, which is used to monitor larger projects of the School District and to maintain excess funds from the general fund for future capital use; and the Debt Service Fund, which is used for issuance and payment of debt. Currently, the School District maintains a fourth fund, the Capital Projects Fund, which is used for the high school building renovations and additions project and a fifth fund, the Student Activity Fund, which is used for maintaining student clubs and activities.

The School District continues to maintain a healthy fund balance in the General Fund. The fund balance in the General Fund increased by \$ 9,653,889 for the year ending June 30, 2024. The increase in fund balance relates favorable activity in the general fund, as well as a transfer of \$ 6.3M of fund balance from the debt service fund. The favorable activity in the general fund is primarily a result of lower than anticipated salary and benefit expenses due to positions remaining unfilled or vacant due to the labor shortage. Purchased services paid to the Lincoln Intermediate Unit and tuition expenses paid to York County School of Technology and charter schools were among some of the other areas contributing to the expenditure savings in 2023-2024. Expenditure savings were coupled with higher-than-budgeted interest earnings and earned income tax revenues. Other positive revenue highlights include higher than budgeted state basic and special education funding.

The fund balance (operating reserve) as of June 30, 2024, is \$ 29,997,683, or 45.16% of the 2024-2025 expenditure budget. The 2024-2025 general fund budget was balanced by using \$ 2,415,477 of the general fund balance. The School District has been phasing in millage and assigning surplus amounts for future capital expenditures. Approximately \$ 4.9 million of the \$ 23,905,424 assigned for capital expenditures as of June 30, 2024 is allocated for the completion of the Susquehannock High School project and improvements to the district-owned sewer line. Fund balance totaling \$ 355,375, has also been either restricted, committed, or assigned for prepaid expenditures or agreements. These assignments of fund balance reduce the unassigned fund balance to 5%, which is the goal set by the Board of Education as a standard of financial health.

The Capital Reserve Fund balance as of June 30, 2024, is \$ 1,299,888. This balance consists of funds for designated projects not completed as of June 30, 2024 and funds from projects completed under budget. The Capital Projects Fund balance as of June 30, 2024, is \$ 282,906 and is for the Susquehannock High School Renovations and Additions project. The last major fund in the fund financial statements is the Debt Service Fund. The Debt Service Fund had a balance of \$ 358,094 as of June 30, 2024. In previous years, funds were accumulating in the debt service fund to be used for the phase-in of future debt service payments relating to future capital projects. However, during the 2023-2024 year, a shift in methodology was made and the fund balance was transferred back to the general fund and assigned for future capital projects. The Other Governmental Fund, as presented in the financial statements represents student activity funds, which because of the implementation of GASB 84, is presented with Governmental Funds on the financial statements.

**SOUTHERN YORK COUNTY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

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***CAPITAL ASSETS AND DEBT ADMINISTRATION***

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As of June 30, 2024, the School District had \$ 91,755,150 (net of accumulated depreciation/amortization) invested in a broad range of capital assets including land, buildings, furniture and equipment, construction in progress, and right-to-use assets. The School District capitalizes assets purchased with a cost greater than \$ 5,000. Other assets purchased are expensed when purchased.

As of June 30, 2024, the School District had \$ 73,264,000 (gross of bond discounts) in outstanding general obligation bonds and notes.

***GENERAL FUND BUDGET HIGHLIGHTS***

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The Board of Education adopts an annual budget for all Governmental Funds and the Proprietary (School Food Service) Fund. The budget includes all revenues and expenditures/expenses of these funds. The budget acts as the operating plan for the fiscal year and is revised as necessary in accordance with requirements of State law and Board policy. The Board of Education may amend the budget at any time during the fiscal year by making additional appropriations, or by increasing existing appropriations, but the funds must be provided from unexpended balances in existing appropriations, from unappropriated revenues or from temporary loans.

Funding of education continues to be one of the most volatile issues in Pennsylvania politics, and we are affected, as any other school district would be. The passage of tax reform legislation, effective July 1, 2006, changed the playing field even more than in the past. The 2024-2025 state budget included an increase in several funding categories and also included a significant increase in Ready to Learn Block Grant funding and funding for charter school expenses. While funding has increased over the last several years, the funding such as the Ready to Learn Block Grant, is not guaranteed to continue from year to year.

The School District was able to balance the budget for the 2024-2025 school year without a tax increase. Our real estate tax rate continues to be the lowest compared to other York County school districts in the Lincoln Intermediate Unit. The last tax increase levied by the School District was in the 2021-2022 school year and was a tax increase of 2.68% or an increase of .51 mills. The School District has only raised taxes once in the last seven years.

Below is a comparative summary of the General Fund Budget by major category compared to the actual results for years ended June 30, 2024 and 2023, respectively. The 2023-2024 budget included use of \$2,507,190 of fund balance. As shown below, General Fund revenues exceeded General Fund expenditures by \$9,653,889 for the year ended June 30, 2024. The transfer of fund balance from the debt service fund to the general fund is included in the "Other Financing Sources" category, which represents \$6.3M of the \$9.9M difference. Additionally, revenues exceeded the final budget by \$ 2,210,197, primarily relating to an increase in interest earnings and local tax revenues. Expenditures and Other Financing Sources (Uses) were under budget by \$9,950,882, as the School District experienced lower-than-anticipated salary and benefit expenditures that were due to positions remaining unfilled or vacant. Several other expenditure categories, such as purchased education services from the Lincoln Intermediate Unit and tuition expenses paid to York County School of Technology and charter schools were among some of the areas below budget in the 2023-2024 budget.

As a result of the increased revenues and reduced expenditures, the School District used no fund balance to balance the 2023-2024 school year.

**SOUTHERN YORK COUNTY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Comparative Summary of Final General Fund Budget  
Compared to Actual General Fund Results  
Years Ended June 30, 2024 and June 30, 2023**

	Year Ended June 30, 2024			Year Ended June 30, 2023		
	Final Budget	Actual Results	Variance Favorable/ (Unfavorable)	Final Budget	Actual Results	Variance Favorable/ (Unfavorable)
Local Revenue	\$ 41,070,924	\$ 42,822,557	\$ 1,751,633	\$ 40,285,913	\$ 42,284,991	\$ 1,999,078
State Revenue	20,044,765	20,469,049	424,284	19,246,497	19,642,772	396,275
Federal Revenue	2,052,052	2,086,332	34,280	1,871,820	1,349,019	(522,801)
<b>Total Revenue</b>	<b>63,167,741</b>	<b>65,377,938</b>	<b>2,210,197</b>	<b>61,404,230</b>	<b>63,276,782</b>	<b>1,872,552</b>
Instruction	35,759,220	34,251,069	1,508,151	35,158,609	33,627,679	1,530,930
Support Services	22,891,942	22,116,925	775,017	21,163,938	19,796,577	1,367,361
Non-Instructional Services	1,257,508	1,166,272	91,236	1,210,322	1,135,729	74,593
Refund of Prior Year Receipts	-	691	(691)	-	7,140	(7,140)
Debt service	-	291,762	(291,762)	-	42,902	(42,902)
Other Financing (Sources)/Uses	5,766,261	(2,102,670)	7,868,931	5,371,361	5,616,861	(245,500)
<b>Total Expenditures</b>	<b>65,674,931</b>	<b>55,724,049</b>	<b>9,950,882</b>	<b>62,904,230</b>	<b>60,226,888</b>	<b>2,677,342</b>
<b>Excess Revenue over Expenditures</b>	<b>\$ (2,507,190)</b>	<b>\$ 9,653,889</b>	<b>\$ 12,161,079</b>	<b>\$ (1,500,000)</b>	<b>\$ 3,049,894</b>	<b>\$ 4,549,894</b>

***DISCRETELY PRESENTED COMPONENT UNIT***

The Southern York County School District Foundation is presented as a discretely presented component unit on the entity-wide financial statements. The purpose of the Southern York County School District Foundation is to provide a means for individuals to make tax-deductible contributions for supplies, equipment, and scholarships for the benefit of the students of the School District. Sources of revenue include business partners, Foundation Directors, general solicitation, School District employees, alumni, designated gifts, memorials, and class projects. As of June 30, 2024, the Foundation had total net position of \$ 1,448,318 most of which is restricted for future scholarships and other projects.

***CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT***

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the School District's Business Manager, Southern York County School District, P.O. Box 128, Glen Rock, PA 17327.

**SOUTHERN YORK COUNTY SCHOOL DISTRICT**  
**Statement of Net Position**  
**June 30, 2024**

	Governmental Activities	Business - Type Activities	Total	Component Unit Foundation
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ 9,692,150	\$ 697,898	\$ 10,390,048	\$ 123,418
Investments	28,266,510	-	28,266,510	1,352,221
Receivables				
Taxes	2,225,162	-	2,225,162	-
Intergovernmental	2,328,791	-	2,328,791	-
Other	459,476	1,047	460,523	-
Lease	31,304	-	31,304	-
Internal balances	(13,035)	13,035	-	-
Prepaid items	269,679	-	269,679	-
Inventories	-	28,605	28,605	-
Total current assets	<u>43,260,037</u>	<u>740,585</u>	<u>44,000,622</u>	<u>1,475,639</u>
<b>Noncurrent assets</b>				
Prepaid bond insurance	93,634	-	93,634	-
Capital assets not being depreciated				
Land	2,754,758	-	2,754,758	-
Construction in progress	2,745,916	-	2,745,916	-
Capital assets net of accumulated depreciation / amortization				
Site improvements	2,984,171	-	2,984,171	-
Building and building improvements	79,915,948	-	79,915,948	-
Furniture and equipment	1,936,679	792,724	2,729,403	-
Right-to-use asset - leased equipment	250,265	-	250,265	-
Right-to-use asset - IT subscriptions	374,689	-	374,689	-
Total capital assets	<u>90,962,426</u>	<u>792,724</u>	<u>91,755,150</u>	<u>-</u>
Total noncurrent assets	<u>91,056,060</u>	<u>792,724</u>	<u>91,848,784</u>	<u>-</u>
<b>Total Assets</b>	<u>134,316,097</u>	<u>1,533,309</u>	<u>135,849,406</u>	<u>1,475,639</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows related to pension liability	11,850,926	-	11,850,926	-
Deferred outflows related to OPEB liability	1,642,615	-	1,642,615	-
Deferred charges on bond refunding	63,533	-	63,533	-
Total deferred outflows of resources	<u>13,557,074</u>	<u>-</u>	<u>13,557,074</u>	<u>-</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>\$ 147,873,171</u>	<u>\$ 1,533,309</u>	<u>\$ 149,406,480</u>	<u>\$ 1,475,639</u>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Accounts payable	\$ 4,400,681	\$ 54,444	\$ 4,455,125	\$ 27,321
Accrued salaries and benefits/withholdings	5,332,363	-	5,332,363	-
Accrued interest	964,168	-	964,168	-
Portion due or payable within one year				
General obligation bonds and notes payable	2,000,344	-	2,000,344	-
Lease obligations	60,771	-	60,771	-
IT subscription liability	149,598	-	149,598	-
Compensated absences	114,383	-	114,383	-
OPEB liability	134,071	-	134,071	-
Total current liabilities	<u>13,156,379</u>	<u>54,444</u>	<u>13,210,823</u>	<u>27,321</u>
<b>Noncurrent liabilities</b>				
Portion due or payable after one year				
General obligation bonds and notes payable	73,800,073	-	73,800,073	-
Lease obligation	191,767	-	191,767	-
IT subscription liability	210,635	-	210,635	-
Compensated absences	1,029,445	-	1,029,445	-
Net pension liability	73,535,986	-	73,535,986	-
OPEB liability	6,240,137	-	6,240,137	-
Total noncurrent liabilities	<u>155,008,043</u>	<u>-</u>	<u>155,008,043</u>	<u>-</u>
<b>Total Liabilities</b>	<u>168,164,422</u>	<u>54,444</u>	<u>168,218,866</u>	<u>27,321</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows related to leases	106,635	-	106,635	-
Deferred inflows related to pension liability	2,495,288	-	2,495,288	-
Deferred inflows related to OPEB liability	2,930,602	-	2,930,602	-
Total deferred inflows of resources	<u>5,532,525</u>	<u>-</u>	<u>5,532,525</u>	<u>-</u>
<b>NET POSITION</b>				
Net investment in capital assets	14,895,677	792,724	15,688,401	-
Restricted - expendable	1,385,584	48,905	1,434,489	165,150
Restricted - nonexpendable	-	-	-	1,261,422
Unrestricted	(42,105,037)	637,236	(41,467,801)	21,746
<b>Total Net Position (Deficit)</b>	<u>(25,823,776)</u>	<u>1,478,865</u>	<u>(24,344,911)</u>	<u>1,448,318</u>
<b>Total Liabilities, Deferred Inflows of Resources and Net Position</b>	<u>\$ 147,873,171</u>	<u>\$ 1,533,309</u>	<u>\$ 149,406,480</u>	<u>\$ 1,475,639</u>

