

**GETTYSBURG AREA
SCHOOL DISTRICT**

FINANCIAL REPORT

JUNE 30, 2024

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Gettysburg Area School District
Gettysburg, Pennsylvania

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Gettysburg Area School District (District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (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 the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS 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 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 District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the required supplementary information as listed in the Contents, 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 the District's basic financial statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 12, 2025, on our consideration of the 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 the 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 the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Boyer & Ritter". The signature is written in a cursive style with a large, sweeping flourish at the end of the word "Ritter".

Camp Hill, Pennsylvania
March 12, 2025

GETTYSBURG AREA SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS Year Ended June 30, 2024

The discussion and analysis of Gettysburg Area School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2024. The intent of this discussion and analysis is to look at the School District's financial performance as a whole. Readers should also review the notes to the basic financial statements and the financial statements themselves to enhance their understanding of the School District's financial performance.

The Management Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

SCHOOL DISTRICT MISSION STATEMENT

Gettysburg Area School District, in partnership with the family and community, is dedicated to excellence and committed to maximizing every student's opportunity to reach their full potential for achievement. Our purpose is to provide a safe and healthy environment in which all students can learn. We embrace our responsibility in developing a caring school community that enables all students to become active and productive members of our diverse and ever-changing global society.

SCHOOL DISTRICT VISION

Gettysburg Area School District provides a safe and caring learning environment where students develop skills to learn in an ever-changing world and accept responsibility to use these skills to achieve and graduate ready to learn, work, serve, and succeed in today's world and in a world we cannot yet define or imagine.

FINANCIAL HIGHLIGHTS

The trends and existing forecasts indicated that during the fiscal year 2023-2024, the Gettysburg Area School District General Fund would experience a year of significant increases in the costs for employee salaries/wages as well as increases in purchased services, and property and equipment. The results of operation of the General Fund showed actual revenues and other financing sources received of \$77,990,843 were higher than the originally budgeted revenue projections of \$69,638,565 by \$8,352,278 or 11.99%. Of this difference, local revenues were over budget by \$3,013,816, state revenues were over budget by \$756,807, and federal revenues were over budget by \$4,551,897.

General Fund actual expenditures and other financing uses of \$76,068,461 were higher than the original budget of \$73,672,266 by \$2,396,195 or 3.25%. Expenditures were over the final budget by \$2,396,195.

For the fiscal year ended June 30, 2024, the General Fund had an increase in unreserved fund balance of \$1,922,382.

GETTYSBURG AREA SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2024

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. The School District's basic financial statements comprise three components: 1) Government-Wide Financial Statements, 2) Fund Financial Statements, and 3) Notes to the Financial Statements. This report also contains supplementary information in addition to the basic financial statements themselves.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The *Statement of Activities* presents information showing how the School District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that only result in cash flows in future or prior fiscal periods (e.g., uncollected taxes earned, but not received; unused compensated absences; and items received or services provided in 2023-2024, but paid for in a different year).

The Government-Wide Financial Statements are designed to provide readers with a broad overview of the School District's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the School District's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

However, to assess the overall health of the School District, you will need to also consider additional non-financial factors, such as changes in the School District's property tax base, earned income tax base, and overall student achievement and performance.

The Government-Wide Financial Statements outline functions of the School District and are divided into two categories:

Governmental Activities: These are the functions of the School District that are principally supported by local taxes, including property and earned income taxes, and intergovernmental revenues, including state and federal subsidies and grants. The governmental activities of the School District include all of the basic services such as instruction, support services, administration, operation and maintenance of plant and facilities, student transportation, operation of non-instructional services, and community services.

Business-Type Activities: These are the functions of the School District that are run similarly to private sector business and supported by local fees and charges. The only business-type activity currently operated by the School District is the food services operation. Food services are available and provided to all participating students, staff, and visitors at a cost, based on a pricing structure developed by the School District and in conjunction with the National School Lunch program.

The Government-Wide Financial Statements can be found on pages 15 through 17 of this report.

GETTYSBURG AREA SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2024

FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. For example, some funds are required by state law and by bond requirements. The School District's Fund Financial Statements provide information about the most significant funds - not the School District as a whole. All of the funds of the School District can be divided into three categories:

Governmental Funds: These funds include most of the School District's activities and are used to account for essentially the same functions reported as governmental activities in the Government-Wide Financial Statements. However, unlike the Government-Wide Financial Statements, Governmental Fund Financial Statements focus on the determination of financial position and change in financial position, not on income determination. They are reported using an accounting method called modified accrual 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 as opposed to the longer-term view of Government-Wide Financial Statements. 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 and operations.

Because the focus of governmental funds is narrower than that of the Government-Wide Financial Statements, it is useful to compare the information presented for the governmental funds with similar information presented for governmental activities in the Government-Wide Financial Statements. By doing so, readers may better understand the long-term impact of the School District's near-term financing decisions. Both the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are on pages 19 and 21, respectively.

The Governmental Fund Financial Statements can be found on pages 18 and 20 of this report.

Proprietary Funds: These funds are used to account for the School District activities that are similar to business operations in the private sector, where the reporting focus is on determining net income, financial position, and changes in financial position. Typically, a significant portion of funding is through user charges.

When the School District charges customers for services it provides - whether to outside customers or to other units in the School District - these services are generally reported in proprietary funds. The Food Service Fund is the School District's only Proprietary Fund and is the same as the business-type activities we report in the Government-Wide Statements. However, we provide more detail and additional information in the fund financial statements, such as cash flow reporting.

The Proprietary Fund Financial Statements can be found on pages 22 through 25.

Fiduciary Funds: These funds are used to account for resources held for the benefit of parties outside the School District. Fiduciary funds are not reflected in the Government-Wide Financial Statements because the resources of those funds are not available to support the School District's own programs. The accrual basis of accounting is used for Fiduciary Funds. Fiduciary Funds maintained by the School District include a Student Activities fund that accounts for financial transactions of various student clubs and activities.

The Fiduciary Fund Financial Statements can be found on pages 26 and 27 of this report.

GETTYSBURG AREA SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2024**

NOTES TO FINANCIAL STATEMENTS AND OTHER INFORMATION

The notes provide additional information that is essential for understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28 through 69 of this report. In addition to the basic financial statements and accompanying notes, this report presents certain supplementary information concerning the School District's finances and operations, beginning on page 70.

GOVERNMENT-WIDE FINANCIAL ANALYTIS (THE SCHOOL DISTRICT AS A WHOLE)

Net position may serve over time as a useful indicator of a government's financial position. In the case of the School District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$17,412,916 as of June 30, 2024. Table A-1 presents a summary of the School District's net position for the fiscal years ended June 30, 2023 and 2024.

**Table A-1
Net Position**

	Fiscal Year Ended June 30, 2023			Fiscal Year Ended June 30, 2024		
	Governmental	Business-Type	Total	Governmental	Business-Type	Total
	Activities	Activities		Activities	Activities	
Current and other assets	\$ 79,511,865	\$ 2,897,042	\$ 82,408,907	\$ 67,300,824	\$ 2,909,491	\$ 70,210,315
Capital assets	85,714,987	611,650	86,326,637	97,057,521	543,447	97,600,968
Deferred outflows of resources	13,769,697	420,286	14,189,983	13,521,967	263,951	13,785,918
Total assets and deferred outflows of resources	\$ 178,996,549	\$ 3,928,978	\$ 182,925,527	\$ 177,880,312	\$ 3,716,889	\$ 181,597,201
Current liabilities	\$ 15,441,316	\$ 94,944	\$ 15,536,260	\$ 14,231,222	\$ 98,397	\$ 14,329,619
Long-term liabilities	148,491,841	1,706,636	150,198,477	141,532,291	1,667,009	143,199,300
Deferred inflows of resources	7,068,779	263,361	7,332,140	6,639,913	104,596	6,744,509
Total liabilities and deferred inflows of resources	\$ 171,001,936	\$ 2,064,941	\$ 173,066,877	\$ 162,403,426	\$ 1,870,002	\$ 164,273,428
Net investment in capital assets	\$ 49,476,481	\$ 611,650	\$ 50,088,131	\$ 32,057,579	\$ 543,447	\$ 32,601,026
Restricted	45,342,040	53,258	45,395,298	33,498,694	-	33,498,694
Unrestricted (deficit)	(86,823,908)	1,199,129	(85,624,779)	(50,079,387)	1,303,440	(48,775,947)
Total net position	\$ 7,994,613	\$ 1,864,037	\$ 9,858,650	\$ 15,476,886	\$ 1,846,887	\$ 17,323,773

A significant portion of the School District's Net Position reflects its investment in capital assets (e.g., land and improvements, infrastructure, buildings and improvements, and machinery and equipment) less any related debts used to acquire those assets that are still outstanding, and the impact on the School District for its share of the PSERS state-wide net pension liability.

The School District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. It should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot typically be used to liquidate these liabilities.

The School District's financial position is the product of many financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, the depreciation of capital assets, the financial impacts of the State-mandated pension program (PSERS) and the School District's participation in a self-insured healthcare trust.

GETTYSBURG AREA SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2024

CHANGES IN NET POSITION

The School District's total revenues for the fiscal year ended June 30, 2024, were \$82,317,077. The total cost of all programs and services was \$75,111,342. Table A-2 presents a summary of the changes in net position for the fiscal year ended June 30, 2023 and 2024.

Table A-2
Changes in Net Position

	Fiscal Year Ended June 30, 2023			Fiscal Year Ended June 30, 2024		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Revenues						
Property taxes	\$ 36,373,364	\$ -	\$ 36,373,364	\$ 34,865,946	\$ -	\$ 34,865,946
Other taxes	9,198,078	-	9,198,078	11,283,673	-	11,283,673
Grants, subsidies and contributions:						
Unrestricted	9,484,935	-	9,484,935	11,435,708	-	11,435,708
Restricted - operating	14,452,688	1,587,918	16,040,606	16,925,772	1,703,276	18,629,048
Restricted - capital	347,699	-	347,699	-	-	-
Investment earnings	2,537,059	85,146	2,622,205	3,906,811	132,497	4,039,308
Miscellaneous	54,543	-	54,543	520,010	-	520,010
Charges for services	1,085,606	612,060	1,697,666	895,229	691,170	1,586,399
Total revenues	73,533,972	2,285,124	75,819,096	79,833,149	2,526,943	82,360,092
Expenses						
Instruction	41,606,082	-	41,606,082	45,775,383	-	45,775,383
Instructional student support	4,942,694	-	4,942,694	4,884,913	-	4,884,913
Administrative and financial support	4,803,682	-	4,803,682	7,099,715	-	7,099,715
Operation of maintenance of plant	6,406,993	-	6,406,993	6,994,631	-	6,994,631
Pupil transportation	3,868,481	-	3,868,481	4,161,837	-	4,161,837
Central and other support services	1,915,441	-	1,915,441	-	-	-
Student activities	1,600,397	-	1,600,397	1,691,420	-	1,691,420
Community services	16,577	-	16,577	16,813	-	16,813
Debt service expenses	2,060,975	-	2,060,975	2,031,680	-	2,031,680
Food service	-	1,998,228	1,998,228	-	2,454,950	2,454,950
Total expenses	67,221,322	1,998,228	69,219,550	72,656,392	2,454,950	75,111,342
Change in net position	\$ 6,312,650	\$ 286,896	\$ 6,599,546	\$ 7,176,757	\$ 71,993	\$ 7,248,750

GETTYSBURG AREA SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2024**

GOVERNMENTAL ACTIVITIES

Table A-3 presents the cost of the ten major School District functional activities: instruction, instructional student support, administrative and financial support services, operation and maintenance, pupil transportation, central and other support services, student activities, community services, interest on long-term debt, and refunds of prior year receipts. It shows each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the School District's taxpayers by each of these functions.

**Table A-3
Needs From Local Taxes and Other Revenues**

	Fiscal Year Ended June 30, 2023		Fiscal Year Ended June 30, 2024	
	Net		Net	
	Total Expenses	Expense/(Revenue)	Total Expenses	Expense/(Revenue)
Governmental Activities				
Instruction	\$ 41,606,082	\$ 32,901,319	\$ 45,775,383	\$ 35,263,326
Instructional student support	4,942,694	3,517,565	4,884,913	4,025,196
Administrative and financial support	4,803,682	4,041,661	7,099,715	6,420,281
Operation of maintenance of plant	6,406,993	4,080,564	6,994,631	3,827,612
Pupil transportation	3,868,481	1,952,982	4,161,837	1,945,973
Central and other support services	1,915,441	1,915,441	-	-
Student activities	1,600,397	1,196,322	1,691,420	1,356,518
Community services	16,577	16,199	16,813	16,602
Interest on long-term debt	2,060,975	1,713,276	2,031,680	1,979,883
Total Governmental Activities	<u>\$ 67,221,322</u>	<u>51,335,329</u>	<u>\$ 72,656,392</u>	<u>54,835,391</u>
Less: Unrestricted grants, subsidies and contributions		<u>(9,484,935)</u>		<u>(11,435,708)</u>
Total needs from local taxes and other revenues		<u>\$ 41,850,394</u>		<u>\$ 43,399,683</u>

BUSINESS-TYPE ACTIVITIES

Table A-4 presents the summary of activities for the Food Services program, the only Business-Type Activity of the School District.

**Table A-4
Business-Type Activities (Food Service)**

	Fiscal Year Ended June 30, 2023		Fiscal Year Ended June 30, 2024	
	Net		Net	
	Total Expenses	Expense/(Revenue)	Total Expenses	Expense/(Revenue)
Business-Type Activities				
Food services	\$ 1,998,228	\$ 201,750	\$ 2,454,950	\$ (60,504)
Investment earnings		85,146		132,497
Total business-type activities - revenue/(loss)		<u>\$ 286,896</u>		<u>\$ 71,993</u>

GETTYSBURG AREA SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2024**

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

As noted earlier, the School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

GOVERNMENTAL FUNDS

The focus of the School District's reporting of the governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School District's financing requirements. In particular, the unassigned fund balance may serve as a useful measure of the School District's net resources available for spending at the end of the fiscal year.

The financial performance of the School District as a whole is reflected in its Governmental Funds. As the School District completed the year, its Governmental Funds reported a combined fund balance of \$56,521,163 an overall decrease of \$10,185,539, which includes a net change in fund balance of \$(10,491,055) and a prior period adjustment of \$305,516. General fund operations resulted in a net increase in total fund balance of \$1,922,382. The primary reason for the General Fund results as explained earlier in the financial highlights section was mostly due to actual revenues being higher than projections which resulted in no use of fund balance, as opposed to the planned use of \$4,033,701 of fund balance in the 2023-2024 General Fund budget. Capital Projects Reserve Fund had a net increase in fund balance of \$871,344 due to transfers from General Fund related to planned capital projects throughout the School District. Capital Projects Bond Fund had a net decrease in fund balance of \$13,284,781 related to expenses from capital projects.

Of the total governmental fund balance, \$6,386,246 or 11.30% constitutes unassigned fund balance, which is available for spending at the School District's discretion. The remaining fund balance is non-spendable, restricted, committed or assigned to indicate that it is not available for spending as shown in Table A-5.

