

Audited  
Financial  
Statements

June 30,  
2024

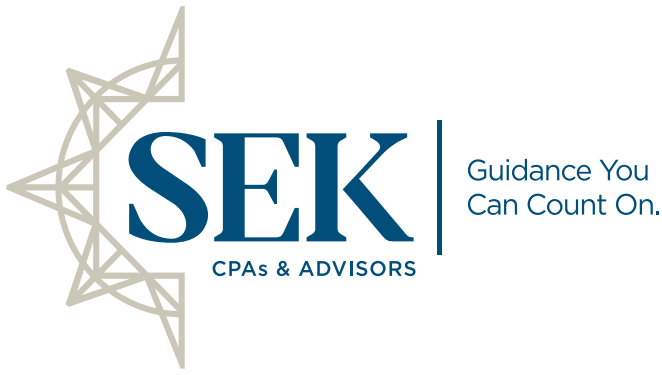
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**Northern York County School District**



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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Northern York County School District  
Dillsburg, 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, each major fund, and the aggregate remaining fund information of Northern 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, each major fund, and the aggregate remaining fund information of Northern 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 Northern 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Northern 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 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 Northern 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 Northern 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.

### ***Report on Summarized Comparative Information***

We have previously audited Northern York County School District's 2023 financial statements, and we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information in our report dated December 13, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it is derived.

## ***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 12, budgetary comparison information on page 61, and the schedules related to the pension and OPEB liabilities on pages 62 to 66 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 Northern York County School District's basic financial statements. The schedule of expenditures of federal awards is presented of purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and is not a required part of the basic financial statements. The schedule of expenditures of federal awards 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. Such 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 19, 2024, on our consideration of Northern York County School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Northern York County School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Northern York County School District's internal control over financial reporting and compliance.



Chambersburg, Pennsylvania  
December 19, 2024

**NORTHERN YORK COUNTY SCHOOL DISTRICT**  
**Management's Discussion and Analysis (Unaudited)**  
**June 30, 2024**

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The management of the Northern York County School District is pleased to present the following discussion and analysis of the School District's financial activities for the fiscal year ending June 30, 2024. Comparative financial information between fiscal years ending June 30, 2023 and June 30, 2024 is also presented in this report to show changes in the financial position of the School District from prior year to current year.

The intent of this discussion and analysis is to provide a narrative summary of the financial position and activities of the School District in order to enhance the reader's understanding of the School District's basic financial statements. The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*.

**FINANCIAL HIGHLIGHTS**

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- For the 2023-2024 fiscal year, the School Board adopted a balanced General Fund budget. In order to balance the budget, a real estate tax rate of 19.8362 mills was required. Included in the budget was a \$ 400,000 transfer into the Capital Reserve Fund for capital improvements. The General Fund had an actual gain of \$ 3,110,535 which was a \$ 3,015,482 difference compared to budget. Actual revenues exceeded budgeted revenues by \$ 2,408,837. This difference is attributed to \$ 1,055,000 in State basic education subsidy, \$ 235,000 in State pension reimbursement, \$ 363,000 in Earned Income Taxes, and \$ 785,000 in Interest Earnings. General Fund actual expenditures were more than budgeted expenditures by \$ 1,024,131. This difference is mainly attributed to outside cyber charter special education payments being over budget by \$ 270,392, special education placement services being over budget by \$ 371,957 and building maintenance being over budget by \$ 335,142. Other financing uses were less than budgeted amounts due to not using any of the \$ 750,000 budget reserve and also receiving funds from the construction fund for reimbursement of building costs paid for by the General Fund.
- The School District received \$ 910,189 from the State to fund property tax reductions. Property owners in the School District who filed and received approval for a homestead/farmstead exclusion saw their net tax due decrease by this amount.
- The Governmental Accounting Standards Board Statement No. 68 (GASB 68), became effective for fiscal year ending June 30, 2015. This statement addresses accounting and financial reporting for pensions that are provided to employees of state and local government employers. The implementation of this standard had a significant negative impact on the net position of the School District. Further analysis is available in the "Net Position" portion of this MD&A and can also be found in Note 12 of the financial statements.
- The Governmental Accounting Standards Board Statement No. 75 (GASB 75), became effective for fiscal year ending June 30, 2018. This statement addresses accounting and financial reporting for other post-employment benefits that are provided to employees of state and local government employers. Additional information can be found in Note 11 of the financial statements.

**NORTHERN YORK COUNTY SCHOOL DISTRICT**  
**Management's Discussion and Analysis (Unaudited)**  
**June 30, 2024**

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***OVERVIEW OF THE FINANCIAL STATEMENTS***

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These financial statements consist of three sections – Management’s Discussion and Analysis (this section), the basic financial statements, and other required supplementary information. The basic financial statements include two kinds of statements, which present different views of the School District.

The first two statements of the basic financial statements are government-wide financial statements. These statements on pages 13 and 14 consist of the Statement of Net Position and the Statement of Activities. The government-wide financial statements provide both short-term and long-term information about the School District’s overall financial status.

The remaining basic financial statements consist of fund financial statements. These statements focus on individual funds of the School District and provide a more detailed presentation of the School District’s operations. The governmental funds statements on pages 15 and 17 present how general School District services, such as regular and special education, are financed in the short-term as well as what remains for future spending. The statement of revenues, expenditures and changes in fund balance – budget and actual for the general fund is shown on page 61 and provides the budgetary comparisons to the actual revenues, expenditures and other financing sources (uses). The proprietary fund statements on pages 19 - 21 present both short-term and long-term information about the activities that the School District operates similar to a business, such as food service. Following the proprietary fund statements, the fiduciary fund statements on pages 22 and 23 present information about the financial relationships in which the School District acts solely as a trustee or agent for the benefit of others, such as student activity and trust funds.

Notes to the basic financial statements are included on pages 24 - 60. These notes provide a more detailed explanation of the School District’s financial statements. Following the notes to the basic financial statements is supplementary information on pages 61 – 66 that details budgetary information, other post-employment benefit information and pension benefit information.

***Government-Wide Statements***

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

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

**NORTHERN YORK COUNTY SCHOOL DISTRICT**  
**Management's Discussion and Analysis (Unaudited)**  
**June 30, 2024**

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

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

***Fund Financial Statements***

The fund financial statements provide detailed information about the most significant funds, or major funds – not the School District as a whole. Funds are accounting components that the School District uses to keep track of specific sources of funding and spending on particular programs. Some funds are required to be reported as major funds.

- **Governmental funds** – Most of the School District’s activities are reported in governmental funds and focus on financial position and changes in financial position, rather than upon net income determination. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District’s operations and the services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District’s programs. The relationship (or differences) between governmental activities (reported in the Statements of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements on pages 16 and 18.
- **Proprietary funds** – These funds are used to account for the School District activities that are similar to business operations in the private sector. When the School District charges customers for services it provides, these services are generally reported in proprietary funds. The Food Service Fund is the School District’s proprietary fund and is the same as the business-type activities reported in the government-wide statements, but provides more detail and additional information, such as cash flows.
- **Fiduciary funds** – The School District is the trustee or agent for individuals, private organizations and/or governmental units, such as student activity funds. The School District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong; the School District cannot use these assets to finance its operations. The financial statements for the fiduciary funds are shown on pages 22 and 23.



**NORTHERN YORK COUNTY SCHOOL DISTRICT**  
**Management's Discussion and Analysis (Unaudited)**  
**June 30, 2024**

**FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE**

**Net Position**

The School District's total net position was (\$ 17,481,356) at June 30, 2024 which includes (\$ 17,340,386) in Governmental Activities and (\$ 50,970) in Business-Type Activities. This shows a decrease in the negative net position of \$ 7,607,830 compared to June 30, 2023, (\$ 25,089,186). The reason for the large negative net position is caused by the implementation of both GASB 68 and GASB 75 which required the School District to record the net pension and other post-employment benefits (OPEB), deferred outflows and inflows of resources, and expense associated with the post-employment benefits other than pensions. The total School District's net pension liability at June 30, 2024 was \$ 61,791,582, of which \$ 60,323,755 was the Governmental Activities share and \$ 1,467,827 was the Business-Type Activities share. The result of recording these liabilities in each fiscal year has resulted in a negative net position. While PSERS is not a new pension plan, June 30, 2015 was the first time the proportionate share of the liability was required to be recorded on the financial statements of the School District. The total School District's Other Postemployment Benefits Liability at June 30, 2024 was \$ 5,551,323, of which \$ 5,432,821 was the result of Governmental Activities and \$ 118,502 was for Business-Type Activities.

**Statement of Net Position**

	2024			2023		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current assets	\$ 39,416,611	\$ 1,237,318	\$ 40,653,929	\$ 25,279,932	\$ 1,026,548	\$ 26,306,480
Noncurrent assets	59,616,196	57,269	59,673,465	53,741,813	65,607	53,807,420
Deferred outflows of resources	11,787,353	444,197	12,231,550	11,251,431	454,917	11,706,348
Total Assets and Deferred Outflows of Resources	<u>\$ 110,820,160</u>	<u>\$ 1,738,784</u>	<u>\$ 112,558,944</u>	<u>\$ 90,273,176</u>	<u>\$ 1,547,072</u>	<u>\$ 91,820,248</u>
Current liabilities	\$ 13,459,885	\$ 57,021	\$ 13,516,906	\$ 9,127,789	\$ 56,864	\$ 9,184,653
Noncurrent liabilities	108,905,427	1,614,992	110,520,419	99,135,227	1,590,206	100,725,433
Total Liabilities	<u>122,365,312</u>	<u>1,672,013</u>	<u>124,037,325</u>	<u>108,263,016</u>	<u>1,647,070</u>	<u>109,910,086</u>
Deferred Inflows of Resources	5,883,234	118,041	6,001,275	6,848,857	150,491	6,999,348
Net investment in capital assets	28,084,186	57,269	28,141,455	26,295,934	65,607	26,361,541
Restricted	548,877	57,339	606,216	543,225	64,315	607,540
Unrestricted	(46,063,449)	(165,578)	(46,229,027)	(51,677,856)	(380,411)	(52,058,267)
Total Net Position	<u>(17,430,386)</u>	<u>(50,970)</u>	<u>(17,481,356)</u>	<u>(24,838,697)</u>	<u>(250,489)</u>	<u>(25,089,186)</u>
Total Liabilities and Net Position	<u>\$ 110,818,160</u>	<u>\$ 1,739,084</u>	<u>\$ 112,557,244</u>	<u>\$ 90,273,176</u>	<u>\$ 1,547,072</u>	<u>\$ 91,820,248</u>

**NORTHERN YORK COUNTY SCHOOL DISTRICT**  
**Management's Discussion and Analysis (Unaudited)**  
**June 30, 2024**

***Statement of Activities***

The results of this year's operations as a whole are reported in the Statement of Activities. Direct expenses are listed by programs, and then offset by program revenues to determine net (expense) revenue and changes in net position. General revenues, such as taxes, state subsidies, and investment earnings are then applied prior to transfers, and special items, to determine the change in net position. For the 2023-2024 fiscal year, the change in net position for governmental activities reflects an increase of \$ 7,408,311 and of \$ 199,519 for business-type activities, or a total net increase of \$ 7,607,830 as reflected in the chart below.

	2024			2023		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Program Revenues						
Charges for services	\$ 558,480	\$ 691,856	\$ 1,250,336	\$ 535,657	\$ 703,579	\$ 1,239,236
Operating grants and contributions	12,011,619	1,251,608	13,263,227	12,333,845	1,257,200	13,591,045
Capital grants and contributions	604,177	-	604,177	591,833	-	591,833
General Revenues						
Taxes	40,588,630	-	40,588,630	39,546,564	-	39,546,564
State grants and subsidies	10,998,730	-	10,998,730	10,252,924	-	10,252,924
Other local revenue	80,514	-	80,514	75,232	-	75,232
Investment earnings	<u>1,869,148</u>	<u>55,607</u>	<u>1,924,755</u>	<u>887,938</u>	<u>27,991</u>	<u>915,929</u>
Total revenues	<u>66,711,298</u>	<u>1,999,071</u>	<u>68,710,369</u>	<u>64,223,993</u>	<u>1,988,770</u>	<u>66,212,763</u>
Direct expenses	<u>59,302,987</u>	<u>1,799,552</u>	<u>61,102,539</u>	<u>53,856,803</u>	<u>1,627,028</u>	<u>55,483,831</u>
Excess (deficiency) before transfers	7,408,311	199,519	7,607,830	10,367,190	361,742	10,728,932
Transfers between activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	<u>\$ 7,408,311</u>	<u>\$ 199,519</u>	<u>\$ 7,607,830</u>	<u>\$ 10,367,190</u>	<u>\$ 361,742</u>	<u>\$ 10,728,932</u>

***Governmental Activities***

Direct expenses represent the actual cost of providing the services while the net cost represents the amount of cost that is not recovered through program revenues, meaning user charges, subsidies, grants, and contributions. The largest source of grants and contributions are state and federal sources, which provided \$ 23,010,349 for governmental activities. The net cost of services must be recovered through general revenue, primarily taxes. Amounts not recovered will reduce funds available for future years. Direct expenses increased \$ 5,446,184 or 10.11% over the prior year for governmental activities. This decrease was primarily due to an increase in all salary and benefit line items as well as an increase in tuition costs for special education placements and cyber charter costs. Governmental activities program revenues increased \$ 287,059 or 2.13% from the prior year. Business-type activities posted an operating gain of \$ 143,912 which is \$ 189,839 less than the prior year gain of \$ 333,751.

