

SCHOOL DISTRICT OF HAVERFORD TOWNSHIP
HAVERTOWN, PENNSYLVANIA

AUDIT REPORT

JUNE 30, 2025

SCHOOL DISTRICT OF HAVERFORD TOWNSHIP

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INDEPENDENT AUDITOR'S REPORT

December 17, 2025

Board of School Directors
School District of Haverford Township
Havertown, Pennsylvania

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the School District of Haverford Township, Havertown, Pennsylvania, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School District of Haverford Township's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the School District of Haverford Township, Havertown, Pennsylvania, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School District of Haverford Township and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District of Haverford Township's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District of Haverford Township's ability to continue as a going concern for a reasonable period of time.

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

Emphasis of a Matter

As discussed in Notes 2 and 15 to the financial statements, the District has adopted the requirements of GASB Statement No. 101, "Compensated Absences." The purpose of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. As a result, the District has restated its governmental activities net position as of July 1, 2023. Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information

The School District of Haverford Township's 2024 financial statements were previously audited by WithumSmith+Brown, PC and expressed unmodified opinions on those financial statements in their report dated June 2, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 18, and the schedule of the District's proportionate share of the net pension liability - PSERS, schedule of District pension contributions - PSERS, schedule of the District's proportionate share of the net OPEB liability - PSERS, schedule of District OPEB contributions - PSERS, and schedule of changes in the District's net OPEB liability - single employer plan on pages 64 through 68 be presented to supplement the basic financial statements. Such information, 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.

Board of School Directors
School District of Haverford Township

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District of Haverford Township's basic financial statements. The schedule of expenditures of federal awards as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"), is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2025, on our consideration of the School District of Haverford Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District of Haverford Township's internal control over financial reporting and compliance.

Barbacane, Thornton & Company LLP

BARBACANE, THORNTON & COMPANY LLP

SCHOOL DISTRICT OF HAVERFORD TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) – UNAUDITED
JUNE 30, 2025

Management's discussion and analysis ("MD&A") of the financial performance of the School District of Haverford Township ("the District") provides an overview of the District's financial performance for fiscal year ended June 30, 2025. Readers should also review the basic financial statements and related notes to enhance their understanding of the District's financial performance.

DISTRICT PROFILE

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

DISTRICT MISSION STATEMENT

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

FINANCIAL HIGHLIGHTS

- The General Fund reported a decrease in fund balance of $1,715,713, bringing the cumulative balance to $17,669,108 at the conclusion of the 2024-2025 fiscal year.

- At June 30, 2025, the General Fund fund balance includes $40,144 in nonspendable amounts, $3,949,838 committed to capital projects, $2,783,883 committed to balance the 2025-2026 budget, and unassigned amounts of $10,895,243, or 6.84%, of the $159,331,961 2025-2026 General Fund expenditure budget. Guidelines prescribed by the Pennsylvania Department of Education allow a district to maintain a maximum General Fund fund balance of 8.00%, net of amounts otherwise assigned or committed of the following year's expenditure budget.

- Total General Fund revenues and other financing sources were $171,689, or 0.11%, less than budgeted amounts, and total General Fund expenditures and other financing uses were $2,567,255, or 1.65%, less than budgeted amounts, resulting in a net variance of $2,395,566.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

The government-wide financial statements can be found on pages 19 and 20 of this report.

FUND FINANCIAL STATEMENTS

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

Governmental Funds

Most of the District's activities are included in the governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide

financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on short-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

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

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

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

The governmental fund financial statements can be found on pages 21 through 24 of this report.

Proprietary Fund

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

The proprietary fund financial statements provide separate financial information for the Food Service and Internal Service Funds.

The proprietary fund financial statements provide separate financial information for its major fund. The proprietary fund financial statements can be found on pages 26 through 28 of this report.

Fiduciary Funds

The District is the trustee, or fiduciary, for assets that belong to others, consisting of scholarship and student activity funds. The District is responsible for ensuring that the assets reported in these funds are

used for their intended purpose and by those to whom the assets belong. Fiduciary funds are used to account for resources held for the benefit of parties outside of the District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs.

The fiduciary fund financial statements can be found on pages 29 and 30 of this report.

Notes to the Financial Statements

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

The notes to the financial statements can be found on pages 31 through 63 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information which consists of the schedule of the District's proportionate share of the net pension liability - PSERS, schedule of District pension contributions - PSERS, schedule of the District's proportionate share of the net OPEB liability - PSERS, schedule of District OPEB contributions - PSERS, and schedule of changes in the District's net OPEB liability and related ratios - single employer plan.

The required supplementary information can be found on pages 64 through 68 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted above, net position may serve over time as a useful indicator of the District's financial condition. At the close of the 2024-2025 fiscal year, the District's liabilities and deferred inflows exceeded assets and deferred outflows by $109,261,251. The following table presents condensed information for the Statement of Net Position of the District at June 30, 2025 and 2024.

	Governmental Activities		Business-type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Assets and Deferred Outflows of Resources						
Assets:						
Current assets	$ 65,580,850	$ 68,381,812	$ 1,127,853	$ 1,395,970	$ 68,708,703	$ 69,780,782
Capital assets	182,691,890	167,549,014	288,291	208,548	182,980,181	167,757,562
Total Assets	248,272,740	235,933,826	1,416,144	1,604,518	249,688,884	237,538,344
Deferred outflows of resources	34,833,715	37,297,348	344,143	351,528	35,177,858	37,648,876
Total Assets and Deferred Outflows of Resources	$ 283,106,455	$ 273,231,174	$ 1,760,287	$ 1,956,046	$ 284,866,742	$ 275,187,220

(cont'd)	Governmental Activities		Business-type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Liabilities, Deferred Inflows of Resources, and Net Position						
Liabilities:						
Current liabilities	17,273,597	19,390,925	174,173	572,606	17,447,770	19,963,531
Noncurrent liabilities	368,518,687	357,942,011	1,894,528	1,895,833	370,413,215	359,837,844
Total Liabilities	385,792,284	377,332,936	2,068,701	2,468,439	387,860,985	379,801,375
Deferred Inflows of Resources	6,225,489	5,962,848	41,519	39,739	6,267,008	6,002,587
Net Position (Deficit):						
Net investment in capital assets	30,263,951	29,847,012	288,291	208,548	30,552,242	30,055,560
Restricted	190,558	226,862	-	-	190,558	226,862
Unrestricted (deficit)	(139,365,827)	(140,138,484)	(638,224)	(760,680)	(140,004,051)	(140,899,164)
Total Net Position (Deficit)	(108,911,318)	(110,064,610)	(349,933)	(552,132)	(109,261,251)	(110,616,742)
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 283,106,455	$ 273,231,174	$ 1,760,287	$ 1,956,046	$ 284,866,742	$ 275,187,220

The District's total assets as of June 30, 2025 were $249,688,884, of which $48,312,655, or 19.35%, consisted of cash and $182,980,181, or 73.28%, consisted of the District's investment in capital assets. The District's total liabilities as of June 30, 2025 were $387,860,985, of which $180,562,000, or 46.55%, consisted of the actuarially determined net pension liability, and $169,316,532, or 43.65%, consisted of general obligation debt used to acquire and construct capital assets.

The District had a deficit in unrestricted net position of $140,004,051 at June 30, 2025. The District's unrestricted net position increased by $895,113 during 2024-2025 primarily due to revenues exceeding expenses for the year.

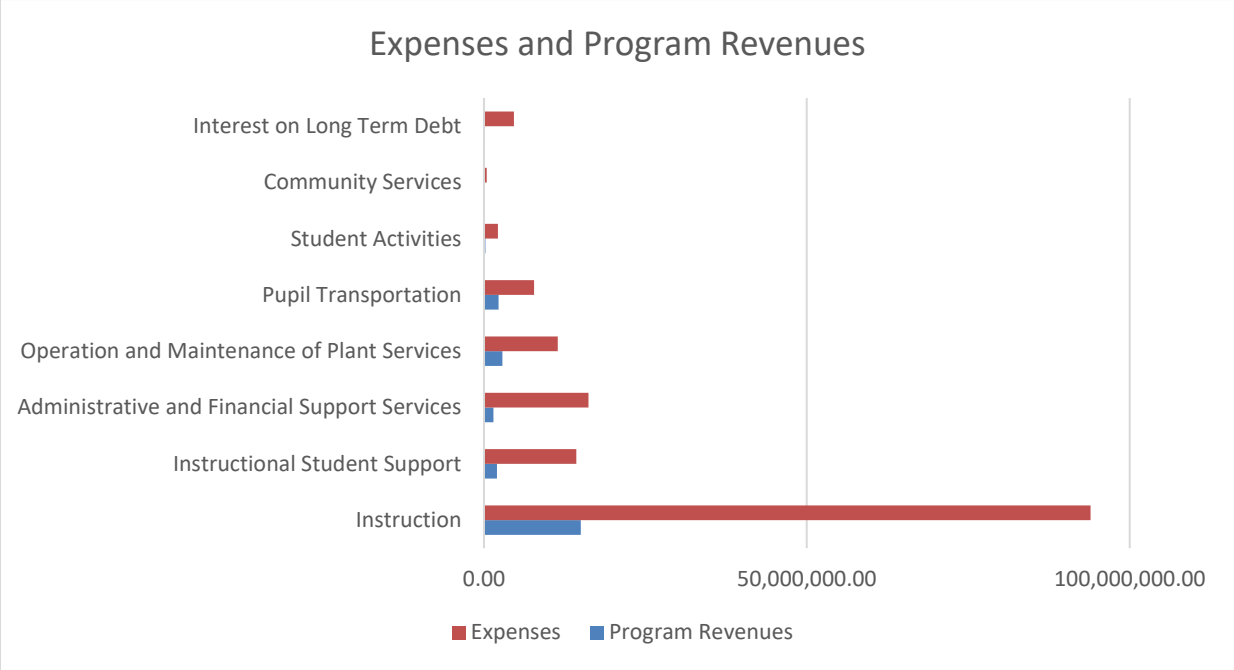
Another portion of the District's net position reflects its investment in capital assets net of accumulated depreciation less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. For the year ended June 30, 2025, the District's net investment in capital assets increased by $496,682 because acquisitions of capital assets exceeded debt incurrences.

	Governmental Activities		Business-type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Revenues						
Program Revenues:						
Charges for services	$ 77,105	$ 530,672	$ 1,622,044	$ 1,557,058	$ 1,699,149	$ 2,087,730
Operating grants and contributions	22,471,950	22,108,756	1,426,726	1,590,561	23,898,676	23,699,317
Capital grants and contributions	884,991	-	-	-	884,991	-
Total Program Revenues	23,434,046	22,639,428	3,048,770	3,147,619	26,482,816	25,787,047

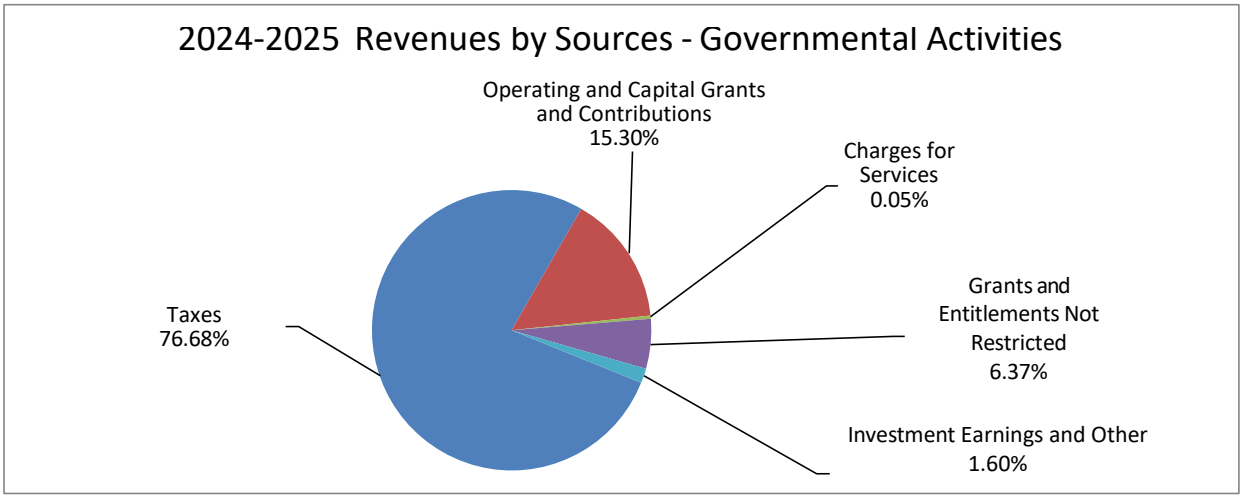
	Governmental Activities		Business-type Activities		Totals	
(cont'd)	2025	2024	2025	2024	2025	2024
General Revenues:						
Property taxes levied for general purposes	114,982,811	112,300,345	-	-	114,982,811	112,300,345
Other taxes levied for general purposes	2,056,654	1,559,076	-	-	2,056,654	1,559,076
Grants and entitlements not restricted to specific programs	9,718,874	8,500,173	-	-	9,718,874	8,500,173
Investment earnings	1,731,397	2,470,518	27,843	17,247	1,759,240	2,487,765
Miscellaneous income	708,729	-	-	-	708,729	-
Total General Revenues	129,198,465	124,830,112	27,843	17,247	129,226,308	124,847,359
Total Revenues	152,632,511	147,469,540	3,076,613	3,164,866	155,709,124	150,634,406
Expenses						
Instruction	93,916,148	89,075,950	-	-	93,916,148	89,075,950
Instructional student support services	14,323,852	13,777,247	-	-	14,323,852	13,777,247
Administration and financial support services	16,416,502	13,186,609	-	-	16,416,502	13,186,609
Operation and maintenance of plant services	11,451,044	11,383,656	-	-	11,451,044	11,383,656
Pupil transportation	7,769,872	8,348,190	-	-	7,769,872	8,348,190
Student activities	2,154,505	1,892,242	-	-	2,154,505	1,892,242
Community services	170,419	6,309	-	-	170,419	6,309
Interest and amortization expense related to noncurrent liabilities	5,291,266	3,798,265	-	-	5,291,266	3,798,265
Food service	-	-	2,874,414	2,650,658	2,874,414	2,650,658
Total Expenses	151,479,219	141,468,468	2,874,414	2,650,658	154,353,633	144,119,126
Change in Net Position (Deficit)	$ 1,153,292	$ 6,001,072	$ 202,199	$ 514,208	$ 1,355,491	$ 6,515,280