**Table A-5
Fund Balance - Nonspendable, Restricted, Committed, Assigned & Unassigned**

	Fiscal Year Ended June 30, 2024				Fiscal Year Ended June 30, 2023			
	General Fund	Capital Projects Reserve Fund	Projects Bond Construction Fund	Total	General Fund	Capital Projects Reserve Fund	Projects Bond Construction Fund	Total
Nonspendable:								
Inventories	\$ 105,001	\$ -	\$ -	\$ 105,001	\$ 123,757	\$ -	\$ -	\$ 123,757
Prepaid expenses	167,643	-	-	167,643	113,642	-	-	113,642
Restricted:								
Lincoln Benefit Trust	2,692,000	-	-	2,692,000	3,262,091	-	-	3,262,091
Capital improvements	-	8,832,497	33,817,543	42,650,040	-	9,703,841	20,532,762	30,236,603
Committed:								
Capital improvements	7,185,860	-	-	7,185,860	7,185,860	-	-	7,185,860
Retirement/PSERS	2,702,315	-	-	2,702,315	3,003,685	-	-	3,003,685
Debt service	-	-	-	-	-	-	-	-
Assigned:								
Budgetary reserve	647,461	-	-	647,461	2,724,796	-	-	2,724,796
GASD Cyber School costs	250,000	-	-	250,000	-	-	-	-
Capital improvements	500,000	-	-	500,000	500,000	-	-	500,000
Future medical costs	1,000,000	-	-	1,000,000	1,000,000	-	-	1,000,000
Safety and security enhancements	189,185	-	-	189,185	189,185	-	-	189,185
Band uniforms	65,000	-	-	65,000	-	-	-	-
Technology improvements	500,000	-	-	500,000	700,000	-	-	700,000
Future borrowing costs	750,000	-	-	750,000	1,095,298	-	-	1,095,298
Sub-Totals	16,754,465	8,832,497	33,817,543	59,404,505	19,898,314	9,703,841	20,532,762	50,134,917
Unassigned:	7,302,197	-	-	7,302,197	6,386,246	-	-	6,386,246
Totals	\$ 24,056,662	\$ 8,832,497	\$ 33,817,543	\$ 66,706,702	\$ 26,284,560	\$ 9,703,841	\$ 20,532,762	\$ 56,521,163

GETTYSBURG AREA SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS Year Ended June 30, 2024

BUDGETARY HIGHLIGHTS

During the fiscal year, the Board of School Directors (the Board) authorizes revisions to the original budget to accommodate differences from the original budget to the actual expenditures of the School District. All adjustments are again confirmed at the time the annual audit is accepted after the end of the fiscal year, as permitted by state law. A schedule showing the School District's original and final budget amounts compared with the amounts actually paid and received is provided on page 70.

The School District applies for federal, state, and local grants and these grants cannot always be anticipated in the budgeting process. For certain changes in local, state and federal funding, corresponding changes are also required for expenses related to those programs.

Transfers between specific categories of expenditures/financing uses occur during the year. The most significant transfers occur in the payroll, benefits, and contracted substitutes areas, so that items budgeted generally, such as for substitutes and tuition reimbursement, are redistributed to the specific budgetary accounts where those funds are expended throughout the year. Attrition and other staffing changes during the year are another source of changing budget needs. Other budget transfers are made throughout the year as each budget site meets its changing needs for operations or adjusts priorities due to ongoing initiatives.

The budgetary reserve account was established at \$200,000 or about 0.29% of expenses for unplanned contingencies during the year as part of the original budget. Establishing a budgetary reserve is a regular practice of the School District, as such items can arise that are not provided for elsewhere in the budget.

For the year, budget performance was \$5,956,083 more than projected overall, which is due to several significant items. In local revenues, tax collections, primarily real estate, local earned income taxes, and interest earned were actually \$3,013,816 above estimates. Federal revenues were in excess of budget by \$4,551,897 largely related to ESSER ARP Federal Funding, and State Sources increased over budget by \$756,807.

In expenses, salary and benefits were better than projected and were mostly a result of retirements and open or unfilled positions. Major object code 100, salaries, was \$699,042 better than projected. Benefits, as a factor of salary, include PSERS and FICA, and employee medical benefits resulted in an overall \$1,002,409 cost below estimates. Special education costs for Lincoln Intermediate Unit educational services were speculated to be \$590,454 above estimates, services increased due to an increase in identified students needing services, and charter school tuition costs exceeded our estimates by \$145,544. An unexpected rate in the District Property/Liability coverage was over budget by \$221,403. A \$659,311 budgeted expense was to recognize a planned multi-year commitment of funds toward future facility improvements. This is related to capital needs as identified in the five-year capital funding plan. In summary, the overall expenditure and other financing sources were \$2,396,195 over budget.

GETTYSBURG AREA SCHOOL DISTRICT

**MANAGEMENT’S DISCUSSION AND ANALYSIS
Year Ended June 30, 2024**

CAPITAL ASSETS

As of June 30, 2024, the School District had invested \$176,797,909 of its Governmental Funds in capital assets, including land and land improvements, infrastructures, school buildings and building improvements, athletic facilities, vehicles, computers and other equipment. Accumulated depreciation as of June 30, 2024, is \$79,740,388, resulting in net capital assets of \$97,057,521.

The schedule in Table A-6 presents capital asset balances net of depreciation for the fiscal years ended June 30, 2023 and 2024, including Governmental and Business-Type (Food Service) funds.

**Table A-6
Net Capital Assets**

	Fiscal Year Ended June 30, 2023			Fiscal Year Ended June 30, 2024		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Land, land improvements and infrastructure	\$ 2,408,206	\$ -	\$ 2,408,206	\$ 1,530,471	\$ -	\$ 1,530,471
Buildings and improvements	81,270,395	-	81,270,395	76,550,803	-	76,550,803
Vehicles, furniture, and equipment	2,013,478	543,447	2,556,925	2,096,199	543,447	2,639,646
Construction in progress	22,908	-	22,908	16,880,048	-	16,880,048
Total	\$ 85,714,987	\$ 543,447	\$ 86,258,434	\$ 97,057,521	\$ 543,447	\$ 97,600,968

Additional information on the School District's capital assets can be found in Note 3 to the financial statements.

DEBT ADMINISTRATION

At year-end, the School District had \$60,120,000 in general obligation bonds and direct borrowings (notes), of which \$4,835,000 of principal is due within one year. Table A-7 presents a summary of the School District’s outstanding long-term debt for the fiscal year ended June 30, 2023 and 2024.

**Table A-7
Outstanding Long-Term Debt**

	Fiscal Year Ended June 30, 2023	Fiscal Year Ended June 30, 2024
General obligation bonds	\$ 54,850,000	\$ 50,615,000
General obligation notes	9,825,000	9,505,000
Total	\$ 64,675,000	\$ 60,120,000

Other obligations include accrued vacation pay and sick leave for specific employees of the School District.

GETTYSBURG AREA SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS Year Ended June 30, 2024

The School District maintains an AA- rating from S&P Global Ratings a division of Standard & Poor's Financial Services LLC. This rating was renewed by S&P Global Ratings June 2024. Any explanation of the significance of such rating may only be obtained from the rating agency. The School District furnishes to such rating agency certain information and material with respect to the Bonds and the School District. Generally, rating agencies base their rating on such information, material, investigations, studies and assumptions by the rating agency. There is additional security for bonds provided by the Commonwealth of Pennsylvania Act 150 School District Intercept Program. The Act provides for the undistributed state aid to be diverted to bond holders in the event of default. The School District's general obligation debt rating can be enhanced by insurance policies through a variety of insurers; however, that is reviewed and determined at the time of each issuance of debt state statutes currently limit the amount of general obligation debt a School District may issue to 225 percent of its total "Borrowing Base". The current debt limitation for the School District, as calculated for the reporting period ending June 30, 2024, is \$163,488,060, which exceeds the School District's outstanding general obligation debt by \$60,120,000. Additional information on the School District's long-term liabilities can be found in Note 8 of the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

While considering economic growth in Adams County, the Board of Directors and the Administration needed a long-range view on what enrollment trends say for Gettysburg Area School District, therefore a comprehensive demographic study was produced by Stewman Demographics, LLC, and Dr. Shelby Stewman. The report was received in December 2019 of which included a 10-year enrollment projection. The study was meant to help understand and prepare for future growth, and as the results were determined, Gettysburg Area School District is not to foresee any significant changes to enrollment in the near- or long-term future. The District is planning for the next phase using Stewman Demographics, LLC for another 10 year enrollment projection that is to be issued during the 2024-2025 fiscal year.

Residential growth continued slowly throughout Adams County, which has been affected by economic factors over the past several years. Just prior to this economic downturn, the Adams County Planning Office had published projections that indicated significant population growth in many of the municipalities that make up the Gettysburg Area School District. The growth, however, is somewhat limited within the Borough of Gettysburg and the areas in and around the Gettysburg National Military Park Battlefield. Residential growth that does occur within the School District does not significantly affect enrollment due to the growing retiree demographic in this area.

Commercial growth flattened due to the economy, but there are signs of changes possibly in the future. The growth that does occur is thought to reduce the numbers of area residents who travel out of the county for work, helping to maintain relatively low unemployment rates as compared to other areas of the Commonwealth and the nation. We believe there remains a significant probability that growth in this area will continue as the recent period of economic instability moves farther into the past.

Moreover, whether it be residential or commercial growth, the School District's tax base is one based on stability and allows for credit worthiness with the recession to follow. The local real estate tax generates 67.1% of general fund revenues. Earned income is estimated to see an increase as the community's unemployment stays low, however, management continues to monitor and make any necessary adjustments as needed. Liquidity and fund balance will likely be strong to support the School District needs as a possible recession unfolds.

GETTYSBURG AREA SCHOOL DISTRICT

**MANAGEMENT’S DISCUSSION AND ANALYSIS
Year Ended June 30, 2024**

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND RATES (Continued)

The local revenue budget for 2024-2025 is overall \$3,013,816 more than the original budget for 2023-2024. This represents a slight change in assessment value, an increase in local revenue, state revenue, earned income taxes, and interest earnings, and an increase in federal funding. In terms of local revenue, the local real estate tax rate remained constant at 11.2589. The total local funding is expected to draw on fund balance. The School District expects to receive an increase in state funding of 6.2% overall.

A comparison of revenue and expenditure categories can be found in Table A-8.

**Table A-8
Original General Fund Budget Revenues and Expenditures**

	Fiscal Year Ended June 30, 2023		Fiscal Year Ended June 30, 2024		Fiscal Year Ended June 30, 2025	
	Amount	%	Amount	%	Amount	%
Budgeted revenues:						
Local sources	\$ 46,635,967	69.00%	\$ 47,477,193	68.17%	\$ 49,924,592	68.01%
State sources	19,932,917	29.49%	21,160,162	30.39%	22,490,893	30.64%
Federal sources	1,010,643	1.50%	979,204	1.41%	986,015	1.34%
Other sources	7,273	0.01%	22,006	0.03%	5,055	0.01%
Total	\$ 67,586,800	100.00%	\$ 69,638,565	100.00%	\$ 73,406,555	100.00%
Budgeted expenditures:						
Salaries and wages	\$ 25,862,961	36.66%	\$ 25,838,077	35.07%	\$ 26,337,779	34.52%
Employee benefits	18,016,599	25.55%	18,976,812	25.76%	19,479,132	25.53%
Professional services	5,499,102	7.80%	5,864,867	7.96%	5,535,180	7.26%
Property services	830,852	1.18%	877,119	1.19%	751,312	0.98%
Other purchased services	9,160,361	12.99%	10,437,266	14.17%	11,376,755	14.91%
Supplies	3,136,977	4.45%	3,429,708	4.66%	3,389,184	4.44%
Property and equipment	184,061	0.26%	183,092	0.25%	205,293	0.27%
Interest and other objects	1,834,071	2.60%	2,851,014	3.87%	2,530,041	3.32%
Other financing uses	6,002,848	8.51%	5,214,311	7.08%	6,685,341	8.76%
Total	\$ 70,527,832	100.00%	\$ 73,672,266	100.00%	\$ 76,290,017	100.00%

CONTACTING THE SCHOOL DISTRICT’S FINANCIAL MANAGEMENT

This financial report is designed to provide the School District's citizens, taxpayers, parents, students, investors, and creditors with a general overview of the School District's finances and to demonstrate the School District's accountability for the resources it receives. If you have questions about these reports or need additional information, please contact Belinda M. Wallen, Business Manager/Board Secretary at Gettysburg Area School District, 900 Biglerville Road, Gettysburg, PA 17325-7897, (717) 334-6254, extension 1226.

GETTYSBURG AREA SCHOOL DISTRICT

STATEMENT OF NET POSITION

June 30, 2024

	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 6,474,495	\$ 2,704,640	\$ 9,179,135
Investments	47,915,057	-	47,915,057
Taxes receivable	1,532,286	-	1,532,286
Leases receivable - short term	499,305	-	499,305
Due from other governments	6,171,287	147,008	6,318,295
Internal balances	(3,115)	2,956	(159)
Other receivables	177,079	2,691	179,770
Inventories	123,757	52,196	175,953
Prepaid expenses	113,642	-	113,642
Total current assets	63,003,793	2,909,491	65,913,284
Noncurrent assets			
Capital assets not being depreciated			
Land	1,530,471	-	1,530,471
Construction in progress	16,880,048	-	16,880,048
Capital assets net of accumulated depreciation			
Infrastructure, net	22,730	-	22,730
Building and building improvements, net	76,528,073	-	76,528,073
Machinery, equipment and vehicles, net	2,096,199	543,447	2,639,646
Total capital assets, net	97,057,521	543,447	97,600,968
Lease receivable - long term	1,034,940	-	1,034,940
Lincoln Benefit Trust reserves	3,262,091	89,143	3,351,234
Total other noncurrent assets	4,297,031	89,143	4,386,174
Total noncurrent assets	101,354,552	632,590	101,987,142
Total assets	164,358,345	3,542,081	167,900,426
Deferred Outflows of Resources			
Deferred amounts on pension liability	11,741,000	235,000	11,976,000
Deferred amounts on OPEB liabilities	1,429,617	28,951	1,458,568
Deferred amounts on refunding debt	351,350	-	351,350
Total deferred outflows of resources	13,521,967	263,951	13,785,918
Total assets and deferred outflows of resources	\$ 177,880,312	\$ 3,806,032	\$ 181,686,344

(Continued)

GETTYSBURG AREA SCHOOL DISTRICT

STATEMENT OF NET POSITION (Continued)

June 30, 2024

	Governmental Activities	Business-Type Activities	Total
Liabilities			
Current liabilities			
Due to other governments	\$ 343,912	\$ -	\$ 343,912
Accounts payable	490,113	15,137	505,250
Unearned revenues - short term	13,757	47,561	61,318
Accrued salaries, benefits and withholdings	6,857,073	33,692	6,890,765
Accrued interest	641,455	-	641,455
Other current liabilities	428,851	-	428,851
Current portion of long-term debt	5,363,990	-	5,363,990
Current portion of compensated absences	92,071	2,007	94,078
Total current liabilities	14,231,222	98,397	14,329,619
Noncurrent Liabilities			
Bonds/notes payable, net of unamortized premium	59,987,302	-	59,987,302
Compensated absences	1,749,352	38,139	1,787,491
Net pension liability	71,716,000	1,464,000	73,180,000
Other post-employment benefits (OPEB) liabilities	8,079,637	164,870	8,244,507
Total noncurrent liabilities	141,532,291	1,667,009	143,199,300
Total liabilities	155,763,513	1,765,406	157,528,919
Deferred Inflows of Resources			
Deferred amounts on pension liability	2,316,000	47,000	2,363,000
Deferred amounts on OPEB liabilities	2,822,180	57,596	2,879,776
Deferred amounts on building lease	1,501,733	-	1,501,733
Total deferred inflows of resources	6,639,913	104,596	6,744,509
Net Position			
Net investment in capital assets	32,057,579	543,447	32,601,026
Restricted for capital projects	30,236,603	-	30,236,603
Restricted for medical expenses	3,262,091	89,143	3,351,234
Unrestricted (deficit)	(50,079,387)	1,303,440	(48,775,947)
Total net position	15,476,886	1,936,030	17,412,916
Total liabilities, deferred inflows of resources and net position	\$ 177,880,312	\$ 3,806,032	\$ 181,686,344

See Notes to Financial Statements.

