DOVER AREA SCHOOL DISTRICT

FINANCIAL REPORT

JUNE 30, 2024

CONTENTS

INDEPENDENT AUDITOR'S REPORT	1 - 3
Management's Discussion and Analysis	4 - 24
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	25
Statement of Activities	26
Fund Financial Statements:	
Balance Sheet - Governmental Funds	27
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	28
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	29
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	30
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	31
Statement of Net Position - Proprietary Fund - Food Service	32
Statement of Revenues, Expenses and Changes in Net Deficit - Proprietary Fund - Food Service	33
Statement of Cash Flows - Proprietary Fund - Food Service	34
Notes to Financial Statements	35 - 73

CONTENTS (Continued)

REQUIRED SUPPLEMENTARY INFORMATION

Required Supplementary Information - Schedules of District's Proportionate Share of the Net Pension Liability 74

Required Supplementary Information - Schedules of District's Pension Contributions 75

Required Supplementary Information - Schedules of Changes in OPEB Liability and Related Ratios - District's Single Employer Plan 76

Required Supplementary Information - Schedules of District's Proportionate Share of the Net OPEB Liability - PSERS Cost-Sharing Plan 77

Required Supplementary Information - Schedules of District's OPEB Contributions - PSERS Cost-Sharing Plan 78

SUPPLEMENTARY INFORMATION

Schedule of Revenues and Other Financing Sources - Budget to Actual 79 - 80

Schedule of Expenditures and Other Financing Uses - Budget to Actual 81 - 84

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* 85 - 86

Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance as Required by the Uniform Guidance 87 - 89

Schedule of Findings and Questioned Costs 90 - 91

Schedule of Expenditures of Federal Awards 92 - 93

Notes to Schedule of Expenditures of Federal Awards 94

Summary Schedule of Prior Year's Audit Findings 95

B&R Boyer & Ritter LLC
Certified Public Accountants and Consultants

INDEPENDENT AUDITOR'S REPORT

Board of School Directors
Dover Area School District
Dover, Pennsylvania

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of Dover Area School District (District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe 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, which raise substantial doubt about the 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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, which raise substantial doubt about the 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 Management's Discussion and Analysis and the required supplementary information as listed in the Contents, 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 GAAS, 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 District's basic financial statements. The supplementary information listed in the Contents and 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* is presented for purposes of additional analysis and is 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 supplementary information listed in the Contents and the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 District's internal control over financial reporting and compliance.

Camp Hill, Pennsylvania
November 25, 2024

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis (MD&A) of Dover Area School District provides an overview of the District's financial activities for the fiscal year ended June 30, 2024 and June 30, 2023. The intent of the MD&A is to look at the District's financial performance. Please read it in conjunction with the District's financial statements and notes to the financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

For fiscal year ended 2024, the Board of School Directors adopted a General Fund budget of $73.121 million. Actual results of operation indicated that expenditures were approximately 1% below expectations, and revenues were slightly above expectations. These fluctuations will be discussed further under General Fund Budgetary Highlights.

On June 30, 2024, the Governmental Activities total net position was negative $53.271 million as compared to negative $54.208 million in 2023. Negative net position is a result of implementing Government Accounting Standards Board Statement Number 68 for Pensions and Statement Number 75 for Other Post-Employment Benefits (OPEB). The net pension liability and OPEB liabilities represent 48% of the total liabilities.

On June 30, 2024, the total fund balance for the General Fund was $16.427 million.

Total funds in the amount of $865 thousand were nonspendable, $7.985 million were committed, $1.644 million were assigned, and the remaining $5.933 million was unassigned and represents approximately 8% of the General Fund budget for the next fiscal year.

USING THE ANNUAL FINANCIAL REPORT

This annual report consists of three parts – management's discussion and analysis, the basic financial statements, and the required supplementary information. The basic financial statements include two kinds of statements that present different perspectives of the District:

The first two basic financial statements are government-wide financial statements that provide both short-term and long-term information about the District's overall financial status.

The remaining basic financial statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the government-wide statements. The governmental statements tell how general School District services were financed in the short-term as well as what remains for future spending. Proprietary fund statements offer short-term and long-term financial information about the activities that the School District operates like a business. For Dover, the Food Service Fund is proprietary.

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

Figure A-1 shows how the required parts of the Financial Section are arranged and relate to one another:

Figure A-1
Required Components of Dover Area School District's Financial Report

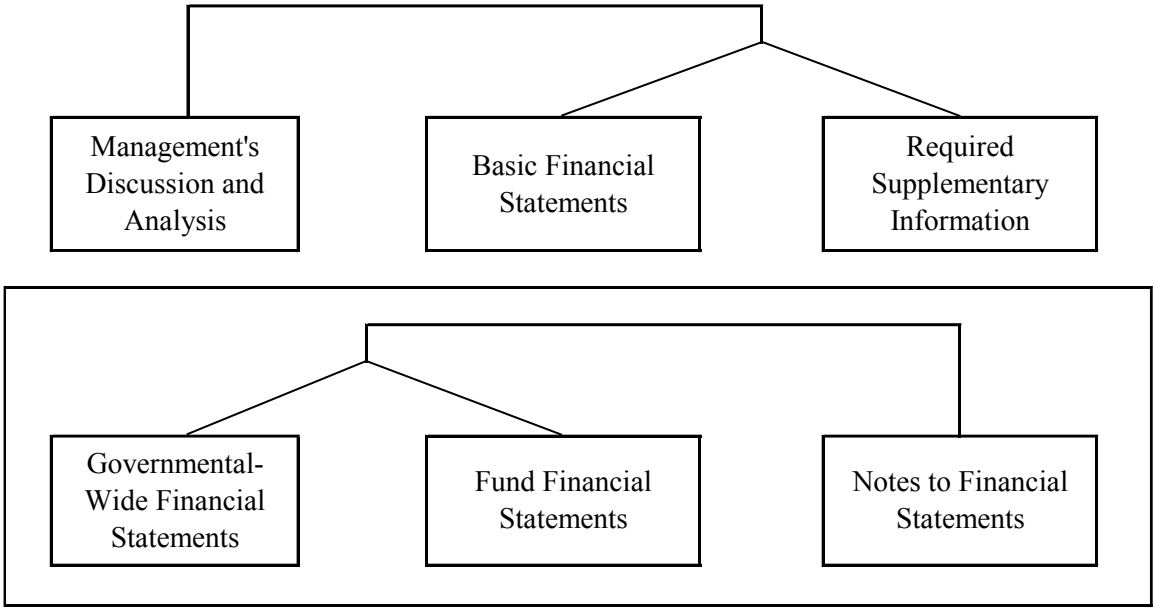


Figure A-2 summarizes the major features of the District's financial statements. The remainder of this overview section of the MD&A highlights the structure and contents of each statement.

Figure A-2
Major Features of Dover Area School District's Government-wide and Fund Financial Statements

	Governmental-wide Statements	Fund Financial Statements	
		Governmental Funds	**Proprietary Fund**
Scope	Entire District	Activities of the District that are not proprietary, such as general operating and capital projects.	Activities the District operates similar to private businesses, such as food service.
Required Financial Statements	• Statement of Net Position • Statement of Activities	• Balance Sheet • Statement of Revenues, Expenditures and Changes in Fund Balances	• Statement of Net Position • Statement of Revenues, Expenses and Changes in Net Position • Statement of Cash Flows
Accounting Basis & Measurement Focus	Accrual accounting and economic resources focus.	Modified accrual accounting and current financial focus.	Accrual accounting and economic resources focus.
Types of Assets / Liabilities Information	All assets and liabilities, both financial and capital, short-term and long-term and deferred outflows.	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included.	All assets and liabilities, both financial and capital, short-term and long-term.
Types of Inflow / Outflow Information	All revenues and expenses during the 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 the year, regardless of when cash is received or paid.

OVERVIEW OF THE 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 Position includes all of the District's assets, deferred inflows and outflows and liabilities with the difference reported as net position, some of which is restricted in accordance with other commitments. Net position is considered one way to measure the District's financial health. The Statement of Activities accounts for all of the current year's revenues and expenses, regardless of whether the cash is received or paid.

To assess the District's overall financial condition, additional non-financial factors, such as changes in the District's property tax base and condition of the school buildings and other facilities, should be considered.

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

Governmental Activities: Most of the School District's programs are reported here including regular and special education, transportation, administration, and operation and maintenance of buildings. Property taxes and state subsidies finance most of the activities that occur in the General Fund.

Business-Type Activity: This service charges fees for goods and services to recover the costs of the goods or services provided. The Food Service Program is reported as a business activity.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs.

Some funds are required by State law and by bond covenants. The District established other funds to control and manage money for particular purposes (like repaying its long-term debts) or to show that it is properly using certain revenues (like federal grants).

The District has two types of funds:

Governmental funds: Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets can be readily converted to cash flow in and out (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that 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. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statements that explain the relationship (or difference) between them.

Proprietary fund: This fund is used to account for District activities that are similar to business operations in the private sector. When the District charges fees for services provided to customers, the services are usually reported as proprietary funds. The Food Service Fund is the District's only proprietary fund.

FINANCIAL ANALYSIS OF THE DISTIRCT AS A WHOLE

The District's total net position was negative $53.3 million at fiscal year ended 2024, which includes negative $53.3 million in Governmental Activities and negative $40 thousand in Business-Type Activities, a positive change of $945 thousand over fiscal year ended 2023. The District's unrestricted net position represents the funding necessary if all outstanding debts were paid as of the end of the fiscal year.

Figure A-3
Fiscal Years Ended June 30, 2024 and June 30, 2023
Net Position

	Governmental Activities		Business-Type Activities		Total District	
	6/30/2024	6/30/2023	6/30/2024	6/30/2023	6/30/2024	6/30/2023
Total assets	$ 117,173,134	$ 123,006,412	$ 1,517,796	$ 1,592,796	$ 118,690,930	$ 124,599,208
Total deferred outflows of resources	$ 14,566,712	$ 14,199,015	$ 282,219	$ 271,822	$ 14,848,931	$ 14,470,837
Total liabilities	$ 179,567,464	$ 184,189,040	$ 1,758,375	$ 1,798,474	$ 181,325,839	$ 185,987,514
Total deferred inflows of resources	$ 5,443,332	$ 7,223,956	$ 81,553	$ 114,861	$ 5,524,885	$ 7,338,817
Net investment in capital assets	$ 2,503,380	$ 3,277,184	$ 137,603	$ 98,209	$ 2,640,983	$ 3,375,393
Restricted	7,653,616	7,361,241	-	-	7,653,616	7,361,241
Unrestricted	(63,427,946)	(64,845,994)	(177,516)	(146,926)	(63,605,462)	(64,992,920)
Total net position (deficit)	$ (53,270,950)	$ (54,207,569)	$ (39,913)	$ (48,717)	$ (53,310,863)	$ (54,256,286)

For fiscal year ended 2024, total governmental assets decreased 5% or $5.8 million versus fiscal year ended 2023. The decrease was primarily due to the recording of depreciation expense on the District's capital assets, including buildings and equipment.

The District's construction-in-progress decreased greatly in 2024 due to the completion of a roof replacement project at North Salem Elementary School. The construction in progress balance of $23 thousand for the fiscal year ended 2024 is due to a boiler replacement project at North Salem Elementary School and Leib Elementary School. This project is being funded with money received from the Federal COVID relief programs.

Capital assets are not available for future spending. The investment in capital assets is reported net of related debt. Resources necessary to repay this debt will be required to be provided from other resources, since the capital assets themselves cannot be used to liquidate these liabilities.

Deferred outflow of resources on pension and OPEB liabilities due for governmental activities increased $368 thousand year over year while deferred inflow of resources related to governmental activities decreased $1.8 million.

Governmental liabilities decreased $4.6 million over fiscal year ended 2023. This decrease was primarily caused by a $4.8 million decrease in long-term liabilities due to principal payments on outstanding bonds and notes. The decrease was partially offset by a $139 thousand increase in accounts payable and accrued expenses.

The results of this year's operation as a whole are reported in the Statement of Activities. 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 School District's activities that are supported by other general revenues.

The two largest general revenues are the local taxes assessed to community taxpayers and the Basic Education Subsidy provided by the Commonwealth of Pennsylvania.

In order to more fully understand the composition of the changes in net position for the current year, Figure A-4 presents additional details regarding the results of all activities for the fiscal years ended June 30, 2024 and 2023.

Figure A-4
Fiscal Years Ended June 30, 2024 and June 30,2023
Change in Net Position

	Governmental Activities		Business-Type Activities		Total District	
	2024	2023	2024	2023	2024	2023
Revenues						
Program revenues						
Charges for services	$ 748,001	$ 850,431	$ 448,483	$ 467,065	$ 1,196,484	$ 1,317,496
Operating grants and contributions	17,091,148	18,268,627	1,994,118	1,861,010	19,085,266	20,129,637
General revenues and transfers						
Property taxes	30,156,727	29,776,939	-	-	30,156,727	29,776,939
Other taxes	7,577,992	6,706,023	-	-	7,577,992	6,706,023
Grants, subsidies and contributions not restricted	15,018,375	14,938,209	-	-	15,018,375	14,938,209
Investment earnings	1,468,679	941,081	25,120	12,703	1,493,799	953,784
Miscellaneous income	16,648	10,930	-	-	16,648	10,930
Gain on disposition of capital assets	6,610	27,886	-	-	6,610	27,886
Total revenues and transfers	72,084,180	71,520,126	2,467,721	2,340,778	74,551,901	73,860,904
Expenses						
Instruction	46,349,089	45,337,544	-	-	46,349,089	45,337,544
Instructional student support	5,921,783	5,685,138	-	-	5,921,783	5,685,138
Administrative and financial services	4,935,545	4,788,220	-	-	4,935,545	4,788,220
Operation and maintenance of plant services	5,341,175	5,204,160	-	-	5,341,175	5,204,160
Pupil transportation	4,112,005	3,477,701	-	-	4,112,005	3,477,701
Student activities	1,452,170	1,434,808	-	-	1,452,170	1,434,808
Community services	7,276	29,984	-	-	7,276	29,984
Interest on long-term debt	3,028,518	3,119,512	-	-	3,028,518	3,119,512
Food service	-	-	2,458,917	2,192,022	2,458,917	2,192,022
Total expenses	71,147,561	69,077,067	2,458,917	2,192,022	73,606,478	71,269,089
Change in net position	$ 936,619	$ 2,443,059	$ 8,804	$ 148,756	$ 945,423	$ 2,591,815

Governmental revenues saw an increase of $564 thousand 0.8%. The primary factors behind this increase are outlined below:

- Real estate taxes increased by $380 thousand or 1.3%.
- Program grants and contributions declined by $1.18 million. General, unrestricted grants and contributions increased by $80 thousand. The decrease in program grants and contributions is primarily attributable to a decrease in federal subsidies received from COVID relief programs as those programs come to an end.
- Investment earnings increased by $528 thousand due to favorable interest rates and optimal cash flow analysis. Other taxes increased by $872 thousand primarily due to a $666 thousand increase in earned income tax revenue as well as a $127 thousand distribution of excess earnings from the York Adams Tax Bureau.

- Charges for services declined by $102 thousand. This was due to a $202 thousand decrease in regular tuition earned from other school districts due to a decline in Washington Township residents participating in the transition agreement with Northern York County School District. The decrease was partially offset by an increase in mainstreaming tuition received from other school districts which have special education students attending Dover Area School District
- Gain on disposal of fixed assets decreased by $21 thousand. There were no significant gains on asset sales for the current fiscal year.

Property taxes contributed 41.84% of total revenues for governmental activities during fiscal year 2023-2024. Other major contributors to revenue include unrestricted grants, subsidies and contributions at 20.83%; operating grants and contributions at 23.71%; and other taxes levied at 10.51%. Property taxes, as a percentage of total revenues, increased slightly from the prior year.

Governmental program expenditures increased by $2.07 million or 3.0%. This increase was primarily caused by a $1.01 million increase in instructional expenses, a $634 thousand increase in pupil transportation costs, and a $237 thousand increase in instructional support services.

Figure A-5 below presents the expenses of the Governmental Activities of the District. The table below shows the District's eight largest functions - instruction, instructional student support, administrative and financial services, operation and maintenance of plant services, pupil transportation, student activities, community and interest on long-term debt as well as each program's net cost (total cost less revenues generated by the activities). Figure A-5 also shows the net costs offset by the other unrestricted grants, subsidies, and contributions to calculate the remaining financial needs supported by local taxes and other miscellaneous revenues.

Figure A-5
Fiscal Years Ended June 30, 2024 and June 30,2023
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2024	2023	2024	2023
Functions/Programs				
Instruction	$ 46,349,089	$ 45,337,544	$ 32,647,099	$ 30,153,906
Instructional student support	5,921,783	5,685,138	5,043,659	4,817,587
Administrative and financial services	4,935,545	4,788,220	4,217,697	4,092,089
Operation and maintenance of plant services	5,341,175	5,204,160	4,887,309	4,765,286
Pupil transportation	4,112,005	3,477,701	2,475,033	2,061,605
Student activities	1,452,170	1,434,808	1,001,821	918,040
Community	7,276	29,984	7,276	29,984
Interest on long-term debt	3,028,518	3,119,512	3,028,518	3,119,512
Total Governmental Activities	$ 71,147,561	69,077,067	$ 53,308,412	$ 49,958,009
Less:				
Unrestricted grants and subsidies	15,018,375	14,938,209		
Total Needs from Local Taxes and Other Revenues	$ 56,129,186	$ 54,138,858		

Figure A-6 reflects the activities of the Food Service Fund, which is reported as a business-type activity of the District.

Figure A-6
Fiscal Years Ended June 30, 2024 and June 30, 2023
Business-Type Activities

	2024		2023	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Functions/Programs				
Food Service	$ 2,458,917	$ (16,316)	$ 2,192,022	$ 136,053
Less:				
Investment Earnings, Transfers, and Miscellaneous Income		25,120		12,703
Total Business Type Activities		$ 8,804		$ 148,756

The only business-type activity at Dover Area School District is the Food Service Operation. The District provides both breakfast and lunch programs for grades K through 12. This program had operating revenues of $448,483 and non-operating revenue of $2,019,238. Total expenses were $2,458,917 for the fiscal year 2023-2024. The District received 80.81% of its revenues from operating grants and contributions from the Federal and State reimbursable breakfast and lunch programs. Revenue from Federal grants experienced a slight increase of $61,312. Revenue from state grants increased by $71,796 due to an increase in subsidies received from the National School Lunch Program. Total revenues increased by 5.42% or $126,943, and expenditures increased by 12.18% or $266,895. Total net position increased by $8,804 to provide an ending net deficit of $39,913 on June 30, 2024.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The focus of the District's governmental funds is to provide information on relatively short-term cash flow and future basic services. Such information is useful in assessing Dover Area School District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government entity's net resources available for spending at the end of the year.

