DOWNINGTOWN AREA SCHOOL DISTRICT
Downingtown, Pennsylvania
Chester County
Financial Statements
June 30, 2024
With Independent Auditor's Reports

withum
ADVISORY TAX AUDIT

Downingtown Area School District
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June 30, 2024

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ADVISORY TAX AUDIT

INDEPENDENT AUDITOR'S REPORT

To the Board of School Directors of
Downingtown Area School District:

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Downingtown Area School District, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller 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 Downingtown Area School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedule – General Fund, the schedules of the District's proportionate share of the net pension liability - PSERS and pension plan contributions - PSERS, schedule of changes in OPEB liability single-employer plan, and the schedules of the District's proportionate share of the net OPEB liability - PSERS and OPEB plan contributions - PSERS on pages 4 through 13 and 53 through 59 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.

Report on Summarized Comparative Information

The Downingtown Area School District's 2023 financial statements were previously audited by BBD, LLP, who joined WithumSmith+Brown, PC on April 1, 2024 and expressed unmodified audit opinions on those financial statements in the report dated December 22, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Downingtown Area School District's basic financial statements. The combining and individual fund financial statements on pages 60 and 61 are presented for additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards and certain state grants is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations ("CFR") Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is not a required part of the basic financial statements.

The combining and individual fund financial statements and the schedule of expenditures of federal awards and certain state grants are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and the schedule of expenditures of federal awards and certain state grants are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information Included in the Financial Statements

Management is responsible for the other information in the financial statements. The other information comprises the borrowing base calculation and the comparative General Fund schedules on pages 63 through 67 but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 31, 2025, on our consideration of Downingtown Area School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Downingtown Area School District's internal control over financial reporting and compliance.

WithumSmith+Brown, PC

March 31, 2025

Management's discussion and analysis (the "MD&A") of Downingtown Area School District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2024. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the financial statements, notes to the financial statements, and supplemental information in this report.

FINANCIAL HIGHLIGHTS

- The total governmental funds net change in fund balance for the fiscal year ended June 30, 2024 was a decrease of $45,026,925. This includes a $2,478,128 increase in the General Fund due to operating revenues exceeding expenditures, a $50,135,595 decrease in the Capital Projects Fund primarily due to the planned use of fund balance for construction projects, and a $2,630,542 increase in the Debt Service Fund due to investment income on sinking fund balances.

- The General Fund includes total revenue and other financing sources of $278,135,000 less total expenses and other financing uses of $275,656,872, which includes a $10,531,464 transfer to the Capital Projects Fund to fund non-construction capital expenses.

- The Capital Projects Fund includes $65,299,086 of expenses for construction projects on existing buildings and other non-construction capital expenses. These expenses were partially offset by a $10,531,464 transfer from the General Fund, and $4,632,027 of investment earnings and other financing sources.

- The Debt Service Fund includes $2,630,542 of investment earnings.

- As of June 30, 2024, the District's governmental funds reported a combined fund balance of $119,766,072. This includes $22,959,580 in the General Fund, $69,248,048 in the Capital Projects Fund, and $27,558,444 in the Debt Service Fund. The entire fund balance in the Debt Service Fund is held in an escrow account for the retirement of bonds and is not available for use by the District.

- General Fund revenues from local sources increased a total of $10,984,107 over the prior year primarily due to a 3.50% increase in the millage rate and growth in taxable properties in the District. Investment income also contributed to the local source revenue increase due to higher interest rates compared to the prior year.

- General Fund revenue from state sources increased $1,901,719 over the prior year. This includes a combined increase of $1,808,769 in basic education and special education subsidies.

- General Fund revenue from federal sources increased $1,429,659 over the prior year. This was primarily due to an increase in Special Education Medical ACCESS reimbursements of $1,202,949.

- General Fund expenditures, excluding other financing uses, had a net increase of $10,585,059 over the prior year primarily due to increases in employee wages, special education services, facility operating and maintenance costs, and student transportation costs. Other financing uses increased $926,616 due to a higher transfer to the Capital Projects Fund compared to the prior year.

- On a government-wide basis including all governmental activities and business-type activities, the assets and deferred outflows of resources exceeded the liabilities and deferred inflows of resources of the District resulting in a net position of $70,329,929 as of June 30, 2024. During the 2023-2024 fiscal year the District had an increase in total net position of $1,425,569. The net position of governmental activities increased by $1,050,368 due to operating revenue exceeding operating expenses. The net position of the business-type activities increased by $375,201 due to the profit from the District's food service operations.

OVERVIEW OF FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

The first two statements are government-wide financial statements - the Statement of Net Position and the Statement of Activities. These provide both long-term and short-term information about the District's overall financial status.

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two government-wide statements report the District's net position and how they have changed. Net position, the difference between the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources, is one way to measure the District's financial health or position.

Over time, increases or decreases in the District's net position are an indication of whether its financial health is improving or deteriorating, respectively. To assess the overall health of the District, changes in the District's property tax base should also be considered.

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

- Governmental Activities - All of the District's basic services are included here, such as instruction, administration and community services. Property taxes and state and federal subsidies and grants finance most of these activities.

- Business-Type Activities - The District operates a food service operation and charges fees to staff and students to cover the costs of the food service operation.

Fund Financial Statements

The remaining statements are fund financial statements that focus on individual parts of the District's operations in more detail than the government-wide statements. The governmental funds statements tell how the District's operations were financed in the short term as well as what remains for future spending. Proprietary fund statements offer short and long-term financial information about the activities that the District operates like a business. For the District, this represents our Food Service Fund. Fiduciary fund statements provide information about financial relationships where the District acts solely as a trustee or agent for the benefit of others.

- Governmental Funds – Most of the District's activities are reported in governmental funds, which focus on the determination of financial position and change in financial position, not on income determination. Governmental funds 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 District's operations and the services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

- Proprietary Funds – These funds are used to account for District activities that are similar to business operations in the private sector; or where the reporting is on determining net income, financial position, changes in financial position, or where there is a significant portion of funding through user charges. When the District charges customers for services it provides - whether to outside customers or to other units in the District - these services are generally reported in proprietary funds. The Food Service Fund is the District's proprietary fund and is the same as the business-type activities reported in the government-wide statements.

- Fiduciary Funds – The District is the trustee, or fiduciary, for assets that belong to others, such as scholarship funds or student activity funds. These assets are not reflected in the government-wide financial statements because the District cannot use these assets to finance its operations.

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

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

FINANCIAL ANALYSIS OF THE DISTRICT - GOVERNMENT-WIDE STATEMENTS

As noted above, net position may serve over time as a useful indicator of the District's financial condition. At the close of the 2023-2024 fiscal year the District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $70,329,929. The following table presents condensed information for the Statement of Net Position of the District at June 30, 2024 and 2023.

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Assets						
Current assets	$ 173,619,724	$ 209,488,692	$ 5,801,548	$ 5,754,018	$ 179,421,272	$ 215,242,710
Capital assets	347,227,110	298,032,963	1,096,036	1,212,958	348,323,146	299,245,921
Total assets	520,846,834	507,521,655	6,897,584	6,966,976	527,744,418	514,488,631
Deferred outflows of resources	67,480,207	76,858,847	70,657	80,751	67,550,864	76,939,598
Liabilities						
Current liabilities	57,394,515	48,317,821	858,863	1,312,503	58,253,378	49,630,324
Noncurrent liabilities	451,546,025	452,313,970	392,838	388,654	451,938,863	452,702,624
Total liabilities	508,940,540	500,631,791	1,251,701	1,701,157	510,192,241	502,332,948
Deferred inflows of resources	14,764,524	20,177,102	8,588	13,819	14,773,112	20,190,921
Net position						
Net investment in capital assets	255,139,273	201,522,052	1,096,036	1,212,958	256,235,309	202,735,010
Restricted for debt service	27,558,444	24,927,902	-	-	27,558,444	24,927,902
Unrestricted (deficit)	(218,075,740)	(162,878,345)	4,611,916	4,119,793	(213,463,824)	(158,758,552)
Total net position	$ 64,621,977	$ 63,571,609	$ 5,707,952	$ 5,332,751	$ 70,329,929	$ 68,904,360

The District's total assets as of June 30, 2024 were $527,744,418 of which $135,741,637 or 25.72% consisted of unrestricted cash and investments and $348,323,146 or 66.00% consisted of the District's capital assets, net of depreciation. The District's total liabilities as of June 30, 2024 were $510,192,241 of which $92,087,837 or 18.05% consisted of general obligation debt used to acquire and construct capital assets and $334,404,118 or 65.54% consisted of the actuarially determined net pension liability.

The District had a deficit in unrestricted net position of $213,463,824 at June 30, 2024 which is primarily due to the recognition of the District’s PSERS net pension and OPEB liabilities. However, the total net position is a positive $70,329,929 due to the District’s strong cash position and investment in capital assets.

The District's net position invested in capital assets net of related outstanding debt used to acquire those assets, was $256,235,309 as of June 30, 2024. The District uses these capital assets to provide services to students and are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. For the year ended June 30, 2024, the District's net investment in capital assets increased by $53,500,299 primarily due to funding capital expenditures with other funding sources other than long-term debt.

The following table presents condensed information for the Statement of Activities of the District for 2024 and 2023. The increase in total expenses from 2023 to 2024 was driven primarily by increases in the District’s salary costs, special education services, facility operating and maintenance costs, and student transportation costs. The total increase in revenue from 2023 to 2024 was primarily driven by increases in property tax revenue and investment earnings.

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues						
Program services						
Charges for services	$ 2,426,761	$ 2,410,937	$ 3,609,941	$ 3,492,230	$ 6,036,702	$ 5,903,167
Operating grants and contributions	48,340,314	45,892,035	1,876,919	1,754,170	50,217,233	47,646,205
Capital grants and contributions	77,840	43,497	-	31,964	77,840	75,461
General revenues						
Property taxes	171,482,770	165,231,285	-	-	171,482,770	165,231,285
Other taxes	27,697,995	26,253,152	-	-	27,697,995	26,253,152
Grants, subsidies and contributions not restricted	23,534,996	22,087,459	-	-	23,534,996	22,087,459
Investment earnings (loss)	11,225,531	6,392,932	246,945	147,434	11,472,476	6,540,366
Miscellaneous revenue	268,340	467,979	-	-	268,340	467,979
Gain (loss) on sale of capital assets	342,808	2,183,674	103	-	342,911	2,183,674
Total revenues	285,397,355	270,962,950	5,733,908	5,425,798	291,131,263	276,388,748
Expenses						
Instruction	175,807,240	154,970,199	-	-	175,807,240	154,970,199
Instructional student support	26,463,134	22,069,639	-	-	26,463,134	22,069,639
Administrative and financial support	23,422,022	20,944,178	-	-	23,422,022	20,944,178
Operation and maintenance of plant services	18,862,396	16,334,106	-	-	18,862,396	16,334,106
Pupil transportation	14,408,198	12,549,278	-	-	14,408,198	12,549,278
Student activities	4,610,828	4,019,817	-	-	4,610,828	4,019,817
Community services	62,165	46,424	-	-	62,165	46,424
Interest and amortization expense related to noncurrent liabilities	4,839,969	5,079,680	-	-	4,839,969	5,079,680
Unallocated depreciation expense	15,737,231	15,361,943	-	-	15,737,231	15,361,943
Food services	-	-	5,492,511	4,952,969	5,492,511	4,952,969
Total expenses	284,213,183	251,375,264	5,492,511	4,952,969	289,705,694	256,328,233
Change in net position before transfers	1,184,172	19,587,686	241,397	472,829	1,425,569	20,060,515
Transfers	(133,804)	(11,132)	133,804	11,132	-	-
Change in net position	$ 1,050,368	$ 19,576,554	$ 375,201	$ 483,961	$ 1,425,569	$ 20,060,515

FINANICAL ANALYSIS OF THE DISTRICT – GOVERNMENTAL FUNDS

GENERAL FUND

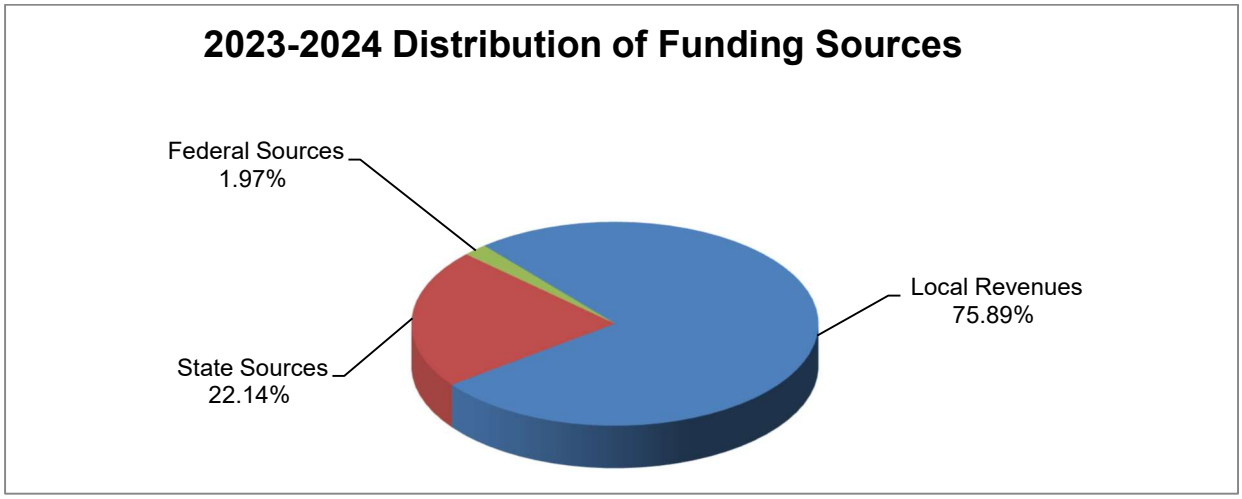
The General Fund is the District's primary operating fund. At the conclusion of the 2023-2024 fiscal year, the General Fund fund balance was $22,959,580 representing an increase of $2,478,128 from the prior year. The increase in the District's General Fund fund balance is a result of revenues over expenditures of $12,793,255, reduced by other net financing uses of $10,315,127, primarily for transfers to the Capital Projects Fund. The following analysis has been provided to assist the reader in understanding the financial activities of the General Fund during the 2023-2024 fiscal year.

At June 30, 2024, the District reported an unassigned fund balance of $22,676,004. The unassigned fund balance represents about 7.95% of the 2024-2025 General Fund budgeted expenditures which is in accordance with guidelines prescribed by the Pennsylvania Department of Education.