GETTYSBURG AREA SCHOOL DISTRICT

STATEMENT OF ACTIVITIES
Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction	\$ 45,775,383	\$ 131,011	\$ 10,381,046	\$ -	\$ (35,263,326)	\$ -	\$ (35,263,326)
Instructional student support	4,884,913	-	859,717	-	(4,025,196)	-	(4,025,196)
Administrative and financial support	7,099,715	-	679,434	-	(6,420,281)	-	(6,420,281)
Operation of maintenance of plant services	6,994,631	556,448	2,610,571	-	(3,827,612)	-	(3,827,612)
Pupil transportation	4,161,837	-	2,215,864	-	(1,945,973)	-	(1,945,973)
Student activities	1,691,420	207,770	127,132	-	(1,356,518)	-	(1,356,518)
Community services	16,813	-	211	-	(16,602)	-	(16,602)
Debt service	2,031,680	-	51,797	-	(1,979,883)	-	(1,979,883)
Total governmental activities	72,656,392	895,229	16,925,772	-	(54,835,391)	-	(54,835,391)
Business-Type Activities:							
Food service	2,454,950	691,170	1,703,276	-	-	(60,504)	(60,504)
Total primary government	\$ 75,111,342	\$ 1,586,399	\$ 18,629,048	\$ -	(54,835,391)	(60,504)	(54,895,895)
General Revenues:							
Property taxes levied for general purposes, net					34,865,946	-	34,865,946
Other taxes					11,283,673	-	11,283,673
Grants, subsidies and contributions not restricted					11,435,708	-	11,435,708
Investment earnings					3,906,811	132,497	4,039,308
Gain on sale of capital assets					43,012	-	43,012
Miscellaneous income					476,998	-	476,998
Total general revenues					62,012,148	132,497	62,144,645
Change in net position					7,176,757	71,993	7,248,750
Net Position - July 1, 2023					7,994,613	1,864,037	9,858,650
Prior period adjustment (see Note 1)					305,516	-	305,516
Net Position - July 1, 2023 (restated)					8,300,129	1,864,037	10,164,166
Net Position - June 30, 2024					\$ 15,476,886	\$ 1,936,030	\$ 17,412,916

See Notes to Financial Statements.

GETTYSBURG AREA SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2024

	General Fund	Capital Projects Reserve Fund	Capital Projects Bond Fund	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 3,636,186	\$ 959,681	\$ 1,878,628	\$ 6,474,495
Investments	20,364,614	8,739,696	18,810,747	47,915,057
Due from other funds	33,993	5,183	195	39,371
Due from other governments	6,171,287	-	-	6,171,287
Taxes receivable	1,532,286	-	-	1,532,286
Other receivables	177,079	-	-	177,079
Inventories	123,757	-	-	123,757
Prepaid expenses	113,642	-	-	113,642
Lease receivable	1,534,245	-	-	1,534,245
Lincoln Benefit Trust reserves	3,262,091	-	-	3,262,091
Total assets	\$ 36,949,180	\$ 9,704,560	\$ 20,689,570	\$ 67,343,310
Liabilities				
Accounts payable	\$ 332,947	\$ 580	\$ 156,586	\$ 490,113
Due to other governments	343,912	-	-	343,912
Due to other funds	42,125	139	222	42,486
Accrued salaries, benefits and withholdings	6,857,073	-	-	6,857,073
Unearned revenues	13,757	-	-	13,757
Other liabilities	428,851	-	-	428,851
Total liabilities	8,018,665	719	156,808	8,176,192
Deferred Inflows of Resources				
Unavailable tax revenue	339,277	-	-	339,277
Unavailable plan con revenue	804,945	-	-	804,945
Unavailable future lease rental payments	1,501,733	-	-	1,501,733
Total deferred inflows of resources	2,645,955	-	-	2,645,955
Fund Balances				
Nonspendable:				
Inventories	123,757	-	-	123,757
Prepaid expenses	113,642	-	-	113,642
Restricted:				
Lincoln Benefit Trust reserves	3,262,091	-	-	3,262,091
Capital improvements	-	9,703,841	20,532,762	30,236,603
Committed:				
Capital improvements	7,185,860	-	-	7,185,860
Retirement/PSERS	3,003,685	-	-	3,003,685
Assigned:				
24/25 Budgetary reserve	2,724,796	-	-	2,724,796
Capital improvements	500,000	-	-	500,000
Future medical costs	1,000,000	-	-	1,000,000
Safety and security enhancements	189,185	-	-	189,185
Technology improvements	700,000	-	-	700,000
Future borrowing costs	1,095,298	-	-	1,095,298
Unassigned:				
General Fund	6,386,246	-	-	6,386,246
Total fund balances	26,284,560	9,703,841	20,532,762	56,521,163
Total liabilities, deferred inflows of resources and fund balances	\$ 36,949,180	\$ 9,704,560	\$ 20,689,570	\$ 67,343,310

See Notes to Financial Statements.

GETTYSBURG AREA SCHOOL DISTRICT

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2024**

Total fund balances - governmental funds	\$ 56,521,163
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>	
<p>Capital assets used in governmental activities are not current financial resources, and therefore, they are not reported as assets in governmental funds. The cost of assets is \$179,797,909, and the accumulated depreciation/amortization is \$79,740,388.</p>	97,057,521
<p>Certain taxes and other receivables are not available soon enough to pay for current period expenditures and therefore are deferred in the fund financial statements.</p>	1,144,222
<p>Deferred inflows and outflows of resources related to pensions are applicable to future periods, and therefore, are not reported within the funds. Deferred inflows and outflows related to pensions are as follows (see footnotes for detail):</p>	
Deferred outflows	11,741,000
Deferred inflows	(2,316,000)
<p>Deferred inflows and outflows of resources related to OPEB are applicable to future periods, and therefore, are not reported within the funds. Deferred inflows and outflows related to OPEB are as follows (see footnotes for detail):</p>	
Deferred outflows	1,429,617
Deferred inflows	(2,822,180)
<p>Long-term liabilities; including bonds payable, leases payable, subscription liabilities, compensated absences, net pension liabilities, and other post-employment benefits; are not due and payable in the current period, and therefore, they are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:</p>	
Bonds and notes payable, net of related bond premiums	(65,351,292)
Deferred amounts on refinancing of bonds	351,350
Compensated absences	(1,841,423)
Accrued interest	(641,455)
Net pension liability	(71,716,000)
OPEB liabilities	(8,079,637)
	(147,278,457)
Total net position - governmental activities	\$ 15,476,886

See Notes to Financial Statements.

GETTYSBURG AREA SCHOOL DISTRICT

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended June 30, 2024**

	General Fund	Capital Projects Reserve Fund	Capital Projects Bond Fund	Totals Governmental Funds
Revenues				
Local sources	\$ 50,491,009	\$ 451,992	\$ 1,612,521	\$ 52,555,522
State sources	21,916,969	-	-	21,916,969
Federal sources	5,531,101	-	-	5,531,101
Total revenues	77,939,079	451,992	1,612,521	80,003,592
Expenditures				
Instruction	42,516,817	-	-	42,516,817
Support services	22,066,137	114,354	151,213	22,331,704
Non-instructional services	1,638,576	-	-	1,638,576
Capital outlay	2,127,710	125,605	14,746,089	16,999,404
Debt service (principal and interest)	7,059,910	-	-	7,059,910
Total expenditures	75,409,150	239,959	14,897,302	90,546,411
Excess (deficiency) of revenues over expenditures	2,529,929	212,033	(13,284,781)	(10,542,819)
Other Financing Sources (Uses)				
Interfund transfers in	-	659,311	-	659,311
Interfund transfer out	(659,311)	-	-	(659,311)
Miscellaneous income	51,764	-	-	51,764
Total other financing sources (uses)	(607,547)	659,311	-	51,764
Net change in fund balances	1,922,382	871,344	(13,284,781)	(10,491,055)
Fund Balances - July 1, 2023	24,056,662	8,832,497	33,817,543	66,706,702
Prior period adjustment (see Note 1)	305,516	-	-	305,516
Fund Balances - July 1, 2023 (restated)	24,362,178	8,832,497	33,817,543	67,012,218
Fund Balances - June 30, 2024	\$ 26,284,560	\$ 9,703,841	\$ 20,532,762	\$ 56,521,163

See Notes to Financial Statements.

GETTYSBURG AREA SCHOOL DISTRICT

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE
STATEMENT OF ACTIVITIES
Year Ended June 30, 2024**

Net changes in fund balances - governmental funds	\$ (10,491,055)
--	------------------------

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

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the costs of those assets are allocated over their useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation/amortization of capital or right-to-use assets.

Capital outlays	17,676,179	
Less depreciation/amortization expense	<u>(6,324,893)</u>	11,351,286

The net effect of various miscellaneous transactions involving capital assets (ie. sales, trade-ins, and donations) is to decrease net assets	(8,752)
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Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered as "available" revenues in the governmental funds. Deferred property taxes decreased by this amount.	(213,455)
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Governmental funds report District pension and OPEB contributions as expenditures. However in the Statement of Activities, the cost of pension and OPEB benefits earned net of employee contributions is reported as a pension and OPEB expense.	
District pension and OPEB contributions (PSERS)	8,390,000
Cost of benefits earned net of employee contributions (PSERS)	(6,862,502)

Some expenses reported in the Statement of Activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds.	
Change in compensated absences	806
Change in other post-employment benefits (District's Plan)	(17,802)

The issuance of long-term obligations (e.g., bonds, leases, loans, subscription liabilities) provides current financial resources to governmental funds, while the repayment of the principal of long-term obligations consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of insurance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. The net effect of these differences in the treatment of long-term obligations and related items is as follows:	
Repayment of long-term debt	4,555,000
Accrued interest	94,600
Amortization of bond refunding	(234,437)
Amortization of bond premium	613,068
	<u>5,028,231</u>

Change in net position - governmental activities	\$ <u>7,176,757</u>
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See Notes to Financial Statements.

GETTYSBURG AREA SCHOOL DISTRICT

STATEMENT OF NET POSITION - PROPRIETARY FUNDS
June 30, 2024

	Food Service Fund
Assets	
Current Assets	
Cash and cash equivalents	\$ 2,704,640
Due from other funds	36,588
Due from other governments	147,008
Accounts receivable	2,691
Inventories	52,196
Total current assets	<u>2,943,123</u>
Noncurrent Assets	
Machinery and equipment, net	543,447
Lincoln Benefit Trust reserves	89,143
Total noncurrent assets	<u>632,590</u>
Total assets	<u>3,575,713</u>
Deferred Outflows of Resources	
Deferred amounts on pension liability	235,000
Deferred amounts on OPEB liabilities	28,951
Total deferred outflows of resources	<u>263,951</u>
Total assets and deferred outflows of resources	<u>\$ 3,839,664</u>
Liabilities	
Current Liabilities	
Due to other funds	\$ 33,632
Accounts payable	15,137
Accrued salaries and benefits	33,692
Unearned revenue	47,561
Compensated absences	2,007
Total current liabilities	<u>132,029</u>
Noncurrent Liabilities	
Compensated absences	38,139
OPEB liability	164,870
Net pension liability	1,464,000
Total noncurrent liabilities	<u>1,667,009</u>
Total liabilities	<u>1,799,038</u>
Deferred Inflows of Resources	
Deferred amounts on pension liability	47,000
Deferred amounts on OPEB liabilities	57,596
Total deferred inflows of resources	<u>104,596</u>
Net Position	
Net investment in capital assets	543,447
Restricted - Lincoln Benefit Trust	89,143
Unrestricted	1,303,440
Total net position	<u>1,936,030</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 3,839,664</u>

See Notes to Financial Statements.

GETTYSBURG AREA SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION - FOOD SERVICE Year Ended June 30, 2024

	Food Service Fund
<hr/>	
Operating Revenues	
Food service revenue	\$ 691,170
Total operating revenues	<u>691,170</u>
Operating Expenses	
Salaries	701,494
Employee benefits	429,804
Purchased property service	57,471
Other purchased service	2,530
Supplies	1,188,360
Depreciation	74,430
Dues and fees	861
Total operating expenses	<u>2,454,950</u>
Operating loss	<u>(1,763,780)</u>
Nonoperating Revenues	
Investment earnings	132,497
State sources	309,251
Federal sources	1,394,025
Total nonoperating revenues	<u>1,835,773</u>
Change in net position	71,993
Net Position - July 1, 2023	<u>1,864,037</u>
Net Position - June 30, 2024	<u>\$ 1,936,030</u>

See Notes to Financial Statements.

GETTYSBURG AREA SCHOOL DISTRICT

STATEMENT OF CASH FLOWS - FOOD SERVICE

Year Ended June 30, 2024

	Food Service Fund
Cash Flows From Operating Activities	
Cash received from user charges	\$ 689,367
Cash payments for goods and services	(1,057,167)
Cash payments to employees for services	(1,203,772)
Net cash used in operating activities	<u>(1,571,572)</u>
Cash Flows From Noncapital Financing Activities	
State subsidies	289,700
Federal subsidies	1,080,479
Net cash provided by noncapital financing activities	<u>1,370,179</u>
Cash Flows From Capital and Related Financing Activities	
Purchases of capital assets	(6,227)
Net cash used in capital and related financing activities	<u>(6,227)</u>
Cash Flows From Investing Activities	
Investment earnings	<u>132,497</u>
Net change in cash and cash equivalents	(75,123)
Cash and Cash Equivalents:	
July 1, 2023	2,779,763
June 30, 2024	<u>\$ 2,704,640</u>

(Continued)

GETTYSBURG AREA SCHOOL DISTRICT

STATEMENT OF CASH FLOWS - FOOD SERVICE (Continued)
Year Ended June 30, 2024

	Food Service Fund
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Reconciliation of Operating Income (Loss) to Net Cash Used in Operating Activities	
Operating loss	\$ (1,763,780)
Adjustments to reconcile operating loss to net cash used in operating activities	
Depreciation	74,430
Donated commodities	188,831
Decrease (increase) in:	
Due from other funds	(5,916)
Accounts receivable	(1,803)
Inventories	5,604
Lincoln Benefit Trust reserves	(35,885)
Deferred outflows of resources	156,335
(Decrease) increase in:	
Due to other funds	5,551
Accounts payable	(7,000)
Accrued salaries and benefits	5,268
Unearned revenue	4,985
Compensated absences	4,004
Net pension liability	(126,618)
OPEB liabilities	83,187
Deferred inflows of resources	(158,765)
Net cash used in operating activities	<u><u>\$ (1,571,572)</u></u>
Supplemental Disclosure	
Noncash noncapital financing activity:	
USDA donated commodities	<u><u>\$ 188,831</u></u>

See Notes to Financial Statements.

GETTYSBURG AREA SCHOOL DISTRICT

STATEMENT OF NET POSITION - FIDUCIARY FUND

June 30, 2024

	Custodial Funds
Assets	
Cash and cash equivalents	\$ 178,449
Due from other funds	159
Accounts receivable	2,356
Prepaid expenses	2,500
Total assets	<u><u>\$ 183,464</u></u>
Liabilities	
Accounts payable	\$ 80
Total liabilities	<u>80</u>
Net Position	
Restricted for individuals and organizations	183,385
Total liabilities and net position	<u><u>\$ 183,465</u></u>

See Notes to Financial Statements.

GETTYSBURG AREA SCHOOL DISTRICT

**STATEMENT OF REVENUES, EXPENSES AND
CHANGE IN NET POSITION - FIDUCIARY FUND
Year Ended June 30, 2024**

	Custodial Funds
ADDITIONS	
Fundraising	\$ 213,105
Gifts and contributions	16,217
Interest earnings	5,979
Total additions	<u>235,301</u>
DEDUCTIONS	
Dues and fees	21,869
Supplies	90,343
Rentals	32,173
Miscellaneous	15,816
Scholarships	4,000
Travel	23,289
Student activities	5,188
Other deductions	8,018
Total operating expenses	<u>200,696</u>
Change in net position	34,605
Net Position - July 1, 2023	148,780
Net Position - June 30, 2024	<u>\$ 183,385</u>

See Notes to Financial Statements.

GETTYSBURG AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

The Gettysburg Area School District (the District) operates a public school system which is comprised of Cumberland Township, Franklin Township, Freedom Township, Gettysburg Borough, Highland Township, Straban Township and Mt. Joy Township in Adams County, Pennsylvania.

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.

A. 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 primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The School District is not a component unit of any other entities. Based on the above criteria, the School District has no component units.

Joint Ventures and Affiliates

The following joint ventures are not component units of Gettysburg Area School District and are not included in this report.

Lincoln Intermediate Unit #12 - is a separate legal entity organized by constituent school districts in York, Adams, and Franklin counties to provide services to the school districts. Each member school district appoints members to serve on the Board of Directors of the Intermediate Unit. The District contracts with the Intermediate Unit primarily for special education services and training. During the year ended June 30, 2024, the District paid \$4,286,750 to Lincoln Intermediate Unit #12.

Adams County Technical Institute (ACTI) - Five school districts located in Adams County have an agreement with ACTI to provide hands-on instruction to juniors and seniors of those districts. The member school districts are represented on ACTI's Joint Operating Committee. Each member school district pays tuition to ACTI based on the number of students that attend. During the year ended June 30, 2024, the District paid \$387,651 to ACTI.