As of June 30, 2024, Dover Area School District reported total governmental funds ending fund balance approximating $24.09 million. Fund balance classifications are as follows: Nonspendable - $872 thousand; Restricted - $7.65 million; Committed - $7.98 million; Assigned - $1.64 million; and Unassigned - $5.93 million.

Governmental Funds

Figure A-7 provides a breakdown of governmental fund balances and the total change from fiscal year ended 2023 to 2024.

Figure A-7
Fiscal Years Ended June 30, 2024 and June 30, 2023
Fund Balances - Governmental Funds

	6/30/2024	6/30/2023	$ Change	% Change
General Fund:				
Nonspendable	$ 865,428	$ 2,080,072	$ (1,214,644)	-58.39%
Committed	7,984,846	7,788,763	196,083	2.52%
Assigned	1,644,167	1,568,245	75,922	4.84%
Unassigned	5,932,503	5,777,257	155,246	2.69%
Capital Reserve Fund:				
Nonspendable	-	2,500	(2,500)	-100.00%
Restricted	7,510,729	7,231,976	278,753	3.85%
Student Sponsored Activity Fund:				
Nonspendable	6,149	5,430	719	13.24%
Restricted	142,887	129,265	13,622	10.54%
Total	$ 24,086,709	$ 24,583,508	$ (496,799)	-2.02%

The General Fund is the main operating fund of Dover Area School District. For fiscal year ended June 30, 2024, the General Fund balance was $16.4 million which was $787 thousand lower than the fund balance of $17.2 million for the year ended June 30, 2023.

The $16.4 million General Fund balance is comprised of $5.9 million in unassigned funds with the remaining $10.5 million consisting of nonspendable, committed, or assigned funds. Unassigned fund balance is defined as those financial resources available for spending and therefore not reserved for any specific purpose.

The Board of School Directors adopted a fund balance policy which strives to maintain unassigned fund balance at a minimum of three percent and no more than eight percent of the budgeted expenses of a fiscal year. For fiscal year ended June 30, 2024, unassigned fund balance is currently 7.9% of the 2024-2025 General Fund expenditure budget.

Overall revenues in the General Fund were $71.7 million and $71.1 million for the fiscal years ended June 30, 2024 and 2023, respectively. Refer to Figure A-8 for the distribution of General Fund revenues.

Figure A-8
Fiscal Years June 30, 2024 and June 30, 2023
Comparison of General Fund Revenues

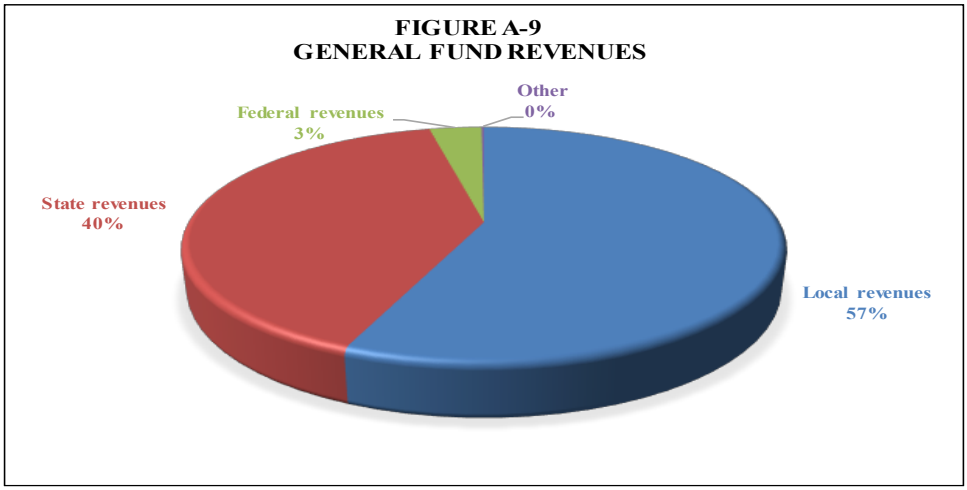
	2024	2023	$ Change	% Change
Local revenues	$ 40,420,188	$ 38,800,056	$ 1,620,132	4.18%
State revenues	28,742,957	28,249,563	493,394	1.75%
Federal revenues	2,414,929	4,082,480	(1,667,551)	-40.85%
Other financing sources	114,660	16,935	97,725	577.06%
	$ 71,692,734	$ 71,149,034	$ 543,700	0.76%

The $544 thousand increase in revenues year over year can be attributed to the following:

- Local revenues increased by $1.62 million year over year. This increase was primarily due to a $400 thousand increase in real estate tax revenue and a $666 thousand increase in earned income tax revenue. In addition, investment income was $388 thousand higher than prior year due to favorable interest rates and improved investment strategies. A $127 thousand distribution of excess earnings from the York Adams Tax Bureau also contributed to the increase in local revenues.
- The $493 thousand increase in state revenues was due to a $265 thousand increase in the Basic Education Subsidy and a $241 thousand increase in the Public Transportation Subsidy.
- The $1.67 million decrease in federal revenues was primarily attributable to a decrease in funds received from the federal COVID relief programs as those programs come to an end.
- The increases in local, state, and federal revenues were accompanied by a $98 thousand increase in other financing sources. The increase was primarily due to the impact of required GASB adjustments related to a financing arrangement entered into during the fiscal year ended June 30, 2024 for networking equipment.

Figure A-9 below details the percentage of each revenue category that the General Fund receives. Local revenues have historically been the largest source of revenue, with real estate taxes and earned income taxes representing the majority of local revenue. State revenues are derived primarily from the Basic Education Subsidy and the state's share of retirement contributions.

FIGURE A-9
GENERAL FUND REVENUES



Total expenditures from the General Fund were $72.5 million and $71.0 million for the fiscal years ended June 30, 2024 and 2023, respectively. Figure A-10 shows the distribution of expenses by program type.

Figure A-10
Fiscal Years Ended June 30, 2024 and June 30, 2023
Comparison of General Fund Expenditures

	2024	2023	$ Change	% Change
Current:				
Instruction	$ 43,384,529	$ 42,032,766	$ 1,351,763	3.22%
Support services	19,543,108	18,256,804	1,286,304	7.05%
Operation of non-instructional services	1,208,948	1,180,573	28,375	2.40%
Refunds of prior years' receipts	175	57,433	(57,258)	-99.70%
Capital outlay	526,849	1,643,748	(1,116,899)	-67.95%
Debt service	7,816,518	7,798,049	18,469	0.24%
	$ 72,480,127	$ 70,969,373	$ 1,510,754	2.13%

Figure A-11 displays a comparison of expenditures by major object.

Figure A-11
Fiscal Years Ended June 30, 2024 and June 30, 2023
Comparison of General Fund Expenditures by Major Object

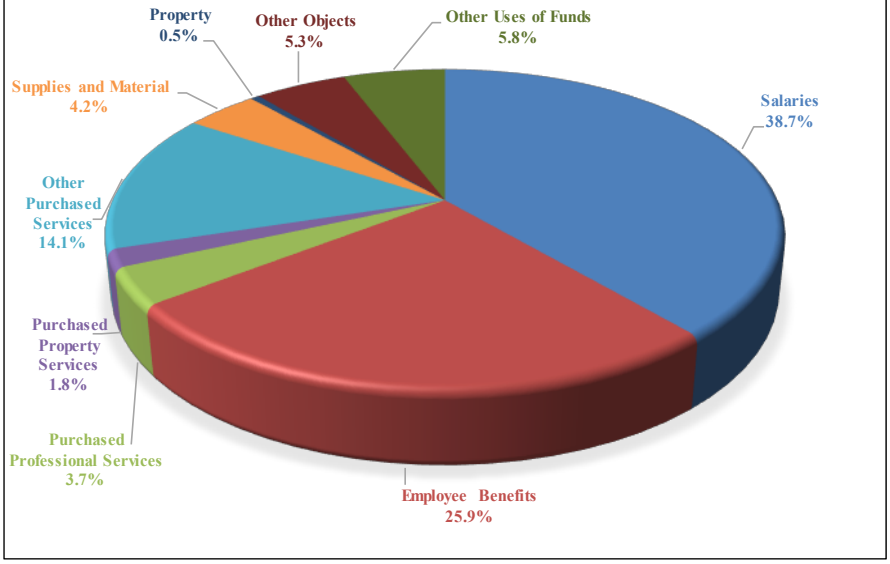
		2024	2023	$ Change	% Change
100	Salaries	$ 28,020,370	$ 27,130,942	$ 889,428	3.28%
200	Employee Benefits	18,809,773	18,471,279	338,494	1.83%
300	Purchased Professional Services	2,716,591	2,951,075	(234,484)	-7.95%
400	Purchased Property Services	1,302,112	2,382,916	(1,080,804)	-45.36%
500	Other Purchased Services	10,221,378	8,608,948	1,612,430	18.73%
600	Supplies	3,016,338	2,973,969	42,369	1.42%
700	Equipment	369,715	384,853	(15,138)	-3.93%
800	Other Objects	3,808,419	3,960,671	(152,252)	-3.84%
900	Other Uses of Funds	4,215,431	4,104,720	110,711	2.70%
		$ 72,480,127	$ 70,969,373	$ 1,510,754	2.13%

Overall, General Fund expenditures experienced an increase of $1.5 million or 2.13% compared to the fiscal year ended June 30, 2023. The more significant variances by major object are as follows:

- Other purchased services increased by $1.6 million due primarily to an increase in tuition expenditures to cyber charter schools and increased transportation costs with the District's contracted transportation providers.
- Purchased property services decreased by $1.1 million due to the completion of the roof replacement project at North Salem Elementary School at the beginning of the fiscal year ended June 30, 2024
- Salaries increased by $889 thousand due primarily to salary adjustments approved in the five year professional bargaining agreement which became effective on July 1, 2023. In addition, certain positions that were vacant for part or all of the year ended June 30, 2023 were filled during the year ended June 30, 2024. Due to the increase in salaries, there was an associated increase in employee benefit expenses of $338 thousand.

Figure A-12 displays the percentage make-up of each major object. Since the District is a service organization, salaries and benefits make up 64.6% of the total expenses.

FIGURE A-12
GENERAL FUND EXPENSES BY MAJOR OBJECT



The Capital Reserve Fund had a total fund balance of $7.5 million for the fiscal year ended June 30, 2024 and $7.2 million for the fiscal year ended June 30, 2023. The entire balance is nonspendable or restricted for use for expenses related to capital projects as approved by the Board of School Directors.

Refer to Figures A-13 and A-14 for a balance sheet and a statement of revenues, expenses, and changes in fund balance comparison from fiscal year 2023 to 2024.

Figure A-13
Fiscal Years Ended June 30, 2024 and June 30, 2023
Capital Reserve Balance Sheet

	6/30/2024	6/30/2023
Cash and cash equivalents	$ 971,073	$ 7,195,246
Investments	6,539,656	-
Other receivables	-	137,515
Prepaid expenses	-	2,500
Total assets	$ 7,510,729	$ 7,335,261
Accounts payable	$ -	$ 100,785
Total liabilities	$ -	$ 100,785
Nonspendable fund balance	$ -	$ 2,500
Restricted fund balance	7,510,729	7,231,976
Fund balance	$ 7,510,729	$ 7,234,476

Figure A-14
Fiscal Years Ended June 30, 2024 and June 30, 2023
Statement of Revenues, Expenses and Changes in Fund Balance -
Capital Reserve Fund

	2024	2023
Revenues		
Local sources	$ 371,429	$ 232,420
Total revenues	371,429	232,420
Expenditures		
Current:		
Support services	61,528	-
Capital outlay	33,648	278,420
Total expenditures	95,176	278,420
Net change in fund balance	276,253	(46,000)
Fund Balances:		
Beginning	7,234,476	7,280,476
Ending	$ 7,510,729	$ 7,234,476

During fiscal year 2023-2024, the District finalized a roof replacement project at North Salem Elementary School and began boiler replacement projects at Leib and North Salem Elementary Schools.

GENERAL FUND BUDGETARY HIGHLIGHTS

Dover Area School District's original budget anticipated revenues at $71.55 million and expenditures and net other financing sources of $73.12 million. The District's 2024 actual revenues exceeded budget by approximately $140 thousand and actual expenses exceeded budget by $641 thousand.

Figure A-15 provides a comparison of Budget to Actual by revenue source type.

Figure A-15
Fiscal Year Ended June 30, 2024
Comparison of General Fund Revenues - Budget to Actual

	Budget	Actual	$ Change	% Change
Local revenues	$ 38,375,521	$ 40,420,188	$ 2,044,667	5.33%
State revenues	28,585,127	28,742,957	157,830	0.55%
Federal revenues	4,304,426	2,414,929	(1,889,497)	-43.90%
Other financing sources	287,475	114,660	(172,815)	-60.11%
	$ 71,552,549	$ 71,692,734	$ 140,185	0.20%

The key reasons for the favorable variance in General Fund revenues are as follows:

- Real estate taxes were $142 thousand higher than expected. Earned income tax revenue was $919 thousand higher than budgeted amounts. Interest revenue was $545 thousand more than budget due to favorable interest rates and cash flow analysis. Realty transfer taxes were also $140 thousand higher than budgeted amounts.
- The favorable state revenue variance of $158 thousand is primarily due to increases in the Transportation Subsidy and the receipt of additional grant funding. These increases were partially offset by reductions in the Special Education Subsidy and PSERS reimbursements that were lower than budgeted amounts.
- Federal revenues were $1.89 million less than budget due primarily to a reduction in COVID relief funds due to the timing of projects. The decrease in funding was accompanied by a reduction in expenditures.

Figure A-16 provides a comparison of Budget to Actual by major object.

Figure A-16
Fiscal Year Ended June 30, 2024
Comparison of General Fund Expenditures by Major Object - Original Budget to Actual

		Budget	Actual	$ Change	% Change
100	Salaries	$ 28,534,543	$ 28,020,370	$ 514,173	1.80%
200	Employee Benefits	18,815,363	18,809,773	5,590	0.03%
300	Purchased Professional Services	3,493,371	2,716,591	776,780	22.24%
400	Purchased Property Services	2,858,862	1,302,112	1,556,750	54.45%
500	Other Purchased Services	8,816,417	10,221,378	(1,404,961)	-15.94%
600	Supplies	2,793,710	3,016,338	(222,628)	-7.97%
700	Equipment	577,800	369,715	208,085	36.01%
800	Other Objects	3,451,728	3,808,419	(356,691)	-10.33%
900	Debt Service	3,779,000	4,215,431	(436,431)	-11.55%
		$ 73,120,794	$ 72,480,127	$ 640,667	0.88%

The 0.88% positive variance is due to the following factors:

- Salaries were $514 thousand less than budget due to various unfilled positions, unpaid leaves of absence, and savings from retirements and resignations.
- The $777 thousand favorable variance in purchased professional services was primarily due to a reduction in students educated though the Lincoln Intermediate Unit.
- Purchased property services were $1.56 million less than budget due to the timing of expenditures funded via Covid relief subsidies. There was an associated reduction in federal revenues.
- The $1.4 million negative variance in other purchased services was due to increased tuition expenditures for students attending cyber charter schools and alternative education facilities. In addition, transportation costs increased according to the four-year contract with the District's transportation provider.
- Supplies were $223 thousand higher than budget due to increases in the cost of natural gas and electricity offset by reductions in general supplies expense.
- The favorable variance in equipment was primarily due to reclassifications of expenses to other functions. This decrease was partially offset by expenditures for equipment funded by state equipment grants.
- The $357 thousand increase in other objects was due to the debt schedule built during the refunding of the 2015 bonds.
- Debt service increased by $436 thousand due to the reclassification of equipment expenditures discussed previously.

CAPITAL AND RIGHT-TO-USE ASSETS

Dover Area School District has investments in capital assets of $85.9 million and $91.3 million as of June 30, 2024 and June 30, 2023, respectively. Capital assets include land, buildings, building improvements, furniture, and equipment and all amounts are reported net of accumulated depreciation. The decrease of $5.4 million includes the net impact of additions, disposals, and depreciation expense incurred for the year.

Capital assets of the District are defined as tangible property having a useful life of one year or more and an acquisition cost of $4,000 or more per unit or an acquisition cost of $10,000 or more for a group of like assets. The acquisition cost is defined as the net invoice price of the equipment, including costs of delivery, installation, modifications, attachments, and accessories to make it usable.

During fiscal year 2023-2024, the District finalized a roof replacement project at North Salem Elementary School and began a boiler replacement project at Leib and North Salem Elementary Schools. Other capital assets purchased during the fiscal year include:

- Food services equipment
- Technology and networking equipment
- Building and grounds equipment and a vehicle
- Career and technology education equipment

Refer to Figure A-17 for a comparison of capital assets between the fiscal years and a detail by type of asset.

Figure A- 17
Fiscal Years Ended June 30, 2024 and June 30, 2023
Capital and Right-to-use Assets (Net of Accumulated Depreciation/Amortization)

	Governmental Activities		Business-Type Activities		Total District	
	6/30/2024	6/30/2023	6/30/2024	6/30/2023	6/30/2024	6/30/2023
Land	$ 170,000	$ 170,000	$ -	$ -	$ 170,000	$ 170,000
Construction-in-progress	23,246	1,643,748	-	-	23,246	1,643,748
Building and building improvements	83,900,337	87,044,373	-	-	83,900,337	87,044,373
Furniture and equipment	1,526,024	2,232,077	137,603	98,209	1,663,627	2,330,286
Right-to-use leased equipment	167,498	146,563	-	-	167,498	146,563
Total capital assets, net	$ 85,787,105	$ 91,236,761	$ 137,603	$ 98,209	$ 85,924,708	$ 91,334,970

LONG-TERM DEBT

At June 30, 2024, Dover Area School District had total outstanding debt of $77.3 million. This total consists of $76.8 million in bonds outstanding and $536 thousand in extended term financing arrangements. Total outstanding debt decreased by $4.1 million due to regular payments on the existing debt portfolio. Figure A-18 summarizes and compares long-term debt outstanding for the 2024 and 2023 fiscal years:

Figure A-18
Fiscal Years Ended June 30, 2024 and June 30, 2023
Long-Term Debt

General Obligation Debt	6/30/2024	6/30/2023
Note Series of 2008	$ 2,963,000	$ 5,863,000
Bond Series of 2018	29,175,000	29,180,000
Bond Series of 2019	35,060,000	35,065,000
Bond Series of 2019A	9,610,000	10,465,000
Extended Term Financing		
Leases Payable	172,317	150,570
Financed Purchase Agreements Payable	364,129	728,257
Total	$ 77,344,446	$ 81,451,827

Note Series of 2008 was issued to finance capital additions and renovations to the elementary school buildings. The note was converted to a fixed rate note on March 24, 2020 at a rate of 1.15%. Principal payments are due through 2025.