General Fund Revenues

General Fund revenues, which totaled $277,784,859, increased $14,315,485 or 5.43% over prior year revenues. The following table reflects a comparison of current year revenues to prior year revenues and 2023-2024 budgeted amounts as follows:

	Revenue 2024	% of Total	Increase (Decrease) From 2023	Variance with Final Budget - Positive (Negative)
Local sources	$ 210,806,412	75.89%	$ 10,984,107	$ 813,231
State sources	61,513,658	22.14%	1,901,719	1,474,542
Federal sources	5,464,789	1.97%	1,429,659	1,789,124
Total revenues	$ 277,784,859	100.00%	$ 14,315,485	$ 4,076,897



Revenue from local sources primarily includes revenue from real estate taxes levied by the District. The increase in current and interim real estate taxes was a net $6,293,662 over the prior year, primarily due to a 3.50% increase in the real estate tax millage rate plus growth in new assessed property values in the District, offset by a decrease in interim taxes. Local revenue sources also includes investment earnings which increased by $2,744,127 due to higher interest rates and earned income tax revenue that increased $1,289,608 over the prior year. The state source revenue increase over the prior year is primarily due to a combined increase of $1,808,769 in the District's basic education and special education subsidies from the state. Federal source revenue increase is primarily due to an increase in special education Medical ACCESS reimbursements of $1,202,949.

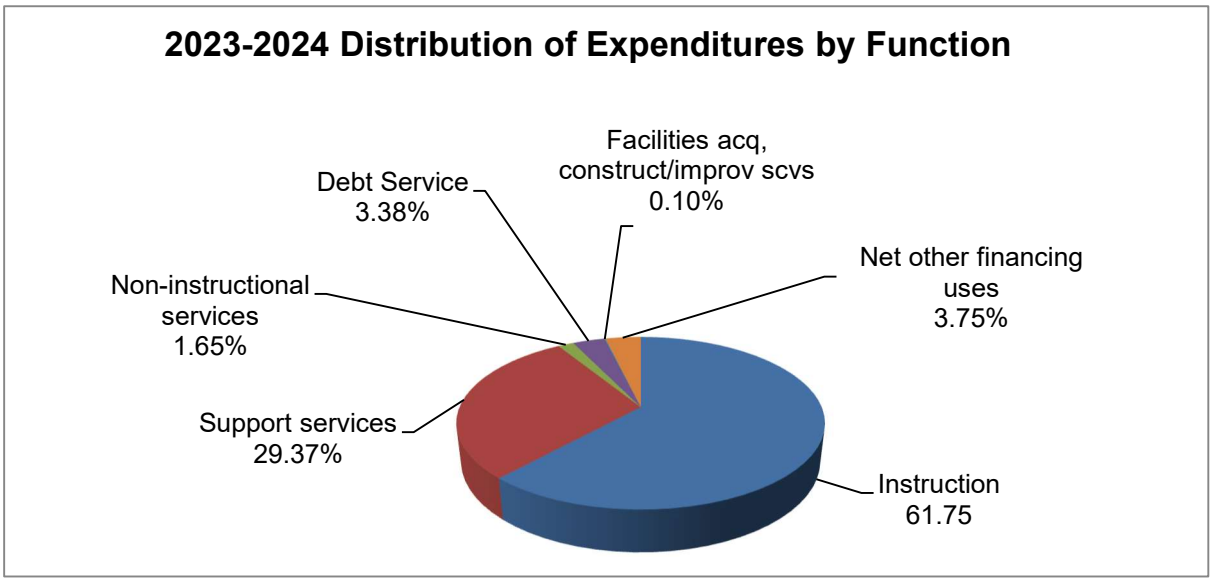
Revenues compared to budget were favorable, with local revenues exceeding the budget primarily due to higher investment earnings and earned income tax revenue, offset by lower interim tax revenue than budgeted. The larger than expected basic education and special education subsidies primarily caused the positive state revenue budget variance. The Federal revenue variance with the budget is primarily due to the increase in Special Education Medical ACCESS reimbursements.

General Fund Expenditures and Other Financing Uses

General Fund expenditures including net other financing uses, which totaled $275,306,731, increased $11,511,675 over the 2022-2023 expenditures primarily due to higher salary and benefit costs. Compared to the final budget, expenditures including net other financing uses were greater than the budget by $274,043.

The expenditures are segregated into the functional categories shown in the chart below. The expenditures for each function are compared to the prior year expenditures, and the 2023-2024 final budget amounts as follows:

	Expenditures 2024	% of Total	Increase (Decrease) From 2023	Variance with Final Budget - Positive (Negative)
Instruction	$ 170,037,781	61.75%	$ 5,311,149	$ 2,216,405
Support services	80,853,123	29.37%	5,589,562	(1,785,341)
Noninstructional services	4,543,861	1.65%	247,658	(136,006)
Facilities acq, construct/improv scvs	264,616	0.10%	6,682	21,384
Debt service	9,292,223	3.38%	(569,992)	588,442
Net other financing uses	10,315,127	3.75%	926,616	(1,178,927)
Total expenditures	$ 275,306,731	100.00%	$ 11,511,675	$ (274,043)



The increase in the instruction, support services, and noninstructional services expenses over the prior year is primarily due to increases in employee salary costs, special education services, facility operating and maintenance costs, and student transportation costs. The decrease in debt service is due to interest earnings on sinking fund deposits, which also caused the positive budget variance. The increase in net other financing uses compared to the prior year is primarily due to an increase in the amount transferred out of the General Fund into the Capital Projects Fund, which also caused the negative budget variance.

Compared to the budget, instruction expenditures were lower primarily due to less than budgeted health care costs, offset by higher than budgeted special education services. Support services were higher than the budget primarily due to higher facility operating and maintenance costs, and student transportation costs.

CAPITAL PROJECTS FUND

The Capital Projects Fund accounts for construction and renovation costs for District buildings, facility improvement projects, and equipment purchases to support technology and curriculum. During 2023-2024, the total amount of expenditures for these items was $65,299,086, and the primary funding source for these expenditures was transfers from the General Fund totaling $10,531,464 along with interest income of $4,595,570. At June 30, 2024, the District reported a fund balance of $69,248,048, which is a decrease over the prior year of $50,135,595 due to the District using the fund balance for renovation construction projects at East and West high schools, and Beaver Creek and West Bradford elementary schools. The total Capital Projects Fund fund balance as of June 30, 2024 is committed for future capital expenditures.

DEBT SERVICE FUND

The Debt Service Fund accounts for funds committed for the payment of a portion of the District's debt service on outstanding bonds. During 2023-2024, the Debt Service Fund fund balance increased by $2,630,542 due to investment earnings of $2,630,542. At June 30, 2024, the Debt Service Fund reported a fund balance of $27,558,444, all of which the District has paid into an escrow account held for the future retirement of its Qualified School Construction Bonds.

CAPITAL ASSETS

The District's net investment in capital assets for its governmental and business-type activities as of June 30, 2024 amounted to $348,323,146 net of accumulated depreciation. This investment in capital assets includes land, land improvements, buildings and improvements, furniture and equipment and right-to-use subscription assets. The total increase in the District's investment in capital assets, net of accumulated depreciation, for the current fiscal year was $49,077,225 or 16.40%. The increase was primarily due to capital additions in excess of depreciation expense, including construction in progress for East and West high schools.

More detailed information about the District's capital assets is presented in the notes to the financial statements.

LONG-TERM DEBT AND NONCURRENT LIABILITIES

At the end of the current fiscal year, the District had total general obligation debt of $92,087,837 consisting of $48,430,000 in bonds payable, $40,069,000 in qualified school construction bonds and bond premiums net of deferred discounts $3,588,837. The entire amount is backed by the full faith and credit of the District. The District issues bonds to finance capital construction or to finance the retirement (refund) of existing debt. There are no unspent proceeds remaining from the outstanding bonds. The District's general obligation debt decreased by a net amount of $4,423,074 or 4.58% during the fiscal year primarily due to principal payments on the bonds.

The District maintains an AAA rating from Moody's and Standard and Poors.

State statutes limit the amount of general obligation debt the District may issue up to 225% of its borrowing base capacity which is calculated as the annual arithmetic average of the total revenues for the preceding three fiscal years. The District's outstanding general obligation debt as of June 30, 2024 is under the District's current debt limitation of $589,176,259.

The District reports its allocated portion of its defined benefit unfunded benefit obligation related to its participation in PSERS. The District's allocated portion of the net pension liability totaled $334,404,118 as of June 30, 2024. This is an actuarially determined estimate of the District's proportionate share of the unfunded cost of the PSERS pension plan obligation. The District's net pension liability allocation increased by $3,008,804 for 0.91% during the fiscal year based on the actuarially determined estimate.

The District reports a liability for its other post-employment benefits ("OPEB") related to its single employer OPEB plan and its participation in the PSERS health insurance premium assistance program. The District's net OPEB liability is an actuarially determined estimate of the unfunded cost of the OPEB obligation which totaled $13,266,164 for the single employer plan as of June 30, 2024, and $13,628,899 for the allocated portion of the PSERS OPEB liability. The District's combined net OPEB liability increased by $755,119 or 2.89% during the fiscal year based on the actuarially determined estimate.

Other noncurrent liabilities includes the District's liability for compensated absences which totaled $2,922,622 as of June 30, 2024, and decreased by $156,907 or 5.10% during the fiscal year.

More detailed information about the District's long-term debt and noncurrent liabilities is presented in the notes to the financial statements.

FACTORS BEARING ON THE DISTRICT'S FUTURE

The District has identified the following factors related to the District's future:

- The District will continue to invest in renovations to its school buildings over the next several years. The East and West high school renovations will be completed for the opening of school in August 2024. The Beaver Creek and West Bradford elementary school renovations are scheduled to be completed in the fall of 2025. These high school and elementary school projects will cost about $125 million combined and were funded with existing fund balance. Additionally, there are plans for renovations at Lionville and Bradford Heights elementary schools in the next few years.

- The District's bus contractors are experiencing significant shortages of bus drivers which will likely continue for the foreseeable future. The bus driver shortage is nationwide. The District may need to incur higher costs in future years to address driver shortages and provide the necessary level of student transportation service.

- The District's 2024-2025 budget is $285,098,849 and includes a 3.90% tax increase. The 2024-2025 budget reflects the use of fund balance of approximately $421,436. The District anticipates tax increases will need to continue in future years to enable revenues to fund expenditure growth.

- The Pennsylvania law known as Act 1 provides property tax relief for property owners. As part of this legislation, a limit is placed on the real estate tax rate percentage increase that can be levied by the District each year. The percentage limit is known as the Act 1 index. The Act 1 index for 2024-2025 is 5.30% and 4.00% for 2025-2026.

- Increases in the level of state funding that the District will receive in future years is uncertain and is influenced by the political decisions and economic climate influencing the state budget.

- The District's contributions to PSERS will continue to be significant over the next several years. PSERS has certified and projected the following future percentages of employee salaries that the District will need to fund:

2024-2025	33.90% (certified)
2025-2026	34.00% (certified)
2026-2027	35.41% (projected)
2027-2028	35.94% (projected)
2028-2029	36.53% (projected)

The state is expected to continue to reimburse the District for half of these contributions.

- The District will continue to practice prudent fiscal management practices to ensure sufficient funding for its operations and capital spending.

CONTACTING THE DISTRICT FINANCIAL MANAGEMENT

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Business Manager or Assistant Director of Finance, Downingtown Area School District, 540 Trestle Place, Downingtown, PA 19335, www.dasd.org.

Downingtown Area School District
Statement of Net Position
June 30, 2024 with Summarized Comparative Totals for 2023

	Governmental Activities	Business-type Activities	Totals 2024	Totals 2023
Assets and deferred outflows of resources				
Current assets				
Cash	$ 121,774,306	$ 5,458,331	$ 127,232,637	$ 62,397,695
Investments	8,509,000	-	8,509,000	113,649,074
Restricted assets				
Cash held by fiscal agent	16,549	-	16,549	-
Investments held by fiscal agent	27,541,895	-	27,541,895	24,927,902
Taxes receivable	2,405,369	-	2,405,369	2,326,280
Due from other governments	11,461,029	-	11,461,029	9,617,408
Internal balances	(153,280)	153,280	-	-
Other receivables	1,781,280	15,341	1,796,621	2,231,336
Prepaid expenses	283,576	170,279	453,855	91,550
Inventories	-	4,317	4,317	1,465
Total current assets	173,619,724	5,801,548	179,421,272	215,242,710
Noncurrent assets				
Capital assets, net	347,227,110	1,096,036	348,323,146	299,245,921
Total assets	520,846,834	6,897,584	527,744,418	514,488,631
Deferred outflows of resources				
Deferred charges OPEB - single employer	1,904,259	-	1,904,259	1,914,907
Deferred charges on proportionate share of OPEB - PSERS	3,799,655	4,094	3,803,749	4,709,755
Deferred charges on proportionate share of pension - PSERS	61,776,293	66,563	61,842,856	70,314,936
Total deferred outflows of resources	67,480,207	70,657	67,550,864	76,939,598
Liabilities, deferred inflows of resources and net position				
Current liabilities				
Accounts payable	15,898,150	245,576	16,143,726	8,129,085
Accrued salaries, payroll withholdings and benefits	36,149,634	-	36,149,634	35,264,550
Accrued interest payable	792,958	-	792,958	822,137
Bonds and notes payable - due within one year	4,370,777	-	4,370,777	4,423,074
Unearned revenue	182,996	613,287	796,283	991,478
Total current liabilities	57,394,515	858,863	58,253,378	49,630,324
Noncurrent liabilities				
Bonds and notes payable - due in more than one year	87,717,060	-	87,717,060	92,087,837
Compensated absences	2,904,381	18,241	2,922,622	3,079,529
OPEB liability - single employer	13,266,164	-	13,266,164	12,393,066
Net OPEB liability - PSERS	13,614,230	14,669	13,628,899	13,746,878
Net pension liability - PSERS	334,044,190	359,928	334,404,118	331,395,314
Total noncurrent liabilities	451,546,025	392,838	451,938,863	452,702,624
Total liabilities	508,940,540	1,251,701	510,192,241	502,332,948
Deferred inflows of resources				
Deferred credits OPEB - single employer	6,793,112	-	6,793,112	7,351,921
Deferred credits on proportionate share of OPEB - PSERS	3,397,340	3,660	3,401,000	4,351,000
Deferred credits on proportionate share of pension - PSERS	4,574,072	4,928	4,579,000	8,488,000
Total deferred inflows of resources	14,764,524	8,588	14,773,112	20,190,921
Net position				
Net investment in capital assets	255,139,273	1,096,036	256,235,309	202,735,010
Restricted for debt service	27,558,444	-	27,558,444	24,927,902
Unrestricted (deficit)	(218,075,740)	4,611,916	(213,463,824)	(158,758,552)
Total net position	$ 64,621,977	$ 5,707,952	$ 70,329,929	$ 68,904,360

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

Downingtown Area School District
Statement of Activities
Year Ended June 30, 2024 with Summarized Comparative Totals for 2023

