DOVER AREA SCHOOL DISTRICT

FINANCIAL REPORT

JUNE 30, 2022

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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, each major fund and the aggregate remaining fund information of the Dover Area School District (District), as of and for the year ended June 30, 2022, 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, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2022, 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. 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.

Emphasis of Matter

As disclosed in Note 1 to the financial statements, the District adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, as of July 1, 2021. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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, that 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* 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 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 February 6, 2023, 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.

Boyer & Ritter

Camp Hill, Pennsylvania
February 6, 2023

The Management Discussion and Analysis of the Dover Area School District provides an overall review of the District's financial activities for the fiscal year ended June 30, 2022. The intent of the MD&A is to look at the District's financial performance. Readers should also review the financial statements and notes in conjunction with the MD&A to enhance their understanding of the District's financial performance.

Overview of the Financial Statements

The Annual Financial Report consists of various financial statements and the notes to those statements. The financial reports consist of District-wide and individual fund statements. The District-wide statements present an aggregate long-term view of the District's finances. The fund financial statements focus on the short-term financing of the District's services and what remains for future spending.

District-wide Statements

Statement of Net Position and Statement of Activities

The Statement of Net Position and Statement of Activities reflect all assets and liabilities using the accrual basis of accounting similar to the basis used by most private-sector companies. This basis of accounting recognizes all of the current year's revenues and expenses regardless of when cash was received or paid. These statements report the District's net position and change in net position. This change in net position is important because it identifies whether the financial position of the District has improved or diminished.

In the Statement of Net Position and Statement of Activities, the District is divided into two categories:

Governmental Activities - Most of the School District's programs are reported here including instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities.

Business-Type Activity - This service is provided on a charge for goods and services basis to recover the expenses of the goods or services provided. The Food Service Program is reported as a business activity.

Fund Financial Statements

Fund financial reports provide detailed information about the District's funds. Funds are used to separate financial transactions to better monitor specific activities.

Funds at Dover Area School District include:

- Major Governmental Funds
    - General Fund
    - Capital Projects Fund
    - Student Sponsored Activity Fund
- Proprietary Fund
    - Enterprise Fund - Food Services

Financial Highlights

- Actual change in governmental activities net position decreased by $530,611 while business-type activity had an increase in net position by $534,775.
- General Fund unassigned fund balance at June 30, 2022, was $4,169,989, which represents 6.21% of the 2021-2022 General Fund Approved Budget. General Fund nonspendable fund balance includes $3,168,979 for medical insurance prepayments with Lincoln Benefit Trust and other pre-payments. General Fund committed fund balance of $9,695,708 includes $5,031,318 for retirement contributions, $500,000 for technology, $907,802 medical costs and $3,256,588 for debt principal.
- Total governmental fund balances equaled $24,434,732. The following shows the breakdown by fund:
    - General Fund Balance of $17,034,676
    - Capital Reserve Fund Balance of $7,280,476
    - Student Sponsored Activity Funds of $119,580

Reporting the School District as a Whole

The perspective of the Statement of Net Position is of the District as a whole. Table 1 provides a summary of net position for 2022 compared to 2021:

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Total assets	$ 129,643,819	$ 136,436,716	$ 1,530,191	$ 1,108,624	$ 131,174,010	$ 137,545,340
Total deferred outflows of resources	$ 15,893,210	$ 17,375,864	$ 312,599	$ 342,108	$ 16,205,809	$ 17,717,972
Total liabilities	$ 186,792,523	$ 205,309,282	$ 1,747,823	$ 2,110,585	$ 188,540,346	$ 207,419,867
Total deferred inflows of resources	$ 15,395,134	$ 4,623,315	$ 292,440	$ 72,395	$ 15,687,574	$ 4,695,710
Net investment in capital assets	$ 4,204,056	$ 4,092,864	$ 120,556	$ 85,539	$ 4,324,612	$ 4,178,403
Restricted	3,168,979	9,629,976	-	-	3,168,979	9,629,976
Unrestricted	(64,023,663)	(69,842,857)	(318,029)	(817,787)	(64,341,692)	(70,660,644)
Total net deficit	$ (56,650,628)	$ (56,120,017)	$ (197,473)	$ (732,248)	$ (56,848,101)	$ (56,852,265)

Governmental Activities

On June 30, 2022, the District had total assets from governmental activities of $129,643,819, which was a decrease of $6,792,897 or 4.98% during the fiscal year. Total governmental deferred outflows decreased by $1,482,654 and deferred inflows increased by $10,771,819, while governmental liabilities decreased by $18,516,759.

Table 2 reflects the changes in net position for fiscal year 2022 compared to fiscal year 2021:

Table 2
Change in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues						
Program revenues						
Charges for services	$ 1,207,131	$ 345,023	$ 82,105	$ 22,603	$ 1,289,236	$ 367,626
Operating grants and contributions	17,811,760	15,721,390	2,818,547	1,745,226	20,630,307	17,466,616
General revenues and transfers						
Property taxes	28,825,045	30,953,990	-	-	28,825,045	30,953,990
Other taxes	6,468,322	6,599,561	-	-	6,468,322	6,599,561
Grants, subsidies and contributions not restricted	13,548,001	13,275,232	-	-	13,548,001	13,275,232
Investment earnings	28,008	228,376	479	62	28,487	228,438
Miscellaneous income	23,207	29,260	-	-	23,207	29,260
Transfers	(14,723)	(15,917)	14,723	15,917	-	-
Gain on disposition of capital assets	602,468	213,394	-	-	602,468	213,394
Total revenues and transfers	68,499,219	67,350,309	2,915,854	1,783,808	71,415,073	69,134,117
Expenses						
Instruction	46,103,971	51,442,837	-	-	46,103,971	51,442,837
Instructional student support	4,945,922	6,241,642	-	-	4,945,922	6,241,642
Administrative and financial services	4,857,570	5,451,969	-	-	4,857,570	5,451,969
Operation and maintenance of plant services	5,151,504	3,851,068	-	-	5,151,504	3,851,068
Pupil transportation	3,360,472	3,113,269	-	-	3,360,472	3,113,269
Student activities	1,303,966	1,327,617	-	-	1,303,966	1,327,617
Community services	5,135	6,282	-	-	5,135	6,282
Interest on long-term debt	3,301,290	3,523,630	-	-	3,301,290	3,523,630
Food service	-	-	2,381,079	1,905,776	2,381,079	1,905,776
Total expenses	69,029,830	74,958,314	2,381,079	1,905,776	71,410,909	76,864,090
Change in net position	$ (530,611)	$ (7,608,005)	$ 534,775	$ (121,968)	$ 4,164	$ (7,729,973)

The District's 2022 governmental revenues, excluding business-type activity transfers, increased by 1.71% or $1,148,910. Reasons for the increase are primarily attributed to the following changes:

- Real estate taxes collected decreased by 6.88% or $2,128,945 as a result of the loss of Washington Township.
- Other tax revenues decreased overall by 1.99% or $131,239. This category includes earned income, real estate transfer taxes, public utility and delinquent earned income taxes. The change mainly arose from a decrease in earned income tax of $327,160 or 5.57%.
- Grants and contributions increased by 13.30%, or $2,090,370. This area includes special education funding, social security, retirement, transportation, debt service, reimbursement for foster students, vocational education, IDEA, title programs, federal access funding and COVID relief funding. This increase is mainly due to the $2,304,616 million in Federal COVID relief funding that the district utilized in the 2021-2022 school year. The District utilized $2,063,562 in Elementary and Secondary School Emergency Relief Fund (ESSER). Other increases include additional debt subsidy of $808,679, an increase in basic education subsidy of $359,341, and increase in retirement subsidy of $99,818.
- Tuition from other school districts increased by $546,186. This increase is attributed to the agreement between Norther York County School District and Dover Area School District. This agreement helped Washington Township students transition from one district to the other.
- Investment earnings decreased by $200,368 due to an investment plan that was not renewed in order to keep district rescources liquid.

