

**NEW ISSUE - BOOK ENTRY ONLY**

**RATINGS: S&P: “A+” (Stable Outlook) (Underlying)**

**S&P: “AA” (Stable Outlook) (BAM Insured)**

*(See “RATINGS” herein)*

*In the opinion of Bond Counsel, under existing statutes, regulations, rulings and court decisions, interest on the Bonds, including interest in the form of original issue discount, if any, will not be includible in gross income of the holders thereof for federal income tax purposes, assuming continuing compliance by the School District with the requirements of the Internal Revenue Code of 1986, as amended (the “Code”). Interest on the Bonds will not be a specific preference item for purposes of computing the federal alternative minimum tax on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations under the Code for tax years beginning after December 31, 2022. Under the laws of the Commonwealth of Pennsylvania, as enacted and construed on the date hereof, interest on the Bonds is exempt from Pennsylvania personal income tax and Pennsylvania corporate net income tax. See “TAX MATTERS” herein.*

**\$8,890,000\***

**YORK SUBURBAN SCHOOL DISTRICT**

**(York County, Pennsylvania)**

**General Obligation Bonds, Series of 2026**

**Bonds Dated:** Date of delivery

**Principal Due:** May 1, as shown on inside cover

**Denomination:** Integral multiples of \$5,000

**Interest Payable:** May 1 and November 1

**First Interest Payment:** November 1, 2026

**Form:** DTC Book-Entry Only

**Legal Investment for Fiduciaries in Pennsylvania:** The Bonds are a legal investment for fiduciaries in the Commonwealth of Pennsylvania under the Probate, Estate and Fiduciaries Code, Act of June 30, 1972, No. 164, P.L. 508 as amended and supplemented.

**General:** The General Obligation Bonds, Series of 2026 (the “Bonds” or “2026 Bonds”) in the aggregate principal amount of \$8,890,000\* are being issued by the York Suburban School District (the “School District”), a public school district located in York County, Pennsylvania. The Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”). Purchases of the Bonds can be made only under the book-entry system of DTC, and purchasers will not receive certificates representing their interests in the Bonds. While DTC, or its nominee Cede & Co., is the registered owner of the Bonds, payments of the principal of and interest on the Bonds will be made by TD Bank, N.A., Philadelphia, Pennsylvania, as paying agent, directly to Cede & Co. Disbursement of such payments to the DTC Participants is the responsibility of DTC, and disbursement of such payments to Beneficial Owners of the Bonds is the responsibility of the DTC Participants and the Indirect Participants. See “**BOOK-ENTRY ONLY SYSTEM**” herein. Interest on the Bonds is payable initially on November 1, 2026, and thereafter, semiannually on May 1 and November 1 of each year.

**Security:** The Bonds are payable from the tax and other general revenues of the School District. The School District has covenanted that it will provide in its budget in each year, and will appropriate from its general revenues in each such year, the amount of the debt service due on the Bonds for such year and will duly and punctually pay or cause to be paid from funds deposited by the School District in the respective sinking funds established under the Resolution adopted by the School District on March 23, 2026, authorizing and securing the Bonds, or from any other of its legally available revenue or funds, the principal of every Bond and the interest thereon at the dates and place and in the manner stated in the Bonds, and for such budgeting, appropriation and payment the School District has irrevocably pledged its full faith, credit and taxing power, which taxing power includes the power to levy *ad valorem* taxes on all taxable property in the School District, within limitations provided by law (see “**SECURITY AND SOURCES OF PAYMENT FOR THE BONDS**”, APPENDIX A - “**TAXING POWERS AND LIMITS**” and “**PENNSYLVANIA ACTS AFFECTING CERTAIN LOCAL TAXING POWERS OF SCHOOL DISTRICTS**” – “**Taxpayer Relief Act (Act 1)**” herein).

**Redemption:** The Bonds are not subject to optional redemption prior to their stated maturity dates, as described herein.

