Financial Statements

June 30, 2023

York Suburban SCHOOL DISTRICT

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
York Suburban School District
York, Pennsylvania

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of York Suburban School District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of York Suburban School District, as of June 30, 2023, 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 York Suburban School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, for the year ended June 30, 2023, the York Suburban School District adopted new accounting guidance, *GASBS No. 96, Subscription-Based Information Technology Arrangements.* Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 15, the budgetary comparison schedule on page 60, and the schedules related to the pension and OPEB liabilities on pages 61 to 65 be presented to supplement the basic financial statements. Such information is the responsibility of management and although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied

certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise York Suburban School District'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 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 Information

Management is responsible for the other information included in the annual report. The other information comprises the statistical data schedule but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards,* we have also issued our report dated February 6, 2024, on our consideration of York Suburban School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 York Suburban School District's internal control over financial reporting and compliance.

Smith Elliott Kearns & Company, LLC

York, Pennsylvania
February 6, 2024

The York Suburban School District Management Discussion and Analysis is meant to provide an objective and easily readable analysis of the School District's financial activities for fiscal year ending June 30, 2023 as compared to June 30, 2022, based on currently known facts, decisions and conditions. For purposes of the MD&A, currently known facts are information that management is aware of as of the date of the auditor's report and are based on what has happened, not on what might happen. The intent of this discussion and analysis is to look at the School District's financial performance as a whole to help in assessing whether the financial position has improved or deteriorated as a result of the year's activities.

This annual report consists of three parts: the management's discussion and analysis (MD&A), the basic financial statements, and required supplemental information. The Management Discussion and Analysis is an element of the reporting model specified in the Governmental Accounting Standards Board (GASB) Statement #34 – Basic Financial Statements and Management's Discussion and Analysis – for State and Local Governments. The basic financial statements consist of district-wide financial statements, fund financial statements and notes to financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

The accompanying financial statements for the York Suburban School District for the fiscal year ended June 30, 2023, have been prepared in accordance with GASB Statement 34 and present both district-wide and fund level financial statements.

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

The statement of net position presents financial information on all of the School District's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating. Net position is classified into three components as follows:

- **Net Investment in Capital Assets**: This amount consists of capital assets, net of accumulated depreciation and reduced by outstanding debt, excluding unspent bond proceeds, bond premiums and discounts, and deferred refunding proceeds.
- **Restricted Net Position**: This amount is restricted by external creditors, granters, contributors or laws or regulations of other governments.
- **Unrestricted Net Position**: This amount is all net position that is not invested in capital assets or restricted net position.

The statement of activities presents information showing how the School District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods.

Both of the district-wide financial statements distinguish functions of the School District that are principally supported by property taxes and intergovernmental revenues, governmental activities, from other functions that are intended to recover all or a significant portion of their costs through user fees and charges, business-type activities. The governmental activities of the School District are

categorized as instructional, instructional student support, administrative and financial support, operation and maintenance of plant, pupil transportation, student activities, facilities acquisition, construction and improvement, community service, interest on long-term debt and unallocated depreciation. The business-type activities of the School District include operations of the food service fund.

A) **School District-Wide** - financial statements show financial information about the activities of the School District as a whole and provide a longer-term view of the School District's finances. Both the Statement of Net Position and the Statement of Activities provide information on an accrual basis and distinguish between those activities that are governmental and those considered business-type activities. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the School District are included in these statements.

- *Governmental Activities:* Most of the School District's services are included here such as regular and special education, student transportation, administration, and community services. The School District's long-term debt and capital assets are also included here. Property taxes and other local revenue finance most of the activities, with state and federal subsidies providing some assistance.

- *Business-type Activities:* The School District runs a self-supporting food service program for students and staff and charges fees to cover costs. This is the only business-type activity in the School District.

B) **Fund Financial Statements -** financial statements provide separate information for the School District's most significant funds, or **Major Funds**. **Non-major** funds, as described by GASB 34, are aggregated and presented together. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the School District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

The governmental funds at York Suburban include:

- General Fund
- Capital Reserve
- Capital Projects
- Special Revenue Funds (Student Sponsored Activity Fund)
- Debt Service

C) **Proprietary Funds** – are those for which the School District is accounts for operations that are financed and operated in a manner similar to private business enterprise. The Food Service Fund and the Internal Service Fund are the only propriety funds in the School District. The food service fund provides goods and services to student on a continuing basis and is financed through user charges.

The internal service fund records medical and dental expenses to monitor performance and intends on providing rate stabilization in future years. This fund comprises employee and School District contributions to offset medical, dental, and vision costs for staff members.

D) **Fiduciary Funds -** are those for which the School District is merely a trustee, or fiduciary. The activities in fiduciary funds are excluded from other financial statements of the School District, because the assets cannot be used to finance School District operations. The School District currently has no funds classified as fiduciary.

REPORTING THE SCHOOL DISTRICT AS A WHOLE

As noted earlier, the net position may serve over time as a useful indicator of a government's financial position. The statement of net position provides the perspective of the School District as a whole. The condensed statements of net position and condensed statements of activities in Table 1 and Table 2 present summarized financial data from the district-wide financial statements located in the basic financial statements section of this report. This information is presented in comparative form, with totals from the financial statements for the fiscal years ended June 30, 2023 and 2022 and with totals for the primary government as a whole.

Comparative Summary of Net Position

Table 1

	Governmental Activities		Business Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current Assets	$ 38,798,276	$ 33,873,076	$ 1,897,099	$ 1,635,688	$ 40,695,375	$ 35,508,764
Noncurrent Assets	22,203	27,548	-	-	22,203	27,548
Capital Assets	39,809,150	42,509,903	329,210	263,451	40,138,360	42,773,354
Total Assets	78,629,629	76,410,527	2,226,309	1,899,139	80,855,938	78,309,666
Deferred Outflows of Resources	13,346,507	14,917,133	-	-	13,346,507	14,917,133
Total Deferred Outflows of Resources	13,346,507	14,917,133	-	-	13,346,507	14,917,133
Total Assets and Deferred Outflows of Resources	$ 91,976,136	$ 91,327,660	$ 2,226,309	$ 1,899,139	$ 94,202,445	$ 93,226,799
Current Liabilities	$ 15,215,765	$ 11,877,344	$ 80,848	$ 104,995	$ 15,296,613	$ 11,982,339
Long-term Liabilities	115,312,676	115,401,029	-	-	115,312,676	115,401,029
Total Liabilities	130,528,441	127,278,373	80,848	104,995	130,609,289	127,383,368
Deferred Inflows of Resources	4,860,952	14,291,340	-	-	4,860,952	14,291,340
Total Deferred Inflows of Resources	4,860,952	14,291,340	-	-	4,860,952	14,291,340
Net Position						
Net investment in capital assets	15,670,607	14,521,824	329,210	263,451	15,999,817	14,785,275
Restricted	2,923,767	2,920,260	-	-	2,923,767	2,920,260
Unrestricted	(62,007,631)	(67,684,137)	1,816,251	1,530,693	(60,191,380)	(66,153,444)
Total Net Position	(43,413,257)	(50,242,053)	2,145,461	1,794,144	(41,267,796)	(48,447,909)
Total Liabilities and Net Position	$ 91,976,136	$ 91,327,660	$ 2,226,309	$ 1,899,139	$ 94,202,445	$ 93,226,799

Governmental Activities

On June 30, 2023 the School District had total assets from governmental activities of $ 78,629,629; which was an increase of $ 2,219,102 or 2.90% during the fiscal year. Total governmental deferred outflows decreased by $ 1,570,626 and deferred inflows decreased by $ 9,430,388, while governmental liabilities increase by $ 3,250,068. Factors that significantly affected net position in the 2022-2023 fiscal year were:

- General fund cash and investments increased by $ 7,824,062 from the prior year while capital projects cash and investments (capital projects and capital reserves) decreased by $ 170,179.

- The largest portion of the School District's net position reflects its investments in capital assets, less any related outstanding debt that was used to acquire those assets. Capital assets, which consist of the School District's land, buildings, building improvements, furniture, and equipment, represented 51% of the School District's total assets in 2023 and 56% in 2022. This amounted to $ 39,809,150 and $ 42,509,903 at the fiscal years ended June 30, 2023 and 2022.

- The Government Accounting Standards Board ("GASB") Statement No. 68, Accounting and Financial Reporting for Pensions, which requires the School District to record its proportionate share of net pension liability, which will be the School District's greatest liability for purposes of this statement. The total net pension liability as of June 30, 2023 amounted to $ 79,492,195 compared to $ 73,327,320 as of June 30, 2022.

- Outstanding debt accounted for 25% of the School District's total liability as of June 30, 2023 and 29% as of June 30, 2022.

Cost of Services and Change in Net Position

Table 2

	Year Ended June 30, 2023			Year Ended June 30, 2022		
	Total Cost of Services	Net Cost of Services	Program Revenue	Total Cost of Services	Net Cost of Services	Program Revenue
Expenses – Governmental						
Instruction	$ 40,669,364	$ 31,917,415	$ 8,751,949	$ 39,938,024	$ 30,365,080	$ 9,572,944
Instructional Student Support	5,299,129	4,512,256	786,873	4,890,866	4,153,436	737,430
Administrative and Financial Support	4,937,257	4,359,338	577,919	4,663,453	4,132,543	530,910
Operation of Maintenance and Plant Services	4,812,619	4,472,351	340,268	4,497,641	4,180,830	316,811
Pupil Transportation	2,872,613	2,220,570	652,043	2,617,544	2,103,377	514,167
Student Activities	1,113,752	854,747	259,005	1,052,422	825,815	226,607
Community Services	13,871	(22,634)	36,505	36,773	17,640	19,133
Interest on Long-Term Debt	951,474	626,438	325,036	1,095,738	840,111	255,627
Expenses – Business Type						
Food Service	2,017,403	(296,714)	2,314,117	1,763,475	(744,908)	2,508,383
Totals	$ 62,687,482	$ 48,643,767	$ 14,043,715	$ 60,555,936	$ 45,873,924	$ 14,682,012

Overall, governmental program expenses excluding business-type activity, debt service payments, and transfers, increased by 3% from $ 58,792,461 in 2021-22, to $ 60,670,079 in 2022-23.

Other major changes in expenses can be primarily attributed to the following:

- Total annual wages increased overall by 1.58% or $ 414,687 due to contractual obligations.

- The PSERS employer contribution rate for employee retirement increased, changing to 35.26% in 2022-23 from 34.94% in 2021-22. Retirement expenses increased by $ 200,830 as wages increased. Retirement expense was 34% of total wages.

- The School District moved to a self-funded high deductible plan in 2018-19. Total claims cost for medical and prescription in 2022-23 totaled $ 4,516,995 compared to the prior year at $ 4,883,500. The decrease is largely due to a decrease in high claimant cost from the prior year. The self-insured fund is funded by employer and employee contributions.

- The total expense to reimburse other educational agencies for educational services provided to students residing in the School District totaled $ 4,150,030 for 2022-23 compared to $ 5,024,690 for 2021-22. As of June 30, 2023, cyber/charter school tuition was $ 2,584,689 compared to $ 3,161,699 as of June 30, 2022.

- The total transportation cost as of June 30, 2023 totaled $ 2,536,336 compared to $ 2,367,144 as of June 30, 2022.

- Program Revenues offset School District total costs 22.4% in year ended June 30, 2023 and 24.2% in year ended June 30, 2022. Program Revenue consists of charges to users and operating or capital grants provided by state or federal subsidies that are earmarked for specific purposes.

Revenue Summary

Table 3

	Year Ended June 30, 2023		Year Ended June 30,2022	
Revenue Source	**General Revenue**	**Program Revenue**	**General Revenue**	**Program Revenue**
General Revenue				
Property and Other Taxes	$ 50,177,795	$ -	$ 49,788,315	$ -
Grants, entitlements unrestricted	5,366,458	-	4,084,262	-
Investment earnings	771,291	-	86,850	-
Miscellaneous	328,172	-	286,262	-
Program Revenue				
Charges for services	-	988,548	-	294,685
Operating grants and contributions	-	12,730,131	-	14,131,700
Capital grants and contributions	-	325,036	-	255,627
Total Revenue	$ 56,643,716	$ 14,043,715	$ 54,245,689	$ 14,682,012

The additional revenue needed to support the School District services is derived from taxes, investment earnings, or grants and entitlements from the state which are not restricted for specific programs. General revenues provided 90% of the School District's total financial support in the year ending June 30, 2023 and 90% in the year ending June 30, 2022.