**SOUTHERN YORK COUNTY SCHOOL DISTRICT**  
**Statement of Activities**  
**Year Ended June 30, 2024**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue			Component Unit Foundation
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-Type Activities	Totals	
<b>GOVERNMENTAL ACTIVITIES</b>								
Instruction								
Regular programs	\$ 24,069,808	\$ 71,435	\$ 4,022,458	\$ 15,000	\$ (19,960,915)	\$ -	\$ (19,960,915)	
Special programs	8,565,364	6,360	3,771,833	-	(4,787,171)	-	(4,787,171)	
Vocational educational programs	1,089,410	-	-	-	(1,089,410)	-	(1,089,410)	
Other instructional programs	129,156	-	50,173	-	(78,983)	-	(78,983)	
Support services								
Pupil personnel	2,524,853	39,437	665,826	-	(1,819,590)	-	(1,819,590)	
Instructional staff	2,155,047	-	512,065	-	(1,642,982)	-	(1,642,982)	
Administration	3,520,385	-	467,902	-	(3,052,483)	-	(3,052,483)	
Pupil health	1,098,926	-	168,611	-	(930,315)	-	(930,315)	
Business	1,408,493	-	142,638	-	(1,265,855)	-	(1,265,855)	
Operation and maintenance of plant services	9,441,366	62,556	396,701	108,804	(8,873,305)	-	(8,873,305)	
Student transportation services	2,815,881	-	1,045,188	-	(1,770,693)	-	(1,770,693)	
Central	1,608,263	13,045	761,080	-	(834,138)	-	(834,138)	
Operation of non-instructional services								
Student activities	1,327,082	227,932	124,432	-	(974,718)	-	(974,718)	
Community services	11,454	-	15,735	-	4,281	-	4,281	
Interest and fiscal charges	2,916,500	-	-	319,092	(2,597,408)	-	(2,597,408)	
<b>Total Governmental Activities</b>	<u>62,681,988</u>	<u>420,765</u>	<u>12,144,642</u>	<u>442,896</u>	<u>(49,673,685)</u>	<u>-</u>	<u>(49,673,685)</u>	
<b>BUSINESS-TYPE ACTIVITIES</b>								
Food service	1,832,392	705,978	1,145,848	674,425	-	693,859	693,859	
<b>Total Primary Government</b>	<u>\$ 64,514,380</u>	<u>\$ 1,126,743</u>	<u>\$ 13,290,490</u>	<u>\$ 1,117,321</u>	<u>(49,673,685)</u>	<u>693,859</u>	<u>(48,979,826)</u>	
<b>COMPONENT UNIT - FOUNDATION</b>	<u>\$ 183,577</u>	<u>\$ -</u>	<u>\$ 128,681</u>	<u>\$ 20,681</u>				<u>\$ (34,215)</u>
<b>GENERAL REVENUES</b>								
Property taxes levied for general purposes, public utility realty tax, and earned income tax					40,167,190	-	40,167,190	-
Grants and entitlements not restricted to specific programs					10,775,560	-	10,775,560	17,698
Investment earnings					2,663,927	35,184	2,699,111	-
Miscellaneous					303,184	77	303,261	-
<b>Total General Revenues</b>					<u>53,909,861</u>	<u>35,261</u>	<u>53,945,122</u>	<u>17,698</u>
<b>CONTRIBUTIONS TO PERMANENT ENDOWMENT FUNDS</b>								
Change in Net Position					4,236,176	729,120	4,965,296	171,118
Net Position - Beginning					(30,059,952)	749,745	(29,310,207)	1,277,200
Net Position - Ending					<u>\$ (25,823,776)</u>	<u>\$ 1,478,865</u>	<u>\$ (24,344,911)</u>	<u>\$ 1,448,318</u>

**SOUTHERN YORK COUNTY SCHOOL DISTRICT**  
**Balance Sheet - Governmental Funds**  
**June 30, 2024**

	General Fund	Capital Reserve Fund	Capital Projects Fund	Debt Service Fund	Other Governmental Fund	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 5,618,735	\$ 10,893	\$ 3,946,214	\$ 10,249	\$ 96,871	\$ 9,682,962
Investments	28,263,824	-	2,686	-	-	28,266,510
Taxes receivable (net)	2,225,162	-	-	-	-	2,225,162
Interfund receivables	-	1,288,995	60,045	347,845	-	1,696,885
Intergovernmental receivables	2,328,791	-	-	-	-	2,328,791
Other receivables	372,136	-	-	-	3,405	375,541
Lease receivable	115,239	-	-	-	-	115,239
Prepaid expenditures	269,679	-	-	-	-	269,679
<b>Total Assets</b>	<b>\$ 39,193,566</b>	<b>\$ 1,299,888</b>	<b>\$ 4,008,945</b>	<b>\$ 358,094</b>	<b>\$ 100,276</b>	<b>\$ 44,960,769</b>
<b>LIABILITIES</b>						
Accounts payable	\$ 671,718	\$ -	\$ 3,726,039	\$ -	\$ 2,924	\$ 4,400,681
Interfund payables	2,057,717	-	-	-	-	2,057,717
Accrued salaries and benefits/withholdings	5,332,363	-	-	-	-	5,332,363
<b>Total Liabilities</b>	<b>8,061,798</b>	<b>-</b>	<b>3,726,039</b>	<b>-</b>	<b>2,924</b>	<b>11,790,761</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Leases	106,635	-	-	-	-	106,635
Unavailable revenue	1,027,450	-	-	-	-	1,027,450
<b>Total Deferred Inflows of Resources</b>	<b>1,134,085</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,134,085</b>
<b>FUND BALANCES</b>						
Nonspendable						
Prepaid expenditures	269,679	-	-	-	-	269,679
Restricted						
Future capital expenditures	-	1,299,888	282,906	-	-	1,582,794
Community needs	3,994	-	-	-	-	3,994
Agreements	81,702	-	-	-	-	81,702
Committed						
Debt service expenditures	-	-	-	358,094	-	358,094
Student activities	-	-	-	-	97,352	97,352
Assigned						
Future capital expenditures	23,905,424	-	-	-	-	23,905,424
Budgeted deficit for 2024 - 2025	2,415,477	-	-	-	-	2,415,477
Unassigned	3,321,407	-	-	-	-	3,321,407
<b>Total Fund Balances</b>	<b>29,997,683</b>	<b>1,299,888</b>	<b>282,906</b>	<b>358,094</b>	<b>97,352</b>	<b>32,035,923</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 39,193,566</b>	<b>\$ 1,299,888</b>	<b>\$ 4,008,945</b>	<b>\$ 358,094</b>	<b>\$ 100,276</b>	<b>\$ 44,960,769</b>

**SOUTHERN YORK COUNTY SCHOOL DISTRICT**  
**Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position**  
**June 30, 2024**

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**Total fund balances - governmental funds** \$ 32,035,923

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the fund financial statements, but are reported in the governmental activities of the Statement of Net Position.

Cost of capital assets	172,748,072	
Accumulated depreciation/amortization	<u>(81,785,646)</u>	90,962,426

Certain receivables are not available to pay for current-period expenditures and therefore are deferred or are not recorded in the fund financial statements. 1,027,450

The internal service fund is considered a proprietary fund for fund accounting purposes. However, in the government-wide Statement of Net Position, internal service funds are included in the governmental activities. This fund's net position is added to the government activities. 356,985

Long-term liabilities are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position. Long-term liabilities consist of:

General obligation bonds and notes, net of bond discount and premium and insurance	(75,706,783)
Deferred charges on bond refunding	63,533
Accrued interest payable	(964,168)
Lease obligations	(252,538)
IT subscription liability	(360,233)
OPEB liability	(6,374,208)
Deferred outflows related to OPEB liability	1,642,615
Deferred inflows related to OPEB liability	(2,930,602)
Net pension liability	(73,535,986)
Deferred outflows related to pension liability	11,850,926
Deferred inflows related to pension liability	(2,495,288)
Compensated absences	<u>(1,143,828)</u>

**Total net position - governmental activities** \$ (25,823,776)

**SOUTHERN YORK COUNTY SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances -**  
**Governmental Funds**  
**Year Ended June 30, 2024**

	General Fund	Capital Reserve Fund	Capital Projects Fund	Debt Service Fund	Other Governmental Fund	Total Governmental Funds
<b>REVENUES</b>						
Local sources						
Taxes	\$ 40,054,732	\$ -	\$ -	\$ -	\$ -	\$ 40,054,732
Charges for services	167,306	-	-	-	-	167,306
Investment income	1,617,622	63,776	598,798	357,989	4,692	2,642,877
Other	229,107	-	-	-	195,871	424,978
Federal revenue from local sources	753,790	-	-	-	-	753,790
State sources	20,469,049	-	-	-	-	20,469,049
Federal sources	2,086,332	-	-	-	-	2,086,332
Total revenues	<u>65,377,938</u>	<u>63,776</u>	<u>598,798</u>	<u>357,989</u>	<u>200,563</u>	<u>66,599,064</u>
<b>EXPENDITURES</b>						
Instruction						
Regular programs	24,174,647	-	-	-	-	24,174,647
Special programs	8,854,829	-	-	-	-	8,854,829
Vocational educational programs	1,089,410	-	-	-	-	1,089,410
Other instructional programs	132,183	-	-	-	-	132,183
Support services						
Pupil personnel	2,652,859	-	-	-	-	2,652,859
Instructional staff	2,248,400	-	-	-	-	2,248,400
Administration	3,800,261	-	-	-	-	3,800,261
Pupil health	1,137,218	-	-	-	-	1,137,218
Business	1,381,456	-	-	-	-	1,381,456
Operation and maintenance of plant services	5,895,952	-	-	-	-	5,895,952
Student transportation services Central	2,824,168	-	-	-	-	2,824,168
Central	2,176,611	-	-	-	-	2,176,611
Operation of noninstructional services						
Student activities	1,154,818	-	-	-	205,144	1,359,962
Community services	11,454	-	-	-	-	11,454
Facilities acquisition, construction and improvement services	-	131,954	16,422,298	-	-	16,554,252
Debt service	291,762	-	-	4,515,245	-	4,807,007
Refund of prior year revenues	691	-	-	-	-	691
Total expenditures	<u>57,826,719</u>	<u>131,954</u>	<u>16,422,298</u>	<u>4,515,245</u>	<u>205,144</u>	<u>79,101,360</u>
Excess (deficiency) of revenues over expenditures	<u>7,551,219</u>	<u>(68,178)</u>	<u>(15,823,500)</u>	<u>(4,157,256)</u>	<u>(4,581)</u>	<u>(12,502,296)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds from insurance recovery	122,620	-	60,045	-	-	182,665
Proceeds from lease and IT subscription activity	583,296	-	-	-	-	583,296
Transfers in (out)	1,396,754	269,000	-	(1,765,754)	-	(100,000)
Total other financing sources (uses)	<u>2,102,670</u>	<u>269,000</u>	<u>60,045</u>	<u>(1,765,754)</u>	<u>-</u>	<u>665,961</u>
Net change in fund balances	9,653,889	200,822	(15,763,455)	(5,923,010)	(4,581)	(11,836,335)
Fund balances - beginning	<u>20,343,794</u>	<u>1,099,066</u>	<u>16,046,361</u>	<u>6,281,104</u>	<u>101,933</u>	<u>43,872,258</u>
Fund balances - ending	<u>\$ 29,997,683</u>	<u>\$ 1,299,888</u>	<u>\$ 282,906</u>	<u>\$ 358,094</u>	<u>\$ 97,352</u>	<u>\$ 32,035,923</u>



**SOUTHERN YORK COUNTY SCHOOL DISTRICT**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund**  
**Balances of Governmental Funds to the Statement of Activities**  
**Year Ended June 30, 2024**

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**Net change in fund balances - total governmental funds** \$ (11,836,335)

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation/amortization expense for the period. This is the amount by which capital outlays net of retirements (\$ 16,839,720) differed from depreciation/amortization expense, net of retirements (\$ 4,410,771) in the current period. 12,428,949

Governmental funds report bond discounts as expenditures and bond premiums as revenues. However, in the Statement of Activities the cost of those items and deferred charge on bond refunding are amortized over the life of the related bond. 85,427

Revenues in the Statement of Activities that do not provide current financial resources are deferred and not reported as revenues in the funds. 115,385

The issuance of long term obligations (bonds, notes, leases, IT subscriptions, and financed purchases) provides current financial resources to governmental funds. However these transactions are recorded as liabilities for governmental activities. (583,296)

Principal repayments of bonds, notes, leases, IT subscriptions, and financed purchases are reported as expenditures in the governmental funds, but the repayments reduce long-term liabilities in the Statement of Net Position. 1,948,368

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is recorded when due. (74,526)

Some expenses in the Statement of Activities, such as compensated absences, net pension liability and OPEB liability, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds until paid. This is the difference between the amount incurred and amount paid. 2,111,949

The change in net position of the internal service fund is added to governmental activities in the Statement of Activities. 40,255

**Change in net position of governmental activities** \$ 4,236,176

**SOUTHERN YORK COUNTY SCHOOL DISTRICT**  
**Statement of Net Position - Proprietary Funds**  
**June 30, 2024**

	<b>Food Service Fund</b>	<b>Internal Service Fund - Retirement</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 697,898	\$ 9,188
Accounts receivable	1,047	-
Interfund receivables	13,035	347,797
Inventories	<u>28,605</u>	<u>-</u>
Total current assets	<u>740,585</u>	<u>356,985</u>
<b>Noncurrent Assets</b>		
Furniture and equipment, net	<u>792,724</u>	<u>-</u>
Total noncurrent assets	<u>792,724</u>	<u>-</u>
Total assets	<u>\$ 1,533,309</u>	<u>\$ 356,985</u>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	<u>54,444</u>	<u>-</u>
Total current liabilities	<u>54,444</u>	<u>-</u>
Total liabilities	<u>54,444</u>	<u>-</u>
<b>NET POSITION</b>		
Net investment in capital assets	792,724	-
Restricted	48,905	-
Unrestricted	<u>637,236</u>	<u>356,985</u>
Total net position	<u>1,478,865</u>	<u>356,985</u>
Total liabilities and net position	<u>\$ 1,533,309</u>	<u>\$ 356,985</u>

**SOUTHERN YORK COUNTY SCHOOL DISTRICT**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds**  
**Year Ended June 30, 2024**

	<b>Food Service Fund</b>	<b>Internal Service Fund - Retirement</b>
<b>OPERATING REVENUES</b>		
Food service revenue	\$ 698,428	\$ -
Other operating revenues	<u>16,091</u>	<u>-</u>
Total operating revenues	<u>714,519</u>	<u>-</u>
<b>OPERATING EXPENSES</b>		
Food and milk purchases	790,392	-
Employee benefits	-	80,795
Supplies and small equipment	7,612	-
Repairs and maintenance	43,873	-
Depreciation	55,001	-
Management administrative services	<u>935,514</u>	<u>-</u>
Total operating expenses	<u>1,832,392</u>	<u>80,795</u>
Operating loss	<u>(1,117,873)</u>	<u>(80,795)</u>
<b>NON-OPERATING REVENUES</b>		
Federal subsidies	898,498	-
State subsidies	238,886	-
Earnings on investments	<u>35,184</u>	<u>21,050</u>
Total non-operating revenue	<u>1,172,568</u>	<u>21,050</u>
Income (loss) before capital contributions and transfers	<u>54,695</u>	<u>(59,745)</u>
<b>CAPITAL CONTRIBUTIONS AND TRANSFERS</b>		
Capital contributions	674,425	-
Interfund transfers	<u>-</u>	<u>100,000</u>
Total capital contributions and transfers	<u>674,425</u>	<u>100,000</u>
Change in net position	<u>729,120</u>	<u>40,255</u>
Total net position- beginning	<u>749,745</u>	<u>316,730</u>
Total net position - ending	<u>\$ 1,478,865</u>	<u>\$ 356,985</u>

**SOUTHERN YORK COUNTY SCHOOL DISTRICT**  
**Statement of Cash Flows – Proprietary Funds**  
**Year Ended June 30, 2024**

	Food Service Fund	Internal Service Fund - Retirement
<b>Cash flows from operating activities</b>		
Cash received from customers/other funds	\$ 715,861	\$ -
Cash paid to suppliers and service providers	(1,765,219)	-
Cash paid to and on behalf of employees	-	(85,588)
Net cash used by operating activities	<u>(1,049,358)</u>	<u>(85,588)</u>
<b>Cash flows from capital financing activities</b>		
Purchases of equipment	(65,042)	-
Net cash used by capital financing activities	<u>(65,042)</u>	<u>-</u>
<b>Cash flows from noncapital financing activities</b>		
Federal subsidies	898,498	-
State subsidies	238,886	-
Interfund transfers	-	65,002
Net cash provided by noncapital financing activities	<u>1,137,384</u>	<u>65,002</u>
<b>Cash flows from investing activities</b>		
Earnings on investments	35,184	21,050
Net cash provided by investing activities	<u>35,184</u>	<u>21,050</u>
Net increase (decrease) in cash	<u>58,168</u>	<u>464</u>
Cash and cash equivalents - beginning	639,730	8,724
Cash and cash equivalents - ending	<u>\$ 697,898</u>	<u>\$ 9,188</u>
<b>Reconciliation of income (loss) from operations to net cash provided (used) by operating activities</b>		
<b>Cash flows from operating activities</b>		
Operating loss	\$ (1,117,873)	\$ (80,795)
Adjustments to reconcile operating loss to net cash provided (used) in operating activities:		
Depreciation	55,001	-
(Increase) decrease in:		
Other receivables	2,026	-
Intergovernmental receivables	(684)	-
Inventories	12,093	-
Increase (decrease) in:		
Accounts payable and accrued expenses	79	(4,793)
Total adjustments	<u>68,515</u>	<u>(4,793)</u>
Net cash provided (used) by operating activities	<u>\$ (1,049,358)</u>	<u>\$ (85,588)</u>
<b>Non-cash capital activities</b>		
Equipment purchases paid by capital projects fund	\$ 674,425	\$ -

**SOUTHERN YORK COUNTY SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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***Nature of Operations***

Southern York County School District (“School District”) operates a public school system, which is comprised of the Boroughs of Glen Rock, New Freedom, Railroad, and Shrewsbury, and the Townships of Codorus and Shrewsbury in Southern York County, Pennsylvania.