**Proceeds of the Bonds** will be used to: (1) currently refund a portion of the School District’s outstanding General Obligation Bonds, Series of 2019; and (2) pay the related costs, including the costs of issuing the Bonds.

**Bond Insurance:** The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by **Build America Mutual Assurance Company (“BAM”)**.



The Bonds are offered for delivery when, as and if issued by the School District and received by the Underwriter, subject to the approving legal opinion of Saxton & Stump, LLC, Lancaster, Pennsylvania, as Bond Counsel to the School District, to be furnished upon delivery of the Bonds. Certain legal matters will be passed upon by Saxton & Stump, LLC, Lancaster, Pennsylvania, as Solicitor for the School District, and for the Underwriter by its limited scope underwriter’s counsel, Eckert Seamans Cherin & Mellott, LLC, Harrisburg, Pennsylvania. It is expected that the Bonds will be available for delivery through the facilities of DTC, on or about June \_\_\_\_, 2026.

**RAYMOND JAMES®**

\*Preliminary, subject to change.

This Preliminary Official Statement and the information herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. The School District deems this Preliminary Official Statement to be final for the purposes of the Securities and Exchange Commission Rule 15c2-12(b)(1) except for certain information on the cover hereof and certain pages herein which have been omitted in accordance with such Rule and which will be supplied in the final Official Statement.

**\$8,890,000\***

**YORK SUBURBAN SCHOOL DISTRICT**  
**(York County, Pennsylvania)**  
**General Obligation Bonds, Series of 2026**

**Bonds Dated:** Date of delivery  
**Principal Due:** May 1, as shown on inside cover  
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**Interest Payable:** May 1 and November 1  
**First Interest Payment:** November 1, 2026  
**Form:** DTC Book-entry Only

**BOND MATURITY SCHEDULE**

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<b>(May 1)</b>	<b>Principal</b>	<b>Interest</b>			<b>CUSIP</b>
<b><u>Year</u></b>	<b><u>Amount</u></b>	<b><u>Rate</u></b>	<b><u>Yield</u></b>	<b><u>Price</u></b>	<b><u>Numbers</u> <sup>(1)</sup></b>

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<sup>(1)</sup>The CUSIP (Committee on Uniform Securities Identification Procedures) numbers have been assigned by an organization not affiliated with the School District or the Underwriter, and such parties are not responsible for the selection or use of the CUSIP numbers. The CUSIP numbers are included solely for the convenience of Bondholders and no representation is made as to the correctness of such CUSIP numbers. CUSIP numbers assigned to securities may be changed during the term of such securities based on a number of factors including, but not limited to, the refunding or defeasance of such issue or the use of secondary market financial products. Neither the School District nor the Underwriter has agreed to, and there is no duty or obligation to, update this Official Statement to reflect any change or correction in the CUSIP numbers set forth above.

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\*Preliminary, subject to change.

No dealer, broker, salesman or other person has been authorized by the School District or the Underwriter to give any information or to make any representation, other than that given or made in this Official Statement, and if given or made, any such other information or representation may not be relied upon as having been authorized by the School District or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. This Official Statement has been approved by the School District and, while the information set forth in this Official Statement has been furnished by the School District and other sources which are believed to be reliable, such information is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the Underwriter or, as to information obtained from other sources, by the School District. The information and expressions of opinion set forth in this Official Statement are subject to change without notice and neither the delivery of this Official Statement nor any sale made under this Official Statement shall, under any circumstances, create any implication that the affairs of the School District have remained unchanged since the date of this Official Statement.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER’S MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE ORDER AND PLACEMENT OF MATERIALS IN THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, ARE NOT TO BE DEEMED A DETERMINATION OF RELEVANCE, MATERIALITY OR IMPORTANCE, AND THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES MUST BE CONSIDERED IN ITS ENTIRETY. THE OFFERING OF THE BONDS ARE MADE ONLY BY THE MEANS OF THIS ENTIRE OFFICIAL STATEMENT.