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

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



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



GOVERNMENTAL FUNDS

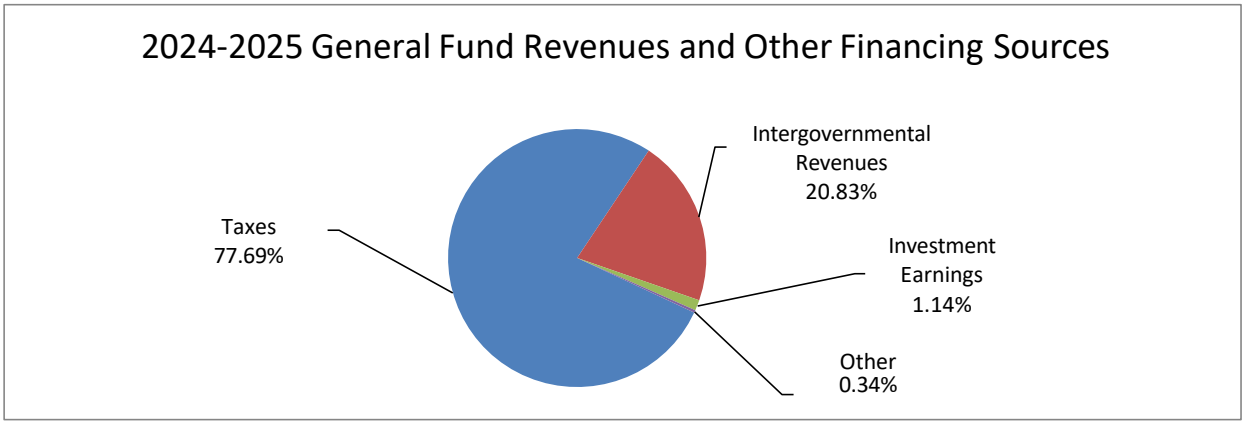
The governmental fund financial statements provide detailed information on the District's major funds. Some funds are required to be established by state statute while other funds are established by the District to manage monies restricted for a specific purpose. As of June 30, 2025, the District's governmental funds reported a combined fund balance of $36,040,614, which is an increase of $1,009,486 from the prior year. The following table summarizes the District's total governmental fund balances as of June 30, 2025 and 2024 and the total 2025 change in governmental fund balances.

	2025	2024	$ Change
General fund	$ 17,669,108	$ 19,384,821	$ (1,715,713)
Capital projects fund	18,180,948	15,419,445	2,761,503
Student sponsored activity fund	190,558	226,862	(36,304)
	$ 36,040,614	$ 35,031,128	$ 1,009,486

GENERAL FUND

The General Fund is the District's primary operating fund. At the conclusion of the 2024-2025 fiscal year, the General Fund fund balance was $17,669,108, representing a decrease of $1,715,713 in relation to the prior year. The increase in the District's General Fund fund balance is due to many factors. The following analysis has been provided to assist the reader in understanding the financial activities of the General Fund during the 2024-2025 fiscal year.

The District's reliance upon tax revenues is demonstrated by the graph below that indicates 77.69% of General Fund revenues are derived from local taxes.



General Fund Revenues and Other Financing Sources

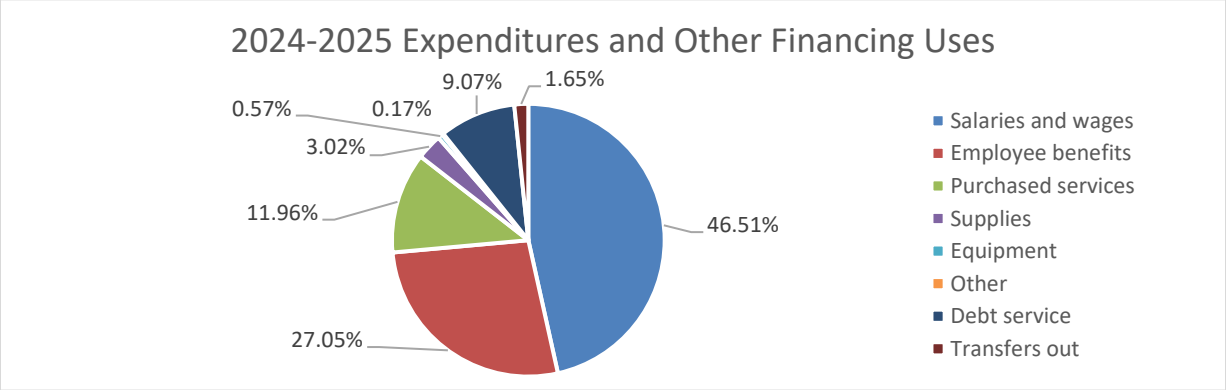
	2025	2024	$ Change	% Change
Taxes revenues	$117,213,852	$113,235,136	$ 3,978,716	3.51%
Intergovernmental revenues	31,374,311	30,662,071	712,240	2.32%
Investment earnings	1,730,345	1,893,028	(162,683)	(8.59)%
Other	573,543	478,269	95,274	19.92%
	$150,892,051	$146,268,504	$ 4,623,547	3.16%

Net tax revenues increased by $3,978,716, or 3.51%, due to several factors. A millage increase of 3.99% and an increase in assessment in 2024-2025, which were supported by an increase in realty transfer and partially offset by a decrease in delinquent real estate taxes, accounted for a majority of the increase. The following table summarizes changes in the District's tax revenues for 2025 compared to 2024:

	2025	2024	$ Change	% Change
Real estate tax	$113,965,733	$110,177,819	$ 3,787,914	3.44%
Interim real estate tax	92,915	84,267	8,648	10.26%
PURTA tax	105,945	-	105,945	100.00%
Realty transfer tax	1,950,709	1,559,076	391,633	25.12%
Delinquent real estate tax	1,098,550	1,413,974	(315,424)	(22.31)%
	$117,213,852	$113,235,136	$ 3,978,716	3.51%

Intergovernmental revenues increased primarily due to an increase in the basic education subsidy. Investment earnings decrease is commensurate with the fluctuations in interest rates.

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



General Fund Expenditures and Other Financing Uses

	2025	2024	$ Change	% Change
Salaries and wages	$ 70,981,500	$ 68,582,950	$ 2,398,550	3.50%
Employee benefits	41,277,947	41,170,626	107,321	0.26%
Purchased services	18,246,356	18,298,491	(52,135)	(0.28)%
Supplies	4,616,337	4,492,234	124,103	2.76%
Equipment	869,955	766,215	103,740	13.54%
Other	259,664	167,305	92,359	55.20%
Debt service	13,834,105	13,080,803	753,302	5.76%
Transfers out	2,521,860	8,231,101	(5,709,241)	(69.36)%
	$152,607,764	$154,789,725	$ (2,181,961)	(1.41)%

Salaries and wages increased by $2,398,550, or 3.50%, in 2024-2025 compared to 2023-2024 primarily as a result of scheduled salary increases within the District's collective bargaining agreements and employment agreements negotiated with various employee groups and individual employees coupled with the hiring of new positions and filled vacancies.

Employee benefits increased primarily due to participation in the Delaware County Public Schools Healthcare Trust. The required employer annual retirement contribution rate decreased slightly to 33.90% in 2024-2025 from 34.00% in 2023-2024.

A transfer was made in 2024-2025 from the General Fund to the Capital Projects Fund from committed fund balance to subsidize capital projects.

CAPITAL PROJECTS FUND

The Capital Projects Fund accounts for construction and renovation activity associated with the District's buildings and major equipment purchases. The Capital Projects Fund receives the majority of its revenues from the issuance of general obligation debt and transfers from the General Fund. During 2024-2025, the Capital Projects Fund reported an increase in fund balance of $2,761,503 due to the issuance of general obligation debt and a transfer from the General Fund in excess of current year capital expenditures. The remaining fund balance of $18,180,948 as of June 30, 2025 is restricted for future capital expenditures.

GENERAL FUND BUDGET INFORMATION

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

Total General Fund revenues and other financing sources were $171,689, or 0.11%, less than budgeted amounts, and total General Fund expenditures and other financing uses were $2,567,255, or 1.65%, less than budgeted amounts resulting in a net variance of $2,395,566. Major budgetary highlights for 2024-2025 were as follows:

- Actual local source revenues were $182,900 more than budgeted amounts primarily due to more than anticipated current real estate tax collections and investment earnings related to a higher than anticipated increase in interest rates.

- Actual state source revenues were $276,329 lower than budgeted amounts due primarily to lower than expected allocations for retirement subsidy contributions that exceeded budgeted projections.

- Actual federal source revenues were less than budgeted amounts by $320,206 due to a lower reliance on ACCESS funds available to the DIstrict

- Actual expenditures were $2,273,947 less than budgeted in part due to savings realized in salaries and related benefits as well as in purchased services and supplies.

- Transfers out were $481,860 more than budgeted due to additional approved use of committed fund balance transferred to the Capital Projects Fund.

- The District did not utilize an $800,000 budgetary reserve which resulted in a positive variance.

BUSINESS-TYPE ACTIVITIES AND FOOD SERVICE FUND

During 2024-2025, the net position of business-type activities and the Food Service Fund increased by $202,199. As of June 30, 2025, the business-type activities and Food Service Fund had a deficit in net position of $349,933 due to the allocation of the Food Service Fund's proportion of the District's net pension and other postemployment benefits liabilities with PSERS totaling $1,894,528.

CAPITAL ASSETS

The District's investment in capital assets for its governmental and business-type activities as of June 30, 2025 amounted to $182,980,181, net of accumulated depreciation/amortization. This investment in capital assets includes land, land improvements, buildings and improvements, furniture and equipment, and right-to-use lease assets. The total net increase in the District's investment in capital assets for the current fiscal year was $15,222,619, or 9.07%.

Current year capital additions were $24,610,987, and depreciation/amortization expense was $9,388,368. Major capital additions for the current fiscal year included the following:

- Chatham Park Elementary School renovations – construction in progress $ 18,327,376
- Coopertown Elementary – construction in progress $ 934,496
- Buses $ 1,704,138

NONCURRENT LIABILITIES

At the end of the current fiscal year, the District had total general obligation debt of $169,316,532 consisting of $148,545,000 in bonds payable, $10,335,000 in notes payable, and net deferred credits from bond premiums and discounts of $10,436,532. The entire amount is backed by the full faith and credit of the District. General obligation debt was issued to finance capital expenditures or to finance the retirement (refund) of prior obligation debt. The District's general obligation debt increased by $17,187,459, or 11.30%, during the fiscal year.

In January 2025, the District issued General Obligation Bonds, Series of 2025 in the amount of $25,465,000 to finance a portion of a capital improvement program.

State statutes limit the amount of general obligation debt the District may issue up to 225% of its borrowing base capacity which is calculated as the annual arithmetic average of the total revenues for the preceding three fiscal years. The District's outstanding general obligation debt of $169,316,532 is within the current debt limitation of the District which was $320,287,600 as of June 30, 2025.

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

The District reports its allocated portion of its defined benefit unfunded benefit obligation related to its participation in PSERS. The District's allocated portion of the net pension liability is an actuarially determined estimate of the unfunded cost of the pension plan obligation which totaled $180,562,000 as of June 30, 2025. The District's net pension liability decreased by $7,526,415, or 4.00%, during the fiscal year.

The District reports a liability for its other postemployment benefits ("OPEB") related to its single employer OPEB plan and its participation in the PSERS health insurance premium assistance program. The District's OPEB liability is an actuarially determined estimate of the unfunded cost of the OPEB obligation, which totaled $10,733,508 as of June 30, 2025. The District's OPEB liability decreased by $40,180, or 0.37%, during the fiscal year.

Other noncurrent liabilities consist of the District's liabilities for leases payable and compensated absences, which totaled $9,801,175 as of June 30, 2025. These liabilities increased by $954,507, or 10.79%, during the fiscal year.