Property taxes contributed 42.08% of total revenues for governmental activities during fiscal year 2021-2022. Other major contributors to revenue include unrestricted grants, subsidies and contributions at 19.78%; operating grants and contributions at 26%; and other taxes levied at 9.44%. Property taxes, as a percentage of total revenues, decreased from the prior year due to the loss of Washington Township.

Governmental program expenditures decreased by 7.91% from $74.96 million to approximately $69.03 million. Major changes in expenditures can be primarily attributed to the following:

- Total annual wages increased slightly overall. This is the net change from annual contract increases across the District for all personnel.
- The PSERS employer contribution rate for employee retirement increased, changing from 34.51% in 2020-2021 to 34.94% in 2021-2022. Retirement expense increased by 2.44% or $221,965 as wages increased. Retirement expense was 34.65% of total wages.
- Total group insurance expenses decreased by 3.95%, which was comprised of a medical insurance decrease of 3.84% or $223,838, and a dental insurance decrease of 6.94% or $14,427. The medical insurance decrease is the net change from plan changes, enrollment changes and retirements. The District experienced a slightly better year in medical claims from the 2020-2021 school year to 2021-2022 and had a zero percent premium increase.
- Professional and Technical Services overall decreased by 23.78% or $1,135,273. This decrease is due to bringing back Emotional Support classrooms and Psychology services previously serviced by the LIU. This resulted in a savings of $985,967. The District also saw a decrease of $134,668 in technical services due to a reduction of outside contractors needed to install and monitor technology services.
- Supplies and instructional materials increased by14.45% or $367,038 mainly due to the purchase of new Promethean Boards throughout the District. This increase was offset by additional federal dollar that were received by COVID Relief Funding.
- Debt service payments decreased by $122,175 due to a one-year spike in the District's bond schedule during the 2020-2021 school year, while there was additional payments on financed purchase agreements required during 2021-2022.
- Other purchased services decreased 3.45% or $298,756 This was mainly due to a reduction of students enrolled in charter schools as in-person learning returned to normal.
- Property and equipment expenses increased by $1,485,468 due to the technology refresh of all full-size Ipads and the recognition of proceeds and capital expenditures as required by GASB Statement No. 34.

The Statement of Activities reflects the costs of program services and the charges for services, sales, grants and contributions offsetting those services. Table 3, for governmental activities, indicates the total cost of services and net cost of services:

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2022	2021	2022	2021
Instruction	$ 46,103,971	$ 51,442,837	$ 31,138,736	$ 39,276,726
Instructional student support	4,945,922	6,241,642	4,177,402	5,513,193
Administrative financial services	4,857,570	5,451,969	4,075,800	4,717,802
Operation and maintenance of plant services	5,151,504	3,851,068	4,699,682	3,300,241
Pupil transportation	3,360,472	3,113,269	1,771,244	1,504,678
Student activities	1,303,966	1,327,617	841,650	1,049,349
Community	5,135	6,282	5,135	6,282
Interest on long-term debt	3,301,290	3,523,630	3,301,290	3,523,630
Total expenses	$ 69,029,830	$ 74,958,314	$ 50,010,939	$ 58,891,901

Instructional costs contributed to 73.95% of total program expenses for governmental activities in fiscal year 2021-2022.

Only 27.55% of the 2021-2022 total cost of services for the governmental activities was funded by charges for services and operating grants and contributions. The remaining costs were funded by tax revenues and the basic instructional subsidy.

Business-Type Activity

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 $82,105 and non-operating revenue of $2,833,749. Total expenses were $2,381,079 for the fiscal year 2021-2022. The District received 96.66% of its revenues from operating grants and contributions from the Federal and state reimbursable breakfast and lunch programs. Revenue from state and Federal grants increased by $980,141 due to the Federal waiver of free and reduced meal participation requirements, increased participation, and an increase in the per meal reimbursement rate. For the fiscal year 2021-2022, all students could receive a free breakfast and free lunch regardless of household income. Total revenues increased by 63.46% or $1,132,046, while expenditures increased by 24.94% or $475,303. Total net position increased by $534,775 to provide an ending net deficit of $(197,473) on June 30, 2022.

General Fund Budgeting Highlights

For the 2021-2022 fiscal year, total General Fund local sourced revenue exceeded budget by $1,291,460 due to local tax collections. The state funded revenue exceeded budget by 7.13% or $1,800,641 due to back pay of Rental Subsidies and additional Basic Ed Funding, and Federal revenue exceeded budget by 11.98% or $355,031 due to COVID Relief Funding that was not budgeted.

Total General Fund expenditures, net transfers to other funds, were over budget by $4,277,690. The budgetary reserve of $100,000 was used to cover the increased cost in cyber/charter school. Other significant expenditure-budget variances are discussed below.

- Special Education program expenditures were under the original budget by $683,185. This program was $399,735 under budget in salaries and benefits due to unfilled positions and $266,803 underbudget in other professional services due to reduction in services from the LIU.
- Regular Education Program expenditures were over original budget by 8.84% or $2,298,694 due to increased substitute costs, professional development for staff, medical claims, and additional COVID related supplies.
- Vocational Education Program expenditures were under original budget by $28,656 due to a decrease in enrollment at York County School of Technology.
- Other instructional program expenditures were under budget by $62,812, due to a reduction in alternative education expenditures.
- Support Services for Instructional Staff expenditures were over original budget by $885,760 or 26.42% due to the purchase of promethean boards, refresh of full-size iPads district-wide, and lease recognition requirements as stated by GASB Statement No. 34.
- Operation and maintenance of plant services were under original budget by $33,155 due to unfilled custodian positions.
- Student Transportation Services were under original budget by $34,554 due to the reduction of transportation services provided by the LIU.
- Other expenditures and financing uses was over budget by $2,443,181 due to not making a planned transfer from the capital reserve to cover debt service payments for the high school.
- Athletic Program costs were budgeted and reflected in Student Activities as required by GASB No. 54. Student Activities were under budget by $32,405 mainly due to transportation expenditures and supplies coming in below budget.

Capital Assets

Table 4
Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	$ 170,000	$ 170,000	$ -	$ -	$ 170,000	$ 170,000
Construction-in-progress	1,283,034	24,386	-	-	1,283,034	24,386
Building and building improvements	92,235,405	97,828,716	-	-	92,235,405	97,828,716
Furniture and equipment	2,936,683	1,916,740	120,556	85,539	3,057,239	2,002,279
Right-to-use leased equipment	211,702	276,841	-	-	211,702	276,841
Total capital assets	$ 96,836,824	$ 100,216,683	$ 120,556	$ 85,539	$ 96,957,380	$ 100,302,222

Total Governmental Capital Assets decreased by 3.37% or $3,379,859 as this represents a full year of depreciation, equipment additions and disposals and additional construction-in-progress for the high school and middle school projects.

Debt

At June 30, 2022, the Dover Area School District had $84,207,000 in bonds outstanding. Table 5 summarizes and compares bonds outstanding for the 2022 and 2021 fiscal years:

Table 5
Bonds Outstanding

General Obligation Debt	2022	2021
Note Series of 2008	$ 8,697,000	$ 11,467,000
Bond Series of 2018	29,185,000	29,190,000
Bond Series of 2019	35,070,000	35,075,000
Bond Series of 2019A	11,255,000	11,985,000
Total Outstanding Debt	$ 84,207,000	$ 87,717,000

Total outstanding debt decreased by $3,510,000 due to regular payments on the existing debt portfolio.

Economic Impact

The Dover Area School District has investments at Wells Fargo Bank, Santander, M&T Bank 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.

The Public School Employees' Retirement System certified rates of 32.57% for 2017-2018, 33.43% for 2018-2019, 34.29% for 2019-2020, 34.51% for 2020-2021, 34.94% for 2021-2022 and 35.26% for 2022-2023. Future projections are inclined to reach nearly 36.91% over the next five years. To prepare for future rate increases, the District has committed fund balance of approximately $5 million as of June 30, 2022.