In addition to the above, starting with the 2021-2022 school year, ACTI utilizes Gettysburg Area School District's personnel, infrastructure and resources to provide their programs. ACTI pays Gettysburg Area School District 4.5% of its annual operating budget for overhead costs related to infrastructure. Furthermore, ACTI reimburses Gettysburg Area School District quarterly for salaries, benefits and supplies that were purchased on their behalf.

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

GETTYSBURG AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

B. Government-wide and Fund Financial Statements

Government-wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on the District as a whole. These statements include the financial activities of the primary government, except for the fiduciary funds. The statements distinguish between those activities of the 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 District, and for each function or program of the 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 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 District.

Fund Financial Statements

Fund financial statements report detailed information about the 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. Nonmajor 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.

GETTYSBURG AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Fund Financial Statements (Continued)

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

Fiduciary funds are reported using the economic resources measurement focus.

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 District expenditures is recognized when the related expenditures are incurred and the revenue is available, which is generally 60 days; accordingly, when such funds are received, they are recorded as 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 food 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.

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, 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 funds, or private-purpose trust funds.

GETTYSBURG AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Fund Accounting

The 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 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 District are grouped into the categories of governmental, proprietary, and fiduciary.

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

The District reports the following governmental funds:

General Fund - Major Fund - The general fund accounts for all financial resources of the School District except those that are specifically required by laws to be accounted for in another fund. This is a budgeted fund, and any fund balances are considered as resources available for use, unless classified as nonspendable, restricted, committed or assigned.

Capital Projects Reserve Fund - Major Fund - The capital projects reserve fund is an unbudgeted fund that accounts for transfers of surplus from the General Fund designated to be spent on capital improvements.

Capital Projects Bond Fund - Major Fund - The capital projects bond fund is an unbudgeted fund that accounts for the proceeds and expenditures related to bond issues, renovations and construction projects.

Debt Service Fund - Non-Major Fund - The debt service fund is an unbudgeted fund that accounts for the proceeds and refunding of new debt.

Proprietary Funds: Proprietary funds are used to account for the 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 District operates one proprietary fund:

Food Service Fund - The food service fund accounts for the costs of providing meals to students during the school year. Revenue is received from student payments, from state and federal subsidies.

Additionally, the District reports the following fiduciary fund:

Student Activities Fund - the student activities fund accounts for student sponsored school organizations and publications.

GETTYSBURG AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

D. Budget and Budgetary Accounting

The District follows the following procedures in establishing the budgetary data presented in the financial statements:

The official school budget was prepared for adoption for the General Fund only. The budget was formally adopted by the Board of School Directors at a duly advertised public meeting prior to the expenditure of funds. The budget was properly amended by the Board as needed throughout the year.

The budget amounts shown in the financial statements are both the original and the final authorized amounts as revised during the year.

Unused appropriations for the General Fund typically lapse at the end of the year, except for some balances, including elementary and middle school activity funds, local grant funds and athletic team accounts.

During 2023-2024, the 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 District.

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance

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

Investments: Investments are stated at fair value or at amortized costs, depending on the investment type, consistent with generally accepted accounting principles.

Inventories: Inventory in the General Fund is valued at cost and consists of general school and custodial supplies. 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.

Inventory in the Food Service Fund consists of expendable supplies and food (valued at cost) held for consumption. Government-donated commodities are valued at estimated fair market value. The expendable supplies are recorded as an expenditure when used.

Prepaid Expenses: Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Prepaid expenses are recorded as expenses when consumed on the government-wide financial statements. Prepaid expenditures are recorded as expenditures on the fund financial statements if they will be consumed within three years. All other long-term prepaid expenditures are recorded as expenditures when purchased.

GETTYSBURG AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance (Continued)

Capital Assets: General capital assets are those assets not specifically related to activities reported in the proprietary fund. 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 fund are reported both in the business-type activities column of the government-wide statement of net position and in the respective fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition value as of the date received. The District maintains a capitalization threshold of \$5,000. 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.

All reported capital assets are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation and amortization is computed using the straight-line method over 3 to 20 years.

Leases: The District is a lessor for a noncancellable lease of a building. The 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 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 at the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred outflow is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the 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 District uses their current 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 District will use the Cost of Living Adjustment "COLA" not exceeding 7% per annum, to increase rent payments. These adjustments are only posted for one year in advance.

The 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.

GETTYSBURG AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance (Continued)

Deferred Outflows of Resources - Deferred Amounts on Refinancing of Bonds: The District recognizes the difference between the re-acquisition price and the net carrying amount of the old debt as a deferred outflow and recognizes it as a component of interest expense over the remaining life of the old or new debt, whichever is shorter.

Deferred Outflows of Resources - Pension and Other Post-Employment Benefits: The District recognizes deferred outflows of resources, which represent a consumption of net assets that is applicable to a future reporting period and so will not be recognized as an outflow of resources (expense) until that time. The District has identified these items in subsequent notes to the financial statements.

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond and note issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Discounts on debt issuances are reported as other financing uses. Debt issuance costs, whether or not withheld from the actual debt proceeds received, is reported as administrative expenditures.

Lease and Subscription Based Information Technology Arrangement (SBITA) Liabilities: The District enters into non-cancellable arrangements for the leasing of building space and equipment and for subscription based information technology. A liability and an intangible right-to-use asset is recognized in the government-wide financial statements. Lease and SBITA that are significant, either individually or in the aggregate, are recognized.

At the commencement of a lease or SBITA, the District initially measures the liability at the present value of payments expected to be made during the agreement term. Subsequently, the liability is reduced by the principal portion of payments made. The right-to-use asset is initially measured as the initial amount of the liability, adjusted for payments made at or before the contract commencement date. Subsequently, the right-to-use asset is amortized on a straight-line basis over its useful life and the useful life is consistent with the term of the agreement.

GETTYSBURG AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance (Continued)

Lease and Subscription Based Information Technology Arrangement (SBITA) Liabilities (Continued)

Key estimates and judgments include how the District determines (1) the discount rate it uses to discount the expected payments to present value, (2) contract term, and (3) contract payments. The District uses the interest rate charged by the lessor as the discount rate for lease and SBITA liabilities, if provided. When the interest rate charged is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for lease and SBITA liabilities.

The term includes the non-cancellable period of the lease or SBITA. Payments included in the measurement of the liability are composed of fixed payments and the purchase option price that the District is reasonably certain to exercise. The District monitors changes in circumstances that would require a remeasurement of its arrangements and will remeasure the related asset and liability if certain changes occur that are expected to significantly affect the amount of the liability.

Right-to-use assets are reported with other capital assets and lease and SBITA liabilities are reported with long-term debt on the Statement of Net Position.

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 sick leave, as such benefits are earned, and payment becomes probable.

Pension: Substantially all full-time and qualifying part-time employees of the District participate in a cost-sharing multiple employer defined benefit pension plan. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public School Employees' Retirement System (PSERS) and additions to/deductions from PSERS's fiduciary net position have been determined on the same basis as they are reported by PSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

GETTYSBURG AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance (Continued)

Other Post-Employment Benefits (OPEB): In the government-wide financial statements, the District recognizes the costs and liabilities associated with post-employment benefits other than pension compensation. The District participates in two plans, the first is a single employer plan administered by the District. The Plan provides retiree health, vision, dental care and prescription drug benefits for eligible, retired employees and their qualified spouses/beneficiaries. The District estimates the cost of providing these benefits through an actuarial valuation.

The District also participates in a governmental cost sharing, multiple-employer other post-employment benefit plan (OPEB) with PSERS for all eligible retirees 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 of the Public School Employees' Retirement System (PSERS) and additions to/deductions from PSERS's fiduciary net position have been determined on the same basis as they are reported by PSERS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The balance of the District's OPEB liabilities and related deferred outflows/inflows of resources at June 30, 2024, are as follows:

	Governmental Activities	Business-Type Activities	Total
OPEB Liabilities			
District's Single Employer Plan	\$ 5,163,137	\$ 105,370	\$ 5,268,507
PSERS Cost-Sharing Plan	2,916,500	59,500	2,976,000
Total	\$ 8,079,637	\$ 164,870	\$ 8,244,507
Deferred Outflows of Resources			
District's Single Employer Plan	\$ 943,317	\$ 19,251	\$ 962,568
PSERS Cost-Sharing Plan	486,300	9,700	496,000
Total	\$ 1,429,617	\$ 28,951	\$ 1,458,568
Deferred Inflows of Resources			
District's Single Employer Plan	\$ 2,155,780	\$ 43,996	\$ 2,199,776
PSERS Cost-Sharing Plan	666,400	13,600	680,000
Total	\$ 2,822,180	\$ 57,596	\$ 2,879,776

Additional disclosures related to other post-employment benefits of the District's Single Employer PSERS Cost-Sharing Plan can be found in subsequent notes to the financial statements.

GETTYSBURG AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance (Continued)

Deferred Inflows of Resources - Pension and Other Post-Employment Benefits: The District recognizes deferred inflows of resources, which represent an acquisition of net assets that is applicable to a future reporting period and so will not be recognized as an inflow of resources (revenue) until that time. The District has identified these items in subsequent notes to the financial statements.

Deferred Inflows of Resources - Unavailable Tax Revenue: The District recognizes the property tax revenues when they become available. Available includes those property tax receivables expected to be collected within sixty days after year-end. Those property tax receivables expected to be collected after sixty days after year-end are shown as deferred inflows of resources in the fund financial statements. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

Interfund Activity: Advances between funds that are not expected to be repaid are accounted for as transfers. In cases when repayment is expected, the advances are accounted for through the various due from and due to accounts. Transactions and balances between governmental activities have been eliminated in the government-wide financial statements. Residual amounts due between governmental and business-type activities are indicated on the Statement of Net Position as internal balances.

Net Position: Net position (deficit) represents total assets plus deferred outflows of resources less total liabilities and deferred inflows of resources. In the government-wide financial statements and proprietary fund financial statements, categories of net position are:

Net Investment in Capital Assets - This category presents all capital assets into one component of net position. Accumulated depreciation and outstanding debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.

Restricted - This category presents funds restricted for a specific purpose by external parties, contributors, or enabling legislation.

Unrestricted - This category presents the net position (deficit) of the District which is not restricted for any project or other purpose. However, these funds may be committed or assigned for specific projects or purposes in the fund financial statements.

The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

GETTYSBURG AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance (Continued)

Fund Balance: GASB has established criteria for classifying fund balances into specifically defined classifications based on a hierarchy that reflects the extent to which the District is bound to honor constraints on how those funds can be spent. The District's governmental funds fund balance classifications are defined as follows:

Nonspendable: Amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The District has classified inventories and prepaid expenses as being nonspendable as these items are not expected to be converted to cash or are not expected to be converted to cash within the next year.

Restricted: Amounts that can be spent only for a specific purpose because of constitutional provisions, enabling legislation, or because of constraints that are imposed by external parties, such as creditors, grantors, or other governments. Lincoln Benefit Trust reserves are considered restricted funds. Amounts in Capital Projects Reserve Fund and Capital Projects Bond Fund are considered restricted funds.

Committed: Amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of School Directors. These amounts cannot be used for any other purpose unless the Board of School Directors removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. The District has classified amounts for capital improvements and future retirement/PSERS as committed.

Assigned: Amounts intended to be used by the District for a specific purpose by the Business Manager or Superintendent, that are neither restricted nor committed. The District has classified the 2023-2024 budget excess of expenditures over revenues as committed as well as funds for various future initiatives and expected costs.

Unassigned: Includes the residual fund balance for the District's general fund and the amount established for minimum funding which represents the portion of the General Fund balance that has been established by Policy Number 622. If the unassigned portion of the fund balance falls below the threshold of six percent of budgeted expenditures, the Board will pursue variations of increasing revenues and decreasing expenditures, or a combination of both until six percent is attained. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

The Board would typically use Unassigned fund balances first, followed by Assigned resources, and then Committed resources, unless otherwise directed by the Board.

GETTYSBURG AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

F. New Accounting Pronouncements

The following list reflects only those pronouncements initially effective in the current or upcoming reporting periods which based on our review, may be applicable to the District's reporting requirements.

Following are descriptions of significant pronouncements that were considered or initially selected during the year ended June 30, 2024:

GASB Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*, defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement also prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections in previously issued financial statements.

The following are descriptions of accounting pronouncements which will be considered for implementation during subsequent fiscal years, with modified effective dates as established by GASB Statement No. 95:

GASB Statement No. 101, *Compensated Absences*, will be effective for the District beginning with its year ending June 30, 2025, (fiscal years beginning after December 15, 2023). This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements.

GASB Statement No. 102, *Certain Risk Disclosures*, will be effective for the District beginning with its year ending June 30, 2025 (fiscal year beginning after June 15, 2024). This Statement establishes financial reporting requirements to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

GASB Statement No. 103, *Financial Reporting Model Improvements*, will be effective for the District beginning with its year ending June 30, 2026 (fiscal years beginning after June 15, 2025). This Statement improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This statement addresses requirements relating to management's discussion and analysis, unusual or infrequent items, presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position, major component unit information and budgetary comparison information.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, will be effective for the District beginning with its year ending June 30, 2026 (fiscal years beginning after June 15, 2025). This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures. Lease assets, subscription assets, intangible right-to-use assets and intangible assets should be disclosed separately by major class of underlying asset within the note disclosures. This Statement also requires additional disclosures for capital assets held for sale.

The effects of implementation of these standards have not yet been determined.

GETTYSBURG AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

G. Other

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

Reclassifications: Certain items have been reclassified to meet current year presentations.

Restatement of Net Position Beginning Balance: As of July 1, 2023, the District restated the General Fund fund balance and Governmental Activities net position. These restatements were necessary due to errors reported in the financial statements for the year ended June 30, 2023. The restatements had the following effects on fund balance and net position:

	Governmental Activities	General Fund
Net Position or Fund Balance, as previously reported on June 30, 2023	\$ 7,994,613	\$ 24,056,662
Prior period adjustment of federal revenue	305,516	305,516
Net Position or Fund Balance, as restated on July 1, 2023	<u>\$ 8,300,129</u>	<u>\$ 24,362,178</u>

Subsequent Events: In preparing these financial statements, the District has evaluated events and transactions for potential recognition or disclosure through March 12, 2025, the date the financial statements were available to be issued.

GETTYSBURG AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 2. Cash and Cash Equivalents

Section 440.1 of the Public School Code of 1949 as amended and supplemented by Act 10 of 2016, the District is permitted to invest funds consistent with sound business practices in the following types of investments:

- U. S. Treasury Bills
- Short-term obligations of the U.S. Government or its agencies or instrumentalities
- Deposits in savings accounts or time deposits or share accounts of institutions insured by the Federal Deposit Insurance Corporation (FDIC) or the Federal Savings and Loan Insurance Corporation (FSLIC) or the National Credit Union Share Insurance Fund (NCUSIF) 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 United States of America, the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full-faith and credit of the political subdivision
- Shares of an investment companies registered under the Investment Company Act of 1940
- Local Government Investment Pools
- Repurchase agreements with respect to U.S. Treasury bills or obligations, participations or other instruments of or guaranteed by the U.S. or any federal agency, instrumentality or U.S. government-sponsored enterprise
- Obligations, participations or other instruments of any federal agency, instrumentality or U.S. 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 evidence of deposit, with a remaining maturity of three years or less

The deposit and investment policy of the District adheres to state statutes. There were no deposits or investment transactions during the year that were in violation of either the state statutes or the policy of the District.

GETTYSBURG AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 2. Cash and Cash Equivalents (Continued)

Deposits: Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a written policy for custodial credit risk although the public school code requires that all deposits of the District, which are not insured, are collateralized by the depository institution. A summary of the District's deposits at June 30, 2024, are shown below:

	Carrying Amount	Bank Balance	Financial Institution
Insured (FDIC)	\$ 250,000	\$ 250,000	ACNB
Uninsured and collateralized in accordance with Act 72	2,891,540	8,677,088	ACNB
	<u>\$ 3,141,540</u>	<u>\$ 8,927,088</u>	

The carrying amount of cash and cash equivalents as presented on the Statement of Net Position includes petty cash of \$500 and funds deposited with Arbiter Sports of \$1,153.