The School District consists of Susquehannock High School, Southern Middle School, and the Southern, Friendship, and Shrewsbury Elementary Schools, as well as the School District Administration Office.

***Reporting Entity***

Governmental Accounting Standards Board (GASB) Statements define the criteria used to determine the composition of the reporting entity. These standards require that the reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable, (3) organizations that are fiscally dependent on the primary government and a financial benefit or burden exists, and (4) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The School District is not a component unit of any other entities. Based on the above criteria, the School District has no component units other than the Southern York County School District Foundation.

The Southern York County School District Foundation is presented as a discretely presented component unit.

**Southern York County School District Foundation**

The Southern York County School District Foundation (“Foundation”), is an affiliate Chapter of Scholarship America, Inc. The purpose of the Chapter is to expand access to higher education for resident students of the School District. The Foundation is included in these financials as a component unit because the School District appoints a voting majority of the Foundation’s board members and has the ability to impose its will on the Foundation by significantly influencing the projects and activities of the Foundation. This is demonstrated by the School District's ability to appoint, hire, reassign, or dismiss the individuals responsible for the day-to-day operations of the Foundation.

Separate financial statements of the Foundation are available by contacting the Foundation at P.O. Box 128, Glen Rock, Pennsylvania 17327.

The Foundation has established a permanent endowment named the Southern York County School District Endowment Fund with the York County Community Foundation. This fund is included in the Foundation’s balances. The York County Community Foundation is a nonprofit corporation established for the principal purpose of receiving and administering funds as endowments for various charitable and educational purposes.

**SOUTHERN YORK COUNTY SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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***Joint Ventures***

The following joint ventures are not component units of the Southern York County School District and are not included in this report.

**York County School of Technology.** The School District is one of fourteen member school districts participating in the operation of the York County School of Technology. The School is operated, administered, and managed by a joint operating committee consisting of board members from the fourteen member school districts. These members are elected by their individual school district board of directors. The School District's share of annual operating and capital costs for York County School of Technology are reflected as intergovernmental expenditures of the General Fund. During the year ended June 30, 2024, the School District paid \$ 969,608 to York County School of Technology for operating expenditures. In addition, the School District paid \$ 220,676 to the York County School of Technology Authority for debt service payments.

**York/LIU Joint Authority.** This is a separate legal entity organized by thirteen local school districts to provide services in York County at the York Learning Center ("Center"). Each of the member school districts appoints one member to serve on the joint operating committee, and each has an ongoing financial responsibility to fund the Center's operations. During the year ended June 30, 2024, the School District paid \$ 67,250 to the Authority for these services.

**Lincoln Intermediate Unit #12.** This is a separate legal entity organized by constituent school districts in York, Adams, and Franklin counties to provide services to the school districts. Each member school district is represented by one member that serves on the Board of Directors of the Intermediate Unit. The School District contracts with the Intermediate Unit primarily for special education services and training. During the year ended June 30, 2024, the School District paid \$ 930,198 to the Lincoln Intermediate Unit.

Complete financial statements for each of the entities described above can be obtained from each respective administrative office.

***Fund Accounting***

The School District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain School District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of the School District are grouped into the categories of governmental, proprietary, and fiduciary.

**1. Governmental Funds**

Governmental Funds are those through which most governmental functions of the School District are financed. The measurement focus is on the flow of expendable resources, rather than on net earnings determination.

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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***Fund Accounting (Continued)***

**a. General Fund**

The General Fund is used to account for all financial transactions not accounted for in another fund. Revenues are primarily derived from local property taxes, earned income taxes, and state and federal subsidies. Many of the more important activities of the School District, including instruction, administration of the School District, and certain non-instructional services are accounted for in this fund. This is a budgeted fund, and any unassigned fund balances are considered as resources available for use.

**b. Capital Projects Fund**

The Capital Projects Fund is utilized to account for the proceeds and expenditures relating to bond issues and construction projects.

**c. Capital Reserve Fund**

The Capital Reserve Fund is utilized to account for excess General Fund resources designated by board action for future capital improvement projects.

**d. Debt Service Fund**

This fund is used to account for the accumulation of resources for, and payment of, interest and principal on debt.

**e. Other Governmental Fund**

The Other Governmental Fund is the Student Activity Fund, which is reflected as a non-major fund reported as a special revenue fund. The Student Activity Fund is used for the raising and expending of activity money by student bodies to promote the general welfare, education, and morale of all the students by financing extracurricular activities of student body organizations.

**2. Proprietary Funds**

Proprietary Funds are used to account for the School District's ongoing activities which are similar to those often found in the private sector. The focus of proprietary funds is on the determination of net earnings and capital maintenance. The following funds are utilized:

**a. Food Service Fund (Enterprise Fund)**

This fund accounts for all revenues and expenses pertaining to cafeteria operations as authorized under Section 504 of the Public School Code of 1949. It is the intent of the governing body that the cost of providing food goods or services to the students on a continuing basis be financed or recovered primarily through user charges or cost reimbursement plans.

**b. Retirement Fund (Internal Service Fund)**

This fund is used to account for the funding of the retirement stipends to be paid to employees upon retirement. It is the intention of the School District to use this fund to level out the general fund's cost of retirement stipends over a period of years.

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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***Basis of Presentation***

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

In addition, a separate column is used to present the financial information for the discretely presented component unit, the Southern York County School District Foundation.

The government-wide statements are prepared using the economic resources measurement focus. 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. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

**Fund Financial Statements** - Fund financial statements report detailed information about the School District. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds (if applicable) are aggregated and presented in a single column (other governmental funds).

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures, and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net position. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities.



**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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***Basis of Accounting***

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Net position (total assets and deferred outflows of resources less total liabilities and deferred inflows of resources) is used as a practical measure of economic resources and the operating statement includes all transactions and events that increased or decreased net position. Depreciation/amortization is charged as expense against current operations and accumulated depreciation/amortization is reported on the statement of net position.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers tax revenue to be available if collected within 60 days of the end of the fiscal period. Revenue from federal, state, and other related grants designated for payment of specific School District expenditures is recognized when the related expenditures are incurred and the revenue is available, which is generally 60 days; accordingly, when such funds are received, they are recorded as accounts payable until earned. If time eligibility requirements are not met a deferred inflow of resources would be recorded. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing food services, including charges for meals and costs of food, salaries and benefits, depreciation, and other expenses. Federal and State subsidies are considered non-operating revenues as no exchange transaction occurs. The internal service fund is supported by transfers from the general fund, while operating expenses consist of retirement stipend payments to retirees.

***Budgets and Budgetary Accounting***

An operating budget is adopted each year for the General Fund on a modified accrual basis of accounting.

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

1. The School District, before levying annual school taxes, is required to prepare an operating budget for the succeeding fiscal year.
2. The Board of School Directors may make transfers of funds appropriated to any particular item of expenditure by legislative action. An affirmative vote of two-thirds of all members of the Board is required.

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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***Budgets and Budgetary Accounting (Continued)***

3. Fund balances in budgetary funds may be appropriated based on resolutions passed by the Board of Education, which authorize the School District to make expenditures. Appropriations lapse at the end of the fiscal period.
4. Included in the General Fund budget are program budgets as prescribed by the state and federal agencies funding the programs. These budgets are approved on a program-by-program basis by the state or federal funding agency.
5. Capital budgets are approved for capital projects in the Capital Projects Fund prior to their start. Smaller project budgets are approved per the approved transfer to the capital reserve fund. All transactions of the Capital Projects Fund are approved by the Board prior to commitment, thereby constructively achieving budgetary control.

***Use of Estimates***

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities, if any, at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

***Cash and Cash Equivalents***

The School District has limited authority as to the types of allowable investments. Cash consists of cash on hand and checking, savings, and money market account balances.

Cash and cash equivalents are defined as short-term, highly liquid investments (certificates of deposit) that are readily convertible to known amounts of cash and include investments with original maturities of three months or less.

***Investments***

The School District invests funds with two external investment pools, the Pennsylvania Local Government Investment Trust (PLGIT) and the Pennsylvania School District Liquid Asset Fund (PSDLAF). PSDLAF and PLGIT operate and are authorized under the Intergovernmental Cooperation Act of 1972. Investments in these funds are valued at amortized cost which approximates market value.

These funds invest in federal securities backed by the full faith and credit of the United States Government, in agencies, instrumentalities and subdivisions of the Commonwealth of Pennsylvania and backed by the full faith and credit of the Commonwealth, and certificates of deposit which are insured by the Federal Deposit Insurance Corporation, or which are collateralized as provided by law of Act 72 of 1971.

***Prepaid Items***

In both government-wide and fund financial statements, prepaid items are recorded as assets in the specific fund in which future benefits will be derived.

**SOUTHERN YORK COUNTY SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Inventories***

The Food Service Fund food inventory consists of expendable supplies held for consumption and federal government donated commodities that are valued at estimated fair market value. The expendable supplies are recorded as an expenditure when used. The cost of governmental fund inventories are recorded as expenditures when purchased rather than when consumed. The value of governmental fund inventories is not significant at June 30, 2024.

***Internal Balances/Activity***

Advances between funds are accounted for in the appropriate interfund receivable and payable accounts. Advances between funds which are not expected to be repaid are accounted for as transfers. Internal balances and transactions are eliminated in the government-wide financial statements.

Exchange transactions, if any, between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary fund.

***Capital Assets***

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition value as of the date received. The School District maintains a capitalization threshold of \$ 5,000. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed. Interest incurred during the construction of capital assets is not capitalized.

All reported capital assets except land are depreciated/amortized. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation/amortization is computed using the straight-line method over the following useful lives:

	<b>Governmental Activities Estimated Lives</b>	<b>Business- Type Activities Estimated Lives</b>
Site improvements	20 years	N/A
Buildings and building improvements	20 - 30 years	N/A
Furniture and equipment	3 - 10 years	3 - 10 years
Vehicles	10 years	N/A
Right-to-use asset – leased equipment	1 – 2 years	N/A
Right-to-use asset – IT subscriptions	1-5 years	N/A

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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***Long-Term Obligations***

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental or business-type activity columns in the statement of net position. This same treatment also applies to proprietary fund financial statements. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Prepaid bond insurance is reported as an asset and amortized over the term of the related debt. Other bond issuance costs are expensed at the time the debt is issued.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The amount of debt issued, bond premiums, and bond discounts are reported as other financing sources. Issuance costs (including original issue discounts), whether or not withheld from the actual debt proceeds received, are reported as support service expenditures.

***Leases***

**Lessee:** The School District is a lessee for a noncancellable lease of equipment. The School District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements.

At the commencement of a lease, the School District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the School District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The School District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the School District generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and any purchase option price that the School District is reasonably certain to exercise.

The School District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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***Leases (Continued)***

**Lessor:** The School District is a lessor for a lease of farmland. The School District recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the School District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the School District determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The School District uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The School District monitors changes in circumstances that would require a measurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

***Subscription-Based Information Technology Arrangements***

The School District is a lessee for noncancellable arrangements for subscription-based information technology. The School District recognizes a subscription liability and an intangible right-to-use IT subscription asset (subscription asset) in the government-wide financial statements.

At the commencement of a subscription arrangement, the School District initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription arrangement commencement date, plus certain implementation stage costs. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life.

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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***Subscription-Based Information Technology Arrangements (Continued)***

Key estimates and judgments related to subscription arrangements include how the School District determines (1) the discount rate it uses to discount the expected subscription arrangement payments to present value, (2) subscription term, and (3) subscription payments.

- The School District uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not provided, the School District generally uses its estimated incremental borrowing rate as the discount rate for subscriptions.
- The subscription term includes the noncancellable period of the subscription arrangement. Subscription payments included in the measurement of the subscription liability are composed of fixed payments and any renewal provisions that the School District is reasonably certain to exercise.

The School District monitors changes in circumstances that would require a remeasurement of its subscription arrangement and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

***Deferred Outflows and Inflows of Resources***

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The School District has several items that qualify for reporting in this category, including the deferred charge on bond refunding and various amounts related to pension liabilities and OPEB liabilities.

In addition to liabilities, the statement of financial position and balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The School District's deferred inflows of resources consist of various items related to the pension liability and OPEB liability (on the statement of net position), unavailable revenue (on the balance sheet – governmental funds) and future revenues related to leases (on the statement of net position and the balance sheet for governmental funds).