Bond Series 2018 and 2019 were issued to finance construction and renovations of the High School and Middle School buildings. Bond Series 2018 matures serially through 2039, and Bond Series 2019 matures serially through 2040.

Bond Series 2019A was issued to refund the remaining obligations related to the General Obligation Series A and B bonds of 2015. The bond matures serially through 2027.

Leases payable relates to a lease of copier equipment for District offices and buildings. The lease has a five-year term, which ends on September 30, 2025. In addition, a lease for networking equipment was entered into during the fiscal year. The five-year lease ends on June 1, 2028.

The District's financed purchase agreements consist of arrangements entered into for iPads and MacBooks during the fiscal year ended June 30, 2022. One year remains on the arrangements, so they will be fully satisfied during the fiscal year ended June 30, 2025.

More detailed information about the District's long-term debt can be found in Note 8 of the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Dover Area School District has investments at Members First Federal Credit Union and the Pennsylvania School District Liquid Asset Fund. The Federal Deposit Insurance Corporation (FDIC) insures the bank account balances, and additional protection of investments is guaranteed through Act 72 of 1971. Act 72 requires banks to provide securities as collateral for all public balances on deposit. The Pennsylvania School District Liquid Asset Fund (PSDLAF) provides collateral segregated at a third-party institution or guaranteed by the Federal Home Loan Bank Letter-of-Credit. The PSDLAF collateral is monitored daily at 102.00% of market value at the close of business.

2024-2025 Budget

This financial report is designed to provide the District's taxpayers, employees, and creditors with a general summary of the finances and demonstrate the District's transparency with the money it has received. It provides a basis for the evaluation of a government's service efforts, costs, and accomplishments.

The Board of School Directors reviews budget to actual reports with comparable previous year's data at Board meetings. The Finance Committee is provided with monthly updates surrounding the budget and projected actuals. Anticipated expenditure and revenue deviations from budget are highlighted during the report. Budget modifications are made by department heads. The Board of School Directors is provided with line-item changes and explanations at Board meetings and has final approval of all modifications.

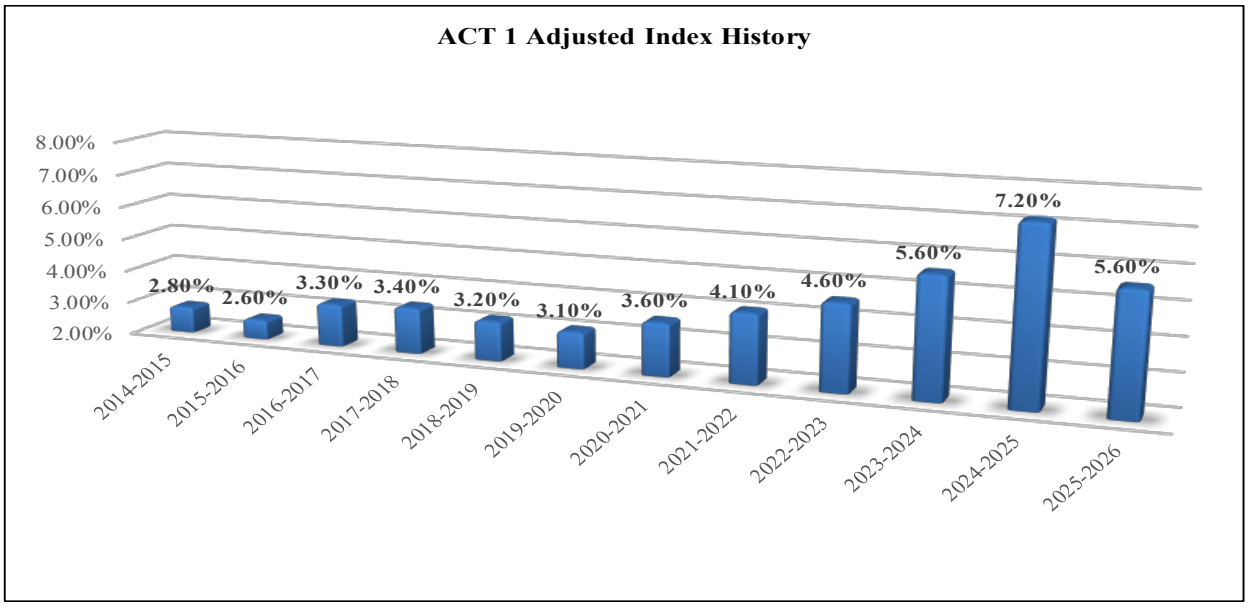
The General Fund revenue budget for fiscal year 2024-2025 is $73.5 million and budgeted expenses are $75.1 million. Local real estate tax revenue is expected to contribute 41.7% towards the projected revenue. The 2024-2025 millage rate will be 24.307. The second largest contributor to budgeted revenues is the Basic Education Subsidy, which is expected to make up 18.62% of total revenues.

General Fund expenses are budgeted at $75.1 million which is a $2.6 million increase over 2023-2024 expenses. The District is a service organization dedicated to student achievement. As a result, salaries and benefits comprise the majority of the District's expenses, making up 63.9% of the total.

The budgeted revenue and expenses will result in a projected deficit of $1.6 million.

Act 1

Fiscal year ended 2007 was the first year that Session Act I of 2006, known as the Taxpayer Relief Act, was in place. The law stated that school districts may not increase the real estate tax rate above the adjusted index percentage as determined by the state. Please refer to the ACT 1 Adjusted Index History Chart below.



School districts that wish to increase millage beyond the index to maintain or improve existing programs must either apply for exceptions from the Department of Education or receive voter approval for an increase via a tax increase referendum question.

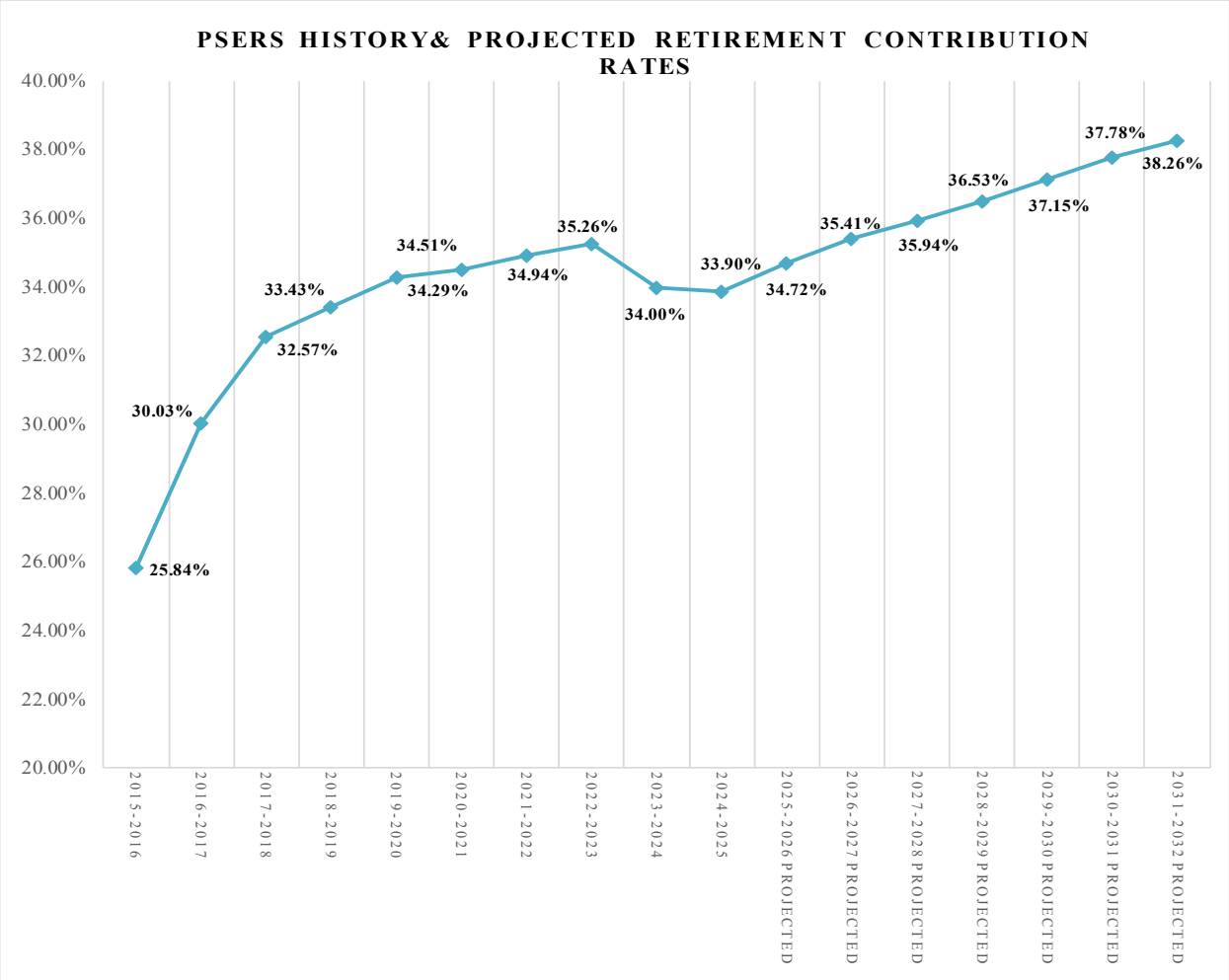
The law intends to cap the financial burden of home ownership by providing school districts the means to lower property taxes to homeowners, especially senior citizens. The legislation is complex, setting rules for gaming revenue allocations, requiring front-end voter referenda on tax shifting, mandating new school district budget restrictions, and requiring back-end voter referenda on future real estate tax increases above the index.

The state is still anticipating gaming will generate $1 billion each year for local property tax relief. The intent of Act 1 is that school districts will receive property tax reduction allocations when the gaming revenues reach $500 million, and the Lottery Fund is repaid. Once the minimum level is obtained, allocations to school districts will be State formula driven. The State will in rank order, assign each school district a numerical rank and assign a tax reduction index in order to calculate the properly tax reduction allocation. The district is eligible to receive the allocation unless its Board of School Directors, by resolution, rejects the allocation. If the school board rejects the allocation, a referendum is submitted to the voters to determine whether they favor the school district receiving a property tax reduction allocation. There are referendum exceptions built into Act I should the district need to raise taxes beyond the adjusted index. The exception categories provide partial relief for increase in the cost of special education, retirement and health care expenses, emergencies and disasters and some school construction projects. It is anticipated that most school districts will be requesting relief through some of the exceptions.

The Court of Common Pleas will make decisions on some referendum exceptions, but most will require approval from the Department of Education. As a result, the budget timeline for all schools needing to go above the adjusted index has been accelerated to provide the Department with a preliminary proposed budget by the beginning of February each year along with the proposed exceptions so that the Department has time to act upon the requested exception.

PSERS

PSERS set the rate for fiscal year ended 2024 at 34%, a 1.26% decrease over the 2023 rate of 35.26%. However, due to the economic climate over the last couple of years, actuarial projections anticipate it climbing to 38.26% by fiscal year ended 2032.



Under Senate Bill 1, pensions for incoming public-school employees will be changing. The change effects all new employees hired after July 1, 2019. Current employees have a defined benefit plan, but new employees will be offered one of three options. Of the three options, two include a defined benefit and defined contribution component, one with a higher guaranteed benefit and one with a lower guaranteed benefit. The difference in benefits relates to the amounts being contributed to the plan at the time of service. The last option is strictly a defined contribution plan and carries the most risk with return. Active employees will be allowed a one-time opt-in election.

The Commonwealth of Pennsylvania provided an increase in the annual basic educational subsidy and special education. Continued reductions or fluctuations in state subsidies, PSERS increases and the possibility of new unfunded mandates are matters of concern for the District.

REQUESTS FOR INFORMATION

The financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability. If you have any questions about this report or need additional information, please contact the District at (717) 292-3671 or by mail at Dover Area School District, 101 Edgeway Road, Dover, PA 17315.

DOVER AREA SCHOOL DISTRICT

STATEMENT OF NET POSITION
June 30, 2024

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	$ 7,168,774	$ 1,360,073	$ 8,528,847
Investments	18,248,169	-	18,248,169
Internal balances	37,633	(37,633)	-
Receivables	5,059,876	314	5,060,190
Inventories	-	57,439	57,439
Prepaid expenses	871,577	-	871,577
Capital and right-to-use assets			
Land and construction-in-progress	193,246	-	193,246
Other capital and right-to-use assets, net of depreciation/amortization	85,593,859	137,603	85,731,462
Total capital and right-to-use assets	85,787,105	137,603	85,924,708
Total assets	$ 117,173,134	$ 1,517,796	$ 118,690,930
Deferred Outflows of Resources			
Deferred amounts on pension liability	$ 12,772,000	$ 261,000	$ 13,033,000
Deferred amounts on OPEB liabilities	1,771,966	21,219	1,793,185
Deferred amounts on refunding debt	22,746	-	22,746
Total deferred outflows of resources	$ 14,566,712	$ 282,219	$ 14,848,931
Liabilities			
Due to other governments	$ 3,735	$ -	$ 3,735
Accounts payable and accrued expenses	7,734,683	5,277	7,739,960
Unearned revenue	32,148	5,652	37,800
Long-term liabilities			
Due within one year	4,391,134	-	4,391,134
Due in more than one year	80,487,246	14,846	80,502,092
Net pension liability	80,392,000	1,641,000	82,033,000
Other post-employment benefits (OPEB) liabilities	6,526,518	91,600	6,618,118
Total long-term liabilities	171,796,898	1,747,446	173,544,344
Total liabilities	$ 179,567,464	$ 1,758,375	$ 181,325,839
Deferred Inflows of Resources			
Deferred amounts on pension liability	$ 2,272,000	$ 46,000	$ 2,318,000
Deferred amounts on OPEB liabilities	3,171,332	35,553	3,206,885
Total deferred inflows of resources	$ 5,443,332	$ 81,553	$ 5,524,885
Net Position (Deficit)			
Net investment in capital assets	$ 2,503,380	$ 137,603	$ 2,640,983
Restricted	7,653,616	-	7,653,616
Unrestricted (deficit)	(63,427,946)	(177,516)	(63,605,462)
Total net deficit	$ (53,270,950)	$ (39,913)	$ (53,310,863)

See Notes to Financial Statements.

DOVER AREA SCHOOL DISTRICT

STATEMENT OF ACTIVITIES
Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenues and Changes in Net Position: Governmental Activities	Net (Expense) Revenues and Changes in Net Position: Business-Type Activity	Total
Governmental Activities:						
Instruction	$ 46,349,089	$ 407,304	$ 13,294,686	$ (32,647,099)	$ -	$ (32,647,099)
Instructional student support	5,921,783	-	878,124	(5,043,659)	-	(5,043,659)
Administrative and financial services	4,935,545	-	717,848	(4,217,697)	-	(4,217,697)
Operation and maintenance of plant services	5,341,175	55,840	398,026	(4,887,309)	-	(4,887,309)
Pupil transportation	4,112,005	4,133	1,632,839	(2,475,033)	-	(2,475,033)
Student activities	1,452,170	280,724	169,625	(1,001,821)	-	(1,001,821)
Community services	7,276	-	-	(7,276)	-	(7,276)
Interest on long-term debt	3,028,518	-	-	(3,028,518)	-	(3,028,518)
Total governmental activities	71,147,561	748,001	17,091,148	(53,308,412)	-	(53,308,412)
Business-Type Activities:						
Food service	2,458,917	448,483	1,994,118	-	(16,316)	(16,316)
Total primary government	$ 73,606,478	$ 1,196,484	$ 19,085,266	$ (53,308,412)	$ (16,316)	$ (53,324,728)
General Revenues:						
Property taxes, levied for general purposes, net				$ 30,156,727	$ -	$ 30,156,727
Public utility, realty transfer, earned income and other taxes for general purposes, net				7,577,992	-	7,577,992
Grants, subsidies and contributions not restricted				15,018,375	-	15,018,375
Investment earnings				1,468,679	25,120	1,493,799
Miscellaneous income				16,648	-	16,648
Gain on disposition of capital assets				6,610	-	6,610
Total general revenues				54,245,031	25,120	54,270,151
Change in net position				936,619	8,804	945,423
Net Position (Deficit) - July 1, 2023				(54,207,569)	(48,717)	(54,256,286)
Net Position (Deficit) - June 30, 2024				$ (53,270,950)	$ (39,913)	$ (53,310,863)

See Notes to Financial Statements.

DOVER AREA SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2024

	General Fund	Capital Reserve Fund	Student Sponsored Activity Fund	Totals Governmental Funds
Assets				
Cash and cash equivalents	$ 6,047,110	$ 971,073	$ 150,591	$ 7,168,774
Investments	11,708,513	6,539,656	-	18,248,169
Due from other funds	39,353	-	-	39,353
Due from other governments	4,397,137	-	-	4,397,137
Taxes receivable	552,043	-	-	552,043
Other receivables	110,696	-	-	110,696
Prepaid expenses	865,428	-	6,149	871,577
Total assets	$ 23,720,280	$ 7,510,729	$ 156,740	$ 31,387,749
Liabilities				
Due to other funds	$ -	$ -	$ 1,720	$ 1,720
Due to other governments	3,735	-	-	3,735
Accounts payable	1,008,159	-	5,155	1,013,314
Contracts payable	2,046	-	-	2,046
Accrued salaries and benefits	2,041,491	-	-	2,041,491
Payroll deductions and withholdings	3,848,766	-	-	3,848,766
Unearned revenues	32,148	-	-	32,148
Other current liabilities	63	-	829	892
Total liabilities	6,936,408	-	7,704	6,944,112
Deferred Inflows of Resources				
Delinquent property taxes	356,928	-	-	356,928
Fund Balances				
Nonspendable	865,428	-	6,149	871,577
Restricted	-	7,510,729	142,887	7,653,616
Committed	7,984,846	-	-	7,984,846
Assigned	1,644,167	-	-	1,644,167
Unassigned	5,932,503	-	-	5,932,503
Total fund balances	16,426,944	7,510,729	149,036	24,086,709
Total liabilities, deferred inflows of resources and fund balances	$ 23,720,280	$ 7,510,729	$ 156,740	$ 31,387,749

See Notes to Financial Statements.