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 pledgers of the assets. Based on the standard outline in Act 72, the various banks utilized by the District have pledged collateral on a pooled basis on behalf of the District and all other governmental depositors in the respective financial institutions.

Investments

At June 30, 2024, the District had the following investments:

	Maturity	Value	Cost	Rating
External investment pools:				
Pennsylvania Local Government Investment Trust (PLGIT)				
PLGIT - Reserve	Less than 1 year	\$ 57,528	\$ 57,528	AAAm
Pennsylvania School District Liquid Asset Fund (PSDLAF)				
PSDMAX	Less than 1 year	6,156,862	6,156,862	AAAm
Full Flex Pool	Less than 1 year	47,915,058	47,915,058	N/A
		<u>\$ 54,129,448</u>	<u>\$ 54,129,448</u>	

GETTYSBURG AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 2. Cash and Cash Equivalents (Continued)

Investments (Continued)

Certain external pool investments held by the District, based on portfolio maturity, quality, diversification and liquidity measures, qualify for measurement at amortized cost at both the pool and the participating government levels consistent with GASB Statement No. 79. The District measures those investments, which includes PLGIT and PSDLAF, at amortized cost.

PLGIT invests primarily in U.S. Treasury and Federal agency securities and repurchase agreements secured by such obligations, as well as certain municipal obligations and collateralized or insured certificates of deposit. The fund manager intends to comply with guidelines similar to those mandated for money market funds as contained in Rule 2a-7 of the Investment Company Act of 1940. The fund maintains a weighted average maturity to reset of 60 days or less.

PLGIT-Reserve shares is an option which requires a minimum investment of \$50,000; a one-day minimum investment period; and limits redemptions to two per calendar month. Dividends are paid monthly.

The Pennsylvania School District Liquid Asset Fund is governed by a Board of Trustees and is administered by PMA Financial Network, Inc.

The PSDMAX fund invests in U.S. treasury securities, U.S. government securities, its agencies and instrumentalities, and repurchase agreements, collateralized by such securities and contracted with highly rated counterparties. PSD MAX Series seeks to maintain a constant net asset value per share of \$1.00 and has no minimum balance, deposit or withdrawal amount requirements.

The PSDLAF Full Flex Pool, as part of the fixed term series at PSDLAF, are fixed term investments collateralized in accordance with Act 72 and invests in assets listed above as permitted under Section 440.1 of the Public School Code of 1949. The Fixed Term Series are fixed term investment vehicles with maturities depending upon the maturity date of each particular Fixed Term Series. All investments in a Fixed Term Series by a Settlor are intended to be deposited for the full term of the particular Fixed Term Series; however, participants in the full flex pool may remove funds without early withdrawal penalty. Whether a Fixed Term Series has only one Settlor or more than one Settlor participating in it, each certificate of deposit in which the monies in such Fixed Term Series are invested is registered in the name of that particular Fixed Term Series. Certificates of deposit used for Fixed Term Series (i) are normally in principal amounts in excess of the FDIC insurance limit of \$250,000, (ii) are collateralized in accordance with law and (iii) the collateral is held by a third party custodian pursuant to a custody agreement among the Fund, the bank that issues the certificate of deposit and the third party custodian. In some instances, the collateral consists of an Irrevocable Letter of Credit issued by the applicable Federal Home Loan Bank.

Interest Rate Risk: The 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. The District's investments that are subject to interest rate risk are included in the table previously listed. Investments in PLGIT and PSDLAF 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.

GETTYSBURG AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 2. Cash and Cash Equivalents (Continued)

Investments (Continued)

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments. All of the District's brokered certificates of deposit, fixed income securities, and agency securities are in the name of the District and not the custodian.

Credit Risk - Investments: Included in cash and cash equivalents in the financial statements are pooled investments in the PLGIT-Reserve and PSDMAX. These funds operate similarly to mutual funds that consist of short-term money market instruments and seek to maintain a constant net asset value of \$1 per share. PLGIT-Reserve and PSDMAX deposits were invested directly in portfolios of securities which are held by a third-party custodian. The District's investments that have a credit quality rating are included in the table above.

Concentration of Credit Risk: The District places no limit on the amount they may invest in any one issuer. At June 30, 2024, the District does not have any concentrations of credit risk in its investments.

Note 3. Real Estate Taxes

The District's real estate tax bills are based upon assessments provided by Adams County. The District tax rate for the year ended June 30, 2024, was 11.2589 mills as levied by the Board of School Directors. The schedule for real estate taxes levied for the fiscal year ended June 30, 2024, follows:

Levy Date	July 1
Discount	July 1 - August 31
Face	September 1 - October 31
Penalty	November 1 - December 31

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

GETTYSBURG AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 4. Taxes Receivable and Deferred Inflows of Resources

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

	Amount
Real estate	\$ 824,099
Earned income	475,619
Realty transfer	153,276
Other	79,292
Total taxes receivable	<u>1,532,286</u>
 Taxes collected within sixty days, recognized as revenues in governmental funds	 <u>(1,193,009)</u>
 Taxes estimated to be collected after sixty days and thus "unavailable", recorded as deferred inflows of resources in governmental funds	 <u>\$ 339,277</u>

GETTYSBURG AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 5. Interfund Activity

Interfund balances are as follows at June 30, 2024:

Fund	Interfund Receivables	Interfund Payables
Governmental Funds		
General	\$ 33,993	\$ 42,125
Capital projects reserve fund	5,183	139
Capital projects bond fund	195	222
Proprietary Funds		
Food service	36,588	33,632
Fiduciary Funds		
Custodial funds	159	-
	\$ 76,118	\$ 76,118

Amounts are owed between the General Fund, Capital Projects Reserve Fund, Capital Projects Bond Fund, Food Service Fund and Custodial Funds, are capital and operational expenditures that were paid on behalf of the respective funds.

Interfund transfers for the year ended June 30, 2024, are as follows:

Fund	Transfers In	Transfers Out
Governmental Funds		
General	\$ -	\$ 659,311
Capital projects reserve fund	659,311	-
	\$ 659,311	\$ 659,311

Transfers are substantially for the purposes of subsidizing operating functions and funding capital projects and asset acquisitions. For the year ended June 30, 2024, amounts were transferred from the General Fund to the Capital Projects Reserve Fund to fund various future improvements and acquisitions.

GETTYSBURG AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 6. Due from / to Other Governments

Amounts due from other governments is as follows as of June 30, 2024:

	Governmental Funds	Food Service Fund
Federal		
Grant/Subsidies	\$ 2,908,400	\$ 126,830
State		
Social Security	307,148	-
Retirement	1,465,739	-
Grant/Subsidies	1,199,199	20,178
Local		
Various schools and governmental units	290,801	-
	<u>\$ 6,171,287</u>	<u>\$ 147,008</u>

Amounts due to other governments is as follows as of June 30, 2024:

	Governmental Funds
Prison education	\$ 47,121
Other school districts, schools, and municipal governments	296,791
	<u>\$ 343,912</u>

GETTYSBURG AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 7. Capital and Right-to-use Assets

Capital and right-to-use asset activity for governmental and business-type activities for the year ended June 30, 2024, is as follows:

	July 1, 2023 (restated)	Additions	Deletions	June 30, 2024
Governmental Activities:				
Capital assets not being depreciated				
Land	\$ 1,530,471	\$ -	\$ -	\$ 1,530,471
Construction-in-progress	22,908	16,857,140	-	16,880,048
Total capital assets not being depreciated	1,553,379	16,857,140	-	18,410,519
Capital assets being depreciated				
Infrastructure	227,264	-	-	227,264
Building and building improvements	147,503,178	168,304	-	147,671,482
Machinery, equipment, and vehicles	9,857,592	650,735	(19,683)	10,488,644
	157,588,034	819,039	(19,683)	158,387,390
Less accumulated depreciation/amortization				
Infrastructure	181,808	22,726	-	204,534
Building and building improvements	65,241,854	5,901,555	-	71,143,409
Machinery, equipment, and vehicles	8,002,764	400,612	(10,931)	8,392,445
	73,426,426	6,324,893	(10,931)	79,740,388
Total capital assets being depreciated, net	84,161,608	(5,505,854)	(8,752)	78,647,002
Total Governmental Activities, capital assets - net	\$ 85,714,987	\$ 11,351,286	\$ (8,752)	\$ 97,057,521
Business-Type Activities:				
Machinery and equipment	\$ 1,420,891	\$ 6,227	\$ (19,233)	\$ 1,407,885
Less accumulated depreciation				
Accumulated depreciation	809,241	74,430	(19,233)	864,438
Total Business-Type Activities, capital assets - net	\$ 611,650	\$ (68,203)	\$ -	\$ 543,447

GETTYSBURG AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 7. Capital and Right-to-use Assets (Continued)

Depreciation expenses were charged to functions/programs of the primary government as follows:

	Amount
Governmental Activities	
Instruction	\$ 4,321,552
Instructional student support	507,979
Administrative and financial support services	752,608
Operation and maintenance of plant services	567,024
Pupil transportation	19,437
Student activities	156,293
	<u>\$ 6,324,893</u>
Business-type activities:	
Food service	<u>\$ 74,430</u>

Note 8. Accrued Salaries, Benefits and Withholdings

Accrued salaries, benefits and withholdings consists of the following at June 30, 2024:

	Amount
Accrued salaries	\$ 2,514,136
Retirement	2,975,358
Social Security	180,988
Insurance	915,533
Workers compensation	23,170
Payroll withholdings	281,580
	<u>\$ 6,890,765</u>

GETTYSBURG AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 9. Lease Receivable/Deferred Inflows

The District has the following lease in which it is the lessor:

The District leases the building to an unrelated third party. The lease agreement contains provisions for annual rent. The agreement has a lease term expiring June 30, 2027, with a continuing one-year extension option. The agreement provides annual rent of \$530,397, subject to increases related to the Cost of Living Adjustment. The interest rate used for this lease was 2.38%.

Related to the above lease:

For the year ending June 30, 2024, the District recognized revenue of \$543,401, including interest. At June 30, 2024, the District had receivables of \$1,534,245 including principal and interest. At June 30, 2024, the District had deferred inflows of \$1,501,733.

Note 10. Long-Term Obligations

A summary of the District's long-term obligations as of June 30, 2024, and transactions during the year then ended as follows:

	June 30, 2023	Increases	Decreases	June 30, 2024	Due within One Year
Governmental Activities					
General Obligation Bonds					
Series of 2016 Bonds	\$ 9,825,000	\$ -	\$ 4,335,000	\$ 5,490,000	\$ 4,535,000
Series of 2020 Bonds	21,565,000	-	5,000	21,560,000	5,000
Series of 2022 Bonds	23,610,000	-	45,000	23,565,000	45,000
Direct Borrowing					
Series of 2021 Note	9,675,000	-	170,000	9,505,000	250,000
	64,675,000	-	4,555,000	60,120,000	4,835,000
Bond premium	5,844,360	-	613,068	5,231,292	528,990
Total general obligation debt	70,519,360	-	5,168,068	65,351,292	5,363,990
Compensated absences	1,842,229	-	806	1,841,423	92,071
Total long-term obligations	\$ 72,361,589	\$ -	\$ 5,168,874	\$ 67,192,715	\$ 5,456,061
Business-Type Activities					
Compensated absences	\$ 36,142	\$ 4,004	\$ -	40,146	\$ 2,007
Total long-term obligations	\$ 36,142	\$ 4,004	\$ -	\$ 40,146	\$ 2,007

GETTYSBURG AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 10. Long-Term Obligations

General Obligation Bonds - Series of 2016:

On December 22, 2016, the District issued General Obligation Bonds, Series of 2016 in the aggregate amount of \$24,145,000. The proceeds of the bond were used to partially refund the District's General Obligation Bonds, Series of 2011 and the related costs of issuance. The bonds are due in varying amounts semi-annually on January 15 and July 15, with principal maturing January 15, 2026. The bonds bear interest rates ranging from 0.85% to 4.00%.

General Obligation Bonds - Series of 2020:

On September 16, 2020, the District issued General Obligation Bonds, Series of 2020 in the aggregate amount of \$21,580,000. The proceeds of the bond are to be used towards the District's HVAC project and the related costs of issuance. The bonds are due in varying amounts semi-annually on April 1 and October 1, with principal maturing April 1, 2036. The bonds bear interest at rates ranging from 0.35% to 4.00%

General Obligation Note - Series of 2021:

On March 15, 2021, the District issued General Obligation Note, Series of 2021 in the aggregate amount of \$9,685,000. The proceeds of the note were used to refund the District's General Obligation Note, Series of 2017 and the related costs of issuance. The note is due in varying amounts semi-annually on January 15 and July 15, with principal maturing on January 15, 2027. The note bears interest at a fixed rate of 0.85%

General Obligation Bonds - Series of 2022:

On May 24, 2022, the District issued General Obligation Bonds, Series of 2022 in the aggregate amount of \$23,655,000. The proceeds of the bond are to be used for various capital projects throughout the District and the related costs of issuance. The bonds are due in varying amounts semi-annually on June 30 and December 30, with principal maturing on June 30, 2037. The bonds bear interest at rates ranging from 2.375% to 5.00%.

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

Annual debt service requirements to maturity for the above governmental general debt obligations are as follows:

Year ending June 30:	General Obligation Bonds		Direct Borrowing		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 4,585,000	\$ 2,217,190	\$ 250,000	\$ 80,792	\$ 4,835,000	\$ 2,297,982
2026	1,005,000	1,989,154	4,065,000	78,668	5,070,000	2,067,822
2027	50,000	1,949,644	5,190,000	44,116	5,240,000	1,993,760
2028	3,965,000	1,948,300	-	-	3,965,000	1,948,300
2029	4,040,000	1,813,200	-	-	4,040,000	1,813,200
2030-2034	22,205,000	6,468,400	-	-	22,205,000	6,468,400
2035-2037	14,765,000	1,396,200	-	-	14,765,000	1,396,200
	<u>\$ 50,615,000</u>	<u>\$ 17,782,088</u>	<u>\$ 9,505,000</u>	<u>\$ 203,576</u>	<u>\$ 60,120,000</u>	<u>\$ 17,985,664</u>

GETTYSBURG AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 11. Defined-Benefit Pension Plan

Plan Description

PSERS (Pennsylvania Public School Employee's Retirement System or the System) is a governmental cost-sharing multiple employer defined benefit pension plan that provides retirement benefits to public school employees of the Commonwealth of Pennsylvania. The members eligible to participate in 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.

Benefits Provided

PSERS provides retirement, disability and death benefits. Members are eligible for monthly retirement benefits upon reaching (a) age 62 with at least one 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 three years of service or attain a total combination of age and service that is equal to or greater than 92 with a minimum of 35 years of service.

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

Benefits are generally between 1% and 2.5%, depending upon membership class, of the member's final average salary (as defined in the Code) multiplied by the number of years of credited service. For members, whose membership started prior to July 1, 2011, after completion of five years of service, a member's right to the defined benefits is vested and early retirement benefits may be elected. For Class T-E and Class T-F members, the right to benefits is vested after ten years of service.

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

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

GETTYSBURG AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 11. Defined-Benefit Pension Plan (Continued)

Contributions

Member Contributions:

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

Member Contribution Rates				
Membership Class	Continuous Employment Since	Defined Benefit (DB) Contribution Rate	DC Contribution Rate	Total Contribution Rate
T-C	Prior to July 22, 1983	5.25%	N/A	5.25%
				6.25%
T-C	On or after July 22, 1983	6.25%	N/A	6.25%
T-D	Prior to July 22, 1983	6.50%	N/A	6.50%
T-D	On or after July 22, 1983	7.50%	N/A	7.50%
T-E	On or after July 1, 2011	7.50% base rate with shared risk provision	N/A	Prior to 7/1/21: 7.50% After 7/1/21: 8.00%
T-F	On or after July 1, 2011	10.30% base rate with shared risk provision	N/A	Prior to 7/1/21: 10.30% After 7/1/21: 10.8%
T-G	On or after July 1, 2019	5.50% base rate with shared risk provision	2.75%	Prior to 7/1/21: 8.25% After 7/1/21: 9.00%
T-H	On or after July 1, 2019	4.50% base rate with shared risk provision	3.00%	Prior to 7/1/21: 7.50% After 7/1/21: 8.25%
DC	On or after July 1, 2019	N/A	7.50%	7.50%

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

Employer Contributions:

The District's contractually required contribution rate for fiscal year ended June 30, 2024 was 33.36% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Included in the District's contractually required contribution rate is the Act 5 contribution rate totaling an estimated 0.27%.

