

CONEWAGO VALLEY SCHOOL DISTRICT

**BASIC FINANCIAL STATEMENTS AND
SINGLE AUDIT INFORMATION**

JUNE 30, 2025

CONEWAGO VALLEY SCHOOL DISTRICT
TABLE OF CONTENTS
JUNE 30, 2025

	Page
Transmittal Letter	1
Management Letter	2
Distribution Report	3
Independent Auditor's Report	4 - 6
Management's Discussion and Analysis	7 - 16
Financial Statements:	
Statement of Net Position	17
Statement of Activities	18
Balance Sheet - Governmental Funds	19
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position	20
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	21
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities	22
Statement of Net Position - Proprietary Fund	23
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Fund	24
Statement of Cash Flows - Proprietary Fund	25
Statement of Net Position - Fiduciary Funds	26
Statement of Changes in Net Position - Fiduciary Funds	27
Notes to the Financial Statements	28 - 58
Required Supplementary Information:	
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	59

Table of Contents
Page 2

Supplementary Information:

Detailed Statement of Revenues and Other Financing Sources - Budget and Actual - General Fund	60 - 61
Schedule of School District's Proportionate Share of the Net Pension Liability - Public School Employees' Retirement System - Last 10 Fiscal Years	62
Schedule of Employer Contributions - Public School Employees' Retirement System - Last 10 Fiscal Years	63
Schedule of Changes in OPEB Liability - Single Employer Plan	64
Schedule of School's Proportionate Share of the Net OPEB Liability - PSERS Cost Sharing Plan	65
Schedule of School's OPEB Plan Contributions - PSERS Cost Sharing Plan	66

Single Audit Information:

Independent Auditor's Report On Internal Control Over Financial Reporting & On Compliance & Other Matters Based On An Audit Of Financial Statements Performed In Accordance With Government Auditing Standards	67 - 68
Independent Auditor's Report on Compliance For Each Major Program & On Internal Control Over Compliance Required By The Uniform Guidance	69 - 70
Schedule of Expenditures of Federal Awards	71
Notes to Schedule of Expenditures of Federal Awards	72
Schedule of Findings and Questioned Costs	73
Status of Prior Year's Findings	74

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Board of Directors
Conewago Valley School District

We have performed the Single Audit of the Conewago Valley School District for the year ended June 30, 2025 and have enclosed the Single Audit package.

The Single Audit was done to fulfill the requirements of the Uniform Guidance Compliance Supplement. The audit included an examination of the systems of control, systems established to ensure compliance with laws and regulations affecting the expenditures of federal funds, financial transactions and accounts and financial statements and report of the District.

A management letter was prepared as a result of this audit and is included as part of this report.

Sincerely,

Kochenour, Earnest, Smyser & Burg

Certified Public Accountants

York, Pennsylvania
December 18, 2025

KOCHENOUR, EARNEST, SMYSER & BURG

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Board of Directors
Conewago Valley School District
New Oxford, Pennsylvania

December 18, 2025

Re: Management Letter

Board of Directors:

We have completed our audit of Conewago Valley School District for the year ended June 30, 2025.

We have audited the accompanying basic financial statements of the Conewago Valley School District as of and for the year ended June 30, 2025. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. We have issued our audit report in accordance with the above standards stating that the basic financial statements present fairly in all material respects the financial position of the Conewago Valley School District.

In planning and performing our audit, we considered Conewago Valley School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of Conewago Valley School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Conewago Valley School District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be significant deficiencies or material weaknesses, as defined above.

We have also audited the compliance of Conewago Valley School District with the types of compliance requirements described in the Uniform Guidance Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2025.

We did not have any findings or questioned costs for the year ended June 30, 2025.

We would like to take this opportunity to thank Lori Duncan and her staff for the cooperation and assistance we received during the course of our audit.

Sincerely,

Kochenour, Earnest, Smyser & Burg

Certified Public Accountants

CONEWAGO VALLEY SCHOOL DISTRICT
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JUNE 30, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Conewago Valley School District
New Oxford, Pennsylvania

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Conewago Valley School District as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Conewago Valley School District as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from

To the Board of Directors
Conewago Valley School District
New Oxford, Pennsylvania

error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgement 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 including 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 Conewago Valley School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Conewago Valley School District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 7-16 and 59-61 be presented to supplement the basic financial statements. Such information, is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Conewago Valley School District's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated,

To the Board of Directors
Conewago Valley School District
New Oxford, Pennsylvania

in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2025, on our consideration of the Conewago Valley School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Conewago Valley School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Conewago Valley School District's internal control over financial reporting and compliance.

Kochenour, Earnest, Smyser & Burg

Certified Public Accountants

York, Pennsylvania
December 18, 2025

**CONEWAGO VALLEY SCHOOL DISTRICT
NEW OXFORD, PENNSYLVANIA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
June 30, 2025**

The discussion and analysis of Conewago Valley School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2025. The intent of this discussion and analysis is to review the District's financial performance as a whole; readers should also review the financial statements, notes to the financial statements and related audit information to enhance their understanding of the District's financial performance.

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

FINANCIAL HIGHLIGHTS

The trends and existing forecasts indicated that during the fiscal year 2024-2025, the Conewago Valley School District would experience increased costs related to the debt service for the renovations of the District's two elementary schools. To address these obligations, the Board of School Directors balanced the General Fund budget of \$87,894,757 with a real estate tax millage of 16.2206. The District successfully managed its operations within these parameters, controlling expenditures to finish the year under budget.

As a result of these operations, the District concluded the fiscal year with a surplus of \$1,127,967. In strict adherence to Board Policy, the minimum unassigned fund balance was maintained at the required level of approximately 1% of budgeted expenditures. The remaining portion of the operating surplus was formally assigned to reserve funds specifically designated to support future debt service obligations. This strategic assignment ensures the District remains positioned to meet the long-term financial commitments of its facility renovation projects while maintaining compliance with established fiscal policies.

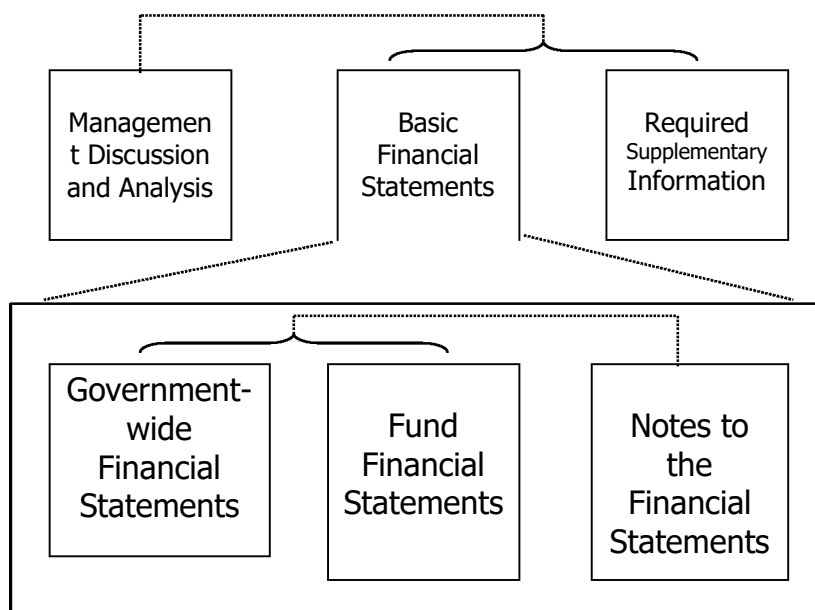
**CONEWAGO VALLEY SCHOOL DISTRICT
NEW OXFORD, PENNSYLVANIA**

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

The financial statements also include notes that explain specific information in the financial statements and provide more detailed data.

Figure A-1 shows the arrangement and relationship between the required parts of the Financial Section.

Figure A-1
Required components of
Conewago Valley School District's
Financial Report



**CONEWAGO VALLEY SCHOOL DISTRICT
NEW OXFORD, PENNSYLVANIA**

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District they cover and the types of information they contain. The remainder of this overview section of management discussion and analysis explains the structure and contents of each of the statements.

Figure A-2 Major Features of Conewago Valley School District's Government-wide and Fund Financial Statements				
		Fund Statements		
	Government- wide Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as education, administration and community services	Activities the District operates similar to private business – Food Services	Instances in which the District is the trustee or agent to someone else's resources – Scholarship Funds
Required financial statements	Statement of net assets Statement of activities	Balance Sheet Statement of revenues, expenditures, and changes in fund balance	Statement of net assets Statement of revenues, expenses and changes in net assets Statement of cash flows	Statement of fiduciary net assets Statement of changes in fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term
Type of inflow- outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

**CONEWAGO VALLEY SCHOOL DISTRICT
NEW OXFORD, PENNSYLVANIA**

OVERVIEW OF FINANCIAL STATEMENTS

Government-Wide Statements

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

The two government-wide statements report the District's net assets and how they have changed. Net assets, the difference between the District's assets and liabilities, is one measurement of the District's financial health or position.

Over time, increases or decreases in the District's net assets are an indication of whether its financial health is improving or deteriorating, respectively.

To assess the overall health of the District, you need to consider additional non-financial factors, such as changes in the District's property tax base and the performance of the students.

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

- **Governmental activities** – All of the District's basic services are included here, such as instruction, administration and community services. Property taxes and state and federal subsidies and grants finance most of these activities.
- **Business type activities** –The District operates a food service program and charges fees to staff, students and visitors to help it cover the costs of the food service operation.

Fund Financial Statements

The District's fund financial statements provide detailed information about the most significant funds – not the District as a whole. Some funds are required by state law and by bond requirements.

Governmental Funds – Most of the District's activities are reported in governmental funds, which focus on the determination of financial position and change in financial position, not on income determination. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's operations and the services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

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

Fiduciary Funds - The District is the trustee, or fiduciary, for some small scholarship funds. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net Assets. We exclude these activities from the District's other financial statement because the District cannot use these assets to finance its operations.

**CONEWAGO VALLEY SCHOOL DISTRICT
NEW OXFORD, PENNSYLVANIA**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Table A-1
Fiscal Year ended June 30, 2025
Net Assets

	Governmental Activities		Business-type Activities		Total	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Current and other assets	\$49,977,527	\$35,852,723	\$2,677,548	\$2,410,707	\$52,655,075	\$38,263,430
Capital assets	<u>83,682,409</u>	<u>82,238,749</u>	<u>272,539</u>	<u>278,539</u>	<u>83,954,948</u>	<u>82,517,288</u>
Total assets	\$133,659,936	\$118,091,472	\$2,950,087	\$2,689,246	\$136,610,023	\$120,780,718
Current and Other Liabilities	\$12,561,928	\$11,973,887	\$46,942	\$33,053	\$12,608,870	\$12,006,940
Long-term liabilities	<u>153,773,737</u>	<u>149,334,079</u>	<u>37,582</u>	<u>34,689</u>	<u>153,811,319</u>	<u>149,368,768</u>
Total Liabilities	\$166,335,665	\$161,307,966	\$84,524	\$67,742	\$166,420,189	\$161,375,708
Net Assets:						
Invested in capital assets, net of related debt	\$3,775,383	\$13,104,435	-	-	\$3,775,383	\$13,104,435
Restricted for retirement of long-term debt	-	-	-	-	-	-
Capital Projects	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Unrestricted	<u>(36,451,112)</u>	<u>(56,320,929)</u>	<u>2,865,563</u>	<u>2,621,504</u>	<u>(33,585,549)</u>	<u>(53,699,425)</u>
Total Net Assets	(32,675,729)	(43,216,494)	2,865,563	2,621,504	(29,810,166)	(40,594,990)
Total Liabilities & Net Assets	<u>\$133,659,936</u>	<u>\$118,091,472</u>	<u>\$2,950,087</u>	<u>\$2,689,246</u>	<u>\$136,610,023</u>	<u>\$120,780,718</u>

The vast majority of the District's net assets are invested in capital assets (buildings, land, and equipment). The remaining unrestricted net assets are designated and undesignated amounts. The designated balances are amounts set-aside to fund future purchases or capital projects as planned by the District.

The results of this year's operations as a whole are reported in the Statement of Activities of the audited financial statements. All expenses are reported in the first column. Specific charges, grants, revenues and subsidies that directly relate to specific expense categories are represented to determine the final amount of the District's activities that are supported by other general revenues. The two largest general revenues are the Basic Education Subsidy provided by the State of Pennsylvania, and the local taxes assessed to community taxpayers.

**CONEWAGO VALLEY SCHOOL DISTRICT
NEW OXFORD, PENNSYLVANIA**

Table A-2 extracts the information from the Statement of Activities and rearranges it in a format to better understand the total revenues and expenses for the fiscal year.