FACTORS BEARING ON THE DISTRICT'S FUTURE

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

- The District adopted a balanced 2025-2026 budget totaling $159,331,961 that used $1,000,000 of unassigned General Fund fund balance, $2,783,883 of fund balance committed for capital projects, and the real estate tax millage rate was increased by 4.00%.

- The District expects the historical trend for greater local tax effort to fund instructional programs and services to continue as state and federal funding for public education is expected to remain stagnant. The Commonwealth of Pennsylvania only accounted for approximately 19.36% of total revenue sources to fund costs supporting the District's educational programs during fiscal 2024-2025. The federal revenues accounted for 1.46% of revenues. Local sources of revenue, primarily property taxes, now support approximately 79.18% of the costs of educational programs and services in the District.

- In 2006, Act 1 was passed, which provides taxpayer relief through gambling revenues generated at the state level. The intent of this legislation was to provide a mechanism to relieve the burden of funding public education from property owners. This legislation put a "ceiling" on the percentage increase of local real estate taxes that can be levied year-to-year in order to balance the school district budget. Pennsylvania school districts are now required to seek approval through back-end referendum to increase taxes higher than the approved index. This law puts an already increased burden on the District's revenue stream in future years. This legislation introduced certain new requirements on school districts which include the following:

    - In the event a school district wishes to increase the property tax millage rate by more than an index annually prescribed by the state (4.00% for the School District of Haverford Township for 2025-2026), the school district must seek voter approval (known commonly as a "back-end referendum") prior to implementing the millage rate increase. In the event voters do not approve the millage rate increase, the school district must limit its millage rate increase to the index. Certain exceptions are provided under Act 1 that, if approved by the appropriate authority, may permit increases above the Act 1 index without the need for a back-end referendum. Typically, these exceptions relate to emergencies and cost increases in excess of the Act 1 index (e.g., retirement system contributions or increase in special education costs) over which the school district has no control.

- In November 2010 and, again in 2017, legislation was signed into law to implement a series of actuarial and funding changes to the Public School Employees' Retirement System ("PSERS"). The 2017 law has taken effect as of July 2019. The law changed the pension plans for all new hires effective July 1, 2019. It does not impact the pension benefits of current or retired PSERS members. Based on available projections, school districts will not see relief from the new legislation until 2035. The employer contribution rate for 2025-2026 has been certified at 34.00%. Currently, the employer contribution rate for 2024-2025 is 33.90%.

- As part of the capital improvement program, the District issued General Obligation Bonds, 2024A in May 2024 and 2025 in February 2025 to finance renovations for (1) Chatham Park Elementary School to allow adequate educational space, (2) Haverford Middle School

cafeteria to accommodate expanded seating capacity, and (3) upgrades to the Coopertown Elementary School. The cafeteria project is anticipated to be completed by summer 2025 and the Chatham Park Elementary School project by October 2025. Renovations are in the planning phase for Coopertown Elementary School.

CONTACTING THE DISTRICT FINANCIAL MANAGEMENT

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

SCHOOL DISTRICT OF HAVERFORD TOWNSHIP
STATEMENT OF NET POSITION
JUNE 30, 2025
(With Summarized Comparative Data for June 30, 2024)

	Governmental Activities	Business-type Activities	Totals 2025	Totals 2024
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
ASSETS:				
Cash and cash equivalents	$ 47,308,694	$ 1,003,961	$ 48,312,655	$ 46,936,912
Taxes receivable	1,501,260	-	1,501,260	1,818,214
Due from other governments	3,665,095	184,308	3,849,403	5,695,440
Internal balances	96,150	(96,150)	-	-
Other receivables	50,441	-	50,441	1,265,147
Inventories	-	35,734	35,734	58,592
Prepaid expenses	12,959,210	-	12,959,210	14,006,477
Leased buildings and equipment, net	1,295,091	-	1,295,091	1,023,133
Books and periodicals, net	-	-	-	259,333
Land and improvements, net	2,050,638	-	2,050,638	2,233,427
Construction in progress	21,931,720	-	21,931,720	1,674,997
Buildings and improvements, net	152,282,800	-	152,282,800	158,126,803
Furniture and equipment, net	5,131,641	288,291	5,419,932	4,439,869
TOTAL ASSETS	248,272,740	1,416,144	249,688,884	237,538,344
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred charges OPEB - single employer	1,205,225	-	1,205,225	1,363,325
Deferred charges on proportionate share of OPEB - PSERS	1,491,679	15,167	1,506,846	1,434,464
Deferred charges on proportionate share of pension - PSERS	32,136,811	328,976	32,465,787	34,851,087
TOTAL DEFERRED OUTFLOWS OF RESOURCES	34,833,715	344,143	35,177,858	37,648,876
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$283,106,455	$ 1,760,287	$284,866,742	$275,187,220
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION (DEFICIT)				
LIABILITIES:				
Accounts payable	$ 4,952,845	$ 63,072	$ 5,015,917	$ 2,977,159
Accrued salaries, payroll withholdings, and benefits	10,144,917	12,450	10,157,367	15,388,524
Accrued interest payable	2,153,687	-	2,153,687	1,476,589
Unearned revenues	22,148	98,651	120,799	121,259
Long-term liabilities				
Portion due or payable within one year:				
Bonds payable	4,900,000	-	4,900,000	4,655,000
Notes payable	4,075,000		4,075,000	4,025,000
Bond premium	1,162,711	-	1,162,711	1,084,452
Lease liability	592,045	-	592,045	386,034
Accumulated compensated absences	5,177,467	-	5,177,467	4,761,128
Portion due or payable after one year:				
Bonds payable	143,645,000	-	143,645,000	123,080,000
Notes payable	6,260,000	-	6,260,000	10,335,000
Bond premium	9,273,821		9,273,821	8,949,621
Lease liability	700,310	-	700,310	606,340
Accumulated compensated absences	3,331,353	-	3,331,353	3,093,166
Net other postemployment benefits liability - single employer	3,066,508	-	3,066,508	3,118,853
Net other postemployment benefits liability - PSERS	7,589,832	77,168	7,667,000	7,654,835
Net pension liability	178,744,640	1,817,360	180,562,000	188,088,415
TOTAL LIABILITIES	385,792,284	2,068,701	387,860,985	379,801,375
DEFERRED INFLOWS OF RESOURCES:				
Deferred credits OPEB - single employer	2,142,008	-	2,142,008	1,899,587
Deferred credits on proportionate share of OPEB - PSERS	1,273,056	12,944	1,286,000	1,528,000
Deferred credits on proportionate share of pension - PSERS	2,810,425	28,575	2,839,000	2,575,000
TOTAL DEFERRED INFLOWS OF RESOURCES	6,225,489	41,519	6,267,008	6,002,587
NET POSITION (DEFICIT):				
Net investment in capital assets	30,263,951	288,291	30,552,242	30,055,560
Restricted for capital projects	190,558	-	190,558	226,862
Unrestricted (Deficit)	(139,365,827)	(638,224)	(140,004,051)	(140,899,164)
TOTAL NET POSITION (DEFICIT)	(108,911,318)	(349,933)	(109,261,251)	(110,616,742)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION (DEFICIT)	$283,106,455	$ 1,760,287	$284,866,742	$275,187,220

The accompanying notes are an integral part of these financial statements.

SCHOOL DISTRICT OF HAVERFORD TOWNSHIP
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025
(With Summarized Comparative Data for the Year Ended June 30, 2024)

		Program Revenues			Net (Expense) and Changes in Net Position			
			Operating	Capital			Totals	
	Expenses	Charges for Services	Grants and Contributions	Grants and Contributions	Governmental Activities	Business-type Activities	2025	2024
GOVERNMENTAL ACTIVITIES:								
Instruction	$ 93,901,759	$ 15,145	$ 14,484,751	$ -	$ (79,401,863)	$ -	$ (79,401,863)	$ (72,813,356)
Instructional student support	14,323,852	-	2,017,384	-	(12,306,468)	-	(12,306,468)	(12,055,148)
Administrative and financial support services	16,416,502	-	1,454,588	-	(14,961,914)	-	(14,961,914)	(12,010,733)
Operation and maintenance of plant services	11,451,044	31,389	1,918,621	884,991	(8,616,043)	-	(8,616,043)	(10,416,642)
Pupil transportation	7,769,872	-	2,261,234	-	(5,508,638)	-	(5,508,638)	(6,559,269)
Student activities	2,154,505	30,571	189,435	-	(1,934,499)	-	(1,934,499)	(1,524,263)
Community services	170,419	-	-	-	(170,419)	-	(170,419)	(6,309)
Interest on long-term debt	5,291,266	-	145,937	-	(5,145,329)	-	(5,145,329)	(3,443,320)
TOTAL GOVERNMENTAL ACTIVITIES	151,479,219	77,105	22,471,950	884,991	(128,045,173)	-	(128,045,173)	(118,829,040)
BUSINESS-TYPE ACTIVITIES:								
Food service	2,874,414	1,622,044	1,426,726	-	-	174,356	174,356	496,961
TOTAL BUSINESS-TYPE ACTIVITIES	2,874,414	1,622,044	1,426,726	-	-	174,356	174,356	496,961
TOTAL PRIMARY GOVERNMENT	$ 154,353,633	$ 1,699,149	$ 23,898,676	$ 884,991	(128,045,173)	174,356	(127,870,817)	(118,332,079)
		GENERAL REVENUES						
		Property taxes levied for general purposes			114,982,811	-	114,982,811	112,300,345
		Taxes levied for specific purposes			2,056,654	-	2,056,654	1,559,076
		Grants and entitlements not restricted to specific programs			9,718,874	-	9,718,874	8,500,173
		Investment earnings			1,731,397	27,843	1,759,240	2,487,765
		Miscellaneous income			708,729	-	708,729	-
		TOTAL GENERAL REVENUES			129,198,465	27,843	129,226,308	124,847,359
		CHANGE IN NET POSITION			1,153,292	202,199	1,355,491	6,515,280
		NET (DEFICIT) POSITION, BEGINNING OF YEAR, RESTATED			(110,064,610)	(552,132)	(110,616,742)	(117,132,022)
		NET (DEFICIT) POSITION, END OF YEAR			$(108,911,318)	$ (349,933)	$(109,261,251)	$(110,616,742)

The accompanying notes are an integral part of these financial statements.

SCHOOL DISTRICT OF HAVERFORD TOWNSHIP
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2025
(With Summarized Comparative Data for June 30, 2024)

	Major Funds		Nonmajor Funds	Totals	
	General Fund	Capital Projects Fund	School Sponsored Activity Fund	2025	2024
ASSETS					
Cash and cash equivalents	$ 25,829,242	$ 21,241,711	$ 237,741	$ 47,308,694	$ 45,382,085
Taxes receivable	1,501,260	-	-	1,501,260	1,818,214
Due from other funds	96,150	-	-	96,150	1,651,430
Due from other governments	3,665,095	-	-	3,665,095	5,518,544
Other receivables	50,441	-	-	50,441	1,265,147
Prepaid expenditures	40,144	-	-	40,144	225
TOTAL ASSETS	$ 31,182,332	$ 21,241,711	$ 237,741	$ 52,661,784	$ 55,635,645
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES:					
Accounts payable	$ 1,844,899	$ 3,060,763	$ 47,183	$ 4,952,845	$ 2,938,926
Accrued salaries, payroll withholdings, and benefits	10,144,917	-	-	10,144,917	14,952,802
Due to other funds	-	-	-	-	1,257,085
Unearned revenues	22,148	-	-	22,148	22,608
TOTAL LIABILITIES	12,011,964	3,060,763	47,183	15,119,910	19,171,421
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenues - delinquent taxes	1,501,260	-	-	1,501,260	1,433,096
TOTAL DEFERRED INFLOWS OF RESOURCES	1,501,260	-	-	1,501,260	1,433,096
FUND BALANCES:					
Nonspendable	40,144	-	-	40,144	225
Restricted to:					
Student activities	-	-	190,558	190,558	226,862
Capital projects	-	18,180,948	-	18,180,948	15,419,445
Committed to:					
Capital projects	3,949,838	-	-	3,949,838	6,428,498
Balance 2025-2026 budget	2,783,883	-	-	2,783,883	2,071,279
Unassigned	10,895,243	-	-	10,895,243	10,884,819
TOTAL FUND BALANCES	17,669,108	18,180,948	190,558	36,040,614	35,031,128
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 31,182,332	$ 21,241,711	$ 237,741	$ 52,661,784	$ 55,635,645

The accompanying notes are an integral part of these financial statements.