The District is required to pay the entire contribution and will be reimbursed by the Commonwealth in an amount equal to the Commonwealth's share as determined by the income aid ratio (as defined in Act 29 of 1994), which is at least one-half of the total District's rate. The District's contributions to the Plan, relating to pension benefits, for the year ended June 30, 2024, was \$8,455,357, and is equal to the required contribution for the year. For the year ended June 30, 2024, the District recognized gross retirement subsidy revenue from the Commonwealth in the amount of \$4,293,207.

GETTYSBURG AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 11. Defined-Benefit Pension Plan (Continued)

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

At June 30, 2024, the District reported a liability of \$73,180,000 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 District's proportion of the net pension liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2024, the District's proportion was 0.1645%, which was a decrease of 0.0041% from its proportion reported as of June 30, 2023.

For the year ended June 30, 2024, the District recognized pension expense of \$6,952,287. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 17,000	\$ 1,002,000
Changes in assumptions	1,092,000	-
Net difference between projected and actual investment earnings	2,070,000	-
Changes in proportion	341,000	1,361,000
Contributions subsequent to the measurement date	8,456,000	-
	<u>\$ 11,976,000</u>	<u>\$ 2,363,000</u>

\$8,456,000 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 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 Ending June 30:	Amount
2025	\$ 522,000
2026	(1,800,000)
2027	1,745,000
2028	690,000
	<u>\$ 1,157,000</u>

GETTYSBURG AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 11. Defined-Benefit Pension Plan (Continued)

Actuarial Assumptions

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

- Valuation Date - June 30, 2022
- Actuarial cost method - Entry Age Normal - level % of pay.
- Investment return - 7.00%, includes inflation at 2.50%.
- 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 projected using a modified version of the MP-2020 Improvement Scale.
- The discount rate used to measure the Total Pension Liability was 7.00% as of June 30, 2022 and as of June 30, 2023.
- Demographic and economic assumptions approved by the Board for use effective with the June 30, 2021 actuarial valuation:
 - Salary growth rate - decreased from 5.00% to 4.50%.
 - Real wage growth and merit or seniority increases (components for salary growth) - decreased from 2.75% and 2.25% to 2.50% and 2.00%, respectively.
 - Mortality rates - Previously based on the RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale. Effective with the June 30, 2021 actuarial valuation, mortality rates are based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.

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

Investments

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

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.

For the year ended June 30, 2023, the annual money weighted rate of return on pension plan investments, net of pension plan investment expense, was 3.54%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

GETTYSBURG AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 11. Defined-Benefit Pension Plan (Continued)

Investments (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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 table was the Board's adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2023.

Discount Rate

The discount rate used to measure the total 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.

GETTYSBURG AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 11. Defined-Benefit Pension Plan (Continued)

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

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

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
District's proportionate share of the net pension liability	\$ 94,862,000	\$ 73,180,000	\$ 54,887,000

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.pa.gov.

Plan Payables

At June 30, 2024, the District reported a payable to PSERS of \$3,091,915, which represents the employer contributions owed to the pension plan.

GETTYSBURG AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 12. Other Post-Employment Benefits - District’s Single Employer Plan

Plan Description, Benefit Terms and Funding Policy

The District provides retiree health, vision and dental care benefits, including prescription-drug coverage, to eligible retired employees and qualified spouses/beneficiaries. This is a single-employer, defined-benefit plan administered by the District. The District funds OPEB on a pay-as-you go basis, and there is no obligation to make contributions in advance of when insurance premiums or claims are due for payment. The District does not maintain or accumulate any assets within a trust in accordance with paragraph 4 of GASB Statement No. 75. The plan description and benefit terms provided by the Plan are summarized in the chart below:

GROUP	ELIGIBILITY	COVERAGE AND PREMIUM SHARING	DURATION
I. ADMINISTRATORS			
A) Former Superintendent	N/A - Already retired	<p>Coverage: Medical, Prescription Drug, Dental, and Vision</p> <p>Premium Sharing: The district will contribute 50% of the annual district family premium toward coverage. District contributions will trend up with the medical premiums. The district subsidy will run 10 years from the date that coverage is elected to begin, 7/1/2017. When the 10 years of subsidy is exhausted, 6/30/2027, the retiree and spouse may continue coverage at their own expense until Medicare age. If the member or spouse reaches Medicare age before the district subsidy period is exhausted, the participant's portion of the district subsidy (as calculated using the district's non-Medicare plan premium) may be used to pay for the Medicare premium and/or Medicare supplemental plans purchased through the district or through PSERS. The district's contribution for a participant post-65 may not exceed the premium paid for the Medicare supplemental plan and other Medicare benefits.</p> <p>Dependents: Spouses Included</p>	Until the later of Member reaching Medicare age or exhaustion of the 10 year District subsidy period.
B) Current Superintendent	Must be eligible for PSERS Retirement	<p>Coverage: Medical, Prescription Drug, Dental, and Vision</p> <p>Premium Sharing: The district will contribute 65% of the annual district single premium toward coverage. District contributions will trend up with the medical premiums. The district subsidy will run until age sixty-five (65) years. All benefits regarding such health care afforded to the administrative employees and retirees, as provided within the Act 93 agreement.</p> <p>The premium amount paid by the retiree are offset by a percentage of the HSA contribution paid to active employees. The percentage paid by the district is the same as the chart above.</p>	Until Member is eligible for Medicare
C) Current Assistant Superintendent	Same as IB	<p>Coverage: Medical, Prescription Drug, Dental, and Vision</p> <p>Premium Sharing: The district will contribute 65% of the premium based on the tier the member was at during the last year of employment. The tier of coverage used to determine the district subsidy may not be higher than the actual tier of coverage that is elected.</p> <p>The premium amount paid by the retiree are offset by a percentage of the HSA contribution paid to active employees. The percentage paid by the district is the same as the chart above.</p> <p>The district subsidy will run 10 years from the date of retirement at which point the retiree and spouse may continue coverage at their own expense until Medicare age. If the member or spouse reaches Medicare age before the district subsidy period is exhausted, the participant’s portion of the district subsidy (as calculated using the district’s non-Medicare plan premium) may be used to pay for the Medicare premium and/or Medicare supplemental plans purchased through the district or through PSERS. The district’s contribution or a participant post-65 may not exceed the premium paid for the Medicare supplemental plan and other Medicare benefits.</p> <p>Dependents: Spouses and Families included</p>	Same as IA

GETTYSBURG AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 12. Other Post-Employment Benefits - District's Single Employer Plan (Continued)

Plan Description, Benefit Terms and Funding Policy (Continued)

D) All Other Administrators	Same as IB	<p>Coverage: Medical, Prescription Drug, Dental, and Vision</p> <p>Premium Sharing: The district will contribute a percentage of the annual district premium toward coverage. The district contribution percentage is based on years of service with the district as shown in the schedule below.</p> <p>7-9 years of service - 50% of the single premium cost. 10-14 years of service - 60% of the single premium cost. 15-19 years of service - 65% of the employee/spouse/child coverage premium cost. 20+ years of service - 70% of the employee/spouse/child coverage premium cost.</p> <p>The premium amount paid by the retiree are offset by a percentage of the HSA contribution paid to active employees. The percentage paid by the district is the same as the chart above.</p> <p>The district subsidy will run 10 years from the date of retirement at which point the retiree and spouse may continue coverage at their own expense until Medicare age. If the member or spouse reaches Medicare age before the district subsidy period is exhausted, the participant's portion of the district subsidy (as calculated using the district's non-Medicare plan premium) may be used to pay for the Medicare premium and/or Medicare supplemental plans purchased through the district or through PSERS. The district's contribution or a participant post-65 may not exceed the premium paid for the Medicare supplemental plan and other Medicare benefits.</p> <p>Dependents: Spouses and Families included</p>	Same as IA
II. TEACHERS	Same as IB	<p>Coverage: Medical, Prescription Drug, Dental and Vision</p> <p>Premium Sharing: Member can continue coverage by paying COBRA premium rate for Medical, Prescription Drug, Dental and Vision</p> <p>Dependents: Spouses and Families included</p>	Same as IB
III. SUPPORT PERSONNEL	Same as IB	Same as II	Same as IB
Notes:	<p>Act 110/43 Coverage and Premium Sharing: Retired employees are allowed to continue coverage for themselves and their dependents in the employer's group health plan until the retired employee reaches Medicare age. In order to obtain coverage, retired employees must provide payment equal to the premium determined for the purpose of COBRA.</p> <p>PSERS Superannuation Retirement:</p> <p>1) Pension Class T-C or T-D: An employee is eligible for PSERS superannuation retirement upon reaching age 60 with 30 years of PSERS service, age 62 with 1 year of PSERS service or 35 years of PSERS service regardless of age. In general, these pension classes apply to individuals who were members of PSERS prior to July 1, 2011.</p> <p>2) Pension Class T-E or T-F: An employee is eligible for PSERS superannuation upon reaching age 65 with 3 years of PSERS service or upon attainment of a total combination of age plus service equal to or greater than 92 with a minimum of 35 years of PSERS service. In general, these pension classes apply to individuals who became members of PSERS on or after July 1, 2011 and prior to July 1, 2019.</p> <p>3) Pension Class T-G: An employee is eligible for PSERS superannuation retirement upon reaching age 67 with 3 years of PSERS service or upon attainment of a total combination of age plus service equal to or greater than 97 with a minimum of 35 years of PSERS service. In general, these pension classes apply to individuals who became members of PSERS on or after July 1, 2019.</p> <p>4) Pension Class T-H: An employee is eligible for PSERS superannuation retirement upon reaching age 67 with 3 years of PSERS. In general, this pension class applies to individuals who became members of PSERS on or after July 1, 2019.</p> <p>5) All individuals except those in Pension Class T-G are eligible for a special early retirement upon reaching age 55 with 25 years of PSERS service. Individuals in Pension Class T-G are eligible for a special early retirement upon reaching age 57 with 25 years of PSERS service.</p> <p><i>Coordination with Medicare Benefits: Members or Spouse over 65 must enroll in a Medicare Supplement Plan provided by the District</i></p>		

GETTYSBURG AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 12. Other Post-Employment Benefits - District's Single Employer Plan (Continued)

Plan Description, Benefit Terms and Funding Policy (Continued)

As of July 1, 2023, actuarial valuation, the following employees were covered by the benefit terms:

Active participants	367
Vested Former Participants	-
Retired participants	35
	<u>402</u>

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

At June 30, 2024, the District reported a liability of \$5,268,507 for the total OPEB liability. The total OPEB liability was measured as of July 1, 2023, and was determined by an actuarial valuation as of July 1, 2023. The OPEB liability is composed of the following:

	Amount
Total OPEB Liability, beginning	<u>\$ 4,999,851</u>
Changes for the year	
Service cost	306,672
Interest	208,276
Changes in assumptions	79,655
Benefit payments	(325,947)
Net Changes	<u>268,656</u>
Total OPEB Liability, ending	<u>\$ 5,268,507</u>

For the year ended June 30, 2024, the District recognized OPEB expense of \$346,650. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 144,972	\$ 845,121
Changes in assumptions	507,657	1,354,655
Benefit payments subsequent to the measurement date	309,939	-
	<u>\$ 962,568</u>	<u>\$ 2,199,776</u>

GETTYSBURG AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 12. Other Post-Employment Benefits - District's Single Employer Plan (Continued)

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

Of the total amount reported as deferred outflows of resources related to OPEB, \$309,939 resulting from District benefit payments subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the District's OPEB expense as follows:

<u>Year ending June 30:</u>	<u>Amount</u>
2025	\$ (168,298)
2026	(168,298)
2027	(168,298)
2028	(168,301)
2029	(177,277)
Thereafter	(696,675)
	<u><u>\$ (1,547,147)</u></u>

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2023, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

- Inflation - 2.5%.
- Salary Increases: An assumption for salary increases is used only 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%.
- Discount Rate: 4.13%, Based on S&P Municipal Bond 20 Year High Grade Rate Index at July 1, 2023.
- Actuarial Cost Method: Entry Age Normal, Level Percent of Pay
- Healthcare Cost Trend Rate: 7.0% in 2023 with 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.
- Retirees' Share of Benefit-Related Costs: Retiree contributions are assumed to increase at the same rate as the Health Care Cost Trend Rate
- Mortality rates are based on PubT-2010 headcount-weighted mortality table including rates for contingent survivors for teachers. PubG-2010 headcount-weighted mortality table including rates for contingent survivors for all other employees. Incorporated into the tables are rates projected generationally using Scale MP-2021 to reflect mortality improvement. For retirees past Medicare age who retired prior to 7/1/2013, the PubT-2010 headcount-weighted mortality table including rates for contingent survivors was used.

GETTYSBURG AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 12. Other Post-Employment Benefits - District's Single Employer Plan (Continued)

Change in Actuarial Assumptions

The discount rate used to measure the total OPEB liability increased from 4.06 % as of July 1, 2022, to 4.13% as of July 1, 2023.

Sensitivity of the District's Total OPEB Liability to Changes in the Discount Rate

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

	1% Decrease	3.13%	Current Discount Rate 4.13%	1% Increase 5.13%		
Total OPEB liability	\$	5,623,969	\$	5,268,507	\$	4,932,742

Sensitivity of the District's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the District's single employer plan calculated using the health care cost trend rates of (7.0% decreasing to 4.1%), as well as what the total OPEB liability would be if it were calculated using a health care cost trend rates that are 1% point lower or 1% point higher than the current healthcare cost trend rates:

	1% Decrease	Current Trend Rate	1% Increase			
Total OPEB liability	\$	4,750,672	\$	5,268,507	\$	5,868,668

GETTYSBURG AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 13. Other Post-Employment Benefits - PSERS Cost Sharing Plan

Plan Description

PSERS administers a defined benefit pension plan, and two post-employment healthcare programs, the Health Insurance Premium Assistance Program (Premium Assistance) and the Health Options Program (HOP) for its retirees. The HOP is a PSERS sponsored voluntary health insurance program for the sole benefit of PSERS retirees, spouses of retirees, and survivor annuitants and their dependents who participate in HOP. The HOP is funded exclusively by the premiums paid by its participants for the benefit coverage they elect.

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

Retirees of the System can participate in Premium Assistance if they satisfy the following criteria:

- Have 24 ½ or more years of service, or
- Are a disability retiree, or
- Have 15 or more years of service and retired after reaching superannuation age.

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

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

Benefits Provided

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

Employer Contributions

The District' 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 any unfunded accrued liability. Contributions to the OPEB plan from the District were \$162,213 for the year ended June 30, 2024.

GETTYSBURG AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 13. Other Post-Employment Benefits - PSERS Cost Sharing Plan (Continued)

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

At June 30, 2024, the District reported a liability of \$2,976,000 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 District's proportion of the net OPEB liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2024, the District's reported proportion was 0.1645%, which was a decrease of 0.0042% from its proportion reported as of June 30, 2023.

For the year ended June 30, 2024, the District recognized OPEB expense of \$73,232. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 20,000	\$ 29,000
Changes in assumptions	257,000	563,000
Net difference between projected and actual investment earnings	7,000	-
Changes in proportion	50,000	88,000
Contributions subsequent to the measurement date	162,000	-
	<u>\$ 496,000</u>	<u>\$ 680,000</u>

\$162,000 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30:	Amount
2025	\$ (70,000)
2026	(67,000)
2027	(88,000)
2028	(102,000)
2029	(19,000)
	<u>\$ (346,000)</u>

GETTYSBURG AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 13. Other Post-Employment Benefits - PSERS Cost Sharing Plan (Continued)

Actuarial Assumptions

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:

- Valuation Date - June 30, 2022
- Actuarial cost method - Entry Age Normal - level % of pay.
- Investment return - 4.13% - S&P 20 Year Municipal Bond Rate.
- Salary growth - Effective average of 4.5%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.
- Premium Assistance reimbursement is capped at \$1,200 per year.
- Assumed Healthcare cost trends were applied to retirees with less than \$1,200 in premium assistance per year.
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.
- Participation rate:
 - Eligible retirees will elect to participate Pre age 65 at 50%
 - Eligible retirees will elect to participate Post age 65 at 70%
- The discount rate used to measure the total OPEB liability increased from 4.09% as of June 30, 2022, to 4.13%, as of June 30, 2023.