Table A-2
Fiscal Year ended June 30, 2025
Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Revenues:						
Program revenues:						
Charges for services	\$461,176	\$684,155	\$658,854	\$693,521	\$1,120,030	\$1,377,676
Operating grants and contributions	12,736,774	12,256,019	1,671,016	1,806,404	14,407,790	14,062,423
General revenues:						
Property taxes	50,053,463	46,640,975	-	-	50,053,463	46,640,975
Grants, subsidies and contributions	20,628,987	19,191,211	-	-	20,628,987	19,191,211
Investment earnings	2,217,033	1,672,220	110,747	109,456	2,327,780	1,781,676
Other	88,424	83,127	-	-	88,424	83,127
Total revenues:	<u>\$86,185,857</u>	<u>\$80,527,707</u>	<u>\$2,440,617</u>	<u>\$2,609,381</u>	<u>\$88,626,474</u>	<u>\$83,137,088</u>
Expenses:						
Instruction	\$49,907,596	\$54,730,534	-	-	\$49,907,596	\$54,730,534
Instructional Student Support	7,656,889	6,522,033	-	-	7,656,889	6,522,033
Administrative and Financial Support	5,192,277	4,813,869	-	-	5,192,277	4,813,869
Operation and Maint of Plant	6,055,766	5,348,001	-	-	6,055,766	5,348,001
Pupil Transportation	3,156,365	3,010,452	-	-	3,156,365	3,010,452
Student Activities	1,148,097	1,219,160	-	-	1,148,097	1,219,160
Central and Other Support Services	-	-	-	-	-	-
Community Services	24,926	26,301	-	-	24,926	26,301
Facility Acquisition and Improvements	-	-	-	-	-	-
Interest on Long -Term Debt	2,503,176	1,897,606	-	-	2,503,176	1,897,606
Food Services	-	-	2,196,558	2,228,040	2,196,558	2,228,040
Total expenses:	<u>\$75,645,092</u>	<u>\$77,567,956</u>	<u>\$2,196,558</u>	<u>\$2,228,040</u>	<u>\$77,841,650</u>	<u>\$79,795,996</u>
Increase (decrease) in net assets	<u>\$10,540,765</u>	<u>\$2,959,751</u>	<u>\$244,059</u>	<u>\$381,341</u>	<u>\$10,784,824</u>	<u>\$3,341,092</u>

**CONEWAGO VALLEY SCHOOL DISTRICT
NEW OXFORD, PENNSYLVANIA**

The tables below present the expenses of both the Governmental Activities and the Business-type Activities of the District.

Table A-3 shows the District's nine largest functions - instructional programs, instructional student support, administrative, operation and maintenance of plant, pupil transportation, student activities, community services, long-term debt and depreciation, as well as each program's net cost (total cost less revenues generated by the activities). This table also shows the net costs offset by the other unrestricted grants, subsidies and contributions to show the remaining financial needs supported by local taxes and other miscellaneous revenues.

Table A-3
Fiscal Year ended June 30, 2025
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Instruction	\$49,907,596	\$54,730,534	\$39,501,868	\$44,452,441
Instructional Student Support	7,656,889	6,522,033	7,576,486	6,443,569
Administrative and Financial Support	5,192,277	4,813,869	5,192,277	4,813,869
Operation and Maint of Plant	6,055,766	5,348,001	6,027,091	5,321,146
Pupil Transportation	3,156,365	3,010,452	958,893	986,836
Student Activities	1,148,097	1,219,160	1,069,270	1,136,795
Central and Other Support Services	-	-	-	-
Community Services	24,926	26,301	24,926	26,301
Facility Acquisition and Improvements	-	-	-	-
Interest on Long-Term Debt	2,503,176	1,897,606	2,096,331	1,446,825
Unallocated Depreciation Expense	-	-	-	-
Total governmental activities	\$75,645,092	\$77,567,956	\$62,447,142	\$64,627,782
Less:				
Unrestricted grants, subsidies			20,628,987	19,191,211
Total needs from local taxes and other revenues			\$41,818,155	\$45,436,571

Table A-4 reflects the activities of the Food Service program, the only Business-type activity of the District.

Table A-4
Fiscal Year ended June 30, 2025
Business-type Activities

	Total Cost of Services		Net Cost of Services	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Food Services	\$2,196,558	\$2,228,040	\$133,312	\$271,885
Less:				
Investment earnings			\$110,747	109,456
Total business-type activities			\$22,565	\$162,429

The Statement of Revenues, Expenses and Changes in Fund Net Assets for this proprietary fund included in the complete audited financial statement will further detail the actual results of operations.

**CONEWAGO VALLEY SCHOOL DISTRICT
NEW OXFORD, PENNSYLVANIA**

THE DISTRICT FUNDS

At June 30, 2025 the District governmental funds reported a total fund balance of \$10,363,660 which is an increase of \$1,127,967. The primary reasons for the increase are specific to the general funds as noted below.

General Fund: The District is continuing to control expenses in an effort to not utilize Fund Balance to balance the Budget. The State continues to place mandates on the District. The District has scrutinized the utilities, repairs, transportation and many others areas in order to find ways to be more efficient and cost effective. The goal of the District is to not utilize Fund Balance to balance the budget since there are many future unknown costs to the District, such as retirement and health costs. The increased cost for mental health counseling and technology needs will continue. Overall, the District continues to operate efficiently and is striving to eliminate any reliance on fund reserves to balance the budget in order to be prepared for future mandates.

General Fund Budget

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

The District applies for federal, state, and local grants and these grants cannot always be anticipated in the budgeting process. Budgeted expenditures and other financing uses also increased by this same amount to compensate for the additional approved grants. Transfers between specific categories of expenditures/financing uses occur during the year. The most significant transfers occur from the budget reserve category to specific expenditure areas.

**CONEWAGO VALLEY SCHOOL DISTRICT
NEW OXFORD, PENNSYLVANIA**

CAPITAL ASSET AND DEBT ADMINISTRATION

CAPITAL ASSETS

At June 30, 2025 the District had \$63,624,383 invested in a broad range of capital assets, including land, buildings and furniture and equipment.

Table A-5
Governmental Activities
Capital Assets - Net of Depreciation

	2025	2024
Land and Site Improvement	\$4,403,102	\$4,587,202
Buildings	\$51,084,865	\$52,547,829
Machinery, Equip, & Vehicles	\$4,056,237	\$3,855,876
Construction in Progress	\$4,080,179	\$1,736,528

DEBT ADMINISTRATION

During the year, the District made payments against principal of \$2,724,000 resulting in ending outstanding debt as of June 30, 2025 of \$59,849,000.

Table A-6
Outstanding Debt

	2025	2024
General Obligation Bonds:		
- Series 2017	\$8,605,000	\$9,150,000
- Series 2018	\$8,795,000	\$9,210,000
- Series 2019	\$4,500,000	\$4,605,000
- Series 2020	\$8,730,000	\$9,440,000
- Series 2021	\$2,349,000	\$3,293,000
- Series 2023	\$13,920,000	\$13,925,000
- Series 2024	\$12,950,000	-

Other obligations include accrued payroll, vacation pay and sick leave for specific employees of the District. More detailed information about our long-term liabilities is included in Note 5 to the financial statements.

**CONEWAGO VALLEY SCHOOL DISTRICT
NEW OXFORD, PENNSYLVANIA**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The School District enrollment has increased slightly over the past several years. Long-range projections would indicate a continual increase in population. The projections for an escalated level of residential growth in the area given the presence of developable land within the district continue to slowly be developed. The revenue and expenditure budget for the 2025-2026 year increased in comparison the same as the original budget for 2024-2025. This represents a 10.9% increase in budgeted revenues and expenditures.

The comparison of revenue and expenditure categories is as follows:

Table A-7

BUDGETED REVENUES

	2025-2026	2024-2025
Local	62.5%	65.4%
State	33.8%	31.7%
Federal/Other	3.7%	2.9%

BUDGETED EXPENDITURES

	2025-2026	2024-2025
Instruction	66.1%	66.7%
Support Services	25.8%	25.4%
Non-Instruction/Community	1.5%	1.7%
Fund Transfers/Debt	6.6%	6.2%

CONTACTING THE DISTRICT FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens, taxpayers, parents, students, investors and creditors with a general overview of the District's finances and to demonstrate the School Board's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, please contact Dr. Sharon Perry, Superintendent, or Scott Fraser, Business Manager, at the Conewago Valley School District, 130 Berlin Road, New Oxford, PA 17350 or by telephone at (717) 624-2157.

CONEWAGO VALLEY SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025

ASSETS	Governmental Activities	Business-type Activities	Total
Current Assets:			
Cash and Cash Equivalents	\$ 45,370,373	\$ 2,479,503	\$ 47,849,876
Investments	0	0	0
Taxes Receivable, Net	1,281,137	0	1,281,137
Internal Balances	7,308	138,257	145,565
Other Receivables	207,562	234	207,796
Due From Other Governments	3,111,147	2,473	3,113,620
Inventories	0	57,081	57,081
Prepaid Expenses	0	0	0
Total Current Assets	49,977,527	2,677,548	52,655,075
Noncurrent Assets:			
Bond Discount	608,164	0	608,164
Right To Use Leased Assets (Net)	1,493,014	0	1,493,014
Land and Site Improvements (Net)	4,403,102	0	4,403,102
Building & Building Improv. (Net)	51,084,865	0	51,084,865
Machinery, equipment and Vehicles (Net)	4,056,237	272,539	4,328,776
Construction in Progress	4,080,179	0	4,080,179
Prepaid Interest Expense	0	0	0
Total Noncurrent Assets	65,725,561	272,539	65,998,100
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred amounts related to OPEB	1,945,865	0	1,945,865
Deferred amounts related to pensions	16,010,983	0	16,010,983
TOTAL ASSETS	\$ 133,659,936	\$ 2,950,087	\$ 136,610,023
LIABILITIES			
Current Liabilities:			
Accounts Payable	\$ 602,164	\$ 0	\$ 602,164
Internal Balances	138,257	7,308	145,565
Due To Other Governments	0	0	0
Deferred Revenues	10,174	39,368	49,542
Accrued G.O. Bond Interest Payable	703,821	0	703,821
Current Portion of Long-Term Debt	2,806,000	0	2,806,000
Payroll Deductions & Withholdings	3,151,779	0	3,151,779
Accrued Salaries and Benefits	3,848,886	266	3,849,152
Other Current Liabilities	1,300,847	0	1,300,847
Total Current Liabilities	12,561,928	46,942	12,608,870
Noncurrent Liabilities:			
Bonds Payable	57,043,000	0	57,043,000
Lease Obligations	1,493,014	0	1,493,014
Compensated Absences	826,093	37,582	863,675
OPEB Obligation	7,687,941	0	7,687,941
Net Pension Liability	75,925,000	0	75,925,000
G.O. Bond Premium	587,496	0	587,496
Total Noncurrent Liabilities	143,562,544	37,582	143,600,126
DEFERRED INFLOWS OF RESOURCES:			
Deferred amounts related to OPEB	3,514,193	0	3,514,193
Deferred amounts related to pensions	6,697,000	0	6,697,000
TOTAL LIABILITIES	166,335,665	84,524	166,420,189
NET POSITION			
Invested in Capital Assets Net of Related Debt	3,775,383	0	3,775,383
Restricted for Retirement of Long-term Debt	0	0	0
Capital Projects	0	0	0
Unrestricted - Designated	9,484,712	0	9,484,712
Unrestricted	(45,935,824)	2,865,563	(43,070,261)
TOTAL NET POSITION	(32,675,729)	2,865,563	(29,810,166)
TOTAL LIABILITIES AND NET POSITION	\$ 133,659,936	\$ 2,950,087	\$ 136,610,023

CONEWAGO VALLEY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:								
Instruction	\$ 49,907,596	\$ 0	\$ 353,674	\$ 10,052,054	\$ 0	\$ (39,501,868)	\$ 0	\$ (39,501,868)
Instructional Student Support	7,656,889	0	0	80,403	0	(7,576,486)	0	(7,576,486)
Admin. & Finl Support Services	5,192,277	0	0	0	0	(5,192,277)	0	(5,192,277)
Op & Main of Plant Svcs	6,055,766	0	28,675	0	0	(6,027,091)	0	(6,027,091)
Pupil Transportation	3,156,365	0	0	2,197,472	0	(958,893)	0	(958,893)
Student Activities	1,148,097	0	78,827	0	0	(1,069,270)	0	(1,069,270)
Community Services (excl. 3340)	24,926	0	0	0	0	(24,926)	0	(24,926)
Interest on Long-Term Debt	2,503,176	0	0	406,845	0	(2,096,331)	0	(2,096,331)
Total Governmental Activities	75,645,092	0	461,176	12,736,774	0	(62,447,142)	0	(62,447,142)
Business-type Activities:								
Food Service	2,196,558	0	658,854	1,671,016	0	0	133,312	133,312
Total Primary Government	\$ 77,841,650	\$ 0	\$ 1,120,030	\$ 14,407,790	\$ 0	(62,447,142)	133,312	(62,313,830)

General revenues:

Taxes	50,053,463	0	50,053,463
Grants, subsidies, & contributions not restricted	20,628,987	0	20,628,987
Investment Earnings	2,217,033	110,747	2,327,780
Transfers	0	0	0
Miscellaneous Income	88,424	0	88,424
Total General Revenues	72,987,907	110,747	73,098,654
Change in Net Position	10,540,765	244,059	10,784,824
Net Position—beginning	(43,216,494)	2,621,504	(40,594,990)
Net Position—ending	\$ (32,675,729)	\$ 2,865,563	\$ (29,810,166)