THE UNDERWRITER HAS PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS OFFICIAL STATEMENT. THE UNDERWRITER HAS REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT PURSUANT TO ITS RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS, BUT THE UNDERWRITER DOES NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

Build America Mutual Assurance Company (“BAM”) makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading “Bond Insurance” and “Appendix G - Specimen Municipal Bond Insurance Policy”.

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## SUMMARY PAGE

This Summary Statement is subject in all respects to more complete information in this Official Statement. No person is authorized to detach this Summary Statement from this Official Statement or otherwise use it without the entire Official Statement. A full review of the entire Official Statement should be made by potential Bond purchasers.

<b>Issuer</b> .....	York Suburban School District, York County, Pennsylvania (the "School District").
<b>Bonds</b> .....	The General Obligation Bonds, Series of 2026 in the principal amount of \$8,890,000* (the "Bonds"), dated as of the date of delivery, maturing on May 1, _____ through May 1, _____.  Interest on the Bonds shall be payable semiannually on May 1 and November 1. See " <b>DESCRIPTION OF THE BONDS</b> " herein.
<b>Optional Redemption</b> .....	The Bonds stated to mature on or after May 1, _____, are subject to redemption prior to maturity at the option of the School District in whole or, from time to time, in part, in any order of maturities as the School District shall select, on any date or dates on or after May 1, _____, at a price equal to 100% of the principal amount of the Bonds to be redeemed plus accrued interest thereon to the date fixed for such optional redemption.
<b>Form</b> .....	Book-Entry Only.
<b>Application of Proceeds</b> .....	Proceeds of the Bonds will be used to: (1) currently refund a portion of the School District's outstanding General Obligation Bonds, Series of 2019; and (2) pay the related costs, including the costs of issuing the Bonds.
<b>Security</b> .....	The Bonds are general obligations of the School District, for the payment of which the School District has pledged its full faith, credit and taxing power.
<b>Rating</b> .....	S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") is expected to assign its municipal bond insured rating of AA (stable outlook) to this issue of Bonds with the understanding that upon delivery of the Bonds, a municipal Bond insurance policy insuring the payment when due of the principal of and interest on the Bonds will be issued by BAM. Currently, BAM's financial strength is rated "AA" (stable outlook) by S&P. S&P has also assigned, to this issue of the Bonds, the School District an underlying rating of "A+" (stable outlook). (See " <b>RATINGS</b> " herein.)
<b>Continuing Disclosure Undertaking</b> .....	The School District has agreed to provide, or cause to be provided, in a timely manner, certain information in accordance with the requirements of Rule 15c2-12, as promulgated under the Securities Exchange Act of 1934, as amended and interpreted (the "Rule"). (See " <b>CONTINUING DISCLOSURE UNDERTAKING</b> " and " <b>APPENDIX D – FORM OF CONTINUING DISCLOSURE CERTIFICATE</b> , herein.)

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\*Preliminary, subject to change.

**YORK SUBURBAN SCHOOL DISTRICT**  
**(York County, Pennsylvania)**  
1800 Hollywood Drive  
York, Pennsylvania 17403

**BOARD OF SCHOOL DIRECTORS**

Lois Ann Schroeder .....	President
Richard Robinson .....	Vice President
Pinal Desai .....	Treasurer
Danny Amon.....	Member
Nicole Hesson, Ed.D.....	Member
James Polanzke.....	Member
Rolanda Pagan-SanMartin .....	Member
Ashley Turner .....	Member
Steven Whiteley.....	Member

**SCHOOL ADMINISTRATION**

Dr. Scott T. Krauser.....	Superintendent of Schools
Dr. Rebecca L. Lorfink.....	Assistant to the Superintendent
Michelle Kendig .....	Chief Financial and Operations Officer

**BOND COUNSEL/SOLICITOR**

Saxton & Stump, LLC  
Lancaster, Pennsylvania

**UNDERWRITER**

Raymond James & Associates, Inc.  
Lancaster, Pennsylvania

**LIMITED SCOPE UNDERWRITER'S COUNSEL**

Eckert Seamans Cherin & Mellott, LLC  
Harrisburg, Pennsylvania

**PAYING AGENT**

TD Bank, N.A.  
Philadelphia, Pennsylvania

OFFICIAL STATEMENT

\$8,890,000\*

YORK SUBURBAN SCHOOL DISTRICT

(York County, Pennsylvania)