**NORTHERN YORK COUNTY SCHOOL DISTRICT**  
**Management's Discussion and Analysis (Unaudited)**  
**June 30, 2024**

	2024			2023		
	Direct Expenses	Program Revenues	Net Cost	Direct Expenses	Program Revenues	Net Cost
<b>Governmental Activities</b>						
Instruction	\$ 35,689,953	\$ 8,661,731	\$ 27,028,222	\$ 32,711,439	\$ 9,397,590	\$ 23,313,849
Instructional student support	4,690,870	630,559	4,060,311	4,470,141	611,525	3,858,616
Administrative and financial support	6,498,987	555,833	5,943,154	6,110,497	560,641	5,549,856
Operation and maintenance of plant	5,434,277	514,821	4,919,456	4,703,692	354,135	4,349,557
Pupil transportation	3,611,971	1,698,469	1,913,502	3,218,419	1,536,181	1,682,238
Student activities	1,861,915	504,985	1,356,930	1,695,499	408,603	1,286,896
Community services	4,292	3,701	591	1,290	827	463
Interest expense and bond issue costs	1,510,722	604,177	906,545	945,826	591,833	353,993
<b>Total Governmental Activities</b>	<b>\$ 59,302,987</b>	<b>\$ 13,174,276</b>	<b>46,128,711</b>	<b>\$ 53,856,803</b>	<b>\$ 13,461,335</b>	<b>40,395,468</b>
Unrestricted grants and subsidies			(10,998,730)			(10,252,924)
Transfers			-			-
Investment earnings			(1,869,148)			(887,938)
<b>Total needs from taxes and other local sources</b>			<b>\$ 33,260,833</b>			<b>\$ 29,254,606</b>
	<b>Direct Expenses</b>	<b>Program Revenues</b>	<b>Net Cost</b>	<b>Direct Expenses</b>	<b>Program Revenues</b>	<b>Net Cost</b>
<b>Business-type Activities</b>						
Food services	\$ 1,799,552	\$ 1,943,464	\$ (143,912)	\$ 1,627,028	\$ 1,960,779	\$ (333,751)
Transfers			-			-
Investment earnings			(55,607)			(27,991)
<b>Total business-type activities</b>			<b>\$ (199,519)</b>			<b>\$ (361,742)</b>

**Governmental Fund Balance**

At June 30, 2024, the School District governmental funds reported a combined fund balance of \$ 209,280,895, which is an increase of \$ 10,449,488 from the June 30, 2023 combined fund balance.

	Governmental Fund Balance			
	2024	2023	\$ Change	% Change
General Fund - Nonspendable	\$ 187,423	\$ 263,845	\$ (76,422)	(28.96%)
General Fund - Restricted	215,881	215,845	36	0.02%
General Fund - Committed	7,334,863	2,860,612	4,474,251	156.41%
General Fund - Assigned	375,992	92,545	283,447	306.28%
General Fund - Unassigned	5,580,623	7,151,400	(1,570,777)	(21.96%)
Capital Reserve Fund - Restricted	332,996	327,380	5,616	1.72%
Renovation Projects Fund- Restricted	4,064,762	7,919,780	(3,855,018)	(48.68%)
Building Projects Fund - Restricted	11,188,355	-	11,188,355	100.00%
	<b>\$ 29,280,895</b>	<b>\$ 18,831,407</b>	<b>\$ 10,449,488</b>	<b>55.49%</b>
Total spendable	\$ 13,291,478	\$ 10,104,557	\$ 3,186,921	31.54%
Total restricted	15,801,994	8,463,005	7,338,989	86.72%
Total nonspendable	187,423	263,845	(76,422)	(28.96%)
	<b>\$ 29,280,895</b>	<b>\$ 18,831,407</b>	<b>\$ 10,449,488</b>	<b>55.49%</b>

**NORTHERN YORK COUNTY SCHOOL DISTRICT**  
**Management's Discussion and Analysis (Unaudited)**  
**June 30, 2024**

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***General Fund Budget***

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

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

	2024			2023		
	Final Budget	Actual	Variance	Final Budget	Actual	Variance
Total revenues	\$ 63,561,597	\$ 65,970,434	\$ 2,408,837	\$ 59,113,222	\$ 63,801,249	\$ 4,688,027
Total expenditures	<u>62,317,544</u>	<u>63,341,675</u>	<u>(1,024,131)</u>	<u>57,724,247</u>	<u>60,393,784</u>	<u>(2,669,537)</u>
Revenues over (under) expenditures	1,244,053	2,628,759	1,384,706	1,388,975	3,407,465	2,018,490
Other financing sources (uses)	<u>(1,149,000)</u>	<u>481,776</u>	<u>1,630,776</u>	<u>(1,073,000)</u>	<u>(425,021)</u>	<u>647,979</u>
Net change in fund balance	<u>\$ 95,053</u>	<u>\$ 3,110,535</u>	<u>\$ 3,015,482</u>	<u>\$ 315,975</u>	<u>\$ 2,982,444</u>	<u>\$ 2,666,469</u>

***CAPITAL ASSETS***

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At June 30, 2024, the School District recorded \$ 59,616,196 in governmental activities capital assets, which represents an increase of \$ 5,874,383 from the previous fiscal year. This net increase is a result of depreciation and amortization of \$ 2,665,422 being offset by additions of \$ 8,539,805. The largest additions were for projects that are currently in process the largest of which being the Northern Elementary School renovation and addition and the South Mountain Elementary School roof and HVAC renovations.

***Capital Assets (Net of Depreciation/Amortization)***

	2024	2023	Change
Governmental activities			
Land	\$ 324,188	\$ 324,188	\$ -
Construction in progress	7,996,535	621,550	7,374,985
Site improvements	3,177,063	3,291,216	(114,153)
Buildings	46,727,884	48,136,736	(1,408,852)
Equipment and furniture	1,218,302	1,238,939	(20,637)
Right-to-use asset - leased equipment	53,372	79,572	(26,200)
Right-to-use asset - IT subscriptions	<u>118,852</u>	<u>49,612</u>	<u>69,240</u>
Total governmental capital assets	<u>\$ 59,616,196</u>	<u>\$ 53,741,813</u>	<u>\$ 5,874,383</u>
Business-type activities			
Food service equipment	<u>\$ 57,269</u>	<u>\$ 65,607</u>	<u>\$ (8,338)</u>

**NORTHERN YORK COUNTY SCHOOL DISTRICT**  
**Management's Discussion and Analysis (Unaudited)**  
**June 30, 2024**

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***LONG-TERM LIABILITIES***

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Bonds, direct borrowings, and financed purchases were \$ 46,250,119 and \$ 34,682,921 at June 30, 2024 and 2023, respectively. Scheduled principal payments totaling \$ 3,085,000 were made to bondholders during 2023-2024.

Lease-purchase obligations were \$ 56,194 and \$ 82,202 at June 30, 2024 and 2023, respectively.

Lease IT Subscription obligations were \$ 32,558 at June 30, 2023 with no obligations at June 30, 2024.

The liability for Compensated Absences is reported under long-term liabilities. Under the terms of the School District's employment policies, employees are reimbursed for accrued vacation and personal leave upon retirement or other termination of employment. The reimbursement rate is established by the employment contract and varies by employee classification. In addition, under the Pennsylvania School Code, employees are granted sick days annually, with all unused sick days accumulating in subsequent years. Upon retirement the School District, employees are reimbursed based on their accumulated sick days, or a portion thereof, multiplied by an amount pre-established per the employment contract. The total liability for accrued vacation, personal and sick leave has been reflected in the Statement of Net Position and totals \$ 968,263 for the Governmental Activities and \$ 37,919 for the Business-type Activities for year ended June 30, 2024. Employees who retire with 15 years of service are eligible to remain on the School Districts health care plan until age 65. The liability for these post-employment benefits has been reflected in the Statement of Net Position and totals \$ 5,432,821 for the Governmental Activities and \$ 118,502 for the Business-type Activities for year ended June 30, 2024. The net pension obligation for the proportionate share of the PSERS pension plan for was \$ 60,323,755 for the Governmental Activities and \$ 1,467,827 for the Business-type Activities for the year ended June 30, 2024.

***2023-2024 BUDGET (PDE-2028) AND ECONOMIC FACTORS***

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	<b>Budget 2024-2025</b>	<b>Budget 2023-2024</b>	<b>Change</b>
Total revenues	\$ 66,887,166	\$ 63,561,597	\$ 3,325,569
Total expenditures	<u>58,809,196</u>	<u>56,316,544</u>	<u>2,492,652</u>
Revenues over (under) expenditures	8,077,970	7,245,053	832,917
Other financing sources (uses)	<u>(8,341,000)</u>	<u>(7,150,000)</u>	<u>(1,191,000)</u>
Net change in fund balance	<u>\$ (263,030)</u>	<u>\$ 95,053</u>	<u>\$ (358,083)</u>

The budget for 2024-2025 represents an increase in total expenditures of \$ 2,492,652 or 4.43%. This increase is caused by increases in cyber charter school costs, costs for outside placements of students for specific needs, and an increase in debt capacity for upcoming building projects. The remaining increase in costs are due to normal operations for utilities, supplies, and contracted personnel costs. The 2024-2025 budgeted revenues reflect a millage increase of .2975 or 1.5%. The 2024-2025 real estate tax rate is 20.1337 mills and is calculated on each property's assessed value in each of the eight municipalities located within the Northern York County School District. The Board of School Directors approved a balanced budget for the 2024-2025 fiscal year, which includes the use of \$ 263,030 of fund balance.

**NORTHERN YORK COUNTY SCHOOL DISTRICT**  
**Management's Discussion and Analysis (Unaudited)**  
**June 30, 2024**

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Budgeted employee health care premiums increased at a rate of 2.0% for 2024-2025. The School District has implemented premium sharing with some personnel as well as a deductible for all employees in an effort to reduce annual premium increases.

The 2023-2024 general fund unassigned fund balance of \$ 5,580,623 represents 9.49% of 2024-2025 budgeted expenditures. The fund balance is held to offset unforeseen expenditures and to fund future School District capital and debt expenditures. It is also needed to pay bills over the summer months before the majority of revenues begins to flow in late summer.

During 2006, the Pennsylvania State Legislators passed Act 1 which is also called the Homeowner Property Tax Relief Act. The passage of this Act coincided with the enactment of Act 72 which is commonly referred to as the "Slots Bill". With the passage of these two pieces of legislation, the State intended to tax newly created gaming proceeds and use a portion of those funds to give a property tax credit to certain groups of residents. The 2024-2025 budget reflects the estimated receipt of \$ 900,000 from the state to be used to reduce property taxes. Northern York County's adjusted index for 2024-2025 was set at 7.0%. The School District did not go to the full index and raised the rate by 1.5%. The School District's adjusted index for 2025-2026 was set at 5.1%. This index limits the rate of increase on tax mills.

The 2023-2024 fiscal year was the third year of a five-year contract with the Northern York Education Association (NYEA).

***CONTACTING THE SCHOOL DISTRICT FINANCIAL MANAGEMENT***

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The School District's financial report is intended to provide the readers with a general overview of the School District's finances and to show the Board's accountability for the funds it receives. If you have questions about this report or wish to request additional financial information, please contact the Business Office of the Northern York County School District, 650 S. Baltimore Street, Dillsburg, PA 17019, and (717) 432-8691, ext. 1100.

**NORTHERN YORK COUNTY SCHOOL DISTRICT**  
**Statement of Net Position**  
**June 30, 2024 with Summarized Comparative Totals for 2023**