CONEWAGO VALLEY SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2025

	General Fund	Major Fund Construction	Major Fund Capital Reserve	Major Fund	Non-Major Funds	Total Government Funds
ASSETS						
Cash and Cash Equivalents	\$ 17,589,750	\$ 23,677,029	\$ 4,103,594	\$ 0	\$ 0	\$ 45,370,373
Investments	0	0	0	0	0	0
Taxes Receivable	1,281,137	0	0	0	0	1,281,137
Other Receivables	207,562	0	0	0	0	207,562
Prepaid Expenses/Expenditures	0	0	0	0	0	0
Due from Other Funds	7,308	0	1,500,000	0	0	1,507,308
Due from Other Governments	3,111,147	0	0	0	0	3,111,147
TOTAL ASSETS	\$ 22,196,904	\$ 23,677,029	\$ 5,603,594	\$ 0	\$ 0	\$ 51,477,527
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts Payable	\$ 602,164	\$ 0	\$ 0	\$ 0	\$ 0	\$ 602,164
Due to Other Funds	1,638,257	0	0	0	0	1,638,257
Due to Other Governments	0	0	0	0	0	0
Accrued Salaries and Benefits	3,848,886	0	0	0	0	3,848,886
Payroll Deductions and Withholdings	3,151,779	0	0	0	0	3,151,779
Other Current Liabilities	1,300,847	0	0	0	0	1,300,847
TOTAL LIABILITIES	10,541,933	0	0	0	0	10,541,933
DEFERRED INFLOWS OF RESOURCES						
Deferred Revenue	1,291,311	0	0	0	0	1,291,311
FUND BALANCES						
Committed - Capital Expenditures	0	0	5,603,594	0	0	5,603,594
Assigned - Health Care	1,851,850	0	0	0	0	1,851,850
Assigned - Technology Acquisition	900,486	0	0	0	0	900,486
Assigned - Roof Work	1,080,314	0	0	0	0	1,080,314
Assigned - Athletic Field	564,148	0	0	0	0	564,148
Assigned - Retirement	990,180	0	0	0	0	990,180
Assigned - Debt Payment	4,097,734	0	0	0	0	4,097,734
Assigned - Construction Fund	0	23,677,029	0	0	0	23,677,029
Unassigned	878,948	0	0	0	0	878,948
TOTAL FUND BALANCES	10,363,660	23,677,029	5,603,594	0	0	39,644,283
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 22,196,904	\$ 23,677,029	\$ 5,603,594	\$ 0	\$ 0	\$ 51,477,527

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

CONEWAGO VALLEY SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2025

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS \$ 39,644,283

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 as assets in governmental funds. The cost of assets is \$111,696,246 and the accumulated depreciation is \$48,071,863. 63,624,383

Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds. 1,281,137

Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:

Bonds Payable	\$ (59,849,000)	
Accrued Interest on the Bonds	(703,821)	
Compensated Absences	<u>(826,093)</u>	(61,378,914)

These assets and liabilities are not presented in the governmental funds but are presented as assets and liabilities on the Statement of Net Position in the governmental activities.

Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore are not reported in the funds.

Deferred outflows of resources related to pensions	16,010,983
Deferred inflows of resources related to pensions	(6,697,000)

Deferred outflows of resources related to OPEB	1,945,865
Deferred inflows of resources related to OPEB	(3,514,193)

Right to use leased assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Right to use assets at historical cost	1,493,014
Accumulated amortization	(1,493,014)

These assets and liabilities are not presented in the governmental funds but are presented as assets and liabilities on the Statement of Net Position in the governmental activities.

<u>Other</u>	
Bond Discount	608,164
Bond Premium	(587,496)
Lease Liability	0
Net Pension Liability	(75,925,000)
OPEB Liability	<u>(7,687,941)</u>

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES **\$ (32,675,729)**

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

CONEWAGO VALLEY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	General Fund	Major Fund Construction	Major Fund Capital Reserve	Major Fund	Non-Major Funds	Total Governmental Funds
REVENUES						
Local Sources	\$ 52,516,128	\$ 882,334	\$ 155,144	\$ 0	\$ 0	\$ 53,553,606
State Source	30,618,615	0	0	0	0	30,618,615
Federal Sources	1,844,275	0	0	0	0	1,844,275
Total Revenue	<u>84,979,018</u>	<u>882,334</u>	<u>155,144</u>	<u>0</u>	<u>0</u>	<u>86,016,496</u>
EXPENDITURES						
Instruction	55,897,845	0	0	0	0	55,897,845
Support Services	22,380,413	0	0	0	0	22,380,413
Non-Instructional Services	1,115,421	0	0	0	0	1,115,421
Facility Acquisition and Improvement	0	2,450,346	241,546	0	0	2,691,892
Debt Service (Principal and Interest)	4,948,057	0	0	0	0	4,948,057
Total Expenditures	<u>84,341,736</u>	<u>2,450,346</u>	<u>241,546</u>	<u>0</u>	<u>0</u>	<u>87,033,628</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>637,282</u>	<u>(1,568,012)</u>	<u>(86,402)</u>	<u>0</u>	<u>0</u>	<u>(1,017,132)</u>
OTHER FINANCING SOURCES (USES)						
Bond Proceeds	0	12,630,466	0	0	0	12,630,466
Payment to Bond Refunding Escrow Agent	0	0	0	0	0	0
Lease and Other Right To Use Arrangement	1,990,685	0	0	0	0	1,990,685
Interfund Transfers	0	0	1,500,000	0	0	1,500,000
Refunds of Prior Year Receipts	0	0	0	0	0	0
Operating Transfers Out	(1,500,000)	0	0	0	0	(1,500,000)
Proceeds of Long-Term Debt	0	0	0	0	0	0
TOTAL OTHER FINANCING SOURCES (USES)	<u>490,685</u>	<u>12,630,466</u>	<u>1,500,000</u>	<u>0</u>	<u>0</u>	<u>14,621,151</u>
Net Change in Fund Balances	<u>1,127,967</u>	<u>11,062,454</u>	<u>1,413,598</u>	<u>0</u>	<u>0</u>	<u>13,604,019</u>
FUND BALANCE - JULY 1, 2024	<u>9,235,693</u>	<u>12,614,575</u>	<u>4,189,996</u>	<u>0</u>	<u>0</u>	<u>26,040,264</u>
FUND BALANCE - JUNE 30, 2025	<u>\$ 10,363,660</u>	<u>\$ 23,677,029</u>	<u>\$ 5,603,594</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 39,644,283</u>

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

CONEWAGO VALLEY SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS **\$ 13,604,019**

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. This is the amount which capital outlays exceeds depreciation for the period.

Depreciation Expense	\$ (2,506,198)	
Capital Outlays	3,403,145	896,947

Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered as "available" revenues in the governmental funds. Deferred tax revenues increased by this amount this year. 169,362

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 2,724,000

Bond Interest Expenses are recorded in the statement of activities, but not recorded as expenses in the governmental funds. -

Interest on serial bonds is recorded in the governmental funds when paid, but the statement of activities records interest expense as it is incurred. Accrued interest increased by this amount this year. (154,618)

Bond Issue Expenses are recorded as expenses in the statement of activities, but not recorded as expenses in the governmental funds. (167,077)

Bond discount amortizations are recorded as expenditures in the governmental funds but are recorded as long-term assets in the statement of net position and amortized over the term of the bonds. (33,826)

Bond premium amortizations are recorded as revenue in the governmental funds but is recorded as a long-term liability in the statement of net position and amortized over the term of the bonds. 76,402

Governmental funds report district pension contributions as expenditures. However in the Statement of Activities, the cost of pension related benefits earned net of employee contributions is reported as pension expense. -

District pension contributions		10,790,500
Cost of pension benefits earned, net of employee contributions		(4,956,259)

OPEB expense is recorded on the Government-Wide Financial Statements but is not recorded as an expense in Governmental Funds. 184,912

Right to use leased assets capital outlay expenditures which were capitalized		499,879
Accumulated amortization		(499,879)

Bond Proceeds recorded as revenue in the governmental funds, but not recorded on Statement of Net Assets as revenue. (12,630,466)

Accrued compensated absences are not recorded as expenditures in compensated absences increased (decreased) by this amount this year. 36,869

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		\$ 10,540,765
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The accompanying notes are an integral part of these financial statements.

CONEWAGO VALLEY SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2025

	Food Service Fund
ASSETS	
Current Assets:	
Cash	\$ 2,479,503
Due from Other Funds	138,257
Due from Other Governments	2,473
Other Receivables	234
Inventories	57,081
Total Current Assets	2,677,548
Noncurrent Assets	
Machinery and Equipment (Net)	272,539
Total Assets	\$ 2,950,087
LIABILITIES	
Current Liabilities:	
Due to Other Funds	\$ 7,308
Accounts Payable	0
Accrued Salaries and Benefits	266
Deferred Revenues	39,368
Other Current Liabilities	0
Total Current Liabilities	46,942
Noncurrent Liabilities	
Long Term Portion of Compensated Absences	37,582
Total Noncurrent Liabilities	37,582
Total Liabilities	84,524
NET POSITION	
Unrestricted	2,865,563
Total Liabilities and Net Position	\$ 2,950,087

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

CONEWAGO VALLEY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET POSITION
PROPRIETARY FUND
JUNE 30, 2025

	Food Service Fund
OPERATING REVENUES:	
Food Service Revenue	\$ 658,276
Other Operating Revenues	578
Total Operating Revenues	658,854
OPERATING EXPENSES:	
Salaries	672,783
Employee Benefits	442,807
Purchased Professional and Technical Service	1,995
Purchased Property Service	21,609
Other Purchased Service	1,025
Supplies	1,026,107
Depreciation	6,000
Dues and Fees	0
Other Operating Expenditures	24,232
Total Operating Expenses	2,196,558
Operating Income (Loss)	(1,537,704)
NON-OPERATING REVENUES (EXPENSES):	
Earnings on Investments	110,747
Contributions and Donations	0
State Sources	364,450
Federal Sources	1,306,566
Refunds of Prior Year Expenditures	0
Total Non-Operating Revenue (Expense)	1,781,763
Change in Net Position	244,059
TOTAL NET POSITION - JULY 1, 2024	2,621,504
Prior Period Adjustment	0
TOTAL NET POSITION - JUNE 30, 2025	\$ 2,865,563

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

CONEWAGO VALLEY SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
JUNE 30, 2025

Cash Flows From Operating Activities

Cash Received from User Charges	\$ 662,836	
Cash Payments to Employees for Services	(1,112,566)	
Cash Payments to Suppliers for Goods and Services	(1,062,722)	
Net Cash Provided by (Used for) Operating Activities		\$ (1,512,452)

Cash Flows From Non-Capital Financing Activities

Grants and Subsidies received for Non-Operating Activities:		
Local Sources	0	
State Sources	364,450	
Federal Sources	1,306,566	
Refunds of Prior Year Expenditures	0	
Net Cash Provided by (Used for) Non-Capital Financing Activities		1,671,016

Cash Flows From Capital and Related Financing Activities

Facilities Acquisition/Construction/Improvements	0	
Net Cash Provided by (Used for) Capital and Related Financing Activities		0

Cash Flows From Investing Activities

Earnings on Investments	110,747	
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Net Increase in Cash 269,311

Cash - Beginning of Year 2,210,192

Cash - End of Year \$ 2,479,503

Reconciliation of Operating Loss to Net Cash Used in Operating Activities:

Operating Income (Loss)	<u>\$ (1,537,704)</u>
Adjustment to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation	6,000
(Increase) Decrease in Inventory	1,792
(Increase) Decrease in Accounts Receivable	(2,473)
(Increase) Decrease in Advances to Other Funds	3,151
(Increase) Decrease in Intergovernmental Receivables	0
(Increase) Decrease in Other Current Assets	0
Increase (Decrease) in Accounts Payable	0
Increase (Decrease) in Advances from Other Funds	7,303
Increase (Decrease) in Deferred Revenue	6,455
Increase (Decrease) in Other Current Liabilities	0
Increase (Decrease) in Other Long-term Liabilities	2,893
Increase (Decrease) in Interfund Payables	0
Increase (Decrease) in Accrued Salaries & Benefits	131
Increase (Decrease) in Accumulated Compensated Absences	0

Total Adjustments 25,252

Net Cash Used in Operating Activities \$ (1,512,452)

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

CONEWAGO VALLEY SCHOOL DISTRICT
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2025

	<u>Student Activities</u>	<u>Private Purpose Trust</u>
ASSETS		
Cash and Cash Equivalents	\$ 239,110	\$ 230,076
Due from Other Funds	<u>0</u>	<u>0</u>
TOTAL ASSETS	239,110	230,076
LIABILITIES		
Accounts Payable	239,110	0
Due to Other Funds	0	0
Other Current Liabilities	<u>0</u>	<u>0</u>
TOTAL LIABILITIES	239,110	0
NET POSITION		
Restricted	<u>0</u>	<u>230,076</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 239,110</u></u>	<u><u>\$ 230,076</u></u>

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

CONEWAGO VALLEY SCHOOL DISTRICT
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Student Activities</u>	<u>Private Purpose Trust</u>
ADDITIONS		
Gifts and Contributions	\$ 0	\$ 0
Receipts from Student Groups	337,029	
Interest Earnings	<u>12,522</u>	<u>12,641</u>
Total Additions	349,551	12,641
DEDUCTIONS		
Student Activity Disbursements	354,410	
Scholarships	<u>0</u>	<u>67,520</u>
Total Deductions	354,410	67,520
CHANGES IN NET POSITION	(4,859)	(54,879)
NET POSITION - JULY 1, 2024	<u>243,969</u>	<u>284,955</u>
NET POSITION - JUNE 30, 2025	<u><u>\$ 239,110</u></u>	<u><u>\$ 230,076</u></u>

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

CONEWAGO VALLEY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared in accordance with the accounting system and procedures prescribed for school districts by the Commonwealth of Pennsylvania, Department of Education, which conforms to generally accepted accounting principles as applicable to governmental units. The following is a summary of the significant policies.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments. Certain of the significant changes in the Statement include the following:

The GASB No. 34 financial statements include:

A Management's Discussion and Analysis (MD & A) providing an analysis of the District's overall financial position and results of operations.