***Retirement Plans***

The School District contributes to the Public School Employees Retirement System (PSERS), a cost-sharing multiple-employer defined benefit pension plan. The School District accounts for the plan under the provisions of GASB Statements, which establish standards for the measurement, recognition, and display of pension expense and related liabilities, assets, and note disclosures.

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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***Retirement Plans (Continued)***

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 Systems (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.

***Compensated Absences***

Liabilities for compensated absences are accounted for in accordance with the provisions of GASB standards. These statements require entities to accrue for employees' rights to receive compensation for vacation leave, or payments in lieu of accrued vacation or sick leave, as such benefits are earned and payment becomes probable.

The estimate of the liabilities for compensated absences has been calculated using the vesting method in accordance with the provisions of the GASB. Under that method, the School District has identified the amount earned to date by each employee, determined the cost of that benefit by reference to the benefit provisions and the current rates paid by the School District, and estimated the probability of the payment of that benefit to employees upon retirement.

Payments for vacation and sick leave are expensed as paid in the governmental fund financial statements.

Liabilities for vested, unused vacation pay and sick pay are recorded in the government-wide financial statements and are expensed as described above.

***Other Postemployment Benefits Other Than Pensions***

***School District Plan***

The School District is required by law to provide postemployment benefits by permitting retired employees the ability to participate in the employee health plan through a single employer defined benefit other post-employment health plan (OPEB) at the same premium rate, albeit 100% paid by the retirees with the exception of certain administrators.

Consequently, the School District is providing an implicit rate subsidy to its retirees. Teachers, other professional employees, and support staff that are full-time at the time of retirement are eligible to receive an additional payment in the amount of \$ 5,000 to be used for the cost of these benefits once they have reached 25 years of service with the School District. Depending on their years of service to the School District, Administrators may be eligible to receive additional health insurance benefits.

***PSERS Plan***

The School District is also required by law to participate in a governmental cost sharing multiple-employer OPEB plan with PSERS for all eligible employees who qualify and elect to participate.

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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***Other Postemployment Benefits Other Than Pensions (Continued)***

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the 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 are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

***Net Position – Government-wide Financial Statements/Proprietary Funds***

In the government-wide financial statements and proprietary fund financial statements, net position is classified in the following categories:

**Net Investment in Capital Assets:** This component consists of capital assets, net of accumulated depreciation/amortization and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those capital assets.

If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of debt is included in the same net position component as the unspent proceeds. Deferred outflows of resources and deferred inflows of resources attributable to acquisition, construction, or improvement of assets or related debt also should be included in this component of net position.

**Restricted:** This component of net position consists of restricted assets and deferred outflows of resources reduced by liabilities and deferred inflows of resources related to those assets. These restrictions could include constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provision or enabling legislation.

As of June 30, 2024, restricted net position of the primary government consisted of \$ 1,385,584 for future capital improvements, community needs and agreements, restricted net position of the business-type activities consisted of \$ 48,905 for the supply chain assistance funding and restricted net position of the component unit consisted of \$ 1,426,572 for future scholarships.

**Unrestricted:** This component of net position is the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

**Net Position Flow Assumption**

Sometimes the School District will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted-net position and unrestricted-net position, a flow assumption must be made about the order in which the resources are considered to be applied. It is the School District's policy to consider restricted-net position to have been depleted before unrestricted-net position is applied.



**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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***Fund Balance – Governmental Fund Financial Statements***

Governmental funds classify fund balance based on the relative strength of the spending constraints placed on the purpose for which resources can be used. The classifications are as follows:

**Nonspendable:** This classification includes amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact. This classification includes items such as prepaid amounts, inventories, and the long-term amount of loans and notes receivable. This also includes the corpus (or principal) of permanent funds.

**Restricted:** This classification includes amounts where the constraints placed on the use of resources are either (1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the government to assess, levy, charge or mandate payment and includes a legally enforceable requirement on the use of these funds.

**Committed:** This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision –making authority. This formal action is in the form of a resolution which is made by the School Board. Once an amount is committed, it cannot be used for any other purpose unless changed by the same type of formal action used to initially constrain the funds.

**Assigned:** This classification includes spendable amounts that are reported in governmental funds *other than the General Fund*, that are neither restricted nor committed, and amounts in the General Fund that are intended to be used for a specific purpose. The intent of an assigned fund balance should be expressed by either the School Board, or a subordinate high-level body, such as the finance committee, superintendent, or business manager that is authorized to assign amounts to be used for specific purposes. As detailed in its Fund Balance Policy, the School Board has the authority to make assignments of fund balance. The assignment of fund balance cannot result in a negative unassigned fund balance.

**Unassigned:** This classification represents the portion of spendable fund balance that has not been categorized as restricted, committed or assigned. The general fund is the only fund which would include a positive unassigned fund balance as all other fund types must categorize amounts within the other classifications. A negative unassigned fund balance may occur in any fund when there is an over expenditure of restricted or committed fund balance. In this case, any assigned fund balance and unassigned fund balance in the general fund would be eliminated prior to reporting a negative unassigned fund balance.

***Minimum Fund Balance Policy***

The School District will strive to maintain an unassigned general fund balance of not less than 5% and not more than 8% of the budgeted expenditures for that year. If the unassigned portion of fund balance falls below the threshold of 5%, the Board will pursue variations of increasing revenues and decreasing expenditures, or a combination of both until 5% is attained. If the assigned and unassigned portions of fund balance exceed 8% of budgeted expenditures, the Board may utilize a portion of the fund balance by appropriating excess funds for nonrecurring expenditures only.

**SOUTHERN YORK COUNTY SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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***Policy Regarding Order of Spending***

When fund balance resources are available for a specific purpose in multiple classifications, the School District's policy is to use restricted resources first and then apply unrestricted resources in the following order: committed, assigned, and unassigned. If a plan for periodic use of committed fund balance is reviewed and approved by the Board, the committed fund balance will not be reduced by more than the amount designated in the plan.

**NOTE 2 CASH AND INVESTMENTS**

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Section 440.1 of the Pennsylvania School Code and Act 10 of 2016 define allowable investments for school districts, which are summarized as follows:

- U.S. Treasury Bills.
- Short-term obligations of the U.S. Government and Federal agencies.
- Deposits in savings accounts or time deposits or share accounts of institutions insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund to the extent that such accounts are so insured, and, for any amounts above the insured maximum, provided that approved collateral as provided by law therefore shall be pledged by the depository.
- Obligations of the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the respective governmental entity.
- Shares of an investment company restricted under the Investment Company Act of 1940.
- Obligations, participations or other instruments of any Federal agency, instrumentality, or United States government-sponsored enterprise if the debt obligations are rated at least "A" or its equivalent.
- Commercial paper issued by corporations or other business entities organized in accordance with federal or state law, with a maturity not to exceed 270 days.
- Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as bankers' acceptances, if the bankers' acceptances do not exceed 180 days maturity.
- Negotiable certificates of deposit or other evidences of deposit, with a remaining maturity of three years or less.

***Custodial Credit Risk – Deposits***

Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District does not have a written policy for custodial credit risk. As of June 30, 2024, \$ 5,085,040 of the School District's bank balance of \$ 13,216,040 was exposed to custodial credit risk as follows:

Uninsured and collateral held by the pledging banks trust department	<u>\$ 5,085,040</u>
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**SOUTHERN YORK COUNTY SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

***Custodial Credit Risk – Deposits (Continued)***

Included in the deposit totals above are \$ 7,881,000 of certificate of deposit purchased from various financial institutions through PLGIT's CD purchase program.

Pennsylvania Act 72 of 1971, as amended, is an act standardizing the procedures for pledges of assets to secure deposits of public funds with banking institutions pursuant to other laws; establishing a standard rule for the types, amounts and valuations of assets eligible to be used as collateral for deposits of public funds; permitting assets to be pledged against deposits on a pooled basis and authorizing the appointment of custodians to act as the pledger of the assets. Based on the standards outlined in Act 72, the various banks utilized by the School District have pledged collateral on a pooled basis on behalf of the School District and all other governmental depositors in the respective financial institutions.

***Credit Risk – Investments***

The School District invests in pooled investments with the Pennsylvania School District Liquid Asset Fund (PSDLAF) and Pennsylvania Local Government Investment Trust (PLGIT). As of June 30, 2024, the School District had the following investments:

<b>Investment</b>	<b>Fair Value</b>	<b>Credit Quality Rating</b>
PA School District Liquid Asset Fund - PSDLAF - MAX	\$ 1,534,323	AAAm
PA School District Liquid Asset Fund - PSDLAF - Full Flex	16,050,793	AAAm
PA School District Liquid Asset Fund - Securities - Treasury Bills	4,332,092	N/A
PLGIT/PLGIT Class, Reserve - Class	4,199,935	AAAm
	<u>\$ 26,117,143</u>	

Included in cash and cash equivalents are pooled investments in the Pennsylvania School District Liquid Asset Fund (PSDLAF-MAX and PSDLAF Full Flex) of \$ 17,585,116. The PSDLAF-MAX is essentially a mutual fund that consists of short-term money market instruments and seeks to maintain a constant net asset value of \$ 1 per share. PSDLAF-MAX deposits are invested by PSDLAF directly in portfolios of securities held by a third-party custodian and are collateralized with securities held by the PSDLAF agent in a collateral pool. The School District also invested \$ 4,332,092 in U.S. Treasury Bills through PSDLAF and is classified as investments in the financial statements and investments for purposes of these disclosures.

Included in cash and cash equivalents are investments in Pennsylvania Local Government Investment Trust (PLGIT). PLGIT operates like a money market and seeks to maintain a stable net asset value of \$ 1 per share. At June 30, 2024, the School District held \$ 4,199,935 in the PLGIT-Class and Reserve Class portfolios. PLGIT portfolio funds are invested in United States Treasury bills; obligations, participations, or other instruments of any Federal agency, instrumentality or United States government-sponsored enterprise; deposits in savings accounts or time deposits or share accounts of institutions insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund; obligations guaranteed or insured by the United States of America, obligations of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the Commonwealth; and repurchase agreements involving United States Government and agency obligations.

The School District does not have a formal written investment policy that limits its investment choices to certain credit ratings.

**SOUTHERN YORK COUNTY SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

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***Policies Followed at PSDLAF and PLGIT***

PSDLAF and PLGIT are not registered with the Securities and Exchange Commission (SEC); however, PSDLAF and PLGIT follow investment procedures similar to those followed by SEC registered money market funds. There is no regulatory oversight for the pools which are governed by the Board of Trustees. The School District's investments in PSDLAF and PLGIT are valued at amortized cost, which approximates fair value and is determined by the pools' share price.

The School District has no limitations or restrictions on withdrawals on accounts held at PSDLAF and PLGIT.

***Interest Rate Risk - Investments***

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

The School District does not have a formal written investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Treasury bills included in investments have a maturity of less than one year.

Investments in Pennsylvania School District Liquid Asset Fund (PSDLAF) and Pennsylvania Local Government Investment Trust (PLGIT) are not subject to interest rate risk as the funds are accessible on a daily basis and the interest rates change daily based on market conditions. Interest rate risk associated with other investments is shown in the table above.

***Fair Value Measurements***

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting standards. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The School Districts investment of \$ 4,334,778 in U.S. Treasury Notes and Bills is valued using quoted market prices (Level 1 Inputs).

**NOTE 3 PROPERTY TAXES**

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Property taxes are levied on July 1. Taxes are collected at a discount until August 31, at their face amount from September 1 until October 31, and include a penalty thereafter. The taxes are billed by Southern York County School District and are collected by the appointed or elected tax collectors. Delinquent real estate taxes are sent to York County Tax Claim Bureau for collection on January 15.

**SOUTHERN YORK COUNTY SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 4 TAXES RECEIVABLE AND DEFERRED INFLOWS OF RESOURCES AND TAX ABATEMENTS**

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The School District collects property taxes, earned income taxes, other taxes, and fees primarily from taxpayers located in the following municipalities within York County, Pennsylvania: Boroughs of Glen Rock, New Freedom, Railroad, and Shrewsbury, and the Townships of Codorus and Shrewsbury.

Taxes receivable and deferred inflows of resources in the fund financial statements consist of the following as of June 30, 2024:

Real estate taxes	\$ 884,291
Earned income taxes	1,261,681
Real estate transfer taxes	<u>79,190</u>
	2,225,162
Taxes collected within sixty days, recorded as revenues in governmental funds	<u>(1,197,712)</u>
Taxes estimated to be collected after sixty days, recorded as unavailable tax revenue in governmental funds	<u>\$ 1,027,450</u>

***Tax Abatement***

**Pennsylvania Clean and Green Program**

Clean and Green is a preferential tax assessment program enacted by the Pennsylvania General Assembly that bases property taxes on use values rather than fair market values. This ordinarily results in tax savings for landowners.

Property owners can apply at the York County tax assessment office for their property to be included in Pennsylvania’s Clean and Green program. The program was enacted as a tool to encourage protection of the Commonwealth’s valuable farmland, forestland and open spaces. To be eligible, a property must be at least ten acres in size, and in Agriculture Use, Agriculture Reserve, or Forest Reserve. Agricultural Use applications may be less than 10 acres in size if the property is capable of generating at least \$ 2,000 annually in farm income. A landowner who breaches the covenant is subject to seven years of rollback taxes at 6% interest per year. The rollback tax is the difference between what was paid under Clean and Green versus what would have been paid, if the property had not been enrolled, plus 6% simple interest per year.

For the fiscal year ended June 30, 2024, total School District property taxes of \$ 2,349,688 were abated under this program.

**SOUTHERN YORK COUNTY SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 5 INTERFUND BALANCES**

Due from/to other funds consist of the following as of June 30, 2024:

<b>Funds</b>	<b>Due From Other Funds</b>	<b>Due To Other Funds</b>
Governmental Funds		
General	\$ -	\$ 2,057,717
Capital Reserve	1,288,995	-
Capital Projects	60,045	-
Debt Service	347,845	-
Proprietary Funds		
Internal Service - Retirement Fund	347,797	-
Food Service	<u>13,035</u>	<u>-</u>
	<u>\$ 2,057,717</u>	<u>\$ 2,057,717</u>

In the general fund, amounts are owed to (1) the capital reserve fund for future capital projects, (2) to the debt service fund for cash and investments held on that fund's behalf, (3) to the retirement fund for cash and investments held on that fund's behalf and (4) to the food service fund for the change in unpaid student cafeteria balances. Also, in the general fund, an amount is due to the capital projects fund for expenditures paid out of the fund but not repaid before year-end.