The School District's 2023 governmental revenues increased by 4.13% or $ 2,240,765. Primary contribution are as follows:

- Real Estate taxes collected increased by 3.11 % or $ 1,328,134 from the prior year. Assessed values decreased by .32% over the previous year resulting in a decrease in revenues. Additionally, the board of directors approved 4.00% millage increase. The School District collected 100% budgeted real estate revenues. The average real estate collection rate is 97%.

- Operating grants and contributions decrease by 5%, or $ 649,395 from 2021-22. This is a direct result of COVID relief grants available to the School District. The School District must spend 100% of the total grants by September 30, 2024.

- Charges for services increased by 126% or $ 135,955. These services include revenues received from other school districts for mainstreaming children placed in private homes, rental of school facilities, shared cost for transportation of foster and homeless students and admission revenues.

- Interest earnings increased by 80% or $ 684,441.

Change in Net Position

Table 4

	Net Position June 30, 2023	Net Position June 30, 2022	Net Change
Governmental Activities	$ (43,413,257)	$ (50,242,053)	$ 6,828,796
Business-type Activities	2,145,461	1,794,144	351,317
	$ (41,267,796)	$ (48,447,909)	$ 7,180,113

Fund Financial Statements - As stated earlier, these provide the reader with information on how the School District finances short-term services. Various funds are established to control and manage resources for particular purposes. GASB #34 guidelines identify three **Major Funds** for the fiscal year ended June 30, 2023. The General Fund, which is the principal operating fund for the School District, will always be listed as a **Major Fund.**

For fiscal year 2022-23 the **Capital Projects Fund** and **Debt Service Fund** are shown as Major Funds. It is anticipated these funds will be major funds for the next few years.

Major Funds Balance Sheet

- Cash and cash equivalents for the General Fund, Capital Projects Fund and Debt Service Fund combined ending June 30, 2023 equaled $ 31,315,961 and $ 23,663,959 ending June 30, 2022. (See page 18 of the Financial Statements)

- The increase is largely due increased tax receipts as well as state subsidy and federal grant receipts.

Non-Major Funds Balance Sheet

- The non-major funds for the 2022-23 school year were the Capital Reserve Fund and the Student Sponsored Activity Fund. There was a fund balance of $ 3,010,832 as of June 30, 2023 which is an increase of $ 5,619 over the prior year.

General Fund Budgetary Highlights

During the fiscal year, the Board of School Directors authorizes revisions to the original budget through budget transfers to accommodate difference from the original budget to the actual expenditures of the School District. All adjustments are again confirmed at the time of annual audit is accepted.

- The final 2022-23 net surplus totaled $ 825,144. The 2022-23 budget reflected expenditures totaling revenues, indicating no use of fund balance to balance the budget.
- Overall revenues exceeded budget by 2% or $ 1,277,473 over budget. The largest increase in actual revenues comes from two main sources, interest earnings and basic education funding allocation.

- The actual expenditures (not including transfers) were approximately $ 459,828 higher than budgeted due to unfavorable variances in salaries, IU services, cyber charter tuition, and out of district placement.

ACT 1

Special Session Act 1 of 2006, the "Taxpayer Relief Act", approved by state legislators and signed into law by Governor Rendell on June 27, 2006, created a state-wide, property tax reduction program. Act 1 enacted sweeping changes to the way school taxes are imposed and how annual school budgets are adopted.

Under Act 1, the York Suburban School District cap on any increase in the millage rate for property taxes for 2022-23 school year was 4.0 %. The School Board of Directors approved a tax increase of 4.00% for a total mill of 25.0605. Additionally, as part of the Act 1 tax relief, the School District was awarded $ 841,232 from gaming revenues to be used to reduce real estate taxes. Approved homestead and farmstead owners receive a real estate tax reduction in the amount of $ 159.57.

Significant Variances Between Final Budget and Actual Results

Significant variances between the final budget and actual result are described in the following paragraph. The table immediately following is the School District's analysis of the variances between the final budget and actual result displays the variances as illustrated in the budgetary comparison schedule.

Revenues

- ***Local***

  Actual local revenue sources came in at $ 52,325,346 compared to budget of $ 51,084,415. Of total local revenues, $ 44,094,726 or 84%, are from current real estate tax collections. The School District collected 99.87% of the budget of $ 44,148,621.

  The second largest source of local revenues is Earned Income taxes at $ 4,336,468 or 8% of local revenues.

- ***State***

  The increase in total state subsidies was due to an increase in Basic Education Funding. The district received an increase of $ 1,070,393, or 31% over budget. However, the increase was offset by areas that came in under budget. These areas included social security and pension reimbursements, pupil transportation subsidies, and plancon reimbursements.

- ***Federal***

  Federal Revenues totaled $ 1,304,722 in 2022-23 compared to $ 2,979,101 in 2021-22. The decrease is primarily due to the spending down of COVID-19 relief funds. The district is required to obligate all COVID-19 relief funds by September 30, 2024.

Expenditures

The Budget to Actual shows the various programs to be overspent during the fiscal year for instruction primarily due to higher than anticipated cost for the elementary and secondary school programs and maintenance costs. The School District's budgetary policies are described on page 31 in the notes to the Financial Statements. Overall expenditures and other uses (transfers out) were higher than the final budget due to the following:

- The final 2023 General Fund expenditures exceeded the budget by $ 459,828 or 0.8%.
- Salaries (100): Total salaries were $ 574,800 under budget, representing a 2.11% decrease. This year's variance amount is tolerable and was mainly due to labor shortages resulting in extended vacant positions.
- Benefits (200): Employee benefits came in at $ 205,913 or 1.16% under plan. This is primarily driven by a decrease in object 220 (social security) and 230 (retirement). Total salaries and benefits directly impact social security and pension reimbursements.
- Professional Services (300): Professional contracted services were $ 823,677 or 16.67% over the plan. This is primarily due to 322-IU services which came in at $ 759,809 over budget.
- Purchased Property Services (400): Purchased Property Services (400) is $ 41,579 under the plan.
- Other Purchased Property (500): Other Purchased Services is $ 104,714 under plan. This variance is primarily driven by an increase in 562-Cyber and Charter tuition, which came in at $ 285,833 under budget. Cost reductions are offset by increases in out of district placements and transportation.
- General Supplies (600): Supplies are $ 195,120 under the plan. This favorable condition represents -7.55% of the year-to-date plan amount of $ 2,390,430.
- Property (700): Property is $ 674,202 over plan. This amount is considered material and was primarily driven by an increase in 762 - capitalized equipment replacement.
- Other Objects (800): Other objects met the budget after the recording of inter-fund transfers of debt interest payments from the general fund to the debt service fund.
- Transfer/Other Financing Uses (900): Transfer/other financing was above budget by $ 735,333, reflecting the inter-fund transfer from the general fund to debt service approved by the Board of Directors.

General Fund Budget to Actual

Table 5

	Original Budget	Final Budget	Actual
Expenditures			
Instructional Programs	$ 41,938,471	$ 41,946,601	$ 42,335,541
Support services			
Instructional Support	5,900,090	5,821,785	5,495,351
Administrative and Business	5,119,355	5,148,290	5,413,857
Plant and Maintenance	3,993,411	4,069,909	3,737,960
Pupil Transportation	2,404,241	2,406,785	2,635,564
Other Programs and Services	1,450,153	1,457,625	1,514,101
Debt Service	-	-	178,449
Total Expenditures	$ 60,805,721	$ 60,850,995	$ 61,310,823

	Original Budget	Final Budget	Actual
Revenues			
Local Sources	$ 51,084,415	$ 51,084,415	$ 52,325,346
State Sources	12,797,133	13,987,504	14,306,041
Federal Sources	1,291,797	1,586,717	1,304,722
Other Sources	-	-	-
Total Revenues	$ 65,173,345	$ 66,658,636	$ 67,936,109
Other Financing Sources and (Uses)			
Transfers in/(out)	(6,060,389)	(6,015,115)	(5,845,501)
Proceeds from subscription-based IT arrangements	-	-	43,864
Proceeds from sale of capital assets	-	-	1,495
Total Other Financing Sources and (Uses)	$ (6,060,389)	$ (6,015,115)	$ (5,800,142)
Net Change in Fund Balance	$ (1,692,765)	$ (207,474)	$ 825,144

Capital Asset and Debt Administration

The Governmental and Business-Type Capital Assets decreased by 6.16% or $ 2,634,994 as this represents a full year of depreciation, equipment additions and disposals and additional construction-in-progress. In addition, the School District implemented a new accounting standard during the year requiring the capitalization of subscription-based IT arrangements and a prior period adjustment was made to capture depreciation on certain assets missed in previous years. Capital asset information is also contained in the Financial Statement Notes including Note 1 – Capital Assets and Note 7 – Capital Assets.

	June 30, 2023	June 30, 2022
Governmental Activities		
Capital assets not being depreciated		
Land	$ 485,450	$ 485,450
Construction in progress	-	1,161,402
Capital assets net of depreciation/amortization		
Site improvements	1,925,244	2,141,772
Buildings and improvements	34,978,017	36,272,111
Furniture and equipment	2,202,614	2,344,763
Right-to-use asset - lease equipment	52,132	104,405
Right-to-use asset - SBITA liability	165,693	-
Total governmental activities	39,809,150	42,509,903
Business-Type Activities		
Furniture and equipment, net of depreciation	329,210	263,451
Total business type activities	329,210	263,451
Total capital assets	$ 40,138,360	$ 42,773,354

Debt

As of June 30, 2023, the School District had total outstanding bond principal of $ 31,803,000. This represents a decrease of $ 3,972,000 over the period ending June 30, 2022.

Outstanding Debt	2022-2023	2021-2022
2013 Series	$ -	$ 220,000
2016 Series	2,075,000	2,465,000
2019 Series	9,485,000	9,490,000
2019A Series	10,705,000	13,950,000
2020 Series	9,538,000	9,650,000
Total	$ 31,803,000	$ 35,775,000

- For the year ending June 30, 2023, principal payments totaled $ 3,972,000 or approximately 6.5% of the overall general fund expenditures.
- The annual debt service payment schedules for the School District are set relatively flat. The debt service structure will not generate spikes on the expenditure side of the budget.

- The earliest debt series to expire will be in 2028, and the final current debt service payment will be in 2031.

- In addition to School District issued debt, the School District also shares a county-wide debt service for the York Technical School. The School District's share is approximately $ 230,662 per year.

CURRENTLY KNOWN FACTS OF THE SCHOOL DISTRICT

The challenges for the future for the York Suburban School District for financing the instructional programs and support services are considerable.

- The School District's tax base has remained relatively constant in the past five years. Assessed Value of real estate is at $ 1.8 billion for fiscal year 2024. There was a slight increase from 2022-23 to 2023-24.

- The School District is scheduled to issue bonds in the 2023-24 school year in anticipation of upcoming projects. The first of five scheduled borrowings total $10 million.

- The state legislature has adopted legislation, known as Act 5, which changes retirement benefits for new employees under the Public-School Employee Retirement System effective July 1, 2019. This is a further attempt to slow down projected retirement expenses for both the state government and local school districts. The PSERS rates, including this legislation, will continue to increase to just over 34% of salaries for the fiscal year 2023-24.

- Rising pension contributions costs will continue to put pressure on the School District's financial position. For fiscal year 2023 the School District budgeted to contribute $ 9 million or 14% of total governmental expenditures toward PSERS.

- The School District will be entering its fifth year of sole self-funded insurance. We did see an increase in claims over the first two years of the program. However, as we implement options to the employees that will take costs down for both the employee and employer.

- Enrollment in the York Suburban School District totals 3,027 K-12 in the 2023-24 school year as of October 1, 2023, 12 less than the prior year.