Financial statements prepared using full-accrual accounting for all of the District's activities.

A change in the fund financial statements to focus on the major funds.

These changes are reflected in the accompanying financial statements (including notes to financial statements).

A. REPORTING ENTITY

Conewago Valley School District is a third class Pennsylvania School District based on its population encompassing all or portions of eleven municipalities.

The Conewago Valley School District School Board is the basic level of government which has oversight responsibility and control over all activities related to the public school education in the Conewago Valley School District. The District receives funding from local, state, and federal government sources and must comply with their accompanying requirements. However, the Board is not included in any other governmental "reporting entity" as defined by the GASB Pronouncement, since Board members are elected by the public and have decision-making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters. In addition, there are no component units as defined in Governmental Accounting Standards Board Statement 14 which are included in the District's reporting entity.

The reporting entity for Conewago Valley School District consists only of those funds, functions, and activities controlled by the School Board and required or allowed by State laws and regulations.

The financial statements of the School District include all funds and activities that are controlled by or dependent on the School District. Control or dependence is determined on the basis of budget adoption, taxing authority, and appointment of advisors.

CONEWAGO VALLEY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. REPORTING ENTITY (CONTINUED)

The District has evaluated its relationship with the Conewago Township School Authority and determined it is a component unit. The District appoints a majority of the Authority's governing body and is obligated for the debt of the Authority. The Authority is still in existence, although dormant, and all District related debt and capital assets constructed previously would be included in the statement of net assets.

B. FUND ACCOUNTING

The accounts of the Conewago Valley School District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped in the financial statements in this report as follows:

GOVERNMENTAL FUNDS

GENERAL FUND - The General Fund is the operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

SPECIAL REVENUE FUNDS - Special Revenue Funds are used to account for the proceeds of special revenue sources that are legally restricted to expenditures for specific purposes.

CAPITAL PROJECT FUNDS - Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. The Capital Reserve Fund is a Capital Project Fund.

PROPRIETARY FUNDS

ENTERPRISE FUNDS - Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - when the intent of governing body is that costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges. The Food Service Fund is a Modified Enterprise Fund because most food service funds in Pennsylvania's Public School System depend on support from the General Fund of the District as well as state and federal subsidization in order to operate.

FIDUCIARY FUNDS

TRUST & AGENCY FUNDS - Agency Funds are used to account for assets held by the District as an agent for school organizations or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Activities Fund and the Trust Funds are Agency Funds.

CONEWAGO VALLEY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. BASIS OF PRESENTATION

Government-Wide Financial Statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the school district. As a general rule the effect of interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function or segment. Program revenues include charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment. In addition, program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements are also provided in the report for all of the governmental funds, proprietary funds, and the fiduciary funds of the school district. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statement. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the school district's enterprise fund are food service charges. Operating expenses for the school district's enterprise fund include food production costs, supplies, administrative costs, and depreciation on capital assets. All revenues or expenses not meeting this definition are reported as nonoperating revenues and expenses.

The District reports the following major governmental funds:

The general fund is the district's primary operating fund. It accounts for all financial resources except those required to be in another fund.

The capital project fund accounts for financial resources to be used for the acquisition or construction of major capital facilities.

CONEWAGO VALLEY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as soon as all eligibility requirements imposed by the provider have been met. Net position (total assets less total liabilities) are used as a practical measure of economic resources and the operating statement includes all transactions and events that increased or decreased net position. Depreciation is charged against current operations and accumulated depreciation is reported on the statement of net position.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers tax revenues to be available if collected within 60 days of the end of the fiscal period. Revenue from federal, state, and other grants designated for payment of specific school district expenditures is recognized when the related expenditures are incurred; when such funds are received, they are recorded as deferred revenues until earned. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

E. INVENTORY

Inventory in the General Fund is recorded as an expenditure at the time of purchase.

Inventory in the Proprietary Fund is valued at cost, except government donated food is priced at fair market value at date of receipt.

F. CASH AND CASH EQUIVALENTS

For the purposes of the statement of cash flows, the proprietary fund type considers all highly liquid investments with a remaining maturity of three months or less when purchased to be cash equivalents.

G. RECEIVABLES AND PAYABLES

Activity between funds that are representative of lending/borrowing arrangements at the end of the fiscal year are referred to as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

CONEWAGO VALLEY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. PREPAID EXPENSES

In both government-wide and fund financial statements, prepaid expenses are recorded as assets in the specific governmental fund in which future benefits will be derived.

I. POLICY FOR CAPITALIZING ASSETS AND ESTIMATING USEFUL LIVES - GOVERNMENT-WIDE FINANCIAL STATEMENTS

The School District reports capital assets at historical cost or estimated historical cost. Capital assets include land, improvements, easements, buildings, building improvements, vehicles, machinery, equipment, infrastructure and all other tangible or intangible assets that are used in operation and that have useful lives extending beyond a single reporting period. The School District's policy is to capitalize assets, or groups of assets with costs in excess \$5,000. Estimated depreciation expense is calculated using the straight-line method over the useful lives of capital assets ranging from 5 to 50 years.

J. ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. Bonds are recognized as a liability on the fund financial statements when due.

K. NET POSITION

Net Position represent the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for acquisition, construction or improvement of those assets.

L. USE OF ESTIMATES

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

CONEWAGO VALLEY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. PROGRAM REVENUES - GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Statement of Activities reports three categories of program revenues: (a) charges for services, (b) program specific operating grants and contributions and (c) program specific capital grants and contributions. Program revenues derive directly from the program itself or from parties outside the reporting government's taxpayers or citizenry. As a whole, they reduce the net cost of the function to be financed from the government's general revenues.

N. NEW ACCOUNTING PRONOUNCEMENT ADOPTED:

GASB Statement No. 87, Lease Accounting - As of July 1, 2021, the School District adopted GASB Statement No. 87, Lease Accounting. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain leased assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.

NOTE 2 - PROPERTY TAXES

The School District levies property taxes on July 1, for the ensuing fiscal year ending June 30. Taxes paid by August 31, receive a 2% discount. Taxes paid after October 31, are assessed a 10% penalty. Any taxes not received by April 30, are turned over to Adams County Tax Claim Bureau for collection. Interim taxes are assessed at various times during the year as needed.

Taxes receivable as reported on the Governmental Fund balance sheet represents unpaid property taxes outstanding at June 30, 2025. Taxes receivable not deemed available under generally accepted accounting principles are included in deferred revenues. Since all property taxes are presumably collectible, no provision for uncollectible taxes has been made.

NOTE 3 - CASH AND INVESTMENTS

Cash and Investments are stated at cost, which approximates market. Cash includes certificates of deposit with maturities of three months or less. Statutes authorize the School District to invest in obligations of the U.S. Treasury, agencies, and instrumentalities and state treasurer's investment pools. The School District's cash and investments are categorized to give an indication of the level of risk assumed by the School District at year-end.

The risk categories for cash are:

Category 1 - Deposits which are insured or collateralized with securities held by the District or its agent in the District's name.

Category 2 - Deposits which are collateralized with securities held by the pledging financial institution's trust department or agent in the District's name.

Category 3 - Deposits which are uncollateralized, including any bank balance that is collateralized with securities held by the pledging financial institution or by its trust department or agent but not in the District's name.

CONEWAGO VALLEY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

The risk categories for investments are:

Category 1 - Investments that are insured or registered for which securities are held by the District or its agent in the District's name.

Category 2 - Uninsured and unregistered investments for which securities are held by a broker's or dealer's trust department or agent in the District's name.

Category 3 - Uninsured and unregistered investments for which the securities are held by the broker or dealer or by its trust department or agent but not in the District's name.

Cash

Cash on hand amounted to \$475 at June 30, 2025.

At year-end, the carrying amount of the School District's cash (checking, savings and certificates of deposit with maturities of three months or less) was \$48,319,062 and the bank balance was \$49,511,601.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. As of June 30, 2025, \$49,261,601 of the District's bank balance of \$49,511,601 was exposed to custodial credit risk as:

Uninsured and Uncollateralized	\$ 0
Collateralized with securities held by the pledging financial institution	49,261,601
Uninsured and collateral held by the pledging bank's trust department not in the District's name	0
	<u>\$ 49,261,601</u>

Reconciliation to Financial Statements:

Collateralized with securities held by the pledging financial institution	\$ 49,261,601
Plus: Insured Amount	250,000
Add: Deposit in Transit	372,519
Less: Outstanding Checks	(1,565,533)
Carrying Amount - Bank Balances	<u>48,318,587</u>
Plus: Petty Cash	475
Total Cash per Financial Statements	<u><u>\$ 48,319,062</u></u>

Cash Summary per Respective Funds:

Statement of Net Position - Cash - Governmental Funds	\$ 45,370,373
Statement of Net Position - Cash - Proprietary Funds	2,479,503
Statement of Net Position - Cash - Fiduciary Funds	469,186
Total Cash per Financial Statements	<u><u>\$ 48,319,062</u></u>

CONEWAGO VALLEY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 4 - PROPERTY, PLANT AND EQUIPMENT

A summary of property, plant and equipment of the enterprise fund as of June 30, 2025 is as follows:

	<u>Beginning Balance</u>		<u>Additions</u>		<u>Ending Balance</u>
Machinery and Equipment	\$ 765,889	\$	-	\$	765,889
Accumulated Depreciation					(493,350)
Net Property, Plant and Equipment					<u>\$ 272,539</u>

NOTE 5 - SUBSEQUENT EVENTS

Management of the District has evaluated subsequent events through the date of the audit report. No subsequent events were noted.

NOTE 6 - CONTINGENCIES

The District is from time to time subject to routine litigation incidental to School District Activities. While the final resolution of any matter may have an impact on the District's financial results for a particular reporting period, the District believes the ultimate disposition of any such litigation would not have a materially adverse effect upon the financial position of the District.

CONEWAGO VALLEY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 7 - LONG-TERM DEBT

The following is a summary of changes in long-term debt for the year ended June 30, 2025:

	<u>G.O. BONDS SERIES OF 2017</u>	<u>G.O. BONDS SERIES OF 2018</u>	<u>G.O. BONDS SERIES OF 2019</u>	<u>G.O. BONDS SERIES OF 2020</u>	<u>G.O. BONDS SERIES OF 2021</u>
Balance - July 1, 2024	\$ 9,150,000	\$ 9,210,000	\$ 4,605,000	\$ 9,440,000	\$ 3,293,000
Additions	-	-	-	-	-
Refunded	-	-	-	-	-
Principal Repayments/ Amortization	(545,000)	(415,000)	(105,000)	(710,000)	(944,000)
Balance - June 30, 2025	<u>\$ 8,605,000</u>	<u>\$ 8,795,000</u>	<u>\$ 4,500,000</u>	<u>\$ 8,730,000</u>	<u>\$ 2,349,000</u>
continued -					
	<u>G.O. BONDS SERIES OF 2023</u>	<u>G.O. BONDS SERIES OF 2024</u>	<u>TOTAL</u>		
Balance - July 1, 2024	\$ 13,925,000	\$ 12,950,000	\$ 62,573,000		
Additions	-	-	-		
Refunded	-	-	0		
Principal Repayments/ Amortization	(5,000)	-	(2,724,000)		
Balance - June 30, 2025	<u>\$ 13,920,000</u>	<u>\$ 12,950,000</u>	<u>\$ 59,849,000</u>		

CONEWAGO VALLEY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 7 - LONG-TERM DEBT (CONTINUED)

The General Obligation Bonds of 2017 bear interest rates ranging from 1.55% to 2.90% and mature at various dates until final maturity in 2038.

The General Obligation Bonds of 2018 bear interest rates ranging from 2.15% to 3.50% and mature at various dates until final maturity in 2038.

The General Obligation Bonds of 2019 bear interest rates ranging from 4.00% to 5.00% and mature at various dates until final maturity in 2040.

The General Obligation Bonds of 2020 bear interest rates ranging from 1.00% to 5.00% and mature at various dates until final maturity in 2031.

The General Obligation Bonds of 2021 bear interest rates ranging from 1.01% to 1.01% and mature at various dates until final maturity in 2032.

The General Obligation Bonds of 2023 bear interest rates ranging from 4.00% to 5.03% and mature at various dates until final maturity in 2054.

The General Obligation Bonds of 2024 bear interest rates ranging from 2.93% to 4.15% and mature at various dates until final maturity in 2054.

The combined aggregate amount of maturities and sinking fund requirements for long-term debt is as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	2,811,000	2,029,299	4,840,299
2027	2,881,000	1,959,167	4,840,167
2028	2,928,000	1,912,250	4,840,250
2029	2,639,000	1,865,710	4,504,710
2030	2,680,000	1,819,541	4,499,541
2031-2035	11,740,000	8,124,821	19,864,821
2036-2040	9,065,000	6,441,307	15,506,307
2041-2045	7,215,000	4,921,200	12,136,200
2046-2050	9,025,000	3,114,316	12,139,316
2051-2055	8,865,000	841,346	9,706,346
Totals	<u>\$ 59,849,000</u>	<u>\$ 33,028,957</u>	<u>\$ 92,877,957</u>

The School District incurred \$1,724,178 interest expense for the year ended June 30, 2025.

