

**WEST YORK AREA SCHOOL DISTRICT**  
**INDEPENDENT AUDITOR'S REPORT**  
**JUNE 30, 2023**

**KOCHENOUR, EARNEST, SMYSER & BURG**

Certified Public Accountants  
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York, Pa. 17401

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Board of Directors  
West York Area School District  
York, Pennsylvania

To the Members of the Board:

We have performed the Single Audit of the West York Area School District for the fiscal year ended June 30, 2023 and have enclosed the Single Audit reporting package.

The Single Audit was done to fulfill the requirements of the Uniform Guidance Compliance Supplement. It entailed: (1) an audit of the general purpose financial statements and our opinion thereon; (2) an examination of the Schedule of Federal Financial Assistance and our opinion thereon; (3) a study and evaluation of internal controls based on an evaluation of the federal financial assistance programs; (4) a review of compliance based on an audit of the general purpose financial statements in accordance with Government Auditing Standards; and (5) a review of compliance with laws and regulations related to the federal financial assistance programs and our opinion thereon.

As part of our report, we have also issued a management letter addressing recommendations we feel should be considered by the school district.

*Kochenour, Earnest, Smyser, and Burg*  
Certified Public Accountants

York, Pennsylvania  
January 4, 2024

**WEST YORK AREA SCHOOL DISTRICT**  
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**WEST YORK AREA SCHOOL DISTRICT  
YORK, PENNSYLVANIA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED June 30, 2023**

The discussion and analysis of West York Area School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the District's financial performance.

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

**FINANCIAL HIGHLIGHTS**

Key financial highlights for 2023 are as follows:

- In total, net assets of the district totaled (\$7.6) million, an increase of \$2.2 million. Net assets of governmental activities increase \$2.0 million. Business-type activities showed slight increase of net assets.
- Revenues totaled \$66.0 million. General revenues accounted for \$36.8 million in revenue or 56 percent of total revenues. Program specific revenues in the form of charges for services and sales, grants, and contributions accounted for \$13.6 million or 21 percent of total revenues.
- Total assets of governmental activities increased by \$2.0 million. Taxes receivable decreased by \$71 thousand.
- The School District had \$68.5 million in expenses related to governmental activities; \$21.9 million of these expenses were offset by program specific charges for services, grants, or contributions. General revenues (primarily taxes) of \$46.3 million and unassigned fund balance were adequate to provide for these programs.
- Among major funds, the general fund had \$66.0 million in revenues and \$68.5 million in expenditures. Expenses exceeded revenues by \$2.7 million.
- Net assets for proprietary funds decreased by about \$50 thousand.
- The School District held its real estate millage to a rate of 24.2238 for the July 2023 tax levy.

**USING THE ANNUAL FINANCIAL REPORT**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand West York Area School District as a financial whole.

The *Statement of Net Assets* and *Statement of Activities* provide information about the activities of the entire School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail.

**WEST YORK AREA SCHOOL DISTRICT  
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**MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)  
(continued)  
YEAR ENDED JUNE 30, 2023**

For governmental funds, these statements tell how the services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. In the case of West York Area School District, the general fund is the most significant fund.

**Reporting the School District as a Whole**

Our analysis for the School District as a whole begins on page 14. One of the most important questions asked about the School District's finances is, "Is the School District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the School District as a whole and about the activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the School District's net assets and changes in net assets. The change in net assets is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors.

In the Statement of Net Assets and the Statement of Activities, the School District's financial information is divided into two distinct kinds of activities:

- *Governmental Activities*- Most of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation, and extracurricular activities.
- *Business-Type Activities*-These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The School District's adult and community education programs and food services are reported as business activities.

**Reporting the School District's Most Significant Funds**

*Fund Financial Statements*

The analysis of the School District's major funds begins on page 16. The fund financial statements provide detailed information about the most significant funds as opposed to the School District as a whole. The School District's two types of funds, governmental and proprietary, use different accounting approaches.

- **Governmental Funds**- Most of the School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or less financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

**WEST YORK AREA SCHOOL DISTRICT  
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**MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)  
(continued)  
YEAR ENDED JUNE 30, 2023**

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

**The School District as a Whole**

The statement of net assets provides the perspective of the School District as a whole.

Table 1 provides a summary of the School District's net assets for 2023 compared to 2022.

The District's total net assets at June 30, 2023 were (\$9.5) million as compared to (\$11.5) million at June 30, 2022.

	Governmental Activities		Business-type Activities		Total	
	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>
<u>Assets</u>						
Current and Other Assets	26.2	24.8	1.2	1.6	27.4	26.3
Capital assets	106.3	101.7	0.5	0.5	106.8	102.2
<u>Total Assets</u>	<u>132.5</u>	<u>126.5</u>	<u>1.7</u>	<u>2.0</u>	<u>134.2</u>	<u>128.5</u>
<u>Liabilities</u>						
Current Liabilities	11.3	12.9	0.0	0.2	11.4	13.0
Long-Term Liabilities	132.7	123.0	0.2	0.0	132.9	123.0
<u>Total Liabilities</u>	<u>144.0</u>	<u>135.9</u>	<u>0.0</u>	<u>0.2</u>	<u>144.0</u>	<u>136.1</u>
<u>Net Assets</u>						
Invested in Capital Assets, Net of Debt	40.5	41.8	0.0	0.0	40.5	41.8
Restricted		0.0	0.0	0.0		0.0
Unrestricted	-52.0	-51.3	1.5	1.9	-50.5	-49.4
<u>Total Net Assets</u>	<u>-11.5</u>	<u>-9.5</u>	<u>1.7</u>	<u>1.9</u>	<u>-9.8</u>	<u>-7.6</u>

Total assets decreased \$5.7 million.

Net assets of the School District's governmental activities decreased by \$6.0 million. Unrestricted net assets increased by \$700 thousand.

The net assets of the School District business-type activities increased by \$200 thousand.

**WEST YORK AREA SCHOOL DISTRICT  
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**MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)  
(continued)  
YEAR ENDED JUNE 30, 2023**

Table 2 takes the information from that Statement and rearranges it slightly so the reader can see our total revenues and expenses for the year.

**Table 2  
Changes in Net Assets**

	Governmental		Business-type		Total	
	<u>Activities</u>		<u>Activities</u>		<u>2023</u>	<u>2022</u>
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>		
<b><u>Revenues</u></b>						
Program Revenues						
Charges for Services	0.3	0.3	0.5	0.2	0.7	0.4
Operating Grants	8.3	8.8	1.7	2.2	10.0	11.1
General Revenues						
Property Taxes	36.8	36.4	0.0	0.0	36.8	36.4
Public Utility, EIT, RE Transfer	5.4	5.4	0.0	0.0	5.4	5.4
Grants an Entitlements	13.6	12.7	0.0	0.0	13.6	12.7
Investment earnings	0.8	0.0	0.0	0.0	0.9	0.0
Miscellaneous income	0.9	1.0	0.0	0.0	0.9	1.0
<b><u>Total Revenue</u></b>	<u>66.0</u>	<u>64.7</u>	<u>2.2</u>	<u>2.4</u>	<u>68.2</u>	<u>67.0</u>
<b><u>Expenses</u></b>						
Instruction	41.0	42.8	0.2	0.2	41.3	43.0
Support Services:						
Instructional Student Support	5.7	4.9	0.0	0.0	5.7	4.9
Administrative & Financial Support						
Services	7.1	7.1	0.0	0.0	7.1	7.1
Operation & Maintenance	4.3	4.2	0.0	0.0	4.3	4.2
Pupil Transportation	3.1	2.7	0.0	0.0	3.1	2.7
Student Activities	1.1	1.0	0.1	0.0	1.2	1.0
Community Services	0.0	0.0	0.0	0.0	0.0	0.0
Interest on Long-Term Debt	1.5	0.7	0.0	0.0	1.5	0.7
Unallocated Depreciation Expense	0.0	0.0	0.0	0.0	0.0	0.0
Food Services	0.0	0.0	1.6	1.1	1.6	1.1
<b><u>Total Expenses</u></b>	<u>63.8</u>	<u>63.3</u>	<u>1.8</u>	<u>1.4</u>	<u>65.8</u>	<u>64.6</u>
<b><u>Increase in Net Assets</u></b>	<u>2.1</u>	<u>1.4</u>	<u>0.4</u>	<u>0.06</u>	<u>2.4</u>	<u>2.4</u>

Expenses for governmental activities are partially offset by program revenues and general grants and entitlements, but are primarily funded by tax revenue. Program revenues that offset expenses this year include:

- Operating grants and contributions include state subsidies for basic and special education, transportation, and employee benefits. Also included are federal and state grants for special programs.



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**MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)  
(continued)  
YEAR ENDED JUNE 30, 2023**

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services. It identifies the cost of these services supported by tax revenue and unrestricted state entitlements.

**Table 3  
Fiscal Year ended June 30  
Governmental Activities  
(In Millions)**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Instruction	41.0	42.8	33.9	35.1
Support Services:				
Instructional Student Support	5.7	4.9	5.6	4.9
Administrative & Financial Support Services	7.1	7.1	7.1	7.1
Operation & Maintenance	4.3	4.2	4.3	4.2
Pupil Transportation	3.1	2.7	2.3	2.1
Student Activities	1.1	1.0	1.0	0.9
Community Services	0.0	0.0	0.0	0.0
Interest on Long-Term Debt	1.5	0.7	0.9	0.0
Unallocated Depreciation Expense	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
<b><u>Total Governmental Activities</u></b>	<b><u>63.8</u></b>	<b><u>63.3</u></b>	<b><u>55.3</u></b>	<b><u>54.2</u></b>
Less:				
Unrestricted grants, subsidies			<u>13.6</u>	<u>12.7</u>
<b>Total needs from local taxes and other revenue</b>			<b><u>41.7</u></b>	<b><u>41.5</u></b>

The dependence upon tax revenues for governmental activities is apparent. For all governmental activities, general revenue support is 65.4 percent. The community, as a whole, is by far the primary financial support for West York Area School District students.

***The School District's Funds***

Information on the School District's major funds starts on page 18. Those funds are accounted for by using the modified accrual basis of accounting. All governmental funds had total revenues of \$65.9 million and expenditures of \$68.7 million.

**WEST YORK AREA SCHOOL DISTRICT  
YORK, PENNSYLVANIA**

**MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)  
(continued)  
YEAR ENDED JUNE 30, 2023**

**GENERAL FUND BUDGET HIGHLIGHTS**

The School District's budget is prepared according to Pennsylvania law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During the fiscal year, the Board of School Directors may authorize revisions to the original budget to accommodate differences from the original budget to the actual expenditures of the District. All adjustments are again confirmed at the time the annual audit is accepted, which is after the end of the fiscal year and within the requirements of state law. In addition, the District may amend its general fund budget to accept grant funds for specific programs. A schedule showing the District's original and final budget amounts compared with amounts actually paid and received is included on page 20.