Interfund transfers consist of the following for the year ended June 30, 2024:

<b>Funds</b>	<b>Transfers in</b>	<b>Transfers out</b>
Governmental Funds		
General	\$ 6,281,000	\$ 4,884,246
Capital Reserve	269,000	-
Debt Service	4,515,246	6,281,000
Proprietary Funds		
Internal Service - Retirement Fund	<u>100,000</u>	<u>-</u>
	<u>\$ 11,165,246</u>	<u>\$ 11,165,246</u>

The School District typically transfers funds to the debt service fund to make principal and interest payments on bonds. Transfers are made to the capital reserve fund based on approved projects funded through surplus. Transfers to the retirement fund are budgeted based upon prior actual benefits paid. A transfer from the debt service fund to the general fund was recorded for the accumulated amount set aside for future building projects.

**SOUTHERN YORK COUNTY SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 6 INTERGOVERNMENTAL RECEIVABLES**

Amounts due from other governments consist of the following as of June 30, 2024:

	<b>General Fund/ Governmental Activities</b>
Federal subsidies	\$ 413,412
State subsidies	1,915,379
	<u>\$ 2,328,791</u>

**NOTE 7 LEASE RECEIVABLE / DEFERRED INFLOWS**

The School District entered into a five (5) year lease for the use of farmland. The lease requires semiannual payments of \$ 17,813. The School District is using its incremental borrowing rate of 4.02% in the lease receivable calculations. The ending lease receivable of \$ 115,239 and associated deferred inflow of \$ 106,635 is shown on the government wide statement of net position and governmental fund balance sheet. For the year ended June 30, 2024, the School District recognized lease revenue of \$ 30,082 and interest revenue of \$ 5,543 associated with the lease.

**NOTE 8 CAPITAL ASSETS**

Capital asset activity for the School District consists of the following as of and for the year ended June 30, 2024:

	<b>Balances June 30, 2023</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balances June 30, 2024</b>
<b>Governmental Activities</b>				
Capital assets not being depreciated/amortized				
Land	\$ 2,754,758	\$ -	\$ -	\$ 2,754,758
Construction in progress	49,357,802	15,735,446	(62,347,332)	2,745,916
Capital assets, net of depreciation/amortization				
Site improvements	8,599,112	130,234	-	8,729,346
Buildings and building improvements	88,185,750	61,623,067	-	149,808,817
Furniture and equipment	6,734,158	1,119,931	(55,698)	7,798,391
Right-to-use asset - lease equipment	153,965	312,452	(153,965)	312,452
Right-to-use asset - IT Subscriptions	487,642	270,844	(160,094)	598,392
	<u>156,273,187</u>	<u>79,191,974</u>	<u>(62,717,089)</u>	<u>172,748,072</u>
<b>Less Accumulated Depreciation/ Amortization</b>				
Site improvements	(5,454,621)	(290,554)	-	(5,745,175)
Buildings and building improvements	(66,422,869)	(3,470,000)	-	(69,892,869)
Furniture and equipment	(5,527,817)	(384,671)	50,776	(5,861,712)
Right-to-use asset - lease equipment	(150,873)	(65,279)	153,965	(62,187)
Right-to-use asset - IT Subscriptions	(157,782)	(200,267)	134,346	(223,703)
	<u>(77,713,962)</u>	<u>(4,410,771)</u>	<u>339,087</u>	<u>(81,785,646)</u>
	<u>\$ 78,559,225</u>	<u>\$ 74,781,203</u>	<u>\$ (62,378,002)</u>	<u>\$ 90,962,426</u>
<b>Business-Type Activities</b>				
Machinery and equipment	\$ 945,188	\$ 739,466	\$ (16,697)	\$ 1,667,957
Accumulated depreciation	(836,930)	(55,000)	16,697	(875,233)
	<u>\$ 108,258</u>	<u>\$ 684,466</u>	<u>\$ -</u>	<u>\$ 792,724</u>

**SOUTHERN YORK COUNTY SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 8 CAPITAL ASSETS (CONTINUED)**

Depreciation/amortization expense for the year ended June 30, 2024 was charged to governmental functions as follows:

Regular programs	\$ 1,260,168
Administration	30,502
Business	33,192
Operation and maintenance of plant services	2,642,990
Central support	395,499
Student activities	48,420
	<u>\$ 4,410,771</u>

**NOTE 9 ACCRUED SALARIES AND BENEFITS**

Accrued salaries and benefits consist of the following as of June 30, 2024:

	<b>General Fund</b>
Accrued salaries	\$ 2,156,518
Social security	166,321
Retirement	726,749
Payroll withholdings	2,282,775
	<u>\$ 5,332,363</u>

**NOTE 10 LONG-TERM LIABILITIES**

***Summary of Changes in Long-Term Debt***

Changes in long-term debt consist of the following for the year ended June 30, 2024:

	<b>Balances June 30, 2023</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balances June 30, 2024</b>	<b>Current</b>	<b>Long-Term</b>
Bonds						
General Obligation Bonds	\$ 67,125,000	\$ -	\$ (415,000)	\$ 66,710,000	\$ 620,000	\$ 66,090,000
Direct Borrowing						
General Obligation Notes	7,808,000	-	(1,254,000)	6,554,000	1,279,000	5,275,000
Other liabilities						
Lease obligations	2,844	312,452	(62,759)	252,538	60,771	191,767
IT Subscription Liability	331,747	270,844	(242,358)	360,233	149,598	210,635
Compensated absences	1,110,188	114,435	(80,795)	1,143,828	114,383	1,029,445
	<u>\$ 76,377,779</u>	<u>\$ 697,731</u>	<u>\$ (2,054,912)</u>	<u>\$ 75,020,599</u>	<u>\$ 2,223,752</u>	<u>\$ 72,796,847</u>



**SOUTHERN YORK COUNTY SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 10 LONG-TERM LIABILITIES (CONTINUED)**

***Summary of Changes in Long-Term Debt (Continued)***

**GENERAL OBLIGATION BONDS AND NOTES**

General Obligation Bonds and notes are issued on a pledge of the general taxing power of the School District and consist of the following:

General Obligation Bond Series of 2019; dated June 18, 2019; due in annual installments through September 1, 2047; bearing interest rates of 2.000% to 2.820%	\$ 9,310,000
General Obligation Note Series of 2020; dated December 2, 2020; due in annual installments through March 1, 2029; bearing an interest rate of 1.200%	6,554,000
General Obligation Bond Series of 2021; dated December 30, 2021; due in annual installments through March 1, 2048; bearing an interest rate of 3.000% - 4.000%	9,215,000
General Obligation Bond Series of 2022; dated June 23, 2022; due in annual installments through March 1, 2051; bearing an interest rate of 4.125% - 5.000%	38,390,000
General Obligation Bond Series of 2023; dated April 28, 2023; due in annual installments through September 1, 2050; bearing an interest rate of 4.000% - 5.000%	<u>9,795,000</u>
	73,264,000
Bond premium (discount), net	<u>2,536,417</u>
	<u>\$ 75,800,417</u>
Due within one year	\$ 2,000,344
Due in more than one year	73,800,073
	<u>\$ 75,800,417</u>

The School District's general obligation bonds contain a provision that in the event of default for non-payment of principal and interest, the School Code allows for the Commonwealth of Pennsylvania to withhold monies from the School District subsidies and pay any past due amounts directly to the paying agent for payment to the bond holders.

***Lease Obligation***

The School District entered into a lease agreement with a remaining life of four years as lessee for the acquisition and use of equipment. The lease requires monthly principal and interest payments of \$ 5,536 based on an interest rate of 2.52%. The associated right-to-use assets are disclosed in the Capital Asset footnote.

***Information Technology (IT) Subscription Liabilities***

The School District entered into subscription arrangements with remaining years ranging from two to four years for the use of subscription-based information technology. The arrangements require quarterly and annual principal and interest payments ranging from \$ 2,588 to \$ 56,374 based on an interest rate of 4.02% to 5.00%. The associated right-to-use asset is disclosed in the Capital Assets footnote.

**SOUTHERN YORK COUNTY SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 10 LONG-TERM LIABILITIES (CONTINUED)**

***Maturities***

The principal and interest maturities of the long-term liabilities for each of the next five years and five-year increments thereafter consist of the following as of June 30, 2024:

	General Obligation Bonds			Direct Borrowings		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 620,000	\$ 2,798,530	\$ 3,418,530	\$ 1,279,000	\$ 70,974	\$ 1,349,974
2026	640,000	2,767,380	3,407,380	1,303,000	55,482	1,358,482
2027	680,000	2,734,755	3,414,755	1,311,000	39,798	1,350,798
2028	725,000	2,700,030	3,425,030	1,323,000	23,994	1,346,994
2029	755,000	2,663,430	3,418,430	1,338,000	8,028	1,346,028
2030-2034	10,420,000	12,135,775	22,555,775	-	-	-
2035-2039	12,940,000	9,613,356	22,553,356	-	-	-
2040-2044	15,850,000	6,705,303	22,555,303	-	-	-
2045-2049	18,020,000	3,206,303	21,226,303	-	-	-
2050-2051	6,060,000	276,642	6,336,642	-	-	-
	<u>\$ 66,710,000</u>	<u>\$ 45,601,504</u>	<u>\$ 112,311,504</u>	<u>\$ 6,554,000</u>	<u>\$ 198,276</u>	<u>\$ 6,752,276</u>

	Lease Obligations			IT Subscription Liability		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 60,771	\$ 5,665	\$ 66,436	\$ 149,598	\$ 15,797	\$ 165,395
2026	62,320	4,116	66,436	93,288	9,149	102,437
2027	63,909	2,527	66,436	56,707	5,044	61,751
2028	65,537	898	66,435	60,640	2,626	63,266
	<u>\$ 252,537</u>	<u>\$ 13,206</u>	<u>\$ 265,743</u>	<u>\$ 360,233</u>	<u>\$ 32,616</u>	<u>\$ 392,849</u>

***Compensated Absences***

Accumulated compensated absences represent the earned vacation pay as of June 30, 2024 for all employees. In addition, employees can earn a retirement stipend based on the number of years of service with the School District. Professional staff and support staff receive a payment upon retirement for the retirement stipend or the sick leave calculation, whichever is greater. Administrators will receive both the retirement stipend and the sick leave calculation. This liability is part of accumulated compensated absences and the payment is deposited into the employee's 403b plan. To be eligible for payment, employees must retire in the Public School Employees' Retirement System.

**NOTE 11 PENSION PLAN**

***General Information about the Pension Plan***

**Plan Description**

PSERS is a governmental cost-sharing multi-employer defined benefit pension plan that provides retirement benefits to public school employees of the Commonwealth of Pennsylvania. The members eligible to participate in the System include all full-time public school 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](http://www.psers.state.pa.us).

**NOTE 11 PENSION PLAN (CONTINUED)**

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***General Information about the Pension Plan (Continued)***

**Benefits Provided**

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

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

Benefits are generally between 1% to 2.5%, depending upon membership class, of the member's final average salary (as defined by 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 rights to benefits are vested after ten years of service.

Act 5 of 2017 (Act 5) introduced a hybrid benefit plan with two membership classes and a separate defined contribution plan for individuals who became 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).

Class T-G and Class T-H members qualify for a defined benefit normal retirement benefit must work until age 67 with a minimum of 3 years of service or attain a total combination of age and service that is equal to or greater than 97 with a minimum of 35 years of service.

Defined benefits for T-G and T-H are 1.25% or 1.00%, 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. A members' right to a defined benefit is vested in 10 years.

Participants are eligible for disability retirement benefits after completion of five years of credited service. Such benefits are generally equal to 2% or 2.5%, depending upon membership class, of the member's final average salary (as defined by the Code) multiplied by the number of years of credited service, but not less than one-third of such salary nor greater than the benefits 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.

**SOUTHERN YORK COUNTY SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 11 PENSION PLAN (CONTINUED)**

***General Information about the Pension Plan (Continued)***

**Contributions**

*Member Contributions*

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

<b>Member Contribution Rates</b>				
<b>Membership Class</b>	<b>Continuous Employment Since</b>	<b>Defined Benefit (DB) Contribution Rate</b>	<b>DC Contribution Rate</b>	<b>Total Contribution Rate</b>
T-C	Prior to July 22, 1983	5.25%	N/A	5.25%
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%
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%

<b>Shared Risk Program Summary</b>				
<b>Membership Class</b>	<b>Defined Benefit (DB) Base Rate</b>	<b>Shared Risk Increment</b>	<b>Minimum</b>	<b>Maximum</b>
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 School District's contractually required contribution rate for fiscal year ended June 30, 2024 was 33.09% of covered payroll. This is 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 from the School District recognized as revenue by the pension plan were \$ 8,498,921 for the year ended June 30, 2024. In addition, the School District's contribution to the defined contribution plan was \$ 120,542 for the year ended June 30, 2024.

*State Funding*

The Commonwealth of Pennsylvania generally reimburses the School District for 50-60% of its retirement expense. This arrangement does not meet the criteria of a special funding situation in accordance with GASB standards. Therefore, the net pension liabilities and related pension expense represent 100% of the School District's share of these amounts. During the year ended June 30, 2024, the School District recognized revenue of \$ 4,495,674 as reimbursement for its current year pension payments.

**SOUTHERN YORK COUNTY SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 11 PENSION PLAN (CONTINUED)**

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

At June 30, 2024, the School District reported a liability of \$ 73,535,986 in the Statement of Net Position for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by rolling forward the System’s total pension liability as of June 30, 2022 to June 30, 2023.

The School District’s proportion of the net pension liability was calculated utilizing the employer’s one-year reported contributions as it relates to the total one-year reported contributions. At June 30, 2023, the School District’s proportion was 0.1653 percent, which was a decrease of 0.0038 percent from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the School District recognized pension expense of \$ 6,806,794.

At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 17,000	\$ 1,007,000
Changes in assumptions	1,097,000	-
Net difference between projected and actual investment earnings	2,081,000	-
Changes in proportionate share	-	1,485,000
Difference between employer contributions and proportionate share of total contributions	20,123	3,288
Contributions subsequent to the measurement date	<u>8,635,803</u>	-
	<u>\$ 11,850,926</u>	<u>\$ 2,495,288</u>

The \$ 8,635,803 reported as deferred outflows of resources related to pensions resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2025	\$ 150,895
2026	(1,919,852)
2027	1,794,792
2028	<u>694,000</u>
Total	<u>\$ 719,835</u>

**SOUTHERN YORK COUNTY SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 11 PENSION PLAN (CONTINUED)**

***Actuarial Assumptions***

The total pension liability as of June 30, 2023 was determined by rolling forward the System’s total pension liability as of the 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.
- The investment returns 7.00%; includes inflation of 2.50%.
- Salary growth – Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit and 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 projecting using a modified version of the MP-2020 Improvement Scale.

