

SCHOOL DISTRICT OF HAVERFORD TOWNSHIP
Havertown, Pennsylvania
Delaware County
Financial Statements
June 30, 2024
With Independent Auditor's Reports

withum
ADVISORY TAX AUDIT

School District of Haverford Township
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June 30, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of School Directors of
School District of Haverford Township:

Report on Audit of 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 School District of Haverford Township, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise School District of Haverford Township'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 School District of Haverford Township, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of School District of Haverford Township, 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 School District of Haverford Township'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 School District of Haverford Township'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 School District of Haverford Township'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 14 and 52 through 57 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 School District of Haverford Township's 2023 financial statements were previously audited by BBD, LLP, who joined WithumSmith+Brown, PC on April 1, 2024, and expressed unmodified opinions on those financial statements in their report dated January 30, 2024. 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 School District of Haverford Township's basic financial statements. The schedule of expenditures of federal awards 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 schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 2, 2025, on our consideration of School District of Haverford Township'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 School District of Haverford Township's internal control over financial reporting and compliance.

WithumSmith+Brown, PC

June 2, 2025

Memorandum on Changes to Draft Financial Statements June 30, 2024 and Final Issued Financial Statements June 30, 2024

As part of our services to the District we assist with the preparation of the financial statements which is considered a non-attest service, which includes the preparation of the government-wide financial statements. Government-wide financial statements are prepared using a combination of fund-level data and adjustments to reflect the entire government as a single entity. These adjustments are made to convert fund-level data, uses the modified accrual basis to the accrual basis and economic resources measurement focus required for the government-wide statements. This process involves making worksheet journal entries to establish beginning balances, eliminate interfund activity, and adjust for items like depreciation and long-term liabilities.

During the detail review of the audit of the School District of Haverford Township errors were noted in the draft financial statements in the government-wide financial statements that resulted in adjustments to those financial statements. Those errors consisted of 1) expenditures that were not properly capitalized and 2) entries that were incorrectly made to adjust deferred outflows of resources for pension PSERS, and compensated absences as summarized as follows:

Net Position June 30, 2023	(110,368,606)
Change in Net Position per Draft Audit	(6,380,570)
Net Position June 30, 2024 per Draft Audit	(116,749,176)
Adjustment to Net Position per Final Audit	
To capitalize assets originally expensed in O&M	6,438,514
Corrections to improperly made entries	
Deferred outflows of resources	6,223,256
Compensated absences	(280,128)
Change in Net Position per Final Audit	6,001,072
Net Position June 30, 2024 per Final Audit	(104,367,534)

Although these adjustments to the draft financial statements are significant to the government-wide financial statements, they do not impact the level of financial reporting that the District prepares its monthly financial reporting and on which the District's budget is based. Please communicate these changes to any users of the financial statements for whom the draft financial statements were provided with the final audit document.

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

DISTRICT PROFILE

The District consists of five elementary schools, one middle school, one high school and a virtual education program educating approximately 6,625 students. The District is coterminous with the Township of Haverford, which covers 10 square miles, is located in Delaware County, west of Philadelphia, in southeastern Pennsylvania and is comprised in whole or in part of the communities of Havertown, Haverford, Ardmore, Wynnewood, Bryn Mawr and Drexel Hill. There are approximately 1,135, full and part-time employees in the District consisting of 524 teachers and professional staff, 36 administrators and supervisors, and 575 support personnel including secretaries, maintenance staff, transportation staff/bus drivers, cafeteria staff and teacher aides.

DISTRICT MISSION STATEMENT

The mission of the School District of Haverford Township is to educate and to inspire a community of lifelong learners.

FINANCIAL HIGHLIGHTS

- The General Fund reported a decrease in fund balance of $8,521,221, bringing the cumulative balance to $19,384,821 at the conclusion of the 2023-2024 fiscal year.
- At June 30, 2024, the General Fund fund balance includes $225 in nonspendable amounts, $6,428,498 committed to capital projects, $2,071,279 committed to balance the 2024-2025 budget and unassigned amounts of $10,884,819 or 7.01% of the $155,175,019 2024-2025 General Fund expenditure budget. Guidelines prescribed by the Pennsylvania Department of Education allow a district to maintain a maximum General Fund fund balance of 8.00% net of amounts otherwise assigned or committed of the following year's expenditure budget.
- Total General Fund revenues and other financing sources were $181,694 or 0.12% more than budgeted amounts and total General Fund expenditures and other financing uses were $6,577,915 or 4.44% more than budgeted amounts resulting in a net negative variance of $6,396,221.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

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

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

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

Business-Type Activities
The District charges fees to cover the costs of its food services program.

The government-wide financial statements can be found on Pages 15 and 16 of this report.

FUND FINANCIAL STATEMENTS

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

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

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

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

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

The governmental fund financial statements can be found on Pages 17 through 20 of this report.

Proprietary Fund
The District maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Food Service Fund is reported as an enterprise fund of the proprietary fund type. Internal service funds are used to accumulate and allocate certain costs internally among the District's various functions. The District uses an internal service fund to account for its participation in a consortium with other participating school districts and educational agencies to provide self-insurance programs for health and prescription coverage. Because an internal service fund predominantly benefits governmental rather than business-type functions, it is included within governmental activities in the government-wide financial statements.

The Proprietary Fund financial statements provide separate financial information for the Food Service and Internal Service Funds.

The proprietary fund financial statements provide separate financial information for its major fund. The proprietary fund financial statements can be found on Pages 21 through 23 of this report.

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

The Fiduciary Fund financial statements can be found on Pages 24 and 25 of this report.

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

The notes to the financial statements can be found on Pages 26 through 51 of this report.

Other Information
In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information which consists of the budgetary comparison schedule for the general fund, schedules of the District's proportionate share of the net pension liability-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.

The required supplementary information can be found on Pages 52 through 57 of this report

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted above, net position may serve over time as a useful indicator of the District's financial condition. At the close of the 2023-2024 fiscal year the District's liabilities and deferred inflows exceeded assets and deferred outflows by $111,649,851. 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		Totals	
	2024	2023	2024	2023	2024	2023
Assets						
Current assets	$ 68,384,812	$ 60,397,193	$ 1,395,970	$ 757,443	$ 69,780,782	$ 61,154,636
Capital assets	167,549,014	166,419,495	208,548	252,484	167,757,562	166,671,979
Total assets	235,933,826	226,816,688	1,604,518	1,009,927	237,538,344	227,826,615
Deferred outflows of resources	37,297,348	34,344,355	351,528	313,898	37,648,876	34,658,253
Liabilities						
Current liabilities	19,390,925	18,070,738	572,606	485,758	19,963,531	18,556,496
Noncurrent liabilities	352,244,935	344,828,434	1,895,833	1,841,397	354,140,768	346,669,831
Total liabilities	371,635,860	362,899,172	2,468,439	2,327,155	374,104,299	365,226,327
Deferred inflows of resources	5,962,848	8,630,477	39,739	63,010	6,002,587	8,693,487
Net position (deficit)						
Net investment in capital assets	29,847,012	19,640,982	208,548	252,484	30,055,560	19,893,466
Restricted	226,862	248,908	-	-	226,862	248,908
Unrestricted (deficit)	(134,441,408)	(130,258,496)	(760,680)	(1,318,824)	(135,202,088)	(131,577,320)
Total net position (deficit)	$ (104,367,534)	$ (110,368,606)	$ (552,132)	$ (1,066,340)	$ (104,919,666)	$ (111,434,946)

The District's total assets as of June 30, 2024 were $237,538,344 of which $46,936,912 or 19.76% consisted of cash and $167,757,562 or 70.62% consisted of the District's investment in capital assets. The District's total liabilities as of June 30, 2024 were $374,104,299 of which $188,088,415 or 50.28% consisted of the actuarially determined net pension liability and $152,129,073 or 40.66% consisted of general obligation debt used to acquire and construct capital assets.

The District had a deficit in unrestricted net position of $135.202.088 at June 30, 2024. The District's unrestricted net position decreased by $3,624,768 during 2023-2024 primarily due to use of unrestricted net position for planned investment in capital assets.

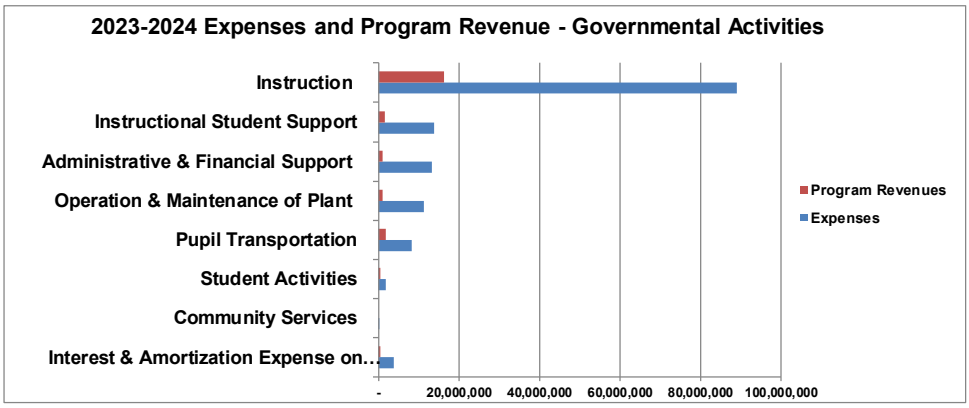
Another portion of the District's net position reflects its investment in capital assets net of accumulated depreciation less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. For the year ended June 30, 2024, the District's net investment in capital assets increased by $10,162,094, because sources other than long-term debt were used to acquire capital assets.