	Governmental Activities	Business-Type Activities	Total	2023 Summarized
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ 33,397,131	\$ 1,131,734	\$ 34,528,865	\$ 21,136,843
Receivables				
Taxes, net	2,390,516	-	2,390,516	2,437,361
Intergovernmental	3,149,986	-	3,149,986	1,987,779
Other	239,287	98,359	337,646	442,229
Internal balances	48,828	(48,828)	-	-
Leases	1,440	-	1,440	5,782
Inventories	150,942	46,030	196,972	269,525
Prepaid items	36,481	10,323	46,804	26,961
Total current assets	<u>39,414,611</u>	<u>1,237,618</u>	<u>40,652,229</u>	<u>26,306,480</u>
<b>Noncurrent Assets</b>				
Capital assets not being depreciated				
Land	324,188	-	324,188	324,188
Construction in progress	7,996,535	-	7,996,535	621,550
Capital assets net of accumulated depreciation/amortization				
Site improvements	3,177,063	-	3,177,063	3,291,216
Buildings	46,727,884	-	46,727,884	48,136,736
Equipment, furniture and fixtures	1,218,302	57,269	1,275,571	1,304,546
Right-to-use asset - equipment	53,372	-	53,372	79,572
Right-to-use asset - IT subscriptions	118,852	-	118,852	49,612
Total noncurrent assets	<u>59,616,196</u>	<u>57,269</u>	<u>59,673,465</u>	<u>53,807,420</u>
<b>TOTAL ASSETS</b>	<u>99,030,807</u>	<u>1,294,887</u>	<u>100,325,694</u>	<u>80,113,900</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows related to pension liability	10,421,465	402,133	10,823,598	10,146,700
Deferred outflows related to OPEB liability	<u>1,365,888</u>	<u>42,064</u>	<u>1,407,952</u>	<u>1,559,648</u>
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>11,787,353</u>	<u>444,197</u>	<u>12,231,550</u>	<u>11,706,348</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 110,818,160</u>	<u>\$ 1,739,084</u>	<u>\$ 112,557,244</u>	<u>\$ 91,820,248</u>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Accounts payable	\$ 5,102,917	\$ 862	\$ 5,103,779	\$ 1,358,681
Accrued salaries and benefits/withholdings	4,002,159	-	4,002,159	3,916,926
Accrued interest	227,384	-	227,384	310,341
Unearned revenue	1,700	-	1,700	1,631
Other payables	-	46,902	46,902	50,270
Portion due or payable within one year				
General obligation bonds and notes payable	3,892,588	-	3,892,588	3,405,251
Lease obligations	27,043	-	27,043	26,008
IT subscription liability	-	-	-	32,558
Compensated absences	88,739	6,947	95,686	82,987
OPEB liability	117,355	2,310	119,665	-
Total current liabilities	<u>13,459,885</u>	<u>57,021</u>	<u>13,516,906</u>	<u>9,184,653</u>
<b>Noncurrent liabilities</b>				
Portion due or payable after one year				
General obligation bonds and notes payable	42,357,532	-	42,357,532	31,277,670
Lease obligations	29,151	-	29,151	56,194
Compensated absences	879,523	30,973	910,496	908,205
Net pension liability	60,323,755	1,467,827	61,791,582	63,086,927
OPEB liability	5,315,466	116,192	5,431,658	5,396,437
Total noncurrent liabilities	<u>108,905,427</u>	<u>1,614,992</u>	<u>110,520,419</u>	<u>100,725,433</u>
<b>TOTAL LIABILITIES</b>	<u>122,365,312</u>	<u>1,672,013</u>	<u>124,037,325</u>	<u>109,910,086</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows related to leases	1,437	-	1,437	5,651
Deferred inflows related to pension liability	2,334,367	53,186	2,387,553	2,966,834
Deferred inflows related to OPEB liability	3,068,617	64,855	3,133,472	3,458,885
Deferred (gain) charge on bond refunding	478,813	-	478,813	567,978
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>5,883,234</u>	<u>118,041</u>	<u>6,001,275</u>	<u>6,999,348</u>
<b>NET POSITION</b>				
Net investment in capital assets	28,084,186	57,269	28,141,455	26,361,541
Restricted	548,877	57,339	606,216	607,540
Unrestricted	<u>(46,063,449)</u>	<u>(165,578)</u>	<u>(46,229,027)</u>	<u>(52,058,267)</u>
<b>TOTAL NET POSITION</b>	<u>(17,430,386)</u>	<u>(50,970)</u>	<u>(17,481,356)</u>	<u>(25,089,186)</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>	<u>\$ 110,818,160</u>	<u>\$ 1,739,084</u>	<u>\$ 112,557,244</u>	<u>\$ 91,820,248</u>

**NORTHERN YORK COUNTY SCHOOL DISTRICT**  
**Statement of Activities**  
**Year Ended June 30, 2024 with Summarized Comparative Totals for 2023**

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Totals	2023 Summarized
Governmental activities:								
Instruction	\$ 35,689,953	\$ 163,149	\$ 8,498,582	\$ -	\$ (27,028,222)	\$ -	\$ (27,028,222)	\$ (23,313,849)
Instructional student support	4,690,870	-	630,559	-	(4,060,311)	-	(4,060,311)	(3,858,616)
Administrative and financial support services	6,498,987	-	555,833	-	(5,943,154)	-	(5,943,154)	(5,549,856)
Operation and maintenance of plant services	5,434,277	35,702	479,119	-	(4,919,456)	-	(4,919,456)	(4,349,557)
Pupil transportation	3,611,971	-	1,698,469	-	(1,913,502)	-	(1,913,502)	(1,682,238)
Student activities	1,861,915	359,629	145,356	-	(1,356,930)	-	(1,356,930)	(1,286,896)
Community services	4,292	-	3,701	-	(591)	-	(591)	(463)
Interest expense and bond issue costs	1,510,722	-	-	604,177	(906,545)	-	(906,545)	(353,993)
Total governmental activities	59,302,987	558,480	12,011,619	604,177	(46,128,711)	-	(46,128,711)	(40,395,468)
Business-type activities:								
Food services	1,799,552	691,856	1,251,608	-	-	143,912	143,912	333,751
Total primary government	\$ 61,102,539	\$ 1,250,336	\$ 13,263,227	\$ 604,177	(46,128,711)	143,912	(45,984,799)	(40,061,717)
<b>General revenues and transfers:</b>								
Property taxes levied for general purposes, public utility realty tax, earned income tax					40,588,630	-	40,588,630	39,546,564
Grants, subsidies and contributions not restricted					10,998,730	-	10,998,730	10,252,924
Investment earnings					1,869,148	55,607	1,924,755	915,929
Gain on sale of capital assets					-	-	-	4,600
Miscellaneous income					80,514	-	80,514	70,632
Total general revenues and transfers					53,537,022	55,607	53,592,629	50,790,649
Change in net position					7,408,311	199,519	7,607,830	10,728,932
Net position - beginning					(24,838,697)	(250,489)	(25,089,186)	(35,818,118)
Net position - ending					\$ (17,430,386)	\$ (50,970)	\$ (17,481,356)	\$ (25,089,186)



**NORTHERN YORK COUNTY SCHOOL DISTRICT**  
**Balance Sheet - Governmental Funds**  
**June 30, 2024 with Summarized Comparative Totals for 2023**

	General Fund	Capital Reserve Fund	Renovation Projects Fund	Building Projects Fund	Total Governmental Funds	2023 Summarized
<b>ASSETS</b>						
Cash and cash equivalents	\$ 13,914,669	\$ 332,996	\$ 6,147,060	\$ 13,002,406	\$ 33,397,131	\$ 20,204,501
Taxes receivable, net	2,390,516	-	-	-	2,390,516	2,437,361
Due from other funds	64,714	-	-	-	64,714	65,859
Intergovernmental receivables	3,149,986	-	-	-	3,149,986	1,962,040
Other receivables	239,287	-	-	-	239,287	352,892
Leases receivable	1,440	-	-	-	1,440	5,782
Inventories	150,942	-	-	-	150,942	236,884
Prepaid items	36,481	-	-	-	36,481	26,961
Total assets	<u>\$ 19,948,035</u>	<u>\$ 332,996</u>	<u>\$ 6,147,060</u>	<u>\$ 13,002,406</u>	<u>\$ 39,430,497</u>	<u>\$ 25,292,280</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 1,206,568	\$ -	\$ 2,082,298	\$ 1,814,051	\$ 5,102,917	\$ 1,356,429
Accrued salaries and benefits/withholdings	4,002,159	-	-	-	4,002,159	3,916,926
Unearned revenue	1,700	-	-	-	1,700	1,631
Due to other funds	15,886	-	-	-	15,886	12,348
Total liabilities	<u>5,226,313</u>	<u>-</u>	<u>2,082,298</u>	<u>1,814,051</u>	<u>9,122,662</u>	<u>5,287,334</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Leases	1,437	-	-	-	1,437	5,651
Unavailable tax revenue	1,025,503	-	-	-	1,025,503	1,167,888
Total deferred inflows of resources	<u>1,026,940</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,026,940</u>	<u>1,173,539</u>
<b>FUND BALANCES</b>						
<b>Nonspendable fund balance</b>						
Inventories	150,942	-	-	-	150,942	236,884
Prepaid items	36,481	-	-	-	36,481	26,961
<b>Spendable fund balance</b>						
<b>Restricted fund balance</b>						
Scholarships	215,881	-	-	-	215,881	215,845
Future capital improvements	-	332,996	4,064,762	11,188,355	15,586,113	8,247,160
<b>Committed fund balance</b>						
Health insurance	420,000	-	-	-	420,000	420,000
Transportation	40,000	-	-	-	40,000	40,000
Debt service	6,700,000	-	-	-	6,700,000	2,250,000
Student activities	174,863	-	-	-	174,863	150,612
<b>Assigned fund balance</b>						
Special school accounts	112,962	-	-	-	112,962	92,545
Budgeted deficit	263,030	-	-	-	263,030	-
Unassigned fund balance	5,580,623	-	-	-	5,580,623	7,151,400
Total fund balances	<u>13,694,782</u>	<u>332,996</u>	<u>4,064,762</u>	<u>11,188,355</u>	<u>29,280,895</u>	<u>18,831,407</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 19,948,035</u>	<u>\$ 332,996</u>	<u>\$ 6,147,060</u>	<u>\$ 13,002,406</u>	<u>\$ 39,430,497</u>	<u>\$ 25,292,280</u>

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

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**Total fund balances - governmental funds** \$ 29,280,895

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 this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.

Cost of assets	107,031,817	
Accumulated depreciation/amortization	<u>(47,415,621)</u>	
		59,616,196

Certain receivables are not available to pay for current period expenditures and therefore are not reported in the fund financial statements, but are reported in governmental activities of the Statement of Net Position.

Taxes receivable		1,025,503
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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 and associated deferred inflows and outflows of resources consist of:

Bonds, notes payable, and financed purchases net of discount and premium	(46,250,120)	
Deferred charge on bond refunding	(478,813)	
Accrued interest on bonds	(227,384)	
Compensated absences	(968,262)	
Lease obligations	(56,194)	
Net pension liability	(60,323,755)	
Deferred outflows related to pension liability	10,421,465	
Deferred inflows related to pension liability	(2,334,367)	
OPEB liability	(5,432,821)	
Deferred outflows related to OPEB liability	1,365,888	
Deferred inflows related to OPEB liability	<u>(3,068,617)</u>	
		<u>(107,352,980)</u>

**Net position of governmental activities in the Statement of Net Position** \$ (17,430,386)

**NORTHERN YORK COUNTY SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**Year Ended June 30, 2024 with Summarized Comparative Totals for 2023**

	General Fund	Capital Reserve Fund	Renovation Projects Fund	Building Projects Fund	Total Governmental Funds	2023 Summarized
<b>REVENUES</b>						
Local revenues						
Taxes	\$ 40,731,015	\$ -	\$ -	\$ -	\$ 40,731,015	\$ 39,381,643
Investment earnings	985,899	18,387	374,813	490,049	1,869,148	887,938
Revenue from intermediate sources	708,284	-	-	-	708,284	681,375
Other	846,779	-	-	-	846,779	1,209,002
State sources	21,062,272	-	-	-	21,062,272	20,595,713
Federal sources	1,636,185	-	-	-	1,636,185	1,291,846
Total revenues	<u>65,970,434</u>	<u>18,387</u>	<u>374,813</u>	<u>490,049</u>	<u>66,853,683</u>	<u>64,047,517</u>
<b>EXPENDITURES</b>						
Instruction	35,607,141	-	-	-	35,607,141	33,106,095
Support services	20,280,810	-	-	-	20,280,810	19,118,028
Operation of noninstructional services	1,843,308	-	-	-	1,843,308	1,702,387
Facilities acquisition, construction and improvements	754,708	412,771	4,229,831	3,320,411	8,717,721	2,833,304
Debt service:						
Principal	3,123,901	-	-	-	3,123,901	5,508,031
Interest	1,731,807	-	-	-	1,731,807	925,866
Bond issue costs	-	-	-	117,708	117,708	94,392
Underwriter's bond discount	-	-	-	111,251	111,251	74,865
Total expenditures	<u>63,341,675</u>	<u>412,771</u>	<u>4,229,831</u>	<u>3,549,370</u>	<u>71,533,647</u>	<u>63,362,968</u>
Excess (deficiency) of revenues over expenditures	<u>2,628,759</u>	<u>(394,384)</u>	<u>(3,855,018)</u>	<u>(3,059,321)</u>	<u>(4,679,964)</u>	<u>684,549</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds from long-term financing and leases	133,991	-	-	14,355,000	14,488,991	9,660,000
Bond premium	-	-	-	640,461	640,461	161,188
Proceeds from sale of assets	-	-	-	-	-	4,600
Proceeds from insurance	-	-	-	-	-	6,955
Interfund transfers	347,785	400,000	-	(747,785)	-	-
Total other financing sources and (uses)	<u>481,776</u>	<u>400,000</u>	<u>-</u>	<u>14,247,676</u>	<u>15,129,452</u>	<u>9,832,743</u>
Net change in fund balances	3,110,535	5,616	(3,855,018)	11,188,355	10,449,488	10,517,292
Fund balances - beginning	<u>10,584,247</u>	<u>327,380</u>	<u>7,919,780</u>	<u>-</u>	<u>18,831,407</u>	<u>8,314,115</u>
Fund balances - ending	<u>\$ 13,694,782</u>	<u>\$ 332,996</u>	<u>\$ 4,064,762</u>	<u>\$ 11,188,355</u>	<u>\$ 29,280,895</u>	<u>\$ 18,831,407</u>

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

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**Net change in fund balances - total governmental funds** \$ 10,449,488

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 expense for the period. This is the amount by which capital outlays (\$ 8,539,805 ) differed from depreciation/amortization expense (\$ 2,665,422 ) in the current period. 5,874,383

Because certain taxes will not be collected for several months after the School District's fiscal year end, they are not considered as "available" revenues in the governmental funds. This is the change in the receivable balance for the government-wide statements. (142,385)

The issuance of long term obligations (bonds, leases, loans, IT subscription) provides current financial resources to governmental funds, while the repayment of principal of long term obligations consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of prepaid bond insurance, premiums, discounts, and similar items when debt is first issued, whereas, these amounts are deferred and amortized in the statement of activities.