Budgeted expenditures and other financing uses also increased this same amount to compensate for the additional approved grants. Transfers between specific categories of expenditures/financing uses may occur during the year. The most significant transfers occur from the budget reserve category to specific expenditure areas.

For the General Fund, budget basis revenue was \$65.8 million; about \$1.3 million more than originally budgeted. The areas of major variance are in the receipt of real estate taxes, delinquent real estate taxes, interim real estate taxes and other revenue. The second and third areas are difficult to predict with greater accuracy and are budgeted with conservative figures each year.

On the expenditure side, the budget basis was \$68.5 million, about \$770 thousand less than originally budgeted. The major area of variance was spread across all expenditure items.

At June 30, 2023, the District's general fund reported a fund balance of \$10.8 million. The District has established self-insurance committed fund to fund these special areas. The District has set assigned funds of \$1.2 million for a Building and Grounds Fund, \$1.2 million for a Curriculum Fund, \$1.2 million for a Technology Fund and \$5.1 in an Unassigned Fund. See Notes 13 and 14 in the Notes to Financial Statements.

**WEST YORK AREA SCHOOL DISTRICT  
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**MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)  
(continued)  
YEAR ENDED JUNE 30, 2023**

**CAPITAL ASSET AND DEBT ADMINISTRATION**

*CAPITAL ASSETS*

At June 30, 2023, the District had \$82.3 million invested in a broad range of capital assets, including land, buildings, furniture, and equipment.

**Table 4  
Governmental Activities  
Capital assets - net of depreciation  
(In Millions)**

	<u>2023</u>	<u>2022</u>
Land	2.2	2.2
Site Improvements	2.2	2.1
Buildings	76.7	78.9
Furniture & Equipment	1.2	1.3
Construction in Progress	0.0	0.0
<b><u>Totals</u></b>	<b><u>82.3</u></b>	<b><u>84.6</u></b>

*DEBT ADMINISTRATION*

As of July 1, 2022, the District had total outstanding bond principal of \$44.0 million. As of June 30, 2023, the outstanding bond principal was \$40.5 million.

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**MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)  
(continued)  
YEAR ENDED JUNE 30, 2023**

Table 5 provides additional details on the outstanding debt.

**Table 5  
Outstanding Debt at Year-End**

	<u>Governmental Activities 2023</u>	<u>Governmental Activities 2022</u>
<b><u>General Obligation Bonds</u></b>		
Bonds, Series of 2003A (Refinance of 1998 Issue)	0.0	0.0
Bonds, Series of 2004 (Refinance of 1999 & 2000 Issues)	0.0	0.0
PNC Bank Loan 2008 (Refinanced Series 2002 & 2003)	0.0	0.0
Bond Series 2010 (Refinanced Series 2005)	0.0	0.0
Bond Series 2013	0.0	2.7
Bond Series 2020	40.5	41.3
<b><u>Total Outstanding Debt</u></b>	<u>40.5</u>	<u>44.0</u>

Other obligations include accrued vacation pay and sick leave for specific employees of the District. More detailed information about our long-term liabilities is included in Note 6 to the financial statements.

S&P has assigned the School District a rating of "AA+" Stable.

**For the Future**

*GROWTH*

The District has seen a limited slow decline in the student population; given the current economic conditions we expect little or no growth in the coming year.

Long-term, the District has completed the construction of LED lights throughout the entire District and the replacement of roofs at both the High School and Middle School. The Middle School and High School received much needed air handlers.

*Fund Balance*

The District has established a committed fund - self-insurance reserve. The District is self-insured for its health care costs and the self-insurance fund will protect the District's assets against future claims which may from time to time exceed the current year's budgeted expenses. See Notes 13 and 14.

**WEST YORK AREA SCHOOL DISTRICT  
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**MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)  
(continued)  
YEAR ENDED JUNE 30, 2023**

**Support Staff Contract**

The current support staff agreement has been signed and runs through June 30, 2024.

**Professional Staff Contract**

The current professional staff agreement has been signed and runs through June 30, 2028

**Employee Benefits' Costs**

All school districts in the Commonwealth are facing the common problem of increasing employee benefit costs. The two primary areas of concern are the retirement (Public School Employees' retirement System) and self-insured medical and dental costs. The cost of the retirement expense is shared between the district and the Commonwealth of Pennsylvania. Additionally, medical costs have leveled in recent years; however the risk remains for costs to increase along the national trends.

**S & P**

The evaluation performed by Standard & Poor's (S & P) School Evaluation Services (SES) has confirmed the School District's strength in providing value to its students and residents for the investment made by the community to financially support the organization. From the SES Educational Return Summary: "How does this district's return on resources compare with other Pennsylvania school districts? Relative to other school districts in Pennsylvania, West York Area School District produces moderately above-average student results with well below-average spending per student. When compared with a composite of peer districts with similar demographic characteristics, the district produces average student results with lower per-student spending. Among the student results considered are the district's PSSA, SAT, AP, ACT, and PSAT scores and corresponding participation rates, as well as dropout and attendance rates. Spending reflects resources used to support regular ongoing operations.

**Act One (1)**

The Tax Study Commission made a non-binding recommendation to the Board of Directors of the West York Area School District not to increase the local Earned Income Tax by 1 % to fund the homestead exclusion. As anticipated additional reduction of the property tax has taken place when the "gaming money" from the state was made available to the school districts. The payment by the state of this "gaming money" is made on an annual basis.

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**MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)  
(continued)  
YEAR ENDED JUNE 30, 2023**

**Contacting the District's Financial Management**

Our financial report is designed to provide our citizens, taxpayers, parents, students, investors and creditors with a general overview of the District's finances and to show the Board's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, please contact Sheri L. Schlemmer, Chief Finance & Operations Officer at West York Area School District, 1891 Loucks Rd, Suite 100, York, PA 17408, (717) 792-2796.

# KOCHENOUR, EARNEST, SMYSER & BURG

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Education  
West York Area School District  
York, Pennsylvania

### Report on the Audit of the Financial Statements

#### Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the West York Area School District as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinions

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

#### Responsibilities of Management for the Financial Statements

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

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

#### Auditor's Responsibilities for the Audit of the Financial Statements

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

To the Board of Education  
West York Area School District  
York, Pennsylvania

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

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

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

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 1-10 and page 20 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 West York Area School District's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated,



To the Board of Education  
West York Area School District  
York, Pennsylvania

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

### **Other Information**

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

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

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 4, 2024, on our consideration of the West York Area School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the West York Area School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the West York Area School District's internal control over financial reporting and compliance.

*Kochenour, Earnest, Smyser & Burg*

Certified Public Accountants

York, Pennsylvania  
January 4, 2024

**WEST YORK AREA SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2023**

<b>ASSETS</b>	<b>Governmental</b>	<b>Business-type</b>	
<b>Current Assets:</b>	<b>Activities</b>	<b>Activities</b>	<b>Total</b>
Cash and Cash Equivalents	\$ 21,572,552	\$ 1,538,701	\$ 23,111,253
Investments	0	0	0
Taxes Receivable, Net	564,696	0	564,696
Internal Balances	99,420	0	99,420
Due From Other Governments	2,114,071	0	2,114,071
Other Receivables	409,726	9,757	419,483
Due From Other Funds	0	0	0
Inventories	0	22,597	22,597
Prepaid Expenses	15,577	0	15,577
<b>Total Current Assets</b>	<b>24,776,042</b>	<b>1,571,055</b>	<b>26,347,097</b>
<b>Noncurrent Assets:</b>			
Land	2,228,900	0	2,228,900
Lease Assets (Net of Acc. Amort)	1,329,680	0	1,329,680
Site Improvements (Net)	2,169,449	0	2,169,449
Building & Building Improv. (Net of Acc. Depreciation)	76,731,021	0	76,731,021
Furniture & Equipment (Net of Acc. Depreciation)	1,180,825	455,170	1,635,995
Construction in Progress	0	0	0
Prepaid G.O. Bond Interest	2,728,076	0	2,728,076
<b>Total Noncurrent Assets</b>	<b>86,367,951</b>	<b>455,170</b>	<b>86,823,121</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred Amounts Related To OPEB	766,188	0	766,188
Deferred Amounts Related To Pensions	14,522,450	0	14,522,450
<b>TOTAL ASSETS</b>	<b>\$ 126,432,631</b>	<b>\$ 2,026,225</b>	<b>\$ 128,458,856</b>
<b>LIABILITIES</b>			
<b>Current Liabilities:</b>			
Accounts Payable	\$ 1,134,680	\$ 10,612	\$ 1,145,292
Internal Balances	0	99,420	99,420
Current Portion of Long-Term Debt	3,640,000	0	3,640,000
Accrued G.O. Bond Interest Payable	236,695	0	236,695
Accrued Salaries and Benefits	3,577,133	3,079	3,580,212
Payroll Deductions & Withholdings	4,011,825	0	4,011,825
Due To Other Governments	0	0	0
Other Current Liabilities	287,293	38,558	325,851
<b>Total Current Liabilities</b>	<b>12,887,626</b>	<b>151,669</b>	<b>13,039,295</b>
<b>Noncurrent Liabilities:</b>			
Bonds/Notes Payable	36,870,000	0	36,870,000
Lease Obligations	1,329,680	0	1,329,680
Long-Term Portion of Compensated Absences	1,144,295	21,634	1,165,929
G.O. Bond Premium	725,977	0	725,977
Net Pension Liability	69,445,000	0	69,445,000
OPEB Obligation	5,562,341	0	5,562,341
<b>Total Noncurrent Liabilities</b>	<b>115,077,293</b>	<b>21,634</b>	<b>115,098,927</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred Amounts Related To OPEB	3,023,712	0	3,023,712
Deferred Amounts Related To Pensions	4,926,000	0	4,926,000
<b>TOTAL LIABILITIES</b>	<b>135,914,631</b>	<b>173,303</b>	<b>136,087,934</b>
<b>NET POSITION</b>			
Invested in Capital Assets Net of Related Debt	41,800,195	0	41,800,195
Unrestricted	(51,282,195)	1,852,922	(49,429,273)
<b>TOTAL NET POSITION</b>	<b>(9,482,000)</b>	<b>1,852,922</b>	<b>(7,629,078)</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 126,432,631</b>	<b>\$ 2,026,225</b>	<b>\$ 128,458,856</b>