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

The following assumptions were used to determine the contribution rate:

- The results of the actuarial valuation as of June 30, 2021, determined the employer contribution rate for fiscal year 2023.
- Cost Method: Amount necessary to assure solvency of Premium Assistance through the third fiscal year after the valuation date.
- Asset valuation method: Market Value.
- Participation rate: The actual data for retirees benefiting under the Plan as of June 30, 2021, was used in lieu of the 63% utilization assumption for eligible retirees.
- Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale.

GETTYSBURG AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 13. Other Post-Employment Benefits - PSERS Cost Sharing Plan (Continued)

Investments

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>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	100.0%	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 of June 30, 2023.

Discount Rate

The discount rate used to measure the Total OPEB Liability was 4.13%. Under the 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 plan's fiduciary net position was not projected to be sufficient to meet projected future benefit payments, therefore the plan is considered a "pay-as-you-go" plan. A discount rate of 4.13% which represents the S&P 20-year Municipal Bond Rate at June 30, 2023, was applied to all projected benefit payments to measure the total OPEB liability.

GETTYSBURG AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 13. Other Post-Employment Benefits - PSERS Cost Sharing Plan (Continued)

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

The following presents the District’s proportionate share of the net OPEB liability, calculated using the discount rate of 4.09%, as well as what the District’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.13%) or one percentage point higher (5.13%) than the current discount rate:

	1% Decrease 3.13%	Current Discount Rate 4.13%	1% Increase 5.13%
District's proportionate share of the net OPEB liability	\$ 3,365,000	\$ 2,976,000	\$ 2,651,000

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

The following presents the District’s proportionate share of the net OPEB liability, as well as what the District’s proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates (between 5% to 7%) that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 2,976,000	\$ 2,976,000	\$ 2,976,000

OPEB Plan Fiduciary Net Position

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

Plan Payables

At June 30, 2024, the District reported a payable to PSERS of \$59,317, which represents the employer contributions owed to the OPEB plan.

GETTYSBURG AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 14. Public Entity Risk Pool

The District participates in a public entity risk pool to manage those risks associated with workers' compensation. The District's responsibilities in the pool include the payment of all annual and supplementary payments in amounts established by the pool in accordance with the trust agreement as well as other responsibilities similar to those of commercial insurance. The pool agrees to administer the operation of the consortium including paying workers' compensation benefits, asset administration, establishment of an ongoing safety program and other similar services designed to reduce the District's overall workers' compensation costs.

Note 15. Lincoln Benefit Trust

The District joined the Lincoln Benefit Trust, a public entity risk pool currently operating as a claim-servicing pool, in order to reduce its risk of loss related to employee health care. The District is liable for all claims up to \$125,000 for medical and \$100,000 for prescription drugs for each covered individual per calendar year. Claims incurred in excess of these thresholds are paid from a Stop Loss Pool Fund shared by all Trust members. The Trust purchased stop-loss insurance through the Pennsylvania Trust with coverage starting at \$300,000 per covered person. A portion of the District's total contribution is transferred to the Pennsylvania Maxi-Pool Fund each month. Claims over \$300,000 and up to \$500,000 are paid from this fund on a shared risk basis. Stop loss insurance is purchased through an insurance carrier for \$500,000 and above per individual.

The District pays premiums from the General Fund and Food Service Fund. At June 30, 2024, the District's payments for funding to date have exceeded its claims; accordingly, the District has a balance of \$3,351,234 due from the Lincoln Benefit Trust, which is recorded as a non-current asset in the amount of \$3,262,091 and \$89,143 in the General Fund and Food Service Fund, respectively.

The following is a summary of financial information (for all 22 member school districts) of the Lincoln Benefit Trust as of June 30, 2024:

	Amount
Accumulated plan benefits payable	\$ 8,573,000
Net position available for benefits, net of accumulated plan benefits payable	\$ 69,231,490

The accumulated plan benefits payable represents estimated claims incurred, but not reported to the Plan Administrator at June 30, 2024. It is reasonably possible that actual benefit claims for all participating members will differ from the estimated amount, and the difference may be material to the financial position taken as a whole.

GETTYSBURG AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 16. Commitments and Contingencies

Litigation

The District is involved in several claims and lawsuits incidental to its operation. In the opinion of the administration and legal counsel, the eventual resolution and effect on the financial position of the District is deemed to not be material.

Grants

The District is party to various grants with Federal and State agencies which are subject to program and compliance audits by the grantors or under the Single Audit Act Amendments of 1996. Finds and questioned costs arising out of such audits are subject to the ultimate disposition by the grantor agency. In the opinion of the Administration, the ultimate resolution of any such matters will not have a material adverse effect on the financial position of the District.

Lincoln Elementary HVAC Project

During the year ended June 30, 2024, the District approved the Lincoln Elementary HVAC project. The total outstanding balance of this project at June 30, 2024 was \$11,167,576.

Note 17. Subsequent Event

On December 3, 2024, the District approved the bid for a partial window replacement project at Franklin Township Elementary School. The bid was to Unlimited Construction Solutions for \$540,295.

REQUIRED SUPPLEMENTARY INFORMATION

GETTYSBURG AREA SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL - GENERAL FUND
 Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues				
Local sources	\$ 47,477,193	\$ 47,477,193	\$ 50,491,009	\$ 3,013,816
State sources	21,160,162	21,160,162	21,916,969	756,807
Federal sources	979,204	979,204	5,531,101	4,551,897
Total revenues	69,616,559	69,616,559	77,939,079	8,322,520
Expenditures				
Instruction				
Regular programs	29,075,884	29,055,259	29,297,703	(242,444)
Special programs	9,535,477	9,810,322	9,919,034	(108,712)
Vocational programs	3,069,178	3,081,581	2,946,018	135,563
Other instructional programs	607,693	352,722	302,862	49,860
Nonpublic school programs	37,638	37,638	51,200	(13,562)
Support services				
Pupil personnel services	1,780,101	1,780,616	1,991,491	(210,875)
Instructional staff services	1,764,392	1,772,285	1,891,488	(119,203)
Administrative services	4,200,138	3,977,807	3,968,117	9,690
Pupil health	689,667	689,667	596,648	93,019
Business services	962,736	890,983	888,486	2,497
Operation and maintenance of plant services	6,869,496	6,797,619	6,530,592	267,027
Student transportation services	4,000,398	4,161,327	4,146,645	14,682
Central support services	1,608,191	1,967,867	2,035,028	(67,161)
Other support services	7,245	18,159	17,642	517
Operation of noninstructional services				
Student activities	1,507,597	1,521,979	1,621,743	(99,764)
Community services	12,212	12,212	16,833	(4,621)
Capital outlay	-	-	2,127,710	(2,127,710)
Debt service				
Principal	4,555,000	4,555,000	4,555,000	-
Interest	2,529,912	2,504,912	2,504,910	2
Refund of prior year receipts	-	25,000	-	25,000
Total expenditures	72,812,955	73,012,955	75,409,150	(2,396,195)
Excess (deficiency) of revenues over expenditures	(3,196,396)	(3,396,396)	2,529,929	5,926,325
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	22,006	22,006	51,764	29,758
Interfund transfers out	(659,311)	(659,311)	(659,311)	-
Budgetary reserve	(200,000)	-	-	-
Total other financing sources (uses)	(837,305)	(637,305)	(607,547)	29,758
Net changes in fund balance	\$ (4,033,701)	\$ (4,033,701)	1,922,382	\$ 5,956,083
Fund Balance - July 1, 2023			24,056,662	
Prior period adjustment (see Note 1)			305,516	
Fund Balance - July 1, 2023 (restated)			24,362,178	
Fund Balance - June 30, 2024			\$ 26,284,560	

See Note to Required Supplementary Information.

GETTYSBURG AREA SCHOOL DISTRICT

**REQUIRED SUPPLEMENTARY INFORMATION -
SCHEDULES OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY -
PENNSYLVANIA PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM**

For the Fiscal Year Ended June 30	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2024	0.1645%	\$ 73,180,000	\$ 25,195,769	290.45%	61.85%
2023	0.1686%	\$ 74,957,407	\$ 24,803,563	302.20%	61.34%
2022	0.1678%	\$ 68,893,195	\$ 23,812,699	289.31%	63.67%
2021	0.1665%	\$ 81,982,963	\$ 23,409,458	350.21%	54.32%
2020	0.1657%	\$ 77,519,000	\$ 22,856,974	339.15%	55.66%
2019	0.1632%	\$ 78,344,000	\$ 21,983,742	356.37%	54.00%
2018	0.1685%	\$ 83,219,000	\$ 22,439,996	370.85%	51.84%
2017	0.1692%	\$ 83,850,000	\$ 21,913,594	382.64%	50.14%
2016	0.1679%	\$ 72,726,000	\$ 21,598,921	336.71%	54.36%
2015	0.1664%	\$ 65,862,000	\$ 21,233,925	310.17%	57.24%

The amounts presented for each fiscal year were determined as of the measurement date, which is one year prior to the fiscal year-end.

The schedule is presented to illustrate the requirement to show information for 10 years.

GETTYSBURG AREA SCHOOL DISTRICT

**REQUIRED SUPPLEMENTARY INFORMATION -
SCHEDULES OF DISTRICT'S PENSION CONTRIBUTIONS -
PENNSYLVANIA PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM**

For the Fiscal Year Ended June 30	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ 8,455,357	\$ (8,455,357)	\$ -	\$ 25,254,161	33.48%
2023	\$ 8,619,691	\$ (8,619,691)	\$ -	\$ 24,977,371	34.51%
2022	\$ 8,656,265	\$ (8,656,265)	\$ -	\$ 24,803,563	34.90%
2021	\$ 8,213,967	\$ (8,213,967)	\$ -	\$ 23,812,699	34.49%
2020	\$ 7,809,395	\$ (7,809,395)	\$ -	\$ 23,409,458	33.36%
2019	\$ 7,483,351	\$ (7,483,351)	\$ -	\$ 22,856,974	32.74%
2018	\$ 7,013,966	\$ (7,013,966)	\$ -	\$ 21,983,742	31.91%
2017	\$ 6,383,469	\$ (6,383,469)	\$ -	\$ 22,439,996	28.45%
2016	\$ 5,453,555	\$ (5,453,555)	\$ -	\$ 21,913,594	24.89%
2015	\$ 4,485,349	\$ (4,485,349)	\$ -	\$ 21,598,921	20.77%

The schedule is presented to illustrate the requirement to show information for 10 years.

GETTYSBURG AREA SCHOOL DISTRICT

**REQUIRED SUPPLEMENTARY INFORMATION -
SCHEDULES OF CHANGES IN OPEB LIABILITY AND RELATED RATIOS -
DISTRICT'S SINGLE EMPLOYER PLAN**

For the Fiscal Year Ended June 30,

	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability							
Service cost	\$ 306,672	\$ 465,773	\$ 466,828	\$ 442,742	\$ 443,517	\$ 310,240	\$ 303,397
Interest	208,276	145,148	115,650	219,934	192,424	177,115	135,164
Changes of benefit terms	-	-	-	(12,914)	-	237,811	-
Differences between expected and actual experience	-	(3,254)	-	(1,263,687)	-	289,944	-
Changes in assumptions	79,655	(1,390,659)	(167,003)	583,406	(157,017)	20,784	98,766
Benefit payments	(325,947)	(256,417)	(277,400)	(373,576)	(408,666)	(325,602)	(300,015)
Net change in total OPEB liability	268,656	(1,039,409)	138,075	(404,095)	70,258	710,292	237,312
Total OPEB Liability - beginning	4,999,851	6,039,260	5,901,185	6,305,280	6,235,022	5,524,730	5,287,418
Total OPEB Liability - ending	\$ 5,268,507	\$ 4,999,851	\$ 6,039,260	\$ 5,901,185	\$ 6,305,280	\$ 6,235,022	\$ 5,524,730
Covered payroll	\$ 22,997,199	\$ 22,997,199	N/A	\$ 23,126,468	N/A	\$ 21,884,738	\$ 20,774,232
Net OPEB liability as a percentage of covered payroll	22.91%	21.74%	N/A	25.52%	N/A	28.49%	26.59%

Notes to Schedule:

For the fiscal year ended June 30, 2024:

Changes in assumptions: The discount rate changed from 4.06% to 4.13%. The trend assumption was updated. Assumptions for salary, mortality, withdrawal and retirement were updated based on new PSERS experience study.

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, only information for those years for which information is available is shown.

GETTYSBURG AREA SCHOOL DISTRICT

**REQUIRED SUPPLEMENTARY INFORMATION -
SCHEDULES OF DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY -
PENNSYLVANIA PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM COST-SHARING PLAN**

For the Fiscal Year Ended June 30	District's Proportion of the Net OPEB Liability	District's Proportionate Share of the Net OPEB Liability	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2024	0.1645%	\$ 2,976,000	\$ 25,195,769	11.81%	7.22%
2023	0.1687%	\$ 3,105,381	\$ 24,803,563	12.52%	6.86%
2022	0.1680%	\$ 3,981,739	\$ 23,812,699	16.72%	5.30%
2021	0.1665%	\$ 3,597,561	\$ 23,409,458	15.37%	5.69%
2020	0.1657%	\$ 3,524,000	\$ 22,856,974	15.42%	5.56%
2019	0.1632%	\$ 3,403,000	\$ 21,983,742	15.48%	5.56%
2018	0.1685%	\$ 3,433,000	\$ 22,439,996	15.30%	5.73%

The amounts presented for each fiscal year were determined as of the measurement date, which is one year prior to the fiscal year-end.

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, only information for those years for which information is available is shown.

GETTYSBURG AREA SCHOOL DISTRICT

**REQUIRED SUPPLEMENTARY INFORMATION -
SCHEDULES OF DISTRICT'S OPEB CONTRIBUTIONS -
PENNSYLVANIA PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM COST-SHARING PLAN**

For the Fiscal Year Ended June 30	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ 162,213	\$ (162,213)	\$ -	\$ 25,254,161	0.64%
2023	\$ 187,330	\$ (187,330)	\$ -	\$ 24,977,371	0.75%
2022	\$ 198,197	\$ (198,197)	\$ -	\$ 24,803,563	0.80%
2021	\$ 195,174	\$ (195,174)	\$ -	\$ 23,812,699	0.82%
2020	\$ 190,734	\$ (190,734)	\$ -	\$ 23,409,458	0.81%
2019	\$ 185,797	\$ (185,797)	\$ -	\$ 22,856,874	0.81%
2018	\$ 178,741	\$ (178,741)	\$ -	\$ 21,983,742	0.81%

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, only information for those years for which information is available is shown.

SUPPLEMENTARY INFORMATION

**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 School Directors
Gettysburg Area School District
Gettysburg, 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 Gettysburg Area School District (District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 12, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Boyer & Ritten". The signature is written in black ink and is centered on the page.

Camp Hill, Pennsylvania
March 12, 2025

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

Board of School Directors
Gettysburg Area School District
Gettysburg, Pennsylvania

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Gettysburg Area School District's (District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2024. The 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, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*) 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 the 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 the 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 the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the 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 GAAS, *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 the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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 the 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 the 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 the 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.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as item and 2024-002. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the noncompliance findings identified in our compliance audit described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The District is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. The District's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

Report on Internal Control Over Compliance

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2024-001 and 2024-002 to be significant deficiencies.

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.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the internal control over compliance findings identified in our compliance audit described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

A handwritten signature in cursive script that reads "Boyer & Fitter". The signature is written in black ink and is positioned centrally on the page.