Repayment of general obligation bonds/notes and financed purchases- principal	3,146,267
Issuance of general obligation bonds	(14,355,000)
Purchase of IT subscription	(133,991)
Bond premium on debt issuance	(640,461)
Amortization of bond premiums, discounts, deferred charge on bond refunding and prepaid bond insurance	371,161
Repayment of lease obligations - principal	26,008
Repayment of IT subscription liability - principal	166,549

Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds. This is the difference between the amount incurred and the amount paid of:

Accrued interest	82,957
Net pension liability and related deferred outflows and inflows	2,548,099
OPEB liability and related deferred outflows and inflows	26,563
Compensated absences	<u>(11,327)</u>

**Change in net position of governmental activities** **\$ 7,408,311**

**NORTHERN YORK COUNTY SCHOOL DISTRICT**  
**Statement of Net Position - Proprietary Fund**  
**June 30, 2024 with Summarized Comparative Totals for 2023**

	Food Service	2023 Summarized
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 1,131,734	\$ 932,342
Due from other funds	15,907	12,348
Intergovernmental receivables	-	25,739
Receivable from students, net	79,573	69,530
Other receivables	18,786	19,807
Inventories	46,030	32,641
Prepaid items	10,323	-
Total current assets	<u>1,302,353</u>	<u>1,092,407</u>
<b>Noncurrent Assets</b>		
Furniture and equipment	1,017,685	1,017,685
Accumulated depreciation	<u>(960,416)</u>	<u>(952,078)</u>
Total noncurrent assets	<u>57,269</u>	<u>65,607</u>
Total assets	<u>1,359,622</u>	<u>1,158,014</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows related to pension liability	402,133	409,175
Deferred outflows related to OPEB liability	<u>42,064</u>	<u>45,742</u>
Total deferred outflows	<u>444,197</u>	<u>454,917</u>
Total assets and deferred outflows of resources	<u>\$ 1,803,819</u>	<u>\$ 1,612,931</u>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 862	\$ 2,252
Due to other funds	64,735	65,859
Compensated absences	6,947	4,342
Other payables	46,902	50,270
OPEB liability	<u>2,310</u>	<u>-</u>
Total current liabilities	<u>121,756</u>	<u>122,723</u>
<b>Noncurrent Liabilities</b>		
Compensated absences	30,973	29,915
OPEB liability	116,192	110,660
Net pension liability	<u>1,467,827</u>	<u>1,449,631</u>
Total noncurrent liabilities	<u>1,614,992</u>	<u>1,590,206</u>
Total liabilities	<u>1,736,748</u>	<u>1,712,929</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows related to pension liability	53,186	81,848
Deferred inflows related to OPEB liability	<u>64,855</u>	<u>68,643</u>
Total deferred inflows	<u>118,041</u>	<u>150,491</u>
<b>NET POSITION</b>		
Net investment in capital assets	57,269	65,607
Restricted	57,339	64,315
Unrestricted	<u>(165,578)</u>	<u>(380,411)</u>
Total net position	<u>(50,970)</u>	<u>(250,489)</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 1,803,819</u>	<u>\$ 1,612,931</u>

**NORTHERN YORK COUNTY SCHOOL DISTRICT**  
**Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Fund**  
**Year Ended June 30, 2024 with Summarized Comparative Totals for 2023**

	<b>Food Service</b>	<b>2023 Summarized</b>
<b>OPERATING REVENUE</b>		
Charges for services	\$ 691,856	\$ 703,579
Total operating revenues	<u>691,856</u>	<u>703,579</u>
<b>OPERATING EXPENSES</b>		
Food and milk purchases	770,283	724,548
Salaries	571,720	515,835
Employee benefits	337,014	280,222
Supplies	13,676	10,086
Depreciation	8,338	9,571
Purchased services	98,521	86,766
Total operating expenses	<u>1,799,552</u>	<u>1,627,028</u>
Operating (loss)	<u>(1,107,696)</u>	<u>(923,449)</u>
<b>NONOPERATING REVENUES</b>		
Federal subsidies	897,293	944,155
State subsidies	354,315	313,045
Interest income	55,607	27,991
Total nonoperating revenue	<u>1,307,215</u>	<u>1,285,191</u>
Income (loss) before transfers	<u>199,519</u>	<u>361,742</u>
Change in net position	199,519	361,742
Total net position - beginning	<u>(250,489)</u>	<u>(612,231)</u>
Total net position - ending	<u>\$ (50,970)</u>	<u>\$ (250,489)</u>

**NORTHERN YORK COUNTY SCHOOL DISTRICT**  
**Statement of Cash Flows - Proprietary Fund**  
**Year Ended June 30, 2024 with Summarized Comparative Totals for 2023**

	Food Service	2023 Summarized
<b>Cash flows from operating activities</b>		
Cash received from food sales	\$ 675,907	\$ 660,218
Cash payments to suppliers for goods and services	(790,349)	(722,476)
Cash payments to and on behalf of employees	(901,887)	(797,298)
Net cash used for operating activities	<u>(1,016,329)</u>	<u>(859,556)</u>
<b>Cash flows from capital financing activities</b>		
Purchase of equipment	-	(5,952)
<b>Cash flows from noncapital financing activities</b>		
Federal subsidies	798,661	845,540
State subsidies	361,453	305,982
Net cash provided by noncapital financing activities	<u>1,160,114</u>	<u>1,151,522</u>
<b>Cash flows from investing activities</b>		
Earnings on investments	<u>55,607</u>	<u>27,991</u>
Net increase (decrease) in cash and cash equivalents	199,392	314,005
Cash and cash equivalents - beginning	<u>932,342</u>	<u>618,337</u>
Cash and cash equivalents - ending	<u>\$ 1,131,734</u>	<u>\$ 932,342</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	\$ (1,107,696)	\$ (923,449)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Donated food used	117,233	82,026
Depreciation	8,338	9,571
(Increase) decrease in:		
Inventory	(13,389)	5,794
Prepaid items	(10,323)	9,182
Accounts receivable	(9,022)	(33,688)
Due from other funds	(3,559)	(7,900)
Increase (decrease) in:		
Compensated absences	3,663	637
OPEB liability and related items	7,732	19,689
Net pension liability and related items	(3,424)	(36,545)
Due to other funds	(1,124)	14,978
Accounts payable	<u>(4,758)</u>	<u>149</u>
Total adjustments	<u>91,367</u>	<u>63,893</u>
Net cash used for operating activities	<u>\$ (1,016,329)</u>	<u>\$ (859,556)</u>

**NORTHERN YORK COUNTY SCHOOL DISTRICT**  
**Statement of Fiduciary Net Position**  
**June 30, 2024 with Summarized Comparative Totals for 2023**

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	Custodial Funds	2023 Summarized
<b>ASSETS</b>		
Cash and cash equivalents	\$ 33,068	\$ 17,220
Total assets	<u>\$ 33,068</u>	<u>\$ 17,220</u>
<b>LIABILITIES</b>		
Accounts payable	\$ 776	\$ -
Total liabilities	<u>\$ 776</u>	<u>\$ -</u>
<b>NET POSITION</b>		
Restricted for:		
Student activities	\$ 32,292	17,220
Total net position	<u>\$ 32,292</u>	<u>\$ 17,220</u>
Total liabilities and net position	<u>\$ 33,068</u>	<u>\$ 17,220</u>



**NORTHERN YORK COUNTY SCHOOL DISTRICT**  
**Statement of Changes in Fiduciary Net Position**  
**Year Ended June 30, 2024 with Summarized Comparative Totals for 2023**

	<b>Custodial Funds</b>	<b>2023 Summarized</b>
<b>ADDITIONS</b>		
Fundraising	\$ 38,538	\$ 37,753
Interest	1,184	513
Sales	-	867
Contributions	<u>40,171</u>	<u>42,946</u>
Total additions	<u>79,893</u>	<u>82,079</u>
<b>DEDUCTIONS</b>		
Contributions	14,101	46,909
Travel	16,280	-
Supplies	21,893	27,803
Conferences	12,505	5,640
Miscellaneous	<u>42</u>	<u>-</u>
Total deductions	<u>64,821</u>	<u>80,352</u>
Change in net position	15,072	1,727
Net position - beginning	<u>17,220</u>	<u>15,493</u>
Net position - ending	<u>\$ 32,292</u>	<u>\$ 17,220</u>

# NORTHERN 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*

Northern York County School District (School District) operates a public school system which is geographically comprised of the Boroughs of Dillsburg, Franklintown, and Wellsville and Townships of Carroll, Franklin, Monaghan, Warrington, and Washington in York County, Pennsylvania.

The School District consists of Northern High School, Northern Middle School; and the Dillsburg, Northern, South Mountain and Wellsville Elementary Schools; as well as the School District Administration Office and the Sports and Learning Center.

The financial statements of the School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

#### *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 the 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.

Certain organizations warrant inclusion as part of the financial reporting entity because of the nature and significance of their relationship with the primary government, including their ongoing financial support of the primary government. A legally separate, tax-exempt organization should be reported as a component unit of the reporting entity if all of the following criteria are met:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. In the case of the School District, this would include benefiting the students of the School District.
2. The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. The ability of a primary government to otherwise access the resources of an organization does not necessarily imply control over the organization or its resources. This access can be demonstrated if historically the primary government has received, directly or indirectly, a majority of the economic resources provided by the organization, or the organization has previously honored requests to provide resources to the organization.
3. The economic resources received or held by the individual organization, that the primary government is entitled to, or has the ability to otherwise access, is significant to the primary government.

# NORTHERN YORK COUNTY SCHOOL DISTRICT

## Notes to Financial Statements

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

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#### ***Reporting Entity (Continued)***

The Polar Bear Foundation was evaluated as a potential component unit, but it was determined to not meet all of the criteria necessary to be considered a component unit.

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

**Cumberland-Perry Area Career and Technical Center** - is a separate legal entity organized by thirteen local school districts. The School is operated, administered and managed by a joint operating committee consisting of board members from the thirteen member school districts. These members are elected from their individual school district board of directors. The School District's share of annual operating costs of CPACTC is reflected as intergovernmental expenditures of the General Fund.

**Capital Area Intermediate Unit** - is a separate legal entity organized by constituent school districts in Cumberland, Dauphin, Perry, and York counties to provide services to the school districts. Each member school district appoints one member to serve on the Board of Directors of the Intermediate Unit. The School District contracts with the Intermediate Unit primarily for special education services and training.

**York County School of Technology** - is a separate legal entity with fourteen member districts. The School is operated, administered, and managed by a joint operating committee consisting of board members from the fourteen member school districts. Northern York County School District is a non-member district of the School and expenditures relate to students living within Washington Township. The School District's share of annual operating costs of the School is reflected as intergovernmental expenditures of the General Fund.

Complete financial statements for each of the entities described above can be obtained from each respective administrative office. The School District has no equity interest in any of the above joint ventures.

#### ***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.

**NORTHERN YORK COUNTY SCHOOL DISTRICT**  
**Notes to Financial Statements**

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

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***Fund Accounting (Continued)***

The School District reports the following major governmental funds:

**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 noninstructional services are accounted for in this fund. This is a legally budgeted fund, and any unassigned fund balances are considered as resources available for use.

**b. *Capital Reserve Fund***

This fund is authorized under by Municipal Code P.L. 145, Act of April 30, 1943, accounts for (1) moneys transferred during any fiscal year from appropriations made for any particular purpose which may not be needed, (2) surplus moneys in the General Fund of the treasury of the School District at the end of any fiscal year, and (3) interest earnings of the fund itself. These funds must be used for capital improvements.

**c. *Renovation Projects Fund***

The Renovation Projects Fund is used to account for financial resources to be used for capital maintenance upgrades including HVAC projects, roof replacements, and energy savings projects.

**d. *Building Projects Fund***

The Building Projects Fund is used to account for financial resources to be used for the Northern Middle School and Northern Elementary School renovation projects.

**2. *Proprietary Fund***

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 fund is utilized:

***Food Service Fund – Enterprise Fund – Major 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.

**3. *Fiduciary Funds***

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and custodial funds. Custodial funds are used to account for fiduciary activities that are not required to be reported in pension trust funds, investment trust funds, or private-purpose trust funds. The School District reports the Student Activities as a custodial fund.

**NORTHERN YORK COUNTY SCHOOL DISTRICT**  
**Notes to Financial Statements**

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

---

***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.

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. Fiduciary funds are reported by fund type.

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 liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in fund 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.

Fiduciary funds are reported using the economic resources measurement focus.

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

---

***Basis of Accounting***

The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Net position (total assets plus 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 is charged as expense against current operations and accumulated depreciation 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 grants designated for payment of specific school district expenditures is recognized when the related expenditures are incurred and available, which is generally 60 days; accordingly, when such funds are received, they are recorded as liabilities 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 services, including charges for meals, and the costs of food, salaries and benefits, depreciation, and other expenses. Federal and State subsidies are considered non-operating revenues as no exchange transaction occurs.

***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.
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.

# NORTHERN YORK COUNTY SCHOOL DISTRICT

## Notes to Financial Statements

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

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

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. These programs frequently result in supplementary budget appropriations.

During 2023/2024, the School District overspent the budgeted expenditures of the General Fund, which is a violation of the Pennsylvania School Code, but is not expected to result in any negative implications of the School District.

Capital budgets are not implemented for capital improvements in the Capital Reserve Fund, Renovation Projects Fund, and Building Projects Fund. All transactions of the Capital Reserve Fund, Renovation Projects Fund, and Building Projects Fund are approved by the Board prior to commitment, thereby constructively achieving budgetary control.