DOVER AREA SCHOOL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2024

Total fund balances - governmental funds		$ 24,086,709
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital and right-to-use assets used in governmental activities are not financial resources, and therefore, they are not reported as assets in governmental funds. The cost of assets is $175,608,118 and the accumulated depreciation/amortization is $89,821,013.		85,787,105
Property taxes and earned income 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 inflows of resources in the funds.		356,928
The difference between the re-acquisition price and the net carrying amount of the refunded debt is a deferred outflow of resources, which is not reported in the funds.		22,746
Deferred inflows and outflows of resources related to pensions are applicable to future periods and, therefore, are not reported within the funds. Deferred inflows and outflows related to the pension are as follows (see footnotes for detail):		
Deferred outflows		12,772,000
Deferred inflows		(2,272,000)
Deferred inflows and outflows of resources related to OPEB are applicable to future periods and, therefore, are not reported within the funds. Deferred inflows and outflows related to OPEB are as follows (see footnotes for detail):		
Deferred outflows		1,771,966
Deferred inflows		(3,171,332)
Long-term liabilities; including bonds payable, accrued interest payable, leases payable, financed purchase agreements payable, net pension liability, accrued compensated absences and other post-employment benefits; 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, net of related discounts and premiums	(82,770,025)	
Accrued interest payable	(828,174)	
Leases payable	(172,317)	
Financed purchase agreements payable	(364,129)	
Net pension liability	(80,392,000)	
OPEB liabilities	(6,526,518)	
Accrued compensated absences	(1,571,909)	
		(172,625,072)
Total net position (deficit) - governmental activities		$ (53,270,950)

See Notes to Financial Statements.

DOVER AREA SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended June 30, 2024

	General Fund	Capital Reserve Fund	Student Sponsored Activity Fund	Totals Governmental Funds
Revenues				
Local sources	$ 40,420,188	$ 371,429	$ 178,508	$ 40,970,125
State sources	28,742,957	-	-	28,742,957
Federal sources	2,414,929	-	-	2,414,929
Total revenues	71,578,074	371,429	178,508	72,128,011
Expenditures				
Current:				
Instruction	43,384,529	-	-	43,384,529
Support services	19,543,108	61,528	-	19,604,636
Operation of non-instructional services	1,208,948	-	164,167	1,373,115
Refunds of prior years' receipts	175	-	-	175
Total Current	64,136,760	61,528	164,167	64,362,455
Capital outlay	526,849	33,648	-	560,497
Debt service	7,816,518	-	-	7,816,518
Total expenditures	72,480,127	95,176	164,167	72,739,470
Excess (deficiency) of revenues over expenditures	(902,053)	276,253	14,341	(611,459)
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	6,610	-	-	6,610
Proceeds from leases	108,050	-	-	108,050
Total other financing sources	114,660	-	-	114,660
Net change in fund balances	(787,393)	276,253	14,341	(496,799)
Fund Balances - July 1, 2023	17,214,337	7,234,476	134,695	24,583,508
Fund Balances - June 30, 2024	$ 16,426,944	$ 7,510,729	$ 149,036	$ 24,086,709

See Notes to Financial Statements.

DOVER AREA SCHOOL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2024

Net change in fund balances - governmental funds		$ (496,799)
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 costs of those assets are allocated over their useful lives as depreciation expense. This is the amount by which depreciation/amortization expense exceeds capital outlays in the period.		
Capital outlays	1,003,175	
Less depreciation/amortization expense	(6,452,831)	(5,449,656)
Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered as "available" revenues in the governmental funds. Deferred inflows of resources decreased by this amount this year.		(50,440)
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, interest expense is recognized as the interest accrues, regardless of when it is due. The change in interest costs in the Statement of Activities over the amount due is shown here.		4,098
Governmental funds report District pension and OPEB contributions as expenditures. However in the Statement of Activities, the cost of pension and OPEB benefits earned net of employee contributions is reported as pension and OPEB expense.		
District pension and OPEB contributions (PSERS)		9,413,000
Cost of benefits earned net of employee contributions (PSERS)		(7,175,400)
Some expenses reported in the Statement of Activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds.		
Change in compensated absences		38,177
Change in other post-employment benefits (District's plan)		(22,213)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effects of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Repayment of bonds payable	3,765,000	
Issuance of leases payable	(108,050)	
Repayment of leases payable	86,303	
Repayment of financed purchase agreements payable	364,128	
Amortization of charges for bond refunding	(8,027)	
Amortization of bond premiums and discounts - net	576,498	4,675,852
Change in net position of governmental activities		$ 936,619

See Notes to Financial Statements.

DOVER AREA SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
Year Ended June 30, 2024

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues				
Local sources	$ 38,375,521	$ 38,375,521	$ 40,420,188	$ 2,044,667
State sources	28,585,127	28,585,127	28,742,957	157,830
Federal sources	4,304,426	4,304,426	2,414,929	(1,889,497)
Total revenues	71,265,074	71,265,074	71,578,074	313,000
Expenditures				
Current				
Instruction	43,518,676	43,704,006	43,384,529	319,477
Support services	19,417,582	19,799,196	19,543,108	256,088
Operation of non-instructional services	1,133,829	1,248,135	1,208,948	39,187
Refunds of prior years' receipts	-	250	175	75
Total Current	64,070,087	64,751,587	64,136,760	614,827
Capital outlay	2,022,514	548,014	526,849	21,165
Debt service	6,928,193	7,821,193	7,816,518	4,675
Total expenditures	73,020,794	73,120,794	72,480,127	640,667
Excess (deficiency) of revenues over expenditures	(1,755,720)	(1,855,720)	(902,053)	953,667
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	287,475	287,475	6,610	(280,865)
Proceeds from leases	-	-	108,050	108,050
Budgetary reserve	(100,000)	-	-	-
Total other financing sources (uses)	187,475	287,475	114,660	(172,815)
Net change in fund balance	$ (1,568,245)	$ (1,568,245)	(787,393)	$ 780,852
Fund Balance - July 1, 2023			17,214,337	
Fund Balance - June 30, 2024			$ 16,426,944	

See Notes to Financial Statements.

DOVER AREA SCHOOL DISTRICT

STATEMENT OF NET POSITION - PROPRIETARY FUND - FOOD SERVICE
June 30, 2024

Assets		
Cash and cash equivalents	$	1,360,073
Receivables		
State sources		314
Inventories		57,439
Other capital assets, net of depreciation		137,603
Total assets	$	1,555,429
Deferred Outflows of Resources		
Deferred amounts on pension liability	$	261,000
Deferred amounts on OPEB liabilities		21,219
Total deferred outflows of resources	$	282,219
Liabilities		
Due to other funds	$	37,633
Accounts payable		1,974
Accrued salaries and benefits		2,658
Payroll deductions and withholdings		645
Unearned revenue		5,652
Long-term liabilities		
Net pension liability		1,641,000
OPEB liabilities		91,600
Accrued compensated absences		14,846
Total long-term liabilities		1,747,446
Total liabilities	$	1,796,008
Deferred Inflows of Resources		
Deferred amounts on pension liability	$	46,000
Deferred amounts on OPEB liabilities		35,553
Total deferred outflows of resources	$	81,553
Net Position (Deficit)		
Net investment in capital assets	$	137,603
Unrestricted (deficit)		(177,516)
Total net position (deficit)	$	(39,913)

See Notes to Financial Statements.

DOVER AREA SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - PROPRIETARY FUND - FOOD SERVICE
Year Ended June 30, 2024

Operating Revenues		
Food service revenues	$	448,483
Operating Expenses		
Salaries		698,157
Employee benefits		337,917
Purchased professional and technical services		21,019
Purchased property services		64,837
Other purchased services		1,536
Supplies		1,305,121
Depreciation		24,752
Dues and fees		5,578
Total operating expenses		2,458,917
Operating loss		(2,010,434)
Nonoperating Revenues		
Investment earnings		25,120
State sources		366,082
Federal sources		1,628,036
Total nonoperating revenues		2,019,238
Change in net position		8,804
Net Position (Deficit) - July 1, 2023		(48,717)
Net Position (Deficit) - June 30, 2024	$	(39,913)

See Notes to Financial Statements.

DOVER AREA SCHOOL DISTRICT

STATEMENT OF CASH FLOWS - PROPRIETARY FUND - FOOD SERVICE
Year Ended June 30, 2024

Cash Flows From Operating Activities		
Cash received from users	$	431,244
Cash payments to employees for services		(1,118,673)
Cash payments to suppliers for goods and services		(1,228,660)
Cash payments for other operating expenses		(5,578)
Net cash used in operating activities		(1,921,667)
Cash Flows From Noncapital Financing Activities		
State sources		402,022
Federal sources		1,897,574
Net cash provided by noncapital financing activities		2,299,596
Cash Flows From Capital and Related Financing Activities		
Capital outlay		(64,146)
Cash Flows From Investing Activities		
Investment earnings		25,120
Net change in cash and cash equivalents		338,903
Cash and Cash Equivalents:		
July 1, 2023		1,021,170
June 30, 2024	$	1,360,073
Reconciliation of Operating Loss to Net Cash Used in Operating Activities		
Operating loss	$	(2,010,434)
Adjustments to reconcile operating loss to net cash used in operating activities		
Depreciation		24,752
Value of donated commodities		191,567
Changes in assets and liabilities:		
(Increase) decrease in:		
Receivables		7,251
Inventories		(6,241)
Deferred outflows of resources		(10,397)
(Decrease) increase in:		
Accounts payable		(21,473)
Accrued salaries and benefits		1,511
Payroll deductions and withholdings		142
Internal balances		(44,758)
Unearned revenue		(24,490)
Accrued compensated absences		1,011
Net pension liability		(2,000)
OPEB liabilities		5,200
Deferred inflows of resources		(33,308)
Net cash used in operating activities	$	(1,921,667)
Supplemental Disclosure		
Noncash noncapital financing activity		
USDA donated commodities	$	191,567

See Notes to Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

Dover Area School District (the District) operates a Public School system that encompasses two municipalities in York County. The District operates four elementary schools, one middle school and one high school. The District operates under current standards prescribed by the Pennsylvania Department of Education in accordance with the provisions of the School Laws of Pennsylvania. The governing body of the District is comprised of a board of nine school directors who are each elected for a four-year term. The daily operation and management of the District is carried out by the administrative staff of the District, headed by the Superintendent of Schools who is appointed by the Board of School Directors. Funding for the District is received from local, Commonwealth and Federal sources and must comply with the requirements of the various funding-source agencies.

The District assesses the taxpayers of these municipalities based upon taxing powers at its disposal. The ability of the District's taxpayers to pay their assessments is dependent upon economic and other factors affecting the taxpayers.

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

A. Reporting Entity

In evaluating the District as a reporting entity, management has addressed all potential component units which may or may not fall within the District's financial accountability. The criteria used to evaluate component units for possible inclusion as part of the District's reporting entity are financial accountability and the nature and significance of the relationship. This report presents the activities of the District. The District is not a component unit of another reporting entity, nor does it have any component units that are required to be included in this presentation.

Note 1. Summary of Significant Accounting Policies (Continued)

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government. The significant effects of interfund activity have been removed 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 with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) 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 revenue are reported instead as general revenues.

Separate fund financial statements are provided in the report for all of the governmental funds and proprietary and fiduciary funds of the District, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and the major proprietary fund are reported as separate columns in the fund financial statements. Fiduciary funds are reported by fund type.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The District complies with accounting principles generally accepted in the United States of America (GAAP) and applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

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

Note 1. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

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 they are collected within 60 days of the end of the current fiscal period. Revenues from Federal, state and other grants designated for payment of specific District expenditures are recognized when the related expenditures are incurred; accordingly, 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 payments are due.

When both restricted and unrestricted (including committed, assigned and unassigned) resources are available for use, it is the District's policy to generally use the resources with the most stringent restrictions first, followed by resources in decreasing order of restriction, as funds are needed. However, the District does use unassigned monies at times to pay for expenditures that may have been Board committed.

Governmental funds are those through which most governmental functions of the District are financed. The acquisitions, uses and balances of the District's expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds.

The District reports the following major funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund. Revenues are primarily derived from local property, earned income, per capita and occupational taxes, and state and Federal distributions. Many of the more important activities of the District, including instruction, administration of the District and certain non-instructional services are accounted for in this fund.

The District reports its Capital Reserve Fund as authorized by Municipal Code Section 1431 under this major fund category.

The Student Sponsored Activity Fund is set up in accordance with Section 511 of the PA School Code for student sponsored school organizations and publications which do not meet the criteria to be reported as custodial funds per GASB Statement No. 84 *Fiduciary Activities*.

The District operates one proprietary fund, the Food Service Fund. This fund accounts for the activities of the District's food service program.

Note 1. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Proprietary funds are used to account for activities that are similar to those often found in the private sector. The measurement focus is upon determination of net income and capital maintenance. The District operates one proprietary fund, the Food Service Fund. This fund accounts for the activities of the District's food service program. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the District's proprietary fund are food service charges. Operating expenses for the District's proprietary fund include food production costs, supplies, administrative costs and depreciation on capital assets. All revenues or expenses not meeting this definition are reported as non-operating revenues and expenses. The District does not attempt to allocate "building-wide costs" to the Food Service Fund. Thus, General Fund expenditures which partially benefit the Food Service Fund (utilities, janitorial services, insurance, etc.) are not proportionately recognized within the Food Service Fund; similarly, the Food Service Fund does not recognize a cost for the building space it occupies (no rental-of-facilities expense).

D. Budget and Budgetary Accounting

The Board approves, prior to the beginning of each year, an annual budget on the modified accrual basis for the General Fund. This is the only fund for which a budget is required and for which taxes may be levied. The General Fund is the only fund that has an annual budget that has been legally adopted by the Board. The Board does not legally adopt the Food Service Fund budget; however, the budget is approved by the Board. The Public-School Code allows the Board to authorize budget-transfer amendments during the last nine months of each fiscal year.

The District may not legally exceed the revised budget amounts by function and object. Function is defined as a program area such as instructional services, and object is defined as the nature of the expenditure such as salaries or supplies. Amendments require Board approval. All appropriations lapse at the end of each fiscal year.

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Fund Balance

Cash and Cash Equivalents: The District considers all highly-liquid investments with maturities of three months or less, when purchased, to be cash equivalents.

Investments: Investments are carried at fair value or at amortized cost, depending on the investment type, consistent with generally accepted accounting principles.

Inventories: On government-wide financial statements, inventories are presented at the lower of cost or market on the first-in, first-out (FIFO) method, and are expensed when used.

A physical inventory of the Food Service Fund's food and supplies was taken as of June 30, 2024. The inventory consisted of government-donated commodities which were valued at estimated fair market value, and purchased commodities and supplies, both valued at cost using the FIFO method.

Note 1. Summary of Significant Accounting Policies (Continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Fund Balance (Continued)

Prepaid Expenses: Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items (consumption method) in both the government-wide and fund financial statements.

Capital Assets and Depreciation: Capital assets, which include property, plant and equipment and infrastructure assets, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are capitalized in accordance with board policy at the discretion of management. Management considers various factors in the capitalization of assets, including the assets' estimated useful lives, costs, and the extents to which the assets are part of larger capital projects. Established procedures state that capital assets are defined as individual assets with costs greater than $4,000 and estimated useful lives in excess of one year. Group assets are capitalized when costs are greater than $10,000 and estimated useful lives exceed one year. Buildings, land improvements, and building improvements are capitalized when individual asset costs exceed $25,000. The costs of normal maintenance and repairs that do not add to the values of assets or materially extend assets' useful lives are not capitalized.

Depreciation is provided for capital assets on the straight-line basis over the following estimated useful lives of the assets or groups of assets as determined by management:

	Estimated Lives (in years)	
	Governmental Activities	Business-Type Activities
Land improvements	20	N/A
Buildings and improvements	15 - 30	N/A
Machinery and equipment	3 - 20	5 - 25

Deferred Outflows of Resources - Deferred Amounts on Refunding Debt: The District recognizes the difference between the reacquisition price and the net carrying amount of the old debt as a deferred outflow which is recognized as a component of interest expense over the remaining life of the old or new debt, whichever is shorter.

Deferred Outflows of Resources - Pensions and Other Post-Employment Benefits: The District recognizes deferred outflows of resources, which represent a consumption of net assets that is applicable to a future reporting period and so will not be recognized as an outflow of resources (expense) until that time. The District has identified these items in subsequent notes to the financial statements.

Note 1. Summary of Significant Accounting Policies (Continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Fund Balance (Continued)

Long-Term Obligations: In the government-wide financial statements and proprietary-fund type in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental or business-type activity column in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the lives of the bonds. Bonds payable are reported inclusive of or net of applicable bond premiums or discounts, respectively.

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

Leases: The District enters into non-cancellable arrangements for the leasing of buildings and equipment. Leases that are significant, either individually or in the aggregate, are recognized as a liability and an intangible right-to-use asset in the government-wide financial statements.

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

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.

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

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

Right-to-use assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position.

Note 1. Summary of Significant Accounting Policies (Continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Fund Balance (Continued)

Compensated Absences: Under the system of financial accounting and reporting for Pennsylvania School Systems, the District accrues employee benefits, such as unpaid personal leave and sick pay. Calculations of these amounts are determined by the appropriate personal, sick and retirement lump-sum payments which would be available to employees if they would leave or retire from the District and the calculations are adjusted for expected turnover rates of employees.

Pensions: 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.

Other Post-Employment Benefits: In the government-wide financial statements, the District recognizes the costs and liabilities associated with post-employment benefits other than pension compensation. The District participates in two plans, the first is a single employer plan administered by the District. The Plan provides retiree health, vision, dental care and prescription drug benefits for eligible retired employees and their qualified spouses/beneficiaries. The District estimates the cost of providing these benefits through an actuarial valuation. The single employer OPEB plan is unfunded.

The District also participates in a governmental cost-sharing multiple employer other post-employment benefit plan (OPEB) with the Public School Employees' Retirement System (PSERS) for all eligible retirees who qualify and elect to participate. For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of PSERS and additions to/deductions from PSERS's fiduciary net position have been determined on the same basis as they are reported by PSERS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note 1. Summary of Significant Accounting Policies (Continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Fund Balance (Continued)

Other Post-Employment Benefits (Continued): The balance of the District's OPEB liabilities and related deferred outflows/inflows of resources at June 30, 2024, are as follows:

	Governmental Activities	Business-Type Activities	Total
OPEB Liabilities			
District's Single Employer Plan	$ 3,262,518	$ 24,600	$ 3,287,118
PSERS Cost-Sharing Plan	3,264,000	67,000	3,331,000
Total	$ 6,526,518	$ 91,600	$ 6,618,118
Deferred Outflows of Resources			
District's Single Employer Plan	$ 1,214,366	$ 9,819	$ 1,224,185
PSERS Cost-Sharing Plan	557,600	11,400	569,000
Total	$ 1,771,966	$ 21,219	$ 1,793,185
Deferred Inflows of Resources			
District's Single Employer Plan	$ 2,433,432	$ 20,453	$ 2,453,885
PSERS Cost-Sharing Plan	737,900	15,100	753,000
Total	$ 3,171,332	$ 35,553	$ 3,206,885

Additional disclosures related to other post-employment benefits of the School's Single Employer Plan and PSERS Cost Sharing Plan can be found in subsequent notes to the financial statements.