- The School District has been well recognized for considerable academic achievement which raises the level of expectation for continued excellence. The School District must ensure that the resources are available to support continued success. District-wide recognition is noted below:

2022	Niche -York Suburban High School A
2021	Niche – York Suburban High School A
2020	Niche -York Suburban High School A, #1 York County, #37 PA, #433 Nationally
2019	School Review – York Suburban High School A+
2019	School Review – York Suburban Middle School A-
2019	School Review – Indian Rock Elementary A+
2019	School Review – East York Elementary A-
2019	U.S. News and World Report -York Suburban High School
2018	U.S. News and World Report -York Suburban High School
2017	U.S. News and World Report -York Suburban High School
2016	U.S. News and World Report -York Suburban High School
2016	National Blue Ribbon High School
2015	Title I Reward School - East York Elementary School
2015	U.S. News and World Report -York Suburban High School
2015	Top Middle School in PA (SPP scores)

- While the High School has received the most frequent recognition, the School District recognizes that the other five schools in the School District contribute significantly to the success of the High School. As "feeder" schools, our elementary and middle schools provide an outstanding foundation on which the high school builds.

- School District's number of Historically Underperforming Students – identified by the Pennsylvania Department of Education as Economically Disadvantaged (36.9%), Special Education (12.8%) and English Language Learners (4.9%) – all continue to grow.

REQUESTS FOR INFORMATION

This financial report is designed to provide citizens, taxpayers, parents, investors and creditors with a general overview of the York Suburban School District's finances and to demonstrate the School District's accountability. If you have any questions about this report, please contact the Assistant to the Superintendent of Operations, at (717) 885-1210 or by mail at York Suburban School District, 1800 Hollywood Drive, York, PA, 17403.

YORK SUBURBAN SCHOOL DISTRICT
Statement of Net Position
June 30, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets			
Cash and cash equivalents	$ 34,717,528	$ 1,681,517	$ 36,399,045
Receivables			
Taxes	1,640,346	-	1,640,346
Intergovernmental	2,368,774	165,140	2,533,914
Other	70,804	7,763	78,567
Prepaid expenses	824	-	824
Inventories	-	42,679	42,679
Total current assets	38,798,276	1,897,099	40,695,375
Noncurrent Assets			
Prepaid bond insurance	22,203	-	22,203
Capital assets not being depreciated:			
Land	485,450	-	485,450
Capital assets net of accumulated depreciation/amortization:			
Site improvements	1,925,244	-	1,925,244
Buildings and improvements	34,978,017	-	34,978,017
Furniture and equipment	2,202,614	329,210	2,531,824
Right-to-use asset - equipment	52,132	-	52,132
Right-to-use asset - IT subscriptions	165,693	-	165,693
Total capital assets	39,809,150	329,210	40,138,360
Total noncurrent assets	39,831,353	329,210	40,160,563
Total Assets	78,629,629	2,226,309	80,855,938
DEFERRED OUTFLOW OF RESOURCES			
Deferred charge on bond refunding	256,649	-	256,649
Deferred outflows related to pension liability	12,020,542	-	12,020,542
Deferred outflows related to OPEB liability	1,069,316	-	1,069,316
Total deferred outflows of resources	13,346,507	-	13,346,507
Total Assets and Deferred Outflows of Resources	$ 91,976,136	$ 2,226,309	$ 94,202,445
LIABILITIES			
Current liabilities			
Accounts payable	$ 1,725,569	$ 62,911	$ 1,788,480
Accrued salaries and benefits/withholdings	8,272,162	-	8,272,162
Accrued interest	258,216	-	258,216
Unearned revenue	-	17,937	17,937
Portion due or payable within one year:			
General obligation bonds and notes payable	4,350,210	-	4,350,210
Lease obligations	52,443	-	52,443
IT subscriptions	123,000		123,000
Compensated absences	434,165	-	434,165
Total current liabilities	15,215,765	80,848	15,296,613
Noncurrent liabilities			
Portion due or payable after one year:			
General obligation bonds and notes payable	28,876,395	-	28,876,395
IT subscriptions	40,571	-	40,571
Compensated absences	1,013,050	-	1,013,050
Net pension liability	79,492,195	-	79,492,195
OPEB liability	5,890,465	-	5,890,465
Total noncurrent liabilities	115,312,676	-	115,312,676
Total Liabilities	130,528,441	80,848	130,609,289
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pension liability	2,229,000	-	2,229,000
Deferred inflows related to OPEB liability	2,631,952	-	2,631,952
Total deferred inflows of resources	4,860,952	-	4,860,952
NET POSITION			
Net investment in capital assets	15,670,607	329,210	15,999,817
Restricted	2,923,767	-	2,923,767
Unrestricted	(62,007,631)	1,816,251	(60,191,380)
Total Net Position	(43,413,257)	2,145,461	(41,267,796)
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 91,976,136	$ 2,226,309	$ 94,202,445

YORK SUBURBAN SCHOOL DISTRICT
Statement of Activities
Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-Type Activities	Net (Expense) Revenue and Changes in Net Position: Totals
GOVERNMENTAL ACTIVITIES							
Instruction	40,669,364	$ 119,893	$ 8,632,056	$ -	$ (31,917,415)	$ -	$ (31,917,415)
Instructional student support	5,299,129	-	786,873	-	(4,512,256)	-	(4,512,256)
Administration	4,937,257	-	577,919	-	(4,359,338)	-	(4,359,338)
Operation and maintenance of plant services	4,812,619	27,229	313,039	-	(4,472,351)	-	(4,472,351)
Student transportation services	2,872,613	-	652,043	-	(2,220,570)	-	(2,220,570)
Student activities	1,113,752	60,488	198,517	-	(854,747)	-	(854,747)
Community services	13,871	36,505	-	-	22,634	-	22,634
Interest and fiscal charges	951,474	-	-	325,036	(626,438)	-	(626,438)
Total Governmental Activities	60,670,079	244,115	11,160,447	325,036	(48,940,481)	-	(48,940,481)
BUSINESS-TYPE ACTIVITIES							
Food service	2,017,403	744,433	1,569,684	-	-	296,714	296,714
Total Business-Type Activities	2,017,403	744,433	1,569,684	-	-	296,714	296,714
Totals	$ 62,687,482	$ 988,548	$ 12,730,131	$ 325,036	(48,940,481)	296,714	(48,643,767)
		GENERAL REVENUES AND TRANSFERS					
		Taxes			50,177,795	-	50,177,795
		Grants and entitlements not restricted to specific programs			5,366,458	-	5,366,458
		Investment earnings			717,797	53,494	771,291
		Miscellaneous			327,063	1,109	328,172
		Total General Revenues			56,589,113	54,603	56,643,716
		Change in net position			7,648,632	351,317	7,999,949
		Net position - beginning, as restated			(51,061,889)	1,794,144	(49,267,745)
		Net position - ending			$ (43,413,257)	$ 2,145,461	$ (41,267,796)

YORK SUBURBAN SCHOOL DISTRICT
Balance Sheet - Governmental Funds
June 30, 2023

	General Fund	Capital Projects Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 22,263,809	$ 9,052,152	$ -	3,010,166	$ 34,326,127
Taxes receivable (net)	1,640,346	-	-	-	1,640,346
Intergovernmental receivables	2,368,774	-	-	-	2,368,774
Due from other funds	647,940	-	735,333	-	1,383,273
Other receivables	70,080	-	-	-	70,080
Prepaid expenditures	-	-	-	824	824
Total Assets	$ 26,990,949	$ 9,052,152	$ 735,333	$ 3,010,990	$ 39,789,424
LIABILITIES					
Accounts payable	$ 994,391	$ 4,725	$ -	$ 158	$ 999,274
Due to other funds	2,862,621	-	-	-	2,862,621
Accrued salaries and benefits/withholdings	8,272,162	-	-	-	8,272,162
Total Liabilities	12,129,174	4,725	-	158	12,134,057
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	1,112,228	-	-	-	1,112,228
Total Deferred Inflows of Resources	1,112,228	-	-	-	1,112,228
FUND BALANCES					
Nonspendable for prepaid expenditures	-	-	-	824	824
Restricted for capital improvements	-	9,047,427	-	2,923,767	11,971,194
Committed for future debt service payments	-	-	735,333	-	735,333
Committed for student activities	-	-	-	86,241	86,241
Assigned for retirement expenditures	1,425,924	-	-	-	1,425,924
Assigned for future capital purchases	800,000	-	-	-	800,000
Assigned for future debt service	3,216,152	-	-	-	3,216,152
Assigned for healthcare	1,809,738	-	-	-	1,809,738
Assigned for technology purchases	408,103	-	-	-	408,103
Assigned for special education	200,000	-	-	-	200,000
Assigned for curriculum development	384,062	-	-	-	384,062
Assigned for budgetary reserve	200,000				
Assigned for subsequent budget deficit	1,731,455	-	-	-	1,731,455
Unassigned	3,574,113	-	-	-	3,574,113
Total Fund Balances	13,749,547	9,047,427	735,333	3,010,832	26,343,139
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 26,990,949	$ 9,052,152	735,333	$ 3,010,990	$ 39,589,424

YORK SUBURBAN SCHOOL DISTRICT
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2023

Total fund balances - governmental funds		$ 26,343,139
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.		
Cost of assets	98,311,313	
Accumulated depreciation/amortization	(58,502,163)	39,809,150
An internal service fund is used by management to pay for health and dental insurance costs. The portion of net position of the internal service fund related to the governmental funds are included in the governmental activities in the Statement of Net Position.		1,145,178
Other assets are not available to pay for current period expenditures and therefore are deferred or are not recorded in the fund financial statements.		
Taxes receivable		754,301
Grants receivable		357,927
Prepaid bond insurance is expensed in governmental funds when the debt is first issued. The Statement of Net Position reports prepaid bond insurance as an asset.		22,203
Long-term liabilities are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position. Long-term liabilities and associated deferred inflows and outflows of resources consist of:		
Deferred charge on bond refunding	256,649	
Accrued interest payable	(258,216)	
Bonds and notes payable, net of discount or premium	(33,226,605)	
Lease obligations	(52,443)	
IT subscriptions	(163,571)	
Compensated absences	(1,447,215)	
Net pension liability	(79,492,195)	
Deferred outflows related to pension liability	12,020,542	
Deferred inflows related to pension liability	(2,229,000)	
OPEB liability	(5,890,465)	
Deferred outflows related to OPEB liability	1,069,316	
Deferred inflows related to OPEB liability	(2,631,952)	(112,045,155)
Net position of governmental activities in the Statement of Net Position		$ (43,613,257)

YORK SUBURBAN SCHOOL DISTRICT
Statement of Governmental Funds Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds
Year Ended June 30, 2023

	General Fund	Capital Projects Fund	Debt Service Fund	Other Governmental Fund	Total Governmental Funds
REVENUES					
Local revenues					
Taxes	$ 50,270,686	$ -	$ -	$ -	$ 50,270,686
Charges for services	251,516	-	-	-	251,516
Investment income	702,787	11,014	-	3,996	717,797
Other	325,854	-	-	101,061	426,915
Revenue from intermediary sources	774,503	-	-	-	774,503
State sources	14,306,041	-	-	-	14,306,041
Federal sources	1,304,722	-	-	-	1,304,722
Total revenues	67,936,109	11,014	-	105,057	68,052,180
EXPENDITURES					
Instruction					
Regular programs	30,963,147	-	-	-	30,963,147
Special programs	10,327,635	-	-	-	10,327,635
Vocational educational programs	979,779	-	-	-	979,779
Other instructional programs	64,980	-	-	-	64,980
Support services					
Pupil personnel	2,665,517	-	-	-	2,665,517
Instructional staff	2,113,755	-	-	-	2,113,755
Administration	4,708,335	-	-	-	4,708,335
Pupil health	716,079	-	-	-	716,079
Business	705,522	-	-	-	705,522
Operation and maintenance of plant services	3,737,960	29,931	-	-	3,767,891
Student transportation services	2,635,564	-	-	-	2,635,564
Central	352,004	-	-	-	352,004
Other support services	5,613	-	-	-	5,613
Operation of noninstructional services					
Student activities	1,142,349	-	-	99,438	1,241,787
Community services	14,135	-	-	-	14,135
Facilities acquisition, construction and improvement services	-	141,647		-	141,647
Debt service	178,449	-	5,125,053	-	5,303,502
Total expenditures	61,310,823	171,578	5,125,053	99,438	66,706,892
Excess (deficiency) of revenues over expenditures	6,625,286	(160,564)	(5,125,053)	5,619	1,345,288
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of capital assets	1,495	-	-	-	1,495
Proceeds from subscription-based IT arrangements	43,864				43,864
Transfers in (out)	(5,845,501)	(6,502)	5,852,003	-	-
Total other financing sources (uses)	(5,800,142)	(6,502)	5,852,003	-	45,359
Net change in fund balances	825,144	(167,066)	726,950	5,619	1,390,647
Fund balances - beginning	12,924,403	9,214,493	8,383	3,005,213	25,152,492
Fund balances - ending	$ 13,749,547	$ 9,047,427	$ 735,333	$ 3,010,832	$ 26,543,139