		Program Revenues			Net (Expense) Revenue and Changes in Net Position			
							Totals	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	2024	2023
Governmental activities								
Instruction	$ 175,807,240	$ 65,756	$ 31,891,044	$ 77,840	$ (143,772,600)	$ -	$ (143,772,600)	$ (125,265,543)
Instructional student support	26,463,134	-	3,076,115	-	(23,387,019)	-	(23,387,019)	(19,055,091)
Administrative and financial support services	23,422,022	-	2,329,187	-	(21,092,835)	-	(21,092,835)	(18,627,856)
Operation and maintenance of plant services	18,862,396	455,263	1,739,521	-	(16,667,612)	-	(16,667,612)	(14,556,805)
Pupil transportation	14,408,198	-	3,884,421	-	(10,523,777)	-	(10,523,777)	(8,902,979)
Student activities	4,610,828	1,905,742	413,049	-	(2,292,037)	-	(2,292,037)	(1,692,494)
Community services	62,165	-		-	(62,165)	-	(62,165)	(46,424)
Interest and amortization expense related to noncurrent liabilities	4,839,969	-	5,006,977	-	167,008	-	167,008	480,340
Unallocated depreciation	15,737,231	-	-	-	(15,737,231)	-	(15,737,231)	(15,361,943)
Total governmental activities	284,213,183	2,426,761	48,340,314	77,840	(233,368,268)	-	(233,368,268)	(203,028,795)
Business-type activities								
Food service	5,492,511	3,609,941	1,876,919	-	-	(5,651)	(5,651)	325,395
Total primary government	$ 289,705,694	$ 6,036,702	$ 50,217,233	$ 77,840	(233,368,268)	(5,651)	(233,373,919)	(202,703,400)
General revenues								
Property taxes levied for general purposes					171,482,770	-	171,482,770	165,231,285
Other taxes levied for general purposes					27,697,995	-	27,697,995	26,253,152
Grants and entitlements not restricted to specific programs					23,534,996	-	23,534,996	22,087,459
Investment earnings (loss)					11,225,531	246,945	11,472,476	6,540,366
Miscellaneous income					268,340	-	268,340	467,979
Gain (loss) on sale of capital assets					342,808	103	342,911	2,183,674
Transfers					(133,804)	133,804	-	-
Total general revenues and transfers					234,418,636	380,852	234,799,488	222,763,915
Change in net position					1,050,368	375,201	1,425,569	20,060,515
Net position								
Beginning of year					63,571,609	5,332,751	68,904,360	48,843,845
End of year					$ 64,621,977	$ 5,707,952	$ 70,329,929	$ 68,904,360

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

Downingtown Area School District
Balance Sheet – Governmental Funds
June 30, 2024 with Summarized Comparative Totals for 2023

	Major Funds			Totals	
	General Fund	Capital Projects Fund	Debt Service Fund	2024	2023
Assets					
Cash	$ 53,511,407	$ 68,262,899	$ -	$ 121,774,306	$ 58,012,747
Investments	6,388,000	2,121,000	-	8,509,000	112,351,310
Restricted assets:					
Cash held by fiscal agent	-	-	16,549	16,549	-
Investments held by fiscal agent	-	-	27,541,895	27,541,895	24,927,902
Taxes receivable	2,405,369	-	-	2,405,369	2,326,280
Due from other funds	3,413	10,531,464	-	10,534,877	9,639,276
Due from other governments	11,461,029	-	-	11,461,029	9,580,414
Other receivables	1,686,983	94,297	-	1,781,280	2,219,383
Prepaid items	283,576	-	-	283,576	91,550
Total assets	$ 75,739,777	$ 81,009,660	$ 27,558,444	$ 184,307,881	$ 219,148,862
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	$ 4,136,538	$ 11,761,612	$ -	$ 15,898,150	$ 7,419,940
Due to other funds	10,688,157	-	-	10,688,157	9,660,170
Accrued salaries, payroll withholdings and benefits	36,149,634	-	-	36,149,634	35,264,550
Unearned revenue	182,996	-	-	182,996	388,120
Total liabilities	51,157,325	11,761,612	-	62,918,937	52,732,780
Deferred Inflows of resources					
Unavailable revenues - property taxes	1,622,872	-	-	1,622,872	1,623,085
Fund balances					
Nonspendable					
Prepaid expenditures	283,576	-	-	283,576	91,550
Restricted for					
Debt service	-	-	27,558,444	27,558,444	24,927,902
Committed to					
Capital projects	-	69,248,048	-	69,248,048	119,383,643
Unassigned	22,676,004	-	-	22,676,004	20,389,902
Total fund balances	22,959,580	69,248,048	27,558,444	119,766,072	164,792,997
Total liabilities, deferred inflows of resources and fund balances	$ 75,739,777	$ 81,009,660	$ 27,558,444	$ 184,307,881	$ 219,148,862

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

Downingtown Area School District
Reconciliation of Governmental Funds Balance Sheet to Net Position of Governmental Activities on the Statement of Net Position
June 30, 2024

TOTAL GOVERNMENTAL FUND BALANCES		$ 119,766,072
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds balance sheet.		
Capital assets	$ 550,703,763	
Accumulated depreciation	(203,476,653)	347,227,110
Deferred outflows of resources and deferred inflows of resources related to pensions and other post-employment benefits are not reported as assets and liabilities in the governmental funds balance sheet.		
Deferred outflows of resources - pension and OPEB	67,480,207	
Deferred inflows of resources - pension and OPEB	(14,764,524)	52,715,683
Some of the District's property taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred inflows of resources on the governmental funds balance sheet.		1,622,872
Noncurrent liabilities are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds balance sheet.		
Bonds and notes payable	(92,087,837)	
Compensated absences	(2,904,381)	
OPEB liability - single employer	(13,266,164)	
Net OPEB liability - PSERS	(13,614,230)	
Net pension liability - PSERS	(334,044,190)	(455,916,802)
Accrued interest payable on long-term liabilities is included in the statement of net position, but is excluded from the governmental funds balance sheet until due and payable.		(792,958)
NET POSITION OF GOVERNMENTAL ACTIVITIES		$ 64,621,977

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

Downingtown Area School District
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds
Year Ended June 30, 2024 with Summarized Comparative Totals for 2023

	Major Funds			Totals	
	General Fund	Capital Projects Fund	Debt Service Fund	2024	2023
Revenues					
Local sources	$ 210,806,412	$ 4,595,570	$ 2,630,542	$ 218,032,524	$ 204,925,602
State sources	61,513,658	-	-	61,513,658	59,611,939
Federal sources	5,464,789	-	-	5,464,789	4,035,130
Total revenues	277,784,859	4,595,570	2,630,542	285,010,971	268,572,671
Expenditures					
Current					
Instruction	170,037,781	6,310,164	-	176,347,945	169,780,426
Support services	80,853,123	853,060	-	81,706,183	75,851,123
Operation of noninstructional services	4,543,861	68,407	-	4,612,268	4,489,498
Facilities acquisition, construction and improvement services	264,616	58,067,455	-	58,332,071	17,338,734
Debt service	9,292,223	-	-	9,292,223	16,372,451
Total expenditures	264,991,604	65,299,086	-	330,290,690	283,832,232
Excess (deficiency) of revenues over (under) expenditures	12,793,255	(60,703,516)	2,630,542	(45,279,719)	(15,259,561)
Other financing sources (uses)					
Sale of/compensation for capital assets	342,808	-	-	342,808	2,183,674
Refund of prior year expenditures	-	36,457	-	36,457	370,673
Refund of prior year revenues	-	-	-	-	(8,338)
Insurance recoveries	7,333	-	-	7,333	26,253
Transfers in		10,531,464	-	10,531,464	14,284,924
Transfers out	(10,665,268)	-	-	(10,665,268)	(14,296,056)
Total other financing sources (uses)	(10,315,127)	10,567,921	-	252,794	2,561,130
Net change in fund balances	2,478,128	(50,135,595)	2,630,542	(45,026,925)	(12,698,431)
Fund balances					
Beginning of year	20,481,452	119,383,643	24,927,902	164,792,997	177,491,428
End of year	$ 22,959,580	$ 69,248,048	$ 27,558,444	$ 119,766,072	$ 164,792,997

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

Downingtown Area School District
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to Change in Net Position of Governmental Activities on the Statement of Activities
Year Ended June 30, 2024

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS		$ (45,026,925)
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.		
Capital outlay expenditures	$ 64,931,378	
Depreciation expense	(15,737,231)	49,194,147
Because some 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 inflows of resources decreased by this amount this year.		
Deferred inflows of resources June 30, 2023	(1,623,085)	
Deferred inflows of resources June 30, 2024	1,622,872	(213)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on the change in net assets of governmental activities. Also, governmental funds report the effect of premiums, discounts and similar items when long-term debt is issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Repayment of bonds payable	3,240,000	
Amortization of bond premiums and discounts	1,183,074	4,423,074
Some expenses reported in the statement of activities do not require the use of current financial resources, and, therefore are not reported as expenditures in the governmental funds.		
Current year change in accrued interest payable	29,179	
Current year change in compensated absences	157,980	
Current year change in net pension liability - PSERS and deferred outflows and inflows	(7,563,735)	
Current year change in OPEB liability - single employer and deferred outflows and inflows	(324,937)	
Current year change in net OPEB liability - PSERS and deferred outflows and inflows	161,798	(7,539,715)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		$ 1,050,368

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

Downingtown Area School District
Statement of Net Position – Proprietary Fund
June 30, 2024 with Summarized Comparative Totals for 2023

	Major Fund	
	Food Service Fund	
	2024	2023
Assets and Deferred Outflow of Resources		
Current assets		
Cash	$ 5,458,331	$ 4,384,948
Investments	-	1,297,764
Due from other funds	156,693	23,702
Due from other governments	-	36,994
Other receivables	15,341	11,953
Prepaid expenses	170,279	-
Inventories	4,317	1,465
Total current assets	5,804,961	5,756,826
Noncurrent assets		
Capital assets, net	1,096,036	1,212,958
Total assets	6,900,997	6,969,784
Deferred outflow of resources		
Deferred charges on proportionate share of pension - PSERS	66,563	75,682
Deferred charges on proportionate share of OPEB - PSERS	4,094	5,069
Total deferred outflows of resources	70,657	80,751
Liabilities, Deferred Inflow of Resources and Net Position		
Liabilities		
Accounts payable	245,576	709,145
Due to other funds	3,413	2,808
Unearned revenue	613,287	603,358
Total current liabilities	862,276	1,315,311
Noncurrent liabilities		
Accrued compensated absences	18,241	17,168
Net OPEB liability - PSERS	14,669	14,796
Net pension liability - PSERS	359,928	356,690
Total noncurrent liabilities	392,838	388,654
Total liabilities	1,255,114	1,703,965
Deferred inflows of resources		
Deferred credits on proportionate share of pension - PSERS	4,928	9,136
Deferred credits on proportionate share of OPEB - PSERS	3,660	4,683
Total deferred inflows of resources	8,588	13,819
Net position		
Net investment in capital assets	1,096,036	1,212,958
Unrestricted	4,611,916	4,119,793
Total net position	$ 5,707,952	$ 5,332,751

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

Downingtown Area School District
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Fund
Year Ended June 30, 2024 with Summarized Comparative Totals for 2023

	Major Fund	
	Food Service Fund	
	2024	2023
Operating revenues		
Charges for services	$ 3,609,941	$ 3,492,230
Operating expenses		
Salaries	112,702	112,655
Employee benefits	124,493	68,391
Purchased services - food management	2,454,061	2,231,572
Purchased property services	38,887	39,551
Other purchased services	46,876	38,110
Supplies - food costs	2,451,102	2,199,840
Depreciation	179,309	180,725
Other	85,081	82,125
Total operating expenses	5,492,511	4,952,969
Operating loss	(1,882,570)	(1,460,739)
Nonoperating revenues		
Earnings on investments	246,945	147,434
Gain on sale of capital assets	103	-
State sources	449,172	346,743
Federal sources	1,427,747	1,407,427
Total nonoperating revenues	2,123,967	1,901,604
Change in net position before transfers and capital contribution	241,397	440,865
Capital contribution	-	31,964
Transfers in	133,804	11,132
Change in net position	375,201	483,961
Net position		
Beginning of year	5,332,751	4,848,790
End of year	$ 5,707,952	$ 5,332,751

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

Downingtown Area School District
Statement of Cash Flows – Proprietary Fund
Year Ended June 30, 2024 with Summarized Comparative Totals for 2023

	Major Fund	
	Food Service Fund	
	2024	2023
Operating activities		
Cash received from charges for services	$ 3,612,539	$ 3,485,175
Cash payments to employees for services	(228,148)	(216,925)
Cash payments to suppliers for goods and services	(5,092,834)	(3,781,526)
Cash payments for other operating expenses	(85,081)	(82,125)
Net cash used in operating activities	(1,793,524)	(595,401)
Noncapital financing activities		
State sources	449,172	346,743
Federal sources	1,103,687	1,435,054
Transfers in	1,900	11,132
Net cash provided by noncapital financing activities	1,554,759	1,792,929
Capital and related financing activities		
Proceeds from sale of capital assets	103	-
Acquisition of capital assets	(232,666)	(133,142)
Net cash used in capital and related financing activities	(232,563)	(133,142)
Investing activities		
Earnings on investments	246,945	147,434
Proceed from (purchase of) investments	1,297,766	(752,764)
Net cash provided by (used in) investing activities	1,544,711	(605,330)
Net change in cash	1,073,383	459,056
Cash		
Beginning of year	4,384,948	3,925,892
End of year	$ 5,458,331	$ 4,384,948

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

Downingtown Area School District
Statement of Cash Flows – Proprietary Fund
Year Ended June 30, 2024 with Summarized Comparative Totals for 2023

	Major Fund	
	Food Service Fund	
	2024	2023
Reconciliation of operating loss to net cash provided by (used in) operating activities		
Operating loss	$ (1,882,570)	$ (1,460,739)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities		
Depreciation	179,309	180,725
Donated commodities used	364,995	293,888
(Increase) decrease in		
Due from other funds	(1,087)	1,016
Other receivables	(3,388)	(3,438)
Inventories	(2,852)	(1,073)
Deferred outflows of resources	10,094	18,317
Increase (decrease) in		
Accounts payable	(463,569)	434,041
Due to other funds	605	(325)
Unearned revenue	5,986	(3,617)
Accrued compensated absences	1,073	810
Net OPEB liability	(127)	(5,084)
Net pension liability	3,238	12,774
Deferred inflows of resources	(5,231)	(62,696)
Net cash used in operating activities	$ (1,793,524)	$ (595,401)
Supplemental disclosure		
Noncash noncapital financing activity		
USDA donated commodities	$ 364,995	$ 293,888
Noncash capital and related financing activity		
Capital contribution	$ -	$ 31,964

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

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

	Private Purpose Trust	Custodial Fund	Totals 2024	Totals 2023
Assets				
Cash	$ 28,956	$ 664,841	$ 693,797	$ 604,754
Liabilities and Net Position				
Liabilities				
Accounts payable	$ -	$ 3,167	$ 3,167	$ -
Net position				
Restricted for				
Scholarships	28,956	-	28,956	21,267
Student activities	-	661,674	661,674	583,487
Net position	$ 28,956	$ 661,674	$ 690,630	$ 604,754

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

Downingtown Area School District
Statement of Changes in Net Position - Fiduciary Funds
Year Ended June 30, 2024 with Summarized Comparative Totals for 2023

	Private-Purpose Trust Fund	Custodial Fund	Totals 2024	Totals 2023
Additions				
Receipts from student groups	$ -	$ 1,396,039	$ 1,396,039	$ 1,505,092
Local contributions	11,189	-	11,189	3,440
Total additions	11,189	1,396,039	1,407,228	1,508,532
Deductions				
Scholarships awarded and fees paid	3,500	-	3,500	3,000
Student activity disbursements	-	1,317,852	1,317,852	1,492,100
Total deductions	3,500	1,317,852	1,321,352	1,495,100
Change in net position	7,689	78,187	85,876	13,432
Net position				
Beginning of year	21,267	583,487	604,754	591,322
End of year	$ 28,956	$ 661,674	$ 690,630	$ 604,754

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

1. ORGANIZATION AND PURPOSE

The Downingtown Area School District (the "District") operates ten elementary schools, three middle schools and three high schools to provide education and related services to the residents of the Borough of Downingtown and the Townships of East Brandywine, East Cain, Upper Uwchlan, Uwchlan, Wallace, West Bradford and West Pikeland. The District operates under current standards prescribed by the Pennsylvania Department of Education in accordance with the provisions of the School Laws of Pennsylvania as a school district of the third class. The District operates under a locally elected nine-member board form of government (the "School Board").