#### ***Cash, Cash Equivalents, and Investments***

Cash and cash equivalents include all demand deposits, petty cash, savings, money market accounts, PLGIT accounts, PSDLAF accounts, and certificates of deposit with an original maturity of less than 90 days owned by the School District. Investments include certificates of deposit with an original maturity of greater than 90 days. Investments are stated at market value. Accrued interest is included with other receivables on the balance sheet.

#### ***Statement of Cash Flows***

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

#### ***Inventory***

Inventory in the Food Service Fund consists of expendable supplies and food (valued at cost) held for consumption. The expendable supplies are recorded as an expenditure when used. The cost of governmental fund inventories are recorded as expenditures when purchased in the fund financial statements and the asset (valued at cost) at June 30 is offset by nonspendable fund balance. Governmental fund supplies inventories are capitalized at cost and expensed as used on the government-wide financial statements.

#### ***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 funds.

**NORTHERN YORK COUNTY SCHOOL DISTRICT**  
**Notes to Financial Statements**

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

---

***Capital Assets (Continued)***

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 acquisition value as of the date received. The School District maintains a capitalization threshold of \$ 7,500. 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 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 – 50 years	N/A
Buildings	20 – 50 years	N/A
Equipment, Furniture and Fixtures	5 – 20 years	5 – 12 years
Right-to-use asset – leased equipment	2 – 5 years	N/A
Right-to-use asset – IT subscriptions	2 – 5 years	N/A

***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 amounts deferred due to various impacts of the accounting for Pension and OPEB liabilities. The OPEB and pension amounts deferred will be amortized as described in Note 11 and Note 12, respectively.

In addition to liabilities, the statement of net position or 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 position or fund balance 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 has several items that qualify for reporting in this category, including the deferred charge on bond refunding, amounts deferred due to various impacts of the accounting for OPEB and pension liabilities as detailed in Note 11 and Note 12, respectively, and future revenues related to leases (on the statement of net position and the balance sheet for governmental funds). A deferred charge on bond refunding results from the difference in the carrying value of refunding debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The School District also reports unavailable revenue on the governmental funds balance sheet as a deferred inflow of resources.



**NORTHERN YORK COUNTY SCHOOL DISTRICT**  
**Notes to Financial Statements**

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

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***Interfund Activity/Internal Balances***

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. Interfund 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 nonoperating revenues/expenses in proprietary funds.

***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, deferred charge on bond refunding, as well as prepaid bond insurance costs, 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. The deferred (gain)/charge on bond refunding is reported as deferred outflows of resources and amortized over the term of the related debt. Prepaid bond insurance costs are 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 face amount of debt issued and original issue discounts or premiums are reported as other financing sources and uses. Issuance costs and underwriter's discount, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

***Leases***

**Lessee:** The School District is a lessee for noncancellable leases of equipment. The School District recognizes lease liabilities and intangible right-to-use lease assets (lease assets) 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.

# NORTHERN YORK COUNTY SCHOOL DISTRICT

## Notes to Financial Statements

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

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#### *Leases (Continued)*

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.

**Lessor:** The School District is a lessor for noncancellable leases of building space. 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 the 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 remeasurement 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 subscription asset (subscription asset) in the government-wide financial statements.

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

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

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 initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life.

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.

***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 the GASB Statements, which establishes standards for the measurement, recognition, and display of pension expense and related liabilities, assets, and note disclosures.

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***

Liability for compensated absences is accounted for in accordance with the provisions of the GASB, which requires 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.

**NORTHERN YORK COUNTY SCHOOL DISTRICT**  
**Notes to Financial Statements**

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

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***Compensated Absences (Continued)***

The estimate of the liability for the accumulated unpaid sick leave has been calculated using the vesting method in accordance with provisions of the GASB. Under that method, the School District has identified the accrued sick leave benefit 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.

Liabilities for vested, unused vacation, sick pay, and personal leave are recorded in the proprietary funds and the government-wide financial statements and are expensed as incurred.

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

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

The School District provides 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 for by the retirees. Consequently, the School District is providing an implicit rate subsidy to its retirees. These benefits are financed on a pay-as-you-go basis.

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

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 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 benefit terms. Investments are reported at fair value.

***Net Position - Government-Wide/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 and reduced by any 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.

**NORTHERN YORK COUNTY SCHOOL DISTRICT**  
**Notes to Financial Statements**

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

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***Net Position - Government-Wide/Proprietary Funds (Continued)***

**Restricted Net Position:** This component consists of net position with constraints placed on the use by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation.

Restricted net position as of June 30, 2024 consists of \$ 215,881 for scholarships and \$ 332,996 for capital projects.

**Unrestricted Net Position:** This category 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 government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) 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 use restricted resources first, then unrestricted resources as they are needed.

***Fund Balance - Governmental Funds***

In the governmental funds financial statements, fund balance is classified in the following categories:

**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, change 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 District's 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 or the Business Manager has the authority to make assignments of fund balance. The assignment of fund balance cannot result in a negative unassigned fund balance.

**NORTHERN YORK COUNTY SCHOOL DISTRICT**  
**Notes to Financial Statements**

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

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***Fund Balance – Governmental Funds (Continued)***

**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.

***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: unassigned, assigned and committed. Assigned or committed resources would only be used upon specific authorization by the School Board, or the Business Manager in the case of assigned fund balance.

***Minimum Fund Balance***

The School District strives to maintain an unassigned general fund balance of not less than four percent (4%) and not more than eight percent (8%) of the budgeted expenditures for that fiscal year.

The total fund balance, consisting of portions including committed, assigned, and unassigned, may exceed eight percent (8%).

If the unassigned portion of the fund balance falls below the threshold of four percent (4%), the Board will pursue variations of increasing revenues and decreasing expenditures or a combination of both until four percent (4%) is attained. If the assigned, committed and unassigned portions of the fund balance exceed eight percent (8%) of budgeted expenditures, the Board may utilize a portion of the fund balance by appropriating excess funds for nonrecurring expenditures only.

***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, deferred outflows of resources, liabilities and deferred inflows of resources, and the disclosure of those items, 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.

***Comparative Data***

Comparative total data for the prior year has been presented in the accompanying financial statements as it was originally reported in order to provide an understanding of changes in the School District's financial position and results of operations. This prior year summarized comparative information is not presented in the level of detail required for presentation in conformity with generally accepted accounting principles.

# NORTHERN YORK COUNTY SCHOOL DISTRICT

## Notes to Financial Statements

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### 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 policy for custodial credit risk. As of June 30, 2024, all of the School District's deposits are covered by FDIC.

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.

**NORTHERN YORK COUNTY SCHOOL DISTRICT**  
**Notes to Financial Statements**

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

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***Credit Risk – Investments***

The School District invests in external investment pools 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:

<u>Investment</u>	<u>Fair Value</u>
PA Local Government Investment Trust (PLGIT)	\$ 19,489,962
PA School District Liquid Asset Fund - PSDMAX	<u>15,520,195</u>
	<u>\$ 35,010,157</u>

Included in cash and cash equivalents on the statement of net position are pooled investments in the Pennsylvania School District Liquid Asset Fund (PSDLAF-MAX) of \$ 15,520,195. The PSDLAF investments are 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 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.

Included in cash and cash equivalents on the statement of net position are investments in Pennsylvania Local Government Investment Trust (PLGIT) of \$ 19,489,962. PLGIT operates like a money market and seeks to maintain a stable net asset value of \$ 1 per share. 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.

***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 or PLGIT.



**NORTHERN 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 (Continued)***

The School District does not have a formal written investment policy that limits its investment choices to certain credit ratings. As of June 30, 2024, the School District’s investments were rated as:

<u>Investment</u>	<u>S&amp;P Global Ratings</u>
PA School District Liquid Asset Fund	AAAm
PA Local Government Investment Trust	AAAm

***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.

Investments in Pennsylvania School District Liquid Asset Fund (PSDLAF) - Max 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.

**NOTE 3 TAXES**

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Real estate taxes are considered fully collectible since liens can be filed on properties. The uncollectible portion of per capita taxes was estimated based on previous collection experience.

Property taxes are levied as of July 15 on assessed property values. The tax bills are mailed by the Tax Collectors on July 1 and are payable as follows:

Discount	July 15 – September 15
Face	September 16 – November 15
Penalty	November 16 - January 15

After January 15, the bills are considered delinquent and turned over to the County Tax Claim Bureau for collection.

**NORTHERN YORK COUNTY SCHOOL DISTRICT**  
**Notes to Financial Statements**

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

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

Real estate	\$ 691,228
Earned income	1,669,398
Per capita	<u>53,801</u>
	2,414,427
Reserve for uncollectible accounts	<u>(23,911)</u>
Taxes receivable, net	2,390,516
Taxes collected within sixty days, recorded as revenues in governmental funds	<u>(1,365,013)</u>
Taxes estimated to be collected after sixty days (unavailable), recorded as deferred inflows of resources in governmental funds	<u>\$ 1,025,503</u>

***Tax Abatements***

**Pennsylvania Clean and Green Program**

Clean and Green is a preferential tax assessment program 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 ten 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 \$ 3,690,462, were abated under this program.

**NOTE 5 LEASE RECEIVABLE/DEFERRED INFLOWS**

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The School District has leases for use of building space. The leases have varying terms that run through December 2024 and require monthly payments ranging from \$ 242 to \$ 2,658 based on the School District’s estimated interest rate of 2.45%. The ending lease receivable of \$ 1,440 and associated deferred inflow of \$ 1,437 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 \$ 8,151 and interest revenue of \$ 66 associated with these leases.

**NORTHERN YORK COUNTY SCHOOL DISTRICT**  
**Notes to Financial Statements**

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**NOTE 6 INTERNAL BALANCES**

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Interfund receivables/payables consist of the following at June 30, 2024:

<u>Funds</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 64,735	\$ 15,907
Food Service	15,907	64,735
	<u>\$ 80,642</u>	<u>\$ 80,642</u>

The Food Service Fund owes the General Fund for reimbursement of salaries and related benefits. The General Fund owes the Food Service Fund for student receivables.

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

<u>Funds</u>	<u>Transfers In</u>	<u>Transfer Out</u>
General Fund	\$ 747,785	\$ 400,000
Capital Reserve	400,000	-
Building Projects	-	747,785
	<u>\$ 1,147,785</u>	<u>\$ 1,147,785</u>

During the current year, a budgeted transfer was made to the Capital Reserve Fund from the General Fund to cover current year expenditures. A transfer was made from the Building Projects Fund to the General Fund to cover current year capital expenditures.

**NOTE 7 INTERGOVERNMENTAL RECEIVABLES**

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Intergovernmental receivables at June 30, 2024 consist of the following:

Local:	Deed transfer	\$ 45,554
State:	Social Security	330,243
	Retirement	1,356,198
	Mental Health	8,395
	Transportation	288,752
Federal:	Grants	1,120,844
	Total governmental activities/governmental funds	<u>\$ 3,149,986</u>

**NORTHERN YORK COUNTY SCHOOL DISTRICT**  
**Notes to Financial Statements**

**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:

	Beginning Balance	Additions	Retirements	Ending Balance
<b>Governmental Activities</b>				
Cost				
Assets not being depreciated				
Land	\$ 324,188	\$ -	\$ -	\$ 324,188
Construction in progress	621,550	8,018,376	(643,391)	7,996,535
Assets being depreciated/amortized:				
Site improvements	4,938,655	131,808	-	5,070,463
Buildings	86,523,463	643,390	-	87,166,853
Equipment, furniture, and fixtures	5,881,921	255,631	(17,307)	6,120,245
Right-to-use asset - leased equipment	129,848	-	-	129,848
Right-to-use asset - IT subscriptions	89,694	133,991	-	223,685
Total cost	<u>98,509,319</u>	<u>9,183,196</u>	<u>(660,698)</u>	<u>107,031,817</u>
Less accumulated depreciation/amortization				
Site improvements	(1,647,439)	(245,961)	-	(1,893,400)
Buildings	(38,386,727)	(2,052,242)	-	(40,438,969)
Equipment, furniture, and fixtures	(4,642,982)	(276,268)	17,307	(4,901,943)
Right-to-use asset - leased equipment	(50,276)	(26,200)	-	(76,476)
Right-to-use asset - IT subscriptions	(40,082)	(64,751)	-	(104,833)
Total accumulated depreciation/amortization	<u>(44,767,506)</u>	<u>(2,665,422)</u>	<u>17,307</u>	<u>(47,415,621)</u>
<b>Capital assets, net</b>	<u>\$ 53,741,813</u>	<u>\$ 6,517,774</u>	<u>\$ (643,391)</u>	<u>\$ 59,616,196</u>
<b>Business-Type Activities</b>				
Cost				
Equipment, furniture and fixtures	\$ 1,017,685	\$ -	\$ -	\$ 1,017,685
Less accumulated depreciation:				
Equipment, furniture and fixtures	(952,078)	(8,338)	-	(960,416)
<b>Capital assets, net</b>	<u>\$ 65,607</u>	<u>\$ (8,338)</u>	<u>\$ -</u>	<u>\$ 57,269</u>

The balance in construction in progress is related to Northern Elementary and Middle School renovations, Dillsburg Elementary roof replacement, a water source heat pump, and a HVAC upgrade for South Mountain Elementary.