General Obligation Bonds, Series of 2026

INTRODUCTION

This Official Statement is furnished by the York Suburban School District (the "School District"), a public school district located in York County, Pennsylvania, in connection with the offering of its General Obligation Bonds, Series of 2026 (the "Bonds" or "2026 Bonds") in the aggregate principal amount of \$8,890,000\*, to be dated their date of delivery (the "Delivery Date") when the Bonds are issued and delivered to DTC (described below) or its agent. The Bonds are general obligations of the School District, which are secured by a parity pledge of its full faith, credit and taxing power to pay the principal of and interest due on the Bonds.

The Bonds are being issued pursuant to, and are secured by, a Resolution adopted by the Board of School Directors of the School District on March 23, 2026 (the "Resolution"), in accordance with the laws of the Commonwealth of Pennsylvania (the "Commonwealth" or "State"), including the Local Government Unit Debt Act, 53 Pa.C.S. Chs. 80-82 (the "Debt Act"). Copies of the Resolution may be obtained from the School District.

The Bonds shall be issued in fully registered form, without certificates or coupons, in the denomination of \$5,000 principal amount and integral multiples thereof. Interest on the Bonds is payable semiannually on May 1 and November 1 of each year, commencing November 1, 2026. Interest on any Bond is payable to the Beneficial Owner as of the applicable Record Date (defined below). The interest on and principal of the Bonds is payable by the School District to TD Bank, N.A. (the "Paying Agent"), serving as paying agent and sinking fund depository, for transfer to DTC. When issued, the Bonds will be registered in the name of Cede & Co., as nominee for the Depository Trust Company ("DTC"), New York, New York. Purchasers of the Bonds (the "Beneficial Owners") will not receive any bond certificates, and beneficial ownership of the Bonds will be evidenced only by electronic book entries. See "BOOK-ENTRY ONLY SYSTEM" herein.

The information which follows contains summaries of the Resolution, the Bonds, the Debt Act, Act 1 (herein defined) and other laws, the School District's Budget and its Financial Statements. Such summaries do not purport to be complete, and reference is made to such documents and laws in their entirety, copies of which are on file and available for examination at the offices of the School District.

Neither the delivery of the Official Statement nor any sale of the Bonds made hereunder shall, under any circumstances, create an implication that there have been no changes in the affairs of the School District, or in the communities or areas in or about the School District, since the date of the Official Statement of the earliest date as of which certain information contained herein is given.

PURPOSE OF THE ISSUE

Proceeds of the Bonds will be used to: (1) currently refund a portion of the School District's outstanding General Obligation Bonds, Series of 2019; and (2) pay the related costs, including the costs of issuing the Bonds.

SOURCES AND USES OF FUNDS

	<u>Total</u>
<b><u>Sources of Funds</u></b>	
Proceeds of the Bonds.....	
[Net] Original Issue Premium [Discount] .....	
<b>Total Sources of Funds</b> .....	
<b><u>Uses of Funds</u></b>	
Amount Required to Redeem the 2019 Bonds.....	
Costs of Issuance <sup>(1)</sup> .....	
<b>Total Uses of Funds</b> .....	

<sup>(1)</sup> Includes legal fees, underwriter's discount, paying agent fees, rating fee, municipal bond insurance premium, CUSIP, printing and miscellaneous fees.

\*Preliminary, subject to change.

## DESCRIPTION OF THE BONDS

The Bonds will be issued in book-entry form, in denominations of \$5,000 principal amount and integral multiples thereof. The Bonds will bear interest from the Delivery Date at the rates and mature in the amounts and on the dates set forth on the inside front cover of this Official Statement. Interest on the Bonds will be payable initially on November 1, 2026, and thereafter, semiannually on May 1 and November 1 of each year until the maturity date of such Bond or, if such Bond is subject to redemption prior to maturity, until the date fixed for redemption thereof, if payment of the redemption price has been duly made or provided for.