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

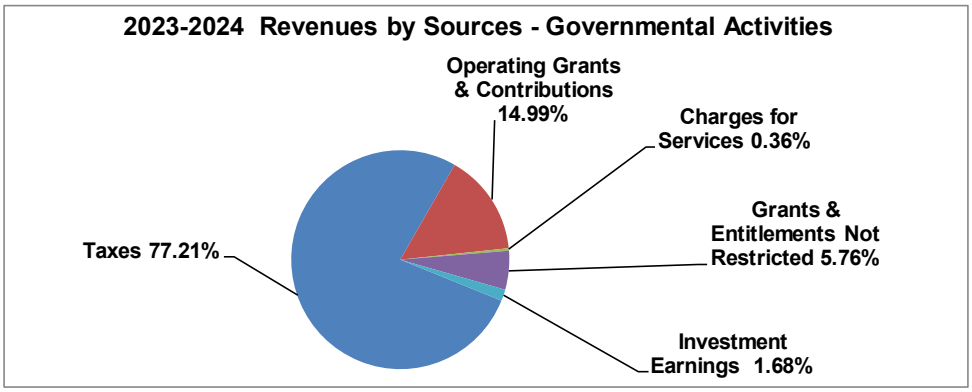
	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Revenues						
Program revenues						
Charges for services	$ 530,672	$ 481,940	$ 1,557,058	$ 1,408,655	$ 2,087,730	$ 1,890,595
Operating grants and contributions	22,108,756	21,909,660	1,590,561	1,320,634	23,699,317	23,230,294
Capital grants and contributions	-	-	-	-	-	-
General revenues						
Property taxes levied for general purposes	112,300,345	108,934,354	-	-	112,300,345	108,934,354
Other taxes levied for general purposes	1,559,076	1,890,015	-	-	1,559,076	1,890,015
Grants and entitlements not restricted to specific programs	8,500,173	7,681,139	-	-	8,500,173	7,681,139
Investment earnings	2,470,518	1,862,548	17,247	3,944	2,487,765	1,866,492
Total revenues	147,469,540	142,759,656	3,164,866	2,733,233	150,634,406	145,492,889
Expenses						
Instruction	89,075,950	82,584,264	-	-	89,075,950	82,584,264
Instructional student support services	13,777,247	13,851,344	-	-	13,777,247	13,851,344
Administrative and financial support services	13,186,609	12,562,647	-	-	13,186,609	12,562,647
Operation and maintenance of plant services	11,383,656	10,655,402	-	-	11,383,656	10,655,402
Pupil transportation	8,348,190	6,951,681	-	-	8,348,190	6,951,681
Student activities	1,892,242	1,763,302	-	-	1,892,242	1,763,302
Community services	6,309	7,095	-	-	6,309	7,095
Interest and amortization expense related to noncurrent liabilities	3,798,265	5,534,457	-	-	3,798,265	5,534,457
Food service	-	-	2,650,658	2,004,258	2,650,658	2,004,258
Total expenses	141,468,468	133,910,192	2,650,658	2,004,258	144,119,126	135,914,450
Change in net position (deficit)	$ 6,001,072	$ 8,849,464	$ 514,208	$ 728,975	$ 6,515,280	$ 9,578,439

Overall, the District's financial position has been improving, but challenges such as increased pension contributions, state-mandated programs and negotiated contracts have a potential to offset these gains in future fiscal years. Management of the District continues to evaluate strategies to combat these factors. In the governmental activities, the District's assessed tax base drives the majority of the revenue generated. A majority of the District's property tax base is in the form of residential housing. Although the District is primarily a residential community, the District also has a property tax base derived from commercial facilities.

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



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



GOVERNMENTAL FUNDS

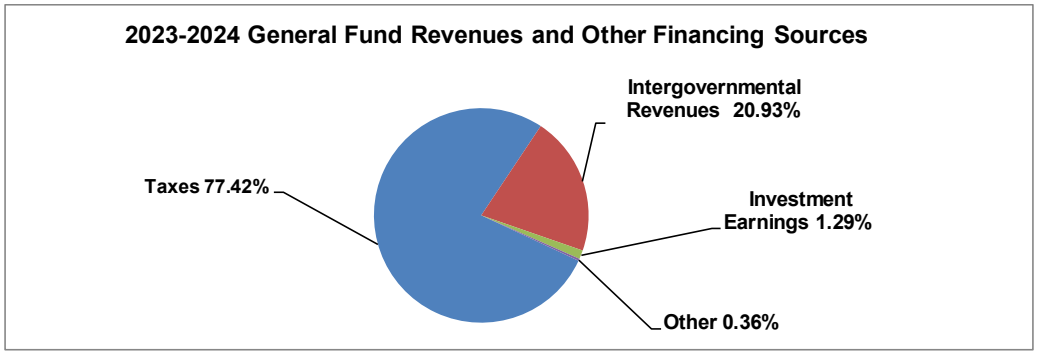
The governmental fund financial statements provide detailed information on the District's major funds. Some funds are required to be established by state statute while other funds are established by the District to manage monies restricted for a specific purpose. As of June 30, 2024, the District's governmental funds reported a combined fund balance of $35,031,128 which is an increase of $5,745,451 from the prior year. The following table summarizes the District's total governmental fund balances as of June 30, 2024 and 2023 and the total 2024 change in governmental fund balances.

	2024	2023	$ Change
General fund	$ 19,384,821	$ 27,906,042	$ (8,521,221)
Capital projects fund	15,419,445	1,130,727	14,288,718
Student sponsored activity fund	226,862	248,908	(22,046)
	$ 35,031,128	$ 29,285,677	$ 5,745,451

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 $19,384,821 representing a decrease of $8,521,221 in relation to the prior year. The increase in the District's General Fund fund balance is due to many factors. The following analysis has been provided to assist the reader in understanding the financial activities of the General Fund during the 2023-2024 fiscal year.

The District's reliance upon tax revenues is demonstrated by the graph below that indicates 77.42% of General Fund revenues are derived from local taxes.



General Fund Revenues and Other Financing Sources

	2024	2023	$ Change	% Change
Taxes revenues	$ 113,235,136	$ 111,346,165	$ 1,888,971	1.70%
Intergovernmental revenues	30,662,071	29,590,799	1,071,272	3.62%
Investment earnings	1,893,028	1,443,044	449,984	31.18%
Other	478,269	1,392,642	(914,373)	-65.66%
	$ 146,268,504	$ 143,772,650	$ 2,495,854	1.74%

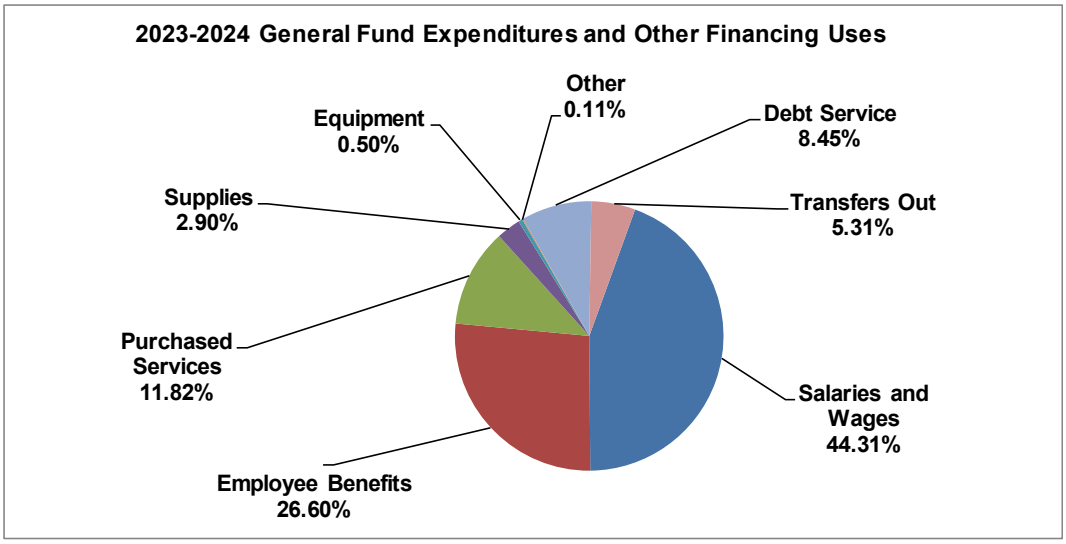
Net tax revenues increased by $1,888,971 or 1.70% due to several factors. A millage increase of 2.72% and an increase in assessment in 2023-2024 which were offset by a decrease in realty transfer and delinquent real estate taxes accounted for a majority of the increase. The following table summarizes changes in the District's tax revenues for 2024 compared to 2023:

	2024	2023	$ Change	% Change
Real estate tax	$ 110,177,819	$ 107,455,030	$ 2,722,789	2.53%
Interim real estate tax	84,267	23,817	60,450	253.81%
PURTA tax	-	102,168	(102,168)	-100.00%
Realty transfer tax	1,559,076	1,787,847	(228,771)	-12.80%
Delinquent real estate tax	1,413,974	1,977,303	(563,329)	-28.49%
	$ 113,235,136	$ 111,346,165	$ 1,888,971	1.70%

Intergovernmental revenues increased primarily due to the receipt of federal grants through the Elementary and Secondary School Emergency Relief Fund ("ESSER") coupled with an increase in the basic education subsidy.

Investment earnings increase commensurate with the rise in interest rates.

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



General Fund Expenditures and Other Financing Uses

	2024	2023	$ Change	% Change
Salaries and wages	$ 68,582,950	$ 64,867,583	$ 3,715,367	5.73%
Employee benefits	41,170,626	42,203,445	(1,032,819)	-2.45%
Purchased services	18,298,491	16,714,120	1,584,371	9.48%
Supplies	4,492,234	4,237,611	254,623	6.01%
Equipment	766,215	692,401	73,814	10.66%
Other	167,305	322,144	(154,839)	-48.07%
Debt service	13,080,803	12,538,577	542,226	4.32%
Transfers out	8,231,101	-	8,231,101	100.00%
	$ 154,789,725	$ 141,575,881	$ 13,213,844	9.33%

Salaries and wages increased by $3,715,367 or 5.73% in 2023-2024 compared to 2022-2023 primarily as a result of scheduled salary increases within the District's collective bargaining agreements and employment agreements negotiated with various employee groups and individual employees coupled with the hiring of new positions and filled vacancies.

Employee benefits decreased primarily due to participation in the Delaware County Public Schools Healthcare Trust. The required employer annual retirement contribution rate decreased to 34.00% 2023-2024 from 35.26% 2022-2023.

A transfer was made in 2023-2024 from the General Fund to the Capital Projects Fund from committed fund balance to subsidize capital projects.

CAPITAL PROJECTS FUND

The Capital Projects Fund accounts for construction and renovation activity associated with the District's buildings and major equipment purchases. The Capital Projects Fund receives the majority of its revenues from the issuance of general obligation debt and transfers from the General Fund. During 2023-2024, the Capital Projects Fund reported an increase in fund balance of $14,288,718 due to the issuance of general obligation debt and a transfer from the General Fund in excess of current year capital expenditures. The remaining fund balance of $15,419,445 as of June 30, 2024 is restricted for future capital expenditures.

GENERAL FUND BUDGET INFORMATION

The District maintains its financial records and prepares its financial reports on the modified accrual basis of accounting. The District budgets and expends funds according to procedures mandated by the Pennsylvania Department of Education. An annual operating budget is prepared by management and submitted to the School Board for approval prior to the beginning of the fiscal year on July 1 each year. The most significant budgeted fund is the General Fund.

Total General Fund revenues and other financing sources were $181,694 or 0.12% more than budgeted amounts and total General Fund expenditures and other financing uses were $6,577,915 or 4.44% more than budgeted amounts resulting in a net negative variance of $6,396,221. Major budgetary highlights for 2023-2024 were as follows:

- Actual local source revenues were $68,549 more than budgeted amounts primarily due to more than anticipated current real estate tax collections and investment earnings related to a higher than anticipated increase in interest rates.
- Actual state source revenues $199,244 more than budgeted amounts due primarily to higher than expected allocations for retirement subsidy contributions that exceeded budgeted projections.
- Actual federal source revenues were less than budgeted amounts by $86,099 due to higher than anticipated Federal Pass-Through IDEA funds offset by the timing of ESSER funds distributed during the fiscal year.
- Actual expenditures were $1,271,814 more than budgeted in part due to under budgeted expenditures related to employee health benefits and increased utilization of professional educational services from the Delaware County Intermediate Unit.
- Transfers out were $6,106,101 more than budget due to additional approved use of committed fund balance transferred to the Capital Projects Fund.
- The District did not utilize an $800,000 budgetary reserve which resulted in a positive variance.