The Bonds are general obligations of Conewago Valley School District, Adams County, Pennsylvania (the "School District") payable from its tax and other general revenues. The School District has covenanted that it will provide in its budget in each year, and will appropriate from its general revenues in each year, the amount of the debt service on the Bonds for such year and will duly and punctually pay or cause to be paid from the sinking fund established under the Resolution or any other of its revenues or funds the principal of every Bond and the interest thereon on the dates, at the place and in the manner stated in the Bonds, and for such budgeting, appropriation and payment the School District irrevocably has pledged its full faith, credit and taxing power, which taxing power presently includes the power to levy taxes on all taxable real property with the School District presently unlimited as to rate or amount for such purpose.

CONEWAGO VALLEY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE - 8 - PENSION PLAN

1. Summary of Significant Accounting Policies

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.

General Information about the Pension Plan

Plan Description

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

Benefits provided

PSERS provides retirement, disability, and death benefits. Members are eligible for monthly retirement benefits upon reaching (a) age 62 with at least 1 year of credited service; (b) age 60 with 30 or more years of credited service; or 35 or more years of service regardless of age. Act 120 of 2010 (Act 120) preserves the benefits of existing members and introduced benefit reductions for individuals who become new members on or after July 1, 2011. Act 120 created two new membership classes, Membership Class T-E (Class T-E) and Membership Class T-F (Class T-F). To qualify for normal retirement, Class T-E and Class T-F members must work until age 65 with a minimum of 3 years of service or attain a total combination of age and service that is equal to or greater than 92 with a minimum of 35 years of service. Benefits are generally equal to 2% or 2.5%, depending upon membership class, of the members' final average salary (as defined in the code) multiplied by the number of years of credited service. For members whose membership started prior to July 1, 2011, after completion of five years of service, a member's right to the defined benefits is vested and early retirement benefits may be elected. For Class T-E and Class T-F members, the right to benefits is vested after ten years of service.

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

Death benefits are payable upon the death of an active member who has reached age 62 with at least one year of credited service (age 65 with at least three years of credited service Class T-E and Class T-F members) or who has at least five years of credited service (ten years for Class T-E and Class T-F

CONEWAGO VALLEY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE - 8 - PENSION PLAN (CONTINUED)

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:

Active members who joined the System prior to July 22, 1983, contribute at 5.25% (Membership Class T - C) or at 6.5% (Membership Class T-D) of the member's qualifying compensation.

Members who joined the System on or after July 22, 1983, and who are active or inactive as of July 1, 2001, contribute at 6.25% (Membership Class T-C) or at 7.5% (Membership Class T-D) of the member's qualifying compensation.

Members who joined the System after June 30, 2001 and before July 1, 2011, contribute at 7.50% (automatic Membership Class T-D). For all new hires and for members who elected Class T-D membership, the higher contribution rates began with service rendered on or after January 1, 2002.

Members who joined the System after June 30, 2011, automatically contribute at the Membership Class T-E rate of 7.5% (base rate) of the members qualifying compensation. All new hires after June 30, 2011, who elect Class T - F membership, contribute at 10.3% (base rate) of the members qualifying compensation. Membership Class T-E and Class T-F are affected by a "shared risk" provision in Act 120 of 2010 that in future fiscal years could cause the Membership Class T-E contribution rate to fluctuate between 7.5% and 9.5% and Membership Class T-F contribution rate to fluctuate between 10.3% and 12.3%.

Members who joined the System on or after July 1, 2019, contribute according to Membership Class T-G - 5.50% base rate with shared risk provision and 2.75% direct contribution rate, T-H - 4.50% base rate with shared risk provision and 3.00% direct contribution rate. Code DC has only a direct contribution rate of 7.50%.

Employer Contributions:

The school districts' contractually required contribution rate for fiscal year ended June 30, 2025 was 33.92% 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 \$10,790,500 for the year ended June 30, 2025.

2. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions

At June 30, 2025 the School reported a liability of \$75,925,000 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 the System's total pension liability as of June 30, 2023 to June 30, 2024. The School's proportion of the net pension liability was calculated utilizing the employer's one-year reported covered payroll as it related to the total one-year reported covered payroll. At June 30, 2025, the School's proportion was .1814%, which was a decrease of .017 from its proportion measured as of June 30, 2024 which was .1984%.

CONEWAGO VALLEY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE - 8 - PENSION PLAN (CONTINUED)

For the year ended June 30, 2025, the District recognized pension expense of \$6,783,000. At June 30, 2025, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	-	1,194,000
Net difference between projected and actual investment earnings	1,257,000	
Changes in proportions	2,697,000	5,503,000
Changes in assumptions	-	-
Difference between employer contributions and proportionate share of total contributions	1,266,483	-
Contributions subsequent to the measurement date	10,790,500	-
	<u>16,010,983</u>	<u>6,697,000</u>

\$10,790,500 reported as deferred outflows of resources related to pensions resulting from School contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2026	(2,390,000)
2027	1,402,000
2028	(1,500,000)
2029	(255,000)

Actuarial assumptions

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

Changes in assumptions used in measurement of the Total Pension Liability beginning June 30, 2024.

The Investment Rate of Return was 7.00%, includes inflation of 2.75%.

Salary growth changed from an effective average of 4.50%, which comprised of inflation of 2.50%, and 2.00% for real wage growth and for merit or seniority increases.

CONEWAGO VALLEY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE - 8 - PENSION PLAN (CONTINUED)

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 Scales.

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study that was performed for the five year period the period ending June 30, 2020.

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global public equity	30.0%	4.8%
Fixed Income	33.5%	3.9%
Commodities	5.0%	2.5%
Absolute return	0.0%	0.0%
Infrastructure/MLPs	10.0%	6.4%
Real estate	9.5%	5.9%
Cash	0.0%	0.0%
Private equity	12.0%	6.7%
Financing Leverage	0.0%	0.0%
	<u>100%</u>	

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

Sensitivity of the School's Proportionate share of the net pension liability to changes in the discount rate

The following presents the net pension liability, calculated using the discount rate of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage

CONEWAGO VALLEY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE - 8 - PENSION PLAN (CONTINUED)

Discount rate

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

Sensitivity of the School's Proportionate share of the net pension liability to changes in the discount rate

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

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
School's proportionate share of the net pension liability	100,016,000	75,925,000	55,581,000

Pension plan fiduciary net position

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

CONEWAGO VALLEY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 9 - COMPENSATED ABSENCES

Contractual provisions with Instructional General Fund employees require that in the year of retirement or demise the employee is entitled to receive an amount computed by multiplying the number of such employee's unused accumulated sick days up to a maximum of 200 such days by \$40. Contractual provisions also require that each employee shall be granted three school days of personal leave of absence per year without loss of pay. A maximum of five days of personal leave may be accumulated and if accumulated, may be used or redeemed for a payment of \$100 per day. Instructional service pay as of June 30, 2025 totals \$558,574 and is recorded on the Statement of Net Position Government Wide Statements. Also, unused vacation pay accumulated at June 30, 2025 for General Fund employees totaled \$267,519 and is recorded on the Statement of Net Position Government Wide Statements.

Likewise, Food Service Fund employees' accumulated unpaid sick leave and vacation totaled \$25,451 and \$12,132 respectively and is recorded in the Food Service Fund.

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS

Each retired qualifying employee will be able to continue hospitalization and major medical insurance benefits provided in the collective bargaining agreement and all subsequent agreements until the employee attains the age of sixty-five. The District will pay 40% of the premium cost of individual coverage for the retired employee's medical coverage under the District's medical plan. To qualify, the employee must meet the following three requirements:

- 1 Be eligible for retirement through the Public School Employees Retirement System.
- 2 Be between the ages of 55-65 or have 30 or more years of credit in the retirement system.
- 3 Continue enrollment and payment of remaining premium within established grace periods.

At such time that comparable group health insurance becomes available through any means other than the District, the option to continue coverage through this provision no longer exists.

The District finances their share of the medical insurance with current revenues. The District expended \$104,552 during the year ended June 30, 2025 for their share of the medical insurance for seventeen participants.

CONEWAGO VALLEY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 11 - PUBLIC ENTITY RISK POOL

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

NOTE 12 - INTERFUND ACCOUNTS RECEIVABLE AND PAYABLE

At June 30, 2025, interfund receivables and payables that resulted from various interfund transactions were as follows:

	Interfund	
	Receivables	Payables
General Fund	\$ 7,308	\$ 1,638,257
Enterprise Fund	138,257	7,308
Construction Fund	0	0
Trust	0	0
Capital Reserve Fund	1,500,000	0
Total	<u>\$ 1,645,565</u>	<u>\$ 1,645,565</u>

CONEWAGO VALLEY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 13 - FUND BALANCE RESERVES

Specific fund balance reserves at June 30, 2025 were as follows:

	<u>Specific</u>
General Fund:	
Designated for Health Care	\$ 1,851,850
Designated for Technology Acquisition	900,486
Designated for Roof Work	1,080,314
Designated for Athletic Field	564,148
Designated for Retirement	990,180
Designated for Debt Payment	<u>4,097,734</u>
Total - General Fund	<u><u>\$ 9,484,712</u></u>

NOTE 14 - CAPITAL ASSETS

Set forth below is a summary of activity of capital assets reported in the statement of net assets:

	<u>Balance July 1 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30 2025</u>
Land and Site				
Improvements	\$ 7,215,028	\$ 17,769	\$ 0	\$ 7,232,797
Building and Building				
Improvements	88,380,200	555,128	0	88,935,328
Vehicles	419,343	247,550	0	666,893
Machinery and				
Equipment	9,398,904	239,046	0	9,637,950
Library and Textbooks	1,143,098	0	0	1,143,098
Construction in				
Progress	<u>1,736,528</u>	<u>2,553,701</u>	<u>210,049</u>	<u>4,080,180</u>
Totals	<u><u>\$ 108,293,101</u></u>	<u><u>\$ 3,613,194</u></u>	<u><u>\$ 210,049</u></u>	<u><u>\$ 111,696,246</u></u>

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Value</u>
Land and Site Improvements	\$ 7,232,797	\$ 2,829,696	\$ 4,403,101
Building and Building			
Improvements	88,935,328	37,850,463	51,084,865
Vehicles	666,893	327,574	339,319
Machinery and Equipment	9,637,950	5,921,032	3,716,918
Library and Textbooks	1,143,098	1,143,098	0
Construction in Progress	<u>4,080,180</u>	<u>0</u>	<u>4,080,180</u>
Totals	<u><u>\$ 111,696,246</u></u>	<u><u>\$ 48,071,863</u></u>	<u><u>\$ 63,624,383</u></u>

CONEWAGO VALLEY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 14 - CAPITAL ASSETS (CONTINUED)

Current depreciation expense totaled \$2,506,198 and is charged to each of the functions in the statement of activities as follows:

Instructional	\$ 739,633
Instructional Student Support	55,380
Administrative and Financial	
Support Services	383
Operation and Maintenance of	
Plant Services	1,653,069
Pupil Transportation	132
Student Activities	57,601
	<hr/>
Total	\$ 2,506,198
	<hr/>

NOTE 15 - GASB #54 FUND BALANCE IMPLEMENTATION

In accordance with Government Accounting Standards Board 54, Fund Balance Reporting and Governmental Fund Type Definitions, the District classifies governmental fund balances as follows:

Non-spendable - include fund balance amounts that cannot be spent either because it not in spendable form or because of legal or contractual constraints.

Restricted - includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

Committed - includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year end.

Capital Expenditures	<u>\$ 5,603,594</u>
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Assigned - includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Business Manager.

Health Care	\$ 1,851,850
Technology Acquisition	900,486
Roof Work	1,080,314
Athletic Field	564,148
Retirement	990,180
Debt Payment	4,097,734
Construction Fund	23,677,029
Total Assigned Fund Balances:	<u>\$ 33,161,741</u>

Unassigned includes positive fund balance within the general fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds. The amount of the unassigned fund balance for Conewago Valley School District is \$878,948 for the year ending June 30, 2025.

CONEWAGO VALLEY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 16 - POSTEMPLOYMENT BENEFITS PLAN

The Conewago Valley School District Postemployment Benefits plan is administered by Blue Cross. This Trust is a cost-sharing multiple-employer plan which issues its own financial report.