*When issued, the Bonds will be registered in the name of Cede & Co., as partnership nominee for The Depository Trust Company (“DTC”), New York, New York. Purchasers of the Bonds (the “Beneficial Owners”) will not receive any physical delivery of bond certificates, and beneficial ownership of the Bonds will be evidenced only by book entries. See “BOOK-ENTRY ONLY SYSTEM” herein.*

### Payment of Principal and Interest

*So long as Cede & Co., as nominee of DTC, is the registered owner of the Bonds, payments of principal of and interest on the Bonds, when due, are to be made to DTC and all such payments shall be valid and effective to satisfy fully and to discharge the obligations of the School District with respect to, and to the extent of, principal and interest so paid. If the use of the book-entry only system for the Bonds is discontinued for any reason, bond certificates will be issued to the Beneficial Owners of the Bonds and payment of principal and interest on the Bonds shall be made as described in the following paragraphs.*

The principal of any certificated Bonds, when due upon maturity or any earlier mandatory or optional redemption, will be paid to the registered owners of such Bonds, or registered assigns, upon surrender of such Bonds to the Paying Agent at its designated corporate trust office (or to any successor paying agent at its designated office(s)).

Interest on any certificated Bonds will be payable to the registered owner of such a Bond from the interest payment date next preceding the date of registration and authentication of the Bond, unless: (a) such Bond is registered and authenticated as of an interest payment date, in which event such Bond shall bear interest from said interest payment date, or (b) such Bond is registered and authenticated after a Record Date (hereinafter defined) and before the next succeeding interest payment date, in which event such Bond shall bear interest from such interest payment date, or (c) such Bond is registered and authenticated on or prior to the Record Date preceding, November 1, 2026, in which event such Bond shall bear interest from the Delivery Date, or (d) as shown by the records of the Paying Agent, interest on such Bond shall be in default, in which event such Bond shall bear interest from the date to which interest was last paid on such Bond. Interest on a certificated Bond will be payable by check drawn on the Paying Agent, which shall be mailed to the registered owner whose name and address shall appear, at the close of business on the fifteenth (15<sup>th</sup>) day of the month (whether or not a day on which the Paying Agent is open for business) next preceding each interest payment date (the “Record Date”), on the registration books maintained by the Paying Agent, irrespective of any transfer or exchange of such Bond subsequent to such Record Date and prior to such interest payment date, unless the School District shall be in default in payment of interest due on such interest payment date. In the event of any such default, such defaulted interest shall be payable to the person in whose name the Bond is registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Paying Agent to the registered owners of such Bonds not less than fifteen (15) days preceding such special record date. Such notice shall be mailed to the persons in whose names such certificated Bonds are registered at the close of business on the fifth (5<sup>th</sup>) day preceding the date of mailing.

If the date for payment of the principal of or interest on any Bonds shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the Commonwealth are authorized or required by law or executive order to close, then the date for payment of such principal or interest shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized or required to close, and payment on such date shall have the same force and effect as if made on the nominal date established for such payment.

### Transfer, Exchange and Registration of Certificated Bonds

*Subject to the provisions herein under “BOOK-ENTRY ONLY SYSTEM”, any certificated Bonds are transferable or exchangeable by the registered owners thereof upon surrender of such Bonds to the Paying Agent, accompanied by a written instrument or instruments in form, with instructions and with guaranty of signature satisfactory to the Paying Agent, duly executed by the registered owner of such Bond or his attorney-in-fact or legal representative. The Paying Agent shall enter any transfer of ownership of such Bonds in the registration books and shall authenticate and deliver in the name of the transferee or transferees a new fully registered and certificated bond or bonds of authorized denominations of the same, maturity and interest rate for the aggregate principal amount that the registered owner is entitled to receive. The School District and the Paying Agent may deem and treat the registered owner of any certificated Bond as the absolute owner thereof (whether such Bond shall be overdue) for the purpose of receiving payment of or on account of principal and interest and for all other purposes, and the School District and the Paying Agent shall not be affected by any notice to the contrary.*