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

Basis of Presentation

Government-Wide Financial Statements

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

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

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

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

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

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

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

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

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

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

The Debt Service Fund is used to account for financial resources committed or restricted for the payment of long-term debt principal, interest and other related costs.

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

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

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

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

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

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

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

Investments
Investments are stated at fair value based upon quoted market prices, except for certificates of deposit which are recorded at cost and external investment pools which are recorded at amortized cost, both of which approximate fair value.

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

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

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

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

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

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

July 1 – August 31	-	Discount period, 2% of gross levy
September 1 – October 31	-	Face period
November 1 to collection	-	Penalty period, 10% of gross levy
January 15	-	Lien date

The County Board of Assessments determines assessed valuations of property and the District’s taxes are billed and collected by a third-party tax collector. The tax on real estate for public school purposes for fiscal 2023-2024 was 29.5580 mills ($29.558 for $1,000 of assessed valuation) for Chester County. The District experiences very small losses from uncollectible property taxes. Property taxes constitute a lien against real property and usually can be collected in full when title transfers. Only balances that remain after tax sales are written off each year. Accordingly, an allowance for doubtful accounts has not been established by the District for property taxes receivable.

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

Installment One	-	July 31
Installment Two	-	August 31
Installment Three	-	September 30
Installment Four	-	October 31

The discount (two percent) is not applicable to installment payments; however, the penalty (10 percent) will be added if the second, third and fourth installments are paid subsequent to the due dates.

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

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

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

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

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

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

Property, plant and equipment (net of salvage value) of the District is depreciated using the straight-line method over the following estimated useful lives: buildings and improvements – 15-50 years, land improvements – 15-40 years and furniture and equipment – 5-20 years.

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

Compensated Absences
District policies permit employees to accumulate earned but unused vacation days. The liability for these compensated absences is recorded as a noncurrent liability in the government-wide financial statements. A liability for these amounts is recorded in the Governmental Funds financial statements only to the extent they have matured, for example, as a result of employee resignation and retirements.

Sick Leave
Employees that retire under the Pennsylvania School Employees Retirement System ("PSERS") are paid at per diem rates ranging from $45 to $55 for each unused sick leave day.

Accrued Severance
Administrative personnel that retire under PSERS are eligible to receive a lump sum severance payment at retirement. The payment is based on a formula as follows: 1.5% multiplied by years of service multiplied by highest salary.

Vacation and Personal Days
District employees that work on a twelve-month schedule are credited with vacation and personal days at rates which vary with length of service and job classification.

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

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

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

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

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

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

Assigned
Assigned fund balances are amounts that are constrained by the District's intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by (a) the Chief Financial Officer or (b) an appointed body (e.g., finance committee) or (c) an official to which the District has delegated the authority to assign, modify or rescind amounts to be used for specific purposes.

Assigned fund balance includes (a) all remaining amounts that are reported in governmental funds (other than the General Fund) that are not classified as non-spendable, restricted or committed, and (b) amounts in the General Fund that are intended to be used for a specific purpose. Specific amounts that are not restricted or committed in a special revenue fund or the capital projects fund are assigned for purposes in accordance with the nature of their fund type.

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

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

Comparative Data
Comparative totals for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations. Certain amounts presented in the prior year have been reclassified in order to be consistent with the current year's presentation. However, presentation of prior year totals by fund and activity type have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read. Summarized comparative information should be read in conjunction with the District's financial statements for the year ended June 30, 2023, from which the summarized information was derived.

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

Implementation of New Accounting Pronouncements
GASB Statement No. 100, *Accounting Changes and Error Corrections*, was effective for the District for the year ended June 30, 2023. GASB Statement No. 100 enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability. The implementation of GASB Statement No. 100 had no impact on the financial statements of the District for the year ended June 30, 2024.

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

GASB Statement No. 102*, Certain Risk Disclosures:,* will be effective for the District for the year ended June 30, 2025. The objective of GASB Statement No. 102 is to improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government's financial condition.

GASB Statement No. 103*, Financial Reporting Model Improvements,* will be effective for the District for the year ended June 30, 2026. The objective of GASB Statement No. 103 is to improve 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.

GASB Statement No. 104*, Disclosure of Certain Capital Assets:,* will be effective for the District for the year ended June 30, 2026. The objective of GASB Statement No. 104 is to improve financial reporting by providing users of financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. Additionally, the disclosure requirements will improve consistency and comparability between governments.

3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

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

The District is required to make available for public inspection within 20 days of final adoption the proposed budget. Public notice of the intent to adopt the final budget is required to be done 10 days prior to the adoption date.

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

Legal budgetary control is maintained at the sub-function/major object level. The School Board may make transfers of funds appropriated in any particular item of expenditure by legislative action in accordance with Pennsylvania School Code. Management may amend the budget at the sub-function/sub-object level without approval from the School Board. Appropriations lapse at the end of the fiscal period.

4. DEPOSITS AND INVESTMENTS

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

Deposits

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned. At June 30, 2024, the carrying amount of the District's deposits was $127,942,983 and the bank balance was $130,130,746. The District is required by state statute to deposit funds in depositories that are either banks, banking institutions or trust companies located in the Commonwealth of Pennsylvania. To the extent that such deposits exceed federal insurance, the depositories much pledge as collateral obligations of the United States, Commonwealth of Pennsylvania or any political subdivision. Under Act 72 of 1971, as amended, the depositories may meet this collateralization requirement by pooling appropriate securities to cover all public funds on deposit. Of the bank balance, $1,016,548 was covered by federal depository insurance, and $51,318,630 was collateralized by the District's depositories in accordance with Act 72 and the collateral was held by the depositories' agent in pooled public funds. The remaining cash deposits of the District are in the Pennsylvania School District Liquid Asset Fund ("PSDLAF"). Although not registered with the Securities and Exchange Commission and not subject to regulatory oversight, PSDLAF acts like a money market mutual fund in that its objective is to maintain a stable net asset value of $1 per share and is rated by a nationally recognized statistical rating organization and is subject to an independent annual audit. As of June 30, 2024, PSDLAF was rated as AAA by a nationally recognized statistical rating agency.

Investments

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

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

		Investment Maturities (In Years)			
Investment Type	**Fair Value**	**Less than 1**	**1 - 5**	**6 - 10**	**11 - 15**
Certificates of deposit	$ 8,509,000	$ 8,509,000	$ -	$ -	$ -
U.S. Treasury strips	27,541,895	-	20,732,338	6,809,557	-
	$ 36,050,895	$ 8,509,000	$ 20,732,338	$ 6,809,557	$ -

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

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 or collateral that is in the possession of an outside party. The collateral for all of the District's investments are held by the pledging bank's agent in the District's name. The District had no investments subject to custodial credit risk as of June 30, 2024.

Interest Rate Risk

The District's investment policy limits investment maturities in accordance with state statues as a means of managing it exposure to fair value losses arising from increasing interest rates.

Credit Risk

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

Restricted Deposits and Investments

The District maintains restricted cash and investment balances held by fiscal agents, which are restricted for the repayment of Qualified School Construction Bonds (see Note 7). The total carrying amounts and related bank balances of these cash and investment accounts are $27,558,444 as of June 30, 2024, which are invested in U.S. Treasury securities.

5. PROPERTY TAXES

Taxes receivable consisted of the following as of June 30, 2024:

Real estate taxes	$ 1,905,311
Real estate transfer taxes	421,173
Earned income taxes	78,392
Local services tax	493
	$ 2,405,369

A detailed analysis of current year property tax revenues for the year ended June 30, 2024 are as follows:

Assessed value, July 1, 2023	$ 6,028,928,335
Millage rate	0.029558
Gross property tax levy	178,203,064
Add:	
Penalties paid	223,910
Less:	
Discounts	(3,078,449)
Assessment changes and exonerations	(1,551,495)
Property tax relief allocation	(4,770,678)
Taxes uncollected at December 31, 2023 and liened	(2,027,697)
	$ 166,998,655

6. INTERNAL RECEIVABLES, PAYABLES AND TRANSFERS

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

Receivable To	Amount	Payable From	Amount
Capital projects fund	$ 10,531,464	General fund	$ 10,531,464
Food service fund	156,693	General fund	156,693
General fund	3,413	Food service fund	3,413
	$ 10,691,570		$ 10,691,570

Interfund balances between funds represent amounts owed by one fund to another fund at year-end.

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

Transfers In	Amount	Transfers Out	Amount
Capital projects fund	$ 10,531,464	General fund	$ 10,531,464
Food service fund	133,804	General fund	133,804
	$ 10,665,268		$ 10,665,268

Transfers from General Fund and Debt Service Fund to the Capital Projects Fund represents transfers to subsidize costs associated with the acquisition of capital assets.

7. CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Construction in progress	$ 13,003,181	65,299,086	18,213,002	$ 60,089,265
Land	31,629,994	-	-	31,629,994
Total capital assets not being depreciated	44,633,175	65,299,086	18,213,002	91,719,259
Capital assets being depreciated				
Buildings and improvements	388,392,345	10,456,230	29,064	398,819,511
Land improvements	20,193,530	99,533	-	20,293,063
Right-to-use subscription assets	308,700	927,585	-	1,236,285
Furniture and equipment	38,848,888	6,361,946	6,575,189	38,635,645
Total capital assets being depreciated	447,743,463	17,845,294	6,604,253	458,984,504
Less accumulated depreciation for				
Buildings and improvements	(155,324,722)	(9,136,623)	(29,064)	(164,432,281)
Land improvements	(17,431,831)	(315,632)	-	(17,747,463)
Right-to-use subscription assets	(225,408)	(224,086)	-	(449,494)
Furniture and equipment	(21,361,714)	(6,060,890)	(6,575,189)	(20,847,415)
Total accumulated depreciation	(194,343,675)	(15,737,231)	(6,604,253)	(203,476,653)
Total capital assets being depreciated, net	253,399,788	2,108,063	-	255,507,851
Governmental activities, net	$ 298,032,963	$ 67,407,149	$ 18,213,002	$ 347,227,110
Business-type activities				
Machinery and equipment	$ 3,599,367	$ 62,387	$ -	$ 3,661,754
Less: Accumulated depreciation	(2,386,409)	(179,309)	-	(2,565,718)
Business-type activities, n36	$ 1,212,958	$ (116,922)	$ -	$ 1,096,036

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

Governmental activities	
Unallocated	$ 15,737,231
Business-type activities	
Food service	$ 179,309

As of June 30, 2024, the District had outstanding construction commitments totaling $55,451,473 for various renovations to District buildings.

8. LONG-TERM DEBT

General Obligation Debt

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

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

Description	Interest Rate(s)	Original Issue Amount	Final Maturity	Principal Outstanding
General obligation bonds				
Series of 2017	0.75% - 5.00%	$ 16,910,000	11/01/2029	$ 13,785,000
Series of 2018A	2.00% - 5.00%	$ 14,635,000	08/01/2029	8,785,000
Series of 2018C	2.00% - 5.00%	$ 26,655,000	08/01/2032	25,860,000
Total general obligation bonds				48,430,000
Qualified school construction bonds				
Series of 2010A	5.00%	$ 28,303,000	09/15/2027	28,303,000
Series of 2011C	5.088%	$ 11,766,000	09/15/2029	11,766,000
Total qualified school construction bonds				40,069,000
Total general obligation debt				$ 88,499,000

Qualified School Construction Bonds

The District participates in the Qualified School Construction Bonds ("QSCB") program sponsored by the State Public School Building Authority ("SPSBA"). The SPSBA was formed by the Commonwealth of Pennsylvania for the purpose of financing the construction and improvement of public school facilities under the jurisdiction of the Pennsylvania Department of Education. The QSCB program was created by the American Recovery and Reinvestment Act ("ARRA") and allows schools to borrow at nominal or zero percent to fund new construction, renovation and rehabilitation of schools as well as the purchase of land and equipment. The SPSBA issues the bonds through the QSCB program and provides loans to schools for qualified projects. Under the QSCB program SPSBA receives direct interest subsidy payments from the United States Treasury which are then transferred to the borrowers as reimbursement of the interest portion of their loan payments. On October 6, 2010, the District borrowed $28,303,000 from the SPSBA under the QSCB program. The District is required to deposit $1,664,882 annually into a sinking fund through the maturity date of September 15, 2027. On November 1, 2011, the District borrowed $11,766,000 from the SPSBA under the QSCB program. The District is required to deposit $734,750 annually into a sinking fund through the maturity date of September 15, 2029. Sinking fund deposits are included as restricted assets held by fiscal agent in the accompanying financial statements and total $27,558,444 at June 30, 2024.

The following summarizes the changes in general obligation debt for the year ended June 30, 2024:

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024	Amount Due Within One Year
Governmental activities					
General obligation bonds					
Series of 2017	$ 15,850,000	$ -	$ 2,065,000	$ 13,785,000	$ 2,110,000
Series of 2018A	9,955,000	-	1,170,000	8,785,000	1,235,000
Series of 2018C	25,865,000	-	5,000	25,860,000	5,000
Qualified school construction bonds					
Series of 2010A	28,303,000	-	-	28,303,000	-
Series of 2011C	11,766,000	-	-	11,766,000	-
Subtotal	91,739,000	-	3,240,000	88,499,000	3,350,000
Bond premiums	4,824,014	-	1,192,037	3,631,977	1,029,740
Bond discounts	(52,103)	-	(8,963)	(43,140)	(8,963)
Total general obligation debt	$ 96,510,911	$ -	$ 4,423,074	$ 92,087,837	$ 4,370,777

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

Year Ending June 30,	Principal Maturities	Interest Maturities	Debt Sinking Fund	Total
2025	$ 3,350,000	$ 2,253,728	$ 2,399,632	$ 8,003,360
2026	3,485,000	2,118,240	2,399,632	8,002,872
2027	3,655,000	1,945,840	2,399,632	8,000,472
2028	32,158,000	1,745,808	(25,903,568)	8,000,240
2029	5,765,000	1,505,025	734,750	8,004,775
2030-2033	40,086,000	2,952,975	(11,031,250)	32,007,725
	$ 88,499,000	$ 12,521,616	$ (29,001,172)	$ 72,019,444

Interest maturities presented are net of the direct interest subsidy payments from the United States Treasury to reimburse interest expense on the District's Series of 2010A and 2011C QSCB bonds. The amount of the subsidy is estimated at $1,965,689 each year for 2024 through 2027, $1,282,172 for 2028, and a total of $897,981 for 2029-2030.