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.

Governmental Funds - Fund Balance

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

As of June 30, 2022, the Dover Area School District reported total governmental funds ending fund balance approximating $24.32 million. Fund balance classifications are as follows: Nonspendable - $3,168,979; Restricted - $7,400,056; Committed - $9,695,708; and Unassigned - $4,169,989.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Dover Area School District's original budget anticipated revenues at $64,338,371 and expenditures and net other financing sources of $66,840,328. The District's 2022 actual results were revenues in excess of budget by approximately $5.82 million, and expenses in excess of budget by $4.28 million.

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 the Dover Area School District, 101 Edgeway Road, Dover, PA 17315.

DOVER AREA SCHOOL DISTRICT

STATEMENT OF NET POSITION
June 30, 2022

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	$ 17,120,829	$ 1,075,179	$ 18,196,008
Investments	7,003,625	-	7,003,625
Internal balances	1,435	(1,435)	-
Receivables	5,512,127	296,138	5,808,265
Inventories	-	39,753	39,753
Prepaid expenses	3,168,979	-	3,168,979
Capital assets			
Land and construction-in-progress	1,453,034	-	1,453,034
Other capital assets, net of depreciation/amortization	95,383,790	120,556	95,504,346
Total capital assets	96,836,824	120,556	96,957,380
Total assets	$ 129,643,819	$ 1,530,191	$ 131,174,010
Deferred Outflows of Resources			
Deferred amounts on pension liability	$ 14,004,000	$ 286,000	$ 14,290,000
Deferred amounts on OPEB liabilities	1,850,410	26,599	1,877,009
Deferred amounts on refunding debt	38,800	-	38,800
Total deferred outflows of resources	$ 15,893,210	$ 312,599	$ 16,205,809
Liabilities			
Due to other governments	$ 13,071	$ -	$ 13,071
Accounts payable and accrued expenses	8,402,472	12,119	8,414,591
Unearned revenue	291,408	65,973	357,381
Long-term liabilities			
Due within one year	4,176,000	-	4,176,000
Due in more than one year	90,125,118	11,565	90,136,683
Net pension liability	76,125,000	1,554,000	77,679,000
Other post-employment benefits (OPEB) liabilities	7,659,454	104,166	7,763,620
Total long-term liabilities	178,085,572	1,669,731	179,755,303
Total liabilities	$ 186,792,523	$ 1,747,823	$ 188,540,346
Deferred Inflows of Resources			
Deferred amounts on pension liability	$ 13,259,000	$ 271,000	$ 13,530,000
Deferred amounts on OPEB liabilities	2,136,134	21,440	2,157,574
Total deferred inflows of resources	$ 15,395,134	$ 292,440	$ 15,687,574
Net Position (Deficit)			
Net investment in capital assets	$ 4,204,056	$ 120,556	$ 4,324,612
Restricted	3,168,979	-	3,168,979
Unrestricted (deficit)	(64,023,663)	(318,029)	(64,341,692)
Total net deficit	$ (56,650,628)	$ (197,473)	$ (56,848,101)

See Notes to Financial Statements.

DOVER AREA SCHOOL DISTRICT

STATEMENT OF ACTIVITIES
Year Ended June 30, 2022

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	$ 46,103,971	$ 874,104	$ 14,091,131	$ (31,138,736)	$ -	$ (31,138,736)
Instructional student support	4,945,922	-	768,520	(4,177,402)	-	(4,177,402)
Administrative and financial services	4,857,570	-	781,770	(4,075,800)	-	(4,075,800)
Operation and maintenance of plant services	5,151,504	11,884	439,938	(4,699,682)	-	(4,699,682)
Pupil transportation	3,360,472	34,455	1,554,773	(1,771,244)	-	(1,771,244)
Student activities	1,303,966	286,688	175,628	(841,650)	-	(841,650)
Community services	5,135	-	-	(5,135)	-	(5,135)
Interest on long-term debt	3,301,290	-	-	(3,301,290)	-	(3,301,290)
Total governmental activities	69,029,830	1,207,131	17,811,760	(50,010,939)	-	(50,010,939)
Business-Type Activities:						
Food service	2,381,079	82,105	2,818,547	-	519,573	519,573
Total primary government	$ 71,410,909	$ 1,289,236	$ 20,630,307	$ (50,010,939)	$ 519,573	$ (49,491,366)
General Revenues and Transfers:						
Property taxes, levied for general purposes, net				$ 28,825,045	$ -	$ 28,825,045
Public utility, realty transfer, earned income and other taxes for general purposes, net				6,468,322	-	6,468,322
Grants, subsidies and contributions not restricted				13,548,001	-	13,548,001
Investment earnings				28,008	479	28,487
Miscellaneous income				23,207	-	23,207
Transfers				(14,723)	14,723	-
Gain on disposition of capital assets				602,468	-	602,468
Total general revenues and transfers				49,480,328	15,202	49,495,530
Change in net position				(530,611)	534,775	4,164
Net Deficit - July 1, 2021 (restated - see Note 2)				(56,120,017)	(732,248)	(56,852,265)
Net Deficit - June 30, 2022				$ (56,650,628)	$ (197,473)	$ (56,848,101)

See Notes to Financial Statements.

DOVER AREA SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2022

	General Fund	Capital Reserve Fund	Student Sponsored Activity Fund	Totals Governmental Funds
Assets				
Cash and cash equivalents	$ 11,268,289	5,728,504	$ 124,036	$ 17,120,829
Investments	5,010,190	1,993,435	-	7,003,625
Due from other funds	1,435	-	-	1,435
Due from other governments	3,471,745	-	-	3,471,745
Taxes receivable	1,375,482	-	-	1,375,482
Other receivables	664,900	-	-	664,900
Prepaid expenses	3,168,979	-	-	3,168,979
Total assets	$ 24,961,020	$ 7,721,939	$ 124,036	$ 32,806,995
Liabilities				
Due to other governments	$ 13,071	$ -	$ -	$ 13,071
Accounts payable	563,581	441,463	4,456	1,009,500
Accrued salaries and benefits	3,919,683	-	-	3,919,683
Payroll deductions and withholdings	2,635,671	-	-	2,635,671
Unearned revenues	291,408	-	-	291,408
Total liabilities	7,423,414	441,463	4,456	7,869,333
Deferred Inflows of Resources				
Delinquent property taxes	502,930	-	-	502,930
Fund Balances				
Nonspendable	3,168,979	-	-	3,168,979
Restricted	-	7,280,476	119,580	7,400,056
Committed	9,695,708	-	-	9,695,708
Unassigned	4,169,989	-	-	4,169,989
Total fund balances	17,034,676	7,280,476	119,580	24,434,732
Total liabilities, deferred inflows of resources and fund balances	$ 24,961,020	$ 7,721,939	$ 124,036	$ 32,806,995

See Notes to Financial Statements.

DOVER AREA SCHOOL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
June 30, 2022

Total fund balances - governmental funds		$ 24,434,732
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital Assets used in governmental activities are not financial resources and, therefore, they are not reported as assets in governmental funds. The cost of assets is $175,683,675, and the accumulated depreciation/amortization is $78,846,851.		96,836,824
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.		502,930
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.		38,800
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		14,004,000
Deferred inflows		(13,259,000)
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		1,850,410
Deferred inflows		(2,136,134)
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	(91,322,021)	
Accrued interest payable	(837,618)	
Leases payable	(214,301)	
Financed purchase agreements payable	(1,135,246)	
Net pension liability	(76,125,000)	
OPEB liabilities	(7,659,454)	
Accrued compensated absences	(1,629,550)	
		(178,923,190)
Total net position deficit - governmental activities		$ (56,650,628)

See Notes to Financial Statements.