Deferred Inflows of Resources - Unearned Revenues: The District recognizes the property tax revenues when they become available, including property tax receivables expected to be collected within 60 days after year end. The property tax receivables expected to be collected after 60 days after year end are shown as deferred inflows of resources in the fund financial statements. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

Deferred Inflows of Resources - Pensions and Other Post-Employment Benefits: The District recognizes deferred inflows of resources, which represent an acquisition of net assets that is applicable to a future reporting period and so will not be recognized as an inflow of resources (revenue) until that time. The District has identified these items in subsequent notes to the financial statements.

Interfund Activity: Advances between funds that are not expected to be repaid are accounted for as transfers. In those cases, when repayment is expected, the advances are accounted for through the various "due from" and "due to" accounts. Transactions and balances between governmental activities have been eliminated in the government-wide financial statements. Residual amounts due between governmental and business-type activities are indicated on the Statement of Net Position as internal balances.

Note 1. Summary of Significant Accounting Policies (Continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Fund Balance (Continued)

Encumbrances: Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration and project control in the General Fund. Encumbrances outstanding at year end are reported as reservations of fund balances because they do not constitute expenditures or liabilities. GASB Statement No. 54 provides additional guidance on the classification within the Net Position section of amounts that have been encumbered. These encumbrances, along with encumbrances of balances in funds that are restricted, committed, or assigned, are not separately classified in the financial statements. As of June 30, 2024, the District had no encumbrances.

Fund Balance: The School District's fund balance classifications are defined and described as follows:

Nonspendable: Represents fund balance amounts that cannot be spent because they are not in a spendable form or are contractually required to be maintained intact.

Restricted: Represents fund balance amounts that are constrained for a specific purpose through restrictions of external parties, through constitutional provisions, or by enabling legislation.

Committed: Represents fund balance amounts that can only be used for specific purposes pursuant to the constraints imposed by formal action of the Board of School Directors, the District's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the Board removes the constraints or changes the specified purposes through the same action it used to commit the funds.

Assigned: Represents fund balance amounts that are constrained by the government's intent to be used for a specific purpose but are neither restricted nor committed. Through board policy, the Board has delegated the authority to express intent to the District's Director of Administration or the Budget and Finance Committee.

Unassigned: Represents fund balance amounts that have not been restricted, committed, or assigned to specific purposes within the General Fund.

The District has a board policy which prescribes fund balance guidelines. The District will strive to maintain an assigned and unassigned General Fund balance of not less than 3% and not more than 8% of the budgeted expenditures for that year. When expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, the District will reduce the committed balance first, followed by the assigned balance and then the unassigned balance.

Note 1. Summary of Significant Accounting Policies (Continued)

F. New Accounting Pronouncements

The following list reflects only those pronouncements initially effective in the current or upcoming reporting periods which based on our review, may be applicable to the District's reporting requirements.

Following is a description of significant pronouncement that was considered or initially selected during the year ended June 30, 2024:

GASB Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*, defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement also prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections in previously issued financial statements.

The following are descriptions of accounting pronouncements which will be considered for implementation during subsequent fiscal years:

GASB Statement No. 101, *Compensated Absences*, will be effective for the District beginning with its year ending June 30, 2025 (fiscal years beginning after December 15, 2023). This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements.

GASB Statement No. 102, *Certain Risk Disclosures,* will be effective for the District beginning with its year ending June 30, 2025 (fiscal year beginning after June 15, 2024). This Statement establishes financial reporting requirements to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

GASB Statement No. 103, *Financial Reporting Model Improvements,* will be effective for the District beginning with its year ending June 30, 2026 (fiscal years beginning after June 15, 2025). This Statement improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This statement addresses requirements relating to management's discussion and analysis, unusual or infrequent items, presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position, major component unit information and budgetary comparison information.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, will be effective for the District. beginning with its year ending June 30, 2026 (fiscal years beginning after June 15, 2025). This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures. Lease assets, subscription assets, intangible right-to-use assets and intangible assets should be disclosed separately by major class of underlying asset within the note disclosures. This Statement also requires additional disclosures for capital assets held for sale.

The effects of implementation of these standards have not yet been determined.

NOTES TO THE FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

G. Other

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 expenditures or expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events: In preparing these financial statements, the District has evaluated events and transactions for potential recognition or disclosure through November 25, 2024, the date the financial statements were available to be issued.

Note 2. Deposits and Investments

Under Section 440.1 of the Public School Code of 1949, as amended, the District is permitted to invest funds consistent with sound business practices in the following types of investments:

- U.S. Treasury Bills
- Short-term obligations of the U.S. Government or its agencies or its instrumentalities
- Deposits in savings accounts or time deposits or share accounts of institutions insured by:
    1. The Federal Deposit Insurance Corporation (FDIC), or
    2. The Federal Savings and Loan Insurance Corporation (FSLIC), or
    3. The National Credit Union Share Insurance Fund (NCUSIF) to the extent that such accounts are so insured, and for any amounts above maximum insurable limits, provided that approved collateral as provided by law shall be pledged by the depository
- Obligations of (a) the United States of America or its agencies or instrumentalities backed by the full-faith and credit of the United States of America, and (b) the Commonwealth of Pennsylvania or instrumentalities thereof backed by the full-faith and credit of these political subdivisions.
- Shares of investment companies whose investments are restricted to the above categories.

The deposit and investment policy of the District adheres to state statutes and prudent business practices. There were no deposit or investment transactions during the year that were in violation of either state statutes or the policy of the District.

Note 2. Deposits and Investments (Continued)

Deposits: Custodial-Credit Risk

Custodial-credit risk is the risk that in the event of a bank failure, the District's investments may not be returned to it. A summary of the District's deposits at June 30, 2024, is shown below:

	Carrying Amount	Bank Balance	Financial Institution
Insured (FDIC)	$ 250,000	$ 250,000	Members 1st
Insured (FDIC)	5,987,205	5,846,700	Various Bank CDs
Uninsured, collateralized in accordance with Act 72	4,961,126	5,163,984	Members 1st
	$ 11,198,331	$ 11,260,684	

Act 72 of 1971, as amended, is an act standardizing the procedures for pledges of assets to secure deposits of public funds with banking institutions pursuant to other laws; establishing a standard rule for the types, amounts and valuations of assets eligible to be used as collateral for deposits of public funds; permitting assets to be pledged against deposits on a pooled basis and authorizing the appointment of custodians to act as the pledgers of the assets.

Investments

As of June 30, 2023, the District had the following investments:

	Credit Rating	Weighted Avg. Maturity in Years	Carrying Value
Pennsylvania School District Liquid Asset Fund			
PSDMAX	AAAm	0.142	$ 3,317,564
PSDLAF Full Flex Pool	NA	Various	12,260,965
			$ 15,578,529

Certain external pool investments held by the District, based on portfolio maturity, quality, diversification and liquidity measures, qualify for measurement at amortized cost at both the pool and the participating government levels consistent with GASB Statement No. 79. The District measures those investments, which include PSDMAX, at amortized cost.

The PSDMAX fund invests in U.S. treasury securities, U.S. government securities, its agencies and instrumentalities, and repurchase agreements, collateralized by such securities and contracted with highly rated counterparties. Weighted-average portfolio maturity for the fund is expected to be kept at or below 60 days. PSDMAX does not have limitations or restrictions on withdrawals.

Note 2. Deposits and Investments (Continued)

Investments (Continued)

The PSDLAF Full Flex Pool, as part of the Fixed Term Series at PSDLAF, are fixed term investments collateralized in accordance with Act 72 and invests in assets listed above as permitted under Section 440.1 of the Public School Code of 1949. The Fixed Term Series are fixed term investment vehicles with maturities depending upon the maturity date of each particular Fixed Term Series. All investments in a Fixed Term Series by a Settlor are intended to be deposited for the full term of the particular Fixed Term Series, however, participants in the full flex pool may remove funds without early withdrawal penalty. Whether a Fixed Term Series has only one Settlor or more than one Settlor participating in it, each certificate of deposit in which the monies in such Fixed Term Series are invested is registered in the name of that particular Fixed Term Series. Certificates of Deposit used for Fixed Term Series (i) are normally in principal amounts in excess of the FDIC insurance limit of $250,000, (ii) are collateralized in accordance with law and (iii) the collateral is held by a third-party custodian pursuant to a custody agreement among the Fund, the bank that issues the Certificate of Deposit and the third party custodian. In some instances, the collateral consists of an Irrevocable Letter of Credit issued by the applicable Federal Home Loan Bank. The District reports these nonparticipating contracts, as nonnegotiable Certificates of Deposit with redemption terms that do not consider market rates, using a cost-based measure, provided that the fair value of those contracts is not significantly affected by the impairment of the credit standing of the issuer or other factors consistent with GASB Statement No. 31.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Presently, the investments currently held by the District are valued at amortized cost and are not subject to the fair value categorization disclosures.

Weighted-Average Maturity

The weighted-average maturity (WAM) method expresses investment time horizons - the time when investments become due and payable - in years or months, weighted to reflect the dollar size of individual investments within an investment type. In this illustration, WAMs are computed for each investment type. The portfolio's WAM is derived by dollar weighting the WAM for each investment type.

Interest Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

As indicated above, Section 440.1 of the Public-School Code of 1949, as amended, limits the composition of the District's investments, and the District has no investment policy that would further limit its investment choices.

Concentrations of Credit Risk

The District places no limit on the amounts invested in any one issuer. The District's investments are entirely held with PSDLAF.

Note 3. Taxes Receivable and Deferred Inflows of Resources

Summaries of taxes receivable and related accounts of the General Fund at June 30, 2024, are as follows:

		Amount
Taxes Receivable - Net	$	552,043
Taxes to be collected within 60 days	$	195,115
Deferred inflows of resources - delinquent property taxes		356,928
	$	552,043

Note 4. Property Taxes

Based upon assessed valuations provided by York County, the municipal tax collector bills and collects property taxes on behalf of the District. The schedule for property taxes levied for 2023-2024, is as follows:

July 15, 2023	Tax-Levy Date
Through September 13, 2023	2% Discount
Through November 20, 2023	Face-Payment Period
November 21, 2023	10%-Penalty Period
January 1, 2024	Lien-Filing Date

The District's tax rate for all purposes in 2023-2024, was 24.307 mills ($24.307 per $1,000) assessed valuation). Refunds on payments of prior year taxes are classified as Other Debt Service items under the Commonwealth of Pennsylvania Accounting System.

Note 5. Intergovernmental Receivable

Summary of intergovernmental receivables at June 30, 2024:

	General Fund	Proprietary Fund
PA Department of Education		
Social Security	$ 427,788	$ 102
Retirement	1,986,776	212
Rental	845,563	-
Transportation	312,613	-
PA Commission on Crime & Delinquency	66,411	-
York Adams Tax Bureau - EIT	318,925	-
Mainstreaming for various LEA's	2,890	-
County of York - Realty Transfer Tax	79,583	-
Lincoln Intermediate Unit - IDEA	14,220	-
Federal Subsidies - Title I	43,686	-
Federal Subsidies - Title II	30,115	-
Federal Subsidies - Title IV	11,116	-
Federal Subsidies - ARP ESSER	242,775	-
Federal Subsidies - Medical Assistance Program	14,676	-
	$ 4,397,137	$ 314

Note 6. Interfund Balances and Interfund Transfers

Individual fund receivable and payable balances at June 30, 2024, are as follows:

	Interfund Receivables	Interfund Payables
Governmental Fund		
General	$ 39,353	$ -
Student sponsored activity	-	1,720
Proprietary Fund		
Food service	-	37,633
	$ 39,353	$ 39,353

All interfund receivable/payable balances resulted from time lags between the dates that (1) interfund goods and services were provided or reimbursable expenditures were incurred, (2) transactions were recorded in the accounting system and (3) payments between funds were made. All balances are expected to be repaid within the following year.

There were no interfund transfers for the year ended June 30, 2024. Transfers and payments within the District are substantially for purposes of subsidizing operating functions. Resources are accumulated in funds to support and simplify the administration of various projects or programs.

Note 7. Capital and Right-to-use Assets

Capital and right-to-use asset activity for the year ended June 30, 2024, was as follows:

	July 1, 2023	Increases	Decreases	June 30, 2024
Governmental Activities				
Capital assets, not being depreciated				
Land	$ 170,000	$ -	$ -	$ 170,000
Construction-in-progress	1,643,748	526,849	(2,147,351)	23,246
Total capital assets not being depreciated	1,813,748	526,849	(2,147,351)	193,246
Capital and right-to-use assets being depreciated/amortized				
Buildings and building improvements	165,854,388	2,147,351	-	168,001,739
Furniture and equipment	8,633,894	368,276	(1,973,928)	7,028,242
Right-to-use leased equipment	276,841	108,050	-	384,891
Total capital and right-to-use assets being depreciated/amortized	174,765,123	2,623,677	(1,973,928)	175,414,872
Less accumulated depreciation/amortization				
Buildings and building improvements	78,810,015	5,291,387	-	84,101,402
Furniture and equipment	6,401,817	1,074,329	(1,973,928)	5,502,218
Right-to-use leased equipment	130,278	87,115	-	217,393
Total accumulated depreciation/amortization	85,342,110	6,452,831	(1,973,928)	89,821,013
Total capital and right-to-use assets being depreciated/amortized, net	89,423,013	(3,829,154)	-	85,593,859
Total Governmental Activities, Capital and Right-to-Use Assets - Net	$ 91,236,761	$ (3,302,305)	$ (2,147,351)	$ 85,787,105
Business-Type Activities				
Capital assets being depreciated				
Equipment	$ 316,974	$ 64,146	$ -	$ 381,120
Less accumulated depreciation for equipment	218,765	24,752	-	243,517
Total Business-Type Activities, Capital Assets - Net	$ 98,209	$ 39,394	$ -	$ 137,603

Note 7. Capital and Right-to-use Assets (Continued)

Depreciation and amortization expenses were charged to the functions/programs of the District as follows:

	Amount
Governmental Activities	
Instruction	$ 4,722,096
Instructional student support	637,603
Administrative and financial support	559,931
Operation and maintenance of plant services	388,882
Pupil transportation	12,009
Student activities	132,310
Total Governmental Activities	6,452,831
Business-Type Activities	
Food service	24,752
Total Primary Government	$ 6,477,583

Note 8. Long-Term Obligations

A summary of the reporting entity's long-term obligations as of June 30, 2024, and transactions during the year then ended follows:

	July 1, 2023	Increases	Decreases	June 30, 2024	Due within one year
Governmental Activities					
Bonds and notes payable					
Series of 2008	$ 5,863,000	$ -	$ 2,900,000	$ 2,963,000	$ 2,963,000
Series of 2018	29,180,000	-	5,000	29,175,000	5,000
Series of 2019	35,065,000	-	5,000	35,060,000	5,000
Series of 2019A	10,465,000	-	855,000	9,610,000	915,000
Net premium on bonds	6,538,523	-	576,498	5,962,025	-
Total bonds and notes payable	87,111,523	-	4,341,498	82,770,025	3,888,000
Compensated absences	1,610,086	-	38,177	1,571,909	50,255
Leases payable	150,570	108,050	86,303	172,317	88,750
Financed purchase agreements payable	728,257	-	364,128	364,129	364,129
Total governmental activities long-term liabilities	$ 89,600,436	$ 108,050	$ 4,830,106	$ 84,878,380	$ 4,391,134
Business-Type Activities					
Compensated absences	$ 13,835	$ 1,011	$ -	$ 14,846	$ -
Total business-type activities long-term liabilities	$ 13,835	$ 1,011	$ -	$ 14,846	$ -

Note 8. Long-Term Obligations (Continued)

Bonds and Notes Payable

General Obligation Notes - Series of 2008 - On December 30, 2008, the District issued General Obligation Notes - 2008 Series A-1 and A-2 in the total principal amount of $15,000,000. The proceeds of the notes were used to finance capital additions and renovations to elementary school buildings, and to pay for the costs of issuance. Interest is payable monthly with a maximum interest rate of 15.00%. At settlement, the District exercised a fixed rate conversion feature for $7,500,000 of these variable rate notes to a fixed rate of 3.245%. On March 24, 2020, the District converted the outstanding variable portion to a fixed rate note at a rate of 1.15%. Principal payments are paid annually through 2025, and range between $256,000 to $1,503,000.

General Obligation Bond - Series of 2018 - On June 26, 2018, the District issued General Obligation Bond - Series of 2018 in the principal amount of $29,205,000. The proceeds of the bond are being used for acquisition, design, construction and furnishing of alterations, additions, renovations and improvements to the High School and Intermediate School building of the District; financing various other capital projects; and to pay for the costs of issuance. The bond bears a fixed interest rate ranging from 1.70% to 5.00%, payable semi-annually. The bond matures serially in amounts ranging from $5,000 to $3,070,000 through 2039.

General Obligation Bond - Series of 2019 - On March 28, 2019, the District issued General Obligation Bond - Series of 2019 in the principal amount of $35,085,000. The proceeds of the bond are being used for acquisition, design, construction and furnishing of alterations, additions, renovations and improvements to the High School and Intermediate School building of the District; financing various other capital projects; and to pay for the cost of issuance. The bond bears a fixed interest rate ranging from 1.75% to 5.00%, payable semi-annually. The bond matures serially in amounts ranging from $5,000 to $5,285,000 through 2040.

General Obligation Bond - Series A of 2019 - On July 7, 2019, the District issued General Obligation Bond - Series of 2019A in the principal amount of $13,205,00. The proceeds of the bond are being used for the purpose of (1) the current refunding of the remaining General Obligation Bond, Series A of 2015 of the District, (2) the current refunding of the remaining General Obligation Bond, Series B of 2015 of the District, and (3) paying the costs of issuing the bonds. The economic gain on the refunding of the 2015A and 2015B bonds were $534,970. The bond bears a fixed interest rate ranging from 2.00% to 5.00%, payable semi-annually. The bond matures serially in amounts ranging from $375,000 to $4,435,000 through 2027.

The District is in compliance with all debt covenants of the outstanding issues. Those covenants include the following: the District shall include the annual debt service in its budget for the fiscal year; shall appropriate those amounts from its general revenues; and shall punctually cause the payment of the principal and interest of all obligations.