BUSINESS-TYPE ACTIVITIES AND FOOD SERVICE FUND

During 2023-2024, the net position of business-type activities and Food Service Fund increased by $514,208. As of June 30, 2024, the business-type activities and Food Service Fund had a deficit in net position of $552,132 due to the allocation of the Food Service Fund's proportion of the District's net pension and other post-employment benefit liabilities with PSERS totaling $2,468,439.

CAPITAL ASSETS

The District's investment in capital assets for its governmental and business-type activities as of June 30, 2024 amounted to $167,757,562 net of accumulated depreciation. This investment in capital assets includes land, land improvements, buildings and improvements, furniture and equipment and right-to-use lease assets. The total net increase in the District's investment in capital assets for the current fiscal year was $1,085,583 or 0.65%.

Current year capital additions were $9,453,024 and depreciation expense was $8,367,441.

Major capital additions for the current fiscal year included the following:

- Chatham Park Elementary School renovations – construction in progress $1,653,797
- New propane busses $1,305,500
- Coopertown Elementary School HVAC project $1,282,204
- Chatham Park Elementary School HVAC project $ 994,851

NONCURRENT LIABILITIES

At the end of the current fiscal year, the District had total general obligation debt of $152,129,073 consisting of $127,735,000 in bonds payable, $14,360,000 in notes payable and net deferred credits from bond premiums and discounts of $10,034,073. The entire amount is backed by the full faith and credit of the District. General obligation debt was issued to finance capital expenditures or to finance the retirement (refund) of prior obligation debt. The District's general obligation debt increased by $5,205,321 or 3.54% during the fiscal year.

In May 2024, the District issued general obligation bonds, Series of 2024A and 2024B in the amount of $22,040,000 to finance a portion of a capital improvement program and to refund general obligation bonds, Series of 2018.

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 of $152,129,073 is within the current debt limitation of the District which was $320,287,600 as of June 30, 2023.

The District's general obligation debt rating is a Moody's Aa2 underlying rating.

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 is an actuarially determined estimate of the unfunded cost of the pension plan obligation which totaled $188,088,415 as of June 30, 2024. The District's net pension liability increased by $2,028,663 or 1.09% during the fiscal year.

The District reports a liability for its other post-employment benefits ("OPEB") related to its single employer OPEB plan and its participation in the PSERS health insurance premium assistance program. The District's OPEB liability is an actuarially determined estimate of the unfunded cost of the OPEB obligation which totaled $10,773,688 as of June 30, 2024. The District's OPEB liability increased by $182,420 or 1.72% during the fiscal year.

Other noncurrent liabilities consist of the District's liabilities for leases payable and compensated absences, which totaled $3,149,592 as of June 30, 2024. These liabilities increased by $54,533 or 1.76% during the fiscal year.

FACTORS BEARING ON THE DISTRICT'S FUTURE

At the time these financial statements were prepared and audited, the District was aware of several existing circumstances that could significantly affect its financial health in the future.

- The District adopted a balanced 2024-2025 budget totaling $155,175,019 that used $2,071,279 of unassigned General Fund fund balance, $2,040,000 of fund balance committed for capital projects and the real estate tax millage rate was increased by 4.00%.
- The District expects the historical trend for greater local tax effort to fund instructional programs and services to continue as state and federal funding for public education is expected to remain stagnant. The Commonwealth of Pennsylvania only accounted for approximately 19.33% of total revenue sources to fund costs supporting the District's educational programs during fiscal 2023-2024. The Federal revenues accounted for 1.57% of revenues. Local sources of revenue, primarily property taxes, now support approximately 79.10% of the costs of educational programs and services in the District
- In 2006, Act 1 was passed, which provides taxpayer relief through gambling revenues generated at the state level. The intent of this legislation was to provide a mechanism to relieve the burden of funding public education from property owners. This legislation put a "ceiling" on the percentage increase of local real estate taxes that can be levied year-to-year in order to balance the school district budget. Pennsylvania school districts are now required to seek approval through back-end referendum to increase taxes higher than the approved index. This law puts an already increased burden on the District's revenue stream in future years. This legislation introduced certain new requirements on school districts which include the following:
    - In the event a school district wishes to increase the property tax millage rate by more than an index annually prescribed by the state (5.30% for School District of Haverford Township for 2024-2025), the school district must seek voter approval (known commonly as a "back-end referendum") prior to implementing the millage rate increase. In the event voters do not approve the millage rate increase, the school district must limit its millage rate increase to the index. Certain exceptions are provided under Act 1 that, if approved by the appropriate authority, may permit increases above the Act 1 index without the need for a back-end referendum. Typically, these exceptions relate to emergencies and cost increases in excess of the Act 1 index (e.g., retirement system contributions or increase in special education costs) over which the school district has no control.
- In November 2010 and, again, in 2017 legislation was signed into law to implement a series of actuarial and funding changes to the Public School Employees' Retirement System ("PSERS"). The 2017 law has taken effect as of July 2019. The law changed the pension plans for all new hires effective July 1, 2019. It does not impact the pension benefits of current or retired PSERS members. Based on available projections, school districts will not see relief from the new legislation until 2035. The employer contribution rate for 2025-2026 is has been certified at 34.00%. Currently, the employer contribution rate for 2024-2025 is 33.90%.
- As part of the capital improvement program the District issued general obligation bonds, 2024A in May 2024 and 2025 in February 2025 to finance renovations for (1) Chatham Park Elementary School to allow adequate educational space (2) Haverford Middle School cafeteria to accommodate expanded seating capacity and (3) upgrades to the Coopertown Elementary School. The cafeteria project is anticipated to be completed by June of 2025 and the Chatham Park Elementary School project by October of 2025. Renovations are in the planning phase for Coopertown Elementary School.

CONTACTING THE DISTRICT FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Business Administrator, School District of Haverford Township 50 East Eagle Road Havertown, Pennsylvania 19083.

School District of Haverford Township
Statement of Net Position (Deficit)
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	$ 45,382,085	$ 1,554,827	$ 46,936,912	$ 39,226,736
Taxes receivable	1,818,214	-	1,818,214	1,111,409
Due from other governments	5,518,544	176,896	5,695,440	7,100,971
Internal balances	394,345	(394,345)	-	-
Other receivables	1,265,147	-	1,265,147	225,072
Inventories	-	58,592	58,592	45,583
Prepaid expenses	14,006,477	-	14,006,477	13,444,865
Total current assets	68,384,812	1,395,970	69,780,782	61,154,636
Noncurrent assets				
Capital assets, net	167,549,014	208,548	167,757,562	166,671,979
Total assets	235,933,826	1,604,518	237,538,344	227,826,615
Deferred outflows of resources				
Deferred amounts on debt refunding	-	-	-	92,417
Deferred charges OPEB - single employer	1,363,325	-	1,363,325	1,431,337
Deferred charges on proportionate share of OPEB - PSERS	1,420,482	13,982	1,434,464	1,687,050
Deferred charges on proportionate share of pension - PSERS	34,513,541	337,546	34,851,087	31,447,449
Total deferred outflows of resources	37,297,348	351,528	37,648,876	34,658,253
Liabilities, Deferred Inflows of Liabilities and Net Position (Deficit)				
Current liabilities				
Accounts payable	2,938,926	38,233	2,977,159	1,633,510
Accrued salaries, payroll withholdings and benefits	14,952,802	435,722	15,388,524	15,602,355
Unearned revenue	22,608	98,651	121,259	107,733
Accrued interest payable	1,476,589	-	1,476,589	1,212,898
Total current liabilities	19,390,925	572,606	19,963,531	18,556,496
Noncurrent liabilities				
Due within one year	10,150,486	-	10,150,486	10,437,190
Due in more than one year	342,094,449	1,895,833	343,990,282	336,232,641
Total noncurrent liabilities	352,244,935	1,895,833	354,140,768	346,669,831
Total liabilities	371,635,860	2,468,439	374,104,299	365,226,327
Deferred inflows of resources				
Deferred credits OPEB - single employer	1,899,587	-	1,899,587	2,063,487
Deferred credits on proportionate share of OPEB - PSERS	1,513,201	14,799	1,528,000	1,864,000
Deferred credits on proportionate share of pension - PSERS	2,550,060	24,940	2,575,000	4,766,000
Total deferred inflows of resources	5,962,848	39,739	6,002,587	8,693,487
Net position (deficit)				
Net investment in capital assets	29,847,012	208,548	30,055,560	19,893,466
Restricted	226,862	-	226,862	248,908
Unrestricted (deficit)	(134,441,408)	(760,680)	(135,202,088)	(131,577,320)
Total net position (deficit)	$ (104,367,534)	$ (552,132)	$ (104,919,666)	$ (111,434,946)

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

School District of Haverford Township
Statement of Activities
Year Ended June 30, 2024 With Summarized Comparative Totals for 2023

		Program Revenues			Net (Expense) Revenue and Changes in Net Position (Deficit)			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	2024	2023
Governmental activities								
Instruction	$ 89,075,950	$ 240,521	$ 16,022,073	$ -	$ (72,813,356)	$ -	$ (72,813,356)	$ (66,545,286)
Instructional student support	13,777,247	-	1,722,099	-	(12,055,148)	-	(12,055,148)	(12,040,954)
Administrative and financial support services	13,186,609	-	1,175,876	-	(12,010,733)	-	(12,010,733)	(11,437,908)
Operation and maintenance of plant services	11,383,656	95,902	871,112	-	(10,416,642)	-	(10,416,642)	(9,670,742)
Pupil transportation	8,348,190	-	1,788,921	-	(6,559,269)	-	(6,559,269)	(5,284,971)
Student activities	1,892,242	194,249	173,730	-	(1,524,263)	-	(1,524,263)	(1,422,807)
Community services	6,309	-	-	-	(6,309)	-	(6,309)	(7,095)
Interest and amortization expense related to noncurrent liabilities	3,798,265	-	354,945	-	(3,443,320)	-	(3,443,320)	(5,108,829)
Total governmental activities	141,468,468	530,672	22,108,756	-	(118,829,040)	-	(118,829,040)	(111,518,592)
Business-type activities								
Food service	2,650,658	1,557,058	1,590,561	-	-	496,961	496,961	725,031
Total primary government	$ 144,119,126	$ 2,087,730	$ 23,699,317	$ -	(118,829,040)	496,961	(118,332,079)	(110,793,561)
General revenues								
Property taxes levied for general purposes					112,300,345	-	112,300,345	108,934,354
Other taxes levied for general purposes					1,559,076	-	1,559,076	1,890,015
Grants and entitlements not restricted to specific programs					8,500,173	-	8,500,173	7,681,139
Investment earnings					2,470,518	17,247	2,487,765	1,866,492
Total general revenues					124,830,112	17,247	124,847,359	120,372,000
Change in net position (deficit)					6,001,072	514,208	6,515,280	9,578,439
Net position (deficit)								
Beginning of year					(110,368,606)	(1,066,340)	(111,434,946)	(121,013,385)
End of year					$ (104,367,534)	$ (552,132)	$ (104,919,666)	$ (111,434,946)

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

School District of Haverford Township
Balance Sheet – Governmental Funds
June 30, 2024 With Summarized Comparative Totals for 2023