DOVER AREA SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended June 30, 2022

	General Fund	Capital Reserve Fund	Student Sponsored Activity Fund	Totals Governmental Funds
Revenues				
Local sources	$ 37,422,416	$ 10,168	$ 159,314	$ 37,591,898
State sources	27,044,679	-	-	27,044,679
Federal sources	3,318,409	-	-	3,318,409
Total revenues	67,785,504	10,168	159,314	67,954,986
Expenditures				
Current:				
Instruction	42,253,736	-	-	42,253,736
Support services	19,295,160	730	-	19,295,890
Operation of non-instructional services	1,067,323	-	139,277	1,206,600
Refunds of prior years' receipts	441	-	-	441
Total Current	62,616,660	730	139,277	62,756,667
Capital outlay	-	2,259,395	-	2,259,395
Debt service	8,486,635	-	-	8,486,635
Total expenditures	71,103,295	2,260,125	139,277	73,502,697
Excess (deficiency) of revenues over expenditures	(3,317,791)	(2,249,957)	20,037	(5,547,711)
Other Financing Sources (Uses)				
Interfund transfers out	(14,723)	-	-	(14,723)
Proceeds from sale of capital assets	602,645	-	-	602,645
Proceeds from extended-term financing	1,771,985	-	-	1,771,985
Total other financing sources	2,359,907	-	-	2,359,907
Net change in fund balances	(957,884)	(2,249,957)	20,037	(3,187,804)
Fund Balances - July 1, 2021	17,992,560	9,530,433	99,543	27,622,536
Fund Balances - June 30, 2022	$ 17,034,676	$ 7,280,476	$ 119,580	$ 24,434,732

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, 2022

Net change in fund balances - governmental funds		$	(3,187,804)
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 capital outlays exceeds the depreciation/amortization expense and net book value of disposed assets in the period.			
Capital outlays	4,473,917		
Less net book value of disposed assets	(177)		
Less depreciation/amortization expense	(7,853,599)		(3,379,859)
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.			(43,512)
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.			(77,691)
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)			9,296,000
Cost of benefits earned net of employee contributions (PSERS)			(6,545,300)
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			55,725
Change in other post-employment benefits (District's plan)			(139,222)
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	3,510,000		
Repayment of leases payable	62,540		
Issuance of financed purchase agreements payable	(1,771,985)		
Repayment of financed purchase agreements payable	1,122,025		
Amortization of charges for bond refunding	(8,026)		
Amortization of bond premiums and discounts - net	576,498		3,491,052
Change in net position of governmental activities		$	(530,611)

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, 2022

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues				
Local sources	$ 36,130,955	$ 36,130,955	$ 37,422,416	$ 1,291,461
State sources	25,244,038	25,244,038	27,044,679	1,800,641
Federal sources	2,963,378	2,963,378	3,318,409	355,031
Total revenues	64,338,371	64,338,371	67,785,504	3,447,133
Expenditures				
Current				
Instruction	40,731,034	40,818,607	42,253,736	(1,435,129)
Support services	18,868,099	18,780,397	19,295,160	(514,763)
Operation of non-instructional services	1,097,300	1,097,429	1,067,323	30,106
Refunds of prior years' receipts	-	-	441	(441)
Total Current	60,696,433	60,696,433	62,616,660	(1,920,227)
Debt service	6,043,895	6,043,895	8,486,635	(2,442,740)
Total expenditures	66,740,328	66,740,328	71,103,295	(4,362,967)
Deficiency of revenues over expenditures	(2,401,957)	(2,401,957)	(3,317,791)	(915,834)
Other Financing Sources (Uses)				
Interfund transfers out	-	-	(14,723)	(14,723)
Proceeds from sale of capital assets	-	-	602,645	602,645
Proceeds from extended-term financing	-	-	1,771,985	1,771,985
Budgetary reserve	(100,000)	(100,000)	-	100,000
Total other financing uses	(100,000)	(100,000)	2,359,907	2,459,907
Net change in fund balance	$ (2,501,957)	$ (2,501,957)	(957,884)	$ 1,544,073
Fund Balance - July 1, 2021			17,992,560	
Fund Balance - June 30, 2022			$ 17,034,676	

See Notes to Financial Statements.

DOVER AREA SCHOOL DISTRICT

STATEMENT OF NET POSITION - PROPRIETARY FUND - FOOD SERVICE
June 30, 2022

Assets		
Cash and cash equivalents	$	1,075,179
Receivables		
State sources		861
Federal sources		293,623
Other		1,654
Inventories		39,753
Other capital assets, net of depreciation		120,556
Total assets	$	1,531,626
Deferred Outflows of Resources		
Deferred amounts on pension liability	$	286,000
Deferred amounts on OPEB liabilities		26,599
Total deferred outflows of resources	$	312,599
Liabilities		
Due to other funds	$	1,435
Accounts payable		4,737
Accrued salaries and benefits		7,382
Unearned revenue		65,973
Long-term liabilities		
Net pension liability		1,554,000
OPEB liabilities		104,166
Accrued compensated absences		11,565
Total long-term liabilities		1,669,731
Total liabilities	$	1,749,258
Deferred Inflows of Resources		
Deferred amounts on pension liability	$	271,000
Deferred amounts on OPEB liabilities		21,440
Total deferred outflows of resources	$	292,440
Net Position (Deficit)		
Net investment in capital assets	$	120,556
Unrestricted (deficit)		(318,029)
Total net deficit	$	(197,473)

See Notes to Financial Statements.

DOVER AREA SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET DEFICIT - PROPRIETARY FUND - FOOD SERVICE
Year Ended June 30, 2022

Operating Revenues	
Food service revenues	$ 82,105
Operating Expenses	
Salaries	587,522
Employee benefits	272,466
Purchased professional and technical services	15,753
Purchased property services	7,521
Supplies	1,465,383
Depreciation	22,348
Other operating expenses	10,086
Total operating expenses	2,381,079
Operating loss	(2,298,974)
Nonoperating Revenues	
Investment earnings	479
State sources	199,122
Federal sources	2,619,425
Total nonoperating revenues	2,819,026
Income before transfers	520,052
Interfund Transfers In	14,723
Change in net position	534,775
Net deficit - July 1, 2021	(732,248)
Net deficit - June 30, 2022	$ (197,473)

See Notes to Financial Statements.

DOVER AREA SCHOOL DISTRICT

STATEMENT OF CASH FLOWS - PROPRIETARY FUND - FOOD SERVICE
Year Ended June 30, 2022

Cash Flows From Operating Activities	
Cash received from users	$ 104,537
Cash payments to employees for services	(919,657)
Cash payments to suppliers for goods and services	(1,395,590)
Cash payments for other operating expenses	(10,086)
Net cash used in operating activities	(2,220,796)
Cash Flows From Noncapital Financing Activities	
State sources	198,261
Federal sources	2,599,115
Transfers	14,723
Net cash provided by noncapital financing activities	2,812,099
Cash Flows From Capital and Related Financing Activities	
Capital outlay	(57,365)
Cash Flows From Investing Activities	
Investment earnings	479
Net change in cash and cash equivalents	534,417
Cash and Cash Equivalents:	
July 1, 2021	540,762
June 30, 2022	$ 1,075,179
Reconciliation of Operating Loss to Net Cash Used in Operating Activities	
Operating loss	$ (2,298,974)
Adjustments to reconcile operating loss to net cash used in operating activities	
Depreciation	22,348
Value of donated commodities	157,951
Changes in assets and liabilities:	
(Increase) decrease in:	
Receivables	18,179
Inventories	(3,033)
Deferred outflows of resources	29,509
(Decrease) increase in:	
Accounts payable	(61,851)
Accrued salaries and benefits	(6,423)
Internal balances	(4,059)
Unearned revenue	4,253
Accrued compensated absences	668
Net pension liability	(313,000)
OPEB liabilities	13,591
Deferred inflows of resources	220,045
Net cash used in operating activities	$ (2,220,796)

Supplemental Disclosure

Noncash noncapital financing activity	
USDA donated commodities	$ 157,951

See Notes to Financial Statements.