SCHOOL DISTRICT OF HAVERFORD TOWNSHIP
RECONCILIATION OF BALANCE SHEET - GOVERNMENTAL FUNDS
TO STATEMENT OF NET POSITION
JUNE 30, 2025

TOTAL GOVERNMENTAL FUND BALANCES		$ 36,040,614
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of:		
Lease asset	$ 1,295,091	
Land	2,050,638	
Construction in progress	21,931,720	
Buildings and improvements	152,282,800	
Furniture and equipment	5,131,641	182,691,890
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Those liabilities consist of:		
Bonds and notes payable, net	(169,316,532)	
Lease liability	(1,292,355)	
Accumulated compensated absences	(8,508,820)	
Accrued interest payable	(2,153,687)	
Net other postemployment benefits liability	(10,656,340)	
Net pension liability	(178,744,640)	(370,672,374)
Internal service funds that serve the governmental activities of the District are reported as proprietary funds at the fund level, but governmental activities at the entity-wide level.		12,919,066
Some of the District's revenues will be collected after year end but are not available soon enough to pay for the current period's expenditures and, therefore, are unavailable in the funds.		1,501,260
Deferred inflows and outflows related to the District's net pension and net other postemployment benefits liabilities are based on the differences between actuarially determined actual and expected District's amount of the total pension and postemployment benefits liabilities, pension and benefit contributions made after the measurement date of the respective plans, investment returns, changes in the actuarially determined proportion of the net pension and postemployment benefit liabilities, and other factors. These amounts will be amortized over the estimated remaining average service life of the employees.		
Deferred outflows of resources:		
Deferred outflows - pension and other postemployment benefits	34,833,715	
Deferred inflows of resources:		
Deferred inflows - pension and other postemployment benefits	(6,225,489)	28,608,226
NET POSITION (DEFICIT) OF GOVERNMENTAL ACTIVITIES		$ (108,911,318)

These accompanying notes are an integral part of these financial statements.

SCHOOL DISTRICT OF HAVERFORD TOWNSHIP
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025
(With Summarized Comparative Data for the Year Ended June 30, 2024)

	Major Funds		Nonmajor Funds	Totals	
	General Fund	Capital Projects Fund	School Sponsored Activity Fund	2025	2024
REVENUES					
Local sources	$ 119,275,794	$ 886,043	$ 187,010	$ 120,348,847	$ 116,378,172
State sources	29,169,138	-	-	29,169,138	28,270,746
Federal sources	2,205,173	-	-	2,205,173	2,391,325
TOTAL REVENUES	150,650,105	886,043	187,010	151,723,158	147,040,243
EXPENDITURES					
Current:					
Instruction	88,540,547	-	-	88,540,547	87,392,038
Support services	45,619,796	2,373,079	-	47,992,875	46,849,968
Operation of noninstructional services	1,995,714	-	223,314	2,219,028	1,860,271
Facilities acquisition, construction and improvement services	70,910	24,980,698	-	25,051,608	7,800,055
Debt service	13,834,105	1,089,526	-	14,923,631	13,080,803
TOTAL EXPENDITURES	150,061,072	28,443,303	223,314	178,727,689	156,983,135
EXCESS (DEFICIENCY) OF REVENUES UNDER EXPENDITURES	589,033	(27,557,260)	(36,304)	(27,004,531)	(9,942,892)
OTHER FINANCING SOURCES (USES)					
Refund of prior year expenditures	170,236	-	-	170,236	65,153
Transfers in (out)	(2,521,860)	2,521,860	-	-	-
Issuance of debt	-	25,465,000	-	25,465,000	13,680,000
Issuance costs	-	(170,002)	-	(170,002)	-
Issuance of debt - refunding	-	-	-	-	8,360,000
Bond premiums	-	1,565,169	-	1,565,169	2,308,085
Payment of debt - refunding	-	-	-	-	(9,504,118)
Proceeds from right-to-use-lease arrangements	-	936,736	-	936,736	779,223
Proceeds from insurance recoveries	71,710	-	-	71,710	-
Refund of prior year revenues	(24,832)	-	-	(24,832)	-
TOTAL OTHER FINANCING SOURCES (USES)	(2,304,746)	30,318,763		28,014,017	15,688,343
NET CHANGE IN FUND BALANCES	(1,715,713)	2,761,503	(36,304)	1,009,486	5,745,451
FUND BALANCES, BEGINNING OF YEAR	19,384,821	15,419,445	226,862	35,031,128	29,285,677
FUND BALANCES, END OF YEAR	$ 17,669,108	$ 18,180,948	$ 190,558	$ 36,040,614	$ 35,031,128

The accompanying notes are an integral part of these financial statements.

SCHOOL DISTRICCT OF HAVERFORD TOWNSHIP
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	$ 1,009,486
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation and amortization expense ($8,666,850) was exceeded by capital outlays ($23,537,768).	15,142,876
Because some revenues will not be collected for several months after the District's fiscal year ends, they are not considered as "available" revenues in the governmental funds. Unavailable revenues increased by this amount this year.	68,164
Debt proceeds are reported as financing sources in the governmental funds and, thus, contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position. Governmental funds report bond discounts as other financing uses and bond premiums as other financing sources. However, these amounts are reported on the statement of net position as deferred charges and credits and are amortized over the life of the debt. This amount is the net effect of these differences.	(17,487,440)
In the statement of activities, compensated absences (vacation and sick leave) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This is the amount by which current period amounts paid were more than current period compensated absences earned.	(654,526)
Activity in the internal service fund is recorded at the fund level in the proprietary funds but is reported in the governmental activities in the entity-wide statements.	(1,087,186)
Pension and OPEB expense in the statement of activities differ from the amount reported in the governmental funds because pension and OPEB expenses are recognized on the statement of activities based on the District's proportionate share of the expense of the cost-sharing pension plan, whereas pension and OPEB expenditures are recognized in the governmental funds when a requirement to remit contributions to the plan exists.	4,839,016
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 1,153,292

The accompanying notes are an integral part of these financial statements.

SCHOOL DISTRICT OF HAVERFORD TOWNSHIP
BUDGETARY COMPARISON STATEMENT - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final Budget	(GAAP Basis)	(Negative)
REVENUES				
Local sources	$ 119,092,894	$ 119,092,894	$ 119,275,794	$ 182,900
State sources	29,445,467	29,445,467	29,169,138	(276,329)
Federal sources	2,525,379	2,525,379	2,205,173	(320,206)
TOTAL REVENUES	151,063,740	151,063,740	150,650,105	(413,635)
EXPENDITURES				
Instruction:				
Regular programs	58,750,681	58,750,681	57,099,095	1,651,586
Special programs	29,001,462	29,001,462	29,141,691	(140,229)
Vocational programs	833,356	833,356	820,277	13,079
Other instructional programs	588,310	588,310	301,320	286,990
Nonpublic programs	1,399,128	1,399,128	1,178,164	220,964
Total Instruction	90,572,937	90,572,937	88,540,547	2,032,390
Support services:				
Pupil personnel services	7,544,723	7,544,723	7,058,723	486,000
Instructional staff services	4,038,496	4,038,496	4,224,489	(185,993)
Administrative services	7,782,269	7,782,269	8,081,509	(299,240)
Pupil health	2,308,284	2,308,284	2,538,484	(230,200)
Business services	1,440,695	1,440,695	1,314,372	126,323
Operation and maintenance of plant services	11,235,710	11,235,710	10,905,108	330,602
Student transportation services	7,457,293	7,457,293	7,520,553	(63,260)
Central support services	3,971,841	3,971,841	3,855,385	116,456
Other support services	114,268	114,268	121,173	(6,905)
Total Support Services	45,893,579	45,893,579	45,619,796	273,783
Operation of noninstructional services:				
Student activities	1,806,803	1,806,803	1,831,420	(24,617)
Community services	150,000	150,000	164,294	(14,294)
Total Operation of Noninstructional Services	1,956,803	1,956,803	1,995,714	(38,911)
Capital outlay	24,000	24,000	70,910	(46,910)
Debt service	13,887,700	13,887,700	13,834,105	53,595
TOTAL EXPENDITURES	152,335,019	152,335,019	150,061,072	2,273,947
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(1,271,279)	(1,271,279)	589,033	1,860,312
OTHER FINANCING SOURCES AND (USES)				
Transfer to other funds	(2,040,000)	(2,040,000)	(2,521,860)	(481,860)
Proceeds from insurance recoveries	-	-	71,710	71,710
Refund of prior year revenues	-	-	(24,832)	(24,832)
Refund of prior year expenditures	-	-	170,236	170,236
Budgetary reserve	(800,000)	(800,000)	-	800,000
TOTAL OTHER FINANCING SOURCES AND USES	(2,840,000)	(2,840,000)	(2,304,746)	535,254
NET CHANGE IN FUND BALANCE	(4,111,279)	(4,111,279)	(1,715,713)	2,395,566
FUND BALANCE, BEGINNING OF YEAR	19,384,821	19,384,821	19,384,821	-
FUND BALANCE, END OF YEAR	$ 15,273,542	$ 15,273,542	$ 17,669,108	$ 2,395,566

The accompanying notes are an integral part of these financial statements.

SCHOOL DISTRICT OF HAVERFORD TOWNSHIP
STATEMENTS OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2025 AND 2024

	Food Service Fund		Internal Service Fund	
	2025	2024	2025	2024
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
CURRENT ASSETS:				
Cash and cash equivalents	$ 1,003,961	$ 1,554,827	$ -	$ -
Due from other governments	184,308	176,896	-	-
Inventories	35,734	58,592	-	-
Prepaid expenses	-	-	12,919,066	14,006,252
Total Current Assets	1,224,003	1,790,315	12,919,066	14,006,252
Net property and equipment	288,291	208,548	-	-
TOTAL ASSETS	1,512,294	1,998,863	12,919,066	14,006,252
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred outflows - OPEB	15,167	13,982	-	-
Deferred outflows - pension	328,976	337,546	-	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	344,143	351,528	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 1,856,437	$ 2,350,391	$12,919,066	$14,006,252
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION				
LIABILITIES:				
Accounts payable	$ 63,072	$ 38,233	$ -	$ -
Accrued salaries, payroll withholdings, and benefits	12,450	435,722	-	-
Due to other funds	96,150	394,345	-	-
Unearned revenues	98,651	98,651	-	-
Long-term liabilities:				
Portion due or payable after one year:				
Net pension liability	1,817,360	1,821,694	-	-
Net other postemployments liability	77,168	74,139	-	-
TOTAL LIABILITIES	2,164,851	2,862,784	-	-
DEFERRED INFLOWS OF RESOURCES:				
Deferred outflows - OPEB	12,944	14,799	-	-
Deferred outflows - pension	28,575	24,940	-	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	41,519	39,739	-	-
NET POSITION:				
Investment in capital assets	288,291	208,548	-	-
Unrestricted	(638,224)	(760,680)	12,919,066	14,006,252
Total Net Position	(349,933)	(552,132)	12,919,066	14,006,252
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	$ 1,856,437	$ 2,350,391	$12,919,066	$14,006,252

The accompanying notes are an integral part of these financial statements.

SCHOOL DISTRICT OF HAVERFORD TOWNSHIP
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - PROPRIETARY FUNDS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	Food Service Fund		Internal Service Fund	
	2025	2024	2025	2024
OPERATING REVENUES				
Charges for services	$ 1,622,044	$ 1,557,058	$14,516,165	$15,461,521
TOTAL OPERATING REVENUES	1,622,044	1,557,058	14,516,165	15,461,521
OPERATING EXPENSES				
Salaries	721,694	715,519	-	-
Employee benefits	379,636	318,285	15,499,995	14,815,985
Purchased professional and technical services	-	-	872,835	864,796
Purchased property services	30,172	33,472	-	-
Other purchased services	1,452,316	1,287,533	-	-
Supplies	224,472	246,967	-	-
Depreciation	56,740	43,936	-	-
Other	9,384	4,946	-	-
TOTAL OPERATING EXPENSES	2,874,414	2,650,658	16,372,830	15,680,781
OPERATING (LOSS) INCOME	(1,252,370)	(1,093,600)	(1,856,665)	(219,260)
NONOPERATING REVENUES				
Earnings on investments	27,843	17,247	769,479	780,647
State sources	502,473	456,655	-	-
Federal sources	921,849	1,126,356	-	-
Gain on disposal of assets	1,650	7,550	-	-
Miscellaneous revenues	754	-	-	-
TOTAL NONOPERATING REVENUES	1,454,569	1,607,808	769,479	780,647
CHANGE IN NET POSITION	202,199	514,208	(1,087,186)	561,387
NET POSITION (DEFICIT), BEGINNING OF YEAR	(552,132)	(1,066,340)	14,006,252	13,444,865
NET POSITION, END OF YEAR	$ (349,933)	$ (552,132)	$12,919,066	$14,006,252

The accompanying notes are an integral part of these financial statements.