9. NONCURRENT LIABILITIES

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

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
Governmental activities				
Compensated absences	$ 3,062,361	$ -	$ 157,980	$ 2,904,381
OPEB liability	12,393,066	873,098	-	13,266,164
Net OPEB liability - PSERS	13,732,082	-	117,852	13,614,230
Net pension liability - PSERS	331,038,624	3,005,566	-	334,044,190
Total governmental activities	360,226,133	3,878,664	275,832	363,828,965
Business-type activities				
Compensated absences	17,168	1,073	-	18,241
Net OPEB liability - PSERS	14,796	-	127	14,669
Net pension liability - PSERS	356,690	3,238	-	359,928
Total business-type activities	388,654	4,311	127	392,838
Total noncurrent liabilities	$ 360,614,787	$ 3,882,975	$ 275,959	$ 364,221,803

10. OTHER POST-EMPLOYMENT BENEFITS

Single-Employer Defined Benefit OPEB Plan

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

OPEB Plan Membership

Membership in the OPEB plan consisted of the following at July 1, 2022:

Active employees	1,597
Vested former participants	-
Retired participants	60
Total	1,657

Funding Policy

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

OPEB Liability

The District's OPEB liability has been measured as of June 30, 2023. The total OPEB liability was determined by an actuarial valuation as of July 1, 2022, and by rolling forward the liabilities from the July 1, 2022 actuarial valuation through the measurement date. No significant events or changes in assumptions occurred between the valuation date and the fiscal year end. The OPEB liability is $13,266,164, all of which is unfunded. As of June 30, 2024, the OPEB liability of $13,266,164 is related to the governmental funds and is recorded in the governmental activities in the government-wide statement of net position.

The District's change in its OPEB liability for the year ended June 30, 2024 was as follows:

Balances as of July 1, 2023	$ 12,393,066
Changes for the year:	
Service cost	847,115
Interest on total OPEB liability	522,964
Differences between projected and actual experience	-
Changes in assumptions	166,307
Benefit payments	(663,288)
Net changes	873,098
Balances as of June 30, 2024	$ 13,266,164

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

For the year ended June 30, 2024, the District recognized OPEB expense of $936,419. At June 30, 2024, the District had deferred inflows of resources and deferred outflows of resources related to the OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ 2,630,883
Changes of assumptions	1,292,777	4,162,229
Contributions subsequent to the measurement date	611,482	-
	$ 1,904,259	$ 6,793,112

$611,482 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 OPEB liability in the year ended 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 for the year ending June 30, 2024:

2025	$ (433,660)
2026	(433,660)
2027	(433,660)
2028	(433,660)
2029	(433,660)
Thereafter	(3,332,035)
	$ (5,500,335)

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

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

	1% Decrease	Trend Rate	1% Increase
OPEB liability	$ 11,602,657	$ 13,266,164	$ 15,246,171

Sensitivity of the OPEB Liability to Changes in the Discount Rate

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

	1% Decrease 3.13%	Current Discount Rate 4.13%	1% Increase 5.13%
OPEB liability	$ 14,377,962	$ 13,266,164	$ 12,221,987

Actuarial Methods and Significant Assumptions

The OPEB liability as of June 30, 2024, was determined by rolling forward the OPEB Liability as of July 1, 2022 to June 30, 2023 using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method - entry age normal
- Discount rate – 4.13% - Standard and Poors 20-year municipal bond rate. The discount rate changed from 4.06% to 4.13%.
- Salary growth – salary increases are composed of 2.50% cost-of-living adjustment, 1.50% for real wage growth and 0.00% to 2.75% for merit or seniority increases.
- Assumed healthcare cost trends – 7.0% in 2023 with 0.5% decrease per hear until 5.5% in 2026. Rates gradually decrease from 5.4% in 2027 4.1% in 2075 and later based on the Society of Actuaries Long-Run Medical Cost Trend Model.
- Mortality rates were based on a PubT-2010 headcount-weighted mortality table for contingent survivors for teachers and PubG-2010 headcount-weighted mortality table for contingent survivors for all other employees

Cost Sharing Multiple-Employer Defined Benefit OPEB Plan
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 PSERS and additions to/deductions from PSERS's fiduciary net position have been determined on the same basis as they are reported by PSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Plan Description
PSERS provides health insurance premium assistance which, is a governmental cost sharing, multiple-employer OPEB plan for all eligible retirees who qualify and elect to participate. Employer contribution rates for health insurance premium assistance are established to provide reserves in the health insurance account that are sufficient for the payment of health insurance premium assistance benefits for each succeeding year.

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

- Have 24 ½ or more years of service, or
- Are a disability retiree, or
- Have 15 or more years of service and retired after reaching superannuation age, and
- Participate in the PSERS' health options program or employer-sponsored health insurance program.

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. As of June 30, 2023, there were no assumed future benefit increases to participating eligible retirees.

Employer Contributions
The District's contractually required contribution rate for the fiscal year ended June 30, 2024 was 0.64% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the OPEB plan from the District were $863,749 for the year ended June 30, 2024.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB
At June 30, 2024, the District reported a liability of $13,628,899 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by rolling forward PSERS' total OPEB liability as of June 30, 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 proportion was 0.7533 percent, which was an increase of 0.0065 from its proportion measured as of June 30, 2023. As of June 30, 2024, the net OPEB liability of $13,614,230 is related to the governmental funds and is recorded in the governmental activities in the government-wide statement of net position and the remaining $14,669 of the net OPEB liability is recorded as a liability in the proprietary fund statement of net position, and in the business-type activities in the government-wide statement of net position.

For the year ended June 30, 2024, the District recognized OPEB expense of $708,000. 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 projected and actual experience	$ 89,000	$ 135,000
Changes of assumptions	1,178,000	2,579,000
Net difference between projected and actual investment earnings	31,000	-
Changes in proportions	1,642,000	687,000
Contributions subsequent to the measurement date	863,749	-
	$ 3,803,749	$ 3,401,000

$863,749 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 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 for the years ended June 30:

2025	$ 47,000
2026	(243,000)
2027	40,000
2028	(303,000)
2029	(2,000)
	$ (461,000)

Actuarial Assumptions

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

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

Participation rate:

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

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study that was performed for the five year period 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: 63% of eligible retirees are assumed to elect premium assistance.
- Mortality tables for males and females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 mortality improvement scale.

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

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

OPEB - Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	100.00%	1.20%

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

Discount Rate

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

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

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

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

	1% Decrease	Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	$ 13,627,619	$ 13,628,889	$ 13,629,931

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

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

	1% Decrease 3.13%	Current Discount Rate 4.13%	1% Increase 5.13%
District's proporationate share of the net OPEB liability	$ 15,409,068	$ 13,628,899	$ 1,218,782

OPEB Plan Fiduciary Net Position

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

11. PENSION PLAN

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

Plan Description

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

Benefits Provided

PSERS provides retirement, disability, and death benefits. Members are eligible for monthly retirement benefits upon reaching (a) age 62 with at least 1 year of credited service; (b) age 60 with 30 or more years of credited service; or (c) 35 or more years of service regardless of age. Act 120 of 2010 (Act 120) preserves the benefits of existing members and introduced benefit reductions for individuals who become new members on or after July 1, 2011. Act 120 created two new membership classes, Membership Class T-E (Class T-E) and Membership Class T-F (Class T-F). To qualify for normal retirement, Class T-E and Class T-F members must work until age 65 with a minimum of 3 years of service or attain a total combination of age and service that is equal to or greater than 92 with a minimum of 35 years of service.

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

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

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

Contributions

Member Contributions

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

Member Contribution Rates				
Membership Class	**Continuous Employment Since**	**Defined Benefit (DB) Contribution Rate**	**DC Contribution Rate**	**Total Contribution Rate**
T-C	Prior to July 22, 1983	5.25%	N/A	5.25%
				6.25%
T-C	On or after July 22, 1983	6.25%	N/A	6.25%
T-D	Prior to July 22, 1983	6.50%	N/A	6.50%
T-D	On or after July 22, 1983	7.50%	N/A	7.50%

T-E	On or after July 1, 2011	7.50% base rate with shared risk provision	N/A	Prior to 7/1/21: 7.50% After 7/1/21: 8.00%
T-F	On or after July 1, 2011	10.30% base rate with shared risk provision	N/A	Prior to 7/1/21: 10.30% After 7/1/21: 10.8%
T-G	On or after July 1, 2019	5.50% base rate with shared risk provision	2.75%	Prior to 7/1/21: 8.25% After 7/1/21: 9.00%
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%

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, 2023 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. Contributions to the pension plan from the District were $39,520,856 for the year ended June 30, 2024.

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

At June 30, 2024, the District reported a liability of $334,404,118 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 PSERS' 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 0.7517 percent, which was an increase of 0.0063 from its proportion measured as of June 30, 2023. As of June 30, 2024, the net pension liability of $334,044,190 is related to the governmental funds and is recorded in the governmental activities in the government-wide statement of net position and the remaining $359,928 of the net pension liability is recorded as a liability in the proprietary fund statement of net position, and in the business-type activities in the government-wide statement of net position.

For the year ended June 30, 2024, the District recognized pension expense of $47,218,000. 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	$ 76,000	$ 4,579,000
Changes of assumptions	4,990,000	-
Net difference between projected and actual investment earnings	9,463,000	-
Changes in proportions	7,793,000	-
Contributions subsequent to the measurement date	39,520,856	-
	$ 61,842,856	$ 4,579,000

$39,520,856 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 for the year ended June 30:

2025	$ 7,923,000
2026	(4,081,000)
2027	10,743,000
2028	3,158,000
	$ 17,743,000

Actuarial Assumptions

The total pension liability as of June 30, 2023 was determined by rolling forward PSERS's total pension liability at the June 30, 2022 actuarial valuation 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 valuation experience study that was performed for the five year period ending June 30, 2020.

The long-term expected rate of return on 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 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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

	Target Allocation	Long-Term Expected Real Rate of Return
Global public equity	30.00%	5.20%
Private equity	12.00%	7.90%
Fixed income	33.00%	3.20%
Commodities	7.50%	2.70%
Instrastructure/MLPs	10.00%	5.40%
Real estate	11.00%	5.70%
Absolute return	4.00%	4.10%
Cash	3.00%	1.20%
Leverage	-10.50%	1.20%
	100.00%	

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

Discount Rate

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

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

The following represents the net pension liability, calculated using the discount rate of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.00%) or 1-percentage point higher (8.00%) that 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	$ 433,479,930	$ 334,404,118	$ 250,813,778

Pension Plan Fiduciary Net Position

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

12. JOINT VENTURE AND JOINTLY GOVERNED ORGANIZATION

Technical College High School Brandywine

The District and two other Chester County school districts participate in the Technical College High School Brandywine Campus ("TCHS Brandywine"). The TCHS Brandywine provides vocational-technical training and education to students of the participating school districts. The TCHS Brandywine is controlled by a joint Board comprised of representative school board members of the participating school districts. District oversight of the TCHS Brandywine operations is the responsibility of the joint board. The District's share of operating costs for the TCHS Brandywine fluctuates based on the District's percentage of enrollment. The District's share of operating costs for 2023-2024 was $3,221,252.

The TCHS Brandywine prepares financial statements that are available to the public from their administrative offices.

Chester County Intermediate Unit

The District and the other Chester County school districts are participating members of the Chester County Intermediate Unit (the "CCIU"). The CCIU is a regional educational service agency, established by the Commonwealth of Pennsylvania, which is governed by a joint committee consisting of School Board members from each participating district. The School Board of each participating district must approve the annual operating budget of the CCIU but the participating districts have no ongoing fiduciary interest or responsibility to the CCIU. The CCIU is a self-sustaining organization that provides a broad array of services to participating districts which include: curriculum development and instructional improvement; educational planning services; instructional material; continuing professional development; pupil personnel services; management services and state and federal liaison services.

13. CONTINGENCIES AND COMMITMENTS

Government Grants and Awards

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

Litigation

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

14. RISK MANAGEMENT

Other Risks

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Significant losses are covered by commercial insurance. For insured programs, there were no significant reductions in insurance coverages during the 2023-2024 year. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

Healthcare

The District administers a self-insurance program to provide healthcare and related expenses for eligible employees, spouses and their dependents. Accordingly, benefit payments plus an administrative charge are made to a third party administrator, who approves and processes all claims. The District has recorded a liability in the General Fund that includes an estimate for claims incurred but not reported through June 30, 2024 as estimated by the District's third party administrator and healthcare benefit consultant.

The following table presents the self-insurance healthcare claims liability and the related changes in the claims liability for the year ended June 30, 2024 and 2023:

	2024	2023
Insurance claims liability - beginning of year	$ 5,648,096	$ 5,111,924
Current year insurance claims and changes in estimates	23,049,344	25,520,453
Insurance claims paid	(22,733,595)	(24,984,281)
Insurance claims liability - end of year	$ 5,963,845	$ 5,648,096

Workers' Compensation

The District and other participating Pennsylvania school districts and educational agencies participate in the School District Insurance Consortium ("SDIC"), which is a voluntary trust. The District and the other participating members pay premiums to SDIC for the purpose of seeking prevention or lessening of claims due to injuries of employees of the participating members and pooling workers' compensation and occupational disease insurance risks, reserves claims and losses and providing self-insurance and reinsurance thereof. It is the intent of the participating members of SDIC that the SDIC will utilize funds contributed by the participating members, which shall be held in trust by SDIC, to provide self-insurance and reimbursements to the members for their obligations to pay compensation as required under the Workers' Compensation Act and the Pennsylvania Occupational Disease Act and to purchase excess and aggregate insurance. As of June 30, 2024, the District is not aware of any additional assessments relating to SDIC.

15. SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 31, 2025, the date on which the financial statements were available to be issued. No material subsequent events have occurred since June 30, 2024 that required recognition or disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

Downingtown Area School District
Budgetary Comparison Schedule – General Fund
Year Ended June 30, 2024

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Local sources	$ 209,993,181	$ 209,993,181	$ 210,806,412	$ 813,231
State sources	59,859,299	60,039,116	61,513,658	1,474,542
Federal sources	1,795,000	3,675,665	5,464,789	1,789,124
Total revenues	271,647,480	273,707,962	277,784,859	4,076,897
Expenditures				
Instruction				
Regular programs	119,060,036	120,740,230	117,647,933	3,092,297
Special programs	40,542,847	41,778,239	42,945,827	(1,167,588)
Vocational programs	7,792,743	7,790,117	7,710,922	79,195
Other instructional programs	1,933,600	1,933,600	1,719,868	213,732
Nonpublic school programs	12,000	12,000	13,231	(1,231)
Total instruction	169,341,226	172,254,186	170,037,781	2,216,405
Support services				
Pupil support services	12,101,139	12,101,059	12,152,641	(51,582)
Instructional staff services	8,356,284	8,368,124	9,031,033	(662,909)
Administrative services	15,141,766	15,152,931	14,275,967	876,964
Pupil health	3,932,417	3,932,752	4,177,356	(244,604)
Business services	2,580,098	2,580,098	2,676,013	(95,915)
Operation and maintenance of plant services	17,009,458	17,009,458	18,132,161	(1,122,703)
Student transportation services	12,880,171	13,307,171	14,384,547	(1,077,376)
Support services - central	6,354,592	6,341,372	5,749,229	592,143
Other support services	95,000	274,817	274,176	641
Total support services	78,450,925	79,067,782	80,853,123	(1,785,341)
Operation of noninstructional services				
Student activities	4,236,934	4,236,934	4,481,696	(244,762)
Community services	170,921	170,921	62,165	108,756
Total operation of noninstructional services	4,407,855	4,407,855	4,543,861	(136,006)
Facilities acquisition, construction and improvement services	286,000	286,000	264,616	21,384
Debt service	8,000,000	9,880,665	9,292,223	588,442
Total expenditures	260,486,006	265,896,488	264,991,604	904,884
Excess (deficiency) of revenues over (under) expenditures	11,161,474	7,811,474	12,793,255	4,981,781

See Independent Auditor's Report

Downingtown Area School District
Budgetary Comparison Schedule – General Fund
Year Ended June 30, 2024

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Other financing sources (uses)				
Sale of/compensation for capital assets	500,000	500,000	342,808	(157,192)
Refund of prior year revenues	(10,000)	(10,000)	-	10,000
Insurance recoveries	-	-	7,333	7,333
Transfers out	(9,226,200)	(9,226,200)	(10,665,268)	(1,439,068)
Budgetary reserve	(3,750,000)	(400,000)	-	400,000
Total other financing sources (uses)	(12,486,200)	(9,136,200)	(10,315,127)	(1,178,927)
Net change in fund balance	$ (1,324,726)	$ (1,324,726)	$ 2,478,128	$ 3,802,854
Fund balance				
Beginning of year			20,481,452	
End of year			$ 22,959,580	

See Independent Auditor's Report

Downingtown Area School District
Schedule of the District's Proportionate Share of the Net Pension Liability - PSERS
Year Ended June 30

	Measurement Date									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability	0.7517%	0.7454%	0.7298%	0.7123%	0.6174%	0.7311%	0.6556%	0.6547%	0.6410%	0.6259%
District's proportionate share of the net pension liability	$ 334,404,118	$ 331,395,314	$ 299,632,015	$ 350,729,511	$ 288,835,822	$ 350,964,299	$ 323,790,381	$ 324,448,546	$ 277,651,000	$ 247,735,000
District's covered-employee payroll	$ 115,411,908	$ 109,806,040	$ 103,604,972	$ 100,128,498	$ 85,153,373	$ 98,456,473	$ 87,291,671	$ 84,793,744	$ 82,474,947	$ 79,863,944
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	289.75%	301.80%	289.21%	350.28%	339.19%	356.47%	370.93%	382.63%	336.65%	310.20%
Plan fiduciary net position as a percentage of the total pension liability	61.85%	61.34%	63.67%	54.32%	55.66%	54.00%	52.00%	50.00%	54.00%	57.00%

See Independent Auditor's Report

Downingtown Area School District
Schedule of the District's Pension Plan Contributions - PSERS
Year Ended June 30

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 39,520,856	$ 39,360,617	$ 37,156,096	$ 34,680,817	$ 33,276,464	$ 27,648,629	$ 31,022,971	$ 25,076,097	$ 20,829,000	$ 16,551,000
Contributions in relation to the contractually required contribution	$ 39,520,856	$ 39,360,617	$ 37,156,096	$ 34,680,817	$ 33,276,464	$ 27,648,629	$ 31,022,971	$ 25,076,097	$ 20,829,000	$ 16,551,000
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
District's covered-employee payroll	$ 118,467,794	$ 115,411,908	$ 109,806,040	$ 103,604,972	$ 100,128,498	$ 85,153,373	$ 98,456,473	$ 87,291,671	$ 84,793,744	$ 82,474,947
Contributions as a percentage of covered-employee payroll	33.36%	34.10%	33.84%	33.47%	33.23%	32.47%	31.51%	29.00%	25.00%	20.00%

See Independent Auditor's Report

Downingtown Area School District
Schedule of Changes in OPEB Liability - Single Employer Plan
Year Ended June 30

	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability							
Service cost	$ 847,115	$ 1,466,062	$ 1,478,830	$ 1,248,865	$ 1,253,362	$ 1,088,495	$ 1,116,126
Interest on total OPEB liability	522,964	409,937	326,104	556,237	481,312	465,654	362,294
Differences between projected and actual experience	-	(1,854,552)	-	(1,054,902)	-	(416,685)	-
Changes of assumptions	166,307	(3,804,976)	(557,099)	832,556	(475,375)	878,365	(203,972)
Benefit payments	(663,288)	(735,363)	(849,876)	(817,316)	(891,975)	(923,460)	(915,163)
Net change in total OPEB liability	873,098	(4,518,892)	397,959	765,440	367,324	1,092,369	359,285
Total OPEB liability, beginning	12,393,066	16,911,958	16,513,999	15,748,559	15,381,235	14,288,866	13,929,581
Total OPEB liability, ending	$ 13,266,164	$ 12,393,066	$ 16,911,958	$ 16,513,999	$ 15,748,559	$ 15,381,235	$ 14,288,866
Fiduciary net position as a % of total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered payroll	$ 108,810,925	$ 108,810,925	$ 98,981,967	$ 98,981,967	$ 90,294,978	$ 90,294,978	$ 83,688,223
Net OPEB liability as a % of covered payroll	12.19%	11.39%	17.09%	16.68%	17.44%	17.03%	17.07%

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

See Independent Auditor's Report

Downingtown Area School District
Schedule of the District's Proportionate Share of the Net OPEB Liability - PSERS
Year Ended June 30

	Measurement Date						
	2023	2022	2021	2020	2019	2018	2017
District's proportion of the net OPEB liability	0.7533%	0.7468%	0.7308%	0.7134%	0.6174%	0.7311%	0.6556%
District's proportionate share of the net OPEB liability	$ 13,628,899	$ 13,746,878	$ 17,320,566	$ 15,414,413	$ 13,131,123	$ 15,243,062	$ 13,357,273
District's covered-employee payroll	$ 115,411,908	$ 109,806,040	$ 103,604,972	$ 100,128,498	$ 85,153,373	$ 98,456,473	$ 87,291,671
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	11.81%	12.52%	16.72%	15.39%	15.42%	15.48%	15.30%
Plan fiduciary net position as a percentage of the total OPEB liability	7.22%	6.86%	5.30%	5.69%	5.56%	5.56%	6.00%

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

See Independent Auditor's Report

Downingtown Area School District
Schedule of the District's OPEB Plan Contributions - PSERS
Year Ended June 30

	2024	2023	2022	2021	2020	2019	2018	2017
Contractually required contribution	$ 863,749	$ 863,749	$ 859,755	$ 850,395	$ 839,836	$ 707,361	$ 816,814	$ 724,818
Contributions in relation to the contractually required contribution	$ 863,749	$ 863,749	$ 859,755	$ 850,395	$ 839,836	$ 707,361	$ 816,814	$ 724,818
Contribution deficiency (excess)	-	-	-	-	-	-	-	-
District's covered-employee payroll	$ 118,467,794	$ 115,411,908	$ 109,806,040	$ 103,604,972	$ 100,128,498	$ 85,153,373	$ 98,456,473	$ 87,291,671
Contributions as a percentage of covered-employee payroll	0.64%	0.75%	0.78%	0.82%	0.84%	0.83%	0.83%	0.83%

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

See Independent Auditor's Report

SUPPLEMENTARY INFORMATION

Downingtown Area School District
Combining Balance Sheet – Capital Projects Fund
June 30, 2024

	Capital Reserve Fund	Capital Projects Fund	Total
Assets			
Cash	$ 26,174,759	$ 42,088,140	$ 68,262,899
Investments	2,121,000	-	2,121,000
Other receivables	-	94,297	94,297
Due from other funds	-	10,531,464	10,531,464
Total assets	$ 28,295,759	$ 52,713,901	$ 81,009,660
Liabilities and Fund Balances			
Liabilities			
Accounts payable	$ 1,309,376	$ 10,452,236	$ 11,761,612
Fund balances			
Committed to			
Capital projects	26,986,383	42,261,665	69,248,048
Total fund balances	26,986,383	42,261,665	69,248,048
Total liabilities and fund balances	$ 28,295,759	$ 52,713,901	$ 81,009,660

See Independent Auditor's Report.

Downingtown Area School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Capital Projects Fund
Year Ended June 30, 2024

	Capital Reserve Fund	Capital Projects Fund	Total
Revenues			
Local sources	$ 1,417,902	$ 3,177,668	$ 4,595,570
Expenditures			
Current			
Instruction	-	6,310,164	6,310,164
Support services	-	853,060	853,060
Operation of noninstructional services	-	68,407	68,407
Facilities acquisition, construction and improvement services	2,473,231	55,594,224	58,067,455
Total expenditures	2,473,231	62,825,855	65,299,086
Excess (deficiency) of revenues over (under) expenditures	(1,055,329)	(59,648,187)	(60,703,516)
Other financing sources (uses)			
Refund of prior year expenditures	-	36,457	36,457
Transfers in	-	10,531,464	10,531,464
Total other financing sources (uses)	-	10,567,921	10,567,921
Net change in fund balances	(1,055,329)	(49,080,266)	(50,135,595)
Fund balances			
Beginning of year	28,041,712	91,341,931	119,383,643
End of year	$ 26,986,383	$ 42,261,665	$ 69,248,048

See Independent Auditor's Report.

OTHER INFORMATION

Downingtown Area School District
Borrowing Base Calculation – General Fund
Year Ended June 30,

	2022	2023	2024
Gross revenues received - General Fund	$ 249,756,467	$ 263,469,374	$ 277,784,859
Deductions pursuant to Section 102 (c)(16) of Act 185 of 1972;			
(i) Subsidy - rentals and sinking fund payments	1,113,299	1,141,194	546,864
(ii) Non-recurring receipts	998,403	752,009	890,586
Total deductions	2,111,702	1,893,203	1,437,450
Total revenues as defined in Section (102(c)(16) of Act 185 of 1972	$ 247,644,765	$ 261,576,171	$ 276,347,409
Total revenues for past three years	$ 708,426,387	$ 742,995,815	$ 785,568,345
Borrowing Base - Average Annual Revenues	$ 236,142,129	$ 247,665,272	$ 261,856,115
Debt Limit - 225% of Borrowing Base	$ 531,319,790	$ 557,246,861	$ 589,176,259

See Independent Auditor's Report.

Downingtown Area School District
Comparative Schedules of Revenues, Expenditures and Changes in Fund Balances - General Fund
June 30,

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Revenues										
Local sources	$ 210,806,412	$ 199,822,305	$ 189,426,134	$ 177,935,546	$ 172,674,069	$ 172,336,280	$ 169,667,095	$ 168,019,218	$ 165,798,902	$ 161,347,717
State sources	61,513,658	59,611,939	56,302,669	53,930,959	52,437,987	50,286,113	50,224,146	50,415,422	43,445,079	40,489,476
Federal sources	5,464,789	4,035,130	4,027,664	3,787,174	3,305,481	3,002,677	2,922,619	2,973,257	2,724,944	2,758,810
Total revenues	277,784,859	263,469,374	249,756,467	235,653,679	228,417,537	225,625,070	222,813,860	221,407,897	211,968,925	204,596,003
Expenditures										
Instruction	170,037,781	164,726,632	155,402,222	147,133,789	138,616,271	134,766,707	130,407,874	126,339,494	122,852,991	114,337,036
Support services	80,853,123	75,263,561	71,165,099	66,798,832	63,990,979	63,073,821	60,274,071	60,692,658	58,164,456	54,859,555
Operation of noninstructional services	4,543,861	4,296,203	4,010,801	3,303,190	3,741,356	4,125,096	4,152,500	3,952,347	3,781,391	3,742,258
Facilities acquisition, construction and improvement services	264,616	257,934	208,530	277,151	332,382	279,002	331,257	353,018	311,756	187,621
Debt service	9,292,223	9,862,215	9,853,645	9,851,679	9,846,764	9,839,885	11,833,005	11,831,039	13,361,677	13,887,128
Total expenditures	264,991,604	254,406,545	240,640,297	227,364,641	216,527,752	212,084,511	206,998,707	203,168,556	198,472,271	187,013,598
Excess of revenues over expenditures	12,793,255	9,062,829	9,116,170	8,289,038	11,889,785	13,540,559	15,815,153	18,239,341	13,496,654	17,582,405
Other financing sources (uses)										
Transfers out	(10,665,268)	(9,635,867)	(8,978,703)	(7,646,256)	(11,699,163)	(13,208,160)	(15,826,069)	(25,760,784)	(13,127,754)	(19,572,644)
Sale of/compensation for capital assets	342,808	183,674	616,451	147,347	278,039	44,245	162,237	182,098	45,414	37,165
Insurance recoveries	7,333	26,253	98,681	-	-	-	-	-	-	-
Refunds of prior years expenditures (revenues)	-	37,429	277,978	106,946	117,085	122,639	201,532	69,585	(76,904)	119,098
Total other financing sources (uses)	(10,315,127)	(9,388,511)	(7,985,593)	(7,391,963)	(11,304,039)	(13,041,276)	(15,462,300)	(25,509,101)	(13,159,244)	(19,416,381)
Net change in fund balance	2,478,128	(325,682)	1,130,577	897,075	585,746	499,283	352,853	(7,269,760)	337,410	(1,833,976)
Fund balance										
Beginning of year	20,481,452	20,807,134	19,676,557	18,779,482	18,193,736	17,694,453	17,341,600	24,611,360	24,273,950	26,107,926
End of year	$ 22,959,580	$ 20,481,452	$ 20,807,134	$ 19,676,557	$ 18,779,482	$ 18,193,736	$ 17,694,453	$ 17,341,600	$ 24,611,360	$ 24,273,950

See Independent Auditor's Report.