YORK SUBURBAN SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities
Year Ended June 30, 2023

Net change in fund balances - total governmental funds		$ 1,390,647
Amounts reported for Governmental Activities in the Statement of Activities are different because:		
Governmental funds report capital outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period. This is the amount by which capital outlays differed from depreciation expense in the current period.		
Depreciation/amortization expense	(3,153,586)	
Loss on disposal of capital assets	(9,792)	
Capital outlays	993,118	(2,170,260)
Revenues and expenses of the internal service fund are reported as proprietary activities in the fund financials, but a portion supports the governmental activities, and thus the net gain/(loss) applicable to the governmental activities is:		126,472
Revenues in the Statement of Activities that do not provide current financial resources are deferred or are not reported as revenues in the funds.		265,036
Repayment of bond, lease and IT subscription principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		4,150,066
Governmental funds report prepaid bond insurance and discounts as expenditures. However, in the Statement of Activities the cost of those items and deferred charge on bond refunding are amortized over the life of the related bonds.		150,534
Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds. This is the difference between the amount incurred and the amount paid of:		
Accrued interest		51,428
OPEB liability and related deferred outflows and inflows		(30,767)
Net pension liability and related deferred outflows and inflows		3,747,198
Compensated absences		(31,722)
Change in net position of governmental activities		$ 7,648,632

YORK SUBURBAN SCHOOL DISTRICT
Statement of Net Position - Proprietary Funds
June 30, 2023

	Enterprise	Internal Service
	Food Service	Self- Insurance Fund
ASSETS		
Current assets		
Cash and cash equivalents	$ 1,681,517	$ 391,401
Intergovernmental receivables	165,140	-
Other receivables	7,763	724
Interfund receivables	-	1,479,348
Inventories	42,679	-
Total current assets	1,897,099	1,871,473
Noncurrent assets		
Furniture and equipment, net	329,210	-
Total noncurrent assets	329,210	-
Total assets	$ 2,226,309	$ 1,871,473
LIABILITIES		
Current liabilities		
Accounts payable	$ 62,911	$ 726,295
Unearned revenue	17,937	-
Total current liabilities	80,848	726,295
NET POSITION		
Net investment in capital assets	329,210	-
Unrestricted	1,816,251	1,145,178
Total net position	2,145,461	1,145,178
Total liabilities and net position	$ 2,226,309	$ 1,871,473

YORK SUBURBAN SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds
Year Ended June 30, 2023

	Enterprise	Internal Service
	Food Service	Self - Insurance Fund
OPERATING REVENUES		
Charges for service/insurance premiums	$ 745,542	$ 6,330,012
Total operating revenues	745,542	6,330,012
OPERATING EXPENSES		
Food and milk purchases	925,854	-
Supplies, small equipment and contracted services	1,034,780	-
Depreciation	56,769	-
Insurance claims	-	5,976,285
Administrative fees	-	227,255
Total operating expenses	2,017,403	6,203,540
Operating (loss)	(1,271,861)	126,472
NON OPERATING REVENUES (EXPENSES)		
Federal subsidies	1,356,388	-
State subsidies	213,296	-
Earnings on investments	53,494	-
Total non operating revenue (expenses)	1,623,178	-
Change in net position	351,317	126,472
Total net position - beginning	1,794,144	1,018,706
Total net position - ending	$ 2,145,461	$ 1,145,178

YORK SUBURBAN SCHOOL DISTRICT
Statement of Cash Flows - Proprietary Funds
Year Ended June 30, 2023

	Enterprise	Internal Service
	Food Service	Self-Insurance Fund
Cash flows from operating activities		
Cash received from sales/insurance premiums	$ 650,721	$ 6,329,288
Cash paid to suppliers and service providers	(1,772,246)	-
Cash paid to and on behalf of employees	-	(7,879,311)
Net cash provided (used) by operating activities	(1,121,525)	(1,550,023)
Cash flows from capital financing activities		
Purchases of equipment	(122,528)	-
Net cash provided (used) by capital financing activities	(122,528)	-
Cash flows from noncapital financing activities		
Federal subsidies	1,251,600	-
State subsidies	188,572	-
Net cash provided (used) by noncapital financing activities	1,440,172	-
Cash flows from investing activities		
Earnings on investments	53,494	-
Net cash provided (used) by investing activities	53,494	-
Net increase (decrease) in cash and cash equivalents	249,613	(1,550,023)
Cash and cash equivalents - beginning	1,431,904	1,941,424
Cash and cash equivalents - ending	$ 1,681,517	$ 391,401
Reconciliation of income (loss) from operations to net cash provided (used) by operating activities		
Cash flows from operating activities		
Operating (loss)	$ (1,271,861)	$ 126,472
Adjustments to reconcile operating loss to net cash provided (used) in operating activities:		
Donated inventory used	160,175	-
Depreciation	56,769	-
(Increase) decrease in:		
Accounts receivable	(7,763)	(724)
Inventories	(25,178)	-
Increase (decrease) in:		
Accounts payable	62,911	438,884
Interfund payables	(9,520)	(2,114,655)
Unearned revenue	(87,058)	-
Total adjustments	150,336	(1,676,495)
Net cash provided (used) by operating activities	$ (1,121,525)	$ (1,550,023)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations and Reporting Entity

York Suburban School District (School District) operates a public school system, which is comprised of the Townships of Spring Garden and Springettsbury.

The School District consists of York Suburban High School, York Suburban Middle School, and the Valley View, Yorkshire, Indian Rock, East York Elementary Schools, as well as the School District Administration Office which is located in the Education Center.

Reporting Entity

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

Joint Ventures

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

York County School of Technology. The School District is one of fourteen member school districts participating in the operation of the York County School of Technology. The School is operated, administered, and managed by a joint operating committee consisting of board members from the fourteen member school districts. These members are elected by their individual school district board of directors. The School District's share of annual operating and capital costs for York County School of Technology are reflected as intergovernmental expenditures of the General Fund. During the year ended June 30, 2023, the School District paid $ 985,756 to the York County School of Technology for operating expenditures. In addition, the School District paid $ 235,945 to the York County School of Technology Authority for debt service payments.

York/LIU Joint Authority. This is a separate legal entity organized by thirteen local school districts to provide services in York County. Each of the member school districts appoints one member to serve on the joint operating committee, and each has an ongoing financial responsibility to fund the Center’s operations. During the year ended June 30, 2023, the School District paid $ 67,250 to the Authority for these services.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

Lincoln Intermediate Unit #12. This is a separate legal entity organized by constituent school districts in York, Adams, and Franklin counties to provide services to the school districts. Each member school district appoints one member to serve on the Board of Directors of the Intermediate Unit. The School District contracts with the Intermediate Unit primarily for special education services and training. During the year ended June 30, 2023, the School District paid $ 3,210,373 to the Lincoln Intermediate Unit.

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

Fund Accounting

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

1. Governmental Funds

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

a. General Fund

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

b. Capital Reserve Fund

This fund is authorized by P. L. 145, Act of April 30, 1943, known as 53 PS 1432, and accounts for monies transferred during any fiscal year from appropriations, or from surplus monies in the General Fund, to be used for future capital improvements.

c. Capital Projects Fund

The Capital Projects Fund is used to account for financial resources obtained for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds and Trust Funds).

d. Debt Service Fund

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting (Continued)

e. Student Sponsored Activity Fund

This fund is used to account for monies raised by student clubs through fundraising and pay for expenditures for student activities such as field trips.

2. Proprietary Funds

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

a. Food Service Fund (Enterprise Fund)

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

The School District does not attempt to allocate "building-wide costs" to the food service fund. Thus, general fund expenditures which partially benefit the food service fund (utilities, janitorial services, insurance, etc.) are not proportionately recognized within the food service fund; similarly, the food service fund does not recognize a cost for the building space it occupies (no rental-of-facilities expense).

b. Self-Insurance Fund (Internal Service Fund)

This fund is used to account for resources, derived primarily from premiums collected from other funds, for payment of medical and dental insurance premiums and claims.

3. Fiduciary Funds

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

Basis of Presentation

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

Fund Financial Statements - Fund financial statements report detailed information about the School District. The focus of governmental and proprietary fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

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

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

Fiduciary funds, when applicable, would be reported using the economic resources measurement focus.

Basis of Accounting

The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting (Continued)

Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Net position (total assets and deferred outflows of resources less total liabilities and deferred inflows of resources) is used as a practical measure of economic resources and the operating statement includes all transactions and events that increased or decreased net position. Depreciation is charged as expense against current operations and accumulated depreciation is reported on the statement of net position.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing food services, including charges for meals and costs of food, salaries and benefits, depreciation, and other expenses. Federal and State subsidies are considered non-operating revenues as no exchange transaction occurs.

Cash and Investments

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

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

All investments are stated at cost, which approximates fair value.

Inventories

The Food Service Fund food inventory consists of expendable supplies held for consumption and federal government donated commodities that are valued at estimated fair market value. The expendable supplies are recorded as an expense when used. The cost of governmental fund inventories are recorded as expenditures when purchased rather than when consumed. The value of governmental fund inventories is not significant at June 30, 2023.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The School District maintains a capitalization threshold of $ 1,500. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed. Interest incurred during the construction of capital assets is not capitalized.

All reported capital assets except land and construction-in-progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

	Governmental Activities	Business- Type Activities
Site improvements	20 years	N/A
Buildings and improvements	20 - 50 years	N/A
Furniture and equipment	5 - 20 years	5 - 10 years
Right-to-use asset – leased equipment	3 years	N/A
Right-to-use asset – IT subscriptions	1-3 years	N/A

Long-Term Obligations

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Internal Balances/Activity

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

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

Use of Estimates

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

Budgets and Budgetary Accounting

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

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

1. The School District, before levying annual school taxes, is required to prepare an operating budget for the succeeding fiscal year.

2. The Board of School Directors may make transfers of funds appropriated to any particular item of expenditure by legislative action. An affirmative vote of two-thirds of all members of the Board is required.

3. Fund balances in budgetary funds may be appropriated based on resolutions passed by the Board of Education, which authorize the School District to make expenditures. Appropriations lapse at the end of the fiscal period.

4. Included in the General Fund budget are program budgets as prescribed by the state and federal agencies funding the programs. These budgets are approved on a program-by-program basis by the state or federal funding agency.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Retirement Plans

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

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public School Employees' Retirement 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 refund of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Compensated Absences

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

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

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

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

Other Postemployment Benefits Other Than Pensions

The School District provides postemployment benefits by permitting retired employees the ability to participate in the employee health plan through a single employer defined benefit other post-employment benefit plan (OPEB). For teachers and classified employees, 100% of the premium is paid by the retirees and thus the School District is providing an implicit rate subsidy to this group of retirees. This benefit is terminated at age 65. For administrators meeting certain qualifications, the School District will pay the full premium for the employee only until the earlier of ten (10) years from the date of retirement or until the administrator reaches the ages of Medicare eligibility. The School District also participates in postemployment benefits offered through the PSERS cost-sharing retirement plan.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other Postemployment Benefits Other Than Pensions (Continued)

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

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the PSERS and additions to/deductions from PSERS's fiduciary net position have been determined on the same basis as they are reported by PSERS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Leases

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

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

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

- The School District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the School District generally uses its estimated incremental borrowing rate as the discount rate for leases.

- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and any purchase option price that the School District is reasonably certain to exercise.

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

Subscription-Based Information Technology Arrangements

During the year ended June 30, 2023, the School District adopted GASB No. 96 for accounting for Subscription Based Information Technology Arrangements (SBITA).