	Major Funds			Totals	
	General Fund	Capital Projects Fund	School Sponsored Activity Fund	2024	2023
Assets					
Cash	$ 27,530,268	$ 17,613,591	$ 238,226	$ 45,382,085	$ 38,890,844
Taxes receivable	1,818,214	-	-	1,818,214	1,111,409
Due from other funds	1,651,430	-	-	1,651,430	13,947,789
Due from other governments	5,518,544	-	-	5,518,544	7,100,971
Other receivables	1,265,147	-	-	1,265,147	225,072
Prepaid items	225	-	-	225	-
Total assets	$ 37,783,828	$ 17,613,591	$ 238,226	$ 55,635,645	$ 61,276,085
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	$ 1,990,501	$ 937,061	$ 11,364	$ 2,938,926	$ 1,605,037
Due to other funds	-	1,257,085	-	1,257,085	14,323,757
Accrued salaries, payroll withholdings and benefits	14,952,802	-	-	14,952,802	15,226,813
Unearned revenue	22,608	-	-	22,608	25,990
Total liabilities	16,965,911	2,194,146	11,364	19,171,421	31,181,597
Deferred inflows of resources					
Unavailable revenues - property taxes	1,433,096	-	-	1,433,096	808,811
Fund balances					
Nonspendable					
Prepaid items	225	-	-	225	-
Restricted to					
Student activities	-	-	226,862	226,862	248,908
Capital projects	-	15,419,445	-	15,419,445	1,130,727
Committed to					
Capital projects	6,428,498	-	-	6,428,498	14,659,599
Balance 2024-2025 budget	2,071,279	-	-	2,071,279	2,125,000
Unassigned	10,884,819	-	-	10,884,819	11,121,443
Total fund balances	19,384,821	15,419,445	226,862	35,031,128	29,285,677
Total liabilities, deferred inflows of resources and fund balances	$ 37,783,828	$ 17,613,591	$ 238,226	$ 55,635,645	$ 61,276,085

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

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

TOTAL GOVERNMENTAL FUND BALANCES	$ 35,031,128
Amounts reported for governmental activities in the statement of net position (deficit) are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds balance sheet.	167,549,014
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 reported as deferred inflows of resources on the governmental funds balance sheet.	1,433,096
Deferred outflows of resources and deferred inflows of resources related to pensions and other postemployment benefits are not reported as assets and liabilities in the governmental funds balance sheet.	31,334,500
Noncurrent liabilities are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds balance sheet.	(352,244,935)
Accrued interest payable on long-term liabilities is included in the statement of net position (deficit), but is excluded from the governmental funds balance sheet until due and payable.	(1,476,589)
The Internal Service Fund is used by management to charge the cost of health and prescription insurance premiums and claims to the General Fund. The assets and liabilities of the Internal Service Fund are included in the governmental activities on the government-wide statement of net position (deficit).	14,006,252
NET POSITION (DEFICIT) OF GOVERNMENTAL ACTIVITIES	$ (104,367,534)

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

School District of Haverford Township
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	School Sponsored Activity Fund	2024	2023
Revenues					
Local sources	$ 115,606,433	$ 577,490	$ 194,249	$ 116,378,172	$ 114,766,923
State sources	28,270,746	-	-	28,270,746	26,670,376
Federal sources	2,391,325	-	-	2,391,325	2,920,423
Total revenues	146,268,504	577,490	194,249	147,040,243	144,357,722
Expenditures					
Current					
Instruction	87,392,038	-	-	87,392,038	85,031,174
Support services	44,441,807	2,408,161	-	46,849,968	44,576,156
Operation of noninstructional services	1,643,976	-	216,295	1,860,271	1,760,726
Facilities acquisition, construction and improvement services	-	7,800,055	-	7,800,055	12,360,447
Debt service	13,080,803	-	-	13,080,803	14,068,577
Total expenditures	146,558,624	10,208,216	216,295	156,983,135	157,797,080
Excess (deficiency) of revenues over (under) expenditures	(290,120)	(9,630,726)	(22,046)	(9,942,892)	(13,439,358)
Other financing sources (uses)					
Refund of prior year receipts	-	65,153	-	65,153	(10,768)
Transfers in	-	8,231,101	-	8,231,101	-
Transfers out	(8,231,101)	-	-	(8,231,101)	-
Issuance of debt	-	13,680,000	-	13,680,000	6,265,000
Issuance of debt - refunding	-	8,360,000	-	8,360,000	28,380,000
Bond premiums	-	2,308,085	-	2,308,085	3,756,563
Payment of debt - refunding	-	(9,504,118)	-	(9,504,118)	(29,444,076)
Proceeds from right-to-use lease arrangements	-	779,223	-	779,223	718,961
Total other financing sources (uses)	(8,231,101)	23,919,444	-	15,688,343	9,665,680
Net change in fund balances	(8,521,221)	14,288,718	(22,046)	5,745,451	(3,773,678)
Fund balances					
Beginning of year	27,906,042	1,130,727	248,908	29,285,677	33,059,355
End of year	$ 19,384,821	$ 15,419,445	$ 226,862	$ 35,031,128	$ 29,285,677

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

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

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS		$ 5,745,451
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	$ 9,453,024	
Depreciation expense	(8,323,505)	1,129,519
Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered as "available" revenues in the governmental funds. Deferred inflows of resources increased by this amount this year.		
Deferred inflows of resources June 30, 2023	(808,811)	
Deferred inflows of resources June 30, 2024	1,433,096	624,285
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on the change in net position of governmental activities. Also, governmental funds report the effect of premiums, discounts and similar items when long-term debt is issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Issuance of debt	(13,680,000)	
Issuance of debt - refunding	(8,360,000)	
Repayment of bonds payable	8,220,000	
Repayment of bonds payable - refunding	9,355,000	
Repayment of notes payable	470,000	
Proceeds from bond premiums	(2,308,085)	
Proceeds from right-to-use lease arrangements	(779,223)	
Repayment of leases payable	864,754	
Amortization of discounts, premiums and deferred amounts on refunding	1,005,347	(5,212,207)
Some expenses reported in the statement of activities do not require the use of current financial resources, and, therefore are not reported as expenditures in governmental funds.		
Current year change in accrued interest payable	(263,691)	
Current year change in compensated absences	(140,064)	
Current year change in net pension liability - PSERS and deferred outflows and inflows	3,560,396	
Current year change in OPEB liability - single employer and deferred outflows and inflows	(129,802)	
Current year change in net OPEB liability - PSERS and deferred outflows and inflows	125,798	3,152,637
The Internal Service Fund is used by management to charge the cost of health and prescription insurance premiums and claims to the General Fund. The change in net position of the Internal Service Fund is reported within the governmental activities.		561,387
CHANGE IN NET POSITION (DEFICIT) OF GOVERNMENTAL ACTIVITIES		$ 6,001,072

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

School District of Haverford Township
Statement of Net Position – Proprietary Funds
June 30, 2024 With Summarized Comparative Totals for 2023

	Major Fund		Totals	
	Food Service Fund	Internal Service Fund	2024	2023
Assets and Deferred Outflows of Resources				
Current assets				
Cash	$ 1,554,827	$ -	$ 1,554,827	$ 335,892
Due from other governments	176,896	-	176,896	-
Due from other funds	-	-	-	375,968
Inventories	58,592	-	58,592	45,583
Prepaid expenses	-	14,006,252	14,006,252	13,444,865
Total current assets	1,790,315	14,006,252	15,796,567	14,202,308
Noncurrent assets				
Capital assets, net	208,548	-	208,548	252,484
Total assets	1,998,863	14,006,252	16,005,115	14,454,792
Deferred outflows of resources				
Deferred charges on proportionate share of pension - PSERS	337,546	-	337,546	298,864
Deferred charges on proportionate share of OPEB - PSERS	13,982	-	13,982	15,034
Total deferred outflows of resources	351,528	-	351,528	313,898
Liabilities, Deferred Inflows of Resources and Net Position (Deficit)				
Liabilities				
Accounts payable	38,233	-	38,233	28,473
Accrued salaries, payroll withholdings and benefits	435,722	-	435,722	375,542
Due to other funds	394,345	-	394,345	-
Unearned revenue	98,651	-	98,651	81,743
Total current liabilities	966,951	-	966,951	485,758
Noncurrent liabilities				
Net pension liability - PSERS	1,821,694	-	1,821,694	1,768,237
Net OPEB liability - PSERS	74,139	-	74,139	73,160
Total noncurrent liabilities	1,895,833	-	1,895,833	1,841,397
Total liabilities	2,862,784	-	2,862,784	2,327,155
Deferred inflows of resources				
Deferred credits on proportionate share of pension - PSERS	24,940	-	24,940	45,294
Deferred credits on proportionate share of OPEB - PSERS	14,799	-	14,799	17,716
Total deferred inflows of resources	39,739	-	39,739	63,010
Net position (deficit)				
Net investment in capital assets	208,548		208,548	252,484
Unrestricted (deficit)	(760,680)	14,006,252	13,245,572	12,126,041
Total net position (deficit)	$ (552,132)	$ 14,006,252	$ 13,454,120	$ 12,378,525

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

School District of Haverford Township
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds
Year Ended, June 30, 2024 With Summarized Comparative Totals for 2023

	Major Fund		Totals	
	Food Service Fund	Internal Service Fund	2024	2023
Operating revenues				
Charges for services	$ 1,557,058	$ 15,461,521	$ 17,018,579	$ 15,969,003
Operating expenses				
Salaries and wages	715,519	-	715,519	634,407
Employee benefits	318,285	14,815,985	15,134,270	13,070,299
Purchased professional and technical services	-	864,796	864,796	1,111,322
Purchased property services	33,472	-	33,472	42,784
Other purchased services	1,287,533	-	1,287,533	1,170,695
Supplies	246,967	-	246,967	158,394
Depreciation	43,936	-	43,936	83,172
Other	4,946	-	4,946	9,820
Total operating expenses	2,650,658	15,680,781	18,331,439	16,280,893
Operating loss	(1,093,600)	(219,260)	(1,312,860)	(311,890)
Nonoperating revenues				
Earnings on investments	17,247	780,647	797,894	543,709
State sources	456,655	-	456,655	222,726
Federal sources	1,126,356	-	1,126,356	1,097,908
Gain on sale of capital assets	7,550	-	7,550	-
Total nonoperating revenues	1,607,808	780,647	2,388,455	1,864,343
Change in net position (deficit)	514,208	561,387	1,075,595	1,552,453
Net position (deficit)				
Beginning of year	(1,066,340)	13,444,865	12,378,525	10,826,072
End of year	$ (552,132)	$ 14,006,252	$ 13,454,120	$ 12,378,525

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

School District of Haverford Township
Statement of Cash Flows – Proprietary Funds
Year Ended June 30, 2024 With Summarized Comparative Totals for 2023