SCHOOL DISTRICT OF HAVERFORD TOWNSHIP
STATEMENTS OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	Food Service Fund		Internal Service Fund	
	2025	2024	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from charges for services	$ 1,622,044	$ 1,558,910	$ -	$ -
Cash received for assessments made to other funds	-	-	14,516,165	15,461,521
Cash payments to employees for services	(1,814,937)	(209,776)		-
Cash payments to suppliers for goods and services	(1,466,667)	(1,332,528)		-
Cash payments for insurance claims	-	-	(14,412,809)	(15,377,372)
Cash payents for other operating expenses	-	-	(872,835)	(864,796)
NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES	(1,659,560)	16,606	(769,479)	(780,647)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
State sources	497,935	399,829	-	-
Federal sources	716,995	777,703	-	-
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	1,214,930	1,177,532	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Purchase of capital assets	(136,483)	-	-	-
Proceeds from the sale of assets	1,650	7,550	-	-
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(134,833)	7,550	-	-
CASH FLOWS FROM INVESTING ACTIVITIES:				
Earnings on investments and other income	28,597	17,247	769,479	780,647
NET CASH (USED) PROVIDED BY INVESTING ACTIVITIES	28,597	17,247	769,479	780,647
NET DECREASE IN CASH AND CASH EQUIVALENTS	(550,866)	1,218,935	-	-
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,554,827	335,892	-	-
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 1,003,961	$ 1,554,827	$ -	$ -
RECONCILIATION OF OPERATING (LOSS) INCOME TO NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES:				
Operating (loss) income	$ (1,252,370)	$ (1,093,600)	$ (1,856,665)	$ (219,260)
Adjustments to reconcile operating (loss) income to net cash used by operating activities:				
Depreciation	56,740	43,936	-	-
Donated commodities	201,980	243,639	-	-
Decrease (Increase) in:				
Due from other funds	-	375,968	-	-
Inventories	22,858	(13,009)	-	-
Prepaid expenses	-	-	1,087,186	(561,387)
Deferred outflows of resources	7,385	(37,630)	-	-
Increase (Decrease) in:				
Accounts payable	24,839	9,760	-	-
Due to other funds	(298,195)	394,345		-
Accrued salaries, payroll withholdings, and benefits	(423,272)	60,180	-	-
Unearned revenues	-	1,852	-	-
Net OPEB liability	(4,334)	53,457	-	-
Net pension liability	3,029	979	-	-
Deferred inflows of resources	1,780	(23,271)	-	-
NET CASH USED BY OPERATING ACTIVITIES	$ (1,659,560)	$ 16,606	$ (769,479)	$ (780,647)
SUPPLEMENTAL DISCLOSURE:				
Noncash noncapital financing activity:				
USDA donated commodities	$ 201,980	$ 243,639	$ -	$ -

The accompanying notes are an integral part of these financial statements.

SCHOOL DISTRICT OF HAVERFORD TOWNSHIP
STATEMENT OF NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2025
(With Summarized Comparative Totals for June 30, 2024)

	Private-Purpose Trust	Custodial Funds	Totals 2025	Totals 2024
ASSETS:				
Cash	$ 98,941	$ 364,160	$ 463,101	$ 514,319
Accounts receivable	-	-	-	39,972
TOTAL ASSETS	$ 98,941	$ 364,160	$ 463,101	$ 554,291
LIABILITIES AND NET POSITION:				
LIABILITIES				
Accounts payable	$ 9,000	$ 32,787	$ 41,787	$ 65,489
TOTAL LIABILITIES	9,000	32,787	41,787	65,489
NET POSITION				
Net position held in trust for scholarships	89,941	-	89,941	78,849
Net position held in trust for student activities	-	331,373	331,373	409,953
TOTAL LIABILITIES AND NET POSITION	$ 98,941	$ 364,160	$ 463,101	$ 554,291

The accompanying notes are an integral part of these financial statements.

SCHOOL DISTRICT OF HAVERFORD TOWNSHIP
STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025
(With Summarized Comparative Information for the Year Ended June 30, 2024)

	Private-Purpose Trust	Custodial Funds	Totals 2025	Totals 2024
ADDITIONS:				
Receipts from student groups	$ -	$ 1,004,700	$ 1,004,700	$ 890,077
Local contributions	86,632	-	86,632	50,223
TOTAL ADDITIONS	86,632	1,004,700	1,091,332	940,300
DEDUCTIONS:				
Scholarships awarded and fees paid	75,540	-	75,540	91,741
Student activity disbursements	-	1,083,280	1,083,280	856,905
TOTAL DEDUCTIONS	75,540	1,083,280	1,158,820	948,646
NET DECREASE IN FIDUCIARY NET POSITION	11,092	(78,580)	(67,488)	(8,346)
FIDUCIARY NET POSITION - BEGINNING BALANCE	78,849	409,953	488,802	497,148
FIDUCIARY NET POSITION - ENDING BALANCE	$ 89,941	$ 331,373	$ 421,314	$ 488,802

The accompanying notes are an integral part of these financial statements.

NOTE 1 ORGANIZATION AND PURPOSE

The School District of Haverford Township ("the District") operates five elementary schools, a middle school, a high school and a virtual educational program to provide education and related services to the residents of the Township of Haverford. The District operates under current standards prescribed by the Pennsylvania Department of Education in accordance with the provisions of the School Laws of Pennsylvania as a school district of the third class. The District operates under a locally elected nine-member board form of government ("the School Board").

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

Basis of Presentation

Government-wide Financial Statements

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements of governmental funds.

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

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

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

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

Fund Financial Statements

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Governmental Funds

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

The District reports the following major governmental funds:

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

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

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

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

Proprietary Fund

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

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

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

This fund distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the District's proprietary fund are charges for services. Operating

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

expenses for the District's proprietary funds include payroll, employee benefits, supplies, and administrative costs. All revenues or expenses not meeting this definition are reported as nonoperating revenues and expenses.

Fiduciary Funds

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

Revenue Recognition

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

Expenditure Recognition

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

Cash and Cash Equivalents

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Interfund Receivables and Payables

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

Property Taxes

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

July 1 - August 31	-	Discount period, 2% of gross levy
September 1 - October 31	-	Face period
October 31 to collection	-	Penalty period, 10% of gross levy
February 28	-	Lien date

The County Board of Assessments determines assessed valuations of property, and the District's taxes are billed and collected by a local tax collector. The tax on real estate for public school purposes for fiscal 2024-2025 was 18.8951 mills ($18.89 for $1,000 of assessed valuation). The District experiences very small losses from uncollectible property taxes. Property taxes constitute a lien against real property and usually can be collected in full when title transfers. Only balances that remain after tax sales are written off each year. Accordingly, an allowance for doubtful accounts has not been established by the District for property taxes receivable.

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

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

The discount (2%) is not applicable to installment payments; however, the penalty (10%) will be added if second and third installments are paid subsequent to the due dates.

Prepaid Items and Inventories

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Unearned Revenues

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

Capital Assets

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

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

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

Property, plant, and equipment (net of salvage value) of the District is depreciated using the straight-line method over the following estimated useful lives:

Buildings and improvements	20 – 40 years
Furniture, and equipment, and vehicles	5 – 10 years
Right-to-use lease assets	Life of lease
Books, periodicals, and materials	5 – 10 years

Leases - Lessee

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

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

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

Impairment of Long-lived Assets

The District evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. A capital asset is generally considered impaired if both (a) the decline in service utility of the capital asset is large in magnitude and (b) the event or change in circumstances is outside the normal life cycle of the capital asset. If a capital asset is considered to be impaired, the amount of impairment is measured by the method that most reflects the decline in service utility of the capital asset at the lower of carrying value or fair value for impaired capital assets that will no longer be used by the District. No impairment losses were recognized for the year ended June 30, 2025.

Compensated Absences

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

Long-term Obligations

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Fund Equity

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

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

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

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

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

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

Comparative Data

Comparative totals for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations. Certain amounts presented in the prior year have been reclassified in order to be consistent with the current year's presentation. However, presentation of prior year totals by fund and activity type have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read. Summarized comparative information should be read in conjunction with the District's financial statements for the year ended June 30, 2024, from which the summarized information was derived.

Use of Estimates

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

Implementation of GASB Statement

During the year ended June 30, 2025, the District implemented GASB Statement No. 101, "Compensated Absences." GASB Statement No. 101 aligns the recognition and measurement guidance for reporting compensated absence liabilities from previous standards under a unified model, and amends certain previously required disclosures. Under GASB Statement No. 101, a liability is recognized for sick, vacation, or other leave time that has not been used as of the financial statement date, and leave that has been used but has not yet been paid or otherwise settled.

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

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

The District is required to publish notice by advertisement at least once in two newspapers of general circulation in the municipalities in which it is located, and within 20 days of final action,

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (cont'd)

that the proposed budget has been prepared and is available for public inspection at the administrative offices of the District. Notice that public hearings will be held on the proposed operating budget must be included in the advertisement; such hearings are required to be scheduled at least 10 days prior to when final action on adoption is taken by the School Board.

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

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

Deficit in Net Position

At June 30, 2025, the governmental activities, business-type activities, and food service fund had deficit net positions of $108,911,827, $349,933, and $349,933, respectively, resulting from allocating a portion of the net pension and OPEB liability to this fund. Since these opinion units utilize the economic resources measurement focus, these obligations are presented in the financial statements as liabilities and therefore reduce fund equity to an overall deficit. This deficit will be eliminated as resources are obtained (e.g. from revenues and transfers) to make the periodic pension and OPEB contributions for active participants in these plans.

Expenditures in Excess of Appropriations

Special program, instructional staff services, administrative services, pupil health, student transportation services, other support services, student activities, community services, and capital outlay expenditures exceeded budgeted amounts by $140,229, $185,993, $299,240, $230,200, $63,260, $6,905, $24,617, $14,294, and $46,910, respectively. Expenditures exceeding budget were offset by expenditures in other areas being below budget.

NOTE 4 DEPOSITS

State statutes authorize the District to invest in U.S. Treasury bills, time or share accounts of institutions insured by the Federal Deposit Insurance Corporation or in certificates of deposit

NOTE 4 DEPOSITS (cont'd)

when they are secured by proper bond or collateral, repurchase agreements, state treasurer's investment pools, or mutual funds.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned. At June 30, 2025, the carrying amount of the District's deposits was $48,775,756, and the bank balance was $58,872,701. The District is required by state statute to deposit funds in depositories that are either banks, banking institutions, or trust companies located in the Commonwealth of Pennsylvania. To the extent that such deposits exceed federal insurance, the depositories must pledge as collateral obligations of the United States, Commonwealth of Pennsylvania, or any political subdivision. Under Act 72 of 1971, as amended, the depositories may meet this collateralization requirement by pooling appropriate securities to cover all public funds on deposit. Of the bank balance, $250,249 was covered by federal depository insurance, and $24,639,281 was collateralized by the District's depositories in accordance with Act 72 and the collateral was held by the depositories' agent in pooled public funds. The remaining cash deposits of the District of $33,983,171 are in the Pennsylvania Local Government Investment Trust ("PLGIT"). Although not registered with the Securities and Exchange Commission and not subject to regulatory oversight, PLGIT acts like a money market mutual fund in that its objective is to maintain a stable net assets value of $1 per share, is rated by a nationally recognized statistical rating organization ,and is subject to independent annual audit. As of June 30, 2025, PLGIT was rated as AAA by a nationally recognized statistical rating agency.

NOTE 5 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets not being depreciated:				
Construction in progress	$ 1,674,997	$ 20,256,723	$ -	$ 21,931,720
Total Capital Assets Not Being Depreciated	1,674,997	20,256,723	-	21,931,720
Capital assets being depreciated:				
Land and improvements	5,496,429	22,500	-	5,518,929
Buildings and improvements	252,858,841	746,421	-	253,605,262
Furniture, equipment, and vehicles	19,550,854	2,512,124	-	22,062,978
Right-to-use lease assets	3,523,242	936,736	1,872,533	2,587,445
Books, periodicals, and materials	3,697,339	-	-	3,697,339
Total Capital Assets Being Depreciated	285,126,705	4,217,781	1,872,533	287,471,953

NOTE 5 CAPITAL ASSETS (cont'd)

	Beginning Balance	Increases	Decreases	Ending Balance
(cont'd)				
Less accumulated depreciation:				
Land and improvements	(3,263,002)	(205,289)	-	(3,468,291)
Buildings and improvements	(94,732,038)	(6,590,424)	-	(101,322,462)
Furniture, equipment, and vehicles	(15,319,533)	(1,611,804)	-	(16,931,337)
Right-to-use lease assets	(2,500,109)	(664,778)	1,872,533	(1,292,354)
Books, periodicals, and materials	(3,438,006)	(259,333)	-	(3,697,339)
Total accumulated depreciation	(119,252,688)	(9,331,628)	1,872,533	(126,711,783)
Governmental Activities, Net	$167,549,014	$ 15,142,876	$ -	$182,691,890
Business-type Activities				
Machinery and equipment	$ 1,581,907	$ 136,483	$ -	$ 1,718,390
Less accumulated depreciation	(1,373,359)	(56,740)	-	(1,430,099)
Business-type Activities, Net	$ 208,548	$ 79,743	$ -	$ 288,291

At June 30, 2025, the District had construction commitments totaling $21,853,347 for the Chatham Elementary Park and Coopertown Elementary renovation projects.