Note 8. Long-Term Obligations (Continued)

Bonds and Notes Payable (Continued)

The future debt service requirements of the fixed and variable general obligation long-term debt issues are as follows, assuming current rates:

Year ending June 30:	Principal	Interest	Total
2025	$ 3,888,000	$ 3,504,149	$ 7,392,149
2026	4,270,000	3,430,975	7,700,975
2027	4,445,000	3,260,319	7,705,319
2028	4,005,000	3,038,250	7,043,250
2029	4,165,000	2,878,050	7,043,050
2030-2034	23,720,000	11,509,650	35,229,650
2035-2039	29,870,000	5,225,000	35,095,000
2040	2,445,000	122,250	2,567,250
	$ 76,808,000	$ 32,968,643	$ 109,776,643

All debt service payments for general obligation notes and bonds are funded by the General Fund. As required by the Pennsylvania Department of Education Financial Accounting and Reporting Manual, debt issuance costs are reported on the Statement of Revenues, Expenditures and Changes in Fund Balances as Support Services expenditures.

Compensated Absences

Sickness - Under the terms of the District's employment policies, employees are granted sick days per school year, and any unused sick days are permitted to be carried over to future years. Upon retirement from the District, employees are reimbursed for accumulated sick days equal to the number of unused days multiplied by a pre-determined amount per employment contract. The total liability for sick leave at June 30, 2024, has been reflected in the Statement of Net Position.

Leases Payable

The District leases equipment for certain District offices and buildings. The original lease term is for five years. The District's equipment lease contains scheduled monthly payments with expiration dates extending through 2028. Leases payable are fully funded by the General Fund.

The following is a schedule of future minimum lease payments for leases with initial or remaining terms in excess of one year as of June 30, 2024:

Year ending June 30:	Principal	Interest	Total
2025	$ 88,750	$ 4,618	$ 93,368
2026	39,145	2,256	41,401
2027	22,768	1,311	24,079
2028	21,654	419	22,073
	$ 172,317	$ 8,604	$ 180,921

Note 8. Long-Term Obligations (Continued)

Financed Purchase Agreements Payable

The District finances computers which are located throughout the District. The related financed purchase agreements are recorded at the present values of the related future, minimum payments as of the inception date. All financed purchase agreements are funded by the General Fund.

The assets acquired through financed purchase agreements are as follows:

	Amount
Assets	
Computers	$ 2,335,075
Less accumulated depreciation	(2,259,747)
Total computers - net book value	$ 75,328

The following is a schedule of the future, minimum payments due under the financed purchase agreements as of June 30, 2024:

Year ending June 30:	Amount
2025	$ 364,129
Total minimum payments	364,129
Less: amount representing interest	-
Total present value of net minimum payments	$ 364,129

Note 9. Defined Benefit Pension Plan

Plan Description

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

Benefits Provided

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

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

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

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

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

Note 9. Defined Benefit Pension Plan (Continued)

Contributions

Member Contributions:

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

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

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

Employer Contributions:

The District's contractually required contribution rate for the fiscal year ended June 30, 2024, was 33.36% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Included in the District's contractually required contribution rate is the Act 5 contribution rate totaling an estimated .27 percent.

The District is required to pay the entire contribution and will be reimbursed by the Commonwealth in an amount equal to the Commonwealth's share as determined by the income aid ratio (as defined in Act 29 of 1994), which is at least one-half of the total District's rate. The District's contributions to the Plan, relating to pension benefits, for the year ended June 30, 2024, was $9,468,598, and is equal to the required contribution for the year. For the year ended June 30, 2024, the District recognized gross retirement subsidy revenue from the Commonwealth in the amount of $5,826,800.

Note 9. Defined Benefit Pension Plan (Continued)

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

At June 30, 2024, the District reported a liability of $82,033,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by rolling forward the System's total pension liability as of June 30, 2022 to June 30, 2023. The District's proportion of the net pension liability was calculated utilizing the employer's one-year reported contributions as it relates to the total one-year reported contributions. At June 30, 2024, the District's reported proportion was .1844 percent, which was an decrease of .0004 percent from its proportion reported as of June 30, 2023.

For the year ended June 30, 2024, the District recognized pension expense of $7,262,000. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 19,000	$ 1,123,000
Changes in assumptions	1,224,000	-
Net difference between projected and actual investment earnings	2,321,000	-
Changes in proportion	-	1,195,000
Contributions subsequent to the measurement date	9,469,000	-
	$ 13,033,000	$ 2,318,000

$9,469,000 is reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ending 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 ending June 30:	Amount
2025	$ 215,000
2026	(2,165,000)
2027	2,420,000
2028	776,000
	$ 1,246,000

Note 9. Defined Benefit Pension Plan (Continued)

Actuarial Assumptions

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

- Valuation Date – June 30, 2022
- Actuarial cost method - Entry Age Normal - level % of pay.
- Investment return - 7.00%, includes inflation at 2.50%.
- Salary growth - Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.
- The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022 and as of June 30, 2023.
- Demographic and economic assumptions approved by the Board for use effective with the June 30, 2021 actuarial valuation:
    - Salary growth rate - decreased from 5.00% to 4.50%.
    - Real wage growth and merit or seniority increases (components for salary growth) - decreased from 2.75% and 2.25% to 2.50% and 2.00%, respectively.
    - Mortality rates - Previously based on the RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale. Effective with the June 30, 2021 actuarial valuation, mortality rates are based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.

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

Investments

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.

For the year ended June 30, 2023, the annual money weighted rate of return on pension plan investments, net of pension plan investment expense, was 3.54%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Note 9. Defined Benefit Pension Plan (Continued)

Investments (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global public equity	30.0%	5.2%
Private equity	12.0%	7.9%
Fixed income	33.0%	3.2%
Commodities	7.5%	2.7%
Infrastructure/MLPs	10.0%	5.4%
Real estate	11.0%	5.7%
Absolute return	4.0%	4.1%
Cash	3.0%	1.2%
Leverage	(10.5)%	1.2%
	100.0%	

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

Discount Rate

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

Note 9. Defined Benefit Pension Plan (Continued)

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

The following presents the District's proportionate share of the net pension liability, calculated using the discount rate of 7.00%, as well as what the District's proportionate share of 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 discount rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
District's proportionate share of the net pension liability	$ 106,337,000	$ 82,033,000	$ 61,527,000

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.pa.gov.

Plan Payables

At June 30, 2024, the District reported a payable to PSERS of $3,497,937, which represents the employer contributions owed to the pension plan.

Note 10. Other Post-Employment Benefits - District's Single Employer Plan

Plan Description, Benefit Terms and Funding Policy

The District provides retiree health, vision, and dental care benefits, including prescription drug coverage, to eligible retired employees and qualified spouses/beneficiaries. This is a single employer, defined benefit plan administered by the District. The District funds OPEB on a pay-as-you go basis, and there is no obligation to make contributions in advance of when insurance premiums or claims are due for payment. The District does not maintain or accumulate any assets within a trust in accordance with paragraph 4 of GASB Statement No. 75. The plan description and benefit terms provided by the Plan are summarized in the chart below:

GROUP	*ELIGIBILITY*	*COVERAGE AND PREMIUM SHARING*	*DURATION*
I. ADMINISTRATORS	PSERS Retirement	**Coverage**: Medical, Prescription Drug, Dental and Vision **Premium Sharing:** If the member reaches 30 total years of PSERS service and five years of service with the District, the member will be allowed to continue medical, prescription drug and dental coverage for his/herself by paying the same amount as stated for an active administrator in the current contract at the time of retirement for up to seven years. This premium share by the member is currently 50%. The member must pay the full premium for vision coverage. If the member is under 65 and has exhausted the years of paid benefits, the member may continue coverage by paying the full premium as determined for the purpose of COBRA. Spouses may continue benefits by paying the full premium. If the member does not reach 30 years of PSERS and five years with the District, the member may continue benefits by paying the full premium as determined for the purpose of COBRA. Spouses may also continue benefits by paying the full premium. **Dependents:** Spouses included.	Member and spouse may continue benefits until the earlier of member Medicare age and member death. Spousal benefits cease at Medicare age if the spouse reaches Medicare age before the member.
II. ALL OTHER EMPLOYEES	Same as I.	Act 110/43	Same as I.

Notes: Act 110/43 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.

PSERS Retirement:
1) Pension Class T-C or T-D: An employee is eligible for PSERS retirement if he (or she) is eligible for either: I) PSERS early retirement while under 62 with 5 years of PSERS Service or II) PSERS superannuation retirement upon reaching age 60 with 30 years of PSERS service, age 62 with 1 year of PSERS service or 35 years or PSERS service regardless of age. In general, these pension classes apply to individuals who were members of PSERS prior to July 1, 2011.
2) Pension Class T-E or T-F: An employee is eligible for PSERS retirement if he (or she) is eligible for either: I) PSERS early retirement while under 65 with 10 years of PSERS Service or II) PSERS superannuation retirement upon reaching age 65 with 3 years of PSERS service or upon attainment of a total combination of age plus service equal to or greater than 92 with a minimum of 35 years of PSERS service. In general, these pension classes apply to individuals who were members of PSERS prior to July 1, 2011 and prior to July 1, 2019.
3) Pension Class T-G: An employee is eligible for PSERS retirement if he (or she) is eligible for either: I) PSERS early retirement while under 67 with 10 years of PSERS Service or II) PSERS superannuation retirement upon reaching age 67 with 3 years of PSERS service or upon attainment of a total combination of age plus service equal to or greater than 97 with a minimum of 35 years of PSERS service. In general, these pension classes apply to individuals who were members of PSERS on or after July 1, 2019.
4) Pension Class T-H: An employee is eligible for PSERS retirement if he (or she) is eligible for either: I) PSERS early retirement while under 67 with 10 years of PSERS Service or II) PSERS superannuation retirement upon reaching age 67 with 3 years of PSERS service. In general, these pension classes apply to individuals who were members of PSERS on or after July 1, 2019.
5) All individuals except those in Pension Class T-G are eligible for a special early retirement upon reaching age 55 with 25 years of PSERS service. Individuals in Pension Class T-G are eligible for a special early retirement upon reach age 57 with 25 years of PSERS service.

Note 10. Other Post-Employment Benefits - District's Single Employer Plan (Continued)

Employees Covered by Benefit Terms

As of the July 1, 2022 actuarial valuation, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	24
Inactive employees entitled to but not yet receiving benefit payments	10
Active employees	377
	411

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

At June 30, 2024, the District reported a liability of $3,287,118 for the total OPEB liability. The total OPEB liability was measured as of July 1, 2023, and was determined by an actuarial valuation as of July 1, 2022. The OPEB liability is composed of the following:

	Amount
Total OPEB Liability, beginning	$ 3,137,957
Changes for the year	
Service cost	197,004
Interest	130,495
Changes in assumptions	44,650
Estimated benefit payments	(222,988)
Net Changes	149,161
Total OPEB Liability, ending	$ 3,287,118

For the year ended June 30, 2024, the District recognized OPEB expense of $204,569. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 945,222	$ 1,369,173
Changes in assumptions	101,102	1,084,712
Benefit payments subsequent to the measurement date	177,861	-
	$ 1,224,185	$ 2,453,885

Note 10. Other Post-Employment Benefits - District's Single Employer Plan (Continued)

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

Of the total amount reported as deferred outflows of resources related to OPEB, $177,861 resulting from District benefit payments subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the District's OPEB expense as follows:

Year ending June 30:	Total
2025	$ (122,930)
2026	(122,930)
2027	(122,930)
2028	(122,930)
2029	(122,930)
Thereafter	(792,911)
	$ (1,407,561)

Actuarial assumptions

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

- Inflation - 2.5%.
- Salary Increases - 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%.
- Discount Rate – 4.13%. Based on S&P Municipal Bond 20 Year High Grade Rate Index at July 1, 2023.
- Actuarial Cost Method: Entry Age Normal, Level Percent of Pay.
- Health Care Cost Trend Rate – 7.0% in 2023 with 0.5% decrease per year until 5.5% in 2026. Rates gradually decrease from 5.4% in 2027 to 4.1% in 2075 and later based on the society of Actuaries Long-Run Medical Cost Trend Model.
- Retirees' Share of Benefit-Related Costs - Retiree contributions are assumed to increase at the same rate as the Health Care Cost Trend Rate.
- Mortality rates are separate and assumed preretirement and postretirement using the rates assumed in the PSERS defined benefit pension plan actuarial valuation. 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. Incorporated into the tables are rates projected generationally using Scale MP-2021 to reflect mortality improvement.

Note 10. Other Post-Employment Benefits - District's Single Employer Plan (Continued)

Sensitivity of the District's Total OPEB liability to Changes in the Discount Rate

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

	1% Decrease 3.13%	Current Discount Rate 4.13%	1% Increase 5.13%
Total OPEB liability	$ 3,540,368	$ 3,287,118	$ 3,048,844

Changes in Actuarial Assumptions

The discount rate used to measure the Total OPEB liability increased from 4.06% as of July 1, 2022, to 4.13% as of July 1, 2023.

Sensitivity of the District's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the district calculated using the health care cost trend rates of (7.0% decreasing to 4.1%), as well as what the total OPEB liability would be if it were calculated using a health care cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB liability	$ 2,908,717	$ 3,287,118	$ 3,735,153

Note 11. Other Post-Employment Benefits - PSERS Cost-Sharing Plan

Plan Description

PSERS administers a defined benefit pension plan, and two post-employment healthcare programs, the Health Insurance Premium Assistance Program (Premium Assistance) and the Health Options Program (HOP) for its retirees. The HOP is a PSERS sponsored voluntary health insurance program for the sole benefit of PSERS retirees, spouses of retirees, and survivor annuitants and their dependents who participate in HOP. The HOP is funded exclusively by the premiums paid by its participants for the benefit coverage they elect.

The System provides Premium Assistance which, is a governmental cost sharing, multiple-employer other post-employment 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, 2023 there were no assumed future benefit increases to participating eligible retirees.

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

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

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

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

Benefits Provided

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

Employer Contributions

The District's contractually required contribution rate for the fiscal year ended June 30, 2024, was 0.64% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the OPEB plan from the District were $181,652 for the year ended June 30, 2024.

Note 11. Other Post-Employment Benefits - PSERS Cost-Sharing Plan (Continued)

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

At June 30, 2024, the District reported a liability of $3,331,000 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by rolling forward the System's total OPEB liability as of June 30, 2022, to June 30, 2023. The District's proportion of the net OPEB liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2024, the District's reported proportion was 0.1841 percent, which was a decrease of 0.0011 percent from its proportion reported as of June 30, 2023.

For the year ended June 30, 2024, the District recognized OPEB expense of $104,400. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 22,000	$ 33,000
Changes in assumptions	288,000	630,000
Net difference between projected and actual investment earnings	8,000	-
Changes in proportion	70,000	90,000
Contributions subsequent to the measurement date	181,000	-
	$ 569,000	$ 753,000

$181,000 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 ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30:	Amount
2025	$ (48,000)
2026	(78,000)
2027	(104,000)
2028	(128,000)
2029	(7,000)
	$ (365,000)

Note 11. Other Post-Employment Benefits - PSERS Cost-Sharing Plan (Continued)

Actuarial Assumptions

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

- Valuation Date –June 30, 2022
- Actuarial cost method - Entry Age Normal - level % of pay.
- Investment return - 4.13% - S&P 20 Year Municipal Bond Rate.
- Salary growth - Effective average of 4.5%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.
- Premium Assistance reimbursement is capped at $1,200 per year.
- Assumed Healthcare cost trends were applied to retirees with less than $1,200 in premium assistance per year.
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.
- Participation rate:
    - Eligible retirees will elect to participate Pre age 65 at 50%
    - Eligible retirees will elect to participate Post age 65 at 70%
- The discount rate used to measure the total OPEB liability increased from 4.09% as of June 30, 2022 to 4.13%, as of June 30, 2023.

The actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study that was performed for the 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, 2021, determined the employer contribution rate for fiscal year 2023.
- Cost Method: Amount necessary to assure solvency of Premium Assistance through the third fiscal year after the valuation date.
- Asset valuation method: Market Value.
- Participation rate: The actual data for retirees benefiting under the Plan as of June 30, 2021 was used in lieu of the 63% utilization assumption for eligible retirees.
- Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale.

Note 11. Other Post-Employment Benefits - PSERS Cost-Sharing Plan (Continued)

Investments

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.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	100.0%	1.2%
	100.0%	

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

Discount Rate

The discount rate used to measure the Total OPEB Liability was 4.13%. 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, the OPEB plan's fiduciary net position was not projected to be sufficient to meet projected future benefit payments, therefore the plan is considered a "pay-as-you-go" plan. A discount rate of 4.13%, which represents the S&P 20-year Municipal Bond Rate at June 30, 2023, was applied to all projected benefit payments to measure the total OPEB liability.

Note 11. Other Post-Employment Benefits - PSERS Cost-Sharing Plan (Continued)

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

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

	1% Decrease 3.13%	Current Discount Rate 4.13%	1% Increase 5.13%
District's proportionate share of the net OPEB liability	$ 3,766,000	$ 3,331,000	$ 2,967,000

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

The following presents the District's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates (between 5% to 7%) that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	$ 3,330,000	$ 3,331,000	$ 3,331,000

OPEB Plan Fiduciary Net Position

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

Plan Payables

At June 30, 2024, the District reported a payable to PSERS of $67,107, which represents the employer contributions owed to the OPEB plan.

Note 12. Fund Balance Designations

The District has designated certain portions of its governmental fund balances as follows:

	General Fund	Capital Reserve Fund	Student Sponsored Activity Fund
Nonspendable, reported in:			
General fund - prepaids	$ 865,428	$ -	$ 6,149
Restricted for, reported in:			
Capital projects	-	7,510,729	-
Student sponsored activity	-	-	142,887
Committed for, reported in:			
General fund - technology	500,000	-	-
Medical costs	1,250,000	-	-
Debt principal	6,234,846	-	-
Assigned, reported in:			
General fund	1,644,167	-	-
Unassigned, reported in:			
General fund	5,932,503	-	-
	$ 16,426,944	$ 7,510,729	$ 149,036

Note 13. Risk Management

Medical Insurance

The School District is exposed to risk of loss related to employee health care. In July 1989, the District joined the Lincoln Benefit Trust, a public entity risk pool currently operating as a claim servicing pool for member school districts and the intermediate unit. The Trust purchased stop-loss insurance through the Pennsylvania Trust with coverage starting at $300,000 per covered person. A portion of the members' total contributions are transferred to the Pennsylvania Maxi-Pool Fund each month. Claims over $300,000 and up to $500,000 are paid from this fund on a shared risk basis. Stop-loss insurance is purchased by the Pennsylvania Trust through an insurance carrier for $500,000 and above per individual. At June 30, 2024, the District's funding for claims exceeded the payments to date; accordingly, the District has a prepaid balance of $840,955 with Lincoln Benefit Trust, which is recorded in the General Fund as an asset. The District has nonspendable fund balance for this amount.

The following is a summary of the financial information of the Lincoln Benefit Trust as of June 30, 2024:

		Amount
Net position available for benefits	$	69,231,490
Accumulated plan benefits	$	8,573,000

The accumulated plan benefits represent benefit claims payable and estimated claims incurred, but not reported to the Plan Administrator at June 30, 2024. It is reasonably possible that actual benefit claims for all participating members will differ from the estimated amount, and the difference may be material to the District's financial position.