	Major Fund		Totals	
	Food Service Fund	Internal Service Fund	2024	2023
Operating activities				
Cash received from charges for services	$ 1,558,910	$ -	$ 1,558,910	$ 1,409,000
Cash received for assessments made to other fund	-	15,461,521	15,461,521	14,560,348
Cash payments to employees for services	(209,776)	-	(209,776)	(1,217,158)
Cash payments to suppliers for goods and services	(1,332,528)	-	(1,332,528)	(1,239,437)
Cash payments for insurance claims	-	(15,377,372)	(15,377,372)	(13,988,791)
Cash payments for other operating expenses	-	(864,796)	(864,796)	(1,111,322)
Net cash provided by (used in) operating activities	16,606	(780,647)	(764,041)	(1,587,360)
Noncapital financing activities				
State sources	399,829	-	399,829	230,063
Federal sources	777,703	-	777,703	1,097,908
Net cash provided by noncapital financing activities	1,177,532	-	1,177,532	1,327,971
Capital and related financing activities				
Proceeds from sale of capital assets	7,550	-	7,550	-
Investing activities				
Earnings on investments	17,247	780,647	797,894	543,709
Net change in cash	1,218,935	-	1,218,935	284,320
Cash				
Beginning of year	335,892	-	335,892	51,572
End of year	$ 1,554,827	$ -	$ 1,554,827	$ 335,892
Reconciliation of operating income (loss) to net cash used in operating activities:				
Operating income (loss)	$ (1,093,600)	$ (219,260)	$ (1,312,860)	$ (311,890)
Adjustments to reconcile operating loss to net cash used in operating activities				
Depreciation	43,936	-	43,936	83,172
Donated commodities used	243,639	-	243,639	276,196
(Increase) decrease in				
Inventories	(13,009)	-	(13,009)	7,682
Due from other funds	375,968	-	375,968	(327,733)
Prepaid expenses	-	(561,387)	(561,387)	(823,478)
Deferred outflows of resources	(37,630)	-	(37,630)	76,306
Increase (decrease) in				
Accounts payable	9,760	-	9,760	(141,622)
Due to other funds	394,345	-	394,345	-
Accrued salaries, payroll withholdings and benefits	60,180	-	60,180	115,791
Unearned revenue	1,852	-	1,852	345
Net pension liability	53,457	-	53,457	(219,453)
Net OPEB liability	979	-	979	(41,556)
Deferred inflows of resources	(23,271)	-	(23,271)	(281,120)
Net cash used in operating activities	$ 16,606	$ (780,647)	$ (764,041)	$ (1,587,360)
Supplemental disclosure				
Noncash noncapital financing activity				
USDA donated commodities	$ 243,639	$ -	$ 243,639	$ 276,196

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

School District of Haverford Township
Statement of Net Position – Fiduciary Funds
June 30, 2024 With Summarized Comparative Totals for 2023

	Private-Purpose Trust	Custodial Funds	Totals 2024	Totals 2023
Assets				
Cash	$ 98,144	$ 416,175	$ 514,319	$ 622,355
Accounts receivable	1,705	38,267	39,972	-
Total assets	99,849	454,442	554,291	622,355
Liabilities and Net Position				
Liabilities				
Accounts payable	21,000	44,489	65,489	125,207
Net position				
Net position held in trust for scholarships	78,849	-	78,849	120,367
Net position held in trust for student activities	-	409,953	409,953	376,781
Total net position	$ 78,849	$ 409,953	$ 488,802	$ 497,148

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

School District of Haverford Township
Statement of Changes in Net Position – Fiduciary Funds
Year Ended June 30, 2024 With Summarized Comparative Totals for 2023

	Private-Purpose Trust	Custodial Funds	Totals 2024	Totals 2023
Additions				
Receipts from student groups	$ -	$ 890,077	$ 890,077	$ 710,766
Local contributions	50,223	-	50,223	72,778
Total additions	50,223	890,077	940,300	783,544
Deductions				
Scholarships awarded and fees paid	91,741	-	91,741	57,180
Student activity disbursements	-	856,905	856,905	678,376
Total deductions	91,741	856,905	948,646	735,556
Change in net position	(41,518)	33,172	(8,346)	47,988
Net position				
Beginning of year	120,367	376,781	497,148	449,160
End of year	$ 78,849	$ 409,953	$ 488,802	$ 497,148

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

1. ORGANIZATION AND PURPOSE

The School District of Haverford Township (the "District") operates five elementary schools, a middle school, a high school and a virtual educational program to provide education and related services to the residents of Haverford Township. 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 (deficit) and the statement of activities display information about the District as a whole. These statements distinguish between activities that are governmental and those that are considered business-type activities. These statements include the financial activities of the primary government except for fiduciary funds.

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

The statement of net position (deficit) includes separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and 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 government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

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

In addition, the District reports the following nonmajor governmental fund:

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specific purposes. The Student Sponsored Activity Fund is the District’s Special Revenue Fund.

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 Fund
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. Revenues are recognized when they are earned and expenses are recognized when they are incurred. Allocations of certain costs, such as depreciation, are recorded in proprietary funds. The District reports the following proprietary funds:

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

The Internal Service Fund is used to account for the District’s participation in a consortium with other participating school districts and educational agencies to provide self-insurance programs for health and prescription coverage.

This fund distinguishes 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 fund's principal ongoing operations. The principal operating revenues of the District's Proprietary Fund are charges for services. Operating expenses for the District's Proprietary Funds include payroll, employee benefits, supplies and administrative costs. All revenues or expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

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

Interfund Receivables and Payables
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
October 31 to collection	-	Penalty period, 10% of gross levy
February 28	-	Lien date

The County Board of Assessments determines assessed valuations of property, and the District's taxes are billed and collected by a local tax collector. The tax on real estate for public school purposes for fiscal 2023-2024 was 18.1684 mills ($18.17 for $1,000 of assessed valuation). The District experiences very small losses from uncollectible property taxes. Property taxes constitute a lien against real property and usually can be collected in full when title transfers. 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 three installments. These installments have the following due dates:

Installment One	-	August 31
Installment Two	-	October 31
Installment Three	-	November 30

The discount (two percent) is not applicable to installment payments; however, the penalty (10 percent) will be added if second and third 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 – 20-40 years, and furniture and equipment – 5-10 years.

Leases - Lessee
The District has entered into noncancellable leases as the lessee. The District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements.

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

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

The District uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability is comprised of fixed payments from the lessee.

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

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 for the year ended June 30, 2024.

Compensated Absences
District policies permit employees to accumulate earned but unused vacation, personal and sick days. The liability for these compensated absences is recorded as a non-current 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 resignations and retirements.

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 (e.g., resolution).

Assigned
Assigned fund balances are amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the Business Administrator 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 nonspendable, 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.

The School Board has set a General Fund maximum unassigned fund balance of 8% of the following year's expenditure budget in accordance with guidelines prescribed by the Pennsylvania Department of Education.

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
Effective July 1, 2023, the District adopted the provisions of GASB Statement No. 100, *Accounting Changes and Error Corrections*. 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 publish notice by advertisement at least once in two newspapers of general circulation in the municipalities in which it is located, and within 20 days of final action, that the proposed budget has been prepared and is available for public inspection at the administrative offices of the District. Notice that public hearings will be held on the proposed operating budget must be included in the advertisement; such hearings are required to be scheduled at least 10 days prior to when final action on adoption is taken by the School Board.

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

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

Deficit in Fund Equity

At Juine 30, 2024, the Food Service Fund, a major fund, had a deficit net position of $552,132 resulting from allocating a portion of the net pension and OPEB liability to this fund. Since the Food Service Fund uses the economic resources measurement focus, these obligations are presented in the fund financial statements as liabilities and therefore reduce fund equity to an overall deficit. This deficit will be eliminated as resources are obtained (e.g. from revenues and transfers) to make the periodic pension and OPEB contributions for active participants in these plans.

Expenditures in Excess of Appropriations

Special program expenditures exceeded appropriations totaling $2,157,883 for the year ended June 30, 2024 due to more than anticipated student enrollment in special education programs resulting in purchased service expenditures being more than budget.

Transfers out exceeded budgeted appropriations totaling $6,106,101 for the year ended June 30, 2024 due to transfers in excess of budgeted amounts to the Capital Projects Fund.

4. DEPOSITS

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.

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 $47,451,231 and the bank balance was $49,254,436. 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 must pledge as collateral obligations of the United States, Commonwealth of Pennsylvania or any political subdivision. Under Act 72 of 1971, as amended, the depositories may meet this collateralization requirement by pooling appropriate securities to cover all public funds on deposit. Of the bank balance, $250,000 was covered by federal depository insurance and $16,220,682 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 Local Government Investment Trust ("PLGIT"). Although not registered with the Securities and Exchange Commission and not subject to regulatory oversight, PLGIT acts like a money market mutual fund in that its objective is to maintain a stable net assets value of $1 per share, is rated by a nationally recognized statistical rating organization and are subject to independent annual audit. As of June 30, 2024, PLGIT was rated as AAA by a nationally recognized statistical rating agency.

5. 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	$ -	$ 1,674,997	$ -	$ 1,674,997
Capital assets being depreciated				
Land and improvements	5,031,936	464,493	-	5,496,429
Buildings and improvements	248,778,419	4,080,422	-	252,858,841
Furniture, equipment and vehicles	17,096,965	2,453,889	-	19,550,854
Right-to-use lease assets	2,744,019	779,223		3,523,242
Books, periodicals and materials	3,697,339	-	-	3,697,339
Total capital assets being depreciated	277,348,678	7,778,027	-	285,126,705
Less: Accumulated depreciation for				
Land and improvements	(3,084,016)	(178,986)	-	(3,263,002)
Buildings and improvements	(88,430,664)	(6,301,374)	-	(94,732,038)
Furniture, equipment and vehicles	(14,400,675)	(918,858)	-	(15,319,533)
Right-to-use lease assets	(1,678,337)	(821,772)		(2,500,109)
Books, periodicals and materials	(3,335,491)	(102,515)	-	(3,438,006)
Total accumulated depreciation	(110,929,183)	(8,323,505)	-	(119,252,688)
Total capital assets being depreciated, net	166,419,495	(545,478)	-	165,874,017
Governmental activities, net	$ 166,419,495	$ 1,129,519	$ -	$ 167,549,014
Business-type activities				
Machinery and equipment	$ 1,581,908	$ -	$ -	$ 1,581,908
Less: Accumulated depreciation	(1,329,424)	(43,936)	-	(1,373,360)
Business-type activities, net	$ 252,484	$ (43,936)	$ -	$ 208,548

At June 30, 2024, the District had construction commitments totaling $25,441,000 for the Chatham Elementary Park renovation project.

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

Governmental activities	
Instruction	$ 5,516,903
Instructional student support	816,485
Administrative and financial support services	768,595
Operation and maintenance of plant services	626,191
Pupil transportation	495,458
Student activities	99,873
Total depreciation expense - governmental activities	$ 8,323,505
Business-type activities	
Food service	$ 43,936

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
General fund	$ 394,345	Food service fund	$ 394,345
General fund	1,257,085	Capital projects fund	1,257,085
	$ 1,651,430		$ 1,651,430

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

Transfers In	Amount	Transfers Out	Amount
Capital projects fund	$ 8,231,101	General fund	$ 8,231,101

Transfers from the General Fund to Capital Projects Fund were to subsidize capital projects.