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

**WEST YORK AREA SCHOOL DISTRICT**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2023**

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental Activities:</b>								
Instruction	\$ 41,020,931	\$ 0	\$ 248,179	\$ 6,824,336	\$ 0	\$ (33,948,416)	\$ 0	\$ (33,948,416)
Instructional Student Support	5,677,499	0	0	51,060	0	(5,626,439)	0	(5,626,439)
Admin. & Finl Support Services	7,113,573	0	0	0	0	(7,113,573)	0	(7,113,573)
Op & Main of Plant Svcs	4,321,311	0	0	0	0	(4,321,311)	0	(4,321,311)
Pupil Transportation	3,068,327	0	0	761,966	0	(2,306,361)	0	(2,306,361)
Student Activities	1,106,820	0	61,979	0	0	(1,044,841)	0	(1,044,841)
Community Services (excl. 3340)	12,928	0	0	0	0	(12,928)	0	(12,928)
Interest on Long-Term Debt	1,520,535	0	0	629,292	0	(891,243)	0	(891,243)
<b>Total Governmental Activities</b>	<b>63,841,924</b>	<b>0</b>	<b>310,158</b>	<b>8,266,654</b>	<b>0</b>	<b>(55,265,112)</b>	<b>0</b>	<b>(55,265,112)</b>
<b>Business-type Activities:</b>								
Food Service	1,900,773	0	476,086	1,732,925	0	0	308,238	308,238
<b>Total Primary Government</b>	<b>\$ 65,742,697</b>	<b>\$ 0</b>	<b>\$ 786,244</b>	<b>\$ 9,999,579</b>	<b>\$ 0</b>	<b>(55,265,112)</b>	<b>308,238</b>	<b>(54,956,874)</b>

**General revenues:**

Taxes:			
Property taxes, levied for general purposes, net	36,808,263	0	36,808,263
Taxes levied for specific purposes, net	5,206,743	0	5,206,743
Grants, subsidies, & contributions not restricted	13,558,457	0	13,558,457
Investment Earnings	829,608	20,993	850,601
Miscellaneous Income	866,567	0	866,567
Sale of Fixed Assets	7,300	0	7,300
<b>Total general revenues, special items, extraordinary items and transfers</b>	<b>57,276,938</b>	<b>20,993</b>	<b>57,297,931</b>
<b>Change in Net Position</b>	<b>2,011,826</b>	<b>329,231</b>	<b>2,341,057</b>
Net Position—beginning	(11,493,826)	1,523,691	(9,970,135)
<b>Net Position—ending</b>	<b>\$ (9,482,000)</b>	<b>\$ 1,852,922</b>	<b>\$ (7,629,078)</b>

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

**WEST YORK AREA SCHOOL DISTRICT**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2023**

	<b><u>General Fund</u></b>	<b><u>Major Fund Construction</u></b>	<b><u>Major Fund Capital Reserve</u></b>	<b><u>Non-Major Funds</u></b>	<b><u>Total Governmental Funds</u></b>
<b>ASSETS</b>					
Cash & Cash Equivalents	\$ 17,128,391	\$ 520	\$ 4,443,641	\$ 0	\$ 21,572,552
Investments	0	0	0	0	0
Taxes Receivable (Net)	564,696	0	0	0	564,696
Due from Other Governments	2,114,071	0	0	0	2,114,071
Due from Other Funds	98,905	515	0	0	99,420
Other Receivables	409,726	0	0	0	409,726
Prepaid Expenses	15,577	0	0	0	15,577
<b>TOTAL ASSETS</b>	<b>\$ 20,331,366</b>	<b>\$ 1,035</b>	<b>\$ 4,443,641</b>	<b>\$ 0</b>	<b>\$ 24,776,042</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ 1,134,680	\$ 0	\$ 0	\$ 0	\$ 1,134,680
Due to Other Governments	0	0	0	0	0
Due to Other Funds	0	0	0	0	0
Accrued Salaries and Benefits	3,577,133	0	0	0	3,577,133
Payroll Deductions & Withholdings	4,011,825	0	0	0	4,011,825
Other Current Liabilities	15,437	0	0	0	15,437
<b>TOTAL LIABILITIES</b>	<b>8,739,075</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,739,075</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred Revenue	836,552	0	0	0	836,552
<b>FUND BALANCES</b>					
Restricted - Construction Fund	0	1,035	0	0	1,035
Committed - Medical Reserve Fund	1,992,673	0	0	0	1,992,673
Committed - PSERS Retirement Reserve	0	0	0	0	0
Assigned - Curriculum Fund	1,188,408	0	0	0	1,188,408
Assigned - Technology Fund	1,188,408	0	0	0	1,188,408
Assigned - B & G Fund	1,188,408	0	0	0	1,188,408
Assigned - Capital Reserve Fund	0	0	4,443,641	0	4,443,641
Unassigned	5,197,842	0	0	0	5,197,842
<b>TOTAL FUND BALANCES</b>	<b>10,755,739</b>	<b>1,035</b>	<b>4,443,641</b>	<b>0</b>	<b>15,200,415</b>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 20,331,366</b>	<b>\$ 1,035</b>	<b>\$ 4,443,641</b>	<b>\$ 0</b>	<b>\$ 24,776,042</b>

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

**WEST YORK AREA SCHOOL DISTRICT**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2023**

**Total Fund Balances - Governmental Funds** \$ 15,200,415

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

Capital Assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of assets is \$130,261,254 and the accumulated depreciation is \$47,951,059. 82,310,195

Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds. 564,696

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

Bonds/Notes Payable	(40,510,000)	
Accrued G.O. Bond Interest Payable	(236,695)	
Compensated Absences	<u>(1,144,295)</u>	(41,890,990)

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

Right to use assets at historical cost		1,596,576
Accumulated amortization		(266,896)

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

Deferred outflows of resources related to pensions		14,522,450
Deferred inflows of resources related to pensions		(4,926,000)
Deferred outflows of resources related to OPEB		766,188
Deferred inflows of resources related to OPEB		(3,023,712)

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

<u>Other</u>		
G.O. Bond Premium		(725,977)
Net Pension Liability		(69,445,000)
Lease Liability		(1,329,680)
Prepaid G.O. Bond Interest		2,728,076
OPEB Obligation		<u>(5,562,341)</u>

**TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES** **\$ (9,482,000)**

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

**WEST YORK AREA SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	<b><u>General Fund</u></b>	<b><u>Major Fund Construction</u></b>	<b><u>Major Fund Capital Reserve</u></b>	<b><u>Non-Major Funds</u></b>	<b><u>Total Governmental Funds</u></b>
<b>REVENUES</b>					
<b>Local Sources:</b>					
Real Estate Taxes and Penalties	\$ 36,879,284	\$ 0	\$ 0	\$ 0	\$ 36,879,284
Other Taxes	5,206,743	0	0	0	5,206,743
Interest	726,874	18	102,716	0	829,608
Revenue Received from Athletics	61,979	0	0	0	61,979
Revenue Received from Other LEAS	1,087,833	0	0	0	1,087,833
Tuition	45,008	0	0	0	45,008
Other Revenue	865,977	0	0	0	865,977
<b>Total Local Sources</b>	<b>44,873,698</b>	<b>18</b>	<b>102,716</b>	<b>0</b>	<b>44,976,432</b>
State Sources	18,953,424	0	0	0	18,953,424
Federal Sources	1,973,174	0	0	0	1,973,174
<b>Total Revenues</b>	<b>65,800,296</b>	<b>18</b>	<b>102,716</b>	<b>0</b>	<b>65,903,030</b>
<b>EXPENDITURES</b>					
<b>Current:</b>					
Instruction	43,162,061	0	0	0	43,162,061
Support Services	19,430,588	0	0	0	19,430,588
NonInstructional Services	1,078,607	0	0	0	1,078,607
<b>Total Current Expenditures</b>	<b>63,671,256</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>63,671,256</b>
<b>Capital Outlay:</b>					
Facilities Acquisition, Construction and Improvements	0	0	228,816	0	228,816
<b>Total Capital Outlay</b>	<b>0</b>	<b>0</b>	<b>228,816</b>	<b>0</b>	<b>228,816</b>
<b>Debt Service:</b>					
Principal	3,530,000	0	0	0	3,530,000
Interest	1,333,378	0	0	0	1,333,378
<b>Total Debt Service</b>	<b>4,863,378</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,863,378</b>
<b>TOTAL EXPENDITURES</b>	<b>68,534,634</b>	<b>0</b>	<b>228,816</b>	<b>0</b>	<b>68,763,450</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(2,734,338)</b>	<b>18</b>	<b>(126,100)</b>	<b>0</b>	<b>(2,860,420)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from Bonds	0	0	0	0	0
Interfund Transfers	0	0	0	0	0
Sale/Compensation for Fixed Assets	7,300	0	0	0	7,300
Refunds of Prior Years Receipts	0	0	0	0	0
Refunds of Prior Years Expenditures	14,440	0	0	0	14,440
Refunding Escrow Agent Payment	0	0	0	0	0
Operating Transfers Out	0	0	0	0	0
Budgetary Reserve	0	0	0	0	0
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>21,740</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>21,740</b>
<b>Net Change in Fund Balances</b>	<b>(2,712,598)</b>	<b>18</b>	<b>(126,100)</b>	<b>0</b>	<b>(2,838,680)</b>
<b>FUND BALANCE - JULY 1, 2022</b>	<b>13,468,337</b>	<b>1,017</b>	<b>4,569,741</b>	<b>0</b>	<b>18,039,095</b>
<b>FUND BALANCE - JUNE 30, 2023</b>	<b>\$ 10,755,739</b>	<b>\$ 1,035</b>	<b>\$ 4,443,641</b>	<b>\$ 0</b>	<b>\$ 15,200,415</b>

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

**WEST YORK AREA SCHOOL DISTRICT**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**Total net change in fund balances - governmental funds** \$ (2,838,680)

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeds capital outlays in the period. Depreciation Expense \$(2,457,546)

Capital Outlays	210,641	(2,246,905)
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Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered as "available" revenues in the governmental funds. Deferred tax revenues increased (decreased) by this amount this year. (71,020)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 3,530,000

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

District pension contributions		9,054,774
Cost of pension benefits earned, net of employee contributions		(5,421,117)

The following items are recorded as either revenue or expenses on the Statement of Net Position but are not recorded as revenue or expenses in the governmental funds.

**OTHER**

Accrued Interest Expense Adjustment for G.O. Bonds		28,418
OPEB Obligation Expense		(12,770)
Right to use leased assets capital outlay expenditures which were capitalized		266,896
Accumulated amortization		(266,896)
Bond Interest Expense for Bond Issuance		-
Prepaid Interest Amortization		(409,212)
Bond Premium Amortization		193,637
Compensated Absences		204,701

<b>Change in net position of governmental activities</b>		<b><u>\$ 2,011,826</u></b>
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The accompanying notes are an integral part of these financial statements.