The actuarial assumptions used in the June 30, 2023 valuation were based on an experience study that was performed over a 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 expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The pension plan’s policy in regard to the allocation of invested plan assets is established and may be amended by the PSERS 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.

The PSERS Board’s adopted the asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2023 as follows:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Global public equity	30.0%	5.2%
Private equity	12.0%	7.9%
Fixed income	33.0%	3.2%
Commodities	7.5%	2.7%
Absolute return	4.0%	4.1%
Infrastructure/MLPs	10.0%	5.4%
Real estate	11.0%	5.7%
Cash	3.0%	1.2%
Leverage	(10.5%)	1.2%
	<u>100.0%</u>	

**SOUTHERN YORK COUNTY SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 11 PENSION PLAN (CONTINUED)**

***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 School District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate***

The following presents 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%
School District’s proportionate share of the net pension liability	\$ 95,323,000	\$ 73,535,986	\$ 55,154,000

***Pension Plan Fiduciary Net Position***

Detailed information about PSERS’ fiduciary net position is available in PSERS Comprehensive Annual Financial Report which can be found on the System’s website at [www.psers.state.pa.us](http://www.psers.state.pa.us).

***Payables to the Pension Plan***

As of June 30, 2024, the School District had \$ 2,710,741 payable to the pension plan.

**NOTE 12 POSTEMPLOYMENT HEALTHCARE PLAN**

***Plan Description***

**School District Plan**

The School District has a healthcare plan for retired employees, which is a single employer defined benefit healthcare plan provided by the School District. The plan provides medical, prescription drug, dental and vision coverage for both retiree and family. The member is eligible until the employee reaches Medicare age. With the exception of qualifying administrators, to continue coverage upon retirement, the retiree must reimburse the School District 100% of the School District’s premium for the coverage.

Retirees opting to participate are asked to pay a premium amount that is less than the School District’s annual cost to provide health care coverage to retirees. The premium amount retirees pay is a blended rate for covering both active and retired Plan members. The fact that the blended rate that retirees pay is less than the cost of covering retired members and their beneficiaries results in what is known as an “implicit rate subsidy” by the School District, which gives rise to the benefit.

**NOTE 12 POSTEMPLOYMENT HEALTHCARE PLAN (CONTINUED)**

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In addition, all full-time employees may be eligible to receive a retirement benefit based on years of service. These benefits are detailed below.

***Administrators***

If the member retires through PSERS with 10 years of service as an administrator and 25 years of PSERS service, the School District will pay four months of single coverage premiums less \$ 100 and the active cost share per month, for every year of administrator service up to 120 months. The member must pay for any additional premium due to coverage of spouse and other dependents. Otherwise, if the member does not qualify for the subsidy but is eligible for PSERS superannuation or has 30 years of PSERS service, member must pay the full premium if coverage is elected.

***Teachers and Other Full-time Staff***

If the member has reached 25 years of service with the School District, the member will receive an account with a payment of \$ 5,000 that may be used for the cost of benefits.

**PSERS**

In addition to the other postemployment benefit detailed above, the Public School Employees' Retirement System (PSERS) also provides a health insurance premium assistance program for all eligible employees, which is a governmental cost-sharing multiple employer defined benefit plan. Employer contribution rates for premium assistance are established to provide reserves in the health insurance account that are sufficient for the payment of 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 increase to participating eligible retirees.

Retirees of the System can participate in the premium assistance program if they 1) have 24 ½ or more years of service, 2) are a disability retiree, 3) have 15 or more years of service and retired after reaching superannuation age, or 4) participate in the PSERS' health option program or employer-sponsored health insurance program.

The members eligible to participate in the System include all full-time public school 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.pa.gov](http://www.psers.pa.gov).



**SOUTHERN YORK COUNTY SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 12 POSTEMPLOYMENT HEALTHCARE PLAN (CONTINUED)**

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***Plan Membership***

**School District Plan**

Membership in the School District's plan consisted of the following at July 1, 2022, the date of the latest actuarial valuation:

Active participants	359
Vested former participants	22
Retired participants	<u>17</u>
Total	<u>398</u>

***Contributions***

**PSERS – Post Employment Healthcare**

The School District's contractually required contribution rate for the fiscal year ended June 30, 2024 was 0.64% 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 the unfunded accrued liability. Contributions to the OPEB plan from the employer were \$ 165,361 for the year ended June 30, 2024.

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

**School District Plan**

The School District's total OPEB liability was measured as of June 30, 2023 based on an actuarial valuation as of July 1, 2022. The plan has no assets that are accumulated in a trust that meets the criteria established in GASB Statement No. 75. At June 30, 2024, the School District reported a total OPEB liability of \$ 3,379,939.

For the year ended June 30, 2024, the School District recognized OPEB expense of \$ 194,741.

**PSERS**

At June 30, 2024, the School District reported a liability of \$ 2,994,269 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 the System's total OPEB liability as of June 30, 2022 to June 30, 2023. The School 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 School District's proportion was 0.1655 percent, which was a decrease of 0.0037 from its proportion measured as of June 30, 2023.

**SOUTHERN YORK COUNTY SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 12 POSTEMPLOYMENT HEALTHCARE PLAN (CONTINUED)**

***OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)***

**PSERS (Continued)**

For the year ended June 30, 2024, the School District recognized OPEB expense of \$ 75,248.

The table below summarizes the combined OPEB liability and OPEB expense:

	<b>Total OPEB/ Net</b>	
	<b>OPEB Liability</b>	<b>OPEB Expense</b>
School District Plan	\$ 3,379,939	\$ 194,741
PSERS	2,994,269	75,248
Total	<u>\$ 6,374,208</u>	<u>\$ 269,989</u>

***Changes in the Total OPEB Liability***

**School District Plan**

	<b>Total OPEB Liability</b>
<b>Beginning Balance</b>	\$ 3,186,144
<b>Changes for the year</b>	
Service cost	194,764
Interest	133,396
Changes in assumptions	41,565
Benefit payments	<u>(175,930)</u>
Net changes	<u>193,795</u>
<b>Ending Balance</b>	<u>\$ 3,379,939</u>

**SOUTHERN YORK COUNTY SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 12 POSTEMPLOYMENT HEALTHCARE PLAN (CONTINUED)**

***Changes in the Total OPEB Liability (Continued)***

At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	School District Plan		PSERS		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 685,488	\$ 1,269,595	\$ 20,000	\$ 30,000	\$ 705,488	\$ 1,299,595
Changes in assumptions	351,865	966,058	259,000	567,000	610,865	1,533,058
Net difference between projected and actual investment earnings	-	-	7,000	-	7,000	-
Changes in proportions - plan	-	-	17,000	93,000	17,000	93,000
Difference between employer contributions and proportionate share of total contributions	-	-	278	4,949	278	4,949
Benefit payments/contributions subsequent to the measurement date	134,071	-	167,913	-	301,984	-
	<u>\$ 1,171,424</u>	<u>\$ 2,235,653</u>	<u>\$ 471,191</u>	<u>\$ 694,949</u>	<u>\$ 1,642,615</u>	<u>\$ 2,930,602</u>

The amount of \$ 301,984 is reported as deferred outflows of resources related to OPEB resulting from benefit payments/contributions subsequent to the measurement date and will be recognized as a reduction in the total/net OPEB liability in the year ended June 30, 2025 related to the School District and PSERS plans, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year ended June 30	School District		
	Plan	PSERS	Total
2025	\$ (133,419)	\$ (83,693)	\$ (217,112)
2026	(133,419)	(81,811)	(215,230)
2027	(133,419)	(94,856)	(228,275)
2028	(133,419)	(112,875)	(246,294)
2029	(133,419)	(18,440)	(151,859)
Thereafter	(531,201)	-	(531,201)
Total	<u>\$ (1,198,296)</u>	<u>\$ (391,675)</u>	<u>\$ (1,589,971)</u>

***Actuarial Methods and Assumptions***

**School District Plan**

The total OPEB liability was determined by an actuarial valuation as of July 1, 2022, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

**PSERS**

The total OPEB liability as of June 30, 2023, was determined by rolling forward the System's 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.

**SOUTHERN YORK COUNTY SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 12 POSTEMPLOYMENT HEALTHCARE PLAN (CONTINUED)**

***Actuarial Methods and Assumptions (Continued)***

	<b>School District Plan</b>	<b>PSERS</b>
Actuarial Cost Method	Entry age normal	Entry age normal – level % of pay.
Investment Rate of Return	4.13% (S&P 20 year municipal bond rate – July 1, 2023.)	4.13% (S&P 20 year municipal bond rate – June 30, 2023.)
Salary	An assumption for salary increase is used for spreading contributions over future pay under the entry age normal cost method. For this purpose, salary increases are composed of a 2.5% cost of living adjustment, 1% real wage growth, and for teachers and administrators a merit increase which varies by age from 2.75% to 0%.	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	Based on 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.	Based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjust to reflect PSERS' experience and project using a modified version of the MP-2020 Improvement Scale.
Percentage of Eligible Employees Electing Coverage in Plan	75% of employees are assumed to elect coverage. 100% of Support Staff and Teachers are assumed to receive a one-time payment into an account. 10% of vested former participants are assumed to begin coverage at the later of age 62 or the valuation date.	Eligible retirees will elect to participate pre-age 65 at 50% and eligible retirees will elect to participate post-age 65 at 70%.
Health Care Cost Trend Rate	7.0% in 2023, 6.5% in 2024, 6.0% in 2025, and 5.5% in 2026. Rates gradually decrease from 5.4% in 2027 to 4.1% in 2075 and later based on the Society of Actuaries Long-Run Medical Cost Trend Model.	Applied to retirees with less than \$ 1,200 in premium assistance per year. Benefit is capped at \$ 1,200 per year.
Per Capita Claims Cost	The per capita claims cost for medical and prescription drug is based on the expected portion of the group's overall cost attributed to individuals in the specified age and gender brackets. The resulting costs are as follows: age 45-49, \$ 7,651 for males and \$ 11,049 for females; 50-54, \$ 10,132 for males and \$ 12,488 for females; 55-59, \$ 12,341 for males and \$ 13,067 for females; 60-64, \$ 16,104 for males and \$15,011 for females.	N/A

**SOUTHERN YORK COUNTY SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 12 POSTEMPLOYMENT HEALTHCARE PLAN (CONTINUED)**

*Actuarial Methods and Assumptions (Continued)*

**PSERS**

**Investment Return**

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

<b>OPEB - Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Cash	<u>100.0%</u>	1.2%
	<u>100.0%</u>	

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 OPEB liability was 4.13% for the School District’s Plan and PSERS. The School District Plan is not funded, therefore, a rate of 4.13% which is the S&P 20-year municipal bond rate as of July 1, 2023, is the applicable discount rate. Under the PSERS plan’s funding policy, contributions are structured for short term funding of premium assistance. The funding policy sets contribution rates necessary to assure solvency of premium assistance through the third fiscal year after the actuarial valuation date. The premium assistance account is funded to establish reserves that are sufficient for the payment of premium assistance benefits for each succeeding year. Due to the short-term funding policy, the OPEB’s plan fiduciary net position was not projected to be sufficient to meet projected future benefit payments, therefore the plan is considered a “pay-as-you-go” plan. A discount rate of 4.13% which represents the S&P 20-year municipal bond rate at June 30, 2023, was applied to all projected benefit payments to measure the total OPEB liability.

**SOUTHERN YORK COUNTY SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

***Sensitivity of the Total and Net OPEB Liability to Changes in the Discount Rate***

The following presents the total and net OPEB liabilities of the School District, as well as what the School District's liabilities would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate.

	1% Decrease 3.13%	Current Discount Rate 4.13%	1% Increase 5.13%
School District Plan - Total OPEB liability	\$ 3,666,239	\$ 3,379,939	\$ 3,111,857

	1% Decrease 3.13%	Current Discount Rate 4.13%	1% Increase 5.13%
PSERS - School District's proportionate share of the net OPEB liability	\$ 3,385,000	\$ 2,994,269	\$ 2,667,000

***Sensitivity of the Total and Net OPEB Liability to Changes in the Healthcare Cost Trend Rate***

For the PSERS plan, healthcare cost trends were applied to retirees receiving less than \$1,200 in Premium Assistance. As of June 30, 2023, retiree Premium Assistance benefits are not subject to future healthcare cost increases. The annual Premium Assistance reimbursement for qualifying retirees is capped at a maximum of \$ 1,200.

The following presents the total and net OPEB liabilities of the plans, as well as what the plans' total OPEB liability would be if it were calculated using the healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

**School District Plan**

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
School District Plan - Total OPEB Liability	\$ 2,971,355	\$ 3,379,939	\$ 3,868,444

**PSERS**

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
PSERS - School District's proportionate share of the net OPEB liability	\$ 2,994,000	\$ 2,994,269	\$ 2,995,000

**SOUTHERN YORK COUNTY SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

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***OPEB Plan Fiduciary Net Position***

**PSERS**

Detailed information about PSERS' fiduciary net position is available in the PSERS Comprehensive Annual Financial Report which can be found on the System's website at [www.psers.pa.gov](http://www.psers.pa.gov).

***Payables to the OPEB Plan***

**School District Plan**

As of June 30, 2024, the School District had no amounts payable to the School District OPEB Plan.

**PSERS**

As of June 30, 2024, the School District had \$ 52,429 payable to the pension plan related to OPEB.

**NOTE 13 COMMITMENTS AND CONTINGENCIES**

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***Grant Programs***

The School District participates in numerous state and federal programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the School District has not complied with rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2024 may be impaired. In the opinion of the School District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

***Litigation***

The School District is involved with various lawsuits in the normal course of operations. Management cannot predict the outcome of the lawsuits or estimate the amount of any loss that may result. Accordingly, no provisions or any contingent liabilities that may result have been made in the financial statements.

***Tax Assessment Appeals***

The School District is subject to real estate tax assessment appeals on an ongoing basis. If tax appeals are successful, the result is a loss of tax revenue to the School District. It is anticipated that any material loss of tax revenue on individual tax appeals will be offset with additional revenues from other properties of other sources of revenue and would not create a financial hardship to the School District.

**SOUTHERN YORK COUNTY SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 13 COMMITMENTS AND CONTINGENCIES (CONTINUED)**

***Environmental Concerns***

The School District has two underground storage tanks for its heating oil. If a leak or contamination occurred, the School District could become liable for the cost to clean up the spill. In order to mitigate this liability, the School District participates in the Commonwealth of Pennsylvania’s Underground Storage Tank Indemnification Fund.