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

7. 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	Amount Due Within One Year
Governmental activities					
General obligation debt					
Bonds payable	$ 123,270,000	$ 22,040,000	$ 17,575,000	$ 127,735,000	$ 4,655,000
Notes payable	14,830,000	-	470,000	14,360,000	4,025,000
Bond premiums	8,823,752	2,308,085	1,097,764	10,034,073	1,084,452
Total general obligation debt	146,923,752	24,348,085	19,142,764	152,129,073	9,764,452
Other noncurrent liabilities					
Leases payable	1,077,905	779,223	864,754	992,374	386,034
Compensated absences	2,017,154	140,064	-	2,157,218	-
OPEB liability	2,893,163	225,690	-	3,118,853	-
Net OPEB liability - PSERS	7,624,945	-	44,249	7,580,696	-
Net pension liability - PSERS	184,291,515	1,975,206	-	186,266,721	-
Total other noncurrent liabilities	197,904,682	3,120,183	909,003	200,115,862	386,034
Total governmental activities	344,828,434	27,468,268	20,051,767	352,244,935	10,150,486
Business-type activities					
Net OPEB liability - PSERS	73,160	979	-	74,139	-
Net pension liability - PSERS	1,768,237	53,457	-	1,821,694	-
Total business-type activities	1,841,397	54,436	-	1,895,833	-
Total noncurrent liabilities	$ 346,669,831	$ 27,522,704	$ 20,051,767	$ 354,140,768	$ 10,150,486

Noncurrent liabilities of governmental activities are generally liquidated by the General Fund, while noncurrent liabilities of the business-type activities are liquidated by the Food Service Fund.

8. GENERAL OBLIGATION DEBT

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

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

Description	Interest Rate(s)	Original Issue Amount	Final Maturity	Principal Outstanding
General obligation bonds				
Series of 2019	4.00% - 5.00%	$ 16,355,000	09/01/2034	$ 13,320,000
Series of 2019A	2.00% - 3.00%	$ 34,995,000	03/01/2037	34,975,000
Series of 2019B	5.00%	$ 8,315,000	03/01/2030	7,280,000
Series of 2021A	2.00%	$ 8,610,000	03/15/2037	8,595,000
Series of 2021B	2.00% - 5.00%	$ 1,005,000	03/15/2031	735,000
Series of 2022A	3.00%	$ 6,810,000	03/15/2038	6,805,000
Series of 2022B	3.00%	$ 1,185,000	03/15/2032	1,065,000
Series of 2023	5.00%	$ 28,380,000	03/01/2030	26,695,000
Series of 2023A	2.625% - 5.00%	$ 5,080,000	03/01/2038	5,075,000
Series of 2023B	5.00%	$ 1,185,000	03/01/2033	1,150,000
Series of 2024A	5.00%	$ 13,680,000	03/15/2044	13,680,000
Series of 2024B	5.00%	$ 8,360,000	03/15/2036	8,360,000
Total general obligation bonds				127,735,000
General obligation notes				
Series of 2020	1.39%	$ 15,515,000	03/15/2029	14,360,000
Total general obligation debt				$ 142,095,000

General Obligation Bonds, Series of 2024A
In May 2024, the District issued general obligation bonds, Series of 2024A, in the amount of $13,680,000 the proceeds from which were used to (1) finance a portion of a capital improvement program consisting of: (i) the projects associated with the Chatham Park Elementary School and Haverford Middle School, (ii) various other capital improvements to District facilities, and (2) the costs and expenses of issuing the bonds.

General Obligation Bonds, Series of 2024B
In May 2024, the District issued general obligation bonds, Series of 2024B, in the amount of $8,360,000 the proceeds from which will be used to (1) currently refund all of the District's outstanding general obligation bonds, Series of 2018 and (2) paying the costs and expenses of issuing the bonds. The District currently refunded the outstanding general obligation bonds, Series of 2018, to reduce future debt service payments by $244,918.

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

Year ending June 30,	Principal	Interest	Total
2025	$ 8,680,000	$ 5,154,154	$ 13,834,154
2026	8,970,000	5,075,163	14,045,163
2027	9,245,000	4,775,538	14,020,538
2028	9,635,000	4,392,163	14,027,163
2029	10,035,000	3,990,269	14,025,269
2030-2034	47,505,000	14,011,082	61,516,082
2035-2039	36,975,000	5,942,425	42,917,425
2040-2044	11,050,000	1,711,250	12,761,250
	$ 142,095,000	$ 45,052,044	$ 187,147,044

9. LEASES PAYABLE

The District has entered into long-term lease agreements for information technology equipment, maintenance equipment and vehicles and transportation equipment. Initial lease liabilities were recorded in the amount of $3,523,242. As of June 30, 2024, the value of the lease liabilities is $992,374. The leases have interest rates ranging from 0.90% to 6.04%. The equipment had estimated useful lives from 4 to 5 years as of their contract commencements. The value of the capital assets as of June 30, 2024 is $1,023,133, net of accumulated depreciation of $2,500,109, and is included with noncurrent assets on the statement of net position deficit). Future minimum lease payments under these leases are as follows:

Year ending June 30,	
2025	$ 429,793
2026	406,763
2027	201,318
2028	45,509
Less: Amount representing interest	(91,009)
Present value of minimum lease payments	$ 992,374

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 and prescription drug benefits to certain retirees, spouses and their dependents. The School Board has the authority to establish and amend benefit provisions. The OPEB Plan does not issue any financial report and is not included in the report of any public employee retirement system or any other entity.

OPEB Plan Membership

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

Active employees	861
Vested former participants	-
Retired participants	18
Total	879

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. The OPEB liability is $3,118,853, all of which is unfunded. As of June 30, 2024, the OPEB liability of $3,118,853 is related to the governmental funds and is recorded in the governmental activities in the government-wide statement of net position (deficit).

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

Balances as of July 1, 2023	$ 2,893,163
Changes for the year:	
Service cost	187,456
Interest on total OPEB liability	122,391
Differences between expected and actual experience	-
Changes of assumptions	37,813
Benefit payments	(121,970)
Net changes	225,690
Balances as of June 30, 2024	$ 3,118,853

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 $269,432. At June 30, 2024, the District had deferred outflows of resources and deferred inflows of resources related to the OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ 871,825
Changes in assumptions	1,223,695	1,027,762
Contributions subsequent to the measurement date	139,630	-
	$ 1,363,325	$ 1,899,587

$139,630 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30,	
2025	$ (40,415)
2026	(40,415)
2027	(40,415)
2028	(40,415)
2029	(40,415)
Thereafter	(473,817)
	$ (675,892)

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	$ 2,718,878	$ 3,118,853	$ 3,596,819

Sensitivity of the OPEB Liability to Changes in the Discount Rate

The following presents the 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	$ 3,391,332	$ 3,118,853	$ 2,863,637

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, 2024 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 inflation of 2.50%, 1.50% for real wage growth and 0.00% to 2.75% for merit or seniority increases.
- Assumed healthcare cost trends – 7.00% in 2023 with 0.50% decrease per year until 5.50% in 2026. Rates gradually decrease from 5.40% in 2027 to 4.10% in 2075 and later.
- Mortality – PubT-2010 headcount-weighted mortality table including rates for contingent survivors for teachers and PubG-2010 headcount-weighted mortality table including rates for contingent survivors for all other employees.

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

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

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

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

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

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

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 $439,464 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 $7,654,835 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 0.4231 percent, which was an increase of 0.0049 percent from its proportion measured as of June 30, 2023. As of June 30, 2024, the net OPEB liability of $7,580,696 is related to the governmental funds and is recorded in the governmental activities in the government-wide statement of net position (deficit) and the remaining $74,139 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 (deficit).

For the year ended June 30, 2024, the District recognized net OPEB expense of $314,000. 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 expected and actual experience	$ 50,000	$ 76,000
Changes in assumptions	661,000	1,449,000
Net difference between projected and actual investment earnings	17,000	-
Changes in proportions	267,000	3,000
Contributions subsequent to the measurement date	439,464	-
	$ 1,434,464	$ 1,528,000

$439,464 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:

Year ending June 30,	
2025	$ (79,000)
2026	(110,000)
2027	(156,000)
2028	(190,000)
2029	2,000
	$ (533,000)

Actuarial Assumptions

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

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

Participation rate:

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

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

The following assumptions were used to determine the contribution rate:

- The results of the actuarial valuation as of June 30, 2021 determined the employer contribution rate for fiscal year 2023.
- Cost method - amount necessary to assure solvency of premium assistance through the third fiscal year after the valuation date.
- Asset valuation method: market value.
- Participation rate: the actual data for retirees benefiting under the OPEB plan as of June 30, 2021 was used in lieu of the 63% utilization assumption for eligible retirees.
- Mortality tables for males and females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 mortality improvement scale.

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

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

OPEB - Asset Class	Target 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 total OPEB liability was 4.13%. Under the OPEB plan's funding policy, contributions are structured for short term funding of health insurance premium assistance. The funding policy sets contribution rates necessary to assure solvency of health insurance premium assistance through the third fiscal year after the actuarial valuation date. The health insurance premium assistance account is funded to establish reserves that are sufficient for the payment of health insurance premium assistance benefits for each succeeding year. Due to the short-term funding policy, the OPEB plan's fiduciary net position was not projected to be sufficient to meet projected future benefit payments, therefore the OPEB plan is considered a "pay-as-you-go" plan. A discount rate of 4.13% 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 annual premium assistance reimbursement for qualifying retirees is capped at a maximum of $1,200 per year. The actual number of retirees receiving less than the $1,200 per year cap is a small percentage of the total population and has a minimal impact on healthcare cost trends as depicted below.

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

	1% Decrease	Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	$ 7,654,116	$ 7,654,835	$ 7,655,415

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 proportionate share of the net OPEB liability	$ 8,654,688	$ 7,654,835	$ 6,817,893

OPEB Plan Fiduciary Net Position

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

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

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

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

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

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

Contributions

Member Contributions

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

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

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

Employer Contributions

The District's contractually required contribution rate for fiscal year ended June 30, 2024 was 33.36% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the District were $22,902,087 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 $188,088,415 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 0.4228 percent, which was an increase of 0.0043 percent from its proportion measured as of June 30, 2023. As of June 30, 2024, the net pension liability of $186,266,721 is related to the governmental funds and is recorded in the governmental activities in the government-wide statement of net position (deficit) and the remaining $1,821,694 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 (deficit).

For the year ended June 30, 2024, the District recognized net pension expense of $19,524,000. 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	$ 43,000	$ 2,575,000
Changes in assumptions	2,807,000	-
Net difference between projected and actual investment earnings	5,322,000	-
Changes in proportions	3,777,000	-
Contributions subsequent to the measurement date	22,902,087	-
	$ 34,851,087	$ 2,575,000

$22,902,087 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2025	$ 3,773,000
2026	(2,301,000)
2027	6,126,000
2028	1,776,000
	$ 9,374,000

Actuarial Assumptions

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

- Valuation date – June 30, 2022
- Actuarial cost method – entry age normal – level % of pay
- Investment return – 7.00%, includes inflation at 2.50%
- Salary growth – Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 retiree tables for males and females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 improvement scale.
- The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022 and as of June 30, 2023.