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

Instruction	\$ 2,028,920
Instructional student support	102,085
Administrative and financial support services	102,619
Operation and maintenance of plant services	336,110
Student activities	95,688
	<u>\$ 2,665,422</u>

**NORTHERN YORK COUNTY SCHOOL DISTRICT**  
**Notes to Financial Statements**

**NOTE 9 ACCRUED SALARIES AND BENEFITS/WITHHOLDINGS**

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

Accrued salaries	\$ 2,315,765
Retirement	758,970
Social security	177,164
Health insurance	678,208
Other withholdings	72,052
	<u>\$ 4,002,159</u>

**NOTE 10 LONG-TERM LIABILITIES**

The changes in long-term liabilities (other than pension and OPEB) during the year ended June 30, 2024 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion	Long-term Portion
<b>Governmental Activities</b>						
Bonds						
(A) Series of 2019	\$ 5,400,000	\$ -	\$ (230,000)	\$ 5,170,000	\$ 2,770,000	\$ 2,400,000
(B) Series of 2022	8,410,000	-	(5,000)	8,405,000	265,000	8,140,000
(C) Series of 2021A	4,405,000	-	(2,800,000)	1,605,000	470,000	1,135,000
(D) Series of 2021B	4,900,000	-	-	4,900,000	-	4,900,000
(E) Series of 2022A	9,660,000	-	(50,000)	9,610,000	50,000	9,560,000
(F) Series of 2023	-	14,355,000	-	14,355,000	5,000	14,350,000
Direct Borrowing						
(G) Financed purchases	186,772	-	(61,267)	125,505	40,333	85,173
Unamortized bond (discount)/premium	1,721,149	640,461	(281,996)	2,079,614	292,255	1,787,359
Subtotal - bonds and notes payable	<u>34,682,921</u>	<u>14,995,461</u>	<u>(3,428,263)</u>	<u>46,250,119</u>	<u>3,892,588</u>	<u>42,357,532</u>
Compensated absences						
Vacation leave	215,939	298,602	(271,543)	242,998	51,761	191,236
Personal leave	206,786	300,817	(297,684)	209,919	36,978	172,941
Sick leave	534,211	163,581	(182,446)	515,346	-	515,346
Subtotal - compensated absences	<u>956,936</u>	<u>763,000</u>	<u>(751,673)</u>	<u>968,263</u>	<u>88,739</u>	<u>879,523</u>
Lease obligations						
IT subscription liability	82,202	-	(26,008)	56,194	27,043	29,151
	<u>32,558</u>	<u>133,991</u>	<u>(166,549)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total long-term liabilities</b>	<b><u>\$ 35,754,617</u></b>	<b><u>\$ 15,892,452</u></b>	<b><u>\$ (4,372,493)</u></b>	<b><u>\$ 47,274,576</u></b>	<b><u>\$ 4,008,370</u></b>	<b><u>\$ 43,266,206</u></b>
<b>Business-Type Activities</b>						
Compensated absences						
Vacation leave	\$ 9,635	\$ 6,963	\$ (4,237)	\$ 12,361	\$ 5,397	\$ 6,964
Personal leave	3,473	3,551	(3,362)	3,662	1,550	2,113
Sick leave	21,149	3,753	(3,006)	21,896	-	21,896
<b>Total long-term liabilities</b>	<b><u>\$ 34,257</u></b>	<b><u>\$ 14,267</u></b>	<b><u>\$ (10,605)</u></b>	<b><u>\$ 37,919</u></b>	<b><u>\$ 6,947</u></b>	<b><u>\$ 30,973</u></b>

(A) On October 9, 2019, the School District issued general obligation bonds – Series of 2019 in the amount of \$ 6,310,000 to currently refund the School District’s Series of 2014 bonds, provide funds for future capital projects and to pay the cost of issuing the bond. The bonds are due in varying amounts on May 15, 2020 to 2030. The bonds bear fixed interest rates ranging from 2.0% to 4.0%.

(B) On May 18, 2022, the School District issued general obligation bonds – Series of 2022 in the amount of \$ 8,545,000 to currently refund the School District’s Series of 2017 bonds and to pay the cost of issuing the bond. The bonds are due in varying amounts on November 15, 2022 to 2029. The bonds bear fixed interest rates ranging from 3.0% to 4.0%.

# NORTHERN YORK COUNTY SCHOOL DISTRICT

## Notes to Financial Statements

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

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- (C) On April 20, 2021, the School District issued general obligation note – Series of 2021A in the amount of \$ 9,820,000 to currently refund the School District’s Series of 2012 bonds, Series of 2015A bonds and to pay the cost of issuing the notes. The notes are due in varying amounts on November 15, 2021 to 2025. The notes bear interest rates ranging from 1.0% to 4.0%.
- (D) On April 20, 2021, the School District issued general obligation note – Series of 2021B in the amount of \$ 4,900,000 to fund renovations and improvements to the School District facilities, refund the School District’s Series of 2015 bond and to pay the cost of issuing the notes. The notes are due in varying amounts on November 15, 2025 to 2030. The notes bear interest at a rate of 4%.
- (E) On December 22, 2022, the School District issued general obligation bonds – Series of 2022A in the amount of \$ 9,660,000 to fund various future capital projects. The bonds are due in varying amounts on November 15, 2023 to 2037. The bonds bear fixed interest rates at 4.0%.
- (F) On October 25, 2023, the School District issued general obligation bonds – Series of 2023 in the amount of \$ 14,355,000 to fund renovations and improvements to the School District facilities and pay the cost of issuing the bonds. The bonds are due in varying amounts on November 15, 2024 to 2043. The notes bear fixed interest rates ranging from 3.75% to 5.25%.
- (G) The School District entered into two financed purchases for the acquisition of computers and energy upgrades. The financed purchases require annual principal and interest payments ranging from \$ 22,366 to \$ 44,951 based on interest rates ranging from 3.12% to 3.68% through 2027.

The School District’s general obligation bonds and notes 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 payments to the bond holders.

The School District’s general fund is used to make principal payments on long-term liabilities.

#### **Lease Obligation**

The School District entered into lease agreements for five years as lessee for the acquisition and use of copiers and a postage machine. The leases require monthly principal and interest payments ranging from \$ 135 to \$ 2,263 based on interest rates ranging between 2.45% and 4.00%. The associated right-to-use assets are disclosed in the Capital Asset footnote.

#### **IT Subscription Liabilities**

The School District entered into subscription arrangements ranging from 2 to 5 years for the exclusive use of subscription-based information technology. The arrangements require annual principal and interest payments ranging from \$ 23,275 to \$ 133,991 based on an interest rate of 4.00%. The associated right-to-use asset is disclosed in the Capital Assets footnote.

**NORTHERN YORK COUNTY SCHOOL DISTRICT**  
**Notes to Financial Statements**

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

The annual debt requirements for future general obligation bonds as of June 30, 2024 are as follows:

	Bonds		Financed Purchases		Lease Obligations		Totals		
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2025	\$ 3,560,000	\$ 1,782,069	\$ 40,333	\$ 4,619	\$ 27,043	\$ 1,736	\$ 3,627,376	\$ 1,788,424	\$ 5,415,800
2026	3,510,000	1,658,106	41,817	3,134	26,895	669	3,578,712	1,661,909	5,240,621
2027	3,050,000	1,532,794	43,355	1,596	2,256	8	3,095,611	1,534,398	4,630,009
2028	3,315,000	1,407,506	-	-	-	-	3,315,000	1,407,506	4,722,506
2029	3,435,000	1,286,469	-	-	-	-	3,435,000	1,286,469	4,721,469
2030 - 2034	9,405,000	5,148,456	-	-	-	-	9,405,000	5,148,456	14,553,456
2035 - 2039	8,895,000	3,398,963	-	-	-	-	8,895,000	3,398,963	12,293,963
2040 - 2043	8,875,000	962,456	-	-	-	-	8,875,000	962,456	9,837,456
	<u>\$ 44,045,000</u>	<u>\$ 17,176,819</u>	<u>\$ 125,505</u>	<u>\$ 9,349</u>	<u>\$ 56,194</u>	<u>\$ 2,413</u>	<u>\$ 44,226,699</u>	<u>\$ 17,188,581</u>	<u>\$ 61,415,280</u>

***Subsequent Events***

Subsequent to year end, on October 31, 2024, the School District issued a general obligation bond, Series of 2024 in the amount of \$ 14,380,000 to fund the acquisition, design, construction of renovations and improvements to existing school facilities. The bonds bear interest rates ranging from 3.21% to 4.19%.

**NOTE 11 OTHER POSTEMPLOYMENT BENEFITS**

***Plan Descriptions and Benefits Provided***

**School District Plan**

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

The School District pays 50% of the premiums for medical, dental, and prescription drug benefits for eligible retirees in the administrator’s employee group. To be eligible for this group the retiree would have to be a retired administrator with 15 years of continuous services with the School District, 30 years of service with PSERS, and be eligible for retirement with PSERS.

Retired employees in the teacher and support staff groups pay 100% of their premiums for medical, dental, and prescription drug benefits under the School District’s postemployment benefit plan.

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 benefits. All employees are eligible for this benefit upon reaching PSERS retirement age. The School District’s postemployment benefits are administered by School District personnel. The Plan does not issue a separate stand-alone financial statement.

No assets are accumulated in a trust that meets the criteria of GASB standards.

**NORTHERN YORK COUNTY SCHOOL DISTRICT**  
**Notes to Financial Statements**

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**NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

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***Plan Descriptions and Benefits Provided (Continued)***

**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. Healthcare cost trends were applied to retirees receiving less than \$ 1,200 in annual premium assistance. The annual premium assistance reimbursement for qualifying retirees is capped at a maximum of \$ 1,200. As of June 30, 2023, there were no assumed future benefit increase to participating eligible retirees or employer-sponsored health insurance program.

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 the 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).

***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	313
Retired participants	11
Total	<u>324</u>

***Contributions***

**PSERS**

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 \$ 144,524 for the year ended June 30, 2024.



**NORTHERN YORK COUNTY SCHOOL DISTRICT**  
**Notes to Financial Statements**

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**NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

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***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 July 1, 2023, and the total OPEB liability was determined by rolling forward the total liability from July 1, 2022 to June 30, 2023 based on an actuarial valuation as of July 1, 2022, which was based on census information as of August 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 \$ 3,032,880.

For the year ended June 30, 2024, the School District recognized OPEB expense of \$ 190,480.

**PSERS**

At June 30, 2024, the School District reported a liability of \$ 2,518,443 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 0.1392 percent, which was an decrease of 0.0030 percent from its proportion measured as of June 30, 2023.

For the year ended June 30, 2024, the School District recognized OPEB expense of \$ 56,122.

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

	<b>Total OPEB/ Net OPEB Liability</b>	<b>OPEB Expense</b>
School District Plan	\$ 3,032,880	\$ 190,480
PSERS	<u>2,518,443</u>	<u>56,122</u>
Total	<u>\$ 5,551,323</u>	<u>\$ 246,602</u>

**NORTHERN YORK COUNTY SCHOOL DISTRICT**  
**Notes to Financial Statements**

**NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

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

**School District Plan**

	<b>Total OPEB Liability</b>
<b>Beginning Balance</b>	\$ 2,778,861
<b>Changes for the year:</b>	
Service cost	201,695
Interest	118,635
Changes in assumptions	41,685
Benefit payments	<u>(107,996)</u>
Net changes	<u>254,019</u>
<b>Ending Balance</b>	<u>\$ 3,032,880</u>

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	\$ 385,248	\$ 822,048	\$ 17,000	\$ 25,000	\$ 402,248	\$ 847,048
Changes in assumptions	460,411	1,677,823	218,000	477,000	678,411	2,154,823
Net difference between projected and actual investment earnings	-	-	6,000	-	6,000	-
Changes in proportions - plan	-	-	34,000	116,000	34,000	116,000
Changes in proportions - fund and proportionate share of total to the measurement date	-	-	15,026	15,026	15,026	15,026
	-	-	6,835	575	6,835	575
	<u>119,665</u>	<u>-</u>	<u>145,767</u>	<u>-</u>	<u>265,432</u>	<u>-</u>
	<u>\$ 965,324</u>	<u>\$ 2,499,871</u>	<u>\$ 442,628</u>	<u>\$ 633,601</u>	<u>\$ 1,407,952</u>	<u>\$ 3,133,472</u>

The amount of \$ 265,432 is reported as deferred outflows of resources related to OPEB resulting from School District 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:

	School District		PSERS	Total
	Plan			
Year ended June 30:				
2025	\$ (129,850)	\$ (57,931)	\$ (187,781)	
2026	(129,850)	(79,431)	(209,281)	
2027	(129,850)	(92,569)	(222,419)	
2028	(129,850)	(94,718)	(224,568)	
2029	(129,850)	(12,091)	(141,941)	
Thereafter	<u>(1,004,962)</u>	<u>-</u>	<u>(1,004,962)</u>	
Total	<u>\$ (1,654,212)</u>	<u>\$ (336,740)</u>	<u>\$ (1,990,952)</u>	

**NORTHERN YORK COUNTY SCHOOL DISTRICT**  
**Notes to Financial Statements**

**NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

***Actuarial Methods and Assumptions***

**School District Plan**

The total OPEB liability as of June 30, 2024 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.