**WEST YORK AREA SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Final Budget</b>
	<b>Original</b>	<b>Final</b>	<b>(Budgetary Basis)</b>	<b>Positive (Negative)</b>
<b>REVENUES</b>				
Real Estate Taxes and Penalties	\$ 36,785,440	\$ 36,785,440	\$ 36,879,284	\$ 93,844
Other Taxes	4,755,178	4,755,178	5,206,743	451,565
Interest	100,000	100,000	726,874	626,874
Revenue Received from Athletics	43,500	43,500	61,979	18,479
Revenue Received from Other LEAS	600,000	600,000	1,087,833	487,833
Tuition	165,000	165,000	45,008	(119,992)
Other Revenue	846,000	846,000	865,977	19,977
<b>Total Local Sources</b>	<b>43,295,118</b>	<b>43,295,118</b>	<b>44,873,698</b>	<b>1,578,580</b>
State Program Revenues	18,692,545	18,692,545	18,953,424	260,879
Federal Program Revenues	2,519,326	2,519,326	1,973,174	(546,152)
<b>TOTAL REVENUES</b>	<b>64,506,989</b>	<b>64,506,989</b>	<b>65,800,296</b>	<b>1,293,307</b>
<b>EXPENDITURES</b>				
<b>Current:</b>				
Regular Programs	26,419,379	26,419,379	26,615,292	(195,913)
Special Programs	12,527,636	12,527,636	11,772,281	755,355
Vocational Programs	3,398,968	3,398,968	3,207,246	191,722
Other Instructional Programs	1,752,654	1,752,654	1,556,766	195,888
Non-Public School Programs	0	0	10,476	(10,476)
Adult Education Programs	0	0	0	0
Community/Junior College Ed Programs	0	0	0	0
<b>Support Services:</b>				
Pupil Personnel Services	2,971,533	2,971,533	3,116,285	(144,752)
Instructional Staff Services	1,341,940	1,341,940	1,521,351	(179,411)
Administrative Services	3,544,911	3,544,911	3,558,937	(14,026)
Pupil Health	899,367	899,367	828,830	70,537
Business Services	595,825	595,825	600,664	(4,839)
Operation & Maintenance of Plant Services	4,472,468	4,472,468	4,160,687	311,781
Student Transportation Services	2,872,584	2,872,584	2,954,276	(81,692)
Central & Other Support Services	2,640,886	2,640,886	2,616,357	24,529
Other Support Services	75,500	75,500	73,201	2,299
<b>Operation of Noninstructional Services:</b>				
Student Activities	1,191,647	1,191,647	1,065,679	125,968
Community services	3,000	3,000	12,928	(9,928)
Facilities Acquisition and Construction	0	0	0	0
Debt Service	4,596,278	4,596,278	4,863,378	(267,100)
<b>TOTAL EXPENDITURES</b>	<b>69,304,576</b>	<b>69,304,576</b>	<b>68,534,634</b>	<b>769,942</b>
<b>EXCESS (DEFICIENCY) OF REVENUES</b>				
<b>OVER EXPENDITURES</b>	<b>(4,797,587)</b>	<b>(4,797,587)</b>	<b>(2,734,338)</b>	<b>2,063,249</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Interfund Transfers	0	0	0	0
Sale/Compensation for Fixed Assets	0	0	7,300	7,300
Special and Extraordinary Items	0	0	0	0
Refunds of Prior Years Expenditures (Revenues)	0	0	14,440	14,440
Budgetary Reserve	(125,000)	(125,000)	0	125,000
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(125,000)</b>	<b>(125,000)</b>	<b>21,740</b>	<b>146,740</b>
Net change in fund balances	<u>\$ (4,922,587)</u>	<u>\$ (4,922,587)</u>	<u>(2,712,598)</u>	<u>\$ 2,209,989</u>
<b>FUND BALANCE - JULY 1, 2022</b>			13,468,337	
<b>FUND BALANCE - JUNE 30, 2023</b>			<u>\$ 10,755,739</u>	

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



**WEST YORK AREA SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND**  
**JUNE 30, 2023**

	<u>Food Service</u>
<b>ASSETS</b>	
<b>Current Assets:</b>	
Cash and Cash Equivalents	\$ 1,538,701
Due from Other Funds	0
Due from Other Governments	0
Other Receivables	9,757
Inventories	22,597
<b>Total Current Assets</b>	<u>1,571,055</u>
<b>Noncurrent Assets:</b>	
Machinery & Equipment (Net of Accum. Depreciation)	455,170
<b>Total Noncurrent Assets</b>	<u>455,170</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 2,026,225</u></u>
<b>LIABILITIES</b>	
<b>Current Liabilities:</b>	
Accounts Payable	\$ 10,612
Due to Other Funds	99,420
Accrued Salaries & Benefits	3,079
Payroll Deductions and Withholdings	0
OPEB Obligation	0
Deferred Revenue	38,558
<b>Total Current Liabilities</b>	<u>151,669</u>
<b>Non-Current Liabilities:</b>	
Compensated Absences	21,634
<b>Total Non-Current Liabilities</b>	<u>21,634</u>
<b>TOTAL LIABILITIES</b>	<u>173,303</u>
<b>NET POSITION</b>	
Unrestricted	1,852,922
<b>TOTAL NET POSITION</b>	<u>1,852,922</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u><u>\$ 2,026,225</u></u>

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

**WEST YORK AREA SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUND**  
**JUNE 30, 2023**

	<b><u>Food Service</u></b>
<b>OPERATING REVENUES:</b>	
Food Service Revenue	\$ 475,417
Other Operating Revenue	<u>669</u>
<b>TOTAL OPERATING REVENUES</b>	<u>476,086</u>
<b>OPERATING EXPENSES:</b>	
Salaries	543,149
Employee Benefits	359,439
Purchased Professional and Technical Service	0
Purchased Property Service	14,923
Other Purchased Service	6,336
Supplies	885,775
Depreciation	90,354
Dues and Fees	797
Other Operating Expenses	<u>0</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>1,900,773</u>
<b>OPERATING INCOME/(LOSS)</b>	<u>(1,424,687)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>	
Earnings on Investments	20,993
State Sources	260,947
Federal Sources	<u>1,471,978</u>
<b>TOTAL NONOPERATING REV/(EXP)</b>	<u>1,753,918</u>
<b>CHANGE IN NET POSITION</b>	329,231
<b>TOTAL NET POSITION - JULY 1, 2022</b>	<u>1,523,691</u>
<b>TOTAL NET POSITION - JUNE 30, 2023</b>	<u><u>\$ 1,852,922</u></u>

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

**WEST YORK AREA SCHOOL DISTRICT**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND**  
**JUNE 30, 2023**

	<b><u>Food Service</u></b>
<b>Cash Flows From Operating Activities</b>	
Cash Received from Users	\$ 417,431
Cash Received from Other Operating Revenues	0
Cash Payments to Employees for Services	(903,925)
Cash Payments to Suppliers for Goods and Services	(879,571)
Cash Payments for Other Operating Expenses	0
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b><u>(1,366,065)</u></b>
<b>Cash Flows From Non-Capital Financing Activities</b>	
State Sources	260,947
Federal Sources	1,477,494
<b>Net Cash Provided by (Used for) Non-Capital Financing Activities</b>	<b><u>1,738,441</u></b>
<b>Cash Flows From Capital and Related Financing Activities</b>	
Facilities Acquisition/Construction/Improvements	0
<b>Net Cash Provided by (Used for) Capital and Related Financing Activities</b>	<b><u>0</u></b>
<b>Cash Flows From Investing Activities</b>	
Earnings on Investments	20,993
<b>Net Cash Provided by (Used for) Investing Activities</b>	<b><u>20,993</u></b>
<b>Net Inc (Dec) in Cash and Cash Equivalents</b>	<b><u>393,369</u></b>
<b>Cash and Cash Equivalents Beginning of Year</b>	<b><u>1,145,332</u></b>
<b>Cash and Cash Equivalents at Year End</b>	<b><u>\$ 1,538,701</u></b>
 <b>Operating Income (Loss)</b>	 <b>\$ (1,424,687)</b>
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</b>	
Depreciation	90,354
(Increase) Decrease in Receivables	(7,320)
(Increase) Decrease in Inventories	195
(Increase) Decrease in Due to Other Funds	0
Increase (Decrease) in Accounts Payable	(49,347)
Increase (Decrease) in Accrued Salaries & Benefits	(1,281)
Increase (Decrease) in Payroll Deductions/Withholding	-
Increase (Decrease) in Deferred Revenue	(51,335)
Increase (Decrease) in Compensated Absences	(56)
Increase (Decrease) in Due from Other Funds	77,412
<b>Total Adjustments</b>	<b><u>58,622</u></b>
<b>Net Cash Provided by (Used for) Activities</b>	<b><u>\$ (1,366,065)</u></b>

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

**WEST YORK AREA SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2023**

<b>ASSETS</b>	<b>Private Purpose Trust</b>	<b>Agency</b>
Cash and Cash Equivalents	\$ 0	\$ 104,833
Due From General Fund	0	0
Other Receivables	0	0
Other Current Assets	0	0
<b>TOTAL ASSETS</b>	<b>0</b>	<b>104,833</b>
<b>LIABILITIES</b>		
Accounts Payable	0	104,833
Due To Other Funds	0	0
<b>TOTAL LIABILITIES</b>	<b>0</b>	<b>104,833</b>
<b>NET POSITION</b>		
Unrestricted	0	0
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ -</b>	<b>\$ 104,833</b>

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

**WEST YORK AREA SCHOOL DISTRICT**  
**STATEMENT OF CHANGES IN NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	<b><u>Student Activities</u></b>
<b>ADDITIONS</b>	
Receipts from Student Groups	\$ 79,075
	<u>79,075</u>
<b>DEDUCTIONS</b>	
Student Activity Disbursements	72,990
	<u>72,990</u>
 <b>CHANGE IN NET POSITION</b>	 6,085
 <b>NET POSITION - JULY 1, 2022</b>	 <u>98,748</u>
<b>NET POSITION - JUNE 30, 2023</b>	<b><u>\$ 104,833</u></b>

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

**WEST YORK AREA SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**ALL NON-MAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2023**

	<b>Non-major Fund</b>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 0
Other Receivables	0
Due From General Fund	0
<b>TOTAL ASSETS</b>	<b>0</b>
<b>LIABILITIES</b>	
Due To Other Funds	0
Accounts Payable	0
Other Current Liability	0
<b>TOTAL LIABILITIES</b>	<b>0</b>
<b>NET POSITION</b>	
Unrestricted	0
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ -</b>

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

**WEST YORK AREA SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - ALL NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	<b><u>Non-major Fund</u></b>
<b>REVENUES</b>	
<b>Local Sources:</b>	
Revenue	<u>\$ 0</u>
<b>TOTAL REVENUES</b>	<b>0</b>
 <b>EXPENDITURES</b>	
Expenditures	<u>0</u>
<b>TOTAL EXPENDITURES</b>	<b>0</b>
 <b>REVENUES OVER (UNDER)</b>	
<b>EXPENDITURES</b>	<b>0</b>
 <b>OTHER FINANCING SOURCES (USES)</b>	
Interfund Transfers	<u>0</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>0</b>
 <b>CHANGE IN FUND BALANCE</b>	<b>0</b>
 <b>NET POSITION - JULY 1, 2022</b>	<u>0</u>
<b>NET POSITION - JUNE 30, 2023</b>	<u><u>\$ 0</u></u>

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

**WEST YORK AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the West York Area School District conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

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

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

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

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

These changes are reflected in the accompanying financial statements (including notes to financial statements). The District has implemented GASB Statement No. 34, *Basic Financial statements-and Management's Discussion and Analysis-for State and Local Governments*, for the year ended June 30, 2023.