Asbestos containing building materials (ACBM) have been identified in the School District and are being monitored.

The School District is currently unaware of any actual or potential liability related to these environmental concerns; thus, no liability has been recorded in the financial statements.

***Capital Commitments***

The School District has the following capital commitments as of June 30, 2024:

	<b>Total Estimated Costs</b>	<b>Total Costs Incurred</b>	<b>Total Costs To Be Incurred</b>
Architect Fees (SHS Project)	\$ 2,979,444	\$ 2,846,284	\$ 133,160
Construction Manager Fees (SHS Project)	1,090,000	964,000	126,000
General Contractor (SHS Project)	33,523,192	31,926,976	1,596,216
Electrical Contrator (SHS Project)	8,903,667	8,566,343	337,324
HVAC Contractor (SHS Project)	14,319,067	13,843,572	475,495
Plumbing Contractor (SHS Project)	3,665,382	3,564,114	101,268
Testing Services (SHS Project)	131,070	48,293	82,777
SHS Project - FFE	761,247	686,851	74,396
eRate Equipment	57,185	-	57,185
Miscellaneous Capital Reserve Projects	52,302	-	52,302
	<u>\$ 65,482,556</u>	<u>\$ 62,446,433</u>	<u>\$ 3,036,123</u>

**NOTE 14 RISK MANAGEMENT**

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The School District has purchased commercial insurance to cover general liability, directors’ and officers’ liability, unemployment compensation and employees’ vision coverage. For the insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or three prior years.

All expenditures for the School District’s risk management are recorded in the general fund or food service fund.



**SOUTHERN YORK COUNTY SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 14 RISK MANAGEMENT (CONTINUED)**

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***Lincoln Benefit Trust***

The School District is a member of the Lincoln Benefit Trust. The Trust is a claims servicing pool which pays claims for hospital benefits, medical coverage for physicians' services, certain dental coverage, major medical coverage, and certain other benefits submitted by employees of the seventeen participating school districts. Each participating employer contributes to the trust amounts determined by actuarial principles which will be adequate to cover annual claim costs, operating costs, and reserves sufficient to provide stated benefits. Since each school district is responsible for its own risk, additional assessments would be charged to make up any deficiency; thus, this functions like a retrospectively rated program.

Because Lincoln Benefit Trust acts as a claim-servicing pool, the School District remains responsible for the economic risk of providing stated benefits to employees. However, claims incurred from \$ 100,000 to \$ 299,999 are paid from the Trust mini-pool. Claims incurred over \$ 300,000 are paid from a stop loss insurance policy purchased by the Trust.

Changes in net position for the School District's account at Lincoln Benefit Trust (based on audited financial statements of Lincoln Benefit Trust) were as follows for the year ended June 30, 2024:

Net position - July 1, 2023	\$ 2,647,237
Contributions and interest income	5,447,914
Minipool reimbursement	897,867
Claims paid	(6,463,116)
Stop-loss insurance	(299,903)
Minipool premium	(865,825)
Contracted consulting	(27,241)
Administrative fees	<u>(287,498)</u>
Net position - June 30, 2024	<u>\$ 1,049,435</u>

Overall, the Lincoln Benefit Trust has net position of \$ 69,231,490 as of June 30, 2024 and showed a decrease in net position of \$ 3,135,999 for the year then ended. Financial statements of the Trust are available at the School District.

**SOUTHERN YORK COUNTY SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 15 SOUTHERN YORK COUNTY SCHOOL DISTRICT FOUNDATION**

The Foundation is included in these financial statements as a discretely presented component unit. The following details the significant footnotes of the Foundation.

***Cash and Investments***

The Foundation holds the following cash and investments at June 30, 2024:

	<b>Fair Value</b>
Money Market Funds	\$ 123,418
PeoplesBank - Equities	49,708
PeoplesBank - Fixed Income Mutual Funds	64,207
York County Community Foundation	1,238,306
	<u>\$ 1,475,639</u>

***Custodial Credit Risk - Investments***

For an investment, the custodial credit risk is the risk that in the event of the failure of the counterparty, the Foundation will not be able to recover its investments or collateral securities that are in the possession of an outside party. The Foundation’s investments are held by a financial institution’s trust department and are registered in the name of the financial institution, not the Foundation, and are therefore subject to custodial credit risk where applicable for the various investment types.

***Credit Risk/Interest Rate Risk - Investments***

The Foundation does not have a formal written investment policy that limits the credit quality rating for investments nor does the Foundation have a policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

As of June 30, 2024, the investments held by the Foundation’s had the following fair value, credit quality rating and maturity:

<b>Investment</b>	<b>Fair Value</b>	<b>Credit Quality Rating</b>	<b>Investment Maturities in Years</b>		
			<b>Less Than 1</b>	<b>1-5</b>	<b>More Than 5</b>
PeoplesBank - Equities	\$ 49,708	Not Rated	\$ 49,708	\$ -	\$ -
Federated Hermes Total Return Bond	28,693	AA-	-	-	28,693
Metropolitan West Total Return Bond	28,722	AA-	-	-	28,722
Ishares Treasury Bond	2,478	A	-	-	2,478
Nuven Preferred Securities and Income	1,741	Variable	-	-	1,741
Principal High Yield INSTL	2,573	Variable	-	-	2,573
	<u>\$ 113,915</u>		<u>\$ 49,708</u>	<u>\$ -</u>	<u>\$ 64,207</u>

**SOUTHERN YORK COUNTY SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 15 SOUTHERN YORK COUNTY SCHOOL DISTRICT FOUNDATION (CONTINUED)**

***Investments (Continued)***

The Foundation categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Foundation has the following fair value measurements as of June 30, 2024:

***Equities***

Equities listed on a national market or exchange are valued at the last sales price, or if there is no sale and the market is still considered active, at the mean of the last bid and ask prices on such exchange.

***Fixed Income Mutual Funds***

Mutual funds listed on a national market or exchange are valued at the last sales price, or if there is no sale and the market is still considered active, at the mean of the last bid and ask prices on such exchange.

***York County Community Foundation***

In addition to the cash and investments noted above, the Southern York County School District Foundation (the "Foundation") has transferred assets to the York County Community Foundation ("YCCF") to hold them as an endowed component fund ("Fund") for the benefit of the Foundation. The Foundation has granted the YCCF variance power which gives YCCF's Board of Trustees the power to use the Fund for other purposes in certain circumstances. The Fund is subject to YCCF's investment and spending policies. The portion of the fund that was contributed directly to YCCF by the Foundation is considered a reciprocal transfer because the Foundation is also a beneficiary.

For this portion of the fund, the Foundation reports the fair value of the Fund as an investment in the statement of financial position for the discretely presented component unit. Changes in the value of the Fund are reported as gains or losses in the statement of activities. There is little transparency around inputs to the valuation, as a result, the securities are classified within level 3 of the valuation hierarchy.

The following table sets forth, by level within the fair value hierarchy, the financial assets that were accounted for at fair value on a recurring basis as of June 30, 2024:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equities	\$ 49,708	\$ 49,708	\$ -	\$ -
Fixed Income Mutual Funds	64,207	64,207	-	-
York Community Foundation	1,238,306	-	-	1,238,306
Total investments by fair value category	<u>\$ 1,352,221</u>	<u>\$ 113,915</u>	<u>\$ -</u>	<u>\$ 1,238,306</u>

**SOUTHERN YORK COUNTY SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 15 SOUTHERN YORK COUNTY SCHOOL DISTRICT FOUNDATION (CONTINUED)**

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***Net Position***

The following details the net position of the Foundation as of June 30, 2024:

<b>Restricted - expendable</b>	
Scholarships and awards	\$ <u>165,150</u>
<b>Restricted - nonexpendable</b>	
Scholarships and awards	<u>1,261,422</u>
<b>Unrestricted</b>	<u>21,746</u>
Total net position	<u>\$ 1,448,318</u>

***Transactions Between the Primary Government and Component Unit***

During the year ended, the Foundation transferred \$ 33,913 to the School District to be used to assist in funding various programs for students.

**REQUIRED SUPPLEMENTAL INFORMATION**

**SOUTHERN YORK COUNTY SCHOOL DISTRICT**  
**Budgetary Comparison Schedule - General Fund (Unaudited)**  
**Year Ended June 30, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Local sources				
Taxes	\$ 39,323,974	\$ 39,323,974	\$ 40,054,732	\$ 730,758
Charges for services	203,350	129,100	167,306	38,206
Investment income	720,000	720,000	1,617,622	897,622
Miscellaneous revenues	83,600	157,850	229,107	71,257
Federal revenue from intermediary sources	740,000	740,000	753,790	13,790
State sources	20,044,765	20,044,765	20,469,049	424,284
Federal sources	<u>2,052,052</u>	<u>2,052,052</u>	<u>2,086,332</u>	<u>34,280</u>
<b>Total Revenues</b>	<u>63,167,741</u>	<u>63,167,741</u>	<u>65,377,938</u>	<u>2,210,197</u>
<b>EXPENDITURES</b>				
Instruction				
Regular programs	25,080,823	25,054,423	24,174,647	879,776
Special programs	9,300,017	9,300,017	8,854,829	445,188
Vocational educational programs	1,170,595	1,168,095	1,089,410	78,685
Other instructional programs	<u>234,185</u>	<u>236,685</u>	<u>132,183</u>	<u>104,502</u>
<b>Total Instruction</b>	<u>35,785,620</u>	<u>35,759,220</u>	<u>34,251,069</u>	<u>1,508,151</u>
Support services				
Pupil personnel	2,667,534	2,680,234	2,652,859	27,375
Instructional staff	2,415,979	2,415,979	2,248,400	167,579
Administration	3,954,588	3,900,188	3,800,261	99,927
Pupil personnel - nursing services	1,186,856	1,195,356	1,137,218	58,138
Business	1,395,652	1,455,252	1,381,456	73,796
Operation and maintenance of plant services	6,079,385	6,079,385	5,895,952	183,433
Student transportation services	2,970,115	2,970,115	2,824,168	145,947
Central	<u>2,195,433</u>	<u>2,195,433</u>	<u>2,176,611</u>	<u>18,822</u>
<b>Total Support Services</b>	<u>22,865,542</u>	<u>22,891,942</u>	<u>22,116,925</u>	<u>775,017</u>
Operation of noninstructional services				
Student activities	1,229,886	1,229,886	1,154,818	75,068
Community services	<u>27,622</u>	<u>27,622</u>	<u>11,454</u>	<u>16,168</u>
<b>Total Operation of Non-Instructional Services</b>	<u>1,257,508</u>	<u>1,257,508</u>	<u>1,166,272</u>	<u>91,236</u>
Debt service	-	-	291,762	(291,762)
Refund of prior year revenues	-	-	691	(691)
<b>Total Expenditures</b>	<u>59,908,670</u>	<u>59,908,670</u>	<u>57,826,719</u>	<u>2,081,951</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from insurance recovery	-	-	122,620	122,620
Proceeds from lease and IT subscription activity	-	-	583,296	583,296
Transfers in/out	(5,740,161)	(5,740,161)	1,396,754	7,136,915
Budgetary reserve	<u>(26,100)</u>	<u>(26,100)</u>	<u>-</u>	<u>26,100</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(5,766,261)</u>	<u>(5,766,261)</u>	<u>2,102,670</u>	<u>7,868,931</u>
<b>Net change in fund balance</b>	<u>\$ (2,507,190)</u>	<u>\$ (2,507,190)</u>	9,653,889	<u>\$ 12,161,079</u>
<b>FUND BALANCES - BEGINNING</b>			20,343,794	
<b>FUND BALANCES - ENDING</b>			<u>\$ 29,997,683</u>	

**SOUTHERN YORK COUNTY SCHOOL DISTRICT**  
**Required Supplementary Information - Schedule of School District's Proportionate**  
**Share of Net Pension Liability – Public School Employees' Retirement System**

<b>For the Fiscal Year Ended June 30</b>	<b>School District's Proportion of the Net Pension Liability (Asset)</b>	<b>School District's Proportionate Share of the Net Pension Liability (Asset)</b>	<b>School District's Covered Payroll- Measurement Period</b>	<b>School District's Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
2024	0.1653%	\$ 73,535,986	\$ 25,361,947	289.95%	61.85%
2023	0.1691%	75,179,699	24,880,268	302.17%	61.34%
2022	0.1696%	69,632,214	24,035,216	289.71%	63.67%
2021	0.1705%	83,952,522	23,922,931	350.93%	54.32%
2020	0.1685%	78,828,694	23,233,676	339.29%	55.66%
2019	0.1685%	80,888,000	22,689,546	356.50%	54.00%
2018	0.1733%	85,590,106	23,068,281	371.03%	51.84%
2017	0.1681%	83,305,026	21,771,513	382.63%	50.14%
2016	0.1736%	75,195,377	22,333,012	336.70%	54.36%
2015	0.1775%	70,255,773	22,655,748	310.10%	57.24%

**NOTES**

The amounts presented for each fiscal year were determined as of the measurement period year-end that was used for the fiscal year. For PSERS, the measurement period year-end is one year prior to the fiscal year-end.

***Changes in Actuarial Assumptions***

The following actuarial assumptions were changed during 2020-2021.

- Actuarial cost method – Entry Age Normal – level % of pay.
- The investment return 7.00%, includes inflation of 2.50%.
- Salary growth – effective average of 4.5% comprised of inflation of 2.50% and 2.00% for real wage growth for merit or seniority increases.
- Mortality rates 50% PubT-2010 and 50% PubG-2010 Retire Tables for Males and Females. Adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.