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subscription-Based Information Technology Arrangements (Continued)

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

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

- The School District uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not provided, the School District generally uses its estimated incremental borrowing rate as the discount rate for subscriptions.

- The subscription term includes the noncancellable period of the subscription arrangement. Subscription payments included in the measurement of the subscription liability are composed of fixed payments and any renewal provisions that the School District is reasonably certain to exercise.

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

Deferred Outflows and Inflows of Resources

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position – Government-Wide/Proprietary Funds

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

Net Investment in Capital Assets: This component consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those capital assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of debt is included in the same net position component as the unspent proceeds. Deferred outflows of resources and deferred inflows of resources attributable to acquisition, construction, or improvement of assets or related debt also should be included in this component of net position.

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

As of June 30, 2023, restricted net position in governmental activities consist of the following:

Capital Reserve Fund	
Restricted for future capital expenses	$ 2,923,767
	$ 2,923,767

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

Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted-net position and unrestricted net position, a flow assumption must be made about the order in which the resources are considered to be applied. It is the School District's policy to use restricted resources first, then unrestricted resources as they are needed.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance – Governmental Funds

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

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

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

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

Assigned: This classification includes spendable amounts that are reported in governmental funds other than in the General Fund that are neither restricted nor committed and amounts in the General Fund that are intended to be used for a specific purpose. The intent of an assigned fund balance should be expressed by either the School Board, or a subordinate high-level body, such as the finance committee, superintendent, or Director of Finance that is authorized to assign amounts to be used for specific purposes. As detailed in its Fund Balance Policy, the School Board has authorized the Director of Finance and Support Services to make assignments of fund balance.

Thus, these assignments can be made or changed without formal action of the full Board. The assignment of fund balance cannot result in a negative unassigned fund balance.

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

Minimum Fund Balance Policy

The School District will strive to maintain an unassigned fund balance of not less than 5% and not more than 8% of the budgeted expenditures for that fiscal year. If the unassigned portion of fund balance falls below the threshold of 4%, the Board will pursue variations of increasing revenues and decreasing expenditures, or a combination of both, until 5% is attained.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Policy Regarding Order of Spending

It is the School District's policy to use restricted resources first and then apply unrestricted resources in the following order: unassigned, assigned and committed. This order of spending may be altered per board approval.

NOTE 2 CASH AND INVESTMENTS

Section 440.1 of the Pennsylvania School Code and Act 10 of 2016 authorizes the School District to invest in the following:

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

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of bank failure, the School District's deposits may not be returned to it. The School District does not have a written policy for custodial credit risk. As of June 30, 2023, $ 16,341,043 of the School District's bank balance of $ 16,591,043 was exposed to custodial credit risk as follows:

Uninsured and collateral held by the pledging bank's trust department not in the School District's name	$ 16,341,043

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

Credit Risk - Investments

Included in cash and cash equivalents are pooled investments in the Pennsylvania School District Liquid Asset Fund (PSDLAF-MAX) of $ 20,444,916. The PSDLAF-MAX is basically a mutual fund that consists of short-term money market instruments and seeks to maintain a constant net asset value of $ 1 per share. PSDLAF-MAX deposits are invested by PSDLAF directly in portfolios of securities held by a third-party custodian and are collateralized with securities held by the PSDLAF agent in a collateral pool. The School District is exposed to custodial credit risk because the collateral securities held by PSDLAF agents are not in the School District's name.

The School District does not have a formal written investment policy that limits its investment choices to certain credit ratings. As of June 30, 2023, the School District's investments in PSDLAF are rated AAAm by Standard and Poors.

Policies Followed at PSDLAF

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

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

NOTE 3 PROPERTY TAXES

Property taxes are levied on July 1. Taxes are collected at a discount until August 31, at their face amount from September 1 until October 31, and include a penalty thereafter. The taxes are billed by York Suburban School District. One Township is collected by an appointed tax collector and the other is collected by the School District. Delinquent real estate taxes are sent to York County Tax Claim Bureau for collection on December 31.

NOTE 4 TAXES RECEIVABLE/DEFERRED INFLOWS OF RESOURCES

The School District collects property taxes, earned income taxes, other taxes, and fees primarily from taxpayers located in the following municipalities within York County, Pennsylvania: Spring Garden Township and Springettsbury Township.

Taxes receivable consist of the following as of:

	June 30, 2023
Real estate taxes receivable	$ 1,640,346
Taxes collected within sixty days, recorded as revenues in governmental funds	(886,045)
Real estate taxes to be collected after sixty days, recorded as deferred inflows of resources in governmental funds	$ 754,301
Unavailable tax revenue	$ 754,301
Unavailable grant revenue	357,927
Unavailable revenue - deferred inflows of resources	$ 1,112,228

Tax Abatements

Pennsylvania Clean and Green Program

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

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

For the fiscal year ended June 30, 2023, total School District property taxes of $ 52,507 were abated under this program.

NOTE 5 INTERNAL BALANCES

Interfund receivable and payable balances consist of the following as of:

	June 30, 2023	
Funds	Due from Other Funds	Due to Other Funds
Governmental Funds		
General	$ -	$ 2,214,681
Debt service	735,333	-
Proprietary Funds		
Internal service - self-insurance	1,479,348	-
	$ 2,214,681	$ 2,214,681

The general fund owed the debt service fund for the balance to open new a bank account.

The general fund owed the self-insurance fund for insurance premiums not transferred by year-end.

The self-insurance fund owed the general fund for cash that was transferred in excess of what should have been and was not transferred back before year-end.

Transfers to/from other funds consist of the following as of:

	June 30, 2023	
Funds	Transfers In	Transfers Out
Governmental Funds		
General	$ -	$ 5,845,501
Capital project	-	6,502
Debt service	5,852,003	-
	$ 5,852,003	$ 5,852,003

The general fund transferred to the debt service fund to cover required annual debt payments and amount to open a new bank account.

The capital project fund transferred to the debt service fund to clear out a transfer incorrectly posted in a past year.

NOTE 6 INTERGOVERNMENTAL RECEIVABLES

Amounts due from other governments consist of the following as of June 30, 2023:

	General Fund	Food Service Fund
Federal subsidies	$ 136,853	$ 134,470
State subsidies	2,203,383	30,670
Local governments	28,538	-
	$ 2,368,774	$ 165,140

NOTE 7 CAPITAL ASSETS

Capital asset activity for the School District consists of the following as of and for the year ended June 30, 2023:

	Restated Balance June 30, 2022	Additions	Retirements	Balance June 30, 2023
Governmental Activities				
Capital assets not being depreciated				
Land	$ 485,450	$ -	$ -	$ 485,450
Construction in progress	1,161,402	15,700	(1,177,102)	-
Capital assets being depreciated/amortized				
Site improvements	6,161,384	-	-	6,161,384
Buildings and improvements	79,772,053	1,177,102	-	80,949,155
Furniture and equipment	9,330,024	977,418	(38,139)	10,269,303
Right-to-use asset - leased equipment	156,678	-	-	156,678
Right-to-use asset - IT subscriptions	245,479	43,864	-	289,343
	97,312,470	2,214,084	(1,215,241)	98,311,313
Accumulated depreciation/amortization				
Site improvements	(4,019,612)	(216,528)	-	(4,236,140)
Buildings and improvements	(43,669,182)	(2,301,956)	-	(45,971,138)
Furniture and equipment	(7,635,857)	(459,179)	28,347	(8,066,689)
Right-to-use asset - leased equipment	(52,273)	(52,273)	-	(104,546)
Right-to-use asset - IT subscriptions	-	(123,650)	-	(123,650)
	(55,376,924)	(3,153,586)	28,347	(58,502,163)
	$ 41,935,546	$ (939,502)	$ (1,186,894)	$ 39,809,150
Business-Type Activities				
Furniture and equipment	$ 1,396,595	$ 122,528	$ -	$ 1,519,123
Accumulated depreciation	(1,133,144)	(56,769)	-	(1,189,913)
	$ 263,451	$ 65,759	$ -	$ 329,210

Depreciation/amortization expense for the year ended June 30, 2023 was charged to governmental functions as follows:

Instruction	$ 1,884,291
Instructional student support	60,314
Administration	40,531
Operation and maintenance of plant services	1,140,711
Transportation	681
Student activities	27,058
	$ 3,153,586

NOTE 8 ACCRUED SALARIES AND BENEFITS

Accrued salaries and benefits consist of the following as of:

	June 30, 2023
Accrued salaries	$ 2,043,944
Social security	149,015
Retirement	5,755,069
Payroll withholdings	324,134
	$ 8,272,162

NOTE 9 LONG-TERM LIABILITIES

General Obligation Bonds and Notes

General Obligation Bonds and Notes are direct obligations issued on a pledge of the general taxing power of the School District.

	Balance June 30, 2023
Bonds	
General Obligation Bond Series of 2019; dated February 21, 2019; due in annual installments through May 1, 2031; bearing interest rates of 1.90% to 4.00%.	$ 9,485,000
General Obligation Bond Series A of 2019; dated October 29, 2019; due in annual installments through June 30, 2028; bearing interest rates of 2.00% to 5.00%.	10,705,000
Direct Borrowing	
General Obligation Note Series of 2016; dated May 2, 2016; due in annual installments through June 1, 2028; bearing interest rate of 2.27%.	2,075,000
General Obligation Note Series of 2020; dated October 13, 2020; due in annual installments through May 1, 2029; bearing interest rate of 1.40%.	9,538,000
Total	31,803,000
Net bond premium	1,423,605
Net debt	$ 33,226,605
Due within one year	$ 4,350,210
Due in more than one year	28,876,395
	$ 33,226,605

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

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

Maturities

The principal and interest maturities of the General Obligation Bonds, Notes, Lease Obligations and subscription liabilities as of June 30, 2023 are detailed below.

	Bonds		Direct Borrowings	
Years Ended June 30	Principal	Interest	Principal	Interest
2024	$ 3,565,000	$ 823,560	$ 522,000	$ 184,450
2025	3,710,000	681,050	532,000	173,612
2026	2,435,000	532,700	1,963,000	162,590
2027	500,000	411,050	4,051,000	130,878
2028	520,000	39,110	4,117,000	69,058
2029-2031	9,460,000	591,150	428,000	6,163
	$ 20,190,000	$ 3,078,620	$ 11,613,000	$ 726,751

	Lease Obligations		Subscription Liabilities		Total	
Years Ended June 30	Principal	Interest	Principal	Interest	Principal	Interest
2024	$ 52,443	$ 81	$ 123,000	$ 3,006	$ 4,139,443	$ 1,008,091
2025	-	-	40,571	886	4,242,000	854,662
2026	-	-	-	-	4,398,000	695,290
2027	-	-	-	-	4,551,000	541,928
2028	-	-	-	-	4,637,000	108,168
2029-2031	-	-	-	-	9,888,000	597,313
	$ 52,443	$ 81	$ 163,571	$ 3,892	$ 31,855,443	$ 3,805,452

Lease Obligation

The School District entered into a lease agreement with a remaining term of two years for the use of copiers. An initial lease liability was recorded in the amount of $ 152,542. As of June 30, 2023, the value of the lease liability is $ 52,443. The School District is required to make monthly fixed payments of $ 4,377. The lease has an interest rate of 0.2850%. The associated right-to-use asset is disclosed in the Capital Asset footnote.

Information Technology (IT) Subscription Liabilities

The School District entered into several subscription arrangements ranging from 1 to 3 years for the use of subscription-based information technology. The arrangements require annual principal and interest payments ranging from $ 11,457 to $ 59,100 based on a range of interest rates from 0.32% to 2.18%. The associated right-to-use asset is disclosed in the Capital Assets footnote.

Compensated Absences

Accumulated compensated absences represent the earned vacation, personal and sick pay as of June 30, 2023. All staff receive a payment upon retirement for their sick leave calculation if they retire officially through the Public School Employees' Retirement System and have at least 10 years of service with the School District. In addition, administrative employees receive accumulated vacation pay upon retirement. All employees may carry over up to 4 days of personal leave or receive a payout of unused leave at the end of the year.