Other Risks

The District is exposed to various risk of loss related to torts; theft of, damage to, or destruction of assets; errors; or omissions. Most significant losses are covered by commercial insurance for major programs. For insured programs, there have been no significant reductions in settlement coverage. Settlement amounts have not exceeded insurance coverage for the current or the three prior years. During the year ended June 30, 2024, the District did not incur any significant losses that were not covered by insurance.

Note 14. Joint Ventures

York County School of Technology

The District is one of fourteen-member school districts participating in the operation of the York County School of Technology (YCST). YCST is operated, administered and managed by a joint-operating committee consisting of board members from the "fourteen-member school districts." Member districts are responsible for funding the major portion of YCST's operating budget. The District's share of annual operating costs for YCST is based on the number of students attending the school from the District and is reflected as instructional expenditures of the District's General Fund. For the year ended June 30, 2024, the District paid $1,297,821 for its estimated share of the operating budget.

The York County School of Technology formed The York County School of Technology Authority (the Authority) on March 29, 1967, as a financing medium for the construction, improvement, and maintenance of YCST. The Authority has issued Lease Revenue Bonds, Series A and Series B of 2017 for the purpose of funding the renovations, alterations and additions to the school facilities constructed in previous years. As of June 30, 2024, the District's pro-rata share represented 4.91% of total assessed value. The District's obligation is a conduit debt arrangement with other School Districts as obligors and the Authority as the issuer and is consistent with their ongoing obligation to fund the operations of the YCST. Conduit debt obligations are exempt from Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases,* requirements. The District made a lease rental payment to YCST in the amount of $171,237, which is included in instructional expenditures of the District's General Fund.

The annual requirements of the District based on the 4.91% assessed value rate to amortize the Lease Revenue Bonds 2017, Series A and B recorded on the books of the York County School of Technology Authority are as follows:

Year ending September 30:	Principal	Interest	Total
2025	$ 95,745	$ 26,982	122,727
2026	72,914	22,568	95,482
2027	76,596	18,922	95,518
2028	80,524	15,092	95,616
2029	84,452	11,066	95,518
2030-2032	218,986	12,145	231,131
Total	629,217	$ 106,775	$ 735,992
Less: due within one year	(95,745)		
Total long-term outstanding	$ 533,472		

Complete financial information for the York County School of Technology can be obtained at 2179 South Queen Street, York, PA 17402.

Note 14. Joint Ventures (Continued)

York/LIU Joint Authority

The District is one of thirteen York County School Districts which are included within the Lincoln Intermediate Unit (LIU), which provides classes and other programs to students within each of the member school districts. In 2005, the LIU determined that it needed a facility in York County to house classes and other programs which it provides to York County students. Under the School Code, an intermediate unit is permitted "to lease land and buildings and to own office and warehouse facilities." This provision of the School Code prohibits an intermediate unit from owning buildings which are used for classrooms. Therefore, although an intermediate unit may lease classroom space, an intermediate unit may not own property which is used for classrooms.

In order to obtain the facilities which the LIU needs in York County, the LIU entered into a lease with Central York School District for the Old Central York High School on August 15, 2005. An option of the lease agreement stipulated that the LIU may purchase the property for $2,500,000 before the two-year lease expired on August 31, 2007. As noted above, according to the School Code, the LIU may lease the property, but not purchase it. As a result, on March 3, 2006, the York/LIU Joint Authority (the Authority) was created with the purpose of purchasing the property and leasing it to the LIU. The LIU and the school districts which formed the Authority are not liable or responsible for the debts or obligations of the Authority.

The Authority will lease the above-mentioned property to the LIU for a monthly rental fee which is sufficient to provide the Authority with funds to pay (a) all interest and other payments which are due with respect to the debt incurred by the Authority and (b) the other costs and expenses which the Authority will incur. Total liabilities include a Construction Loan Note - Series of 2017 with a balance of $206,294 as of June 30, 2024.

Note 15. Commitments and Contingencies

Grant Programs

The District participates in numerous state and Federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required, and the collectability of any related receivables at June 30, 2024, may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies. As of June 30, 2024, the district has the following commitments:

Construction

The District has active construction projects which include the renovations of the boiler rooms at Leib and North Salem Elementaries at an estimated cost of approximately $795 thousand as of June 30, 2024. The District has a remaining commitment of approximately $772 thousand on the construction contracts and agreements as of June 30, 2024.

REQUIRED SUPPLEMENTARY INFORMATION

DOVER AREA SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION -
SCHEDULES OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY -
PENNSYLVANIA PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM

For the Fiscal Year Ended June 30	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2024	0.1844%	$ 82,033,000	$ 28,209,944	290.79%	61.85%
2023	0.1848%	$ 82,160,000	$ 27,239,165	301.62%	61.34%
2022	0.1892%	$ 77,679,000	$ 26,926,373	288.49%	63.67%
2021	0.1896%	$ 93,357,000	$ 26,712,103	349.49%	54.32%
2020	0.1868%	$ 87,390,000	$ 25,765,389	339.18%	55.66%
2019	0.1830%	$ 87,849,000	$ 24,640,543	356.52%	54.00%
2018	0.1780%	$ 87,911,000	$ 23,697,342	370.97%	51.84%
2017	0.1802%	$ 89,301,000	$ 23,342,365	382.57%	50.14%
2016	0.1723%	$ 74,632,000	$ 22,164,951	336.71%	54.36%
2015	0.1699%	$ 67,248,000	$ 21,681,870	310.16%	57.24%

The amounts presented for each fiscal year were determined as of the measurement date, which is one year prior to the fiscal year end.

The schedule is presented to illustrate the requirement to show information for 10 years.

DOVER AREA SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION -
SCHEDULES OF DISTRICT'S PENSION CONTRIBUTIONS -
PENNSYLVANIA PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM

For the Fiscal Year Ended June 30	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	$ 9,468,598	$ (9,468,598)	$ -	$ 28,457,944	33.27%
2023	$ 9,480,917	$ (9,480,917)	$ -	$ 27,512,198	34.46%
2022	$ 9,276,873	$ (9,276,873)	$ -	$ 27,275,851	34.01%
2021	$ 9,019,822	$ (9,019,822)	$ -	$ 27,089,099	33.30%
2020	$ 8,877,697	$ (8,877,697)	$ -	$ 26,770,966	33.16%
2019	$ 8,384,438	$ (8,384,438)	$ -	$ 25,798,535	32.50%
2018	$ 7,988,516	$ (7,988,516)	$ -	$ 25,342,955	31.52%
2017	$ 6,942,501	$ (6,942,501)	$ -	$ 23,663,907	29.34%
2016	$ 5,878,163	$ (5,878,163)	$ -	$ 23,349,296	25.17%
2015	$ 4,461,057	$ (4,461,057)	$ -	$ 22,161,245	20.13%

The schedule is presented to illustrate the requirement to show information for 10 years.

DOVER AREA SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION -
SCHEDULES OF CHANGES IN OPEB LIABILITY AND RELATED RATIOS -
DISTRICT'S SINGLE EMPLOYER PLAN
For the Fiscal Year Ended June 30,

	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability							
Service cost	$ 197,004	$ 286,634	$ 286,437	$ 373,775	$ 374,877	$ 281,490	$ 271,658
Interest	130,495	79,473	62,410	169,318	144,476	120,794	87,631
Changes of benefit terms	-	112,771	-	-	-	(227,619)	-
Differences between expected and actual experience	-	375,808	-	(1,916,845)	-	1,097,648	-
Changes in assumptions	44,650	(862,775)	(103,729)	(72,444)	(147,266)	(221,818)	119,779
Benefit payments	(222,988)	(115,574)	(114,451)	(192,703)	(164,835)	(143,208)	(155,853)
Net change in total OPEB liability	149,161	(123,663)	130,667	(1,638,899)	207,252	907,287	323,215
Total OPEB Liability - beginning	3,137,957	3,261,620	3,130,953	4,769,852	4,562,600	3,655,313	-
Total OPEB Liability - ending	$ 3,287,118	$ 3,137,957	$ 3,261,620	$ 3,130,953	$ 4,769,852	$ 4,562,600	$ 323,215
Covered payroll	$ 23,545,416	$ 23,545,416	$ 24,397,348	$ 24,397,348	$ 23,309,704	$ 23,309,704	$ 21,955,378
Total OPEB liability as a percentage of covered payroll	13.96%	13.33%	13.37%	12.83%	20.46%	19.57%	1.47%

Notes to Schedule:

For the fiscal year ended June 30, 2024:
Changes in assumptions: The discount rate changed from 4.06% to 4.13%. The trend assumption was updated.

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.

DOVER AREA SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION -
SCHEDULES OF DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY -
PENNSYLVANIA PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM

For the Fiscal Year Ended June 30	District's Proportion of the Net OPEB Liability	District's Proportionate Share of the Net OPEB Liability	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2024	0.1841%	$ 3,331,000	$ 28,209,944	11.81%	7.22%
2023	0.1852%	$ 3,409,000	$ 27,239,165	12.52%	6.86%
2022	0.1899%	$ 4,502,000	$ 26,926,373	16.72%	5.30%
2021	0.1903%	$ 4,112,000	$ 26,712,103	15.39%	5.69%
2020	0.1868%	$ 3,973,000	$ 25,765,389	15.42%	5.56%
2019	0.1830%	$ 3,815,000	$ 24,640,543	15.48%	5.56%
2018	0.1780%	$ 3,627,000	$ 23,697,342	15.31%	5.73%

The amounts presented for each fiscal year were determined as of the measurement date, which is one year prior to the fiscal year end.

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.

DOVER AREA SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION -
SCHEDULES OF DISTRICT'S OPEB CONTRIBUTIONS -
PENNSYLVANIA PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM

For the Fiscal Year Ended June 30	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	$ 181,652	$ (181,652)	$ -	$ 28,457,944	0.64%
2023	$ 206,028	$ (206,028)	$ -	$ 27,512,198	0.75%
2022	$ 217,385	$ (217,385)	$ -	$ 27,275,851	0.80%
2021	$ 219,538	$ (219,538)	$ -	$ 27,089,099	0.81%
2020	$ 222,938	$ (222,938)	$ -	$ 26,770,967	0.83%
2019	$ 213,470	$ (213,470)	$ -	$ 25,798,566	0.83%
2018	$ 208,899	$ (208,899)	$ -	$ 25,342,955	0.82%

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.

SUPPLEMENTARY INFORMATION

DOVER AREA SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES-BUDGET TO ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
LOCAL REVENUE SOURCES			
Current Real Estate Tax	$ 29,148,500	$ 29,200,577	$ 52,077
Interim Real Estate Tax	253,000	394,508	141,508
Public Utility Realty Tax	36,500	31,576	(4,924)
Payments in Lieu of Current Taxes	-	232	232
Earned Income Taxes - Act 511	5,775,000	6,567,550	792,550
Real Estate Transfer Tax	565,000	705,360	140,360
Delinquent Real Estate Taxes	700,000	612,081	(87,919)
Delinquent Earned Income Taxes	100,000	146,379	46,379
YATB Other Income and Refunds	-	126,895	126,895
Interest on Investments	549,071	1,093,868	544,797
Admissions	61,000	51,262	(9,738)
School Sponsored Activity Sales	13,000	16,272	3,272
Technology Insurance Fees	-	9,643	9,643
Activity Fees	27,200	27,155	(45)
LEA Activity - Special Events	500	114	(386)
Other LEA Activity Income	10,550	9,244	(1,306)
Federal Revenue Received Through LEAs	140,000	139,477	(523)
Federal IDEA Revenue Received as Pass Through	728,500	812,012	83,512
Rentals	15,000	55,840	40,840
Contributions	1,000	148	(852)
Receipts from Other LEA in Pennsylvania	174,200	338,470	164,270
Transportation Services	20,000	4,133	(15,867)
Fines/Truancy	40,000	58,957	18,957
Miscellaneous Revenue	7,500	18,435	10,935
Energy Incentives/Credits	10,000	-	(10,000)
TOTAL REVENUES FROM LOCAL SOURCES	$ 38,375,521	$ 40,420,188	$ 2,044,667

(Continued)

DOVER AREA SCHOOL DISTRICT
GENERAL FUND
SCHEDULES OF REVENUES AND OTHER FINANCING SOURCES-BUDGET TO ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
STATE REVENUE SOURCES			
Basic Instructional Subsidy	$ 13,411,225	$ 13,410,056	$ (1,169)
Tuition - Section 1305/1306	100,000	100,468	468
Vocational Education	289,439	360,943	71,504
Special Education	2,852,415	2,691,981	(160,434)
Transportation (Regular & Additional)	1,425,000	1,617,443	192,443
Rentals & Sinking Fund Payments	1,212,907	1,246,668	33,761
Health Services	60,000	60,699	699
State Property Tax Reduction Allocation	1,608,319	1,608,319	-
Ready to Learn	560,822	560,822	-
Other State Revenue	-	160,041	160,041
State Share of Social Security	1,215,000	1,219,731	4,731
State Share of Retirement Contributions	5,850,000	5,705,786	(144,214)
TOTAL STATE REVENUE SOURCES	$ 28,585,127	$ 28,742,957	$ 157,830
FEDERAL REVENUE SOURCES			
Title I - Basic Program	696,800	612,201	(84,599)
Title II - Improving Teacher Quality	89,400	85,239	(4,161)
Title IV - Student Support and Academic Enrichment	59,100	49,564	(9,536)
Vocation Education - Operating Expenses	32,500	36,998	4,498
ESSER III	2,957,806	1,149,015	(1,808,791)
ARP ESSER	198,820	117,236	(81,584)
School Based Access Medicaid	250,000	350,000	100,000
Medical Assistance Reimbursement	20,000	14,676	(5,324)
TOTAL FEDERAL REVENUE SOURCES	$ 4,304,426	$ 2,414,929	$ (1,889,497)
OTHER REVENUE SOURCES			
Sale of Fixed Assets	287,475	6,610	(280,865)
Proceeds from Leases	-	108,050	108,050
TOTAL OTHER REVENUE SOURCES	287,475	114,660	(172,815)
TOTAL LOCAL, STATE, FEDERAL AND OTHER REVENUES	$ 71,552,549	$ 71,692,734	$ 140,185

DOVER AREA SCHOOL DISTRICT
GENERAL FUND
SCHEDULES OF EXPENDITURES AND OTHER FINANCING USES - BUDGET TO ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

EXPENDITURES	Original Budget	Transfers Increase (Decrease)	Final Revised Budget	Actual	Variance with Final Budget Positive (Negative)
INSTRUCTION					
REGULAR PROGRAMS					
Salaries	$ 15,364,611	$ (452,000)	$ 14,912,611	$ 14,857,164	$ 55,447
Employee Benefits	10,029,890	(400,000)	9,629,890	9,538,110	91,780
Purchased Professional Services	7,000	51,000	58,000	57,234	766
Purchased Property Services	9,975	(2,100)	7,875	5,432	2,443
Other Purchased Services	1,804,900	302,370	2,107,270	2,100,284	6,986
Supplies and Material	776,538	1,270	777,808	722,623	55,185
Property	-	25,000	25,000	23,176	1,824
Other Objects	6,460	290	6,750	4,381	2,369
TOTAL REGULAR PROGRAMS	$ 27,999,374	$ (474,170)	$ 27,525,204	$ 27,308,404	$ 216,800
SPECIAL PROGRAMS					
Salaries	$ 4,667,471	$ (100,000)	$ 4,567,471	$ 4,565,723	$ 1,748
Employee Benefits	3,156,602	373,500	3,530,102	3,528,971	1,131
Purchased Professional Services	2,198,401	(566,000)	1,632,401	1,631,325	1,076
Purchased Property Services	250	-	250	-	250
Other Purchased Services	1,769,259	647,000	2,416,259	2,414,236	2,023
Supplies and Material	76,550	500	77,050	76,658	392
TOTAL SPECIAL PROGRAMS	$ 11,868,533	$ 355,000	$ 12,223,533	$ 12,216,913	$ 6,620
VOCATIONAL EDUCATION					
Salaries	$ 1,274,893	$ -	$ 1,274,893	$ 1,226,355	$ 48,538
Employee Benefits	792,218	12,000	804,218	802,777	1,441
Purchased Professional Services	4,000	-	4,000	4,000	-
Purchased Property Services	4,800	-	4,800	477	4,323
Other Purchased Services	1,112,323	113,437	1,225,760	1,225,581	179
Supplies and Material	116,510	(7,992)	108,518	107,448	1,070
Property	12,200	55,517	67,717	67,017	700
Other Objects	8,800	3,038	11,838	6,484	5,354
TOTAL VOCATION EDUCATION	$ 3,325,744	$ 176,000	$ 3,501,744	$ 3,440,139	$ 61,605
OTHER INSTRUCTIONAL PROGRAMS					
Salaries	$ 121,822	$ -	$ 121,822	$ 107,939	$ 13,883
Employee Benefits	86,203	-	86,203	67,330	18,873
Other Purchased Services	117,000	120,000	237,000	236,119	881
TOTAL OTHER INSTRUCTIONAL PROGRAMS	$ 325,025	$ 120,000	$ 445,025	$ 411,388	$ 33,637
NONPUBLIC SCHOOL PROGRAMS					
Purchased Professional Services	$ -	$ 5,500	$ 5,500	$ 5,133	$ 367
Supplies and Material	-	3,000	3,000	2,552	448
TOTAL NONPUBLIC SCHOOL PROGRAMS	$ -	$ 8,500	$ 8,500	$ 7,685	$ 815
TOTAL INSTRUCTION	$ 43,518,676	$ 185,330	$ 43,704,006	$ 43,384,529	$ 319,477

(Continued)

DOVER AREA SCHOOL DISTRICT
GENERAL FUND
SCHEDULES OF EXPENDITURES AND OTHER FINANCING USES - BUDGET TO ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