Downingtown Area School District
Comparative Schedules of Revenues, Expenditures and Changes in Fund Balances - Original Budget and Actual
General Fund
June 30,

	2024		2023		2022		2021		2020	
	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
Revenues										
Local sources	$ 209,993,181	$ 210,806,412	$ 195,133,257	$ 199,822,305	$ 181,340,409	$ 189,426,134	$ 169,547,320	$ 177,935,546	$ 172,858,820	$ 172,674,069
State sources	59,859,299	61,513,658	58,676,563	59,611,939	54,655,660	56,302,669	52,608,923	53,930,959	52,134,292	52,437,987
Federal sources	1,795,000	5,464,789	2,853,768	4,035,130	1,932,000	4,027,664	2,358,703	3,787,174	1,135,000	3,305,481
Total revenues	271,647,480	277,784,859	256,663,588	263,469,374	237,928,069	249,756,467	224,514,946	235,653,679	226,128,112	228,417,537
Expenditures										
Regular programs	119,060,036	117,647,933	112,125,813	116,698,876	104,177,289	110,246,607	102,434,338	104,320,237	99,428,734	98,038,430
Special programs	40,542,847	42,945,827	36,902,011	38,709,055	36,280,827	36,319,577	33,178,469	34,667,790	31,655,377	32,559,701
Vocational programs	7,792,743	7,710,922	7,183,549	7,363,591	6,773,180	6,767,401	6,475,265	6,541,729	6,154,599	6,273,664
Other instructional programs	1,933,600	1,719,868	2,855,459	1,932,656	2,894,424	2,068,637	1,576,243	1,597,762	1,744,486	1,739,711
Nonpublic school programs	12,000	13,231	14,845	22,454	7,651	-	36,700	6,271	38,500	4,765
Pupil personnel services	12,101,139	12,152,641	11,877,920	11,539,399	9,848,503	10,099,610	8,853,101	9,215,208	8,518,095	9,096,830
Instructional staff services	8,356,284	9,031,033	8,030,321	8,172,422	7,171,356	7,822,240	5,862,613	7,588,577	6,347,205	6,867,839
Administrative services	15,141,766	14,275,967	14,119,346	14,446,647	13,641,707	14,177,182	12,631,129	13,326,182	13,370,486	12,316,951
Pupil health	3,932,417	4,177,356	3,515,562	3,536,281	3,298,029	3,308,864	3,141,540	3,032,396	3,013,269	2,744,747
Business services	2,580,098	2,676,013	2,432,414	2,509,681	2,277,321	2,374,349	2,246,329	2,161,333	2,471,992	2,133,675
Operation and maintenance of plant services	17,009,458	18,132,161	15,696,559	16,925,355	15,195,468	15,709,600	15,333,193	15,879,519	15,331,601	14,511,209
Student transportation services	12,880,171	14,384,547	13,285,465	12,661,985	13,439,483	12,123,692	13,397,833	10,602,071	12,801,555	10,990,897
Central and other support services	6,449,592	6,023,405	5,951,278	5,471,791	5,207,479	5,549,562	4,454,269	4,993,546	4,759,516	5,328,831
Student activities	4,236,934	4,481,696	4,139,714	4,249,779	4,053,340	3,958,958	3,986,503	3,288,501	3,850,814	3,674,686
Community services	170,921	62,165	67,075	46,424	65,862	51,843	89,250	14,689	84,660	66,670
Facilities acquisition, construction and improvement	286,000	264,616	280,000	257,934	210,000	208,530	280,000	277,151	310,000	332,382
Debt service	8,000,000	9,292,223	8,000,000	9,862,215	8,000,000	9,853,645	8,000,000	9,851,679	10,000,000	9,846,764
Total expenditures	260,486,006	264,991,604	246,477,331	254,406,545	232,541,919	240,640,297	221,976,775	227,364,641	219,880,889	216,527,752
Excess (deficiency) of revenues over expenditures	11,161,474	12,793,255	10,186,257	9,062,829	5,386,150	9,116,170	2,538,171	8,289,038	6,247,223	11,889,785
Other financing sources (uses)										
Sale of/compensation for capital assets	500,000	342,808	600,000	183,674	100,000	616,451	200,000	147,347	89,700	278,039
Insurance recoveries	-	7,333	-	26,253	-	98,681	-	-	-	-
Refund of prior year expenditures (revenues)	(10,000)	-	60,000	37,429	10,000	277,978	-	106,946	25,000	117,085
Transfers out	(9,226,200)	(10,665,268)	(11,103,425)	(9,635,867)	(7,884,200)	(8,978,703)	-	(7,646,256)	(1,500,000)	(11,699,163)
Budgetary reserve	(3,750,000)	-	(3,825,830)	-	(3,645,000)	-	(8,810,685)	-	(4,861,923)	-
Total other financing sources (uses)	(12,486,200)	(10,315,127)	(14,269,255)	(9,388,511)	(11,419,200)	(7,985,593)	(8,610,685)	(7,391,963)	(6,247,223)	(11,304,039)
Net change in fund balance	(1,324,726)	2,478,128	(4,082,998)	(325,682)	(6,033,050)	1,130,577	(6,072,514)	897,075	-	585,746
Fund balance										
Beginning of year	14,696,484	20,481,452	18,779,482	20,807,134	18,779,482	19,676,557	18,779,482	18,779,482	18,193,736	18,193,736
End of year	$ 13,371,758	$ 22,959,580	$ 14,696,484	$ 20,481,452	$ 12,746,432	$ 20,807,134	$ 12,706,968	$ 19,676,557	$ 18,193,736	$ 18,779,482

See Independent Auditor's Report.

Downingtown Area School District
Comparative Schedules of Revenues, Expenditures and Changes in Fund Balances - Original Budget and Actual
General Fund
June 30,

	2019		2018		2017		2016		2015	
	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
Revenues										
Local sources	$ 168,769,339	$ 172,336,280	$ 167,346,585	$ 169,667,095	$ 163,745,222	$ 168,019,218	$ 158,782,552	$ 165,798,902	$ 155,097,493	$ 161,347,717
State sources	50,500,466	50,286,113	48,250,113	50,224,146	46,198,778	50,415,422	43,095,448	43,445,079	40,717,507	40,489,476
Federal sources	1,270,000	3,002,677	1,128,000	2,922,619	1,168,000	2,973,257	925,000	2,724,944	1,020,000	2,758,810
Total revenues	220,539,805	225,625,070	216,724,698	222,813,860	211,112,000	221,407,897	202,803,000	211,968,925	196,835,000	204,596,003
Expenditures										
Regular programs	92,178,760	96,559,508	101,187,500	94,482,875	97,996,065	90,304,527	93,665,914	88,830,399	90,286,288	82,933,616
Special programs	30,071,679	30,413,690	30,756,460	28,808,958	29,791,057	28,905,873	27,734,555	26,945,686	25,849,778	24,485,681
Vocational programs	5,735,778	5,810,180	5,708,799	5,657,676	6,270,044	5,553,718	6,157,309	5,661,706	5,394,047	5,367,294
Other instructional programs	1,816,672	1,942,120	1,674,763	1,422,288	1,744,527	1,557,847	1,582,643	1,413,430	1,824,222	1,550,445
Nonpublic school programs	37,392	41,209	5,000	36,077	12,000	17,529	15,000	1,770	-	-
Pupil personnel services	8,063,628	8,148,107	7,875,328	7,795,655	7,480,586	7,443,942	7,022,511	7,033,625	6,646,435	6,644,737
Instructional staff services	6,106,092	7,097,655	5,921,418	6,231,579	5,738,259	6,262,051	5,521,646	5,525,255	5,608,033	5,159,824
Administrative services	12,279,091	11,872,379	12,175,347	10,636,060	12,104,043	12,550,594	11,449,044	11,436,417	10,821,188	10,594,845
Pupil health	2,949,147	2,808,862	3,022,009	2,825,577	2,876,200	2,791,701	2,846,521	2,583,197	3,010,261	2,569,803
Business services	2,304,020	2,405,528	2,254,580	2,159,612	2,041,382	1,981,294	1,895,079	1,692,735	1,563,524	1,687,424
Operation and maintenance of plant services	14,820,790	14,130,699	14,998,184	14,018,196	14,851,685	14,116,920	14,335,773	14,599,437	13,604,300	13,749,844
Student transportation services	11,976,434	12,212,453	11,821,037	11,543,650	11,371,606	11,259,811	11,084,751	11,378,180	11,118,147	10,926,856
Central and other support services	4,552,692	4,398,138	4,662,983	5,063,742	4,387,526	4,286,345	4,143,691	3,915,610	4,093,679	3,526,222
Student activities	3,776,780	4,045,151	3,674,876	4,066,865	3,493,302	3,874,670	3,299,563	3,706,256	3,244,593	3,675,858
Community services	87,000	79,945	81,716	85,635	83,718	77,677	44,000	75,135	52,250	66,400
Facilities acquisition, construction and improvement	310,000	279,002	360,000	331,257	350,000	353,018	485,000	311,756	1,468,255	187,621
Debt service	10,000,000	9,839,885	10,090,000	11,833,005	10,020,000	11,831,039	15,500,000	13,361,677	16,190,000	13,887,128
Total expenditures	207,065,955	212,084,511	216,270,000	206,998,707	210,612,000	203,168,556	206,783,000	198,472,271	200,775,000	187,013,598
Excess of revenues over expenditures	13,473,850	13,540,559	454,698	15,815,153	500,000	18,239,341	(3,980,000)	13,496,654	(3,940,000)	17,582,405
Other financing sources (uses)										
Sale of/compensation for capital assets	90,000	44,245	45,302	162,237	-	182,098	-	45,414	-	37,165
Insurance recoveries	-	-	-	-	-	-	-	-	-	-
Refund of prior year expenditures (revenues)	(50,000)	122,639	-	201,532	-	69,585	(20,000)	(76,904)	(60,000)	119,098
Transfers out	(7,950,000)	(13,208,160)	-	(15,826,069)	-	(25,760,784)	-	(13,127,754)	-	(19,572,644)
Budgetary reserve	(5,563,850)	-	(500,000)	-	(500,000)	-	(500,000)	-	(500,000)	-
Total other financing sources (uses)	(13,473,850)	(13,041,276)	(454,698)	(15,462,300)	(500,000)	(25,509,101)	(520,000)	(13,159,244)	(560,000)	(19,416,381)
Net change in fund balance	-	499,283	-	352,853	-	(7,269,760)	(4,500,000)	337,410	(4,500,000)	(1,833,976)
Fund balance										
Beginning of year	23,214,234	17,694,453	25,561,600	17,341,600	24,500,000	24,611,360	26,500,000	24,273,950	56,606,800	26,107,926
End of year	$ 23,214,234	$ 18,193,736	$ 25,561,600	$ 17,694,453	$ 24,500,000	$ 17,341,600	$ 22,000,000	$ 24,611,360	$ 52,106,800	$ 24,273,950

See Independent Auditor's Report.

Downingtown Area School District
Comparative Schedules of Revenues and Other Financing Sources - General Fund
June 30,

	2024	2023	2022	2021	2020
Revenues					
Local sources					
Current real estate taxes	$ 166,998,655	$ 157,626,568	$ 148,850,828	$ 142,289,601	$ 141,921,935
Interim real estate taxes	1,929,895	5,008,320	4,818,352	3,372,342	2,074,669
Public utility realty tax	164,434	168,584	166,162	161,900	150,294
Act 511 local services taxes	252,637	242,944	233,578	206,962	224,184
Act 511 earned income taxes	23,370,511	22,080,903	21,276,193	19,519,517	16,935,044
Act 511 real estate transfer taxes	3,910,412	3,760,721	5,021,225	4,868,084	2,871,706
Delinquent real estate taxes	2,554,432	2,778,381	3,624,929	3,171,913	2,499,954
Earnings on investments	6,476,891	3,732,764	245,166	531,235	1,857,522
Revenues from intermediary sources	2,032,280	1,888,110	2,546,557	2,070,967	1,697,945
Rentals	436,047	419,464	406,731	62,348	469,922
Tuition - regular and summer school	65,756	58,650	63,600	94,697	40,914
Student activities	1,905,742	1,910,220	2,062,913	1,434,586	1,812,144
Miscellaneous revenue	573,516	146,676	109,900	151,394	117,836
Total revenues from local sources	210,671,208	199,822,305	189,426,134	177,935,546	172,674,069
State sources					
Basic education	18,764,318	17,183,070	15,732,745	15,213,418	15,213,438
Tuition court placed	43,151	79,824	109,088	153,276	776,402
Special education	6,861,557	6,826,949	6,528,454	6,146,692	5,804,520
Transportation	3,808,228	3,572,266	3,710,133	4,049,334	3,618,939
Rental and sinking fund payments	726,681	1,298,173	1,773,613	1,236,671	1,248,896
Medical and dental services	310,803	307,464	301,906	305,200	305,654
State property tax reduction allocation	4,770,678	4,904,389	4,010,319	3,983,275	3,954,207
Other state grants	438,036	-	-	-	-
Safe schools	-	-	-	25,000	45,000
Ready to learn grant	874,969	874,969	874,969	874,969	874,969
Social security subsidy	4,376,318	4,228,503	4,005,252	3,866,989	3,663,307
Retirement subsidy	20,538,919	20,336,332	19,256,190	18,076,135	16,932,655
Incarcerated education	-	-	-	-	-
Total revenues from state sources	61,513,658	59,611,939	56,302,669	53,930,959	52,437,987
Federal sources					
Title I - low income	359,341	306,640	313,744	318,047	273,480
Title II - improving teaching quality	207,710	164,333	152,973	218,224	199,135
Title III - english language	64,356	42,385	32,514	34,577	65,992
Title IV- student support & enrichment	33,208	41,274	-	25,751	51,456
Qualified school construction bond (QSCB)	1,880,665	1,862,215	1,853,645	1,851,679	1,846,765
All other federal grants	2,013,798	841,532	644,627	561,186	568,980
Medical assistance/administrative	55,425	24,742	31,758	32,180	28,671
COVID-19 grants	850,286	752,009	998,403	745,530	271,002
Total revenues from federal sources	5,464,789	4,035,130	4,027,664	3,787,174	3,305,481
Other financing sources					
Sale of/compensation for capital assets	342,808	183,674	616,451	(157,192)	278,039
Insurance recoveries	7,333	26,253	98,681	-	-
Refunds of prior years expenditures	135,204	45,767	278,505	-	117,370
Transfers in					
Total other financing sources	485,345	255,694	993,637	(157,192)	395,409
Total revenues and other financing sources	$ 278,135,000	$ 263,725,068	$ 250,750,104	$ 235,496,487	$ 228,812,946

See Independent Auditor's Report.