The School District and the Paying Agent shall not be required: (a) to register the transfer of or exchange any certificated Bonds then considered for redemption during a period beginning at the close of business on the fifteenth (15<sup>th</sup>) day next preceding any date of selection of such Bonds to be redeemed and ending at the close of business on the day of mailing of the applicable notice of redemption; or (b) to register the transfer of or exchange any portion of any certificated Bond selected for redemption until after the redemption date. Certificated Bonds may be exchanged for a like aggregate principal amount of Bonds of other authorized denominations of the same series, maturity, and interest rate.

## REDEMPTION OF BONDS

### Mandatory Sinking Fund Redemptions

In the manner and upon the terms and conditions provided in the Resolution, the following Bond maturities are subject to mandatory redemption in direct order of maturity, pursuant to operation of the Mandatory Sinking Fund in the manner set forth in the Resolution at a redemption price equal to one hundred percent (100%) of the principal amount thereof, together with accrued interest, on May 1<sup>st</sup> of the following years and in the following principal amounts:

<u>Year</u>	<u>Amount</u>
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### Optional Redemption

The Bonds are **not** subject to optional redemption prior to maturity.

### Notice of Redemption

*So long as Cede & Co., as nominee of DTC, is the registered owner of the Bonds, however, the School District and the Paying Agent shall send redemption notices only to Cede & Co. See "BOOK-ENTRY ONLY SYSTEM" herein for further information regarding conveyance of notices and Beneficial Owners.*

Notice of any redemption shall be given by depositing a copy of the redemption notice in first class mail not less than thirty (30) days prior to the date fixed for redemption, addressed to each of the registered owners of any certificated Bonds to be redeemed, at the addresses shown on the registration books kept by the Paying Agent as of the date such Bonds are selected for redemption; provided, however, that failure to give such notice by mailing, or any defect therein or in the mailing thereof, shall not affect the validity of any proceeding for redemption of other Bonds so called for redemption as to which proper notice has been given.

On the date designated for redemption, notice having been provided as aforesaid, and money for payment of the principal and interest being held by the Paying Agent, interest on the Bonds or portions thereof so called for redemption shall cease to accrue and such Bonds or portions thereof shall cease to be entitled to any benefit or security under the Resolution, and registered owners of such Bonds or portions thereof so called for redemption shall have no rights with respect thereto, except to receive payment of the principal to be redeemed and accrued interest thereon to the date fixed for redemption.

The notice of redemption may state that it is conditional, *i.e.*, that it is subject to the deposit of sufficient redemption money with the Paying Agent or other escrow agent on the redemption date in sufficient time to effectuate the redemption of Bonds. If, after issuing a notice of redemption, the School District is unable or otherwise fails to deposit with the Paying Agent (or other bank or depository acting as refunding escrow agent) money sufficient to redeem the Bonds called for redemption, such notice may be withdrawn or be of no effect until such money is so deposited.

### Manner of Redemption

*So long as Cede & Co., nominee of DTC, is the registered owner of the Bonds, however, payment of the redemption price shall be made by Cede & Co. in accordance with the existing arrangements by and among the School District, the Paying Agent and DTC and, if less than all of the Bonds in a particular maturity are to be redeemed, the amount of the interest of each DTC Participant, Indirect Participant and Beneficial Owner on such Bonds to be redeemed shall be determined by the governing arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. See "BOOK-ENTRY ONLY SYSTEM" herein for further information regarding redemption of Bonds registered in the name of Cede & Co.*

If a Bond is of a denomination larger than \$5,000, a portion of such Bond may be redeemed. For the purposes of redemption, a Bond shall be treated as representing the number of Bonds that is equal to the principal amount thereof divided by \$5,000, each \$5,000 portion of such Bond being subject to redemption. In the case of partial redemption of a certificated Bond, payment of the redemption price shall be made only upon surrender of such Bond in exchange for certificated Bonds of authorized denominations in an aggregate principal amount equal to the unredeemed portion of the principal amount thereof.