Camp Hill, Pennsylvania
March 12, 2025

GETTYSBURG AREA SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024

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 X No
- Significant deficiency(ies) identified that are not considered to be a material weakness(es)? ___ Yes X None Reported

Noncompliance material to financial statements noted? ___ Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ___ Yes X No
- Significant deficiency(ies) identified that are not considered to be a material weakness(es)? X Yes ___ No

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

- Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)? X Yes ___ No

Identification of the major programs:

Assistance Listing Number	Name of Federal Programs/Cluster
10.553, 10.555, 10.559	Child Nutrition Cluster
84.425	Education Stabilization Fund (ESF)

Dollar threshold used to distinguish between Type A and Type B programs \$750,000

Auditee qualified as low-risk auditee? ___ Yes X No

GETTYSBURG AREA SCHOOL DISTRICT
Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2024

Section II -- Financial Statement Findings

A. Significant Deficiency in Internal Control

There were no control findings related to the financial statement audit required to be reported.

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 in Internal Control

Finding 2024-001: Reporting Requirements

Title I, Title II, Title III, Title IV, ARP ESSER, ARP ESSER 7%, ARP ESSER Homeless Children and Youth, and ARP ESSER 2.5% - AL #84.010, 84.367, 84.365, 84.424, 84.425, Year Ended June 30, 2024

U.S. Department of Education

Pass-Through Entity - Pennsylvania Department of Education

Criteria: The Pennsylvania Department of Education (PDE) requires the Reconciliation of Cash on Hand Quarterly Report for any program for which they received monthly payments. These quarterly reports are due the 10th working days of January, April, July, and October, for any period in which payments were received. Additionally, PDE also requires the Final Expenditure Report to be filed within 30 days after funds are expended but no later than 30 days after the ending date of the project. Since the reporting requirements had the same controls the criteria and finding were combined.

Condition: The District did not file the Title I, Title II, Title III, Title IV, ARP ESSER, ARP ESSER 7%, ARP ESSER Homeless Children and Youth, and ARP ESSER 2.5% Reconciliation of Cash on Hand Quarterly Reports for September 2023 and March 2024 in a timely manner within the 10-day requirement. The District did not file the Title I, Title II, Title III, Title IV, ARP ESSER, ARP ESSER 7%, ARP ESSER Homeless Children and Youth, and ARP ESSER 2.5% Reconciliation of Cash on Hand Quarterly Reports for December 2023 and June 2024. Additionally, the Final Expenditure Report for the ESSER II was not filed by the required due date. The reports noted here were not related to a single audit requirement and thus were reported as a financial statement internal control finding.

Cause and Effect: District personnel did not file various quarterly and final expenditure reports by the required due dates. The District is potentially risking a withholding of federal funds by PDE when required reports are not filed.

Identification of Repeat Finding: No

Questioned Costs: None

GETTYSBURG AREA SCHOOL DISTRICT
Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2024

Section III -- Federal Award Findings and Questioned Costs (Continued)

A. Significant Deficiencies in Internal Control (Continued)

Recommendation: Procedures should be established to ensure that the District files all Reconciliation of Cash on Hand Quarterly Reports within 10 working days of quarter ending and Final Expenditure Reports within 30 days after the funds are expended, but no later than 30 days after the ending date of the project.

Views of Responsible Officials: See Corrective Action Plan.

Finding 2024-002 - Allowable Costs/Cost Principles - Time and Effort Certifications

Education Stabilization Fund - AL #84.425, Year Ended June 30, 2024

U.S. Department of Education

Pass-Through Entity - Pennsylvania Department of Education

Criteria: Uniform Guidance requires an employee whose salary and wages are supported, in whole or in part, with Federal funds to document his/her time spent working on Federal programs in order to ensure that charges to each Federal program reflect an accurate account of the employee's time and effort devoted to that program. If an employee works solely on a single Federal award or cost objective, charges for the employee's salary and wages must be supported by periodic certifications that the employee worked solely on that program or cost objective for the period covered by the certification. Those certifications must:

- Be prepared at least semiannually.
- Signed by the employee or supervisory official having firsthand knowledge of the work performed by the employee.

Condition: A sample of payroll transactions were selected for testing that included the various ESSER programs. There were two teachers that were supported in whole with Federal funds included in the sample with no time and effort certifications maintained to support the portion of time and effort dedicated to the program.

Cause and Effect: The District was unable to provide the required documentation. The District receives federal funding based on allowable costs charged to the program. If documentation is not maintained to support the allowability of costs charged to the program, the District may be utilizing the funds for expenses which are unallowable. This may result in the return of federal funds to the funding agency for the unallowable costs, if deemed appropriate.

Identification of Repeat Finding: No

Questioned Costs: No

Recommendation: We recommend that controls be reviewed and revised to ensure that time and effort distribution records are prepared for staff who are charged to federal programs. These records should also be reviewed, approved, and maintained by administrative personnel.

Management Response: See Corrective Action Plan.

GETTYSBURG AREA SCHOOL DISTRICT
Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2024

Section III -- Federal Award Findings and Questioned Costs (Continued)

B. Compliance Findings

Finding 2024-002 - Allowable Costs/Cost Principles - Time and Effort Certifications

Education Stabilization Fund - AL #84.425, Year Ended June 30, 2024

U.S. Department of Education

Pass-Through Entity - Pennsylvania Department of Education

See Section III. A. Significant Deficiency(ies) in Internal Control for details.

GETTYSBURG AREA SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2024

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Assistance Listing Number	Pass-Through Grantor's Number	Grant Period	Program or Annual Award	Total Received (Refunded) for the Year	Accrued or (Deferred) Revenue at July 1, 2023	Revenue Recognized	Expenditures Recognized	Accrued or (Deferred) Revenue at June 30, 2024	Provided to Subrecipients
U.S. Department of Education										
Passed through the Pennsylvania Department of Education										
Title I Grants to Local Educational Agencies	84.010	FA-013-24-0164	23-24	\$ 702,421	\$ 640,551	\$ -	\$ 702,421	\$ 702,421	\$ 61,870	\$ -
Title II-Supporting Effective Instruction State Grants	84.367	FA-020-23-0164	22-23	\$ 107,318	41,364	41,364	-	-	-	-
Title II-Supporting Effective Instruction State Grants	84.367	FA-020-24-0164	23-24	\$ 105,309	55,127	-	105,309	105,309	50,182	-
					96,491	41,364	105,309	105,309	50,182	-
Title III-English Language Acquisition State Grants	84.365	FA-010-23-0164	22-23	\$ 21,257	2,546	2,546	-	-	-	-
Title III-English Language Acquisition State Grants	84.365	FA-010-24-0164	23-24	\$ 21,390	21,390	-	21,390	21,390	-	-
					23,936	2,546	21,390	21,390	-	-
Title IV-Student Support and Academic Enrichment Program	84.424	FA-144-23-0164	22-23	\$ 59,987	21,891	21,891	-	-	-	-
Title IV-Student Support and Academic Enrichment Program	84.424	FA-144-24-0164	23-24	\$ 59,038	31,487	-	59,038	59,038	27,551	-
					53,378	21,891	59,038	59,038	27,551	-
Perkins-Career and Technical Education-Basic Grants to States	84.048	380-24-0092	23-24	\$ 37,975	37,975	-	37,975	37,975	-	-
COVID-19 Elementary and Secondary School Emergency Relief Fund II	84.425D	FA-200-21-0164	20-23	\$ 2,879,423	-	-	-	-	-	-
COVID-19 ARP ESSER	84.425U	FA-223-21-0164	20-24	\$ 5,824,241	847,162	(853,247)	4,318,476	4,318,476	2,618,067	-
COVID-19 ARP ESSER A-TSI 2.5% Set Aside	84.425U	FA-224-21-0164	21-24	\$ 52,157	17,070	11,175	22,965	22,965	17,070	-
COVID-19 ARP ESSER 7% Set Aside - Learning Loss	84.425U	FA-225-21-0164	20-24	\$ 323,339	94,062	99,461	94,418	94,418	99,817	-
COVID-19 ARP ESSER 7% Set Aside - Summer Program	84.425U	FA-225-21-0164	20-24	\$ 64,668	18,812	(23,673)	28,728	28,728	(13,757)	-
COVID-19 ARP ESSER 7% Set Aside - After School Program	84.425U	FA-225-21-0164	20-24	\$ 64,668	18,812	(6,187)	40,391	40,391	15,392	-
COVID-19 ARP ESSER Homeless Children and Youth	84.425W	FA-181-21-2162	21-24	\$ 49,698	11,469	3,941	24,094	24,094	16,566	-
					1,007,387	(768,530)	4,529,072	4,529,072	2,753,155	-
Total passed through the Pennsylvania Department of Education					1,859,718	(702,729)	5,455,205	5,455,205	2,892,758	-
Passed through the Lincoln Intermediate Unit										
Special Education-Grants to States	84.027	H027A230093	23-24	\$ 594,943	594,943	-	594,943	594,943	-	-
Special Education Preschool Grants	84.173	FA-131-23-0012	23-24	\$ 6,162	6,162	-	6,162	6,162	-	-
					601,105	-	601,105	601,105	-	-
Total U.S. Department of Education					2,460,823	(702,729)	6,056,310	6,056,310	2,892,758	-

(Continued)

GETTYSBURG AREA SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

Year Ended June 30, 2024

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Assistance Listing Number	Pass-Through Grantor's Number	Grant Period	Program or Annual Award	Total Received (Refunded) for the Year	Accrued or (Deferred) Revenue at July 1, 2023	Revenue Recognized	Expenditures Recognized	Accrued or (Deferred) Revenue at June 30, 2024	Provided to Subrecipients
U.S. Department of Defense										
Passed through the Department of the Army										
Junior ROTC	12.000	N/A	23-24	\$ 75,895	74,009	-	75,895	75,895	1,886	-
Total U.S. Department of Defense					74,009	-	75,895	75,895	1,886	-
U.S. Department of Agriculture										
Passed through the Pennsylvania Department of Education										
School Breakfast Program	10.553	N/A	23-24	N/A	197,664	-	225,912	225,912	28,248	-
National School Lunch Program	10.555	N/A	23-24	N/A	799,938	-	898,521	898,521	98,583	-
Fresh Fruits & Vegetables Program	10.582	N/A	22-23	N/A	2,115	2,115	-	-	-	-
COVID-19 - National School Lunch Program - Supply Chain Assistance	10.555	N/A	23-24	N/A	74,998	-	74,998	74,998	-	-
COVID-19 - Pandemic EBT Administrative Costs	10.649	N/A	23-24	N/A	5,763	-	5,763	5,763	-	-
Total passed through the Pennsylvania Department of Education					1,080,478	2,115	1,205,194	1,205,194	126,831	-
Passed through the Pennsylvania Department of Agriculture										
National School Lunch Program - Food Donations	10.555	N/A	23-24	N/A	188,831	-	188,831	188,831	-	-
Total U.S. Department of Agriculture					1,269,309	2,115	1,394,025	1,394,025	126,831	-
Total Expenditures of Federal Awards					\$ 3,804,141	\$ (700,614)	\$ 7,526,230	\$ 7,526,230	\$ 3,021,475	\$ -
Education Stabilization Fund (Assistance Listing Number - 84.425D, 84.425U, and 84.425W)					\$ 1,007,387	\$ (768,530)	\$ 4,529,072	\$ 4,529,072	\$ 2,753,155	\$ -
Special Education Cluster (Assistance Listing Number - 84.027 and 84.173)					\$ 601,105	\$ -	\$ 601,105	\$ 601,105	\$ -	\$ -
Child Nutrition Cluster (Assistance Listing Number - 10.553, 10.555 and 10.582)					\$ 1,263,546	\$ 2,115	\$ 1,388,262	\$ 1,388,262	\$ 126,831	\$ -

See Notes to Schedule of Expenditures of Federal Awards.

GETTYSBURG AREA SCHOOL DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of Gettysburg Area School District under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of Gettysburg Area School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of Gettysburg Area School District.

Note 2. Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Revenue is recognized when earned, and expenses are recognized when incurred. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available. The District has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

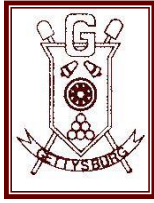
Note 3. Non-Monetary Assistance

NSLP - Value of USDA Donated Commodities (CFDA #10.555) - The District received commodities from the Pennsylvania Department of Agriculture valued at fair market value.

Note 4. Prior Year Expenditures

For the year ended June 30, 2024, the District has restated the beginning accrued (deferred) revenue amounts on the Schedule of Expenditures of Federal Awards to accurately reflect expenditures incurred and revenue recognized in the prior year. The total restatement resulted in an increase of \$305,516 to the beginning accrued (deferred) revenue amounts and impacted the following programs:

Assistance Listing Number	Pass Through Grantor's Number	Accrued (Deferred)	Total Received for	Expenditures/	Expenditures/	Accrued (Deferred)	Accrued (Deferred)
		Revenues as of July 1, 2022 Reported	fiscal year ended June 30, 2023 Reported	Recognized for fiscal year ended June 30, 2023 Reported	Recognized for fiscal year ended June 30, 2023 Corrected	Revenues as of June 30, 2023 Reported	Revenues as of June 30, 2023 Corrected
84.425D	FA-200-21-0164	\$ 374,327	\$ 1,138,376	\$ 389,722	\$ 764,049	\$ (374,327)	\$ -
84.425U	FA-223-21-0164	-	1,376,639	534,590	523,392	(842,049)	(853,247)
84.425U	FA-225-21-0164	-	88,183	228,798	187,644	140,615	99,461
84.425U	FA-225-21-0164	-	17,637	2,194	(6,036)	(15,443)	(23,673)
84.425U	FA-225-21-0164	-	17,637	19,679	11,450	2,042	(6,187)
		<u>\$ 374,327</u>	<u>\$ 2,638,472</u>	<u>\$ 1,174,983</u>	<u>\$ 1,480,499</u>	<u>\$ (1,089,162)</u>	<u>(783,646)</u>



GETTYSBURG AREA SCHOOL DISTRICT

900 Biglerville Road • Gettysburg, PA 17325-7897

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Summary Schedule of Prior Audit Findings For the Year Ended June 30, 2024

Identifying Number: 2023-001 SEFA Preparation

Audit Finding: As part of the audit process, material adjustments were required to correctly report the SEFA. Federal receipts and expenditures were not properly reconciled in order to report the proper revenue recognized and deferred.

Correction Action Taken: Gettysburg Area School District's management worked to improve the preparation of the SEFA and their procedures in order to properly reconcile and report all the federal funding in the appropriate year as received. Expenditures for all grants were reconciled to the general ledger detail to ensure the activity was properly reported.



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CORRECTIVE ACTION PLAN YEAR ENDED JUNE 30, 2024

Gettysburg Area School District respectfully submits the following corrective action plan in response to the findings listed in Section II of the Schedule of Findings and Questioned Costs for the year ended June 30, 2024.

Finding 2024-001: Reporting Requirements

Condition: The District did not file the Title I, Title II, Title III, Title IV, ARP ESSER, ARP ESSER 7%, ARP ESSER Homeless Children and Youth, and ARP ESSER 2.5% Reconciliation of Cash on Hand Quarterly Reports for September 2023 and March 2024 in a timely manner within the 10-day requirement. The District did not file the Title I, Title II, Title III, Title IV, ARP ESSER, ARP ESSER 7%, ARP ESSER Homeless Children and Youth, and ARP ESSER 2.5% Reconciliation of Cash on Hand Quarterly Reports for December 2023 and June 2024. Additionally, the Final Expenditure Report for the ESSER II was not filed by the required due date. The reports noted here were not related to a single audit requirement and thus were reported as a financial statement internal control finding.

Corrective Actions Taken or Planned: Corrective Action has been addressed for the Federal filing requirements for the 2024-2025 fiscal year and thereafter.

Finding 2024-002 - Allowable Costs/Cost Principles - Time and Effort Certifications

Condition: A sample of payroll transactions were selected for testing that included the various ESSER programs. There were two teachers that were supported in whole with Federal funds included in the sample with no time and effort certifications maintained to support the portion of time and effort dedicated to the program.

Corrective Actions Taken or Planned: Time and Effort Certification will be maintained by the Curriculum and Instruction Department covering Title Funds for the 2024-2025 fiscal year and thereafter.

The person responsible for the corrective action plan is Belinda M Wallen, Business Manager/Board Secretary, and the anticipated completion date will be for the fiscal year ended June 2025.

Sincerely,

A handwritten signature in blue ink that reads "Belinda M. Wallen".

Belinda M. Wallen
Business Manager