- Demographic and economic assumptions approved by the Board for use effective with the June 30, 2021 actuarial valuation:
  - Salary growth rate - decreased from 5.00% to 4.50%.
  - Real wage growth and merit or seniority increases (components for salary growth) - decreased from 2.75% and 2.25% to 2.50% and 2.00%, respectively.
  - Mortality rates - Previously based on the RP-2014 mortality tables for males and females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 mortality improvement scale. Effective with the June 30, 2021 actuarial valuation, mortality rates are based on a blend of 50% PubT-2010 and 50% PubG-2010 retiree tables for males and females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 improvement scale.

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

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

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

Asset Class	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%
Infrastructure/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 PSERS Board's adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2023.

Discount Rate

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

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount 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	$ 243,814,440	$ 188,088,415	$ 141,072,323

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 VENTURES AND JOINTLY GOVERNED ORGANIZATION

Delaware County Vocational Technical School and Delaware Vocational Technical School Authority

The District and the other fourteen Delaware County school districts participate in the Delaware County Vocational Technical School (the "DCVTS"). The DCVTS provides vocational-technical training and education to students of the participating school districts. The DCVTS is controlled by a joint Board comprised of representative School Board members of the participating school districts. District oversight of the DCVTS operations is the responsibility of the joint Board. The District's share of operating costs for the DCVTS fluctuates based on the District's percentage of enrollment. The District's share of operating costs for 2023-2024 was $768,874.

The District and the other fourteen Delaware County school districts also participate in a joint venture for the operation of the Delaware County Vocational-Technical School Authority (the "DCVTSA"). The DCVTSA oversees acquiring holding, constructing, improving and maintaining the DCVTSA school buildings. The DCVTSA is controlled by a joint Board comprised of representative School Board members of the participating school districts in the DCVTS. During 2023-2024, the District did not have any financial transactions with the DCVTSA.

Both the DCVTS and the DCVTSA prepare financial statements that are available to the public from their administrative offices located at 200 Yale Avenue Morton, Pennsylvania 19070.

Delaware County Community College

The District and twelve other Delaware County schools sponsor the Delaware County Community College (the "DCCC"). The DCCC provides higher education programs to the residents of southeastern Pennsylvania. Sponsoring school districts pay a share of the DCCC's operating and debt service costs which fluctuate based on each District's certified market values and in return residents of each of the sponsoring school districts pay a reduced cost to participate in DCCC higher education programs. The sponsoring school districts have entered into a long-term lease agreement with the DCCC to provide rental payments sufficient to retire the DCCC's outstanding debt obligations. The lease agreement expires in 2034-2035 unless the debt is retired earlier. The District's share of operating costs and rent expense for 2023-2024 was $1,646,835.

The DCCC prepares financial statements that are available to the public from their administrative offices located at 901 South Media Line Road, Media, Pennsylvania 19063.

The District's future estimated annual lease payments to the DCCC are as follows:

Year Ended June 30,	
2025	$ 427,498
2026	427,414
2027	427,019
2028	427,094
2029	427,157
2030-2034	1,934,605
2035-2039	1,032,587
2040-2044	948,698
2045-2049	455,144
	$ 6,507,216

Delaware County Intermediate Unit

The District and the other Delaware County school districts are participating members of the Delaware County Intermediate Unit (the "DCIU"). The DCIU 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 DCIU but the participating districts have no ongoing fiduciary interest or responsibility to the DCIU. The DCIU 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

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 all major programs including workers compensation. 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.

The District participates in a consortium with other participating school districts and educational agencies from Delaware County to provide self-insurance programs for health and prescription insurance coverage and related expenses for eligible employees, spouses and dependents. Accordingly benefit payments plus an administrative charge are made to a third-party administrator, who approves and processes all claims. Since the District has not transferred its risk to the other participants in the consortium, GASB requires that it recognize and measure its claims, liabilities and related expenses. The District accounts for its participation in the consortium in the Internal Service Fund in the accompanying financial statements.

The following table presents the components of the self-insurance claims surplus (liability) and the related changes claims surplus (liability) for the years ended June 30, 2024 and 2023:

	2024	2023
Insurance claims surplus (liability) - beginning of year	$ 13,444,865	$ 12,621,387
Current year insurance claims, fees and changes in estimates	(15,680,781)	(13,736,870)
Insurance claims and fees paid	16,242,168	14,560,348
Insurance claims surplus (liability) - end of year	$ 14,006,252	$ 13,444,865

15. SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 2, 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.

In February, 2025, the District issued general obligation bonds, Series of 2025, in the amount of $25,465,000 the proceeds from which were used to (1) finance a portion of a capital improvement program consisting of: (i) the projects associated with the Chatham Park Elementary School, Haverford Middle School and Coopertown Elementary School, (ii) capitalized interest (iii) various other capital improvements to District facilities, and (2) the costs and expenses of issuing the bonds.

In March and April 2025, the District entered into construction commitments totaling $24,417,800 for the Coopertown Elementary School renovations.

REQUIRED SUPPLEMENTARY INFORMATION

School District of Haverford Township
Budgetary Comparison Schedule – General Fund
Year Ended June 30, 2024

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Local sources	$ 115,537,884	$ 115,606,433	$ 68,549
State sources	28,071,502	28,270,746	199,244
Federal sources	2,477,424	2,391,325	(86,099)
Total revenues	146,086,810	146,268,504	181,694
Expenditures			
Instruction			
Regular programs	56,589,337	55,942,063	647,274
Special programs	26,684,354	28,842,237	(2,157,883)
Vocational programs	950,000	768,874	181,126
Other instructional programs	1,377,707	170,623	1,207,084
Nonpublic programs	-	21,406	(21,406)
Adult education	1,399,128	1,646,835	(247,707)
Total instruction	87,000,526	87,392,038	(391,512)
Support services			
Pupil support services	7,603,786	6,521,827	1,081,959
Instructional staff services	3,822,294	4,028,392	(206,098)
Administrative services	7,096,395	7,517,220	(420,825)
Pupil health	2,412,009	2,856,653	(444,644)
Business services	1,391,685	1,202,457	189,228
Operation and maintenance of plant services	9,881,591	10,281,140	(399,549)
Student transportation services	6,379,621	8,129,732	(1,750,111)
Support services - central	3,510,003	3,791,437	(281,434)
Other support services	115,000	112,949	2,051
Total support services	42,212,384	44,441,807	(2,229,423)
Operation of noninstructional services			
Student activities	1,771,673	1,637,667	134,006
Community services	6,615	6,309	306
Total operation of noninstructional services	1,778,288	1,643,976	134,312
Debt service	14,295,612	13,080,803	1,214,809
Total expenditures	145,286,810	146,558,624	(1,271,814)
Excess (deficiency) of revenues over (under) expenditures	800,000	(290,120)	(1,090,120)
Other financing sources (uses)			
Transfers out	(2,125,000)	(8,231,101)	(6,106,101)
Budgetary reserve	(800,000)	-	800,000
Total other financing sources (uses)	(2,925,000)	(8,231,101)	(5,306,101)
Net change in fund balance	$ (2,125,000)	(8,521,221)	$ (6,396,221)
Fund balance			
Beginning of year		27,906,042	
End of year		$ 19,384,821	

See Independent Auditor's Report.

School District of Haverford Township
Schedule of the District's Proportionate Share of the Net Pension Liability - PSERS
Year Ended June 30, 2024

	Measurement Date									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability	0.4228%	0.4185%	0.4105%	0.4063%	0.4061%	0.4021%	0.4030%	0.3953%	0.3868%	0.3753%
District's proportionate share of the net pension liability	$ 188,088,415	$ 186,059,752	$ 168,537,877	$ 200,058,122	$ 189,984,172	$ 193,027,964	$ 199,035,272	$ 195,898,000	$ 167,543,000	$ 148,547,000
District's covered-employee payroll	$ 64,817,932	$ 61,488,531	$ 58,175,578	$ 57,167,543	$ 56,012,453	$ 54,153,999	$ 53,658,233	$ 51,200,446	$ 49,766,024	$ 47,889,410
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	290.18%	302.59%	289.71%	349.95%	339.18%	356.44%	370.93%	382.61%	336.66%	310.19%
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.

School District of Haverford Township
Schedule of the District's Pension Plan Contributions - PSERS
Year Ended June 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 22,902,360	$ 22,142,318	$ 20,858,999	$ 19,508,272	$ 18,982,503	$ 18,186,116	$ 17,062,422	$ 15,414,379	$ 12,576,000	$ 9,988,000
Contributions in relation to the contractually required contribution	$ 22,902,360	$ 22,142,318	$ 20,858,999	$ 19,508,272	$ 18,982,503	$ 18,186,116	$ 17,062,422	$ 15,414,379	12,576,000	9,988,000
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
District's covered-employee payroll	$ 68,652,158	$ 64,817,932	$ 61,488,531	$ 58,175,578	$ 57,167,543	$ 56,012,453	$ 54,153,999	$ 53,658,233	$ 51,200,446	$ 49,766,024
Contributions as a percentage of covered-employee payroll	33.36%	34.16%	33.92%	33.53%	33.21%	32.47%	31.51%	28.73%	24.56%	20.07%

See Independent Auditor's Report.

School District of Haverford Township
Schedule of Changes in OPEB Liability – Single Employer Plan
Year Ended June 30, 2024

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service cost	$ 187,456	$ 359,571	$ 356,866	$ 199,461	$ 197,582	$ 214,963	$ 198,958
Interest on total OPEB liability	122,391	107,969	85,255	94,414	81,135	82,784	58,686
Differences between expected and actual experience	-	(867,647)	-	(114,344)	-	(81,288)	-
Changes of assumptions	37,813	(1,004,484)	(146,700)	1,556,188	(80,133)	133	144,272
Benefit payments	(121,970)	(170,572)	(117,405)	(121,977)	(102,767)	(143,396)	(114,043)
Net change in total OPEB liability	225,690	(1,575,163)	178,016	1,613,742	95,817	73,196	287,873
Total OPEB liability, beginning	2,893,163	4,468,326	4,290,310	2,676,568	2,580,751	2,507,555	2,219,682
Total OPEB liability, ending	$ 3,118,853	$ 2,893,163	$ 4,468,326	$ 4,290,310	$ 2,676,568	$ 2,580,751	$ 2,507,555
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	$ 60,376,371	$ 60,376,371	$ 54,037,201	$ 54,037,201	$ 51,222,215	$ 51,222,215	$ 49,284,101
Net OPEB liability as a % of covered payroll	5.17%	4.79%	8.27%	7.94%	5.23%	5.04%	5.09%

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.

School District of Haverford Township
Schedule of the District's Proportionate Share of the Net OPEB Liability - PSERS
Year Ended June 30, 2024

	Measurement Date						
	2023	2022	2021	2020	2019	2018	2017
District's proportion of the net OPEB liability	0.4231%	0.4182%	0.4104%	0.4073%	0.4061%	0.4021%	0.4030%
District's proportionate share of the net OPEB liability	$ 7,654,835	$ 7,698,104	$ 9,726,821	$ 8,800,519	$ 8,637,105	$ 8,383,580	$ 8,210,770
District's covered-employee payroll	$ 64,817,932	$ 61,488,531	$ 58,175,578	$ 57,167,543	$ 56,012,453	$ 54,153,999	$ 53,658,233
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%	15.00%
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.