If the redemption date for any Bonds shall be a Saturday, Sunday, legal holiday or on a day on which banking institutions in the Commonwealth are authorized or required by law or executive order to close, then the date for payment of such principal, premium, if any, and interest upon such redemption shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized or required to close, and payment on such date shall have the same force and effect as if made on the nominal date of redemption.

If any maturity of the Bonds which is subject to mandatory sinking fund redemption shall be called for optional redemption in part, the School District shall be entitled to designate whether the principal amount redeemed is to be credited against the principal amount of the Bonds of such maturity required to be called for mandatory sinking fund redemption on any particular future date or dates, or shall be credited against the principal amount of such Bonds to be due and payable at stated maturity, in each case in a whole multiple of \$5,000 principal amount.

## BOOK-ENTRY ONLY SYSTEM

*The information in this section has been obtained from materials provided by DTC for such purpose. The School District (herein referred to as the "Issuer") and the Underwriter do not guaranty the accuracy or completeness of such information, and such information is not to be construed as a representation of the School District or the Underwriter*

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully registered bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Bond certificate will be issued for each series of the Bonds, each in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC.

DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The Ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest and redemption payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by

Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest and redemption payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC’s book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

NEITHER THE SCHOOL DISTRICT NOR THE PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY DTC PARTICIPANT, INDIRECT PARTICIPANT OR BENEFICIAL OWNER OR ANY OTHER PERSON WITH RESPECT TO: (1) THE BONDS; (2) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT OR INDIRECT PARTICIPANT; (3) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THE BONDS; (4) THE DELIVERY TO ANY BENEFICIAL OWNER BY DTC OR ANY DTC PARTICIPANT OR INDIRECT PARTICIPANT OF ANY NOTICE WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE RESOLUTION TO BE GIVEN TO BONDHOLDERS; (5) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (6) ANY OTHER ACTION TAKEN BY DTC AS BONDHOLDER.

*The School District and the Paying Agent cannot give any assurances that DTC or the Participants will distribute payments of the principal or redemption price of and interest on the Bonds paid to DTC or its nominee, as the registered owner of the Bonds, or any redemption or other notices, to the Beneficial Owners or that they will do so on a timely basis, or that DTC will serve and act in the manner described in this Official Statement.*

## SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

### General Obligation Pledge

The Bonds are general obligations of the School District, payable from its local taxes and other general revenues, including available state subsidies, on a parity basis with each other, and other existing or future general obligation debt of the School District. The taxing powers of the School District are described more fully in **APPENDIX A – TAXING POWERS AND LIMITS**. The School District has covenanted in the Resolution that it will include in its budget for each fiscal year, and will appropriate in each such year, the amount of the debt service due on the Bonds for such year and will duly and punctually pay, or cause to be paid, the principal of every Bond and the interest thereon on the dates, at the place and in the manner stated in the Bonds, and for such budgeting, appropriation and payment, the School District has irrevocably pledged its full faith, credit and taxing power.

### Actions in the Event of Default on the Bonds

In the event of a failure by the School District to pay or cause to be paid the interest on or principal of the Bonds, as the same becomes due and payable, the holders of the Bonds shall be entitled to remedies specified by the Debt Act. Among the remedies, if the failure to pay shall continue for 30 days, holders of the Bonds shall have the right to recover the amount due by bringing an action in assumpsit in the Court of Common Pleas of the county in which the School District is located. The Debt Act provides any judgment shall have an appropriate priority upon the funds next coming into the treasury of the School District. The Debt Act also provides that upon a default of at least 30 days, holders of at least 25% of the Bonds may appoint a trustee to represent them. The Debt Act provides certain other remedies in the event of default, and further qualifies the remedies hereinbefore described.