Downingtown Area School District
Comparative Schedules of Revenues and Other Financing Sources - General Fund
June 30,

	2019	2018	2017	2016	2015
Revenues					
Local sources					
Current real estate taxes	$ 139,238,919	$ 137,897,085	$ 136,816,786	$ 134,549,959	$ 132,009,040
Interim real estate taxes	2,727,132	2,281,663	3,448,417	4,121,201	3,176,436
Public utility realty tax	166,470	166,089	176,715	179,587	191,740
Act 511 local services taxes	211,683	220,294	232,779	212,407	203,886
Act 511 earned income taxes	16,976,574	16,475,316	16,440,768	15,700,345	16,076,800
Act 511 real estate transfer taxes	3,796,236	2,999,767	2,937,027	3,348,454	2,514,756
Delinquent real estate taxes	2,246,920	3,520,845	2,964,014	3,332,783	3,355,254
Earnings on investments	2,224,533	1,380,428	732,214	475,958	381,737
Revenues from intermediary sources	1,813,562	1,854,021	1,927,828	1,670,659	1,691,913
Rentals	536,340	476,662	374,630	494,672	235,404
Tuition - regular and summer school	132,874	255,867	38,956	71,276	53,854
Student activities	2,079,732	1,930,289	1,707,287	1,430,436	1,275,591
Miscellaneous revenue	185,305	208,769	221,797	211,165	181,306
Total revenues from local sources	172,336,280	169,667,095	168,019,218	165,798,902	161,347,717
State sources					
Basic education	14,785,800	14,607,845	14,346,522	13,870,652	13,474,564
Tuition court placed	79,034	137,120	157,552	115,763	150,544
Special education	5,901,099	6,131,365	5,849,908	5,688,100	5,500,007
Transportation	3,746,544	3,894,611	3,838,040	4,016,650	3,804,844
Rental and sinking fund payments	1,263,351	2,252,395	4,842,591	591,455	782,427
Medical and dental services	329,923	285,534	288,748	288,659	290,607
State property tax reduction allocation	3,875,394	3,939,786	3,906,948	3,808,899	3,881,937
Other state grants	51,416	1,663	-	6,195	1,000
Safe schools	25,000	-	-	9,780	-
Ready to learn grant	874,969	874,969	874,969	874,969	660,098
Social security subsidy	3,588,740	3,332,110	3,218,331	3,182,939	3,082,604
Retirement subsidy	15,764,843	14,766,748	13,091,813	10,991,018	8,860,844
Incarcerated education	-	-	-	-	-
Total revenues from state sources	50,286,113	50,224,146	50,415,422	43,445,079	40,489,476
Federal sources					
Title I - low income	339,732	294,189	356,259	257,694	298,055
Title II - improving teaching quality	173,142	233,281	147,573	135,367	148,398
Title III - english language	45,514	39,921	31,686	27,623	22,959
Title IV- student support & enrichment	-	1,687	-	-	-
Qualified school construction bond (QSCB)	1,839,885	1,833,005	1,831,039	1,827,108	1,823,177
All other federal grants	576,693	509,899	594,897	452,998	444,422
Medical assistance/administrative	27,711	10,637	11,803	24,154	21,799
COVID-19 grants	-	-	-	-	-
Total revenues from federal sources	3,002,677	2,922,619	2,973,257	2,724,944	2,758,810
Other financing sources					
Sale of/compensation for capital assets	44,245	162,237	182,098	45,414	37,165
Insurance recoveries	-	-	-	-	-
Refunds of prior years expenditures	141,018	201,532	88,522	64,835	121,572
Total other financing sources	185,263	363,769	270,620	110,249	158,737
Total revenues and other financing sources	$ 225,810,333	$ 223,177,629	$ 221,678,517	$ 212,079,174	$ 204,754,740

See Independent Auditor's Report.

SINGLE AUDIT

Downingtown Area School District
Schedule of Expenditures of Federal Awards and Certain State Grants
Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Project Title	Source Code	Federal ALN Number	Pass-Through Grantor's Number	Grant Period Beginning/ Ending Dates	Grant Amount	Total Received for Year	Accrued (Deferred) Revenue July 1, 2023	Revenue Recognized	Expenditures	Accrued (Deferred) Revenue June 30, 2024	Passed Through to Subrecipients
U.S. Department of Education											
Passed-Through the Pennsylvania Department of Education											
Title I - Improving Basic Programs	I	84.010	013-230121	07/01/22 - 09/30/23	$ 312,588	$ 133,965	$ 43,046	$ 90,919	$ 90,919	$ -	$ -
Title I - Improving Basic Programs	I	84.010	013-240121	07/01/23 - 09/30/24	448,925	211,330	-	268,422	268,422	57,092	-
Total ALN #84.010						345,295	43,046	359,341	359,341	57,092	-
Title II - Improving Teacher Quality	I	84.367	020-230121	07/01/22 - 09/30/23	163,227	81,977	23,304	58,673	58,673	-	-
Title II - Improving Teacher Quality	I	84.367	013-240121	07/01/23 - 09/30/24	197,132	118,068	-	149,037	149,037	30,969	-
Total ALN #84.367						200,045	23,304	207,710	207,710	30,969	-
Title III - Language Instruction LEP/Immigrant Students	I	84.365	010-230121	07/01/22 - 09/30/23	55,837	20,793	(1,939)	22,732	22,732	-	-
Title III - Language Instruction LEP/Immigrant Students	I	84.365	010-240121	07/01/23 - 09/30/24	56,756	29,724	-	41,624	41,624	11,900	-
Total ALN #84.365						50,517	(1,939)	64,356	64,356	11,900	-
Title IV Student Support & Academic Enrichment	I	84.424	144-230121	07/01/22 - 09/30/23	24,864	9,195	459	8,736	8,736	-	-
Title IV Student Support & Academic Enrichment	I	84.424	144-240121	07/01/23 - 09/30/24	24,471	24,471	-	24,471	24,471	-	-
Total ALN #84.424						33,666	459	33,207	33,207	-	-
COVID-19 American Rescue Plan Act Elementary and Secondary School Emergency Relief	I	84.425U	223-210121	03/13/20 - 09/30/24	2,497,710	772,019	61,396	839,327	839,327	128,704	-
COVID-19 American Rescue Plan Act Elementary and Secondary School Emergency Relief - Homeless Children and Youth	I	84.425W	181-212122	07/01/21 - 09/30/24	16,267	417	(1,368)	10,959	10,959	9,174	-
Total ALN #84.425						772,436	60,028	850,286	850,286	137,878	-

See Independent Auditor's Report.

Downingtown Area School District
Schedule of Expenditures of Federal Awards and Certain State Grants
Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Project Title	Source Code	Federal ALN Number	Pass-Through Grantor's Number	Grant Period Beginning/ Ending Dates	Grant Amount	Total Received for Year	Accrued (Deferred) Revenue July 1, 2023	Revenue Recognized	Expenditures	Accrued (Deferred) Revenue June 30, 2024	Passed Through to Subrecipients
Passed-Through the Chester County I.U.											
I.D.E.A. - Part B, Section 611	I	84.027	062-230024	07/01/22 - 09/30/23	1,861,326	868,619	868,619	-	-	-	-
I.D.E.A. - Part B, Section 611	I	84.027	062-240024	07/01/23 - 09/30/24	2,024,846	1,605,426	-	2,024,846			
Total ALN #84.027						2,474,045	868,619	2,024,846	2,024,846	419,420	-
I.D.E.A. - Part B, Section 619	I	84.173	131-210024	07/01/21 - 06/30/22	4,680					-	-
I.D.E.A. - Part B, Section 619	I	84.173	131-230024	07/01/23 - 06/30/24	7,434	7,434	-	7,434	7,434	-	-
Total ALN #84.173						7,434	-	7,434	7,434	-	-
Total U.S. Department of Education						3,883,438	993,517	3,547,180	3,547,180	657,259	-
U.S. Department of Health and Human Services											
Passed Through the Pennsylvania Department of Public Welfare											
Medical Assistance Program	I	93.778	N/A	07/01/22 - 06/30/23	24,742	-	(18,160)	18,160	18,160	-	-
Medical Assistance Program	I	93.778	N/A	07/01/23 - 06/30/24	37,265	32,368	-	37,265	37,265	4,897	-
Total ALN #93.778						32,368	(18,160)	55,425	55,425	4,897	-
Total U.S. Department of Health and Human Services						32,368	(18,160)	55,425	55,425	4,897	-
U.S. Department of Agriculture											
Passed-Through the Pennsylvania Department of Education											
State Matching Share	S	N/A	N/A	07/01/22 - 06/30/23	N/A	10,811	10,811	-	-	-	-
State Matching Share	S	N/A	N/A	07/01/23 - 06/30/24	N/A	426,283	-	426,283	426,283	-	-
Total State Matching Share						437,094	10,811	426,283	426,283	-	-
Breakfast Program	I	10.553	N/A	07/01/22 - 06/30/23	N/A	5,045	5,045	-	-	-	-
Breakfast Program	I	10.553	N/A	07/01/23 - 06/30/24	N/A	187,085	-	187,085	187,085	-	-
Total ALN #10.553						192,130	5,045	187,085	187,085	-	-

See Independent Auditor's Report.

Downingtown Area School District
Schedule of Expenditures of Federal Awards and Certain State Grants
Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Project Title	Source Code	Federal ALN Number	Pass-Through Grantor's Number	Grant Period Beginning/ Ending Dates	Grant Amount	Total Received for Year	Accrued (Deferred) Revenue July 1, 2023	Revenue Recognized	Expenditures	Accrued (Deferred) Revenue June 30, 2024	Passed Through to Subrecipients
P-EBT Local Admin Funds	I	10.649	N/A	07/01/23 - 06/30/24	N/A	3,256	-	3,256			
National School Lunch Program	I	10.555	N/A	07/01/22 - 06/30/23	N/A	21,137	21,137	-	-	-	-
National School Lunch Program	I	10.555	N/A	07/01/23 - 06/30/24	N/A	671,893	-	671,893	671,893	-	-
Supply Chain Assistance	I	10.555	N/A	07/01/21 - 06/30/22	N/A	-	(61,096)	61,096	61,096	-	-
Supply Chain Assistance	I	10.555	N/A	07/01/22 - 06/30/23	N/A	-	(330,562)	139,422	139,422	(191,140)	-
Supply Chain Assistance	I	10.555	N/A	07/01/23 - 06/30/24	N/A	204,460	-	-	-	(204,460)	-
Passed-Through the Pennsylvania Department of Agriculture											
National School Lunch Program	I	10.555	N/A	07/01/23 - 06/30/24	N/A	a) 367,846	b) (1,465)	c) 364,995	364,995	d) (4,316)	-
Total ALN #10.555						1,265,336	(371,986)	1,237,406	1,237,406	(399,916)	-
Total U.S. Department of Agriculture						1,897,816	(356,130)	1,854,030	1,854,030	(399,916)	-
Total Federal awards and certain state grants						$ 5,813,622	$ 619,227	$ 5,456,635	$ 5,456,635	$ 262,240	$ -
Total Federal Awards						$ 5,376,528	$ 608,416	$ 5,030,352	$ 5,030,352	$ 262,240	$ -
Total State Awards						437,094	10,811	426,283	426,283	-	-
Total Federal Awards and Certain State Grants						$ 5,813,622	$ 619,227	$ 5,456,635	$ 5,456,635	$ 262,240	$ -
Special Education Cluster (IDEA) (ALN's #84.027 and #84.173)						$ 2,481,479	$ 868,619	$ 2,032,280	$ 2,032,280	$ 419,420	$ -
Child Nutrition Cluster (ALN's #10.553 and #10.555)						$ 1,457,466	$ (366,941)	$ 1,424,491	$ 1,424,491	$ (399,916)	$ -
Medicaid Cluster (ALN #93.778)						$ 32,368	$ (18,160)	$ 55,425	$ 55,425	$ 4,897	$ -

Footnotes

a) Total amount of commodities received
b) Beginning inventory July 1
c) Total amount of commodities used
d) Ending inventory June 30

Source Codes

D - Direct Funding
I - Indirect Funding
S - State Share
ALN - Assistance Listing Number

See Independent Auditor's Report.

1. FEDERAL EXPENDITURES

The Schedule of Expenditures of Federal Awards and Certain State Grants reflects federal expenditures for all individual grants which were active during the fiscal year. Additionally, the Schedule reflects expenditures for certain state grants.

2. BASIS OF ACCOUNTING

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

3. NONMONETARY FEDERAL AWARDS – DONATED FOOD

The Commonwealth of Pennsylvania distributes federal surplus food to institutions (schools, hospitals and prisons) and to the needy. Expenditures reported in the Schedule of Expenditures of Federal Awards and Certain State Grants under ALN #10.555 National School Lunch Program and passed through the Pennsylvania Department of Agriculture represent federal surplus food consumed by the District during the 2023-2024 fiscal year.

4. ACCESS PROGRAM

The District participates in the ACCESS Program which is a medical assistance program that reimburses local educational agencies for direct eligible health-related services provided to enrolled special needs students. Reimbursements are federal source revenues but are classified as fee-for-service and are not considered federal financial assistance. The amount of ACCESS funding recognized for the year ended June 30, 2024 was $2,013,798.

5. QUALIFIED SCHOOL CONSTRUCTION BONDS PROGRAM

The District participates in the Qualified School Construction Bonds ("QSCB") program sponsored by the State Public School Building Authority ("SPSBA"). In conjunction with the QSCB Program, the District receives subsidy reimbursements for a portion of the interest payments made under its loan agreements with the SPSBA. Reimbursements are federal source revenues but are not considered federal financial assistance. The amount of QSCB subsidy payments recognized for the year ended June 30, 2024 was $1,880,665.

6. INDIRECT COSTS

The District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

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

To the Board of School Directors of
Downingtown Area School District:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Downingtown Area School District, Downingtown, Pennsylvania, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Downingtown Area School District's basic financial statements, and have issued our report thereon dated March 31, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Downingtown Area School District's internal control over financial reporting (internal control) to determine the 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 Downingtown Area School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Downingtown Area School District's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Withum Smith + Brown, PC

March 31, 2025

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

To the Board of School Directors of
Downingtown Area School District:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

Withum Smith + Brown, PC

March 31, 2025

Downingtown Area School District
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024

Summary of Auditor's Results

1. The auditor's report expresses an unmodified opinion on whether the financial statements of Downingtown Area School District were prepared in accordance with GAAP.

2. No significant deficiencies or material weaknesses relating to the audit of the financial statements of Downingtown Area School District are reported in the independent auditor's report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with Government Auditing Standards.

3. No instances of noncompliance material to the financial statements of Downingtown Area School District, which would be required to be reported in accordance with Government Auditing Standards, were disclosed during the audit.

4. No significant deficiencies or material weaknesses in internal control over the major federal award programs are reported in the independent auditor's report on compliance for each major program and on internal control over compliance required by the Uniform Guidance.

5. The auditor's report on compliance for the major federal award programs for Downingtown Area School District expresses an unmodified opinion on all major federal programs.

6. There are no audit findings that are required to be reported in accordance with 2 CFR Section 200.516(a).

7. The programs tested as major programs were:

   Special Education Cluster

   I.D.E.A. – Part B, Section 611 – Assistance Listing #84.027
   I.D.E.A – Part B, Section 619 – Assistance Listing #84.173

8. The threshold used for distinguishing between Type A and B programs was $750,000.

9. Downingtown Area School District did qualify as a low-risk auditee.

Findings – Financial Statement Audit

None.

Findings and Questioned Costs – Major Federal Award Programs Audit

None.

Summary Schedule of Prior Year Audit Findings

None.