	<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, 1.5% 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	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 administrators and all other employees. Incorporated into the tables are rates projected generationally using Scale MP-2021 to reflect mortality improvement.	Based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and project using a modified version of the MP-2020 Improvement Scale.
Percentage of Eligible Employees Electing Coverage in Plan	80% of teachers and administrators and 35% of the support staff are assumed to elect coverage. 50% of retirees deferring coverage are assumed to elect coverage at age 62, or age on valuation date, if older.	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, with a 0.5% decrease per year until 5.5% in 2026. Rates gradually decrease from 5.4% in 2027 to 4.1% in 2075 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, \$ 7,980 for males and \$ 11,525 for females; 50-54, \$ 10,569 for males and \$ 13,025 for females; 55-59, \$ 12,872 for males and \$ 13,629 for females; and 60-64, \$ 16,798 for males and \$ 15,657 for females.	N/A

**NORTHERN YORK COUNTY SCHOOL DISTRICT**  
**Notes to Financial Statements**

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**NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

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***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.

<u>OPEB – Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	<u>100%</u>	1.2%
	<u>100%</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 both the School District’s Plan and PSERS. The School District Plan is not funded, therefore, the S&P 20-year municipal bond rate of 4.13% 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 OPEB liability.

***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.

**NORTHERN YORK COUNTY SCHOOL DISTRICT**  
**Notes to Financial Statements**

**NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

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

	<b>1% Decrease 3.13%</b>	<b>Current Discount Rate 4.13%</b>	<b>1% Increase 5.13%</b>
School District Plan - Total OPEB liability	\$ 3,281,754	\$ 3,032,880	\$ 2,799,727

	<b>1% Decrease 3.13%</b>	<b>Current Discount Rate 4.13%</b>	<b>1% Increase 5.13%</b>
PSERS - School District's proportionate share of the net OPEB liability	\$ 2,847,000	\$ 2,518,443	\$ 2,243,000

***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 annual Premium Assistance. As of June 30, 2023, retirees 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 rate that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

**School District Plan**

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rate</b>	<b>1% Increase</b>
School District Plan - Total OPEB Liability	\$ 2,660,567	\$ 3,032,880	\$ 3,476,827

**PSERS**

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rate</b>	<b>1% Increase</b>
PSERS - School District's proportionate share of the net OPEB liability	\$ 2,518,000	\$ 2,518,443	\$ 2,519,000

**NORTHERN YORK COUNTY SCHOOL DISTRICT**  
**Notes to Financial Statements**

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**NOTE 11 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).

**School District Plan**

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

***Payables to the OPEB Plan***

**PSERS**

As of June 30, 2023, the School District had \$ 18,349 payable to the pension plan related to OPEB benefits.

**NOTE 12 PENSION PLAN**

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***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).

**Benefits Provided**

PSERS provides retirement, disability, and death benefits. Members are eligible for monthly retirement benefits upon reaching (a) age 62 with at least 1 year 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.

**NOTE 12 PENSION PLAN (CONTINUED)**

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

**Benefits Provided (Continued)**

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. 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 become new members on or after July 1, 2019. Act 5 created two new hybrid membership classes, Membership Class T-G (Class T-G) and Membership Class T-H (Class T-H) and the separate defined contribution membership class, Membership Class DC (Class DC).

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 services 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 1% 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.

**NORTHERN YORK COUNTY SCHOOL DISTRICT**  
**Notes to Financial Statements**

**NOTE 12 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%
				6.25%
T-C	On or after July 22, 1983	6.25%	N/A	6.25%
T-D	Prior to July 22, 1983	6.50%	N/A	6.50%
T-D	On or after July 22, 1983	7.50%	N/A	7.50%
T-E	On or after July 1, 2011	7.50% base rate with shared risk provision	N/A	Prior to 7/1/21: 7.50% After 7/1/21: 8.00%
T-F	On or after July 1, 2011	10.30% base rate with shared risk provision	N/A	Prior to 7/1/21: 10.30% After 7/1/21: 10.8%
T-G	On or after July 1, 2019	5.5% 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 recognized as revenue by the defined benefit pension plan from the School were \$ 7,434,328. In addition, the School's contribution to the defined contribution plan was \$ 98,980 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 and OPEB liabilities and related pension and OPEB 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 \$ 4,277,193 from reimbursement for its current year pension and OPEB payments.



**NORTHERN YORK COUNTY SCHOOL DISTRICT**  
**Notes to Financial Statements**

**NOTE 12 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 \$ 61,791,582 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 covered payroll as it relates to the total one-year reported covered payroll.

At June 30, 2024, the School District's proportion was 0.1389 percent, which was an decrease of 0.0030 percent from its proportion measured as of June 30, 2023.

For the year ended June 30, 2024, the School District recognized pension expense of \$ 5,192,322.

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	\$ 14,000	\$ 846,000
Changes in assumptions	922,000	-
Net difference between projected and actual investment earnings	1,748,000	-
Changes in proportionate share - plan	277,000	1,393,000
Changes in proportionate share - fund	148,553	148,553
Difference between employer contributions and proportionate share of total contributions	227,172	-
Contributions subsequent to the measurement date	7,486,873	-
	<u>\$ 10,823,598</u>	<u>\$ 2,387,553</u>

The \$ 7,486,873 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	\$ 120,529
2026	(1,338,444)
2027	1,583,087
2028	584,000
Total	<u>\$ 949,172</u>

**NORTHERN YORK COUNTY SCHOOL DISTRICT**  
**Notes to Financial Statements**

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**NOTE 12 PENSION PLAN (CONTINUED)**

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***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and  
Deferred Inflows of Resources Related to Pensions (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.
- Investment return – 7.00% includes inflation at 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 or seniority increases.
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projecting using a modified version of the MP-2020 Improvement Scale.

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment 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 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.

<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%
Infrastructure/MLPs	10.0%	5.4%
Real estate	11.0%	5.7%
Absolute return	4.0%	4.1%
Cash	3.0%	1.2%
Leverage	(10.5%)	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.

**NORTHERN YORK COUNTY SCHOOL DISTRICT**  
**Notes to Financial Statements**

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**NOTE 12 PENSION PLAN (CONTINUED)**

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

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	\$ 80,099,000	\$ 61,791,582	\$ 46,346,000

**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 \$ 740,621 payable to the pension plan.

**NOTE 13 AFFILIATES**

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Payments to fund operations of affiliated entities for the year ended 2023/2024 were as follows:

Cumberland-Perry Area Career and Technology Center	\$ 561,510
Capital Area Intermediate Unit	1,187,170
York County School of Technology	-

**NORTHERN YORK COUNTY SCHOOL DISTRICT**  
**Notes to Financial Statements**

**NOTE 14 COMMITMENTS AND CONTINGENCIES**

As of June 30, 2024, the District had the following commitments related to capital projects:

	<b>Total Estimated Costs</b>	<b>Total Costs Incurred</b>	<b>Total Costs To Be Incurred</b>
Northern Elementary School Renovations	\$ 20,121,455	\$ 2,514,855	\$ 17,606,600
South Mountain Elementary HVAC	4,295,101	2,079,696	2,215,405
Roof Project	978,000	506,000	472,000
Northern High School Greenhouse	214,277	-	214,277
Dillsburg Elementary School Panel Replacement	177,000	88,500	88,500
Northern High School Auditorium and South Mountain Elementary Lighting Project	999,201	632,349	366,852
	<u>\$ 26,785,034</u>	<u>\$ 5,821,400</u>	<u>\$ 20,963,634</u>

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

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 provision for any contingent liabilities that may result have been made in the financial statements. Management believes that losses resulting from these matters, if any, would be substantially covered under the School District’s professional liability insurance policy and would not have a material effect on the financial position of the School District.

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 combined financial statements for such contingencies.

Effective July 1, 2021, all of the geographical area of Washington Township, York County, Pennsylvania (the “Township”) has been transferred to and become a part of and became served by the School District, the Township being transferred from the Dover Area School District (the “DASD”). The transfer has occurred as a result of orders of the Commonwealth

# NORTHERN YORK COUNTY SCHOOL DISTRICT

## Notes to Financial Statements

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### NOTE 14 COMMITMENTS AND CONTINGENCIES (CONTINUED)

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Court and the Department of Education of the Commonwealth. As of July 1, 2021, the School District is the taxing authority with respect to school taxes for the taxpayers of the Township and is responsible for the education of the students who reside in the Township. The School District is currently receiving school tax revenues from the Township beginning with the 2021-22 fiscal year. The amount of increased state subsidy that will be received by the School District as a result of the transfer has yet to be determined, and the School District has not yet received

any related state subsidies. A request by DASD that the School District assume some presently undefined portion of the outstanding debt and obligations of DASD is pending appeal before the Commonwealth Court of Pennsylvania. In the event that the School District may be required to assume a portion of such debt, the School District anticipates that any such required assumption would not have a material negative affect upon the financial condition of the School District.

### NOTE 15 RISK MANAGEMENT

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The School District is exposed to various risks of losses 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' health coverage. For these 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.

#### ***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 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 between \$ 175,000 and \$ 300,000 are paid from the Trust mini-pool. Claims incurred over \$ 300,000 are paid from a stop loss insurance policy purchased by the Trust.

**NORTHERN YORK COUNTY SCHOOL DISTRICT**  
**Notes to Financial Statements**

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**NOTE 15 RISK MANAGEMENT (CONTINUED)**

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***Lincoln Benefit Trust (Continued)***

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:

	<b>Total Estimated Costs</b>	<b>Total Costs Incurred</b>	<b>Total Costs To Be Incurred</b>
Northern Elementary School Renovations	\$ 20,121,455	\$ 2,514,855	\$ 17,606,600
South Mountain Elementary HVAC	4,295,101	2,079,696	2,215,405
Roof Project	978,000	506,000	472,000
Northern High School Greenhouse	214,277	-	214,277
Dillsburg Elementary School Panel Replacement	177,000	88,500	88,500
Northern High School Auditorium and South Mountain Elementary Lighting Project	999,201	632,349	366,852
	<u>\$ 26,785,034</u>	<u>\$ 5,821,400</u>	<u>\$ 20,963,634</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.

**NOTE 16 ERROR CORRECTION AND RECLASSIFICATION**

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The proprietary fund restricted net position as of June 30, 2023 was reclassified to show restrictions related to the Supply Chain Assistance funding that was received by the fund as follows:

	<b>Business-Type Activities/ Food Service Fund</b>
Unrestricted net position, June 30, 2023, as originally stated	\$ (316,096)
Reclassification for Supply Chain Assistance unspent funds	<u>(64,315)</u>
Unrestricted net position, June 30, 2023, as reclassified	<u>\$ (380,411)</u>
Restricted net position, June 30, 2023, as originally stated	\$ -
Reclassification for Supply Chain Assistance unspent funds	<u>64,315</u>
Restricted net position, June 30, 2023, as reclassified	<u>\$ 64,315</u>

**REQUIRED SUPPLEMENTARY INFORMATION**

**NORTHERN YORK COUNTY SCHOOL DISTRICT**  
**Budgetary Comparison Schedule - General Fund**  
**Year Ended June 30, 2024**

	BUDGET		ACTUAL	VARIANCE
	ORIGINAL	FINAL	(BUDGETARY/ GAAP BASIS)	WITH FINAL BUDGET POSITIVE (NEGATIVE)
<b>REVENUES</b>				
Local Sources				
Taxes	\$ 39,837,275	\$ 39,837,275	\$ 40,731,015	\$ 893,740
Investment earnings	200,000	200,000	985,899	785,899
Federal revenue from intermediate sources	640,000	640,000	708,284	68,284
Other	873,500	873,500	846,779	(26,721)
State sources	20,906,822	20,906,822	21,062,272	155,450
Federal sources	1,104,000	1,104,000	1,636,185	532,185
Total revenues	<u>63,561,597</u>	<u>63,561,597</u>	<u>65,970,434</u>	<u>2,408,837</u>
<b>EXPENDITURES</b>				
Instruction	35,223,137	35,223,137	35,607,141	(384,004)
Support services	19,337,372	19,337,372	20,280,810	(943,438)
Operation of noninstructional services	1,756,035	1,756,035	1,843,308	(87,273)
Facilities acquisition, construction and improvements	-	-	754,708	(754,708)
Debt service				
Principal	4,678,000	4,678,000	3,123,901	1,554,099
Interest	1,323,000	1,323,000	1,731,807	(408,807)
Total expenditures	<u>62,317,544</u>	<u>62,317,544</u>	<u>63,341,675</u>	<u>(1,024,131)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets	1,000	1,000	-	(1,000)
Proceeds from long-term financing and leases	-	-	133,991	133,991
Interfund transfers	(400,000)	(400,000)	347,785	747,785
Total other financing sources and (uses)	<u>(399,000)</u>	<u>(399,000)</u>	<u>481,776</u>	<u>880,776</u>
Budgetary reserve	(750,000)	(750,000)	-	750,000
Net change in fund balances	<u>\$ 95,053</u>	<u>\$ 95,053</u>	<u>\$ 3,110,535</u>	<u>\$ 3,015,482</u>



**NORTHERN YORK COUNTY SCHOOL DISTRICT**  
**Schedule of School District's Proportionate Share of the Net Pension Liability - Public**  
**School Employees' Retirement System**

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For the Fiscal Year Ended June 30	School District's Proportion of the Net Pension Liability (Asset)	School District's Proportionate Share of the Net Pension Liability (Asset)	School District's Covered Payroll - Measurement- Period	School District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2024	0.1389%	\$ 61,791,582	\$ 21,328,392	289.72%	61.85%
2023	0.1419%	63,086,927	20,907,963	301.74%	61.34%
2022	0.1407%	57,766,819	19,972,249	289.24%	63.67%
2021	0.1440%	70,904,183	20,237,351	350.36%	54.32%
2020	0.1470%	68,770,434	20,271,259	339.25%	55.66%
2019	0.1463%	70,231,264	19,707,713	356.36%	54.00%
2018	0.1427%	70,477,218	19,000,157	370.93%	51.84%
2017	0.1445%	71,609,615	18,711,581	382.70%	50.14%
2016	0.1399%	60,598,118	18,003,316	336.59%	54.36%
2015	0.1371%	54,265,163	17,495,813	310.16%	57.24%

**NOTES**

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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.