**A. REPORTING ENTITY**

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

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

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



**WEST YORK AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. FUND ACCOUNTING**

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

**GOVERNMENTAL FUNDS**

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

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

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

**PROPRIETARY FUNDS**

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

**FIDUCIARY FUNDS**

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

**WEST YORK AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. BASIS OF PRESENTATION**

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

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

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

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

The District reports the following major governmental funds:

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

The capital reserve fund accounts for transfers from other funds and related investment earnings for capital outlays not accounted for in another fund.

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

**WEST YORK AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

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

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

**E. INVENTORY**

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

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

**F. CASH AND CASH EQUIVALENTS**

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

**G. RECEIVABLES AND PAYABLE**

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

**H. PREPAID EXPENSES**

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

**WEST YORK AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**I. CAPITAL ASSETS**

Capital assets which include land, property, plant and equipment are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the school district as assets with an initial, individual cost of more than \$1,500 and an estimated useful life in excess of one year. All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year.

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

All capital assets except for land are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Assets:</u>	<u>Years</u>
Buildings & Portable Classrooms	25 - 50
Building Improvements	15 - 30
Land Improvements	20
Machinery & Equipment	5 - 15
Vehicles	5 - 8
Furniture and Fixtures	10 - 20

Proprietary fund equipment purchases are capitalized in the proprietary fund at cost and depreciated on a straight-line basis over 5 to 25 years.

**J. ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS**

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

**K. NET POSITION**

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

**WEST YORK AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**L. USE OF ESTIMATES**

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

**M. NEW ACCOUNTING PRONOUNCEMENT ADOPTED:**

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

**NOTE 2 - CASH AND CASH EQUIVALENTS AND INVESTMENTS**

**Cash and Cash Equivalents consist of the following as of June 30, 2023:**

<u>Name of Bank</u>	<u>Book Balance</u>	<u>Rate</u>	<u>Bank Balance</u>
<b><u>Governmental Funds:</u></b>			
<b><u>Major Funds</u></b>			
<b><u>General Fund</u></b>			
Checking-First National Bank	\$ 10,918,412	Various	\$ 11,561,384
Sec. 125 Clearing Acct.-First National Bank	0		0
PNC Bank	6,836		6,836
PSDLAF	4,071,837	Various	4,071,837
PLGIT/PLUS	1,399,824		1,399,824
Savings-PLGIT	729,316	Various	729,316
Payroll-First National Bank	(665)		4,822
Athletic Change Fund	1,500		0
Petty Cash-On Hand	1,331		0
<b>Total Major Fund / General Fund</b>	<b>\$ 17,128,391</b>		<b>\$ 17,774,019</b>
<b><u>Capital Reserve</u></b>			
Checking-First National Bank	\$ 3,367,780	Various	\$ 3,377,066
PSDLAF Max	1,075,861		1,075,861
<b>Total Major Fund / Capital Reserve</b>	<b>\$ 4,443,641</b>		<b>\$ 4,452,927</b>
<b><u>Capital Project Fund</u></b>			
PSDLAF Max	\$ 520	Various	\$ 520
<b>Total Major Fund / Capital Project Fund</b>	<b>\$ 520</b>		<b>\$ 520</b>
<b><u>Total Governmental Funds:</u></b>	<b>\$ 21,572,552</b>		<b>\$ 22,227,466</b>
<b><u>Business-type Activities</u></b>			
Checking-First National Bank	\$ 1,538,221	Various	\$ 1,541,274
Petty Cash-On Hand	480		0
	<b>\$ 1,538,701</b>		<b>\$ 1,541,274</b>

**WEST YORK AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 2 - CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

**Fiduciary Funds**

**Agency Funds**

**Activities Funds**

Checking-First National Bank	\$ 104,833	Various	\$ 109,513
<b>Total Agency Funds</b>	<b>\$ 104,833</b>		<b>\$ 109,513</b>

The District considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

**Custodial Credit Risk - Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. As of June 30, 2023, \$23,216,086 of the District's bank balance of \$23,878,253 was exposed to custodial credit risk as:

Uninsured and Uncollateralized	\$ 0
Collateralized with securities held by the pledging financial institution	23,621,417
Uninsured and collateral held by the pledging bank's trust department not in the District's name	0
	<u>\$ 23,621,417</u>

**Reconciliation to Financial Statements:**

Collateralized with securities held by the pledging financial institution	\$ 23,621,417
Plus: Insured Amount	256,836
Add: Deposit in Transit	0
Less: Outstanding Checks	(665,478)
Carrying Amount - Bank Balances	<u>23,212,775</u>
Plus: Petty Cash	3,311
<b>Total Cash per Financial Statements</b>	<b><u>\$ 23,216,086</u></b>

**Cash Summary per Respective Funds:**

Statement of Net Position - Cash - Governmental Funds	\$ 21,572,552
Statement of Net Position - Cash - Proprietary Funds	1,538,701
Statement of Net Position - Cash - Fiduciary Funds	104,833
<b>Total Cash per Financial Statements</b>	<b><u>\$ 23,216,086</u></b>

**WEST YORK AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 2 - CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

**INVESTMENTS:**

**Credit Risk** - risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below are the actual ratings for each investment as of the end of the year:

**Ratings as of Year End**

<b><u>Investment Type</u></b>	<b><u>Amount</u></b>	<b><u>Standard &amp; Poors AAAm</u></b>
PSDLAF - CD	\$ -	\$ -

**Concentration of Credit Risk** - risk of loss attributed to the magnitude of an entity's investment in a single issuer. Disclosure occurs by issuer and amount of investments in any one issuer that represent 5% or more of total investments for the entity:

<b><u>Investment Type</u></b>	<b><u>Amount</u></b>	<b><u>Percentage</u></b>
PSDLAF - CD	\$ 0	100.00%

**Interest Rate Risk** - is the risk that changes in interest rates demanded by the market will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Information about the sensitivity of the fair values of the entity's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Entity's investments by maturity:

**Investment Maturities (In Years)**

<b><u>Investment Type</u></b>	<b><u>Amount</u></b>	<b><u>Less Than 1 Year</u></b>	<b><u>1 Year or Over</u></b>
PSDLAF - CD	\$ -	\$ -	\$ -

**NOTE 3 - TAXES RECEIVABLE**

This account represents unpaid real estate taxes from preceding years returned to the Tax Claims Bureau for collections, and certain interim taxes not yet collected. This account is offset by real estate tax revenues on the statement of activities for the government-wide financial statement presentation and offset by deferred revenues in the liability section of the balance sheet for the fund financial statement presentation.

**WEST YORK AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 4 - CHANGES IN CAPITAL ASSETS**

Capital Asset activity for the year ended June 30, 2023 was as follows:

**Governmental Activities:**

	Beginning Balance	Increases	Decreases	Ending Balances
Land	\$ 2,228,900	\$ 0	\$ 0	\$ 2,228,900
Site Improvements	2,147,033	22,416	0	2,169,449
Buildings & Improvements	116,017,614	70,050	0	116,087,664
Construction In Progress	0	0	0	0
Machinery & Equipment	9,657,066	118,175	0	9,775,241
<b>Total Capital Assets</b>	<b>\$ 130,050,613</b>	<b>\$ 210,641</b>	<b>\$ 0</b>	<b>\$ 130,261,254</b>

Accumulated Depreciation activity for the year ended June 30, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balances
Buildings & Improvements	\$ 37,100,874	\$ 2,255,769	\$ 0	\$ 39,356,643
Machinery & Equipment	8,392,639	201,777	0	8,594,416
	\$ 45,493,513	\$ 2,457,546	\$ 0	\$ 47,951,059
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 84,557,100</b>	<b>\$ (2,246,905)</b>	<b>\$ 0</b>	<b>\$ 82,310,195</b>

**Business-type Activities:**

Capital Asset activity for the year ended June 30, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balances
Food Service Equipment	\$ 990,435	\$ 0	\$ 0	\$ 990,435

Accumulated Depreciation activity for the year ended June 30, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balances
Food Service Equipment	\$ 444,911	\$ 90,354	\$ 0	\$ 535,265
<b>Business-type Activities Capital Assets, Net</b>	<b>\$ 545,524</b>	<b>\$ (90,354)</b>	<b>\$ 0</b>	<b>\$ 455,170</b>



**WEST YORK AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 5 - GENERAL LONG-TERM DEBT**

On March 26, 2020 West York Area School District issued General Obligation Bonds, Series of 2020 for the purpose of refunding the District's outstanding General Obligation Bonds, Series 2013, and to pay the costs of issuing the bonds.

<b><u>Date of Issue</u></b>	<b><u>Final Maturity</u></b>	<b><u>Rate</u></b>	<b><u>Amount</u></b>
2020	April 1, 2033	2.35%	\$ <u>42,750,000</u>

A summary of the maturity dates of the General Obligation Issue of 2020 is as follows:

<b><u>Year</u></b>		<b><u>Amount</u></b>	<b><u>Year</u></b>		<b><u>Amount</u></b>
2024	\$	3,640,000	2029	\$	4,095,000
2025		3,725,000	2030		4,185,000
2026		3,815,000	2031		4,280,000
2027		3,905,000	2032		4,385,000
2028		3,990,000	2033		4,490,000
				<b>TOTAL</b>	\$ <u>40,510,000</u>

**WEST YORK AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 5 - GENERAL LONG-TERM DEBT (CONTINUED)**

During the fiscal year ended June 30, 2023, general long-term debt activity is summarized as follows:

Balance - July 1, 2022	\$ 44,040,000
Note/Bond Proceeds	0
Principal Repayments	(3,530,000)
Bond Refunding	0
Balance - June 30, 2023	<u>\$ 40,510,000</u>
Interest Paid	<u>\$ 1,520,535</u>

**NOTE 6 - ACCUMULATED COMPENSATED ABSENCES**

It is the School District's policy to permit employees to accumulate a limited amount of earned but unused sick leave, which will be paid to employees upon separation from the School District's service. For the government-wide financial statement presentation, the amount, \$1,165,929 of compensated absences is recorded as a liability on the statement of net position. In the fund financial statement presentation, the cost of sick leave is recognized when payments are made to employees.

**WEST YORK AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

**NOTE 7 - PENSION PLAN**

**1. Summary of Significant Accounting Policies**

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

**General Information about the Pension Plan**

Plan Description

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

Benefits provided

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

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

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

**WEST YORK AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

**NOTE 7 - PENSION PLAN (CONTINUED)**

members). Such benefits are actuarially equivalent to the benefit that would have been effective if the member had retired on the day before death.

Contributions

Member Contributions:

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

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

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

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

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

Employer Contributions:

The school districts' contractually required contribution rate for fiscal year ended June 30, 2023 was 34.31% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the District were \$9,054,774 for the year ended June 30, 2023.

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

At June 30, 2023 the School reported a liability of \$69,445,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by rolling forward the System's total pension liability as of June 30, 2021 to June 30, 2022. The School's proportion of the net pension liability was calculated utilizing the employer's one-year reported covered payroll as it related to the total one-year reported covered payroll. At June 30, 2023, the School's proportion was .1562%, which was an decrease of .0091 from its proportion measured as of June 30, 2022 which was .1653%.