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

Governmental Activities	
Instruction	$ 6,248,056
Instructional student support	860,127
Administrative and financial support services	950,365
Pupil transportation	678,628
Operation and maintenance of plant services	468,006
Student activities	126,446
Total Depreciation Expense - Governmental Activities	$ 9,331,628
Business-type Activities	
Food service	$ 56,740

NOTE 6 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2025 is as follows:

NOTE 6 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (cont'd)

Receivable To	Amount	Payable From	Amount
General fund	$ 96,150	Food service fund	$ 96,150

A summary of interfund transfers for the year ended June 30, 2025 is as follows:

Transfers In	Amount	Transfers Out	Amount
Capital projects fund	$ 2,521,860	General fund	$ 2,521,860

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

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

NOTE 7 NONCURRENT LIABILITIES

The following summarizes the changes in noncurrent liabilities for the year ended June 30, 2025:

	Balance July 1, 2024	Increases	Decreases	Balance June 30, 2025	Amount Due Within One Year
Governmental Activities					
General obligation debt:					
Bonds payable	$127,735,000	$ 25,465,000	$ 4,655,000	$148,545,000	$ 4,900,000
Notes payable	14,360,000	-	4,025,000	10,335,000	4,075,000
Bond premiums	10,034,073	1,565,169	1,162,710	10,436,532	1,162,711
Total General Obligation Debt	152,129,073	27,030,169	9,842,710	169,316,532	10,137,711
Other noncurrent liabilities:					
Leases payable	992,374	936,736	636,755	1,292,355	592,045
Compensated absences	7,854,294	654,526	-	8,508,820	5,177,467
OPEB liability	3,118,853	-	52,345	3,066,508	-
Net OPEB liability - PSERS	7,580,696	9,136	-	7,589,832	-
Net pension liability - PSERS	186,266,721	-	7,522,081	178,744,640	-
Total Other Noncurrent Liabilities	205,812,938	1,600,398	8,211,181	199,202,155	5,769,512
Total Governmental Activities	357,942,011	28,630,567	18,053,891	368,518,687	15,907,223

NOTE 7 NONCURRENT LIABILITIES (cont'd)

	Balance July 1, 2024	Increases	Decreases	Balance June 30, 2025	Amount Due Within One Year
Business-type Activities					
Net OPEB liability - PSERS	74,139	3,029	-	77,168	-
Net pension liability - PSERS	1,821,694	-	4,334	1,817,360	-
Total Business-type Activities	1,895,833	3,029	4,334	1,894,528	-
Total Noncurrent Liabilities	$359,837,844	$ 28,633,596	$ 18,058,225	$370,413,215	$ 15,907,223

Noncurrent liabilities of governmental activities are generally liquidated by the General Fund, while noncurrent liabilities of the business-type activities are liquidated by the Food Service Fund. Increases in compensated absences are reported net of decreases.

NOTE 8 GENERAL OBLIGATION DEBT

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

General obligation debt outstanding as of June 30, 2025 consisted of the following:

Description	Interest Rate(s)	Original Issue Amount	Final Maturity	Principal Outstanding
General Obligation Bonds:				
Series of 2019	4.00% - 5.00%	$ 16,355,000	09/01/2034	$ 12,370,000
Series of 2019A	2.00% - 3.00%	$ 34,995,000	03/01/2037	34,970,000
Series of 2019B	5.00%	$ 8,315,000	03/01/2030	6,505,000
Series of 2021A	2.00%	$ 8,610,000	03/15/2037	8,590,000
Series of 2021B	2.00% - 5.00%	$ 1,005,000	0/315/2031	640,000
Series of 2022A	3.00%	$ 6,810,000	03/15/2038	6,800,000
Series of 2022B	3.00%	$ 1,185,000	03/15/2032	945,000
Series of 2023	5.00%	$ 28,380,000	03/01/2030	24,110,000
Series of 2023A	2.625% - 5.00%	$ 5,080,000	0/301/2038	5,070,000
Series of 2023B	5.00%	$ 1,185,000	03/01/2033	1,045,000
Series of 2024A	5.00%	$ 13,680,000	03/15/2044	13,675,000
Series of 2024B	5.00%	$ 8,360,000	03/15/2036	8,360,000
Series of 2025	5.50%	$ 25,465,000	03/15/2044	25,465,000
Total General Obligation Bonds				148,545,000

NOTE 8 GENERAL OBLIGATION DEBT (cont'd)

Description	Interest Rate(s)	Original Issue Amount	Final Maturity	Principal Outstanding
General Obligation Notes:				
Series of 2020	1.39%	$ 15,515,000	03/15/2029	10,335,000
Total General Obligation Debt				$ 158,880,000

General Obligation Bonds, Series of 2025

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

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

Year Ended June 30,	Principal	Interest	Total
2026	$ 8,975,000	$ 6,461,019	$ 15,436,019
2027	9,250,000	6,048,088	15,298,088
2028	9,640,000	5,664,538	15,304,538
2029	10,040,000	5,262,469	15,302,469
2030	10,500,000	4,842,582	15,342,582
2031 - 2035	46,875,000	18,474,425	65,349,425
2036 - 2040	37,540,000	10,677,050	48,217,050
2041 - 2044	26,060,000	3,337,000	29,397,000
	$158,880,000	$ 60,767,171	$219,647,171

NOTE 9 LEASES PAYABLE

The District has entered into long-term lease agreements for information technology equipment, maintenance equipment, and vehicles and transportation equipment. Initial lease liabilities were recorded in the amount of $2,587,445. As of June 30, 2025, the value of the lease liabilities is $1,292,355. The leases have interest rates ranging from 0.90% to 6.04%. The

NOTE 9 LEASES PAYABLE (cont'd)

equipment had estimated useful lives from 4 to 5 years as of their contract commencements. Future minimum lease payments under these leases are as follows:

Year Ended June 30,	Principal	Interest	Total
2026	$ 592,045	$ 69,881	$ 661,926
2027	415,921	40,559	456,480
2028	284,389	16,283	300,672
	$ 1,292,355	$ 126,723	$ 1,419,078

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS

Single Employer Defined Benefit OPEB Plan

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

OPEB Plan Membership

Membership in the OPEB plan consisted of the following at July 1, 2024:

Active employees	907
Vested former participants	-
Retired participants	13
	920

Funding Policy

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

OPEB Liability

The District's OPEB liability has been measured as of July 1, 2024. The total OPEB liability was determined by an actuarial valuation as of July 1, 2024. The OPEB liability is $3,066,508, all of

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (cont'd)

which is unfunded. As of June 30, 2025, the OPEB liability of $3,066,508 is related to the governmental funds and is recorded in the governmental activities in the government-wide statement of net position.

The District's change in its OPEB liability for the year ended June 30, 2025 was as follows:

Balance as of July 1, 2024	$ 3,118,853
Changes for the year:	
Service cost	200,671
Interest on total OPEB liability	133,973
Change in benefit terms	190,217
Difference between expected and actual experience	(430,113)
Changes in assumptions	(7,463)
Benefit payments	(139,630)
Net changes	(52,345)
Balance as of June 30, 2025	$ 3,066,508

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

For the year ended June 30, 2025, the District recognized OPEB expense of $269,432. At June 30, 2025, the District had deferred outflows of resources and deferred inflows of resources related to the OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ 1,195,268
Changes in assumptions	1,100,210	946,740
Contributions subsequent to the measurement date	105,015	-
	$ 1,205,225	$ 2,142,008

Reported deferred outflows of resources of $105,015 related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (cont'd)

OPEB liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	
2026	$ (71,670)
2027	(71,670)
2028	(71,670)
2029	(71,670)
2030	(71,670)
Thereafter	(683,448)
	$ (1,041,798)

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

The following presents the OPEB liability for June 30, 2025, calculated using current healthcare cost trends as well as what the OPEB liability would be if health cost trends were 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease	Current Trend Rate	1% Increase
OPEB liability	$ 2,695,778	$ 3,066,508	$ 3,504,450

Sensitivity of the OPEB Liability to Changes in the Discount Rate

The following presents the OPEB liability of the District calculated using the discount rate of 4.29%, as well as what the OPEB liability would be if it were calculated using the discount rate that is one percentage point lower (3.29%) or 1 percentage point higher (5.29%) than the current rate:

	1% Decrease 3.29%	Current Discount Rate 4.29%	1% Increase 5.29%
OPEB liability	$ 3,337,402	$ 3,066,508	$ 2,812,841

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (cont'd)

Actuarial Methods and Significant Assumptions

The OPEB liability as of June 30, 2025, was determined by rolling forward the OPEB Liability as of July 1, 2023 to July 1, 2024 using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method – entry age normal
- Discount rate – 4.29% – Standard and Poor's 20-year municipal bond rate. The discount rate changed from 4.13% to 4.29%.
- Salary growth – salary increases are composed of inflation of 2.50%, 1.50% for real wage growth, and 0.00% to 2.75% for merit or seniority increases.
- Assumed healthcare cost trends – 7.00% in 2024 with 0.50% decrease per year until 5.50% in 2026. Rates gradually decrease from 5.50% in 2027 to 4.00% in 2075 and later.
- Mortality – PubT-2010 Headcount-weighted Mortality Table including rates for contingent survivors for teachers and PubG-2010 Headcount-weighted Mortality Table including rates for contingent survivors for all other employees

Cost Sharing Multiple-Employer Defined Benefit OPEB Plan

PSERS provides health insurance premium assistance, which is a governmental cost sharing, multiple-employer OPEB plan for all eligible retirees who qualify and elect to participate. Employer contribution rates for health insurance premium assistance are established to provide reserves in the health insurance account that are sufficient for the payment of health insurance premium assistance benefits for each succeeding year. Effective January 1, 2002, under the provisions of Act 9 of 2001, participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of $100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS' health options program. As of June 30, 2024, there were no assumed future benefit increases to participating eligible retirees.

Retirees of the system can participate in the premium assistance program if they satisfy the following criteria:

- Have 24½ or more years of service, or
- Are a disability retiree, or
- Have 15 or more years of service and retired after reaching superannuation age.

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

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (cont'd)

- Attain Medicare eligibility with 24½ or more eligibility points, or
- Have 15 or more eligibility points and terminated after age 67, and
- Have received all or part of their distributions.

Benefits Provided

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

Employer Contributions

The District's contractually required contribution rate for the fiscal year ended June 30, 2025 was 0.63% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the OPEB plan from the District were $440,616 for the year ended June 30, 2025.

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

At June 30, 2025, the District reported a liability of $7,667,000 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by rolling forward PSERS' total OPEB liability as of June 30, 2023 to June 30, 2024. The District's proportion of the net OPEB liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2024, the District's proportion was 0.4316%, which was an increase of 0.0085% from its proportion measured as of June 30, 2023. As of June 30, 2025, the net OPEB liability of $7,589,832 is related to the governmental funds and is recorded in the governmental activities in the government-wide statement of net position, and the remaining $77,168 of the net OPEB liability is recorded as a liability in the proprietary fund statement of net position and in the business-type activities in the government-wide statement of net position.

For the year ended June 30, 2025, the District recognized net OPEB expense of $591,335. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (cont'd)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 29,000	$ 115,000
Changes in assumptions	467,000	1,171,000
Net difference between projected and actual investment earnings	8,000	-
Changes in proportions	339,000	-
Difference between actual and proportionate share of contributions	223,230	-
Contributions subsequent to the measurement date	440,616	-
	$ 1,506,846	$ 1,286,000

Reported deferred outflows of resources of $440,616 related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	
2026	$ (38,914)
2027	(90,514)
2028	(142,114)
2029	41,486
2030	10,286
	$ (219,770)

Actuarial Assumptions

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

- Actuarial cost method – entry age normal – level percentage of pay
- Investment return – 4.21% – Standard & Poor's 20-year municipal bond rate
- Salary growth – Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (cont'd)

- Premium assistance reimbursement is capped at $1,200 per year.
- Assumed healthcare cost trends were applied to retirees with less than $1,200 in premium assistance per year.
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.
- Participation rate:
  - Eligible retirees will elect to participate pre age 65 at 50%.
  - Eligible retirees will elect to participate post age 65 at 70%.
- Change in assumptions - The discount rate used to measure the total OPEB liability increased from 4.13% as of June 30, 2023 to 4.21% as of June 30, 2024.

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

The following assumptions were used to determine the contribution rate:

- The results of the actuarial valuation as of June 30, 2022 determined the employer contribution rate for fiscal year 2024.
- Cost method – amount necessary to assure solvency of premium assistance through the third fiscal year after the valuation date
- Asset valuation method – market value
- Participation rate – the actual data for retirees benefiting under the OPEB plan as of June 30, 2021 was used in lieu of the 63% utilization assumption for eligible retirees.
- Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale

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

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Cash	100.0%	1.7%

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (cont'd)

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, 2024.

Discount Rate

The discount rate used to measure the total OPEB liability was 4.21%. Under the OPEB plan's funding policy, contributions are structured for short-term funding of health insurance premium assistance. The funding policy sets contribution rates necessary to assure solvency of health insurance premium assistance through the third fiscal year after the actuarial valuation date. The health insurance premium assistance account is funded to establish reserves that are sufficient for the payment of health insurance premium assistance benefits for each succeeding year. Due to the short-term funding policy, the OPEB plan's fiduciary net position was not projected to be sufficient to meet projected future benefit payments; therefore, the OPEB plan is considered a "pay-as-you-go" plan. A discount rate of 4.21%, which represents the Standard & Poor's 20-year municipal bond rate at June 30, 2024, was applied to all projected benefit payments to measure the total OPEB liability.

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

Healthcare cost trends were applied to retirees receiving less than $1,200 in annual health insurance premium assistance. As of June 30, 2024, retirees' health insurance premium assistance benefits are not subject to future healthcare cost increases. The annual premium assistance reimbursement for qualifying retirees is capped at a maximum of $1,200 per year. The actual number of retirees receiving less than the $1,200 per year cap is a small percentage of the total population and has a minimal impact on healthcare cost trends as depicted below.