EXPENDITURES	Original Budget	Transfers Increase (Decrease)	Final Revised Budget	Actual	Variance with Final Budget Positive (Negative)
SUPPORT SERVICES					
PUPIL PERSONNEL					
Salaries	$ 1,150,997	$ 59,500	$ 1,210,497	$ 1,209,933	$ 564
Employee Benefits	642,482	128,000	770,482	770,044	438
Purchased Professional Services	-	79,000	79,000	78,774	226
Other Purchased Services	-	2,100	2,100	2,084	16
Supplies and Material	19,570	6,000	25,570	25,310	260
Other Objects	1,900	600	2,500	2,404	96
TOTAL PUPIL PERSONNEL	$ 1,814,949	$ 275,200	$ 2,090,149	$ 2,088,549	$ 1,600
INSTRUCTIONAL STAFF					
Salaries	$ 1,146,561	$ 58,000	$ 1,204,561	$ 1,203,471	$ 1,090
Employee Benefits	945,472	48,000	993,472	993,112	360
Purchased Professional Services	461,928	(280,250)	181,678	171,940	9,738
Purchased Property Services	11,500	12,000	23,500	21,967	1,533
Other Purchased Services	22,045	3,000	25,045	24,342	703
Supplies and Material	146,091	10,590	156,681	156,178	503
Property	535,000	(383,000)	152,000	149,631	2,369
Other Objects	-	200	200	160	40
TOTAL INSTRUCTIONAL STAFF	$ 3,268,597	$ (531,460)	$ 2,737,137	$ 2,720,801	$ 16,336
ADMINISTRATION					
Salaries	$ 1,589,392	$ 57,000	$ 1,646,392	$ 1,646,242	$ 150
Employee Benefits	1,043,934	25,000	1,068,934	1,068,700	234
Purchased Professional Services	167,500	-	167,500	139,822	27,678
Purchased Property Services	7,500	500	8,000	6,077	1,923
Other Purchased Services	490	1,000	1,490	1,377	113
Supplies and Material	70,670	(9,976)	60,694	36,703	23,991
Other Objects	20,995	400	21,395	15,998	5,397
TOTAL ADMINISTRATION	$ 2,900,481	$ 73,924	$ 2,974,405	$ 2,914,919	$ 59,486
PUPIL HEALTH					
Salaries	$ 398,911	$ -	$ 398,911	$ 389,343	$ 9,568
Employee Benefits	285,709	-	285,709	254,026	31,683
Purchased Professional Services	221,549	-	221,549	203,041	18,508
Purchased Property Services	1,650	-	1,650	530	1,120
Other Purchased Services	90	-	90	14	76
Supplies and Material	16,500	-	16,500	8,116	8,384
Other Objects	350	-	350	260	90
TOTAL PUPIL HEALTH	$ 924,759	$ -	$ 924,759	$ 855,330	$ 69,429

(Continued)

DOVER AREA SCHOOL DISTRICT
GENERAL FUND
SCHEDULES OF EXPENDITURES AND OTHER FINANCING USES - BUDGET TO ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

EXPENDITURES	Original Budget	Transfers Increase (Decrease)	Final Revised Budget	Actual	Variance with Final Budget Positive (Negative)
BUSINESS					
Salaries	$ 450,149	$ -	$ 450,149	$ 436,588	$ 13,561
Employee Benefits	284,698	-	284,698	280,638	4,060
Purchased Professional Services	41,500	-	41,500	40,782	718
Purchased Property Services	-	1,500	1,500	1,469	31
Other Purchased Services	650	12,000	12,650	11,876	774
Supplies and Material	43,500	(5,550)	37,950	29,238	8,712
Other Objects	126,500	35,000	161,500	160,139	1,361
TOTAL BUSINESS	$ 946,997	$ 42,950	$ 989,947	$ 960,730	$ 29,217
OPERATION AND MAINTENANCE OF PLANT SERVICES					
Salaries	$ 1,406,585	$ (36,500)	$ 1,370,085	$ 1,364,733	$ 5,352
Employee Benefits	979,524	(64,000)	915,524	914,506	1,018
Purchased Professional Services	297,793	1,500	299,293	291,007	8,286
Purchased Property Services	783,208	(85,000)	698,208	696,312	1,896
Other Purchased Services	267,437	-	267,437	242,868	24,569
Supplies and Material	1,248,260	324,000	1,572,260	1,570,972	1,288
Property	16,000	115,000	131,000	129,891	1,109
Other Objects	1,000	-	1,000	281	719
TOTAL OPERATION AND MAINTENANCE OF PLANT SERVICES	$ 4,999,807	$ 255,000	$ 5,254,807	$ 5,210,570	$ 44,237
STUDENT TRANSPORTATION SERVICES					
Salaries	$ 52,788	$ -	$ 52,788	$ 52,788	$ -
Employee Benefits	48,379	-	48,379	45,083	3,296
Purchased Professional Services	-	7,200	7,200	7,007	193
Purchased Property Services	-	2,600	2,600	2,495	105
Other Purchased Services	3,639,731	252,000	3,891,731	3,889,341	2,390
Supplies and Material	100,500	-	100,500	99,499	1,001
Other Objects	75	200	275	227	48
TOTAL STUDENT TRANSPORTATION SERVICES	$ 3,841,473	$ 262,000	$ 4,103,473	$ 4,096,440	$ 7,033
CENTRAL					
Salaries	$ 390,068	$ -	$ 390,068	$ 378,490	$ 11,578
Employee Benefits	284,851	-	284,851	279,306	5,545
Purchased Professional Services	27,450	(1,000)	26,450	19,912	6,538
Other Purchased Services	8,600	-	8,600	4,973	3,627
Supplies and Material	2,800	5,000	7,800	7,461	339
Other Objects	1,750	-	1,750	985	765
TOTAL CENTRAL	$ 715,519	$ 4,000	$ 719,519	$ 691,127	$ 28,392
OTHER SUPPORT SERVICES					
Other Purchased Services	$ 5,000	$ -	$ 5,000	$ 4,642	$ 358
TOTAL OTHER SUPPORT SERVICES	$ 5,000	$ -	$ 5,000	$ 4,642	$ 358
TOTAL SUPPORT SERVICES	$ 19,417,582	$ 381,614	$ 19,799,196	$ 19,543,108	$ 256,088

(Continued)

DOVER AREA SCHOOL DISTRICT
GENERAL FUND
SCHEDULES OF EXPENDITURES AND OTHER FINANCING USES - BUDGET TO ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

EXPENDITURES	Original Budget	Transfers Increase (Decrease)	Final Revised Budget	Actual	Variance with Final Budget Positive (Negative)
OPERATION OF NON-INSTRUCTIONAL SERVICES					
STUDENT ACTIVITIES					
Salaries	$ 520,295	$ 63,000	$ 583,295	$ 581,602	$ 1,693
Employee Benefits	235,401	33,000	268,401	267,170	1,231
Purchased Professional Services	66,250	495	66,745	66,613	132
Purchased Property Services	17,465	23,400	40,865	40,504	361
Other Purchased Services	68,892	3,205	72,097	62,260	9,837
Supplies and Material	176,221	1,706	177,927	167,685	10,242
Property	14,600	-	14,600	-	14,600
Other Objects	9,705	7,000	16,705	15,838	867
TOTAL STUDENT ACTIVITIES	$ 1,108,829	$ 131,806	$ 1,240,635	$ 1,201,672	$ 38,963
COMMUNITY SERVICES					
Other Purchased Services	$ -	$ 1,500	$ 1,500	$ 1,382	$ 118
Supplies and Material	-	6,000	6,000	5,894	106
Other Objects	25,000	(25,000)	-	-	-
TOTAL COMMUNITY SERVICES	$ 25,000	$ (17,500)	$ 7,500	$ 7,276	$ 224
TOTAL OPERATION OF NON-INSTRUCTIONAL SERVICES	$ 1,133,829	$ 114,306	$ 1,248,135	$ 1,208,948	$ 39,187
FACILITIES ACQUISITION, CONSTRUCTION AND IMPROVEMENT SERVICES					
EXISTING BUILDING IMPROVEMENT SERVICES					
Purchased Property Services	$ 2,022,514	(1,474,500)	$ 548,014	$ 526,849	$ 21,165
TOTAL EXISTING BUILDING IMPROVEMENT SERVICES	2,022,514	(1,474,500)	548,014	526,849	21,165
TOTAL FACILITIES ACQUISITION, CONSTRUCTION AND IMPROVEMENT SERVICES	$ 2,022,514	$ (1,474,500)	$ 548,014	$ 526,849	$ 21,165
OTHER EXPENDITURES AND FINANCING USES					
DEBT SERVICE AND OTHER EXPENDITURES/FINANCING USES					
Interest	$ 3,149,193	$ 455,000	$ 3,604,193	$ 3,601,087	$ 3,106
Redemption of principal	3,779,000	438,000	4,217,000	4,215,431	1,569
Refund of prior year receipts	-	250	250	175	75
TOTAL DEBT SERVICE AND OTHER EXPENDITURES/FINANCING USES	$ 6,928,193	$ 893,250	$ 7,821,443	$ 7,816,693	$ 4,750
BUDGETARY RESERVE	$ 100,000	$ (100,000)	$ -	$ -	$ -
TOTAL OTHER EXPENDITURES AND FINANCING USES	$ 7,028,193	$ 793,250	$ 7,821,443	$ 7,816,693	$ 4,750
TOTAL GENERAL FUND EXPENDITURES	$ 73,120,794	$ -	$ 73,120,794	$ 72,480,127	$ 640,667

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

Board of School Directors
Dover Area School District
Dover, 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 and each major fund of Dover Area School District (District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 25, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 District's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Camp Hill, Pennsylvania
November 25, 2024

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

Board of School Directors
Dover Area School District
Dover, Pennsylvania

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Dover Area School District's (District) 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 the District's major federal programs for the year ended June 30, 2024. The 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, the District's complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the 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 the 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the 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 the 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 the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

Camp Hill, Pennsylvania
November 25, 2024

DOVER AREA SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2024

Section I -- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness (es) identified? ___ Yes _X_ No
- Significant deficiency(ies) identified that are not considered to be a material weakness (es)? ___ Yes _X_ None Reported

Noncompliance material to financial statements noted? ___ Yes _X_ No

Federal Awards

Internal control over major programs:

Material weakness (es) identified? ___ Yes _X_ No

- Significant deficiency(ies) identified that are not considered to be a material weakness (es)? ___ Yes _X_ None Reported

Type of auditor's report issued on compliance for the major programs: Unmodified

- Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)3? __ Yes _X_ No

Identification of the major programs:

CFDA Number(s)	Name of Federal Programs/Cluster
84.010	Title I – Grants to Local Educational Agencies
	Special Education Cluster
84.027	Special Education – Grants to States (IDEA, Part B)
84.173	Special Education – Preschool Grants (IDEA Preschool)

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

Auditee qualified as low-risk auditee? _X_ Yes __ No

DOVER AREA SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2024

Section II -- Financial Statement Findings

A. Significant Deficiency(ies) in Internal Control

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

B. Compliance Findings

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

Section III -- Federal Award Findings and Questioned Costs

A. Compliance Findings

There were no findings relating to the Federal awards as required to be reported in accordance with section 2 CFR 200.516(a) of the Uniform Guidance.

B. Significant Deficiency(ies) in Internal Control

There were no significant deficiencies in internal controls relating to the federal awards as required to be reported in accordance with Section 2 CFR 200.516(a) of the Uniform Guidance.

DOVER AREA SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2024

	Assistance Listing Number	Pass Through Grantor's Number	Grant Period	Program or Annual Award	Total Received (Paid) for the Year	Accrued or (Deferred) Revenue at July 1, 2023	Revenue Recognized	Expenditures Recognized	Accrued or (Deferred) Revenue at June 30, 2024	Provided to Subrecipients
U.S. Department of Education										
Passed through the Pennsylvania Department of Education										
Title I - Grants to Local Educational Agencies	84.010	013-23-0120	22-23	$ 696,816	$ 149,473	$ 148,387	$ 1,086	$ 1,086	$ -	$ -
Title I - Grants to Local Educational Agencies	84.010	013-24-0120	23-24	$ 611,115	567,429	-	611,115	611,115	43,686	-
					716,902	148,387	612,201	612,201	43,686	-
Career and Technical Education - Basic Grants to States (Perkins V)	84.048	380-23-0070	22-23	$ 32,796	2,733	2,733	-	-	-	-
Career and Technical Education - Basic Grants to States (Perkins V)	84.048	380-24-0018	23-24	$ 36,998	36,998	-	36,998	36,998	-	-
					39,731	2,733	36,998	36,998	-	-
Title II - Supporting Effective Instruction State Grants	84.367	020-23-0120	22-23	$ 89,382	19,464	18,265	1,199	1,199	-	-
Title II - Supporting Effective Instruction State Grants	84.367	020-24-0120	23-24	$ 84,040	53,925	-	84,040	84,040	30,115	-
					73,389	18,265	85,239	85,239	30,115	-
Title IV - Student Support and Academic Enrichment Program	84.424	144-23-0120	22-23	$ 59,071	22,896	19,517	3,379	3,379	-	-
Title IV - Student Support and Academic Enrichment Program	84.424	144-24-0120	23-24	$ 54,551	35,069	-	46,185	46,185	11,116	-
					57,965	19,517	49,564	49,564	11,116	-
COVID-19 - American Rescue Plan - Elementary & Secondary School Emergency Relief (ARP ESSER) Fund	84.425U	223-21-0120	23-24	$ 4,768,011	2,600,733	1,692,569	1,149,015	1,149,015	240,851	-
COVID-19 - American Rescue Plan - Elementary & Secondary School Emergency Relief (ARP ESSER) Fund	84.425U	225-21-0120	23-24	$ 370,581	188,660	48,849	114,712	114,712	(25,099)	-
COVID-19 - American Rescue Plan - Elementary & Secondary School Emergency Relief (ARP ESSER) Fund	84.425U	224-21-0120	23-24	$ 55,892	7,113	7,113	-	-	-	-
					2,796,506	1,748,531	1,263,727	1,263,727	215,752	-
COVID-19 - American Rescue Plan Elementary and Secondary Schools Emergency Relief-Homeless Children and Youth (ARP-HCY)	84.425W	181-21-2121	23-24	$ 37,244	21,009	16,023	2,524	2,524	(2,462)	-
Total passed through the Pennsylvania Department of Education					3,705,502	1,953,456	2,050,253	2,050,253	298,207	-
Passed through the Lincoln Intermediate Unit										
Special Education - Grants to States (IDEA, Part B)	84.027	062-24-0012	23-24	$ 797,792	797,792	-	797,792	797,792	-	-
Special Education - Preschool Grants (IDEA Preschool)	84.173	131-24-0012	23-24	$ 14,220	-	-	14,220	14,220	14,220	-
Total passed through the Lincoln Intermediate Unit					797,792	-	812,012	812,012	14,220	-
Total U.S. Department of Education					4,503,294	1,953,456	2,862,265	2,862,265	312,427	-

(Continued)

DOVER AREA SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
Year Ended June 30, 2024

	Assistance Listing Number	Pass Through Grantor's Number	Grant Period	Program or Annual Award	Total Received (Paid) for the Year	Accrued or (Deferred) Revenue at July 1, 2023	Revenue Recognized	Expenditures Recognized	Accrued or (Deferred) Revenue at June 30, 2024	Provided to Subrecipients
U.S. Department of Health and Human Services										
Passed through the Pennsylvania Department of Public Welfare										
Medicaid Cluster										
Medical Assistance Program (Medicaid; Title XIX)	93.778	044-007413	22-23	$ 24,423	18,838	18,838	-	-	-	-
Medical Assistance Program (Medicaid; Title XIX)	93.778	044-007413	23-24	$ 14,676	-	-	14,676	14,676	14,676	-
Total U.S. Department of Health and Human Services					18,838	18,838	14,676	14,676	14,676	-
U.S. Department of Agriculture										
Passed through the Pennsylvania Department of Education										
School Breakfast Program	10.553	N/A	23-24	N/A	388,251	39,774	348,477	348,477	-	-
National School Lunch Program	10.555	N/A	23-24	N/A	1,127,686	126,549	1,001,137	1,001,137	-	-
COVID-19 - National School Lunch Program - Supply Chain Assistance	10.555	N/A	23-24	N/A	80,057	-	80,057	80,057	-	-
					1,207,743	126,549	1,081,194	1,081,194	-	-
Summer Food Service Program for Children	10.559	N/A	20-21	N/A	295,816	294,782	1,034	1,034	-	-
COVID-19 - Pandemic Electronic Benefits Transfer Administrative Costs Grant	10.649	N/A	23-24	N/A	5,763	-	5,763	5,763	-	
Total passed through the Pennsylvania Department of Education					1,897,573	461,105	1,436,468	1,436,468	-	-
Passed through the Pennsylvania Department of Agriculture										
National School Lunch Program - Food Donations	10.555	N/A	23-24	N/A	191,567	-	191,567	191,567	-	-
Total U.S. Department of Agriculture					2,089,140	461,105	1,628,035	1,628,035	-	-
Total Expenditures of Federal Awards					$ 6,611,272	$ 2,433,399	$ 4,504,976	$ 4,504,976	$ 327,103	$ -
Child Nutrition Cluster (Assistance Listing Numbers - 10.553, 10.555, and 10.559)					$ 2,083,377	$ 461,105	$ 1,622,272	$ 1,622,272	$ -	$ -
Special Education Cluster (Assistance Listing Numbers 84.027 and 84.173)					$ 797,792	$ -	$ 812,012	$ 812,012	$ 14,220	$ -
Economic Stabilization Fund (Assistance Listing Numbers 84.425)					$ 2,817,515	$ 1,764,554	$ 1,266,251	$ 1,266,251	$ 213,290	$ -

See Notes to Schedule of Expenditures of Federal Awards.

DOVER AREA SCHOOL DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2024

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Dover Area School District under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of Dover Area School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of Dover Area School District.

Note 2. Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Revenue is recognized when earned, and expenses are recognized when incurred. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available. The District has not elected to use the 10-percent de Minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3. Access Program

The ACCESS Program is a medical assistance program that reimburses local education agencies for direct, eligible health-related services provided to enrolled special needs students. ACCESS reimbursements are federal monies but are classified as fee-for-service revenues and are not considered federal financial assistance and are not included on the Schedule. The amount of ACCESS funding expended, but not included on the Schedule for the year ended June 30, 2024, was $350,000.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2024

Finding 2023-001 - Procurement
Federal Agency: Department of Education
Pass-through Agency: Pennsylvania Department of Education
Assistance Listing Number: COVID-19 – Education Stabilization Fund – 84.425

Criteria: The Uniform Guidance requires that non-federal entities must have and use documented procurement procedures consistent with laws and regulations and the standards for the acquisition of property or services under a federal award or subaward in accordance with 2 CFR 200.318. Additionally, the non-federal entity is required to follow formal procurement methods when the value of the procurement for property or service under a federal financial assistance award exceeds the simplified acquisition threshold in accordance with 2 CFR 200.320. Furthermore, the District must adhere to the Pennsylvania Public School Code 24 P.S. 1-10, 7-751 and 8-807.1 when procuring goods and services to remain in compliance with commonwealth procurement requirements.

Condition: The District did not follow the appropriate procedures to comply with the procurement requirements as established by Uniform Guidance and Pennsylvania Public School Code.

Recommendation: We recommend that the District ensure it complies with its written procurement policy. The District should document its process and how it complies with the procurement standards.

Current Status: Corrective action has been taken in the fiscal year ended June 30, 2024.