**WEST YORK AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

**NOTE 7 - PENSION PLAN (CONTINUED)**

For the year ended June 30, 2023, the District recognized pension expense of \$7,903,000. At June 30, 2023, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual investment earnings	-	1,178,000
Difference between expected and actual experience	31,000	601,000
Changes in proportions	2,096,000	3,147,000
Changes in assumptions	2,074,000	-
Difference between employer contributions and proportionate share of total contributions	1,266,676	-
Contributions subsequent to the measurement date	9,054,774	-
	<u>14,522,450</u>	<u>4,926,000</u>

\$9,054,774 reported as deferred outflows of resources related to pensions resulting from School contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 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:

2024	893,000
2025	(409,000)
2026	(2,858,000)
2027	1,645,000

**Actuarial assumptions**

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

Changes in assumptions used in measurement of the Total Pension Liability beginning June 30, 2022

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

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

**WEST YORK AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

**NOTE 7 - PENSION PLAN (CONTINUED)**

Demographic and economic assumptions approved by the Board for use effective with the June 30, 2022 actuarial valuation:

- Salary growth rate - decreased from 5.00% to 4.50%.
- Real wage growth and merit or seniority increases (components for salary growth) - decreased from 2.75% and 2.25% to 2.50% and 2.00%, respectively.
- Mortality rates - Previously based on the RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale. Effective with the June 30, 2021 actuarial valuation, mortality rates are based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scales.

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

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global public equity	28.0%	5.3%
Fixed Income	33.0%	2.3%
Commodities	9.0%	2.3%
Absolute return	6.0%	3.5%
Infrastructure/MLPs	9.0%	5.4%
Real estate	11.0%	4.6%
Cash	3.0%	0.5%
Private equity	12.0%	8.0%
Financing Leverage	-11.0%	0.5%
	<u>100%</u>	

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

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

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

**WEST YORK AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

**NOTE 7 - PENSION PLAN (CONTINUED)**

Discount rate

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

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

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

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
School's proportionate share of the net pension liability	89,822,000	69,445,000	52,264,000

Pension plan fiduciary net position

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

**WEST YORK AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 8 - EARNED INCOME TAX**

The York County Earned Income Tax Bureau is audited by other independent auditors. Our examination was limited to tracing general ledger receipts to bank deposits.

**NOTE 9 - BUDGET**

The school follows these procedures in establishing the budgetary data reflected in these financial statements.

- ( a ) Formal budgetary integration is employed as a management control device during the year for the general fund. This budget is adopted on a basis consistent with generally accepted accounting principles (GAAP).
- ( b ) The Board of Directors approves the total budget appropriations and authorizes budget transfers. The level of budgetary responsibility is by total appropriation.
- ( c ) The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.
- ( d ) Unexpended appropriations at year-end lapse.
- ( e ) The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.
- ( f ) Unexpended appropriations at year-end lapse.

**NOTE 10 - SUBSEQUENT EVENTS**

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

**NOTE 11 - REVENUE RECOGNITION - PROPERTY TAXES**

Property taxes are recognized in the year received. For fund financial statement presentation, property taxes outstanding are recorded as an asset and offset in the liability section as a deferred revenue. For government-wide financial statement presentation, property taxes outstanding are recorded as an asset and offset by real estate tax revenues on the statement of activities.

Delinquent taxes are considered fully collectible and therefore no allowance for uncollectible taxes is provided.

Property taxes attach as an enforceable lien on property as of January 15. Taxes are levied on July 1 and are due and payable at that time. All unpaid taxes levied on July 1 become delinquent November 1.



**WEST YORK AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 12 - CONTINGENCIES**

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

**NOTE 13 - SELF - INSURANCE**

West York Area School District provides health insurance to its employees through a self-insured health plan administered by Highmark Blue Shield. The school district pays claims incurred and also pays an administrative charge to Highmark Blue Shield. The school district also has committed a portion of its fund balance (\$1,992,673) as a reserve against possible claims in the future.

**NOTE 14 - GASB #54 FUND BALANCE IMPLEMENTATION**

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

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

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

Construction Fund	\$ 1,035
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This is a debit balance due to a liability to the General Fund before bond proceeds received.

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

Medical Reserve Fund	\$ 1,992,673
PSERS Retirement Reserve Fund	0
Total Committed Fund Balances:	<u>\$ 1,992,673</u>

Assigned - includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Business Manager. The following have been assigned:

Curriculum Fund	\$ 1,188,408
Technology Fund	1,188,408
B & G Fund	1,188,408
Capital Reserve Fund	4,443,641
Total Assigned Fund Balances:	<u>\$ 8,008,865</u>

Unassigned includes positive fund balance within the general fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds. The amount of the unassigned fund balance for West York Area School District is \$5,197,842 for the year ending June 30, 2023.

**WEST YORK AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 15 - POSTEMPLOYMENT BENEFITS PLAN**

The West York Area School District Postemployment Benefits plan is administered by Highmark Blue Shield. This plan is a cost-sharing multiple-employer plan which issues its own financial report.

Summary of Plan Provisions:

<u>Group</u>	<u>Eligibility</u>	<u>Coverage and Premium Sharing</u>	<u>Duration</u>
All Employees	For individuals who were members of PSERS prior to July 1, 2011, an employee is eligible for PSERS retirement if he (or she) is eligible for either: 1) PSERS early retirement while under 62 with 5 yrs of PSERS service or 2) PSERS superannuation retirement upon reaching 60 with 30 yrs of PSERS service, age 62 with 1 yr of PSERS service or 35 yrs of PSERS service regardless of age. For individuals who became members of PSERS on or after July 1, 2011, an employee is eligible for PSERS retirement if he (or she) is eligible for either: 1) PSERS early retirement while under 65 with 10 yrs of PSERS service or 2) PSERS superannuation retirement upon reaching 65 with 3 yrs 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 yrs of PSERS service. All individuals are eligible for a special early retirement upon reaching age 55 with 25 yrs of PSERS service.	Act 110/43 Benefit: 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.	Member and spouse may each continue until Medicare age regardless of the status of the other.

**WEST YORK AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 15 - POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)**

**Actuarial Assumptions and Methods**

**Interest Rate**

4.06%

**Salary**

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

**Withdrawal**

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

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

**Mortality**

Separate rates are assumed preretirement and postretirement using the rates assumed in the PSERS defined benefit pension plan actuarial valuation.

**Disability**

No disability was assumed.

**Retirement**

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

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

**WEST YORK AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 15 - POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)**

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

**Percent of Eligible Retirees Electing Coverage in Plan**

60% of Teachers and Administrators and 30% of the Support Staff are assumed to elect coverage.

**Percent Married at Retirement**

45% of employees are assumed to be married and have a spouse covered by the plan at retirement.  
Non-spouse dependents are deemed to be immaterial.

**Spouse Age**

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

**Per Capita Claims Cost**

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

Age	Medical and Rx Drug Combined	
	Males	Females
45-49	\$ 7,758	\$ 11,204
50-54	10,275	12,663
55-59	12,514	13,250
60-64	16,330	15,221

**Retiree Contributions**

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

**Health Care Cost Trend Rate**

6.5% in 2022, 6.0% in 2023 and 5.5% in 2024-2025. Rates gradually decrease from 5.4% in 2026 to 3.9% in 2075 and later based on the Society of Actuaries Long-Run Medical Cost Trend Model.

**WEST YORK AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 15 - POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)**

**Actuarial Value of Assets**

Equal to the Market Value of Assets

**Actuarial Cost Method - Entry Age Normal**

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

**Plan Participant Information**

Active Participants	329
Vested Former Members	0
Retired Participants	16
Total	<hr/> 345

**WEST YORK AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 16 - OTHER POST EMPLOYMENT BENEFITS (OPEB)**

**COST SHARING MULTIPLE- EMPLOYER DEFINED BENEFIT OPEB PLAN**

**1. Summary of Significant Accounting Policies**

Other Postemployment Benefits

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

**General Information about the Health Insurance Premium Assistance Program**

Health Insurance Premium Assistance Program

The System provides Premium Assistance which, is a governmental cost-sharing, multiple-employer other postemployment benefit plan (OPEB) for all eligible retirees who qualify and elect to participate. Employer contribution rates for Premium Assistance are established to provide reserves in the Health Insurance Account that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Effective January 1, 2002 under the provisions of Act 9 of 2001, participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of \$100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS' Health Options Program. As of June 30, 2022 there were no assumed future benefit increases to participating eligible retirees.

Premium Assistance Eligibility Criteria

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

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

Plan Description

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

**WEST YORK AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 16 - OTHER POST EMPLOYMENT BENEFITS (CONTINUED)**

**Benefits Provided**

Participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of \$100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS' Health Options Program. As of June 30, 2022 there were no assumed future benefit increases to participating eligible retirees.

**Employer Contributions:**

The school districts' contractually required contribution rate for the fiscal year ended June 30, 2023 was 0.75% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the OPEB plan from the District were \$0 for the year ended June 30, 2023.

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

At June 30, 2023, the District reported a liability of \$2,879,000 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by rolling forward the System's total OPEB liability as of June 30, 2021 to June 30, 2022. The District's proportion of the net OPEB liability was calculated utilizing the employer's one-year reported covered payroll as it related to the total one-year reported covered payroll. At June 30, 2023, the District's proportion was .1564 percent, which was an decrease of .0090 from its proportion measured as of June 30, 2022.

For the year ended June 30, 2023, the District recognized OPEB expense of \$117,000. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	27,000	15,000
Net difference between projected and actual investment earnings	8,000	
Changes in proportions	266,000	170,000
Changes in assumptions	320,000	680,000
	<u>621,000</u>	<u>865,000</u>

**WEST YORK AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 16 - OTHER POST EMPLOYMENT BENEFITS (CONTINUED)**

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

2024	(40,000)
2025	(4,000)
2026	(31,000)
2027	(63,000)
2028	(107,000)
Thereafter	-

**3. Actuarial Assumptions**

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

Actuarial cost method - Entry Age Normal - level % of pay.

Investment return - 4.09% - S & P 20 Year Municipal Bond Rate

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

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

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

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

Participation rate:

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

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

The following assumptions were used to determine the contribution rate:

The results of the actuarial valuation as of June 30, 2020 determined the employer contribution rate for fiscal year 2022.

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.



**WEST YORK AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 16 - OTHER POST EMPLOYMENT BENEFITS (CONTINUED)**

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

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

<u>OPEB - Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	100.0%	0.5%
US Core Fixed Income	0.0%	0.0%
Fixed Income	0.0%	0.0%
	<u>100.0%</u>	

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

**Discount Rate**

The discount rate used to measure the Total OPEB Liability was 4.09%. Under the plan's funding policy, contributions are structured for short term funding of Premium Assistance. The funding policy sets contribution rates necessary to assure solvency of Premium Assistance through the third fiscal year after the actuarial valuation date. The Premium Assistance account is funded to establish reserves that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Due to the short term funding policy, OPEB plan's fiduciary net position was not projected to be sufficient to meet projected future benefits payments, therefore the plan is considered a "pay-as-you-go" plan. A discount rate of 4.09% which represents the S & P 20 year Municipal Bond Rate at June 30, 2022, was applied to all projected benefit payments to measure the total OPEB liability.