School District of Haverford Township
Schedule of the District's OPEB Plan Contributions - PSERS
Year Ended June 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017
Contractually required contribution	$ 439,374	$ 483,849	$ 488,345	$ 477,562	$ 479,486	$ 465,273	$ 449,242	$ 445,549
Contributions in relation to the contractually required contribution	$ 439,374	$ 483,849	$ 488,345	$ 477,562	$ 479,486	$ 465,273	$ 449,242	$ 445,549
Contribution deficiency (excess)	-	-	-	-	-	-	-	-
District's covered-employee payroll	$ 68,652,158	$ 64,817,932	$ 61,488,531	$ 58,175,578	$ 57,167,543	$ 56,012,453	$ 54,153,999	$ 53,658,233
Contributions as a percentage of covered-employee payroll	0.64%	0.75%	0.79%	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 informant to present a ten-year trend is available.

See Independent Auditor's Report.

SINGLE AUDIT

School District of Haverford Township
Schedule of Expenditures of Federal Awards
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	013-230186	07/01/22 - 09/30/23	$ 203,506	$ 44,737	$ 17,903	$ 26,834	$ 26,834	$ -	$ -
Title I - Improving Basic Programs	I	84.010	013-240186	07/01/23 - 09/30/24	232,977	139,112	-	190,755	190,755	51,643	-
Total ALN #84.010						183,849	17,903	217,589	217,589	51,643	-
Title II - Improving Teacher Quality	I	84.367	020-230186	07/01/22 - 09/30/23	95,373	28,080	(2,739)	30,819	30,819	-	-
Title II - Improving Teacher Quality	I	84.367	020-240186	07/01/23 - 09/30/24	108,500	35,902	-	89,650	89,650	53,748	-
Total ALN #84.367						63,982	(2,739)	120,469	120,469	53,748	-
Title IV - Student Support and Academic Enrichment	I	84.424	144-230458	07/01/22 - 09/30/23	16,512	5,277	-	5,277	5,277	-	-
Title IV - Student Support and Academic Enrichment	I	84.424	144-240458	07/01/23 - 09/30/24	15,931	11,683	-	11,683	11,683	-	-
Total ALN #84.424						16,960	-	16,960	16,960	-	-
COVID-19 Education Stabilization Fund (ESSER II)	I	84.425D	200-210186	03/13/20 - 09/30/23	658,150	45,918	45,918	-	-	-	-
COVID -19 ARP ESSER	I	84.425U	223-210186	03/13/20 - 09/30/24	1,331,247	1,064,998	885,062	309,749	309,749	129,813	-
COVID-19 ARP ESSER 7%	I	84.425U	225-210186	03/13/20 - 09/30/24	103,468	97,824	94,937	-	-	(2,887)	-
Passed Through the Bucks County I.U.											
COVID-19 ARP ESSER Homeless Children	I	84.425W	N/A	07/01/21 - 09/30/24	7,634	-	-	7,634	7,634	7,634	-
Total ALN #84.425						1,208,740	1,025,917	317,383	317,383	134,560	-
Passed Through the Delaware County I.U.											
I.D.E.A. - Part B, Section 611	I	84.027	062-230025	07/01/22 - 09/30/23	1,223,453	1,223,453	1,223,453	-	-	-	-
I.D.E.A. - Part B Section 611	I	84.027	062-240025	07/01/23 - 09/30/24	1,301,687	742,341	-	1,301,896	1,301,896	559,555	-
COVID-19 I.D.E.A. - Part B, Section 611 - ARP	I	84.027	232-210025	07/01/22 - 09/30/23	258,084	258,084	258,084	-	-	-	-
Total ALN #84.027						2,223,878	1,481,537	1,301,896	1,301,896	559,555	-
I.D.E.A. - Part B Section 619	I	84.173	131-220025	07/01/22 - 06/30/23	2,628	2,628	2,628	-	-	-	-
I.D.E.A. - Part B Section 619	I	84.173	131-230025	07/01/23 - 06/30/24	4,488	4,488	-	4,488	4,488	-	-
Total ALN #84.173						7,116	2,628	4,488	4,488	-	-
Total U.S. Department of Education						3,704,525	2,525,246	1,978,785	1,978,785	799,506	-
U.S. Department of Health and Social Services											
Passed-Through the Pennsylvania Department of Human Services											
Medical Assistance Program	I	93.778	N/A	07/01/23 - 06/30/24	N/A	12,031	-	12,031	12,031	-	-

See Independent Auditor's Report.

School District of Haverford Township
Schedule of Expenditures of Federal Awards
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 Agriculture											
Passed-Through the Pennsylvania Department of Education											
P-EBT Local Admin Funds	I	10.649	N/A	07/01/23 - 06/30/24	N/A	3,256	-	3,256	3,256	-	-
Breakfast Program	I	10.553	N/A	07/01/23 - 06/30/24	N/A	105,883	-	129,362	129,362	23,479	-
Supply Chain Assistance	I	10.555	N/A	07/01/23 - 06/30/24	N/A	157,153	-	157,153	157,153	-	-
National School Lunch Program	I	10.555	N/A	07/01/23 - 06/30/24	N/A	496,356	-	592,946	592,946	96,590	-
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) 258,695	b) (11,474)	c) 243,639	243,639	d) (26,530)	-
Total ALN #10.555						912,204	(11,474)	993,738	993,738	70,060	-
Total U.S. Department of Agriculture						1,021,343	(11,474)	1,126,356	1,126,356	93,539	-
Total Federal awards						$ 4,737,899	$ 2,513,772	$ 3,117,172	$ 3,117,172	$ 893,045	$ -
Special Education Cluster (IDEA) (ALN's #84.027 and #84.173)						$ 2,230,994	$ 1,484,165	$ 1,306,384	$ 1,306,384	$ 559,555	$ -
Child Nutrition Cluster (ALN's #10.553 and #10.555)						$ 1,018,087	$ (11,474)	$ 1,123,100	$ 1,123,100	$ 93,539	$ -
Medicaid Cluster (ALN #93.778)						$ 12,031	$ -	$ 12,031	$ 12,031	$ -	$ -

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
ALN - Assistance Listing Number

See Independent Auditor's Report.

1. FEDERAL EXPENDITURES

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

2. BASIS OF ACCOUNTING

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

3. NONMONETARY FEDERAL AWARDS – DONATED FOOD

The Commonwealth of Pennsylvania distributes federal surplus food to institutions (schools, hospitals and prisons) and to the needy. Expenditures reported in the Schedule of Expenditures of Federal Awards under Assistance Listing #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 $398,370.

5. INDIRECT COSTS

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

See Independent Auditor's Report.

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*

INDEPENDENT AUDITOR'S REPORT

To the Board of School Directors of
School District of Haverford Township:

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 School District of Haverford Township, Havertown, Pennsylvania, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise School District of Haverford Township's basic financial statements, and have issued our report thereon dated June 2, 2025.

Report on Internal Control Over Financial Reporting

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



June 2, 2025

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

INDEPENDENT AUDITOR'S REPORT

To the Board of School Directors of
School District of Haverford Township:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited School District of Haverford Township'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 School District of Haverford Township's major federal programs for the year ended June 30, 2024. School District of Haverford Township'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, School District of Haverford Township 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 School District of Haverford Township 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 School District of Haverford Township'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 School District of Haverford Township'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 School District of Haverford Township'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 School District of Haverford Township'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 School District of Haverford Township'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 School District of Haverford Township'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 School District of Haverford Township'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

June 2, 2025

School District of Haverford Township
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 the School District of Haverford Township were prepared in accordance with GAAP.

2. No material weaknesses or significant deficiencies relating to the audit of the financial statements of the School District of Haverford Township is 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 the School District of Haverford Township, which would be required to be reported in accordance with Government Auditing Standards, were disclosed during the audit.

4. No material weaknesses or significant deficiencies 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 the School District of Haverford Township expresses an unmodified opinion on all major federal programs.

6. Audit findings that are required to be reported in accordance with 2 CFR Section 200.516(a) are reported in this schedule.

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. The School District of Haverford Township did not 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

Finding SA 2023-01
Repeat Finding SA 2022-01
Federal Agencies: U.S. Department of Education
Pass-through Entity: Pennsylvania Department of Education and Delaware County Intermediate Unit
Education Stabilization Fund – Elementary and Secondary Education – Assistance Listing #84.425
I.D.E.A. – Part B, Section 611 – Assistance Listing #84.027
I.D.E.A. – Part B, Section 619 – Assistance Listing #84.173
Material Weakness in Internal Control

Condition: During our audit procedures we noted that timely and complete monthly and annual financial account reconciliations did not take place during 2022-2023. This resulted in a backlog of transactions and journal entries there were not posted to the District's accounting software. As a result, timely and complete financial information was not available for management and the Board of Directors to make well informed business decisions.

Criteria: Statement on auditing Standards No. 115 *"Communicating Internal Control Related Matters Identified in an Audit"* (***"SAS 115"***) focuses on how the auditor communicates matters related to internal controls to the client. One area SAS 115 emphasizes is internal control over financial reporting.

Cause: The District did not properly follow its procedures of reconciling and closing its financial records on a monthly and annual basis.

Effect: Errors and/or fraud can occur and not be detected and corrected on a timely basis. Material errors were identified and adjusted during our audit procedures.

Recommendation: Implement safeguards to ensure responsible business office employees are held accountable for following procedures to ensure timely and complete monthly and annual financial reporting.

Status: Timely and complete monthly and annual financial reconciliations did take place during 2023-2024. This finding is no longer applicable.

SA 2023-02 Single Audit Submission to Federal Audit Clearinghouse
Federal Agencies: U.S. Department of Education
Pass-through Entity: Pennsylvania Department of Education and Delaware County Intermediate Unit
Education Stabilization Fund – Elementary and Secondary Education – Assistance Listing #84.425
I.D.E.A. – Part B, Section 611 – Assistance Listing #84.027
I.D.E.A. – Part B, Section 619 – Assistance Listing #84.173
Significant Deficiency

Condition: The audit for fiscal year 2022 was not completed and submitted timely to the Federal Audit Clearinghouse by the appropriate due date as required by the Uniform Guidance.

Criteria: As required by the Uniform Guidance the audit shall be completed and reporting packages shall be submitted to the Federal Audit Clearinghouse within the earlier of 30 days after receipt of the auditor's report or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for the audit.

Effect: In accordance with the Uniform Guidance, the District did not meet the criteria for a low-risk auditee because the audit was not filed by the due date.

Cause: Delays in the independent audit process prevented the timely filing of the audit with the Federal Audit Clearinghouse as required by the Uniform Guidance.

Recommendation: Implement procedures with the District to ensure the timely filing of the audit with the Federal Audit Clearinghouse as required by the Uniform Guidance.

Management's Response: The District has implemented financial policies and procedures to ensure a timely independent audit process and subsequent timely filing of the audit with the Federal Audit Clearinghouse.

Status: The audit for fiscal year 2023 was completed and submitted timely to the Federal Audit Clearinghouse by the appropriate due date as required by the Uniform Guidance. This finding is no longer applicable.