Summary of Plan Provisions:

Group	Eligibility	Coverage and Premium Sharing	Duration										
Grandfathered Department Chairpersons	No additional requirements	Coverage: Medical, prescription drug, dental, and vision	Retiree is covered until Medicare eligibility.										
		Premium Sharing: The Retiree pays 60% of medical, prescription, drug, and vision premiums. Retiree may continue dental coverage by paying 100% of premiums.	Spouse is covered until earlier of Medicare eligibility and Retiree Medicare eligibility.										
		Spousal Coverage: Available if fully paid by Retiree. If Retiree dies, Spouse can continue medical, prescripton drug, and vision coverage until Spouse Medicare eligibility by paying the full premiums.											
All Other Administrators	No additional requirements	Coverage: Medical, prescription drug, dental and vision	Retiree is covered until Medicare eligibility.										
		Premium sharing: District pays per- centage of rate of medical, prescription drug, and vision premiums, which varies by years of service with CVSD, and Retiree pays remainder of the premiums. With less than 15 years of District service, District pays percentage of the single rate. Otherwise, District pays percentage of the rate for the selected tier of coverage. Retiree may continue dental coverage by paying 100% of the premiums.	Spouse is covered until earlier of Medicare eligibility and Retiree Medicare eligibility.										
		<table><tr><th>Yrs of Service w/ District</th><th>Percentage of Family Rate</th></tr><tr><td>1 to 4 yrs</td><td>40%</td></tr><tr><td>5 to 9 yrs</td><td>45%</td></tr><tr><td>10 to 14 yrs</td><td>50%</td></tr><tr><td>15 to 19 yrs</td><td>55%</td></tr><tr><td>20 or more yrs</td><td>60%</td></tr></table>	Yrs of Service w/ District	Percentage of Family Rate	1 to 4 yrs	40%	5 to 9 yrs	45%	10 to 14 yrs	50%	15 to 19 yrs	55%	20 or more yrs
Yrs of Service w/ District	Percentage of Family Rate												
1 to 4 yrs	40%												
5 to 9 yrs	45%												
10 to 14 yrs	50%												
15 to 19 yrs	55%												
20 or more yrs	60%												
		Spouse coverage: Available if remainder paid by Retiree. If Retiree dies, Spouse can continue medical, prescription drug, and vision coverage until Spouse Medi- care eligibility by paying the full premiums.											

CONEWAGO VALLEY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 16 - POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)

Summary of Plan Provisions:

<u>Group</u>	<u>Eligibility</u>	<u>Coverage and Premium Sharing</u>	<u>Duration</u>
Retired On or Prior to 6/30/23	N/A-Already Retired	<p>Coverage: Medical, Prescription Drug, Dental and Vision</p> <p>Premium sharing: If eligible for super-annuation retirement through PSERS and either has at least 25 yrs of service with CVSD or was employed with CVSD as of 6/30/2010, the Retiree pays 60% of Medical, Prescription Drug, and Vision premium. If not eligible for subsidy, the Retiree may continue coverage by providing payment equal to the premium determined for the purpose of COBRA. Retiree may continue Dental coverage by paying 100% of premium.</p> <p>Spousal coverage: Available if fully paid by Retiree. If Retiree dies and was eligible for the District subsidized benefit, Spouse can continue medical, prescription drug, and vision coverage until Spouse Medicare eligibility by paying the full premiums.</p>	<p>Retiree is covered until Medicare eligibility.</p> <p>Spouse is covered until earlier of Medicare eligibility and Retiree Medicare eligibility. Spouse coverage ceases at Retiree death if Retiree was not eligible for the District subsidized benefit.</p>
Retired After 6/30/2023	PSERS Retirement	Same as Retired On or Prior to 6/30/23 category except retiree pays 70% of Medical, Prescription Drug and Vision premiums.	Same as Retired On or Prior to 6/30/23 category
Support Staff	PSERS Retirement	Coverage and premium sharing: Retired employees are allowed to continue coverage for themselves and their dependents in the employer's group health plan until the retired employee reaches Medicare age. In order to obtain coverage, retired employees must provide payment equal to the premium determined for the purpose of COBRA.	<p>Retiree is covered until Medicare eligibility</p> <p>Spouse is covered until earliest of Medicare eligibility, Retiree Medicare eligibility, and Retiree death.</p>

CONEWAGO VALLEY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 16 - POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)

Actuarial Assumptions and Methods

Interest Rate

4.29%

Salary

An assumption for salary increases is used only for spreading contributions over future pay under the entry age normal cost method. For this purpose, salary increases are composed of a 2.5% cost of living adjustment, 1.5% real wage growth, and for teachers and administrators a merit increase which varies by age from 2.75% to 0%.

Withdrawal

Rates of withdrawal vary by age, gender and years of service. Sample rates for employees with more than 10 years of service are shown below. Rates for new employees start at 25.93% for both men and 27.46% for women and decrease with age and service.

Age	Male Rate	Female Rate	Age	Male Rate	Female Rate
25	4.5500%	3.9000%	45	1.4100%	1.6000%
30	4.5500%	3.9000%	50	1.8900%	2.0800%
35	1.6800%	2.8300%	55	3.6300%	3.6600%
40	1.4200%	1.6700%	60	5.4900%	5.9400%

Mortality

PubT-2010 headcount-weighted mortality table including rates for contingent survivors for teachers.
PubG-2010 headcount-weighted mortality table including rates for contingent survivors for all other employees.

Disability

No disability was assumed.

Retirement

Assumed retirement rates are based on PSERS plan experience and vary by age, service and gender.

<u>Special Early Retirement</u>			<u>TC & TD Superannuation</u>		<u>TE,TF,TG & TH Superannuation</u>	
Age	Male	Female	Male	Female	Male	Female
55	14.5%	14.5%	25.0%	16.0%	16.3%	19.5%
56	14.5%	14.5%	25.0%	20.0%	16.3%	19.5%
57	14.5%	15.0%	28.0%	28.0%	16.3%	19.5%
58	14.5%	15.0%	28.0%	30.0%	16.3%	19.5%
59	21.6%	20.7%	28.0%	30.0%	16.3%	19.5%
60	14.5%	15.0%	29.0%	31.0%	16.3%	19.5%
61	29.0%	29.0%	29.0%	31.0%	16.3%	19.5%
62	29.0%	29.0%	36.0%	31.0%	16.3%	19.5%
63	29.0%	29.0%	21.0%	20.0%	16.3%	19.5%

CONEWAGO VALLEY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 16 - POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)

Special Early Retirement			TC & TD Superannuation		TE,TF,TG & TH Superannuation	
Age	Male	Female	Male	Female	Male	Female
64	29.0%	29.0%	22.0%	25.0%	16.3%	19.5%
65	29.0%	29.0%	23.0%	28.0%	16.3%	19.5%
66	29.0%	29.0%	23.0%	27.0%	16.3%	19.5%
67	29.0%	29.0%	20.0%	23.0%	16.3%	19.5%
68	29.0%	29.0%	20.0%	22.0%	16.3%	19.5%
69	29.0%	29.0%	20.0%	23.0%	16.3%	19.5%
70	29.0%	29.0%	20.0%	23.0%	16.3%	19.5%
71-73	29.0%	29.0%	20.0%	20.0%	16.3%	19.5%
74-79	29.0%	29.0%	25.0%	25.0%	16.3%	19.5%
80+	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Percent of Eligible retirees Electing Coverage in Plan

100% of employees eligible for enhanced benefits are assumed to elect coverage. 50% of employees eligible for Act 110/43 benefits are assumed to elect coverage. It is assumed that Professional Staff must reach superannuation in order to receive enhanced benefits, regardless of retirement date.

Percent married at Retirement

25% of employees are assumed to be married and have a spouse covered by the plan at retirement.

Spouse Age

Wives are assumed to be two years younger than their husbands.

Per Capita Claims Cost

Making use of weighted averages for various plan designs, per capita claims cost for medical and prescription drug is based on the expected portion of the group's overall cost attributed to individuals in the specified age and gender brackets. Dental & vision costs are assumed to not vary with age or gender. The resulting costs are as follows:

Age	Medical and Prescription Drug Combined	
	Males	Females
45-49	\$ 9,855	\$ 14,233
50-54	13,052	16,086
55-59	15,897	16,831
60-64	20,744	19,335

Retiree Contributions

Retiree Contributions are assumed to increase at the same rate as the Health Care Cost Trend Rate

Health Care Cost Trend Rate

7.0% in 2024 with .5% decrease per year until 5.5% in 2027. Rates gradually decrease from 5.4% in 2028 to 4.0% in 2075 and later based on the Society of Actuaries Long-Run Medical Cost Trend Model.

CONEWAGO VALLEY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 16 - POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)

Actuarial Value of Assets

Equal to the Market Value of Assets

Actuarial Cost Method - Entry Age Normal

Under the Entry Age Normal Cost Method, the Normal Cost is the present value of benefits allocated to the year following the valuation date. Benefits are allocated on a level basis over the earnings of an individual between the date of hire and the assumed retirement age. The Accrued Liability as of the valuation date is the excess of the present value of future benefits over the present value of future Normal Cost. The Unfunded Accrued Liability is the excess of the Accrued Liability over the Actuarial Value of assets. Actuarial gains and losses serve to reduce or increase the Unfunded Accrued Liability.

Plan Participant Information

Active Participants	406
Vested Former Participants	0
Retired Participants	15
Total	<hr/> 421

CONEWAGO VALLEY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 17 - OTHER POST EMPLOYMENT BENEFITS (OPEB)

COST SHARING MULTIPLE- EMPLOYER DEFINED BENEFIT OPEB PLAN

1. Summary of Significant Accounting Policies

Other Postemployment Benefits

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

General Information about the Health Insurance Premium Assistance Program

Health Insurance Premium Assistance Program

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

Premium Assistance Eligibility Criteria

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

Have 24 1/2 or more years of service or
Are a disability retiree, or
Have 15 or more years of service and retired after reaching superannuation age, and
Participate in the HOP or employer-sponsored health insurance program.

Plan Description

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

CONEWAGO VALLEY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 17 - OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

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 school districts' contractually required contribution rate for the fiscal year ended June 30, 2025 was 0.64% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the OPEB plan from the District were \$0 for the year ended June 30, 2025.

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

At June 30, 2025, the District reported a liability of \$3,217,000 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 the System's 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 related to the total one-year reported covered payroll. At June 30, 2025, the District's proportion was .1811 percent, which was a decrease of .0172 from its proportion measured as of June 30, 2024.

For the year ended June 30, 2025, the District recognized OPEB expense of \$105,000. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	12,000	48,000
Net difference between projected and actual investment earnings	3,000	
Changes in proportions	181,000	297,000
Changes in assumptions	196,000	491,000
Contributions subsequent to the measurement date		
	<u>392,000</u>	<u>836,000</u>

CONEWAGO VALLEY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 17 - OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

\$ 0 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:

2026	(101,000)
2027	(116,000)
2028	(124,000)
2029	(35,000)
2030	(68,000)
Thereafter	-

3. Actuarial Assumptions

The Total OPEB Liability as of June 30, 2024, was determined by rolling forward the System's 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 % of pay.

Investment return - 4.21% - S & P 20 Year Municipal Bond Rate

Salary growth - Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.

Premium Assistance reimbursement is capped at \$1,200 per year.

Assumed Healthcare cost trends were applied to retirees with less than \$1,200 in premium assistance per year.

Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Mortality Tables for males and females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Mortality Improvement Scale.

Participation rate:

Eligible retirees will elect to participate Pre age 65 at 50%

Eligible retirees will elect to participate Post age 65 at 70%

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study that was performed for the five year period ending June 30, 2020.

The following assumptions were used to determine the contribution rate:

The results of the actuarial valuation as of June 30, 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: 63% of eligible retirees are assumed to elect premium assistance.

Mortality Tables for males and females, adjusted to reflect PSERS experience and projected using a modified version of the MP-2015 Mortality Improvement Scale.

CONEWAGO VALLEY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 17 - OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

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

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

<u>OPEB - Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	100.0%	1.02%

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 plan's funding policy, contributions are structured for short term funding of Premium Assistance. The funding policy sets contribution rates necessary to assure solvency of Premium Assistance through the third fiscal year after the actuarial valuation date. The Premium Assistance account is funded to establish reserves that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Due to the short term funding policy, OPEB plan's fiduciary net position was not projected to be sufficient to meet projected future benefits payments, therefore the plan is considered a "pay-as-you-go" plan. A discount rate of 4.21% which represents the S & P 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 System Net OPEB Liability to Change in Healthcare Cost Trend Rates

Healthcare cost trends were applied to retirees receiving less than \$1,200 in annual Premium Assistance. As of June 30, 2024, retirees 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. As of June 30, 2024, 92,149 retirees were receiving the maximum amount allowed of \$1,200 per year. As of June 30, 2024, 489 members were receiving less than the maximum amount allowed 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.

CONEWAGO VALLEY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 17 - OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

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 4.09%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.09%) or 1-percentage-point higher (5.09%) than the current rate:

	1% Decrease 3.21%	Current Discount Rate 4.21%	1% Increase 5.21%
School's proportionate share of the net pension liability	3,634,000	3,217,000	2,868,000

Pension plan fiduciary net position

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

Single Employer Defined Benefit OPEB Plan

The District's other post-employment benefits (OPEB) include a single-employer defined benefit plan that provides medical and life insurance benefits to eligible retirees and their dependent. 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.

Funding Policy

The District's contributions are funded on a pay-as-you go basis.