Note 1. Summary of Significant Accounting Policies

Dover Area School District (the District) operates a Public School system that encompasses three 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 Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities. The District reports its Capital Reserve Fund as authorized by Municipal Code Section 1431 under this major fund category.

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

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*.

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 month 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, 2022. 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. 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 - 20	N/A
Machinery and equipment	5 - 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 is a lessee for non-cancellable leases of equipment. A lease liability and an intangible right-to-use lease asset is recognized in the government-wide financial statements. The District considers all leases above their capitalization policy for recognition. Leases that are material individually or in the aggregate are recognized.

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

Key estimates and judgments related to leases include how the 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 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.

Lease 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, 2022, are as follows:

	Governmental Activities	Business-Type Activities	Total
OPEB Liabilities			
District's Single Employer Plan	$ 3,247,454	$ 14,166	$ 3,261,620
PSERS Cost-Sharing Plan	4,412,000	90,000	4,502,000
Total	$ 7,659,454	$ 104,166	$ 7,763,620
Deferred Outflows of Resources			
District's Single Employer Plan	$ 968,010	$ 8,599	$ 976,609
PSERS Cost-Sharing Plan	882,400	18,000	900,400
Total	$ 1,850,410	$ 26,599	$ 1,877,009
Deferred Inflows of Resources			
District's Single Employer Plan	$ 2,055,734	$ 19,840	$ 2,075,574
PSERS Cost-Sharing Plan	80,400	1,600	82,000
Total	$ 2,136,134	$ 21,440	$ 2,157,574

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, 2022, 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 5% 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 are descriptions of significant pronouncements that were considered or initially selected during the year ended June 30, 2022:

GASB issued Statement No. 87, *Leases*, increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, establishes accounting requirements for interest cost incurred before the end of a construction period to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period.

GASB Statement No. 92, *Omnibus 2020*, enhances comparability in accounting and financial reporting and improves consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of various GASB standards previously issued.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*, addresses accounting and financial reporting implications that result from the replacement of an IBOR.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, (1) increases consistency and comparability related to the reporting of fiduciary component units where a governing board does not exist and the primary government performs the duties that a governing board typically would perform; (2) mitigates costs associated with the reporting of certain defined contribution pension and OPEB plans and other employee benefit plans as fiduciary component units; and (3) enhances the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans that meet the definition of a pension plan.

The following are descriptions of accounting pronouncements which will be considered for implementation during subsequent fiscal years, with modified effective dates as established by GASB Statement No. 95:

GASB Statement No. 91, *Conduit Debt Obligations,* will be effective for the District beginning with its year ending June 30, 2023 (periods beginning after December 15, 2021). This Statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, will be effective for the District beginning with its year ending June 30, 2023 (fiscal periods beginning after June 15, 2022). This Statement improves financial reporting by addressing issues related to public-private and public-public partnerships.

Note 1. Summary of Significant Accounting Policies (Continued)

F. New Accounting Pronouncements (Continued)

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, will be effective for the District beginning with its year ending June 30, 2023 (fiscal periods beginning after June 15, 2022). This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset-an intangible asset and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended.

GASB Statement No. 99, *Omnibus 2022*, will be effective for the District in fiscal years ending between June 30, 2022 and 2024, depending on the topics addressed and their relation to other standards. This Statement enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

GASB Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*, will be effective for the District beginning with its year ending June 30, 2024 (fiscal years beginning after June 15, 2023). This Statement 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. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements.

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. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. It requires that a liability for certain types of compensated absences - including parental leave, military leave, and jury duty leave - not be recognized until the leave commences. 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. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities.

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 February 6, 2023, the date the financial statements were available to be issued.

Note 2. GASB Standard Implementation

The District implemented Governmental Accounting Standards Board Statement (GASB) No. 87, *Leases*. The standard requires the inclusion of lease liabilities and underlying assets associated with the nonfinancial, right to use assets resulting in a potential restatement of the government-wide Statement of Net Position. The change did not require a restatement of the District's Governmental Net Position.

Note 3. 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 3. 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, 2022, are shown below:

	Carrying Amount	Bank Balance	Financial Institution
Insured (FDIC)	$ 250,000	$ 250,000	Members 1st
Insured (FDIC)	250,000	250,000	Santander Bank
Insured (FDIC)	1,492,572	1,492,572	Various Bank CDs
Uninsured, collateralized in accordance with Act 72	9,393,615	10,017,108	Members 1st
Uninsured, collateralized in accordance with Act 72	4,757,044	4,757,044	Santander Bank
	$ 16,143,231	$ 16,766,724	

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, 2022, the District had the following investments:

	Credit Rating	Weighted Avg. Maturity in Years	Carrying Value
Pennsylvania School District Liquid Asset Fund			
PSDMAX	AAAm	0.164	$ 8,552,353
PSDLAF Full Flex Pool	NA	Various	504,009
			$ 9,056,362

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 3. 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. At present, The Bank of New York serves as the third-party custodian with respect to all such collateralized Certificates of Deposit. Permitted Investments (other than certificates of deposit) such as U.S. Treasury or Agency securities in which monies in which a Fixed Term Series are invested are registered in the name or names of the Settlor or Settlors for which the Fixed Term Series was created, and the security is held in custody by a third-party custodian pursuant to a custody agreement between the Investment Adviser and the third-party custodian. At present, U.S. Bank National Association, Minneapolis, Minnesota serves as the third-party custodian with respect to all such securities.

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.

Note 3. Deposits and Investments (Continued)

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 4. Taxes Receivable and Deferred Inflows of Resources

Summaries of taxes receivable and related accounts of the General Fund at June 30, 2022, are as follows:

	Amount
Taxes Receivable - Net	$ 1,375,482
Taxes to be collected within 60 days	$ 872,552
Deferred inflows of resources - delinquent property taxes	502,930
	$ 1,375,482

Note 5. 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 2021-2022, is as follows:

July 1, 2021	Tax-Levy Date
Through September 15, 2021	2% Discount
Through November 15, 2021	Face-Payment Period
November 15, 2021	10%-Penalty Period
January 1, 2022	Lien-Filing Date

The District's tax rate for all purposes in 2021-2022, was 23.715 mills ($23.715 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 6. Interfund Balances and Interfund Transfers

Individual fund receivable and payable balances at June 30, 2022, are as follows:

	Interfund Receivables	Interfund Payables
Governmental Fund		
General	$ 1,435	$ -
Proprietary Fund		
Food service	-	1,435
	$ 1,435	$ 1,435

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.

Interfund transfers for the year ended June 30, 2022, are as follows:

	Transfers In	Transfers Out
Governmental Funds		
General	$ -	$ 14,723
Proprietary Fund		
Food service	14,723	-
	$ 14,723	$ 14,723

Transfers and payments within the District are substantially for purposes or subsidizing operating functions. Resources are accumulated in funds to support and simplify the administration of various projects or programs.