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

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	$ 7,667,000	$ 7,667,000	$ 7,668,000

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

The following presents the net OPEB liability, calculated using the discount rate of 4.21%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.21%) or 1 percentage point higher (5.21%) than the current rate:

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (cont'd)

	1% Decrease 3.21%	Current Discount Rate 4.21%	1% Increase 5.21%
OPEB liability	$ 8,662,000	$ 7,667,000	$ 6,834,000

OPEB Plan Fiduciary Net Position

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

NOTE 11 PENSION PLAN

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

Plan Description

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

Benefits Provided

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

NOTE 11 PENSION PLAN (cont'd)

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

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

Benefits are generally equal to 1.00% or 2.50%, depending upon membership class, of the member's final average salary (as defined in the code) multiplied by the number of years of credited service. For members whose membership started prior to July 1, 2011, after completion of five years of service, a member's right to the defined benefits is vested, and early retirement benefits may be elected. For Class T-E and Class T-F members, the right to benefits is vested after 10 years of service.

Participants are eligible for disability retirement benefits after completion of 5 years of credited service. Such benefits are generally equal to 2.00% or 2.50%, depending upon membership class, of the member's final average salary (as defined in the code) multiplied by the number of years of credited service, but not less than one-third of such salary nor greater than the benefit the member would have had at normal retirement age. Members over normal retirement age may apply for disability benefits.

Death benefits are payable upon the death of an active member who has reached age 62 with at least one year of credited service (age 65 with at least 3 years of credited service for Class T-E and Class T-F members) or who has at least 5 years of credited service (10 years for Class T-E and Class T-F members). Such benefits are actuarially equivalent to the benefit that would have been effective if the member had retired on the day before death.

Contributions

Member Contributions

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

NOTE 11 PENSION PLAN (cont'd)

Member Contribution Rates				
Membership Class	Continuous Employment Since	Defined Benefit (DB) Contribution Rate	Defined Contribution (DC) Rate	Total Contribution Rate
T-C	Prior to July 22, 1983	5.25%	N/A	5.25%
	On or after July 22, 1983	6.25%	N/A	6.25%
T-D	Prior to July 22, 1983	6.50%	N/A	6.50%
	On or after July 22, 1983	7.50%	N/A	7.50%
T-E	On or after July 1, 2011	7.50% base rate with shared risk provision	N/A	Prior to July 1, 2021 – 7.50% After July 1, 2021 – 8.00%
T-F	On or after July 1, 2011	10.30% base rate with shared risk provision	N/A	Prior to July 1, 2021 – 10.30% After July 1, 2021 – 10.80%
T-G	On or after July 1, 2019	5.50% base rate with shared risk provision	2.75%	Prior to July 1, 2021 – 8.25% After July 1, 2021 – 9.00%
T-H	On or after July 1, 2019	4.50% base rate with shared risk provision	3.00%	Prior to July 1, 2021 – 7.50% After July 1, 2021 – 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 Contribution Rate	Maximum Contribution Rate
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%

NOTE 11 PENSION PLAN (cont'd)

Employer Contributions

The District's contractually required contribution rate for fiscal year ended June 30, 2025 was 32.92% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the District were $23,023,940 for the year ended June 30, 2025.

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

At June 30, 2025, the District reported a liability of $180,562,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by rolling forward PSERS' total pension liability as of June 30, 2023 to June 30, 2024. The District's proportion of the net pension liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2024, the District's proportion was 0.4314%, which was an increase of 0.0086% from its proportion measured as of June 30, 2023. As of June 30, 2025, the net pension liability of $178,744,640 is related to the governmental funds and is recorded in the governmental activities in the government-wide statement of net position, and the remaining $1,817,360 of the net pension liability is recorded as a liability in the proprietary fund statement of net position and in the business-type activities in the government-wide statement of net position.

For the year ended June 30, 2025, the District recognized pension expense of $18,146,831. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ 2,839,000
Net difference between projected and actual investment earnings	2,989,000	-
Changes in proportions - plan	4,658,000	-
Difference between actual and proportionate share of contributions	1,794,847	-
Contributions subsequent to the measurement date	23,023,940	-
	$32,465,787	$ 2,839,000

NOTE 11 PENSION PLAN (cont'd)

The deferred outflows of resources related to pension of $23,023,940 resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. 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,	
2026	$ (2,464,000)
2027	7,271,949
2028	2,525,949
2029	(731,051)
Total	$ 6,602,847

Actuarial Assumptions

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

- Valuation date – June 30, 2023
- Actuarial cost method – entry age normal, level percentage of pay
- Investment return – 7.00%, including 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 merit or seniority increases
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.
- The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023 and as of June 30, 2024.
- Demographic and economic assumptions approved by the Board for use effective with the June 30, 2021 actuarial valuation:
  - Salary growth rate – decreased from 5.00%to 4.50%
  - Real wage growth and merit or seniority increases (components for salary growth) – decreased from 2.75% and 2.25% to 2.50% and 2.00%, respectively
  - Mortality rates – Previously based on the RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale. Effective with the June 30, 2021 actuarial valuation, mortality rates are based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.

NOTE 11 PENSION PLAN (cont'd)

The actuarial assumptions used in the June 30, 2024 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 the building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

A schedule of plan investments by asset class, target allocations, and long-term expected real rate of return is as follows:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global public entity	30.0%	4.8%
Private equity	12.0%	6.7%
Fixed income	33.5%	3.9%
Commodities	5.0%	2.5%
Infrastructure/MLPs	10.0%	6.4%
Real estate	9.5%	5.9%
	100.0%	

The above was the PSERS Board's adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2024.

Discount Rate

The discount 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 which are 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

NOTE 11 PENSION PLAN (cont'd)

return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following 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 one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate.

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
District's proportionate share of the net pension liability	$237,855,000	$180,562,000	$132,182,000

Pension Plan Fiduciary Net Position

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

NOTE 12 JOINT VENTURES AND JOINTLY GOVERNED ORGANIZATION

Delaware County Vocational Technical School and Delaware Vocational-Technical School Authority

The District and the other 14 Delaware County school districts participate in the Delaware County Vocational Technical School ("the DCVTS"). The DCVTS provides vocational-technical training and education to students of the participating school districts. The DCVTS is controlled by a joint Board comprised of representative School Board members of the participating school districts. District oversight of the DCVTS operations is the responsibility of the joint Board. The District's share of operating costs for the DCVTS fluctuates based on the District's percentage of enrollment. The District's share of operating costs for 2024-2025 was $820,277.

The District and the other 14 Delaware County school districts also participate in a joint venture for the operation of the Delaware County Vocational-Technical School Authority ("the DCVTSA"). The DCVTSA oversees acquiring holding, constructing, improving, and maintaining the DCVTSA school buildings. The DCVTSA is controlled by a joint Board comprised of representative School

NOTE 12 JOINT VENTURES AND JOINTLY GOVERNED ORGANIZATION (cont'd)

Board members of the participating school districts in the DCVTS. During 2023-2024, the District did not have any financial transactions with the DCVTSA.

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

Delaware County Community College

The District and 12 other Delaware County schools sponsor the Delaware County Community College ("the DCCC"). The DCCC provides higher education programs to the residents of southeastern Pennsylvania. Sponsoring school districts pay a share of the DCCC's operating and debt service costs which fluctuate based on each District's certified market values, and in return, residents of each of the sponsoring school districts pay a reduced cost to participate in DCCC higher education programs. The sponsoring school districts have entered into a long-term lease agreement with the DCCC to provide rental payments sufficient to retire the DCCC's outstanding debt obligations. The lease agreement expires in 2034-2035 unless the debt is retired earlier. The District's share of operating costs and rent expense for 2024-2025 was $1,172,879.

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

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

Year Ended June 30,	
2026	$ 427,414
2027	427,019
2028	427,093
2029	427,157
2030	426,649
2031 - 2035	1,780,981
2036 - 2040	949,797
2041 - 2045	933,450
2046 - 2049	367,650
Total	$ 6,167,210

Delaware County Intermediate Unit

The District and the other Delaware County school districts are participating members of the Delaware County Intermediate Unit ("the DCIU"). The DCIU is a regional educational service

NOTE 12 JOINT VENTURES AND JOINTLY GOVERNED ORGANIZATION (cont'd)

agency, established by the Commonwealth of Pennsylvania, which is governed by a joint committee consisting of school board members from each participating district. The school board of each participating district must approve the annual operating budget of the DCIU, but the participating districts have no ongoing fiduciary interest or responsibility to the DCIU. The DCIU is a self-sustaining organization that provides a broad array of services to participating districts which include curriculum development and instructional improvement, educational planning services, instructional material, continuing professional development, pupil personnel services, management services, and state and federal liaison services.

NOTE 13 CONTINGENCIES AND COMMITMENTS

Government Grants and Awards

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

Litigation

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

NOTE 14 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Significant losses are covered by commercial insurance for all major programs including workers compensation. For insured programs, there were no significant reductions in insurance coverages during the 2024-2025 year. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

The District participates in a consortium with other participating school districts and educational agencies from Delaware County to provide self-insurance programs for health and prescription insurance coverage and related expenses for eligible employees, spouses, and dependents. Accordingly, benefit payments plus an administrative charge are made to a third-party

NOTE 14 RISK MANAGEMENT (cont'd)

administrator, who approves and processes all claims. Since the District has not transferred its risk to the other participants in the consortium, GASB requires that it recognize and measure its claims, liabilities, and related expenses. The District accounts for its participation in the consortium in the Internal Service Fund in the accompanying financial statements.

NOTE 15 CHANGE IN ACCOUNTING PRINCIPLE

The District has decreased its July 1, 2023 net position of its governmental activities by $5,697,076 due to implementation of GASB Statement No. 101, "Compensated Absences." Under GASB Statement No. 101, the District must record a liability the value of accrued but unused compensated leave time at an estimated rate that accounts for leave that is likely to be used and leave that is more likely than not to be paid out at a rate different than a given employee's normal pay rate. Net position has been decreased by the amount that the compensated absence liability under GASB Statement No. 101 exceeded the compensated absence liability reported under the previous standard, GASB Statement No. 16, "Accounting for Compensated Absences."

NOTE 16 SUBSEQUENT EVENTS

The District has evaluated all subsequent events through December 17, 2025, the date the financial statements were available to be issued. No material subsequent events have occurred since June 30, 2025 that required recognition or disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

SCHOOL DISTRICT OF HAVERFORD TOWNSHIP
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Pennsylvania Public School Employees' Retirement System (PSERS)

	MEASUREMENT DATE									
	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
District's proportion of the net pension liability	0.4314%	0.4228%	0.4185%	0.4105%	0.4063%	0.4061%	0.4021%	0.4030%	0.3953%	0.3868%
District's proportion of the net pension liability - dollar value	$180,562,000	$188,088,415	$186,059,752	$168,537,877	$200,058,122	$189,984,172	$193,027,964	$199,035,272	$195,898,000	$167,543,000
District's covered employee payroll	$ 68,652,158	$ 64,817,932	$ 61,488,531	$ 58,175,578	$ 57,167,543	$ 56,012,453	$ 54,153,999	$ 53,658,233	$ 51,200,446	$ 49,766,024
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	263.01%	290.18%	302.59%	289.71%	349.95%	339.18%	356.44%	370.93%	382.61%	336.66%
Plan fiduciary net position as a percentage of the total pension liability	64.63%	61.85%	61.34%	63.67%	54.32%	55.66%	54.00%	52.00%	50.00%	54.00%

SCHOOL DISTRICT OF HAVERFORD TOWNSHIP
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT CONTRIBUTIONS
Pennsylvania Public School Employees' Retirement System (PSERS)

	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
Contractually required contribution	$ 23,023,940	$ 22,902,360	$ 22,142,318	$ 20,858,999	$ 19,508,272	$ 18,982,503	$ 18,186,116	$ 17,062,422	$ 15,414,379	$ 12,576,000
Contributions in relation to the contractually required contribution	23,023,940	22,902,360	22,142,318	20,858,999	19,508,272	18,982,503	18,186,116	17,062,422	15,414,379	12,576,000
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered employee payroll	$ 69,939,064	$ 68,652,158	$ 64,817,932	$ 61,488,531	$ 58,175,578	$ 57,167,543	$ 56,012,453	$ 54,153,999	$ 53,658,233	$ 51,200,446
Contributions as a percentage of covered employee payroll	32.92%	33.36%	34.16%	33.92%	33.53%	33.21%	32.47%	31.51%	28.73%	24.56%

SCHOOL DISTRICT OF HAVERFORD TOWNSHIP
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
Pennsylvania Public School Employees' Retirement System (PSERS)
Health Insurance Premium Assistance Program

	MEASUREMENT DATE							
	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
District's proportion of the net OPEB liability	0.4316%	0.4231%	0.4182%	0.4104%	0.4073%	0.4061%	0.4021%	0.4030%
District's proportion of the net OPEB liability - dollar value	$ 7,667,000	$ 7,654,835	$ 7,698,104	$ 9,726,821	$ 8,800,519	$ 8,637,105	$ 8,383,580	$ 8,210,770
District's covered employee payroll	$ 68,652,158	$ 64,817,932	$ 61,488,531	$ 58,175,578	$ 57,167,543	$ 56,012,453	$ 54,153,999	$ 53,658,233
District's proportionate share of the net OPEB liability as a percentage of its covered employee payroll	11.17%	11.81%	12.52%	16.72%	15.39%	15.42%	15.48%	15.00%
Plan fiduciary net position as a percentage of the total OPEB liability	7.13%	7.22%	6.86%	5.30%	5.69%	5.56%	5.56%	6.00%