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

Summary of Changes in Long-Term Liabilities

Changes in long-term liabilities consist of the following for the year ended June 30, 2023:

	Balance Beginning	Additions	Reductions	Balance Ending	Current	Long-Term
Governmental Activities						
General obligation bonds	$ 23,660,000	$ -	$ (3,470,000)	$ 20,190,000	$ 3,565,000	$ 16,625,000
General obligation note - direct borrowing	12,115,000	-	(502,000)	11,613,000	522,000	11,091,000
Lease obligations	104,737	-	(52,294)	52,443	52,443	-
Subscription liabilities	245,479	43,864	(125,772)	163,571	123,000	40,571
Compensated absences	1,415,493	1,937,769	(1,906,047)	1,447,215	434,165	1,013,050

Subsequent Event

In September 2023, the School District issued debt in the amount of $ 9,995,000 intended to fund the construction of a new elementary school, athletic facilities renovations and various related equipment and furnishing purchases. Semi-annual principal and interest payments are set to begin in March 2024.

NOTE 10 PENSION PLAN

General Information About the Pension Plan

Plan Description

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

Benefits Provided

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

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

NOTE 10 PENSION PLAN (CONTINUED)

General Information About the Pension Plan (Continued)

Benefits Provided (Continued)

Benefits are generally equal to 2% or 2.5%, depending upon membership class, of the member's final average salary (as defined by the Code) multiplied by the number of years of credited service. For members whose membership started prior to July 1, 2011, after completion of five years of service, a member's right to the defined benefits is vested and early retirement benefits may be elected. For Class T-E and Class T-F members, the rights to benefits are vested after ten years of service.

Act 5 of 2017 (Act 5) introduced a hybrid benefit plan with two membership classes and a separate defined contribution plan for individuals who become new members on or after July 1, 2019. Act 5 created two new hybrid membership classes, Membership Class T-G (Class T-G) and Membership Class T-H (Class T-H) and the separate defined contribution membership class, Membership Class DC (Class DC).

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

Defined benefits for T-G and T-H are 1.25% or 1.00%, depending upon membership class, of the member's final average salary (as defined in the Code) multiplied by the number of years of credited service. A member's right to a defined benefit is vested in 10 years.

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

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

NOTE 10 PENSION PLAN (CONTINUED)

General Information About the Pension Plan (Continued)

Contributions

Member contributions

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

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 July22, 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	8.00%
T-F	On or after July 1, 2011	10.30% base rate with shared risk provision	N/A	10.8%
T-G	On or after July 1, 2019	5.5% base rate with shared risk provision	2.75%	9.00%
T-H	On or after July 1, 2019	4.50% base rate with shared risk provision	3.00%	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 School District's contractually required contribution rate for fiscal year ended June 30, 2023 was 34.51% 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 recognized as revenue by the pension plan from the School District were $ 9,508,006 for the year ended June 30, 2023. In addition, the School District's contribution to the defined contribution plan was $ 36,947 for the year ended June 30, 2023.

State Funding

The Commonwealth of Pennsylvania generally reimburses the School District for 50% of its retirement expense. This arrangement does not meet the criteria of a special funding situation in accordance with GASB standards. Therefore, the net pension liabilities and related pension expense represent 100% of the School District's share of these amounts. During the year ended June 30, 2023, the School District recognized revenue of $ 5,063,362 as reimbursement for its current year pension payments.

NOTE 10 PENSION PLAN (CONTINUED)

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

At June 30, 2023, the School District reported a liability of $ 79,492,195 in the Statement of Net Position for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by rolling forward the System's total pension liability as of June 30, 2021 to June 30, 2022.

The School District's proportion of the net pension liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2023, the School District's proportion was 0.1788 percent, which was an increase of 0.0002 percent from its proportion measured as of June 30, 2022.

For the year ended June 30, 2023, the School District recognized pension expense of $ 5,609,105.

At June 30, 2023, the School 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	$ 36,000	$ 688,000
Changes in assumptions	2,374,000	-
Net difference between projected and actual investment earnings	-	1,349,000
Changes in proportionate share - plan	320,000	192,000
Difference between employer contributions and proportionate share of total contributions	144,326	-
Contributions subsequent to the measurement date	9,146,216	-
	$ 12,020,542	$ 2,229,000

The $ 9,146,216 reported as deferred outflows of resources related to pensions resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. 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:	
2024	$ 533,298
2025	271,502
2026	(2,042,474)
2027	1,883,000
Total	$ 645,326

NOTE 10 PENSION PLAN (CONTINUED)

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

Actuarial Assumptions

The total pension liability as of June 30, 2022 was determined by rolling forward the System's total pension liability as of June 30, 2021 to June 30, 2022 using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method – Entry Age Normal – level % of pay.
- Investment return – 7.00% includes inflation at 2.50%.
- Salary growth – effective average of 4.50% comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projecting using a modified version of the MP-2020 Improvement Scale.

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

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

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

The target allocation and best estimates of geometric real rates of return for each major asset class as of June 30, 2022 are as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global public equity	28.0%	5.3%
Private equity	12.0%	8.0%
Fixed income	33.0%	2.3%
Commodities	9.0%	2.3%
Absolute return	6.0%	3.5%
Infrastructure/MLPs	9.0%	5.4%
Real Estate	11.0%	4.6%
Cash	3.0%	0.5%
Leverage	(11.0%)	0.5%
	100.0%	

NOTE 10 PENSION PLAN (CONTINUED)

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

Discount Rate

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

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

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

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
School District's proportionate share of the net pension liability	$ 102,818,000	$ 79,492,195	$ 59,826,000

Pension Plan Fiduciary Net Position

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

Payables to the Pension Plan

As of June 30, 2023, the School District had $ 5,600,012 payable to the pension plan.

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS

Plan Descriptions and Benefits Provided

School District Plan

The School District has a healthcare plan for retired employees of the School District, which is a single employer defined benefit healthcare plan administered by the School District. The plan provides medical, prescription drug, dental and vision coverage for both retiree and family. The member is eligible until the employee reaches Medicare age. To continue coverage upon retirement, the retiree must reimburse the School District 100% of the premium with the following exceptions: if the Superintendent has reached superannuation, the School District will pay the full premium for single coverage less the PSERS supplement, for former and current

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Plan Descriptions and Benefits Provided (Continued)

School District Plan (Continued)

business manager, the School District will pay the single coverage for a period of 10 years, and all other administrators that have attained at least 10 years of service with the School District will have the single coverage premium paid for by the School District for a period of 10 years. The coverage shall discontinue when the retiree qualifies for Medicare coverage.

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

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

PSERS

In addition to the other postemployment benefit detailed above, the Public School Employees' Retirement System (PSERS) also provides a health insurance premium assistance program for all eligible employees, which is a governmental cost-sharing multiple employer defined benefit plan. Employer contribution rates for premium assistance are established to provide reserves in the health insurance account that are sufficient for the payment of premium assistance benefits for each succeeding year. Effective January 1, 2002 under the provisions of Act 9 of 2001, participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of $ 100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS' health options program.

Healthcare cost trends were applied to retirees receiving less than $ 1,200 in annual premium assistance. The annual premium assistance reimbursement for qualifying retirees is capped at a maximum of $ 1,200. As of June 30, 2022, there were no assumed future benefit increase to participating eligible retirees.

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

The members eligible to participate in the System include all full-time public school employees, part-time hourly public school employees who render at least 500 hours of service in the school year, and part-time per diem public school employees who render at least 80 days of service in the school year in any of the reporting entities in Pennsylvania. PSERS issues a publicly available financial report that can be obtained at www.psers.pa.gov.

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Plan Membership

School District Plan

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

Active participants	358
Vested former participants	0
Retired participants	20
Total	378

Contributions

PSERS

The School District's contractually required contribution rate for the fiscal year ended June 30, 2023 was 0.75% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year with an additional amount to finance the unfunded accrued liability. Contributions to the OPEB plan from the employer were $ 207,439 for the year ended June 30, 2023.

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

School District Plan

The School District's total OPEB liability was measured as of July 1, 2022, and the total OPEB liability was determined by rolling forward the total liability from July 1, 2021 to July 1, 2022 based on an actuarial valuation as of July 1, 2022, which was based on census information as of December 2022. The plan has no assets that are accumulated in a trust that meets the criteria established in GASB Statement No. 75. At June 30, 2023, the School District reported a total OPEB liability of $ 2,608,370.

For the year ended June 30, 2023, the School District recognized OPEB expense of $ 231,201.

PSERS

At June 30, 2023, the School District reported a liability of $ 3,282,095 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by rolling forward the System's total OPEB liability as of June 30, 2021 to June 30, 2022. The School District's proportion of the net OPEB liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2023, the School District's proportion was 0.1783 percent, which was a decrease of 0.0002 percent from its proportion measured as of June 30, 2022.

For the year ended June 30, 2023, the School District recognized OPEB expense of $ 110,665.

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

PSERS (Continued)

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

	Total OPEB/ Net OPEB Liability	OPEB Expense
School District Plan	$ 2,608,370	$ 231,201
PSERS	3,282,095	110,665
Total	$ 5,890,465	$ 341,866

Changes in the Total OPEB Liability

School District Plan

	Total OPEB Liability
Beginning Balance	$ 3,572,697
Changes for the year:	
Service cost	300,405
Interest	86,771
Differences between expected and actual experience	(289,360)
Changes in assumptions	(937,809)
Benefit payments	(124,334)
Net changes	(964,327)
Ending Balance	$ 2,608,370

At June 30, 2023, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	School District Plan		PSERS		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ 790,551	$ 30,000	$ 18,000	$ 30,000	$ 808,551
Changes in assumptions	293,781	993,942	364,000	775,000	657,781	1,768,942
Net difference between projected and actual investment earnings	-	-	9,000	-	9,000	-
Changes in proportions - plan	-	-	56,000	52,000	56,000	52,000
Difference between employer contributions and proportionate share of total contributions	-	-	5,436	2,459	5,436	2,459
Benefit payments/contributions subsequent to the measurement date	112,085	-	199,014	-	311,099	-
	$ 405,866	$ 1,784,493	$ 663,450	$ 847,459	$ 1,069,316	$ 2,631,952

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Changes in the Total OPEB Liability (Continued)

School District Plan (Continued)

The amount of $ 311,099 is reported as a deferred outflows of resources related to OPEB resulting from School District benefit payments/contributions subsequent to the measurement date and will be recognized as a reduction in the total/net OPEB liability in the year ended June 30, 2024 related to the School District and PSERS plans, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year ended June 30	School District Plan	PSERS	Total
2024	$ (155,975)	$ (68,039)	$ (224,014)
2025	(155,975)	(57,039)	(213,014)
2026	(155,975)	(77,809)	(233,784)
2027	(155,975)	(79,990)	(235,965)
2028	(155,975)	(100,146)	(256,121)
Thereafter	(710,837)	-	(710,837)
Total	$ (1,490,712)	$ (383,023)	$ (1,873,735)

School District Plan

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

PSERS

The total OPEB liability as of June 30, 2022, was determined by rolling forward the System's Total OPEB liability as of June 30, 2021 to June 30, 2022 using the following actuarial assumptions, applied to all periods included in the measurement.

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Changes in the Total OPEB Liability (Continued)

PSERS (Continued)

	School District Plan	PSERS
Actuarial Cost Method	Entry age normal	Entry age normal – level % of pay.
Investment Rate of Return	4.06% (S&P 20 year municipal bond rate – July 1, 2022).	4.09% (S&P 20 year municipal bond rate – June 30, 2022).
Salary	An assumption for salary increase is used for spreading contributions over future pay under the entry age normal cost method. For this purpose, salary increases are composed of a 2.5% cost of living adjustment, 1.5% real wage growth, and for teachers and administrators a merit increase which varies by age from 2.75% to 0%.	Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.
Mortality	PubT-2010 and PubG-2010 headcount-weighted mortality table including rates for contingent survivors for teachers and all other employees respectively. Incorporated into the table are rates projected generationally using Scale MP-2021 to reflect mortality improvement.	Based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.
Percentage of Eligible Employees Electing Coverage in Plan	100% of the Administration, 65% of the Teachers and full-time Classified employees and 25% of the part-time Classified employees are assumed to elect coverage.	Eligible retirees will elect to participate pre-age 65 at 50% and eligible retirees will elect to participate post-age 65 at 70%.
Health Care Cost Trend Rate	6.50% in 2022, 6.0% in 2023 and 5.5% in 2024-2025. Rates gradually decrease from 5.4% in 2026 to 3.9% in 2075 and later based on the Society of Actuaries Long-Run Medical Cost Trend Model.	Applied to retirees with less than $ 1,200 in premium assistance per year. Benefit is capped at $ 1,200 per year.
Per Capita Claims Cost	The per capita claims cost for medical and prescription drug is based on the expected portion of the group's overall cost attributed to individuals in the specified age and gender brackets. The resulting costs are as follows: age 45-49, $ 6,116 for males and $ 8,833 for females; 50-54, $ 8,100 for males and $ 9,983 for females; 55-59, $ 9,865 for males and $ 10,445 for females; 60-64, $ 12,874 for males and $ 11,999 for females and 65+, $ 6,318 for males and $ 6,318 for females.	N/A

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Actuarial Methods and Assumptions (Continued)

PSERS (Continued)

Investment Return

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

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

OPEB – Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	100.0%	0.5%
	100.0%	

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, 2022.