OPEB Liability

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

Balances as of July 1, 2024	5,386,602
Differences between expected and actual experience	316,833
Changes of assumptions	(1,150,031)
Changes of Benefit Terms	(292,838)
Service cost	293,414
Interest on total OPEB liability	227,634
Benefit payments	(310,673)
Other changes	-
Net Charges	(915,661)
Balances as of June 30, 2025	4,470,941

CONEWAGO VALLEY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 17 - OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	880,213	255,574
Net difference between projected and actual investment earnings		
Changes in proportions		
Changes in assumptions	458,471	2,422,619
Benefit payments subsequent to the Measurement Date	215,181	
	<u>1,553,865</u>	<u>2,678,193</u>

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	(116,941)
2027	(116,941)
2028	(116,941)
2029	(116,941)
2030	(116,941)
Thereafter	(754,806)

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 OPEB liability would be if health cost trends were 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>1% Decrease</u>	<u>Trend Rate</u>	<u>1% Increase</u>
OPEB liability	3,953,136	4,470,941	5,080,309

Sensitivity of the OPEB Liability to Changes in the Discount Rate

The following presents the OPEB liability for June 30, 2025, calculated using the discount rate of 4.29%, as well as what OPEB liability would be if the discount rate were 1-percentage point lower(3.29%) or 1-percentage point higher(5.29%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% increase</u>
	3.29%	4.29%	5.29%
OPEB liability	4,853,618	4,470,941	4,111,008

CONEWAGO VALLEY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE - 18 - LEASE OBLIGATIONS - RIGHT TO USE ASSETS:

Conewago Valley School District has recorded leased assets as a result of implementing GASB # 87. The right to use assets are initially measured at an amount equal to the measurement of the related lease liability as of July 1, 2021.

Conewago Valley School District entered into a lease agreement on January 15, 2020 for a (40) MAC Book and (80) I-PADS. The lease requires 4 yearly payments of \$125,835.89. The lease was recorded by the District in the financial statements as a right to use asset with a net book value of \$0.

Conewago Valley School District entered into a lease agreement on June 15, 2020 for a (220) I-PADS. The lease requires 4 yearly payments of \$240,134. The lease was recorded by the District in the financial statements as a right to use asset with a net book value of \$0.

Conewago Valley School District entered into a lease agreement on August 6, 2020 for a Kyocero Copier System. The lease requires 48 monthly payments of \$1,104.06. The lease was recorded by the District in the financial statements as a right to use asset with a net book value of \$2,208.

Right to Use Lease Asset Activity Charts:

	Beginning Balance	Lease Additions	Amortization	Ending Balances
(4300) IPADS	-	1,990,685	497,671	1,493,014
(23) KYOCERA COPIER LEASE	2,208		2,208	-
	2,208	1,990,685	499,879	1,493,014
Future Minimum Payments:				
Year ending June 30	Principal Payments			
2026	497,671			
2027	497,671			
2028	497,672			
	1,493,014			

Conewago Valley School District has recorded leased assets as a result of implementing GASB # 96. The right to use assets are initially measured at an amount equal to the measurement of the related lease liability as of July 1, 2022.

Conewago Valley School District entered into a subscription agreement for Managed Methods Security Platforms Monitors Software which expires on 6/30/24. The remaining contract left on the subscription is at 6/30/25 is \$0.

Conewago Valley School District entered into a subscription agreement for N-Net Webfilter Software which expires on 6/30/23. The remaining contract left on the subscription is at 6/30/25 is \$0.

Right to Use Lease Asset Activity Charts:

	Beginning Balance	Lease Additions	Amortization	Ending Balances
Managed Methods Security Platforms Monitors	-		-	-
N-Net Webfilter	-		-	-
	-	-	-	-
Future Minimum Payments:				
Year ending June 30	Principal Payments			
2026	0			

REQUIRED SUPPLEMENTARY INFORMATION

CONEWAGO VALLEY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual	Variance With
	Original	Final	(Budgetary Basis)	Final Budget Favorable (Unfavorable)
Revenues				
Local Revenues	\$ 51,596,276	\$ 51,596,276	\$ 52,516,128	\$ 919,852
State Program Revenues	25,380,413	25,380,413	30,618,615	5,238,202
Federal Program Revenues	1,652,766	1,652,766	1,844,275	191,509
Total Revenues	<u>78,629,455</u>	<u>78,629,455</u>	<u>84,979,018</u>	<u>6,349,563</u>
EXPENDITURES				
Regular Programs	34,187,691	34,187,691	35,428,438	(1,240,747)
Special Programs	15,200,069	15,200,069	16,237,909	(1,037,840)
Vocational Programs	3,227,823	3,227,823	3,274,373	(46,550)
Other Instructional Programs	294,919	294,919	922,561	(627,642)
NonPublic	60,000	60,000	34,564	25,436
Adult Education Programs	0	0	0	0
Pupil Personnel Services	2,017,592	2,017,592	2,409,860	(392,268)
Instructional Staff Services	4,353,317	4,353,317	6,368,261	(2,014,944)
Administrative Services	4,238,757	4,238,757	4,170,492	68,265
Pupil Health	821,700	821,700	814,073	7,627
Business Services	717,610	717,610	702,072	15,538
Operation and Maintenance of Plant Services	3,898,721	3,898,721	4,440,092	(541,371)
Student Transportation Services	3,786,922	3,786,922	3,156,233	630,689
Central Support Services	271,833	271,833	304,752	(32,919)
Other Support Services	12,900	12,900	14,578	(1,678)
Food Services	0	0	0	0
Student Activities	1,239,425	1,239,425	1,090,495	148,930
Community Services	17,000	17,000	24,926	(7,926)
Facilities Acquisition and Improvement	0	0	0	0
Debt Service	4,908,979	4,908,979	4,948,057	(39,078)
Refund of Prior Year Receipts	0	0	0	0
Total Expenditures	<u>79,255,258</u>	<u>79,255,258</u>	<u>84,341,736</u>	<u>(5,086,478)</u>
Deficiency of Revenues Over Expenditures	(625,803)	(625,803)	637,282	1,263,085
OTHER FINANCING SOURCES (USES)				
Proceeds From Lease And Other Right To Use Arrangements	0	0	1,990,685	1,990,685
Interfund Transfers Out	0	0	0	0
Refund of Prior Year Revenues	0	0	0	0
Other Financing Sources	0	0	0	0
Fund Transfers	0	0	(1,500,000)	1,500,000
Budgetary Reserve	0	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>490,685</u>	<u>490,685</u>
Net Change in Fund Balances	<u>\$ (625,803)</u>	<u>\$ (625,803)</u>	<u>1,127,967</u>	<u>\$ 1,753,770</u>
FUND BALANCE - JULY 1, 2024			<u>9,235,693</u>	
FUND BALANCE - JUNE 30, 2025			<u>\$ 10,363,660</u>	

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

SUPPLEMENTARY INFORMATION

CONEWAGO VALLEY SCHOOL DISTRICT
DETAILED STATEMENT OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2025

	Budgeted Amounts			Variance With Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
TAXES				
Current Real Estate Taxes	\$ 39,005,881	\$ 39,005,881	\$ 38,584,057	\$ (421,824)
Interim Real Estate Taxes	435,000	435,000	683,221	248,221
Current Per Capita Taxes #679	91,300	91,300	92,022	722
Current Per Capita Taxes #511	91,300	91,300	92,022	722
Current Occupation Taxes	0	0	0	0
Occupational Privilege Taxes	63,000	63,000	63,131	131
Real Estate Transfer Taxes	650,000	650,000	630,234	(19,766)
Earned Income Taxes	8,400,000	8,400,000	8,882,723	482,723
Amusement Taxes	45,200	45,200	21,005	(24,195)
Delinquent Taxes, All Levies	741,440	741,440	794,005	52,565
Payments In Lieu	0	0	0	0
Public Utility Realty Tax	40,756	40,756	41,681	925
Total	<u>49,563,877</u>	<u>49,563,877</u>	<u>49,884,101</u>	<u>320,224</u>
STATE SOURCES				
Basic Instructional Subsidy	12,288,360	12,288,360	12,865,852	577,492
Charter School Initiative	0	0	196,054	196,054
Alternative Education	0	0	0	0
Tuition Court Placed/Institute	41,815	41,815	18,100	(23,715)
Special Ed. Program	0	0	0	0
Other Program Subsidies	0	0	0	0
Transportation	1,468,206	1,468,206	2,197,472	729,266
Vocational Education	199,264	199,264	286,675	87,411
Rentals and Sinking Fund Payments	402,779	402,779	406,845	4,066
Driver Education	0	0	0	0
Migratory Children	320	320	920	600
Medical and Dental Services	78,464	78,464	80,403	1,939
Feminine Hygiene Product Funding	0	0	6,652	6,652
Special Education - Exceptional Pupil	2,600,540	2,600,540	2,960,411	359,871
State Revenue - Unassigned	1,153,870	1,153,870	1,386,191	232,321
PCCD Grant	0	0	130,008	130,008
Accountability	0	0	0	0
Ready To Learn Block Grant Foundation	573,730	573,730	573,730	0
Adequacy Supplement	0	0	1,602,667	1,602,667
Other State Revenue	8,000	8,000	20,000	12,000
Social Security Payments	1,178,537	1,178,537	1,358,656	180,119
Retirement Payments	5,154,207	5,154,207	6,404,479	1,250,272
Supplemental Equipment Grants	0	0	123,500	123,500
Vocational Education - Capital Outlay	0	0	0	0
Total	<u>25,148,092</u>	<u>25,148,092</u>	<u>30,618,615</u>	<u>5,470,523</u>

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

CONEWAGO VALLEY SCHOOL DISTRICT
DETAILED STATEMENT OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL - GENERAL FUND - CONTINUED
YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
FEDERAL SOURCES				
Low Income - Title I	\$ 720,625	\$ 720,625	\$ 674,132	\$ (46,493)
Vocational Education	0	0	0	0
IDEA Section 619	0	0	265	265
Title II	113,021	113,021	101,412	(11,609)
Title III	15,158	15,158	15,656	498
Title IV	0	0	57,363	57,363
IDEA Part B	0	0	0	0
ESSER	0	0	0	0
COVID-19 SECIM	0	0	0	0
Cares Act - ESSER II	0	0	0	0
ARP ESSER III	525,000	525,000	792,339	267,339
PCCD Grant	0	0	66,546	66,546
ARP ESSER Learning Loss	0	0	11,852	11,852
ARP ESSER Afterschool Programs	0	0	(3,240)	(3,240)
ARP ESSER HCY	0	0	0	0
Capital Expense - Title I	48,554	48,554	0	(48,554)
Med.Assistance Reimbursement Access	230,408	230,408	127,950	(102,458)
Med.Assistance Reimbursement Trans.	0	0	0	0
Other Restricted Grants	0	0	0	0
Total	<u>1,652,766</u>	<u>1,652,766</u>	<u>1,844,275</u>	<u>191,509</u>
OTHER				
Earnings From Temporary Deposits	775,000	775,000	1,179,555	404,555
Student Activities	75,000	75,000	78,827	3,827
State Revenue Received	0	0	0	0
Federal Revenue Received	850,891	850,891	902,873	51,982
Rent from School and Other Facilities	21,082	21,082	28,675	7,593
Contribution & Donation	5,000	5,000	500	(4,500)
Receipts From Other LEA's	0	0	0	0
Services Provided Local Government	0	0	0	0
Tech Insurance	0	0	25,195	25,195
Miscellaneous Revenues	36,337	36,337	62,728	26,391
Tuition and Other Payments From Patrons	501,410	501,410	353,674	(147,736)
Total	<u>2,264,720</u>	<u>2,264,720</u>	<u>2,632,027</u>	<u>367,307</u>
Total Revenues	<u>\$ 78,629,455</u>	<u>\$ 78,629,455</u>	<u>\$ 84,979,018</u>	<u>\$ 6,349,563</u>

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

CONEWAGO VALLEY SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
YEAR ENDED JUNE 30, 2025

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>
District's proportion of the net pension liability (asset)	0.1814%	0.1984%	0.1872%	0.1853%	0.1845%	0.1862%
District proportionate share of the net pension liability (asset)	75,925,000	88,261,000	83,227,000	76,078,000	91,043,000	87,109,000
District's covered-employee payroll	30,571,315	30,382,906	27,509,313	26,252,324	25,899,398	25,678,412
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	248.35%	290.50%	302.54%	289.80%	351.53%	339.23%
Plan fiduciary net position as a percentage of the total pension liability	64.63%	61.85%	63.67%	63.67%	54.32%	55.66%

Amounts were determined as of the cost-sharing plan's June 30, 2024 fiscal year.

* This schedule is presented to illustrate the requirement to show information for 10 years.
However, until a full 10-year trend is complete, available information is presented.

CONEWAGO VALLEY SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS PENSION PLAN
YEAR ENDED JUNE 30, 2025

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Contractually required contribution	9,524,017	10,386,768	9,330,702	8,804,202	8,637,843	8,338,475
Contributions in relation to the contractually required contribution	<u>9,524,017</u>	<u>10,386,768</u>	<u>9,330,702</u>	<u>8,804,202</u>	<u>8,637,843</u>	<u>8,338,475</u>
Contribution deficiency (excess)	-	-	-	-	-	-
District's covered-employee payroll	30,571,315	30,382,906	27,509,313	26,252,324	25,899,398	25,678,412
Contributions as a percentage of covered-employee payroll	31.15	34.19	33.92	33.54	33.35	32.47

Amounts were determined as of the cost-sharing plan's June 30, 2024 fiscal year.

* This schedule is presented to illustrate the requirement to show information for 10 years.
However, until a full 10-year trend is complete, available information is presented.