**SOUTHERN YORK COUNTY SCHOOL DISTRICT**  
**Required Supplementary Information - Schedule of School District's Contributions -**  
**Public School Employees' Retirement System**

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<b>For the Fiscal Year Ended June 30</b>	<b>Contractually Required Contribution</b>	<b>Contributions in Relation to the Contractually Required Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll - Fiscal Year</b>	<b>Contributions as a Percentage of Covered Payroll</b>
2024	\$ 8,498,921	\$ 8,498,921	\$ -	\$ 26,090,933	32.57%
2023	8,666,615	8,666,615	-	25,361,947	34.17%
2022	8,463,769	8,463,769	-	24,880,268	34.02%
2021	8,065,992	8,065,992	-	24,035,216	33.56%
2020	7,952,035	7,952,035	-	23,922,931	33.24%
2019	7,549,841	7,549,841	-	23,233,676	32.50%
2018	7,159,478	7,159,478	-	22,689,546	31.55%
2017	6,588,606	6,588,606	-	23,068,281	28.56%
2016	5,325,900	5,325,900	-	21,771,513	24.46%
2015	4,463,392	4,463,392	-	22,333,012	19.99%



**SOUTHERN YORK COUNTY SCHOOL DISTRICT**  
**Required Supplementary Information - Schedule of Changes in the School District's**  
**Total OPEB Liability and Related Ratios – School District Plan**

	2024	2023	2022	2021	2020	2019	2018
<b>Total OPEB liability</b>							
Service cost	\$ 194,764	\$ 249,307	\$ 249,946	\$ 224,898	\$ 201,547	\$ 263,056	\$ 251,609
Interest	133,396	75,454	59,063	107,819	83,463	125,631	92,936
Changes in benefit terms	-	-	-	-	293,964	-	-
Actual experience	-	790,948	-	(660,551)	-	(1,396,098)	-
Changes in assumptions	41,565	(953,275)	(102,569)	350,017	(92,236)	2,554	133,465
Benefit payments	<u>(175,930)</u>	<u>(79,288)</u>	<u>(63,111)</u>	<u>(101,523)</u>	<u>(102,420)</u>	<u>(198,912)</u>	<u>(218,860)</u>
Net change in total OPEB liability	193,795	83,146	143,329	(79,340)	384,318	(1,203,769)	259,150
Total OPEB liability - beginning	<u>3,186,144</u>	<u>3,102,998</u>	<u>2,959,669</u>	<u>3,039,009</u>	<u>2,654,691</u>	<u>3,858,460</u>	<u>3,599,310</u>
Total OPEB liability - ending	<u>\$ 3,379,939</u>	<u>\$ 3,186,144</u>	<u>\$ 3,102,998</u>	<u>\$ 2,959,669</u>	<u>\$ 3,039,009</u>	<u>\$ 2,654,691</u>	<u>\$ 3,858,460</u>
Covered employee payroll	N/A	\$ 24,107,771	N/A	\$ 23,116,247	N/A	\$ 22,487,406	\$ 21,184,503
Total OPEB liability as a percentage of covered employee payroll	N/A	13.22%	N/A	12.80%	N/A	11.81%	18.21%

**NOTES**

The amounts presented for each fiscal year were determined as of the measurement period year end that was used for the fiscal year. For the School District Plan, the measurement period year end is one year prior to the fiscal year end.

This schedule will be expanded to show 10 fiscal years once information becomes available in the future.

**SOUTHERN YORK COUNTY SCHOOL DISTRICT**  
**Required Supplementary Information - Schedule of School District's Proportionate**  
**Share of Net OPEB Liability – Public School Employees' Retirement System**

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<b>For the Fiscal Year Ended June 30</b>	<b>School District's Proportion of the Net OPEB Liability (Asset)</b>	<b>School District's Proportionate Share of the Net OPEB Liability (Asset)</b>	<b>School District's Covered Payroll - measurement period</b>	<b>School District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</b>
2024	0.1655%	\$ 2,994,269	\$ 25,361,947	11.81%	7.22%
2023	0.1692%	3,114,585	24,880,268	12.52%	6.86%
2022	0.1695%	4,017,291	24,035,216	16.71%	5.30%
2021	0.1705%	3,681,828	23,922,931	15.39%	5.69%
2020	0.1685%	3,039,009	23,233,676	13.08%	5.56%
2019	0.1685%	2,654,691	22,689,546	11.70%	5.56%
2018	0.1733%	3,530,835	23,068,281	15.31%	5.73%

**NOTES**

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This schedule will be expanded to show 10 fiscal years once information becomes available in the future.

The amounts presented for each fiscal year were determined as of the measurement period year-end that was used for the fiscal year. For PSERS, the measurement period year-end is one year prior to the fiscal year end.

**SOUTHERN YORK COUNTY SCHOOL DISTRICT**  
**Required Supplementary Information - Schedule of School District's OPEB Contributions**  
**- Public School Employees' Retirement System**

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<b>For the Fiscal Year Ended June 30</b>	<b>Contractually Required Contribution</b>	<b>Contributions in Relation to the Contractually Required Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll - Fiscal Year</b>	<b>Contributions as a Percentage of Covered Employee Payroll</b>
2024	\$ 165,361	\$ 165,361	\$ -	\$ 26,090,933	0.63%
2023	188,350	188,350	-	25,361,947	0.74%
2022	198,331	198,331	-	24,880,268	0.80%
2021	196,323	196,323	-	24,035,216	0.82%
2020	200,231	200,231	-	23,922,931	0.84%
2019	192,220	192,220	-	23,233,676	0.83%
2018	187,220	187,220	-	22,689,546	0.83%

**NOTES**

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This schedule will be expanded to show 10 fiscal years once information becomes available in the future.

**OTHER SUPPLEMENTARY INFORMATION**

**SOUTHERN YORK COUNTY SCHOOL DISTRICT**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2024**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Source Code	Federal ALN	Pass-Through Grantor's Number	Program Period	Program or Award Amount	Total Received for the Year	Receivable (Payable) at July 1, 2023	Revenue Recognized	Expenditures	Receivable (Payable) at June 30, 2024	Total Passed-Through to Subrecipients
<b>DEPARTMENT OF EDUCATION</b>											
<b>Passed through Pennsylvania Department of Education</b>											
Title I - Improving Basic Programs	I	84.010	013-23-0409	7/1/22-9/30/23	\$ 322,883	\$ 136,105	\$ 104,412	\$ 31,693	\$ 31,693	\$ -	\$ -
Title I - Improving Basic Programs	I	84.010	013-24-0409	7/1/23-9/30/24	364,263	259,468	-	354,914	354,914	95,446	-
Total Title I - Improving Basic Programs						395,573	104,412	386,607	386,607	95,446	-
Title II - Improving Teacher Quality	I	84.367	020-23-0409	7/1/22-9/30/23	58,107	-	(1,512)	2,077	2,077	565	-
Title II - Improving Teacher Quality	I	84.367	020-24-0409	7/1/23-9/30/24	65,956	46,761	-	59,462	59,462	12,701	-
Total Title II - Improving Teacher Quality						46,761	(1,512)	61,539	61,539	13,266	-
Title IV - Student Support and Academic Enrichment	I	84.424	144-23-0409	7/1/22-9/30/23	26,820	6,746	5,218	1,528	1,528	-	-
Title IV - Student Support and Academic Enrichment	I	84.424	144-24-0409	7/1/23-9/30/24	25,277	23,472	-	24,772	24,772	1,300	-
Total Title IV - Title IV - Student Support and Academic Enrichment						30,218	5,218	26,300	26,300	1,300	-
COVID-19 Elementary and Secondary School Emergency Relief Fund (ESSER II)	I	84.425D	200-21-0409	3/13/20-9/30/24	1,119,806	104,168	63,004	41,164	41,164	-	-
COVID-19 Elementary and Secondary School Emergency Relief Fund (ARP ESSER)	I	84.425U	223-21-0409	3/13/20-9/30/24	2,265,043	1,441,391	247,681	1,491,872	1,491,872	298,162	-
COVID-19 ARP ESSER 7% Set-Asides	I	84.425U	225-21-0409	3/13/20-9/30/24	176,045	102,426	38,533	67,094	67,094	3,201	-
COVID-19 ARP ESSER Homeless Children and Youth	I	84.425W	181-21-2409	3/13/20-9/30/24	12,562	9,019	1,748	9,306	9,306	2,035	-
Total COVID-19 Education Stabilization Fund						1,657,004	350,966	1,609,436	1,609,436	303,398	-
COVID 19 - P-EBT Local Admin Funds	I	10.649	358	7/1/22-6/30/23	N/A	653	-	653	653	-	-
Total Pennsylvania Department of Education						2,130,209	459,084	2,084,535	2,084,535	413,410	-
<b>Passed through Lincoln Intermediate Unit 12</b>											
<b>Special Education Cluster (IDEA)</b>											
IDEA Part B - Special Education	I	84.027	N/A	7/1/23-6/30/24	733,808	733,808	-	733,808	733,808	-	-
IDEA 619 funds - Special Education	I	84.173	N/A	7/1/23-6/30/24	3,318	3,318	-	3,318	3,318	-	-
Total Special Education Cluster						737,126	-	737,126	737,126	-	-
Title III	I	84.365	N/A	7/1/23-9/30/24	4,716	4,716	-	4,716	4,716	-	-
Total Lincoln Intermediate Unit 12						741,842	-	741,842	741,842	-	-
<b>Total Department of Education</b>						<b>2,872,051</b>	<b>459,084</b>	<b>2,826,377</b>	<b>2,826,377</b>	<b>413,410</b>	<b>-</b>
<b>DEPARTMENT OF AGRICULTURE</b>											
<b>Passed through Pennsylvania Department of Education</b>											
<b>Child Nutrition Cluster</b>											
School Breakfast Program	I	10.553	N/A	7/1/23-6/30/24	N/A	179,437	-	179,437	179,437	-	-
Total School Breakfast Program						179,437	-	179,437	179,437	-	-
School Lunch Program	I	10.555	N/A	7/1/23-6/30/24	N/A	508,534	-	508,534	508,534	-	-
COVID 19 - Supply Chain Assistance	I	10.555	N/A	7/1/23-6/30/24	138,060	69,523	-	69,523	74,566	-	-
<b>Passed through Pennsylvania Department of Agriculture</b>											
National School Lunch Program - commodities	I(B)	10.555	N/A	7/1/23-6/30/24	N/A	140,351	-	140,351	140,351	-	-
Total National School Lunch Program						718,408	-	718,408	723,451	-	-
Total Child Nutrition Cluster						897,845	-	897,845	902,888	-	-
<b>Total Department of Agriculture</b>						<b>897,845</b>	<b>-</b>	<b>897,845</b>	<b>902,888</b>	<b>-</b>	<b>-</b>
<b>Total Federal Financial Assistance</b>						<b>\$ 3,769,896</b>	<b>\$ 459,084</b>	<b>\$ 3,724,222</b>	<b>\$ 3,729,265</b>	<b>\$ 413,410</b>	<b>\$ -</b>

**SOUTHERN YORK COUNTY SCHOOL DISTRICT**  
**Notes to Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2024**

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**NOTE 1 REFERENCES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

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(B) Based on USDA valuation

(I) Indirect Award

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES**

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***Basis of Accounting***

The schedule of expenditures of federal awards is presented using the accrual basis of accounting, which conform to generally accepted governmental accounting principles. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable. Revenues designated for payment of specific School District expenditures are recognized when the related expenditures are incurred. Any excess of revenues or expenditures at the fiscal year end is recorded as accounts payable or a receivable, respectively.

**Indirect Cost Rate**

The School District has not elected to use the 10% de minimus indirect cost rate allowed under the Uniform Guidance.



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

Board of Directors  
Southern York County School District  
Glen Rock, Pennsylvania

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, the discretely presented component unit, and the aggregate remaining fund information of Southern York County School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Southern York County School District’s basic financial statements, and have issued our report thereon dated December 16, 2024.

***Report on Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Southern York County 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 Southern York County School District’s internal control. Accordingly, we do not express an opinion on the effectiveness of Southern York County 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 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 we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

## ***Report on Compliance and Other Matters***

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

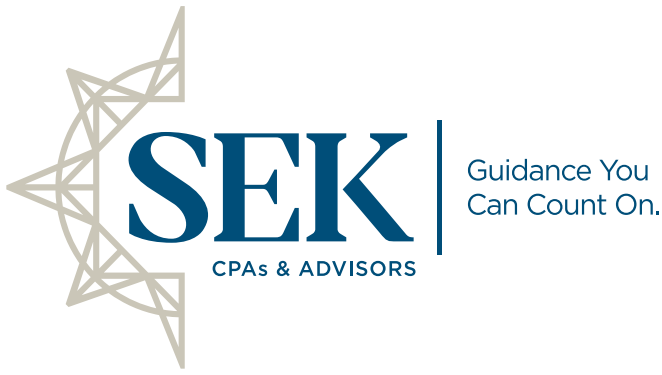
### ***Purpose of this Report***

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

*Smith & Elliott Reams Company, LLC*

Chambersburg, Pennsylvania  
December 16, 2024





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

Board of Directors  
Southern York County School District  
Glen Rock, Pennsylvania

### ***REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM***

#### ***Opinion on Each Major Federal Program***

We have audited Southern York County 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 Southern York County School District's major federal programs for the year ended June 30, 2024. The 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, Southern York County 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 Southern York County 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 Southern York County 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 Southern York County 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 Southern York County 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 for 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 Southern York County 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 Southern York County School District compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Southern York County 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 Southern York County 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 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 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 the 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 have not been 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.



Chambersburg, Pennsylvania  
December 16, 2024

**SOUTHERN YORK COUNTY SCHOOL DISTRICT**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2024**

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**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued:

**Unmodified**

Internal control over financial reporting:

- Material weaknesses identified?  Yes  No
- Significant deficiencies identified?  Yes  None Reported

Noncompliance material to financial statements noted?

Yes  No

**Federal Awards**

Internal control over major programs:

- Material weaknesses identified?  Yes  No
- Significant deficiencies identified?  Yes  None Reported

Type of auditor's report issued on compliance for the major programs:

**Unmodified**

- Any compliance audit findings disclosed that are required to be reported in accordance with Section 2 CFR Section 200.516?  Yes  No

Identification of the major programs:

ALN Number(s)	Name of Federal Program
10.553	Child Nutrition Cluster
10.555	School Breakfast Program
10.555	School Lunch Program
10.555	Supply Chain Assistance
	Value of USDA Commodities

Dollar threshold used to distinguish between type A and type B programs

\$ 750,000

Auditee qualified as low-risk auditee?

Yes  No

**SOUTHERN YORK COUNTY SCHOOL DISTRICT**  
**Schedule of Findings and Questioned Costs (Continued)**  
**Year Ended June 30, 2024**

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**Section II - Financial Statement Findings**

A. Significant Deficiencies or Material Weaknesses in Internal Control

None noted.

B. Compliance Findings

There were no compliance findings relating to the financial statement audit required to be reported.

**Section III - Federal Award Findings and Questioned Costs**

A. Significant Deficiencies or Material Weaknesses in Internal Control Over Compliance

None

B. Compliance Findings

There were no compliance findings relating to the major federal awards as required to be reported in accordance with Uniform Guidance by 2CFR Section 200.516.

# *Southern York County School District*

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## **SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**Year Ended June 30, 2024**

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### **Findings related to financial statements:**

None reported in the June 30, 2023 Schedule of Findings and Questioned Costs.

### **Findings related to federal awards:**

None reported in the June 30, 2023 Schedule of Findings and Questioned Costs.