Note 7. Capital Assets

Capital asset activity for the year ended June 30, 2022, was as follows:

	July 1, 2021 (restated)	Increases	Decreases	June 30, 2022
Governmental Activities				
Capital assets, not being depreciated/amortized				
Land	$ 170,000	$ -	$ -	$ 170,000
Construction-in-progress	24,386	1,283,034	(24,386)	1,283,034
Total Capital assets not being depreciated/amortized	194,386	1,283,034	(24,386)	1,453,034
Capital assets being depreciated/amortized				
Buildings and building improvements	163,472,025	944,544	-	164,416,569
Furniture and equipment	7,448,582	2,270,725	(182,076)	9,537,231
Right-to-use leased equipment	276,841	-	-	276,841
Total capital assets being depreciated/amortized	171,197,448	3,215,269	(182,076)	174,230,641
Less accumulated depreciation/amortization				
Buildings and building improvements	65,643,309	6,537,855	-	72,181,164
Furniture and equipment	5,531,842	1,250,605	(181,899)	6,600,548
Right-to-use leased equipment	-	65,139	-	65,139
Total accumulated depreciation/amortization	71,175,151	7,853,599	(181,899)	78,846,851
Total capital assets being depreciated/amortized, net	100,022,297	(4,638,330)	(177)	95,383,790
Total Governmental Activities, Capital Assets - Net	$ 100,216,683	$ (3,355,296)	$ (24,563)	$ 96,836,824
Business-Type Activities				
Capital assets being depreciated/amortized				
Equipment	$ 346,949	$ 57,365	$ -	$ 404,314
Less accumulated depreciation/amortization for equipment	261,410	22,348	-	283,758
Total Business-Type Activities, Capital Assets - Net	$ 85,539	$ 35,017	$ -	$ 120,556

Note 7. Capital Assets (Continued)

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

	Amount
Governmental Activities	
Instruction	$ 5,916,268
Instructional student support	624,086
Administrative and financial support	690,472
Operation and maintenance of plant services	388,560
Pupil transportation	13,956
Student activities	155,118
Total Governmental Activities	7,788,460
Business-Type Activities	
Food service	22,348
Total Primary Government	$ 7,810,808

Note 8. Long-Term Obligations

A summary of the reporting entity's long-term obligations as of June 30, 2022, and transactions during the year then ended follows:

	July 1, 2021 (restated)	Increases	Decreases	June 30, 2022	Due within one year
Governmental Activities					
Bonds and notes payable					
Series of 2008	$ 11,467,000	$ -	$ 2,770,000	$ 8,697,000	$ 2,834,000
Series of 2018	29,190,000	-	5,000	29,185,000	5,000
Series of 2019	35,075,000	-	5,000	35,070,000	5,000
Series of 2019A	11,985,000	-	730,000	11,255,000	790,000
Net premium on bonds	7,691,519	-	576,498	7,115,021	-
Total bonds and notes payable	95,408,519	-	4,086,498	91,322,021	3,634,000
Compensated absences	1,685,275	29,325	85,050	1,629,550	71,280
Leases payable	276,841	-	62,540	214,301	63,731
Financed purchase agreements payable	485,286	1,771,985	1,122,025	1,135,246	406,989
Total governmental activities long-term liabilities	$ 97,855,921	$ 1,801,310	$ 5,356,113	$ 94,301,118	$ 4,176,000
Business-Type Activities:					
Compensated absences	$ 10,897	$ 668	$ -	$ 11,565	$ -
Total business-type activities long-term liabilities	$ 10,897	$ 668	$ -	$ 11,565	$ -

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
2023	$ 3,634,000	$ 3,687,133	$ 7,321,133
2024	3,765,000	3,592,930	7,357,930
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
2028-2032	21,770,000	13,454,300	35,224,300
2033-2037	27,235,000	7,990,900	35,225,900
2038-2040	15,200,000	1,328,000	16,528,000
	$ 84,207,000	$ 40,248,706	$ 124,455,706

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 the employment contract. The total liability for sick leave at June 30, 2022, has been reflected in the Statement of Net Position.

Leases Payable

The District leases equipment for certain District offices and buildings. The lease term is for five years. The District's equipment lease contains scheduled monthly payments with expiration dates extending through 2025. 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, 2022:

Year ending June 30:	Principal	Interest	Total
2023	$ 63,731	$ 5,557	$ 69,288
2024	65,668	3,619	69,287
2025	67,666	1,622	69,288
2026	17,236	86	17,322
	$ 214,301	$ 10,884	$ 225,185

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 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	$ 3,474,957
Less accumulated depreciation	(2,200,613)
Total computers - net book value	$ 1,274,344

The following is a schedule of the future, minimum payments due under the financed purchase agreements as of June 30, 2022:

Year ending June 30:	Amount
2023	$ 407,628
2024	364,128
2025	364,129
Total minimum payments	1,135,885
Less: amount representing interest	(639)
Total present value of net minimum payments	$ 1,135,246

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. 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. 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	7.50%
T- F	On or after July 1, 2011	10.30% base rate with shared risk provision	N/A	10.30%
T- G	On or after July 1, 2019	5.50% base rate with shared risk provision	2.75%	8.25%
T- H	On or after July 1, 2019	4.50% base rate with shared risk provision	3.00%	7.50%
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, 2022, was 34.14% 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 .15 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, 2022, was $9,276,873, and is equal to the required contribution for the year. For the year ended June 30, 2022, the District recognized gross retirement subsidy revenue from the Commonwealth in the amount of $5,691,324.

Note 9. Defined Benefit Pension Plan (Continued)

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

At June 30, 2022, the District reported a liability of $77,679,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, 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, 2020 to June 30, 2021. The District's proportion of the net pension liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2022, the District's reported proportion was .1892 percent, which was an decrease of .0004 percent from its proportion reported as of June 30, 2021.

For the year ended June 30, 2022, the District recognized pension expense of $6,382,000. At June 30, 2022, 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	$ 57,000	$ 1,021,000
Changes in assumptions	3,768,000	-
Net difference between projected and actual investment earnings	-	12,365,000
Changes in proportion	1,117,000	144,000
Difference between employer contributions and proportionate share of total contributions	71,000	-
Contributions subsequent to the measurement date	9,277,000	-
	$ 14,290,000	$ 13,530,000

$9,277,000 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	Amount
2023	$ (1,767,000)
2024	(1,211,000)
2025	(1,547,000)
2026	(3,992,000)
	$ (8,517,000)

Note 9. Defined Benefit Pension Plan (Continued)

Actuarial Assumptions

The total pension liability as of June 30, 2021, was determined by rolling forward the System's total pension liability as of June 30, 2020 to June 30, 2021, using the following actuarial assumptions, applied to all periods included in the measurement:

- Valuation Date - June 30, 2020.
- 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 decreased from 7.25% as of June 30, 2020 to 7.00% as of June 30, 2021.

The actuarial assumptions used in the June 30, 2021, 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, 2021, the annual money weighted rate of return on pension plan investments, net of pension plan investment expense, was 24.58%. 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	27.0%	5.2%
Private equity	12.0%	7.3%
Fixed income	35.0%	1.8%
Commodities	10.0%	2.0%
Absolute return	8.0%	3.1%
Infrastructure/MLPs	8.0%	5.1%
Real estate	10.0%	4.7%
Cash	3.0%	0.1%
Leverage	(13.0)%	0.1%
	100.0%	

The above was the Board's adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2022.

Discount Rate

The discount rate used to measure the 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	$ 101,957,000	$ 77,679,000	$ 57,200,000

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, 2022, the District reported a payable to PSERS of $3,226,730, 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	Retire through PSERS	**Coverage**: Medical, Prescription Drug, Dental and Vision **Premium Sharing:** If the member reaches 30 total years of PSERS service and 5 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 7 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 5 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 25 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, 2020 actuarial valuation, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	19
Inactive employees entitled to but not yet receiving benefit payments	9
Active employees	389
	417

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

At June 30, 2022, the District reported a liability of $3,261,620 for the total OPEB liability. The total OPEB liability was measured as of July 1, 2021, and was determined by an actuarial valuation as of July 1, 2020. The OPEB liability is composed of the following:

	Amount
Total OPEB Liability, beginning	$ 3,130,953
Changes for the year	
Service cost	286,437
Interest	62,410
Differences between expected and actual experience	-
Changes in assumptions	(103,729)
Estimated benefit payments	(114,451)
Net Changes	130,667
Total OPEB Liability, ending	$ 3,261,620

For the year ended June 30, 2022, the District recognized OPEB expense of $259,941. At June 30, 2022, 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	$ 784,036	$ 1,643,009
Changes in assumptions	76,999	432,565
Benefit payments subsequent to the measurement date	115,574	-
	$ 976,609	$ 2,075,574