**CONEWAGO VALLEY SCHOOL DISTRICT
SCHEDULE OF CHANGES IN OPEB LIABILITY - SINGLE EMPLOYER PLAN
YEAR ENDED JUNE 30, 2025**

	2025	2024	2023	2022	2021	2020
Total OPEB Liability						
Service cost	\$ 293,414	\$ 274,566	\$ 405,274	\$ 408,440	\$ 322,195	\$ 323,843
Interest on total OPEB liability	227,634	213,418	142,589	116,433	193,282	170,887
Benefit payments	(310,673)	(325,540)	(331,924)	(330,522)	(306,481)	(316,248)
Changes of Benefit Terms	(292,838)	0	(289,915)	-	-	-
Differences between expected and actual experience	316,833	0	591,737	-	(397,559)	-
Changes in assumptions	<u>(1,150,031)</u>	<u>65,772</u>	<u>(1,387,824)</u>	<u>(196,351)</u>	<u>622,744</u>	<u>(164,137)</u>
Net change in total OPEB liability	(915,661)	228,216	(870,063)	(2,000)	434,181	14,345
Total OPEB Liability, Beginning	<u>5,386,602</u>	<u>5,158,386</u>	<u>6,028,449</u>	<u>6,030,449</u>	<u>5,596,268</u>	<u>5,581,923</u>
Total OPEB Liability, Ending	<u><u>\$ 4,470,941</u></u>	<u><u>\$ 5,386,602</u></u>	<u><u>\$ 5,158,386</u></u>	<u><u>\$ 6,028,449</u></u>	<u><u>\$ 6,030,449</u></u>	<u><u>\$ 5,596,268</u></u>
Covered Employee Payroll	<u><u>\$ 29,903,031</u></u>	<u><u>\$ 25,649,523</u></u>	<u><u>\$ 25,649,523</u></u>	<u><u>\$ 24,867,576</u></u>	<u><u>\$ 24,867,576</u></u>	<u><u>\$ 23,469,338</u></u>
Total OPEB Liability as a percent of covered employee payroll	14.95%	21.00%	20.11%	24.24%	24.25%	23.85%

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

CONEWAGO VALLEY SCHOOL DISTRICT
SCHEDULE OF SCHOOL'S PROPORTIONATE SHARE OF THE NET
OPEB LIABILITY - PSERS COST SHARING PLAN
YEAR ENDED JUNE 30, 2025

	2025	2024	2023	2022	2021	2020
School's proportion of the net OPEB liability	0.1811%	0.1983%	0.1871%	0.1852%	0.1845%	0.1862%
School's proportionate share of the net OPEB liability	<u>\$ 3,217,000</u>	<u>\$ 3,588,000</u>	<u>\$ 3,444,000</u>	<u>\$ 4,390,000</u>	<u>\$ 3,986,000</u>	<u>\$ 3,960,000</u>
School's covered-employee payroll	30,571,315	30,382,906	27,509,313	26,252,324	25,899,398	25,678,412
School's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	10.52%	11.81%	12.52%	16.72%	15.39%	15.42%
Plan fiduciary net position as a percentage of the total OPEB liability	7.13%	7.22%	5.30%	5.30%	5.69%	5.56%

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

CONEWAGO VALLEY SCHOOL DISTRICT
SCHEDULE OF SCHOOL'S OPEB CONTRIBUTIONS -
PSERS COST SHARING PLAN
YEAR ENDED JUNE 30, 2025

	2025	2024	2023	2022	2021	2020
Contractually required contribution	\$ 185,000	\$ 227,000	\$ 218,000	\$ 216,000	\$ 217,000	\$ 213,000
Contributions in relation to the contractually required co	<u>(185,000)</u>	<u>(227,000)</u>	<u>(218,000)</u>	<u>(216,000)</u>	<u>(217,000)</u>	<u>(213,000)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School's covered-employee payroll	30,571,315	30,382,906	27,509,313	26,252,324	25,899,398	25,678,412
Contributions as a percentage of covered-employee pa	0.61%	0.75%	0.79%	0.82%	0.84%	0.83%

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

SINGLE AUDIT INFORMATION

KOCHENOUR, EARNEST, SMYSER & BURG

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

To the Board of Directors
Conewago Valley School District
New Oxford, 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Conewago Valley School District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated December 18, 2025.

Report on Internal Control over Financial Reporting

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

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

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

To the Board of Directors
Conewago Valley School District
New Oxford, Pennsylvania

Report on Compliance and Other Matters

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

Purpose of this Report

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

Kochenour, Earnest, Smyser & Burg

Certified Public Accountants

York, Pennsylvania
December 18, 2025

KOCHENOUR, EARNEST, SMYSER & BURG

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

To the Board of Directors
Conewago Valley School District
New Oxford, Pennsylvania

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Conewago Valley School District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Conewago Valley School District's major federal programs for the year ended June 30, 2025. Conewago Valley School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Conewago Valley School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Auditor's Responsibilities for the Audit of Compliance

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

To the Board of Directors
Conewago Valley School District
New Oxford, Pennsylvania

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 Conewago Valley School District's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgement 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 Conewago Valley School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Conewago Valley School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Conewago Valley School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weakness 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.

Kochenour, Earnest, Smyser & Burg

Certified Public Accountants

York, Pennsylvania
December 18, 2025

CONEWAGO VALLEY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FOOD NUTRITION SERVICE
YEAR ENDED JUNE 30, 2025

Grantor/Program	Source Code	Federal CFDA Number	Pass Through Grantor's Number	Grant Period Beginning/Ending Date	Program or Award Amount	Net Funds Received for the Year	Accrued (Deferred) Revenue at July 1, 2024	Revenue Recognized	Expenditures	Accrued (Deferred) Revenue at June 30, 2025
US DEPARTMENT OF EDUCATION										
Passed through the PA Dept. of Education:										
Title I-Low Income	10-8514	I	84.010	013-250097	7/01/24-9/30/25	671,494	577,872	0	671,494	93,622
Title I-Low Income c/o	10-8514	I	84.010	013-240097	7/01/23-9/30/24	712,370	87,828	85,189	2,639	0
Sub-total Title I							665,700	85,189	674,133	93,622
Title II-Part A Teacher Quality	10-8515	I	84.367	020-250097	7/01/24-9/30/25	99,522	98,468	0	88,294	(10,174)
Title II-Part A Teacher Quality	10-8515	I	84.367	020-240097	7/01/23-9/30/24	112,681	0	(13,118)	12,778	(340) RE
Sub-total Title II							98,468	(13,118)	101,072	(10,514)
Title III-Language Instruct.	10-8516	I	84-365	010-250097	7/01/24-9/30/25	15,126	15,126	0	15,122	(4) RE
Title III-Language Instruct.	10-8516	I	84-365	010-240097	7/01/23-9/30/24	15,158	0	(943)	535	(408) RE
Sub-total Title III							15,126	(943)	15,657	(412)
Title IV-Student Support/Acad Enric	10-8517	I	84-424	144-250097	7/01/24-9/30/25	53,647	53,647	0	53,647	0
Title IV-Student Support/Acad Enric	10-8517	I	84-424	144-240097	7/01/23-9/30/24	48,554	32,224	28,508	3,716	0
Sub-total Title IV							85,871	-	57,363	0
ARP ESSER	10-8744	I	84-425	223-210097	3/13/20-9/30/24	4,088,588	669,042	(123,299)	792,341	0
ARP ESSER 7%	10-8751	I	84-425	225-210097	3/13/20-9/30/24	226,983	20,073	8,220	11,853	0
ARP ESSER 7%	10-8753	I	84-425	225-210097	3/13/20-9/30/24	45,396	825	(7,428)	(3,241)	(11,494) RE
Sub-total 84-425							689,940	(122,507)	800,953	(11,494)
TOTAL PASSED THROUGH PA DEPARTMENT OF ED							1,555,105	(22,871)	1,649,178	71,202
PASSED THROUGH PENNSYLVANIA COMMISSION ON CRIME AND DELINQUENCY										
Grant # 2023-CM-01 42704	10-8749	I	21.027	42074	7/1/24-6/30/26	148,940	51,208	0	66,546	15,338
TOTAL PASSED THROUGH PCCD							51,208	0	66,546	15,338
Passed through LIU 12										
Idea-Part B Handicapped	10-6832	I	84.027	062-10-012A	7/01/24-6/30/25	891,823	891,823	0	891,823	0
Idea-Sec 619	10-6832	I	84.173	062-10-012A	7/01/24-6/30/25	11,050	11,050	0	11,050	0
TOTAL PASSED THROUGH LIU 12							902,873	0	902,873	0
TOTAL U.S. DEPARTMENT OF EDUCATION							2,509,186	-	2,618,597	86,540
US Department of Agriculture										
Passed through the PA Department Agriculture:										
National School Lunch- Donated Commodities		I	10.555	N/A	7/01/24-6/30/25	n/a	159,983	0	159,983	0
Passed through the PA Dept. of Education:										
National School Lunch	51-8531	I	10.555	362	7/01/24-6/30/25	n/a	918,391	0	918,391	0
National School Brkfst	51-8531	I	10.553	365	7/01/24-6/30/25	n/a	228,192	0	228,192	0
US Department of Agriculture Passed thru PA Dept of Ed										
Sub-Total Cluster-Nation School Lunch						n/a	1,146,583	0	1,146,583	0
Sub-Total Cluster-Nation School Lunch						n/a	1,306,566	0	1,306,566	0
Total Federal Assistance							3,815,752	(22,871)	3,925,163	86,540
State										
State School Lunch	51-7600-Lunch	I	N/A	510	7/01/24-6/30/25	n/a	45,490	0	45,490	0
State School Lunch	51-7600-Brkfst-Needy	I	N/A	511	7/01/24-6/30/25	n/a	13,554	0	13,554	0
State School Lunch	51-7600-Brkfst-Initiative	I	N/A	521	7/01/24-6/30/25	n/a	167,150	0	167,150	0
							226,195	0	226,194	0

Note: RE equals returned to Pennsylvania Department of Education

CONEWAGO VALLEY SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2025

NOTE 1 - ORGANIZATION AND SCOPE

Conewago Valley School District, Adams County, Pennsylvania operates a high school, a middle school, an intermediate school and two elementary schools.

The district received federal funds to operate the programs for the benefit of some of the students as detailed on the Schedule of Expenditures of Federal Awards, which covers the period from July 1, 2024 to June 30, 2025.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The District reports federal programs in its general purpose financial statements and on the Schedule of Expenditures of Federal Awards on the accrual basis.

NOTE 3 - REPORTING ENTITY

The Conewago Valley School District Board is the basic level of government which has oversight responsibility and control over all activities related to the public school education in the Conewago Valley School District. The District receives funding from local, state and federal government sources and must comply with their accompanying requirements. However, the Board is not included in any other governmental "reporting entity" as defined by the GASB pronouncement, since Board members are elected by the public and have decision-making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters.

The reporting entity for Conewago Valley School District consists only of those funds, functions, and activities controlled by the School Board and required or allowed by State laws and regulations.

The financial statement of the School District includes all funds and activities that are controlled by or dependent on the School District. Control or dependence is determined on the basis of budget adoption, taxing authority, and funding and appointment of advisors.

Note 4 - INDIRECT COST RATE

The School has elected not to use the ten-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 5 - NON-MONETARY ASSISTANCE

NSLP - Value of USDA Donated Commodities (CFDA #10.555) - The School received commodities from the Pennsylvania Department of Agriculture valued at functions, and activities controlled by the School Board and required or allowed by State laws and regulations.

NOTE 6 - FEDERAL AWARDS

Total Expenditures	\$ 4,151,357
Less: State Expenditures	<u>226,194</u>
Total Federal Expenditures	3,925,163
	<u>20%</u>
	<u>\$ 785,033</u>

Percentage of Coverage Rule

Conewago Valley School District falls under the 20% rule for testing federal programs.

Federal Program Tested

National School Lunch	\$ 918,391	
Breakfast	228,192	
Donated Commodities	159,983	
CARES ACT-ESSER	-	
ARP ESSER	800,953	
IDEA	902,873	
	<u>\$ 3,010,392</u>	77%

CONEWAGO VALLEY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2025

A. Summary of the Auditors' Results:

- 1 . An unmodified opinion was issued on the District's financial statements at June 30, 2025.
- 2 . There were no significant deficiencies or material weaknesses in internal control disclosed by the audit of the financial statements.
- 3 . There was no noncompliance disclosed during our audit which was material to the financial statements.
- 4 . There were no significant deficiencies or material weaknesses disclosed in internal control over the federal programs tested.
- 5 . An unmodified opinion was issued on the compliance of the federal programs tested.
- 6 . There were no audit findings for the fiscal year ended June 30, 2025.
- 7 . The federal programs tested as major programs were National School Lunch, Breakfast, Donated Commodities, ARP ESSER, and IDEA which accounted for 81% of the federal expenditures.

Conewago Valley School District falls under the 20% rule of testing federal programs.
- 8 . Federal expenditures are \$750,000 or more but less than \$25 million. Type A programs are the programs with total program expended funds of \$750,000 or more.
- 9 . Conewago Valley School District was determined to be a low-risk auditee.

B. Findings relating to the general purpose financial statements which are required to be reported under generally accepted government auditing standards issued by the Comptroller General of The United States.

There were no findings for Conewago Valley School District for the fiscal year ending June 30, 2025.

C. Findings and Questioned Costs for Federal Awards

There were no findings or questioned costs for Federal Awards in fiscal year ending June 30, 2025.

CONEWAGO VALLEY SCHOOL DISTRICT
STATUS OF PRIOR YEAR'S FINDINGS
JUNE 30, 2025

There were no findings or questioned costs for federal awards in fiscal year ending June 30, 2024.