**NORTHERN YORK COUNTY SCHOOL DISTRICT**  
**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	\$ 7,434,328	\$ 7,434,328	\$ -	\$ 22,750,753	32.68%
2023	7,301,933	7,301,933	-	21,328,392	34.24%
2022	7,085,633	7,085,633	-	20,907,963	33.89%
2021	6,722,712	6,722,712	-	19,972,249	33.66%
2020	6,740,800	6,740,800	-	20,237,351	33.31%
2019	6,617,012	6,617,012	-	20,271,259	32.64%
2018	6,222,091	6,222,091	-	19,707,713	31.57%
2017	5,496,260	5,496,260	-	19,000,157	28.93%
2016	4,599,484	4,599,484	-	18,711,581	24.58%
2015	3,610,828	3,610,828	-	18,003,316	20.06%

**NORTHERN YORK COUNTY SCHOOL DISTRICT**  
**Schedule of Changes in the School District's Total OPEB Liability and Related Ratios -**  
**School District Plan**

	2024	2023	2022	2021	2020	2019
<b>Total OPEB liability</b>						
Service cost	\$ 201,695	\$ 416,431	\$ 422,227	\$ 300,576	\$ 300,730	\$ 241,741
Interest	118,635	118,936	94,421	128,213	108,469	107,218
Changes of benefit terms	-	-	-	-	-	39,031
Differenes between expected and actual experience	-	(959,056)	-	345,840	-	241,883
Changes in assumptions	41,685	(1,507,621)	(160,397)	545,409	(108,862)	(331,743)
Benefit payments	<u>(107,996)</u>	<u>(196,103)</u>	<u>(227,269)</u>	<u>(126,603)</u>	<u>(121,440)</u>	<u>(167,827)</u>
Net change in total OPEB liability	254,019	(2,127,413)	128,982	1,193,435	178,897	130,303
Total OPEB liability - beginning	<u>2,778,861</u>	<u>4,906,274</u>	<u>4,777,292</u>	<u>3,583,857</u>	<u>3,404,960</u>	<u>3,274,657</u>
Total OPEB liability - ending	<u>\$ 3,032,880</u>	<u>\$ 2,778,861</u>	<u>\$ 4,906,274</u>	<u>\$ 4,777,292</u>	<u>\$ 3,583,857</u>	<u>\$ 3,404,960</u>
Covered employee payroll	N/A	\$ 18,643,997	N/A	\$ 18,003,994	N/A	\$ 18,831,627
Total OPEB liability as a percentage of covered employee payroll		14.90%		26.53%		18.08%

**NOTES**

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

**NORTHERN YORK COUNTY SCHOOL DISTRICT**  
**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	0.1392%	\$ 3,032,880	\$ 21,328,392	14.22%	7.22%
2023	0.1422%	2,778,861	20,907,963	13.29%	6.86%
2022	0.1409%	4,906,274	19,972,249	24.57%	5.30%
2021	0.1442%	4,777,292	20,237,351	23.61%	5.69%
2020	0.1470%	3,583,857	20,271,259	17.68%	5.56%
2019	0.1463%	3,126,458	19,707,713	15.86%	5.56%
2018	0.1427%	2,907,386	19,000,157	15.30%	5.73%

**NOTES**

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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.

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

**NORTHERN YORK COUNTY SCHOOL DISTRICT**  
**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 Payroll</b>
2024	\$ 144,524	\$ 144,524	\$ -	\$ 22,750,753	0.64%
2023	159,958	159,958	-	21,328,392	0.75%
2022	166,946	166,946	-	20,907,963	0.80%
2021	163,628	163,628	-	19,972,249	0.82%
2020	187,918	187,918	-	20,237,351	0.93%
2019	169,154	169,154	-	20,271,259	0.83%
2018	157,714	157,714	-	19,707,713	0.80%

**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**

**NORTHERN 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 Number	Pass-through Grantor's Number	Program Period	Program or Award Amount	Total Received for the Year	Receivable (Unearned) at July 1, 2023	Revenue Recognized	Expenditures	Receivable (Unearned) at June 30, 2024	Total Passed-through to Subrecipients
<b>DEPARTMENT OF EDUCATION</b>											
<b>Passed through the Pennsylvania Department of Education</b>											
ESEA Title I	I	84.010	013-23-0302	July 1, 2022 - June 30, 2023	\$ 298,948	\$ 39,860	\$ 39,860	\$ -	\$ -	\$ -	\$ -
ESEA Title I	I	84.010	013-24-0302	July 1, 2023 - June 30, 2024	414,202	309,526	-	366,402	366,402	56,876	-
Title I					713,150	349,386	39,860	366,402	366,402	56,876	-
ESEA Title II - Part A	I	84.367	020-23-0302	July 1, 2022 - June 30, 2023	53,499	965	965	-	-	-	-
ESEA Title II - Part A	I	84.367	020-24-0302	July 1, 2023 - June 30, 2024	75,439	55,756	-	75,439	75,439	19,683	-
Title II					128,938	56,721	965	75,439	75,439	19,683	-
ESEA Title IV	I	84.424	144-24-0302	July 1, 2022 - June 30, 2023	27,596	1,308	1,308	-	-	-	-
ESEA Title IV	I	84.424	144-23-0302	July 1, 2023 - June 30, 2024	23,404	23,404	-	23,404	23,404	-	-
Title IV					51,000	24,712	1,308	23,404	23,404	-	-
COVID-19 - Elementary and Secondary School Emergency Relief Fund (ESSER III)	I	84.425U	223-21-0302	March 13, 2020 - September 30, 2024	2,341,181	851,339	152,583	1,161,024	1,161,024	462,268	-
COVID-19 ARP ESSER Homeless Children and Youth	I	84.425W	181-21-2299	July 1, 2021 - September 30, 2024	22,295	-	-	-	-	-	-
COVID-19 ARP ESSER 7% SEA Reserve	I	84.425U	225-21-0302	March 13, 2020 - September 30, 2024	181,963	36,393	26,476	9,917	9,917	-	-
Total Education Stabilization Fund					2,545,439	887,732	179,059	1,170,941	1,170,941	462,268	-
<b>Passed through Capital Area Intermediate Unit</b>											
<b>Special Education Cluster (I.D.E.A.)</b>											
I.D.E.A.	I	84.027	062-230015	July 1, 2023 - September 30, 2024	578,713	-	-	578,713	578,713	578,713	-
I.D.E.A.	I	84.173	131-230015	July 1, 2023 - June 30, 2024	3,304	-	-	3,304	3,304	3,304	-
Total Special Education Cluster					582,017	-	-	582,017	582,017	582,017	-
<b>Total U.S. Department of Education</b>						<b>1,318,551</b>	<b>221,192</b>	<b>2,218,203</b>	<b>2,218,203</b>	<b>1,120,844</b>	<b>-</b>
<b>Child Nutrition Cluster</b>											
<b>Passed through the Pennsylvania Department of Education</b>											
National School Breakfast Program	I	10.553	N/A	July 1, 2022 - June 30, 2023	N/A	6,061	6,061	-	-	-	-
National School Breakfast Program	I	10.553	N/A	July 1, 2023 - June 30, 2024	N/A	197,859	-	197,859	197,859	-	-
Total Breakfast Program						203,920	6,061	197,859	197,859	-	-
National School Lunch Program	I	10.555	N/A	July 1, 2022 - June 30, 2023	N/A	12,539	12,539	-	-	-	-
National School Lunch Program	I	10.555	N/A	July 1, 2023 - June 30, 2024	N/A	500,284	-	500,284	500,284	-	-
COVID-19 Supply Chain Assistance	I	10.555	N/A	July 1, 2023 - June 30, 2024	81,265	81,265	-	81,265	88,241	-	-
<b>Passed through the Pennsylvania Department of Agriculture</b>											
Value of USDA Commodities	I(B)	10.555	206-67-460	July 1, 2023 - June 30, 2024	N/A	117,233	-	117,233	117,233	-	-
Total Lunch Program						711,321	12,539	698,782	705,758	-	-
Total Child Nutrition Cluster						915,241	18,600	896,641	903,617	-	-
<b>Passed through the Pennsylvania Department of Education</b>											
P-EBT Local Admin Funds	I	10.649	N/A	July 1, 2023 - June 30, 2024	653	653	-	653	653	-	-
<b>Total U.S. Department of Agriculture</b>						<b>915,894</b>	<b>18,600</b>	<b>897,294</b>	<b>904,270</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures of Federal Awards</b>						<b>\$ 2,234,445</b>	<b>\$ 239,792</b>	<b>\$ 3,115,497</b>	<b>\$ 3,122,473</b>	<b>\$ 1,120,844</b>	<b>\$ -</b>

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

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

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- (I) Indirect award
- (B) Based on USDA valuation

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES**

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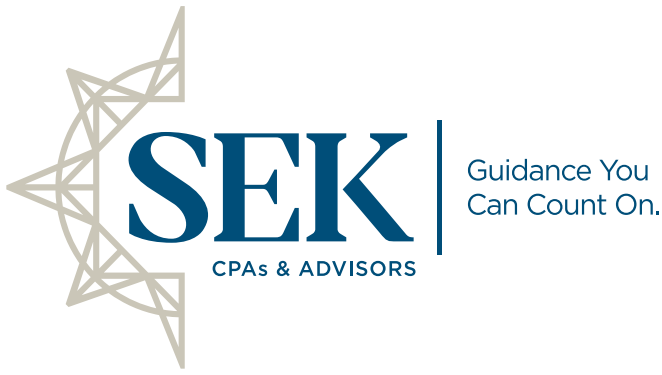
***Basis of Accounting***

The schedule of expenditures of federal awards is presented using the modified accrual basis in accordance with accounting principles prescribed by the Pennsylvania Department of Education, 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 a liability or a receivable, respectively.

***Indirect Cost Rate***

The School District does not utilize the 10% de minimis indirect cost rate.





**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  
Northern York County School District  
Dillsburg, 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, and the aggregate remaining fund information of Northern 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 Northern York County School District’s basic financial statements, and have issued our report thereon dated December 19, 2024.

***REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING***

In planning and performing our audit of the financial statements, we considered Northern 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 Northern York County School District’s internal control. Accordingly, we do not express an opinion on the effectiveness of Northern 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected, and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

**REPORT ON COMPLIANCE AND OTHER MATTERS**

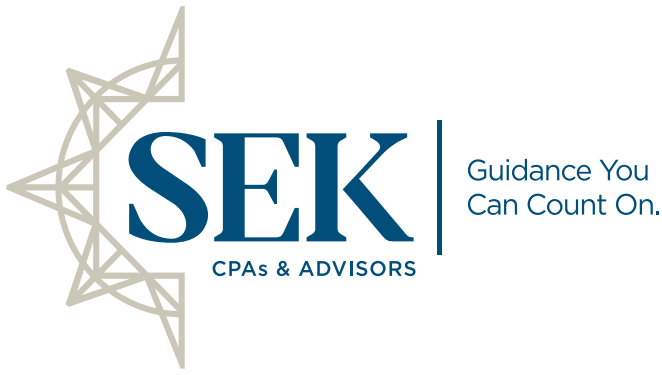
As part of obtaining reasonable assurance about whether Northern York County School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have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

**PURPOSE OF THIS REPORT**

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



Chambersburg, Pennsylvania  
December 19, 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  
Northern York County School District  
Dillsburg, Pennsylvania

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

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

We have audited Northern York County School District’s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Northern York County School District’s major federal programs for the year ended June 30, 2024. Northern York County 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, Northern 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 accounting 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 Northern 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 Northern 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 Northern York County School District’s federal programs.

## ***Auditors 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 Northern 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 Northern 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 Northern York County School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Northern 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 Northern 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 of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. 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.

*Smith & Gott Reams Company, LLC*

Chambersburg, Pennsylvania  
December 19, 2024

**NORTHERN 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 weakness(es) identified:  Yes  No
- Significant deficiencies identified that are not considered to be material weakness(es)?  Yes  None Reported

Noncompliance material to financial statements noted?  Yes  No

**Federal Awards**

Internal control over major programs:

- Material weakness(es) identified?  Yes  No
- Significant deficiencies identified that are not considered to be a material weakness(es)?  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 2 CFR section 200.516?  Yes  No

Identification of the major programs:

<b>ALN(s)</b>	<b>Name of Federal Program</b>
	Child Nutrition Cluster
10.553	National School Breakfast Program
10.555	National School Lunch Program
10.555	Supply Chain Assistance
10.555	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

**NORTHERN 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 noted

B. Compliance Findings

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



## Northern York County School District

650 South Baltimore Street  
Dillsburg, PA 17019  
Telephone (717) 432-8691 ♦ Fax (717) 432-1412

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*Dr. Matthew Meakin*  
*Assistant Superintendent*

*Mr. Steve Kirkpatrick*  
*Superintendent*

*Mr. Jason A. Young*  
*Chief Financial & Operations Officer*

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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.