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, $115,574 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, 2023. 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
2023	$ (88,906)
2024	(88,906)
2025	(88,906)
2026	(88,906)
2027	(88,906)
Thereafter	(770,009)
	$ (1,214,539)

Actuarial assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2020, 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% real wage growth, and for teachers and administrators a merit increase which varies by age from 2.75 to 0%.
- Discount Rate - 2.28%. Based on S&P Municipal Bond 20 Year High Grade Rate Index at July 1, 2021.
- Actuarial Cost Method: Entry Age Normal, Level Percent of Pay.
- Health Care Cost Trend Rate - 5.5% in 2020 through 2023. Rates gradually decrease from 5.4% in 2024 to 4.0% 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 pre-retirement and post-retirement using the rates assumed in the PSERS defined benefit pension plan actuarial valuation. Incorporated into the table are rates projected generationally by the Buck Modified 2016 projection scale 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 2.28%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.28%) or one percentage higher (3.28%) than the current discount rate:

	1% Decrease 1.28%	Current Discount Rate 2.28%	1% Increase 3.28%
Total OPEB liability	$ 3,512,007	$ 3,261,620	$ 3,023,777

Changes in Actuarial Assumptions

The discount rate used to measure the Total OPEB liability increased from 1.86% as of July 1, 2020, to 2.28% as of July 1, 2021.

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 (5.5% decreasing to 4.0%), 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	$ 2,837,211	$ 3,261,620	$ 3,773,042

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.

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
- Participate in the HOP or employer-sponsored health insurance program

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. As of June 30, 2021, there were no assumed future benefit increases to participating eligible retirees.

Employer Contributions

The Districts' contractually required contribution rate for the fiscal year ended June 30, 2022, was 0.80% 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 $217,385 for the year ended June 30, 2022.

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, 2022, the District reported a liability of $4,502,000 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2021, 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, 2020, to June 30, 2021. 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, 2022, the District's reported proportion was 0.1899%, which was a decrease of 0.0004% from its proportion reported as of June 30, 2021.

For the year ended June 30, 2022, the District recognized OPEB expense of $306,300. At June 30, 2022, 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	$ 42,000	$ -
Changes in assumptions	479,000	60,000
Net difference between projected and actual investment earnings	9,000	-
Changes in proportion	144,000	21,000
Difference between employer contributions and proportionate share of total contributions	9,400	1,000
Contributions subsequent to the measurement date	217,000	-
	$ 900,400	$ 82,000

$217,000 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, 2023. 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
2023	$ 107,000
2024	106,100
2025	140,400
2026	107,900
2027	82,000
Thereafter	58,000
	$ 601,400

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

Actuarial Assumptions

The total OPEB liability as of June 30, 2021, was determined by rolling forward the System's total OPEB Liability as of June 30, 2020, to June 30, 2021, using the following actuarial assumptions, applied to all periods included in the measurement:

- Valuation Date - June 30, 2020.
- Actuarial cost method - Entry Age Normal - level % of pay.
- Investment return - 2.18% - 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 decreased from 2.66% as of June 30, 2020, to 2.18%, as of June 30, 2021.

The actuarial assumptions used in the June 30, 2020 valuation, were based on the results of an actuarial experience study that was performed for the five-year period ending June 30, 2015.

The following assumptions were used to determine the contribution rate:

- The results of the actuarial valuation as of June 30, 2019, determined the employer contribution rate for fiscal year 2021.
- Cost Method: Amount necessary to assure solvency of Premium Assistance through the third fiscal year after the valuation date.
- Asset valuation method: Market Value.
- Participation rate: 63% of eligible retirees are assumed to elect premium assistance.
- Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale.

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	79.8%	0.1%
U.S. Core Fixed Income	17.5%	0.7%
Non-U.S. Developed Fixed	2.7%	(0.3)%
	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, 2021.

Discount Rate

The discount rate used to measure the Total OPEB Liability was 2.18%. 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 2.18% which represents the S&P 20-year Municipal Bond Rate at June 30, 2021, 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 2.18%, 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 (1.18%) or one percentage point higher (3.18%) than the current discount rate:

	1% Decrease 1.18%	Current Discount Rate 2.18%	1% Increase 3.18%
District's proportionate share of the net OPEB liability	$ 5,166,000	$ 4,502,000	$ 3,954,000

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	$ 4,501,000	$ 4,502,000	$ 4,502,000

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, 2022, the District reported a payable to PSERS of $75,612, 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	$ 3,168,979	$ -	$ -
Restricted for, reported in:			
Capital projects	-	7,280,476	-
Student sponsored activity	-	-	119,580
Committed for, reported in:			
Retirement	5,031,318	-	-
Technology	500,000	-	-
Medical costs	907,802	-	-
Debt principal	3,256,588	-	-
Unassigned, reported in:			
General fund	4,169,989	-	-
	$ 17,034,676	$ 7,280,476	$ 119,580

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, 2022, the District's funding for claims exceeded the payments to date; accordingly, the District has a prepaid balance of $3,168,979 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, 2022:

	Amount
Net position available for benefits	$ 77,511,069
Accumulated plan benefits	$ 8,320,800

The accumulated plan benefits represent benefit claims payable and estimated claims incurred, but not reported to the Plan Administrator at June 30, 2022. 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, 2022, 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, 2022, the District paid $1,220,118 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, 2022, the District's pro-rata share represented 5.77% 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 $165,717, which is included in instructional expenditures of the District's General Fund.

The annual requirements of the District based on the 5.77% 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
2023	$ 142,519	$ 46,302	$ 188,821
2024	149,732	39,185	188,917
2025	112,515	31,708	144,223
2026	85,685	26,520	112,205
2027	90,012	22,236	112,248
2028-2032	405,054	43,569	448,623
2033	46,160	1,443	47,603
Total	1,031,676	$ 210,963	$ 1,242,639
Less: due within one year	142,519		
Total long-term outstanding	$ 889,157		

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 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 $728,708 as of June 30, 2022.

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, 2022, 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.

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
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. 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 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
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. 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 CHANGES IN OPEB LIABILITY AND RELATED RATIOS -
DISTRICT'S SINGLE EMPLOYER PLAN
For the Fiscal Year Ended June 30,

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

Notes to Schedule:

For the fiscal year ended June 30, 2022:
Changes in assumptions: The discount rate changed from 1.86% to 2.28%. The trend assumption was updated. Assumptions for salary, mortality, withdrawal and retirement were updated based on new PSERS assumptions.

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
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
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

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, each major fund, and the aggregate remaining fund information of Dover Area School District (District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 6, 2023.

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.

Boyer & Ritter

Camp Hill, Pennsylvania
February 6, 2023

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, 2022. 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, 2022.

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 for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the 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.