Discount Rate

The discount rate used to measure the OPEB liability was 4.06% and 4.09% for the School District's Plan and PSERS, respectively. The School District Plan is not funded, therefore the S&P 20-year municipal bond rate of 4.06% as of July 1, 2022 is the applicable discount rate. Under the PSERS plan's funding policy, contributions are structured for short term funding of premium assistance. The funding policy sets contribution rates necessary to assure solvency of premium assistance through the third fiscal year after the actuarial valuation date. The premium assistance account is funded to establish reserves that are sufficient for the payment of premium assistance benefits for each succeeding year. Due to the short-term funding policy, the OPEB's plan fiduciary net position was not projected to be sufficient to meet projected future benefit payments, therefore the plan is considered a "pay-as-you-go" plan. A discount rate of 4.09% which represents the S&P 20 year municipal bond rate at June 30, 2022, was applied to all projected benefit payments to measure the OPEB liability.

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

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

	1% Decrease	Current Discount Rate	1% Increase
School District Plan - Total OPEB liability	$ 2,802,831	$ 2,608,370	$ 2,423,992
PSERS - School District's proportionate share of the net OPEB liability	3,712,000	3,282,095	2,923,000

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

For the PSERS plan, healthcare cost trends were applied to retirees receiving less than $1,200 in annual Premium Assistance. As of June 30, 2022, retiree Premium Assistance benefits are not subject to future healthcare cost increases. The annual Premium Assistance reimbursement for qualifying retirees is capped at a maximum of $1,200.

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

School District Plan

	1% Decrease (5.5% decreasing to 2.9%)	Healthcare Cost Trend Rate (6.5% decreasing to 3.9%)	1% Increase (7.5% decreasing to 4.9%)
School District Plan - Total OPEB Liability	$ 2,331,823	$ 2,608,370	$ 2,928,783

PSERS

	1% Decrease (Between 4% to 6%)	Healthcare Cost Trend Rate (Between 5% to 7%)	1% Increase (Between 6% to 8%)
PSERS - School District's proportionate share of the net OPEB liability	$ 3,282,000	$ 3,282,095	$ 3,283,000

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

OPEB Plan Fiduciary Net Position

PSERS

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

Payables to the OPEB Plan

School District Plan

As of June 30, 2023, the School District had no amounts payable to the School District OPEB Plan.

PSERS

As of June 30, 2023, the School District had $ 155,057 payable to the pension plan related to OPEB.

NOTE 12 COMMITMENTS AND CONTINGENCIES

Commitments and Contingencies

The School District entered into a nine-year service agreement with Trane to provide regular and extended maintenance on the School District's HVAC units. Total expected costs under the agreement will be $ 643,017. Remaining costs to be incurred as of June 30, 2023 is $ 30,073.

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

The School District is involved with various lawsuits in the normal course of operations. Management cannot predict the outcome of lawsuits or estimate the amount of any loss that may result. Accordingly, no provisions for any contingent liabilities that may result have been made in the financial statements. Management believes that losses resulting from these matters, if any, would be substantially covered under the School District's professional liability insurance policy and would not have a material effect on the financial position of the School District.

The School District participates in numerous state and federal programs, which are governed by various rules and regulations on the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the School District has not complied with rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivables at June 30, 2023 may be impaired. In the opinion of management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

NOTE 13 RISK MANAGEMENT

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

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

All expenditures for the School District's risk management are recorded in the general fund.

Self-Insurance

As of July 1, 2018, the School District implemented its own self-funded health care plan administered by Highmark. The plan is a "cost plus" plan in which the School District pays Highmark for actual claims and administering the plan. The School District uses separate accounts set up within the general fund to track all activity. Funds are transferred from the School District's general checking account each month into the insurance account. Other sources of revenue are from stop loss-insurance coverage, COBRA payments and employee reimbursements (including retirees who elect to continue coverage). The School District maintains stop-loss coverage for claims greater than $ 150,000 individually.

Changes in the self-insured claims liability amounts for the year ended June 30 were as follows:

Year Ended June 30	Liability Beginning	Current Year Expense (including) changes in Estimate)	Payments	Liability Ending
2023	$ 287,411	5,761,978	$ 5,323,094	$ 726,295
2022	483,397	4,877,852	5,073,838	287,411

The ending liability represents unpaid claims and the estimated amount of incurred but not reported (IBNR) claims as of June 30, 2023. All expenditures for the School District's risk management are recorded within the general fund.

NOTE 14 RESTATEMENT

The School District made adjustments to restate beginning balances as follows:

	Governmental Activities
Net position/fund balance as of June 30, 2022, as originally reported	$ (50,242,053)
Correct missed depreciation on previous capital additions	(819,836)
Implementation of GASB 96- asset	245,479
Implementation of GASB 96 - liability	(245,479)
Net position/fund balance as of June 30, 2022, as restated	$ (51,061,889)

	Governmental Activities
Change in net position/fund balance - June 30, 2022 - as originally stated	$ 7,623,925
Correct missed depreciation on previous capital additions	(819,836)
Change in net position/fund balance - June 30, 2022 - as restated	$ 6,804,089

REQUIRED SUPPLEMENTARY INFORMATION

YORK SUBURBAN SCHOOL DISTRICT
Required Supplementary Information - Budgetary Comparison Schedule – General Fund
Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Local Sources				
Taxes	$ 49,703,593	$ 49,703,593	$ 50,270,686	$ 567,093
Charges for services	261,018	261,018	251,516	(9,502)
Investment income	189,972	189,972	702,787	512,815
Miscellaneous revenues	155,300	155,300	325,854	170,554
Federal revenue from intermediary sources	774,532	774,532	774,503	(29)
State Sources	12,797,133	13,987,504	14,306,041	318,537
Federal Sources	1,291,797	1,586,717	1,304,722	(281,995)
Total Revenues	65,173,345	66,658,636	67,936,109	1,277,473
EXPENDITURES				
Instruction				
Regular programs	30,729,531	30,704,979	30,963,147	(258,168)
Special programs	9,974,961	10,105,519	10,327,635	(222,116)
Vocational educational programs	1,050,294	1,050,294	979,779	70,515
Other instructional programs	183,685	85,809	64,980	20,829
Total Instruction	41,938,471	41,946,601	42,335,541	(388,940)
Support Services				
Pupil personnel	2,417,075	2,440,261	2,665,517	(225,256)
Instructional staff	2,747,160	2,669,557	2,113,755	555,802
Administration	4,318,331	4,347,836	4,708,335	(360,499)
Pupil personnel - nursing services	735,855	711,967	716,079	(4,112)
Business	801,024	800,454	705,522	94,932
Operation and maintenance of plant services	3,993,411	4,069,909	3,737,960	331,949
Student transportation services	2,404,241	2,406,785	2,635,564	(228,779)
Central	337,141	344,583	352,004	(7,421)
Other support services	-	-	5,613	(5,613)
Total Support Services	17,754,238	17,791,352	17,640,349	151,003
Operation of Noninstructional Services				
Student activities	1,073,575	1,076,575	1,142,349	(65,774)
Community services	39,437	36,467	14,135	22,332
Total Operation of Noninstructional Services	1,113,012	1,113,042	1,156,484	(43,442)
Debt service	-	-	178,449	(178,449)
Total Expenditures	60,805,721	60,850,995	61,310,823	(459,828)
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	(5,860,389)	(5,860,389)	(5,845,501)	14,888
Proceeds from sale of capital assets	-	-	1,495	1,495
Proceeds from subscription-based IT arrangements	-	-	43,864	43,864
Budgetary reserve	(200,000)	(154,726)	-	154,726
Total Other Financing Sources (Uses)	(6,060,389)	(6,015,115)	(5,800,142)	214,973
Net Change in Fund Balances	$ (1,692,765)	$ (207,474)	825,144	$ 1,032,618
FUND BALANCES - BEGINNING			12,924,403	
FUND BALANCES - ENDING			$ 13,749,547	

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

For the Fiscal Year Ended June 30	School District's Proportion of the Net Pension Liability (Asset)	School District's Proportionate Share of the Net Pension Liability (Asset)	School District's Covered Payroll - Measurement Period	School District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2023	0.1788%	$ 79,492,195	$ 26,219,074	303.18%	61.34%
2022	0.1786%	73,327,320	25,302,937	289.80%	63.67%
2021	0.1794%	88,334,795	25,150,778	351.22%	54.32%
2020	0.1773%	82,945,564	24,446,280	339.30%	55.66%
2019	0.1815%	87,129,012	24,436,703	356.55%	54.00%
2018	0.1789%	88,355,857	23,916,982	369.43%	51.84%
2017	0.1734%	85,931,538	22,532,311	381.37%	50.14%
2016	0.1718%	74,415,701	22,284,821	333.93%	54.36%
2015	0.1722%	68,157,995	21,975,657	310.15%	57.24%

NOTES

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

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

Changes in Actuarial Assumptions

The following actuarial assumptions were changed during 2020-2021:

- Actuarial cost method – Entry Age Normal – level precent of pay.
- Investment return – 7.00% includes inflation at 2.50%.
- Salary growth – effective average of 4.5%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.
- Mortality rates 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.

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

For the Fiscal Year Ended June 30	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll-Fiscal Year	Contributions as a Percentage of Covered Payroll
2023	$ 9,508,006	$ 9,508,006	$ -	$ 26,401,753	36.01%
2022	8,916,137	8,916,137	-	26,219,074	34.01%
2021	8,102,699	8,102,699	-	25,302,937	32.02%
2020	8,381,050	8,381,050	-	25,150,778	33.32%
2019	7,945,293	7,945,293	-	24,446,280	32.50%
2018	7,710,343	7,710,343	-	24,436,703	31.55%
2017	6,825,611	6,825,611	-	23,916,982	28.54%
2016	5,524,534	5,524,534	-	22,532,311	24.52%
2015	4,425,677	4,425,677	-	22,284,821	19.86%
2014	3,519,701	3,519,701	-	21,975,657	16.02%

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

	2023	2022	2021	2020	2019	2018
Total OPEB liability						
Service cost	$ 300,405	$ 301,866	$ 234,001	$ 233,534	$ 247,760	$ 241,085
Interest	86,771	67,939	102,807	86,326	108,751	80,487
Differences between expected and actual experience	(289,360)	-	(69,937)	-	(810,603)	-
Changes in assumptions	(937,809)	(100,848)	349,309	(75,365)	4,097	58,819
Benefit payments	(124,334)	(102,580)	(77,683)	(87,260)	(144,298)	(145,832)
Net change in total OPEB liability	(964,327)	166,377	538,497	157,235	(594,293)	234,559
Total OPEB liability - beginning	3,572,697	3,406,320	2,867,823	2,710,588	3,304,881	3,070,322
Total OEPB liability - ending	$ 2,608,370	$ 3,572,697	$ 3,406,320	$ 2,867,823	$ 2,710,588	$ 3,304,881
Covered employee payroll	$ 25,230,024	N/A	$ 24,726,748	N/A	$ 24,031,632	$ 22,023,576
Total OPEB liability as a percentage of covered employee payroll	10.34%	N/A	13.78%	N/A	11.28%	15.01%