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

Healthcare cost trends were applied to retirees receiving less than \$1,200 in annual Premium Assistance. As of June 30, 2022, retirees Premium Assistance benefits are not subject to future healthcare cost increases. The annual Premium Assistance reimbursement for qualifying retirees is capped at a maximum of \$1,200. As of June 30, 2022, 93,293 retirees were receiving the maximum amount allowed of \$1,200 per year. As of June 30, 2022, 582 members were receiving less than the maximum amount allowed of \$1,200 per year. The actual number of retirees receiving less than the \$1,200 per year cap is a small percentage of the total population and has a minimal impact on Healthcare Cost Trends as depicted below.

**WEST YORK AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 16 - OTHER POST EMPLOYMENT BENEFITS (CONTINUED)**

Sensitivity of the District's Proportionate share of the net OPEB liability to changes in the discount rate

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

	1% Decrease 3.09%	Current Discount Rate 4.09%	1% Increase 5.09%
School's proportionate share of the net pension liability	3,256,000	2,879,000	2,564,000

Pension plan fiduciary net position

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

**Single Employer Defined Benefit OPEB Plan**

The District's other post-employment benefits (OPEB) include a single-employer defined benefit plan that provides medical and life insurance benefits to eligible retirees and their dependent. The School Board has the authority to establish and amend benefit provisions. The OPEB Plan does not issue any financial report and is not included in the report of any public employee retirement system.

**Funding Policy**

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

**OPEB Liability**

The District's change in its OPEB liability for the year ended June 30, 2023 was as follows

Balances as of July 1, 2022	3,549,405
Differences between expected and actual experience	- (295,628)
Changes of assumptions	(878,865)
Service Cost	281,748
Interest on total OPEB liability	86,610
Benefit payments	(59,929)
Other changes	0
Net Charges	(866,064)
Balances as of June 30, 2023	2,683,341

**WEST YORK AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 16 - OTHER POST EMPLOYMENT BENEFITS (CONTINUED)**

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience		999,744
Net difference between projected and actual investment earnings		
Changes in proportions		
Changes in assumptions	59,520	1,158,968
Benefit payments subsequent to the Measurement Date	85,668	
	<u>145,188</u>	<u>2,158,712</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:

2024	(202,920)
2025	(202,920)
2026	(202,920)
2027	(202,920)
2028	(202,920)
Thereafter	(1,084,592)

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

The following presents the OPEB liability for June 30, 2023, calculated using current healthcare cost trends as well as what OPEB liability would be if health cost trends were 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>1% Decrease</u>	<u>Trend Rate</u>	<u>1% Increase</u>
OPEB liability	2,383,297	2,683,341	3,034,470

**Sensitivity of the OPEB Liability to Changes in the Discount Rate**

The following presents the OPEB liability for June 30, 2023, calculated using the discount rate of 4.06%, as well as what OPEB liability would be if the discount rate were 1-percentage point lower(3.06%) or 1-percentage point higher(5.06%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% increase</u>
	3.06%	4.06%	5.06%
OPEB liability	2,898,814	2,683,341	2,479,474

**WEST YORK AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 16 - OTHER POST EMPLOYMENT BENEFITS (CONTINUED)**

**LEASE OBLIGATIONS - RIGHT TO USE ASSETS:**

West York Area School District has recorded leased assets as a result of implementing GASB # 87. The right to use assets are initially measured at an amount equal to the measurement of the related lease liability as of July 1, 2022.

West York Area School District entered into a lease agreement in the 6/30/19 school year for a copier. The lease requires 60 monthly payments of \$6,888. The lease was recorded by the District in the financial statements as a right to use asset with a net book value of \$0.

West York Area School District entered into a lease agreement on December 1, 2019 for office space for the Administrative Offices. The lease requires 10 yearly payments of \$144,240.00. The lease was recorded by the District in the financial statements as a right to use asset with a net book value of \$1,009,680.

West York Area School District entered into a lease agreement on May 1, 2022 for office space for the Warehouse Space. The lease requires 10 yearly payments of \$40,000.00. The lease was recorded by the District in the financial statements as a right to use asset with a net book value of \$320,000.

**Right to Use Lease Asset Activity Charts:**

	Beginning Balance	Lease Additions	Amortization	Ending Balances
Copier	82,656		82,656	-
Office Lease	1,153,920		144,240	1,009,680
Warehouse Lease	360,000		40,000	320,000
	1,596,576	-	266,896	1,329,680

**Future Minimum Payments:**

Year ending June 30	Principal Payments
2024	184,240
2025	184,240
2026	184,240
2027	184,240
2028	184,240
2029	184,240
2030	184,240
2031	40,000

WEST YORK AREA SCHOOL DISTRICT

SUPPLEMENTAL

INFORMATION

**KOCHENOUR, EARNEST, SMYSER & BURG**

Certified Public Accountants  
710 South George Street  
York, Pa. 17401

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Mark R. Kephart, CPA

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**INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTAL INFORMATION**

Board of Directors  
West York School District  
West York, Pennsylvania

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information on pages 57 through 72 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Kochenour, Earnest, Smyser, & Burg*

Certified Public Accountants

York, Pennsylvania  
January 4, 2024

**WEST YORK AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**YEAR ENDED JUNE 30, 2023**

**PENSION PLAN (CONTINUED)**

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>
District's proportion of the net pension liability (asset)	15.6200%	16.5300%	16.2000%	15.1100%	14.4900%
District proportionate share of the net pension liability (asset)	69,445,000	67,867,000	79,767,000	70,689,000	69,559,000
District's covered-employee payroll	22,990,291	23,446,690	22,773,230	20,843,692	19,510,437
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	302.06%	289.45%	350.27%	339.14%	356.52%
Plan fiduciary net position as a percentage of the total pension liability	63.67%	63.67%	54.23%	55.66%	54.00%

Amounts were determined as of the cost-sharing plan's June 30, 2023 fiscal year.

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

**WEST YORK AREA SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**SCHEDULE OF DISTRICT CONTRIBUTIONS PENSION PLAN**  
**YEAR ENDED JUNE 30, 2023**

**PENSION PLAN (CONTINUED)**

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Contractually required contribution	7,788,098	7,856,431	7,566,534	6,766,615	6,148,582
Contributions in relation to the contractually required contribution	<u>7,788,098</u>	<u>7,856,431</u>	<u>7,566,534</u>	<u>6,766,615</u>	<u>6,148,582</u>
Contribution deficiency (excess)	-	-	-	-	-
District's covered-employee payroll	22,990,291	23,446,690	22,773,230	20,843,692	19,510,437
Contributions as a percentage of covered-employee payroll	33.88	33.51	33.23	32.46	31.51

Amounts were determined as of the cost-sharing plan's June 30, 2023 fiscal year.

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



**WEST YORK AREA SCHOOL DISTRICT**  
**SCHEDULE OF CHANGES IN OPEB LIABILITY - SINGLE EMPLOYER PLAN**  
**YEAR ENDED JUNE 30, 2023**

	2023	2022	2021	2020	2019
<b>Total OPEB Liability</b>					
Service cost	\$ 281,748	\$ 283,049	\$ 243,407	\$ 242,305	\$ 251,340
Interest on total OPEB liability	86,610	67,152	122,673	103,369	129,821
Benefit payments	(59,929)	(37,581)	(65,998)	(50,160)	(95,643)
Differences between expected and actual experience	(295,628)	-	(302,633)	-	(802,851)
Changes in assumptions	<u>(878,865)</u>	<u>(110,853)</u>	<u>(93,142)</u>	<u>(105,791)</u>	<u>(177,163)</u>
<b>Net change in total OPEB liability</b>	(866,064)	201,767	(95,693)	189,723	(694,496)
<b>Total OPEB Liability, Beginning</b>	<u>3,549,405</u>	<u>3,347,638</u>	<u>3,443,331</u>	<u>3,253,608</u>	<u>3,948,104</u>
<b>Total OPEB Liability, Ending</b>	<u><u>\$ 2,683,341</u></u>	<u><u>\$ 3,549,405</u></u>	<u><u>\$ 3,347,638</u></u>	<u><u>\$ 3,443,331</u></u>	<u><u>\$ 3,253,608</u></u>
<b>Covered Employee Payroll</b>	<u><u>\$ 23,434,054</u></u>	<u><u>\$ 22,202,849</u></u>	<u><u>\$ 22,202,849</u></u>	<u><u>\$ 19,877,593</u></u>	<u><u>\$19,877,593</u></u>
<b>Total OPEB Liability as a percent of covered employee payroll</b>	11.45%	15.99%	15.08%	17.32%	16.37%

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.

**WEST YORK AREA SCHOOL DISTRICT**  
**SCHEDULE OF SCHOOL'S PROPORTIONATE SHARE OF THE NET**  
**OPEB LIABILITY - PSERS COST SHARING PLAN**  
**YEAR ENDED JUNE 30, 2023**

	2023	2022	2021	2020	2019
School's proportion of the net OPEB liability	15.6400%	16.5300%	16.2000%	15.1100%	14.4900%
School's proportionate share of the net OPEB liability	<u>\$ 2,879,000</u>	<u>\$ 3,920,000</u>	<u>\$ 3,505,000</u>	<u>\$ 3,214,000</u>	<u>\$ 3,021,000</u>
School's covered-employee payroll	22,990,291	23,446,690	22,773,230	20,843,692	19,510,437
School's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	12.52%	16.72%	15.39%	15.42%	15.48%
Plan fiduciary net position as a percentage of the total OPEB liability	5.30%	5.30%	5.69%	5.56%	5.56%

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

**WEST YORK AREA SCHOOL DISTRICT**  
**SCHEDULE OF SCHOOL'S OPEB CONTRIBUTIONS -**  
**PSERS COST SHARING PLAN**  
**YEAR ENDED JUNE 30, 2023**

	2023	2022	2021	2020	2019
Contractually required contribution	\$ 183,000	\$ 192,000	\$ 191,000	\$ 173,000	\$ 162,000
Contributions in relation to the contractually required contribution	<u>(183,000)</u>	<u>(192,000)</u>	<u>(191,000)</u>	<u>(173,000)</u>	<u>(162,000)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School's covered-employee payroll	22,990,291	23,446,690	22,773,230	20,843,692	19,510,437
Contributions as a percentage of covered-employee payroll	0.80%	0.82%	0.84%	0.83%	0.83%

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

# KOCHENOUR, EARNEST, SMYSER & BURG

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

To the Board of Education  
West York Area School District  
York, Pennsylvania

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of West York Area School District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School's basic financial statements, and have issued our report thereon dated January 4, 2024.