Boyer & Ritter

Camp Hill, Pennsylvania
February 6, 2023

DOVER AREA SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2022

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: Qualified

- 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
	CHILD NUTRITION CLUSTER
10.553	School Breakfast Program
10.555	National School Lunch Program
10.555	National School Lunch Program – Food Donations
10.559	Summer Food Service Program for Children
84.010	Title I – Grants to Local Educational Agencies
84.425	COVID-19 - Education Stabilization Fund

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

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

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, 2022

	Assistance Listing Number	Pass Through Grantor's Number	Grant Period	Program or Annual Award	Total Received for the Year	Accrued or (Deferred) Revenue at July 1, 2021	Revenue Recognized	Expenditures Recognized	Accrued or (Deferred) Revenue at June 30, 2022	Provided to Subrecipients
U.S. Department of Education										
Passed through the Pennsylvania Department of Education										
Title I - Grants to Local Educational Agencies	84.010	013-21-0120	20-21	$ 638,353	$ 82,910	$ 82,910	$ -	$ -	$ -	$ -
Title I - Grants to Local Educational Agencies	84.010	013-22-0120	21-22	$ 752,844	637,943	-	751,921	751,921	113,978	-
					720,853	82,910	751,921	751,921	113,978	-
Career and Technical Education - Basic Grants to States (Perkins V)	84.048	380-21-0095	20-21	$ 31,544	5,735	5,735	-	-	-	-
Career and Technical Education - Basic Grants to States (Perkins V)	84.048	380-22-0075	21-22	$ 40,373	37,009	-	40,373	40,373	3,364	-
					42,744	5,735	40,373	40,373	3,364	-
Title II - Supporting Effective Instruction State Grants	84.367	020-21-0120	20-21	$ 119,743	16,120	16,120	-	-	-	-
Title II - Supporting Effective Instruction State Grants	84.367	020-22-0120	21-22	$ 126,793	106,982	-	119,257	119,257	12,275	-
					123,102	16,120	119,257	119,257	12,275	-
Title IV - Student Support and Academic Enrichment Program	84.424	144-21-0120	20-21	$ 43,380	15,493	15,493	-	-	-	-
Title IV - Student Support and Academic Enrichment Program	84.424	144-22-0120	21-22	$ 48,005	40,596	-	43,530	43,530	2,934	-
					56,089	15,493	43,530	43,530	2,934	-
COVID-19 - Governor's Emergency Education Relief (GEER) Fund	84.425C	252-20-0120	21-22	$ 38,041	2,002	2,002	-	-	-	-
COVID-19 - Governor's Emergency Education Relief (GEER) Fund	84.425C	254-20-0120	21-22	$ 61,277	25,801	3,037	22,764	22,764	-	-
					27,803	5,039	22,764	22,764	-	-
COVID-19 - Elementary & Secondary School Emergency Relief (ESSER) Fund	84.425D	200-20-0120	21-22	$ 469,812	197,816	181,394	16,422	16,422	-	-
COVID-19 - Elementary & Secondary School Emergency Relief (ESSER) Fund	84.425D	200-21-0120	21-22	$ 2,357,238	1,806,911	42,369	1,924,793	1,924,793	160,251	-
					2,004,727	223,763	1,941,215	1,941,215	160,251	-
COVID-19 - American Rescue Plan - Elementary & Secondary School Emergency Relief (ARP ESSER) Fund	84.425U	223-21-0120	21-22	$ 4,768,011	346,764	-	70,802	70,802	(275,962)	-
COVID-19 - American Rescue Plan - Elementary & Secondary School Emergency Relief (ARP ESSER) Fund	84.425U	225-21-0120	21-22	$ 370,581	47,165	-	42,797	42,797	(4,368)	-
					393,929	-	113,599	113,599	(280,330)	-
COVID-19 - American Rescue Plan Elementary and Secondary Schools Emergency Relief-Homeless Children and Youth (ARP-HCY)	84.425W	181-21-2121	21-22	$ 37,244	1,910	-	8,748	8,748	6,838	-
Total passed through the Pennsylvania Department of Education					3,371,157	349,060	3,041,407	3,041,407	19,310	-
Passed through the Pennsylvania Commission on Crime and Delinquency										
COVID-19 - Elementary & Secondary School Emergency Relief (ESSER) Fund	84.425D	2020-ES-01-35230	20-21	$ 103,636	103,636	103,636	-	-	-	-
Total passed through the Pennsylvania Commission on Crime and Delinquency					103,636	103,636	-	-	-	-
Passed through the Lincoln Intermediate Unit										
Special Education - Grants to States (IDEA, Part B)	84.027	062-22-0012	21-22	$ 707,414	707,414	-	707,414	707,414	-	-
COVID-19 - Special Education - Grants to States (IDEA, Part B)	84.027	062-22-0012	21-22	$ 151,731	151,731	-	151,731	151,731	-	-
					859,145	-	859,145	859,145	-	-
Special Education - Preschool Grants (IDEA Preschool)	84.173	131-22-0012	21-22	$ 7,392	7,392	-	7,392	7,392	-	-
Total passed through the Lincoln Intermediate Unit					866,537	-	866,537	866,537	-	-
Total U.S. Department of Education					4,341,330	452,696	3,907,944	3,907,944	19,310	-

(Continued)

DOVER AREA SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
Year Ended June 30, 2022

	Assistance Listing Number	Pass Through Grantor's Number	Grant Period	Program or Annual Award	Total Received for the Year	Accrued or (Deferred) Revenue at July 1, 2021	Revenue Recognized	Expenditures Recognized	Accrued or (Deferred) Revenue at June 30, 2022	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	N/A	20-21	$ 25,538	20,697	20,697	-	-	-	-
Medical Assistance Program (Medicaid; Title XIX)	93.778	N/A	21-22	$ 25,538	5,026	-	27,002	27,002	21,976	-
Total Medicaid Cluster passed through the Pennsylvania Department of Public Welfare					25,723	20,697	27,002	27,002	21,976	-
Total U.S. Department of Health and Human Services					25,723	20,697	27,002	27,002	21,976	-
U.S. Department of Agriculture										
Passed through the Pennsylvania Department of Education										
School Breakfast Program	10.553	N/A	21-22	N/A	518,975	-	525,508	525,508	6,533	-
National School Lunch Program	10.555	N/A	21-22	N/A	1,615,039	-	1,637,181	1,637,181	22,142	-
COVID-19 - National School Lunch Program - Supply Chain Assistance	10.555	N/A	21-22	N/A	66,506	-	47,598	47,598	(18,908)	-
COVID-19 - National School Lunch Program - SNP Emergency Operating Costs	10.555	N/A	21-22	N/A	18,347	-	18,347	18,347	-	-
					1,699,892	-	1,703,126	1,703,126	3,234	-
Summer Food Service Program for Children	10.559	N/A	21-22	N/A	398,542	431,264	232,226	232,226	264,948	-
COVID-19 - Pandemic Electronic Benefits Transfer Administrative Costs Grant	10.649	N/A	21-22	N/A	614	-	614	614	-	
Total passed through the Pennsylvania Department of Education					2,618,023	431,264	2,461,474	2,461,474	274,715	-
Passed through the Pennsylvania Department of Agriculture										
National School Lunch Program - Food Donations	10.555	N/A	21-22	N/A	157,951	-	157,951	157,951	-	-
Total U.S. Department of Agriculture					2,775,974	431,264	2,619,425	2,619,425	274,715	-
Total Expenditures of Federal Awards					$ 7,143,027	$ 904,657	$ 6,554,371	$ 6,554,371	$ 316,001	$ -
Child Nutrition Cluster (Assistance Listing Numbers - 10.553, 10.555, and 10.559)					$ 2,775,360	$ 431,264	$ 2,618,811	$ 2,618,811	$ 274,715	$ -
Special Education Cluster (Assistance Listing Numbers 84.027 and 84.173)					$ 866,537	$ -	$ 866,537	$ 866,537	$ -	$ -
Education Stabilization Fund (Assistance Listing Numbers 84.425)					$ 2,532,005	$ 332,438	$ 2,086,326	$ 2,086,326	$ (113,241)	$ -

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, 2022

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, 2021. 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, 2022, was $250,000.

DOVER AREA SCHOOL DISTRICT

Empowering and Educating all learners to shape the 21st Century

Kelly K. Cartwright, Ed.D.
Superintendent of Schools

Rina R. Houck, Ed.D.
Assistant Superintendent

Miranda J. Weaver
Chief Financial & Operations Officer

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2022

Identifying Number: Finding 2021-001

Audit Finding: Cash Management

Corrective Action Taken: The District has established review and approval procedures to reconcile the Federal claim for reimbursement reports to District's underlying data documenting meals served for all site locations prior to filing the claim reimbursement reports.

Sincerely,

Miranda Weaver

Miranda Weaver, CPA, MBA, PCSBA
Chief Financial & Operations Officer
Dover Area School District
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