In accordance with GASB Statement No. 75, this schedule has been prepared prospectively as the above information for the preceding years is not readily available. This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

SCHOOL DISTRICT OF HAVERFORD TOWNSHIP
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS
Pennsylvania Public School Employees' Retirement System (PSERS)
Health Insurance Premium Assistance Program

	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Contractually required contribution	$ 440,616	$ 439,374	$ 483,849	$ 488,345	$ 477,562	$ 479,486	$ 465,273	$ 449,242	$ 445,549
Contributions in related to the contractually required contribution	440,616	439,374	483,849	488,345	477,562	479,486	465,273	449,242	445,549
Contribution excess	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered employee payroll	$ 69,939,065	$ 68,652,158	$ 64,817,932	$ 61,488,531	$ 58,175,578	$ 57,167,543	$ 56,012,453	$ 54,153,999	$ 53,658,233
Contributions as a percentage of covered-employee payroll	0.63%	0.64%	0.75%	0.79%	0.82%	0.84%	0.83%	0.83%	0.83%

In accordance with GASB Statement No. 75, this schedule has been prepared prospectively as the above information for the preceding years is not readily available. This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

SCHOOL DISTRICT OF HAVERFORD TOWNSHIP
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S NET OPEB LIABILITY AND RELATED RATIOS -
Single Employer Plan

	MEASUREMENT DATE							
	July 1, 2024	July 1, 2023	July 1, 2022	July 1, 2021	July 1, 2020	July 1, 2019	July 1, 2018	July 1, 2017
TOTAL OPEB LIABILITY								
Service cost	$ 200,671	$ 187,456	$ 359,571	$ 356,866	$ 199,461	$ 197,582	$ 214,963	$ 198,958
Interest	133,973	122,391	107,969	85,255	94,414	81,135	82,784	58,686
Changes of benefit terms	190,217	-	-	-	-	-	-	-
Differences between expected and actual experience	(430,113)	-	(867,647)	-	(114,344)	-	(81,288)	-
Changes of assumptions	(7,463)	37,813	(1,004,484)	(146,700)	1,556,188	(80,133)	133	144,272
Benefit payments	(139,630)	(121,970)	(170,572)	(117,405)	(121,977)	(102,767)	(143,396)	(114,043)
NET CHANGE IN TOTAL OPEB LIABILITY	(52,345)	225,690	(1,575,163)	178,016	1,613,742	95,817	73,196	287,873
TOTAL OPEB LIABILITY, BEGINNING OF YEAR	3,118,853	2,893,163	4,468,326	4,290,310	2,676,568	2,580,751	2,507,555	2,219,682
TOTAL OPEB LIABILITY, END OF YEAR	$ 3,066,508	$ 3,118,853	$ 2,893,163	$ 4,468,326	$ 4,290,310	$ 2,676,568	$ 2,580,751	$ 2,507,555
Plan fiduciary net position as a percentage of total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered employee payroll	$ 65,654,661	$ 60,376,371	$ 60,376,371	$ 54,037,201	$ 54,037,201	$ 51,222,215	$ 51,222,215	$ 49,284,101
District's net OPEB liability as a percentage of covered payroll	4.67%	5.17%	4.79%	8.27%	7.94%	5.23%	5.04%	5.09%

In accordance with GASB Statement No. 75, this schedule has been prepared prospectively as the above information for the preceding years is not readily available. This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

SINGLE AUDIT

BTCPA
BARBACANE
THORNTON
& COMPANY

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*

December 17, 2025

Board of School Directors
School District of Haverford Township
Havertown, 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 the School District of Haverford Township, Havertown, Pennsylvania, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School District of Haverford Township's basic financial statements, and have issued our report thereon dated December 17, 2025.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School District of Haverford Township's financial statements will not be prevented, or

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detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District of Haverford Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District of Haverford Township'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.

Barbacane, Thornton & Company LLP

BARBACANE, THORNTON & COMPANY LLP

BTCPA
BARBACANE
THORNTON
& COMPANY

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

December 17, 2025

Board of School Directors
School District of Haverford Township
Havertown, Pennsylvania

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

In our opinion, the School District of Haverford Township complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School District of Haverford Township's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the School District of Haverford Township's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the School District of Haverford Township's internal control over compliance. Accordingly, no such opinion is expressed.

Board of School Directors
School District of Haverford Township

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

Report on Internal Control Over Compliance

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

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

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

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

Barbacane, Thornton & Company LLP

BARBACANE, THORNTON & COMPANY LLP

SCHOOL DISTRICT OF HAVERFORD TOWNSHIP
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

FEDERAL GRANTOR/PASS-THROUGH GRANTOR PROJECT TITLE	SOURCE CODE	FEDERAL ALN	PASS-THROUGH GRANTOR'S NUMBER	GRANT PERIOD BEGINNING/ ENDING DATES	GRANT AMOUNT	TOTAL RECEIVED FOR YEAR	ACCRUED (UNEARNED) REVENUE 07/01/24	REVENUE RECOGNIZED	EXPENDITURES	ACCRUED (UNEARNED) REVENUE 06/30/25	PASSED THROUGH TO SUBRECIPIENTS
U.S. Department of Education											
Passed through Pennsylvania Department of Education											
Title I - Improving Basic Programs	I	84.010	013-24-0186	07/01/23-09/30/24	$ 232,977	$ 93,865	$ 51,643	$ 42,222	$ 42,222	$ -	$ -
Title I - Improving Basic Programs	I	84.010	013-25-0186	08/29/24-09/30/25	215,619	138,774	-	132,508	132,508	(6,266)	-
Total ALN 84.010						232,639	51,643	174,730	174,730	(6,266)	-
Title II - Supporting Effective Instructions	I	84.367	020-24-0186	07/01/23-09/30/24	108,500	72,598	53,748	18,850	18,850	-	-
Title II - Supporting Effective Instructions	I	84.367	020-25-0186	08/29/24-09/30/25	97,826	69,875	-	69,875	69,875	-	-
Total ALN 84.367						142,473	53,748	88,725	88,725	-	-
Title III - Language Instruction for English Learners	I	84.365	N/A	07/01/24-09/30/25	4,157	-	-	4,157	4,157	4,157	-
Title IV - Student Support and Academic Enrichment	I	84.424	144-24-0186	07/01/23-09/30/24	15,931	4,248	-	4,248	4,248	-	-
Title IV - Student Support and Academic Enrichment	I	84.424	144-25-0186	08/29/24-09/30/25	17,545	11,279	-	17,545	17,545	6,266	-
Total ALN 84.424						15,527	-	21,793	21,793	6,266	-
Education Stabilization Fund:											
Elementary and Secondary School Emergency Relief:											
ARP - ESSER III	I	84.425U	223-21-0186	03/12/20-09/30/24	1,331,247	145,227	129,813	15,414	15,414	-	-
ARP - ESSER III 7%	I	84.425U	225-21-0186	03/12/20-09/30/24	103,468	-	(2,887)	2,887	2,887	-	-
ARP HCY II - Homeless Children and Youth	I	84.425W	N/A	03/12/20-09/30/24	7,634	7,634	7,634	-	-	-	-
Total ESSER - PDE						152,861	134,560	18,301	18,301	-	-
Total ALN 84.425U						145,227	126,926	18,301	18,301	-	-
Total ALN 84.425W						7,634	7,634	-	-	-	-
Total ALN 84.425						152,861	134,560	18,301	18,301	-	-
Subgrant from U.S. Department of Education											
Passed through Delaware County Intermediate Unit (DCIU)											
IDEA Part B	I	84.027	611-2324	04/01/23-09/30/24	1,301,687	559,346	559,346	-	-	-	-
IDEA Part B	I	84.027	611-2425	07/01/24-09/30/25	1,272,006	1,272,006	-	1,272,006	1,272,006	-	-
Total ALN 84.027						1,831,352	559,346	1,272,006	1,272,006	-	-
IDEA Part B 619	I	84.173	61-2425	07/01/24-09/30/25	3,300	3,300	-	3,300	3,300	-	-
Total ALN 84.173						3,300	-	3,300	3,300	-	-
Total Special Education Cluster						1,834,652	559,346	1,275,306	1,275,306	-	-
Total U.S. Department of Education						2,378,152	799,297	1,583,012	1,583,012	4,157	-
U.S. Department of Agriculture											
Passed Through Pennsylvania Department of Agriculture											
National School Lunch Program	I	10.555	N/A	07/01/24-06/30/25	N/A	201,980	-	201,980	201,980	-	-
Passed through Pennsylvania Department of Education											
National School Lunch Program	I	10.555	N/A	07/01/24-06/30/25	N/A	570,386	96,590	571,314	571,314	97,518	-
Total ALN 10.555						772,366	96,590	773,294	773,294	97,518	-
Breakfast Program	I	10.553	N/A	07/01/24-06/30/25	N/A	146,609	23,479	148,555	148,555	25,425	-
Total ALN 10.553						146,609	23,479	148,555	148,555	25,425	-
Total Child Nutrition Cluster						918,975	120,069	921,849	921,849	122,943	-
Total U.S. Department of Agriculture						918,975	120,069	921,849	921,849	122,943	-

SCHOOL DISTRICT OF HAVERFORD TOWNSHIP
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

FEDERAL GRANTOR/PASS-THROUGH GRANTOR PROJECT TITLE	SOURCE CODE	FEDERAL ALN	PASS-THROUGH GRANTOR'S NUMBER	GRANT PERIOD BEGINNING/ ENDING DATES	GRANT AMOUNT	TOTAL RECEIVED FOR YEAR	ACCRUED (UNEARNED) REVENUE 07/01/24	REVENUE RECOGNIZED	EXPENDITURES	ACCRUED (UNEARNED) REVENUE 06/30/25	PASSED THROUGH TO SUBRECIPIENTS
U.S. Department of Education											
Passed through Pennsylvania Department of Education											
U.S. Department of Health and Human Services											
Passed through Pennsylvania Department of Public Welfare											
Title XIX Medical Assistance Program	I	93.778	N/A	07/01/24-06/30/25	N/A	51,261	-	51,261	51,261	-	-
Total ALN 93.778						51,261	-	51,261	51,261	-	-
Total U.S. Department of Health and Human Services						51,261	-	51,261	51,261	-	-
U.S. Treasury Department											
Passed through Pennsylvania Commission on Crime and Delinquency (PCCD)											
COVID-SFR School Mental Health Grants	I	21.027	2023-CM-01-42763	08/01/24-06/30/25	179,438	129,763	-	179,438	179,438	49,675	-
Total ALN 21.027						129,763	-	179,438	179,438	49,675	-
Total U.S. Treasury Department						129,763	-	179,438	179,438	49,675	-
TOTAL FEDERAL AWARDS						$ 3,478,151	$ 919,366	$ 2,735,560	$ 2,735,560	$ 176,775	$ -

Source Codes:

D = Direct Funding
I = Indirect Funding

SCHOOL DISTRICT OF HAVERFORD TOWNSHIP

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE A FEDERAL EXPENDITURES

The schedule of expenditures of federal awards reflects federal expenditures for all individual grants which were active during the fiscal year.

NOTE B BASIS OF ACCOUNTING

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

NOTE C NONMONETARY FEDERAL AWARDS – DONATED FOOD

The Commonwealth of Pennsylvania distributes federal surplus food to institutions (schools, hospitals, and prisons) and to the needy. Expenditures reported in the schedule of expenditures of federal awards under Assistance Listing Number 10.555, National School Lunch Program, and passed through the Pennsylvania Department of Agriculture, represent federal surplus food consumed by the District during the 2024-2025 fiscal year.

NOTE D ACCESS PROGRAM

The District participates in the ACCESS Program, which is a medical assistance program that reimburses local educational agencies for direct eligible health-related services provided to enrolled special needs students. Reimbursements are federal source revenues but are classified as fee-for-service and are not considered federal financial assistance. The amount of ACCESS funding recognized for the year ended June 30, 2025 was $391,462.

NOTE E INDIRECT COST RATE

The District has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance. No indirect costs were charged to the District's federal awards for the year ended June 30, 2025.

SCHOOL DISTRICT OF HAVERFORD TOWNSHIP

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

PART A - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued [*unmodified, qualified, adverse, or disclaimer*]:

Unmodified

Internal control over financial reporting:

• Material weakness(es) identified?	____ Yes	X No
• Significant deficiency(ies) identified?	____ Yes	X None reported
• Noncompliance material to financial statements noted?	____ Yes	X No

Federal Awards

Internal control over major programs:

• Material weakness(es) identified?	____ Yes	X No
• Significant deficiency(ies) identified?	____ Yes	X None reported

Type of auditor's report issued on compliance for major programs [*unmodified, qualified, adverse, or disclaimer*]:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? ____ Yes X No

Identification of major programs:

Assistance Listing Numbers	Name of Federal Program or Cluster
84.027, 84.173	Special Education Cluster (IDEA)
10.555, 10.553	Child Nutrition Cluster

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

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

PART B - FINDINGS RELATED TO FINANCIAL STATEMENTS

STATUS OF PRIOR YEAR FINDINGS

None.

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None.

PART C - FINDINGS RELATED TO FEDERAL AWARDS

STATUS OF PRIOR YEAR FINDINGS

None.

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None.