### **Report on Internal Control over Financial Reporting**

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

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

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

To the Board of Education  
West York Area School District  
York, Pennsylvania

## **Report on Compliance and Other Matters**

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

## **Purpose of this Report**

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

***Kochenour, Earnest, Smyser & Burg***

Certified Public Accountants

York, Pennsylvania  
January 4, 2024

WEST YORK AREA SCHOOL DISTRICTS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FOOD NUTRITION SERVICES  
YEAR ENDED JUNE 30, 2023

Grantor/Program	Source Code	Federal CFDA Number	Pass Through Grantor's Number	Grant Period Beginning/ Ending Date	Program or Award Amount	Total Received	Accrued (Deferred) Revenue at July 1, 2022	Revenue Recognized	Expenditures	Accrued (Deferred) Revenue at June 30, 2023	
<b>US DEPARTMENT OF EDUCATION</b>											
Passed through the PA Dept. of Education:											
Title I-Improv. Basic Prog.	10-8514	I	84.010	013-220477	07/01/21-09/30/23	604,536	280,142	0	280,142	280,142	0
Title I-Improv. Basic Prog. c/o	10-8514	I	84.010	013-230477	07/01/22-09/30/23	506,058	312,739	0	312,739	312,739	0
<b>Sub-total Title I</b>						592,881	0	592,881	592,881	0	
Title II-Improving Teacher Quality c/o	10-8515	I	84.367	020-220477	07/01/21-09/30/23	103,509	62,057	10,764	51,293	51,293	0
Title II-Improving Teacher Quality	10-8515	I	84.367	020-230477	07/01/22-09/30/23	82,121	22,127	0	22,127	22,127	0
<b>Sub-total Title II</b>						84,184	10,764	73,420	73,420	0	
Title III-Language Inst LEP/Immigrant	10-8516	I	84.365	010-220477	07/01/21-09/30/23	22,106	7,402	1,227	6,175	6,175	0
Title III-Language Inst LEP/Immigrant	10-8516	I	84.365	010-230477	07/01/22-09/30/23	28,950	7,281	0	7,281	7,281	0
<b>Sub-total Title III</b>						14,683	1,227	13,456	13,456	0	
Title IV-Language Inst LEP/Immigrant	10-8517	I	84.365	144-220477	07/01/21-09/30/22	40,435	18,879	(5,933)	24,812	24,812	0
Title IV-Language Inst LEP/Immigrant	10-8517	I	84.365	144-230477	07/01/22-09/30/23	47,435	18,074	0	18,074	18,074	0
<b>Sub-total Title IV</b>						36,953	(5,933)	42,886	42,886	0	
CARES Act-ESSER Fund LOCAL	10-8743	I	84.425	200-210477	7/1/21-9/30/24	1,985,540	1,708,488	1,708,488	0	0	0
ARP ESSER	10-8744	I	84.425	223-200477	7/1/21-9/30/25	4,016,173	1,168,341	(30,076)	1,198,417	1,198,417	0
ARP ESSER 7%	10-8751	I	84.425	225-210477	7/1/21-9/30/25	222,962	52,700	5,150	47,550	47,550	0
ARP ESSER 7%	10-8752	I	84.425	225-210477	7/1/21-9/30/25	44,592	10,540	10,540	0	0	0
ARP ESSER 7%	10-8753	I	84.425	225-210477	7/1/21-9/30/25	44,592	10,540	10,540	0	0	0
ARP ESSER	10-8754	I	84.425	181-212479	7/1/21-9/30/24	22,244	3,422	(1,141)	4,563	4,563	0
<b>Sub-total CARES Act-ESSER</b>						2,954,031	1,703,501	1,250,530	1,250,530	0	
<b>Total Passed through PA Dept of Ed</b>						3,682,732	1,709,559	1,973,173	1,973,173	0	
<b>Passed Through LIU 12</b>											
IDEA	10-6832	I	84.027	N/A	07/01/22-06/30/23	686,871	686,871	0	686,871	686,871	0
IDEA - SECTION 619	10-6832	I	84.392	N/A	07/01/22-06/30/23	8,748	8,748	0	8,748	8,748	0
<b>Cluster Sub-total</b>						695,619	695,619	0	695,619	695,619	0
<b>US Department of Agriculture</b>											
Passed through the PA Department of Agriculture:											
National Sch Lunch- USDA Commodities		I	10.555	N/A	07/01/22-06/30/23	na	0	0	169,640	169,640	0
Passed through the PA Dept. of Education:											
National School Lunch	51-8531	I	10.555	362	07/01/22-06/30/23	na	852,553	0	852,553	852,553	0
National School Brkfst-Needy	51-8531	I	10.553	365	07/01/22-06/30/23	na	314,910	0	314,910	314,910	0
National School Summer Food	51-8531	I	10.559	264	07/01/22-06/30/23	na	5,516	5,516	0	0	0
Supply Chain Assistance	51-8531	I	10.555	356	07/01/22-06/30/23	na	77,724	(56,523)	134,247	134,247	0
<b>Total Passed through the PA Dept of Education</b>						1,250,703	(51,007)	1,301,710	1,301,710	0	
<b>Total US Department of Agriculture-Cluster-Sub-total</b>						1,250,703	(51,007)	1,471,350	1,471,350	0	
P-EBT Local Admin	51-8531	I	10.649	358	07/01/22-06/30/23	na	628	0	628	628	0
<b>Total Federal Assistance</b>						\$ 5,629,682	\$ 1,658,552	\$ 4,140,770	\$ 4,140,770	0	
<b>State</b>											
State School Lunch	50-7601	I	N/A	510	07/01/22-06/30/23	na	38,416	0	38,416	38,416	0
State School Brkfst-Needy	50-7601	I	N/A	511	07/01/22-06/30/23	na	16,226	0	16,226	16,226	0
State Breakfast Initiative		I	N/A	521	07/01/22-06/30/23	na	108,499	0	108,499	108,499	0
Total State Food Subsidy							163,141	0	163,141	163,141	0

**WEST YORK AREA SCHOOL DISTRICT**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2023**

**NOTE 1 - ORGANIZATION AND SCOPE**

West York Area School District, York County, Pennsylvania operates a senior high, a middle school and four elementary schools.

The district received federal funds to operate the programs for the benefit of some of the students as detailed on the Schedule of Expenditures of Federal Awards, which covers the period from July 1, 2022 to June 30, 2023.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE 3 - REPORTING ENTITY**

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

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

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

**NOTE 4 - FEDERAL AWARDS**

Total Expenditures	\$ 4,303,911
Less: State Expenditures	163,141
Total Federal Expenditures	<u>4,140,770</u>
	40.00%
	<u>\$ 1,656,308</u>

West York Area School District falls under the 40% rule for testing federal programs.

Federal Program Tested

National School Lunch	986,800	
Breakfast Program	314,910	
Donated Commodities	169,640	
ARP-ESSER	1,250,530	
Title I	592,881	
	<u>\$ 3,314,761</u>	80%

**NOTE 5 - PCCD GRANTS 6/30/21 YEAR**

The following PCCD Grants should have been included on the SEFA for the 6/30/21 year.

Grant - COVID-19 - Elementary and Secondary School Emergency Relief Fund  
 Assistance Listing Number (ALN) - 84.425D  
 Grant Number 2020-ES-01-35209  
 Expenditure Amount - \$55,288.84

Grant - CARES ACT - COVID RF School Safety and Security  
 Assistance Listing Number (ALN) - 21.019  
 Grant Number 2020-CS-01-33561  
 Expenditure Amount - \$243,867.00

# KOCHENOUR, EARNEST, SMYSER & BURG

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

To the Board of Education  
West York Area School District  
York, Pennsylvania

### **Report on Compliance for Each Major Federal Program**

#### **Opinion on Each Major Federal Program**

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

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

#### **Basis for Opinion on Each Major Federal Program**

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

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

#### **Responsibilities of Management for Compliance**

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

#### **Auditor's Responsibilities for the Audit of Compliance**

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



To the Board of Education  
West York Area School District  
York, Pennsylvania

material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about West York Area School District's compliance with the requirements of each major federal program as a whole.

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

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

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

### **Report on Internal Control over Compliance**

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

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

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

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

***Kochenour, Earnest, Smyser & Burg***

Certified Public Accountants

York, Pennsylvania  
January 4, 2024

**WEST YORK AREA SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**JUNE 30, 2023**

**A. Summary of the Auditors' Results:**

1. An unmodified opinion was issued on the District's financial statements at June 30, 2023.
2. There were no significant deficiencies or material weaknesses in internal control disclosed by the audit of the financial statements.
3. There was no noncompliance disclosed during our audit which was material to the financial statements.
4. There were no significant deficiencies or material weaknesses disclosed in internal control over the federal programs tested.
5. An unmodified opinion was issued on the compliance of the federal programs tested.
6. There were no audit findings for the fiscal year ended June 30, 2023.
7. The federal programs tested as major programs was the National School Lunch, Breakfast Program, Donated Commodities, IDEA, ARP-ESSER, and Title I which accounted for 80% of federal expenditures. West York Area School District falls under the 40% rule for testing federal programs.
8. Federal expenditures are \$750,000 or more but less than \$25 million. Type A Programs are the programs with total program expended funds of \$750,000 or more.
9. West York Area School District was determined to not be a low-risk auditee.

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

There were no findings for West York Area School District for the fiscal year ending June 30, 2023.

**C. Findings and Questioned Costs for Federal Awards**

There were no findings or questioned costs for Federal Awards in fiscal year ending June 30, 2023.

**WEST YORK AREA SCHOOL DISTRICT**  
**STATUS OF PRIOR YEAR'S FINDINGS**  
**JUNE 30, 2023**

There were no findings or questioned costs for federal awards in fiscal year ending June 30, 2022.

**KOCHENOUR, EARNEST, SMYSER & BURG**

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**COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE UNDER SAS NO. 114**

January 4, 2024

Board of Directors  
West York Area School District  
York, Pennsylvania

We have audited the financial statements of West York Area School District for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter dated April 25, 2023. Professional standards also require that we communicate to you the following information related to our audit.

In planning and performing our audit of the financial statements of West York Area School District as of and for the year ended June 30, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered West York Area School District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures 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 control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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

Board of Directors  
West York Area School District  
York, Pennsylvania

*Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We have given management journal entries to post to their financial records which they have completed. We are pleased to report that no such disagreements arose during the course of our audit.

*Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated January 4, 2024.

**Recommendations:**

The Payroll Liability Accounts for payment to various government agencies contained posting errors throughout the year which were corrected by an adjustment which was approved by management. We recommend that these accounts are reconciled on a timely basis during the accounting year to ensure postings are correct.

A Deferred Revenue Account contained an IRS refund to the District which was in error as determined by the District through consultation with the IRS. This amount was paid back to the IRS. An adjustment which was approved by management was prepared to correct this.

We recommend that this account is reconciled on a timely basis during the accounting year to ensure postings are correct.

As a general comment, we recommend that all balance sheet accounts be reconciled on a timely basis.

This communication is intended solely for the information and use of management, West York Area School District, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

We would like to take this opportunity to thank Sheri Schlemmer and her staff for the cooperation and assistance we received during the audit.

Sincerely,

***Kochenour, Earnest, Smyser & Burg***  
Certified Public Accountants