NOTES

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

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

YORK SUBURBAN SCHOOL DISTRICT
Required Supplementary Information - Schedule of School District's Proportionate Share of Net OPEB liability – Public School Employees' Retirement System

For the Fiscal Year Ended June 30	School District's Proportion of the Net OPEB Liability (Asset)	School District's Proportionate Share of the Net OPEB Liability (Asset)	School District's Covered Payroll - Measurement Period	School District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2023	0.1783%	$ 3,282,095	$ 26,219,074	12.52%	6.86%
2022	0.1785%	4,230,598	25,302,937	16.72%	5.30%
2021	0.1792%	3,871,969	25,150,778	15.40%	5.69%
2020	0.1773%	3,771,000	24,446,280	15.43%	5.56%
2019	0.1815%	3,784,000	24,436,703	15.48%	5.56%
2018	0.1789%	3,644,930	23,916,982	15.24%	5.47%

NOTES

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

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

YORK SUBURBAN SCHOOL DISTRICT
Required Supplementary Information - Schedule of School District's OPEB Contributions – Public School Employees' Retirement System

For the Fiscal Year Ended June 30	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll - Fiscal Year	Contributions as a Percentage of Covered Payroll
2023	$ 207,439	$ 207,439	$ -	$ 26,401,753	0.74%
2022	209,477	209,477	-	26,219,074	0.80%
2021	197,492	197,492	-	25,302,937	0.82%
2020	210,592	210,592	-	25,150,778	0.84%
2019	202,288	202,288	-	24,446,280	0.83%
2018	201,625	201,625	-	24,436,703	0.83%

NOTES

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

OTHER INFORMATION – STATISTICAL DATA

Enrollment Trends

Actual Enrollments				Projected Enrollments			
School Year	Elementary	Secondary	Total	School Year	Elementary	Secondary	Total
2018-19	1,333	1,671	3,004	2023-24	1,608	1,430	3,038
2019-20	1,350	1,719	3,069	2024-25	1,611	1,443	3,054
2020-21	1,309	1,679	2,988	2025-26	1,332	1,692	3,024
2021-22	1,317	1,664	2,981	2026-27	1,616	4,432	6,048
2022-23	1,616	1,411	3,027	2027-28	1,616	1,432	3,048

Source: School District Officials
Source for Projected Enrollment: Pennsylvania Department of Education

Real Property Tax Collection Data

School Year	Assessed Valuation	York Mills	Gross Adjusted Levy	Current Collections Amount	Current Year Collections as a Percent	Total Collections Amount (1)	Total Collections as a Percent
2018-19	$ 1,817,190,896	23.1815	$ 42,125,211	$ 39,751,527	94.37%	$ 39,751,527	94.37%
2019-20	1,824,704,104	23.4133	42,722,345	40,428,334	94.63%	40,428,334	94.63%
2020-21	1,855,644,825	23.6474	43,881,175	41,322,561	94.17%	41,322,561	94.17%
2021-22	1,849,734,620	24.0967	44,572,500	42,766,288	95.95%	42,766,288	95.95%
2022-23	1,852,396,702	25.0605	45,344,673	42,763,200	94.31%	43,604,432	96.16%

(1) includes delinquent real estate collection
Source: School District Officials

Ten Largest Real Property Taxpayers

Owner	2021-22 Assessed Values
1) Equity Industrial A York	$ 33,643,313
2) Caterpillar Inc	25,500,000
3) Triple Bar York Marketplace LLC	24,156,320
4) The York Development LLP	18,197,360
5) York Town Center Holdings	13,176,550
6) RREEF CPIF 693 North Hills LLC	12,811,960
7) AG Greenspring LLC	11,338,900
8) Dealbrook LLC	9,023,020
9) Stagg York LLC	7,646,100
10) Springettsbury Manor	7,399,970
	$ 162,893,493

Tax Rates

School Year	Real Estate York Cty (mills)	Real Estate Transfer %
2019-20	23.6474	50%
2020-21	23.6474	50%
2021-22	24.0967	50%
2022-23	25.0605	50%
2023-24	25.6858	50%

Source: Department of Community and Economic Development - Municipal Statistics

Real Property Assessment Data

School Year	Market Value	Assessed Value	Ratio
2019-20	$ 1,764,622,830	$ 1,817,190,896	102.98%
2020-21	1,784,044,097	1,824,704,104	102.28%
2021-22	1,794,749,951	1,855,644,825	103.39%
2022-23	1,873,245,347	1,849,734,620	98.74%
2023-24	1,899,817,515	1,852,396,702	97.50%
Average Annual % Change	0.28%	0.03%	

Source: http://www.newpa.com/local-government/steb

OTHER SUPPLEMENTARY INFORMATION

YORK SUBURBAN SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Source Code	Federal ALN	Pass-Through Grantor's Number	Program Period	Program or Award Amount	Total Received for the Year	Receivable (Payable) Beginning	Revenue Recognized	Expenditures Recognized	Receivable (Payable) Ending	Total Passed-Through to Subrecipients
DEPARTMENT OF EDUCATION											
Passed through Pennsylvania Department of Education											
Title I - Improving Basic Programs	I	84.010	013-22-0499	7/1/21-9/30/22	357,544.00	$ 139,350	$ 138,134	$ 1,216	$ 1,216	$ -	$ -
Title I - Improving Basic Programs	I	84.010	013-23-0499	7/1/22-9/30/23	337,890.00	297,327	-	336,274	336,274	38,947	-
Total Title I						436,677	138,134	337,490	337,490	38,947	-
Title II - Improving Teacher Quality	I	84.367	020-21-0499	7/1/21-9/30/21	72,483.00	1,609	1,609	-	-	-	-
		84.367	020-22-0499	7/1/21-9/30/22	68,710.00	8,461	8,461	-			
Title II - Improving Teacher Quality	I	84.367	020-23-0499	7/1/22-9/30/23	55,563.00	41,348	-	52,738	52,738	11,390	-
Total Title II						51,418	10,070	52,738	52,738	11,390	-
Title III - Language Inst LEP/Immigrant Students	I	84.365	010-22-0499	7/1/21-9/30/22	28,512.00	5,986	5,986	-	-	-	-
Title III - Language Inst LEP/Immigrant Students	I	84.365	010-23-0499	7/1/22-9/30/23	30,367.00	28,639	-	30,367	30,367	1,728	-
Total Title III						34,625	5,986	30,367	30,367	1,728	-
Title IV - Student Support and Academic Enrichment	I	84.424	144-22-0499	7/1/21-9/30/22	26,829.00	16,103	16,103	-	-	-	-
Title IV - Student Support and Academic Enrichment	I	84.424	144-23-0499	7/1/22-9/30/23	28,483.00	14,471	-	28,483	28,483	14,012	-
Total Title IV						30,574	16,103	28,483	28,483	14,012	-
COVID - 19 Elementary and Secondary School Emergency Relief Fund (ESSER II)	I	84.425D	200-21-0499	3/13/20-9/30/23	1,317,418	245,101	57,597	218,142	218,142	30,638	-
COVID - 19 Elementary and Secondary School Emergency Relief Fund (ESSER III)	I	84.425U	223-21-0499	3/13/20-9/30/24	2,664,755	1,938,004	998,585	593,521	593,521	(345,898)	-
COVID-19 ARP ESSER 7% - Set Aside	I	84.425U	225-21-0499	3/13/20-9/30/24	207,111	135,563	123,663	41,994	41,994	30,094	-
COVID-19 ARP ESSER - Homeless	I	84.425W	181-21-2500	7/1/21-9/30/24	19,722	2,023	(1,011)	1,986	1,986	(1,048)	-
Total Education Stabilization Fund						2,320,691	1,178,834	855,643	855,643	(286,214)	-
P-EBT Local Admin Funds	I	10.649	358	7/1/22-6/30/23	3,691.00	628	-	628	628	-	-
Passed through Lincoln Intermediate Unit No 12											
Special Education Cluster (IDEA)											
IDEA Part B - Special Education	I	84.027	N/A	7/1/22-6/30/23	583,582	583,582	-	583,582	583,582	-	-
COVID-19 ARP IDEA Part B - Special Education	I	84.027	N/A	7/1/21-9/30/22	124,118	-	(62,808)	62,808	62,808	-	-
IDEA 619 funds - Special Education	I	84.173	N/A	7/1/22-6/30/23	4,860	4,860	-	4,860	4,860	-	-
Total Special Education Cluster						588,442	(62,808)	651,250	651,250	-	-
Total Department of Education						3,463,055	1,286,319	1,956,599	1,956,599	(220,137)	-
DEPARTMENT OF AGRICULTURE											
Passed through Pennsylvania Department of Education											
Child Nutrition Cluster											
COVID-19 School Breakfast Program	I	10.553	365	7/1/21-6/30/22	N/A	38,296	38,296	-	-	-	-
School Breakfast Program	I	10.553	365	7/1/22-6/30/23	N/A	222,616	-	255,940	255,940	33,324	-
Total National School Lunch Program						260,912	38,296	255,940	255,940	33,324	-
COVID-19 National School Lunch Program - cash	I	10.555	362	7/1/21-6/30/22	N/A	151,562	151,562	-	-	-	-
National School Lunch Program - cash	I	10.555	362	7/1/22-6/30/23	N/A	694,910	-	796,055	796,055	101,145	-
COVID-19 Supply Chain Assistance	I	10.555	356	7/1/22 - 6/30/23	143,589	83,060	(60,529)	143,589	143,589	-	-
Passed through Pennsylvania Department of Agriculture											
National School Lunch Program - commodities	I(B)	10.555	N/A	7/1/22-6/30/23	N/A	160,175	-	160,175	160,175	-	-
Total National School Lunch Program						1,089,707	91,033	1,099,819	1,099,819	101,145	-
Total Child Nutrition Cluster						1,350,619	129,329	1,355,759	1,355,759	134,469	-
Total Department of Agriculture						1,350,619	129,329	1,355,759	1,355,759	134,469	-
Total federal financial assistance						$ 4,813,674	$ 1,415,648	$ 3,312,358	$ 3,312,358	$ (85,668)	$ -

NOTE 1 REFERENCES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

(I) Indirect Award

(B) Based on USDA valuation

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

Indirect Cost Rate

The School District has not elected to use the 10% de minimus indirect cost rate for its federal programs.

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

Board of Directors
York Suburban School District
York, Pennsylvania

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of York Suburban School District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the York Suburban School District's basic financial statements, and have issued our report thereon dated February 6, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Smith Elliott Kearns & Company, LLC

York, Pennsylvania
February 6, 2024

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

Board of Directors
York Suburban School District
York, Pennsylvania

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

Opinion on Each Major Federal Program

We have audited York Suburban School District's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of York Suburban School District's major federal programs for the year ended June 30, 2023. The School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, York Suburban School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section 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 have not been identified.

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

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

Smith Elliott Kearns & Company, LLC

York, Pennsylvania
February 6, 2024

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
• Material weakness(es) identified:	☐ Yes	☒ No
• Significant deficiencies identified?	☐ Yes	☒ None Reported
Noncompliance material to financial statements noted?	☐ Yes	☒ No

Federal Awards

Internal control over major programs:		
• Material weakness(es) identified?	☐ Yes	☒ No
• Significant deficiencies identified?	☐ Yes	☒ None Reported
Type of auditor's report issued on compliance for the major programs:	Unmodified	
• Any compliance audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516?	☐ Yes	☒ No

Identification of the major programs:

Assistance Listing Number(s)	Name of Federal Program
84.425	Education Stabilization Fund
	Child Nutrition Cluster
10.553	School Breakfast Program
10.555	School Lunch Program

Dollar threshold used to distinguish between type A and type B programs	$ 750,000	
Auditee qualified as low-risk auditee?	☒ Yes	☐ No

Section II – Financial Statement Findings

A. Significant Deficiencies or Material Weaknesses in Internal Control

None noted

B. Compliance Findings

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

Section III - Federal Award Findings and Questioned Costs

A. Material Weaknesses in Internal Control Over Compliance

None noted

B. Compliance Findings

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

York Suburban SCHOOL DISTRICT

Summary Schedule of Prior Audit Findings
Year Ended June 30, 2023

Findings related to financial statements:

None

Findings related to federal awards:

None