### Sinking Fund

Under the Resolution, the School District has created a “Sinking Fund - General Obligation Bonds, Series of 2026” (the “Sinking Fund Depository”) as required by the Debt Act and segregated from all other funds of the School District. The School District shall deposit in the respective Sinking Funds, not later than the date when principal or interest is to become due on the Bonds, an amount sufficient to provide for the payment of interest and principal becoming due on the Bonds.

The Sinking Fund shall be held by the Sinking Fund Depository and invested by the Sinking Fund Depository in such securities as are authorized by the Debt Act, upon direction of the School District. Such deposits and securities shall be in the name of the School District but subject to withdrawal or collection only by the Sinking Fund Depository, and such deposits and securities, together with the interest thereon, shall be a part of the Sinking Funds.

The Paying Agent is authorized and directed to pay from the Sinking Fund the principal of and interest on the respective Bonds when due and payable.

### **Commonwealth Enforcement of Debt Service Payments**

Section 633 of the Pennsylvania Public School Code of 1949, as amended by Act 150 of 1975, and as further amended and supplemented (the “Public School Code”), provides that in all cases where the board of school directors of any school district fails to pay or to provide for the payment of any indebtedness on the date of maturity or date of mandatory redemption or on any sinking fund deposit date, or any interest due on such indebtedness on any interest payment date or on any sinking fund deposit date, in accordance with the schedule under which the bonds were issued, the Secretary of Education of the Pennsylvania Department of Education (“PDE”) shall notify such board of school directors of its obligation and shall withhold out of any Commonwealth appropriation due such school district an amount equal to the sum of the principal amount maturing or subject to mandatory redemption and interest owing by such school district, or sinking fund deposit due by such school district, and shall pay over the amount so withheld to the bank or other person acting as sinking fund depository for such Bond issue. These withholding provisions are not part of any contract with the holders of the Bonds, and may be amended or repealed by future legislation.

The effectiveness of Section 633 of the Public School Code may be limited by the application of other withholding provisions contained in the Public School Code, such as provisions for withholding and paying over of appropriations for payment of unpaid teachers’ salaries. In addition, enforcement may also be limited by bankruptcy, insolvency, or other laws or equitable principles affecting the enforcement of creditors’ rights generally. See “**Pennsylvania Budget Adoption**” herein.

### **Pennsylvania Budget Adoption Impasses**

The Commonwealth’s fiscal year begins on July 1<sup>st</sup>; however, over several of the past years, the Commonwealth has started its fiscal year without a fully adopted state budget.

The Governor timely signed the state’s 2021-22 fiscal year budget on June 30, 2021. That budget included an increase of \$300 million for basic education, with \$100 million of that targeted to the 100 historically underfunded school districts that included some in both urban and rural areas of the state. Special education received a \$50 million increase, boosting that budget line to \$1.24 billion, while preschool and Head Start programs received a \$30 million increase, to \$311.5 million. All told, funding for K-12 schools reached a then record high of \$13.55 billion in the 2021-22 budget.

After a week’s delay and intense negotiations, a \$42.7 billion budget for the state’s 2022-23 fiscal year was signed by then Governor Tom Wolf on July 8, 2022, which included \$7.6 billion for the basic education funding appropriation and \$225 million to supplement school districts with a higher at risk student population. The total amount was a \$525 million increase over the 2021-22 fiscal year appropriation.

After over a month delay, a \$44.9 billion budget for the state’s 2023-24 fiscal year was signed by Governor Josh Shapiro on August 3, 2023, which included \$7.87 billion for the basic education funding appropriation. The total amount was a \$567 million increase over the 2022-23 fiscal year appropriation. The budget also provided \$50 million in additional aid to school districts for special education services for a total of \$1.4 billion. Certain funds authorized within the 2023-24 Budget required companion implementation language amending the Fiscal Code to be fully implemented. On December 13, 2023, multiple code bills were passed finalizing the 2023-24 Budget for education.

Governor Josh Shapiro signed the state’s budget for the 2024-25 fiscal year 11 days late on July 11, 2024. The \$47.6 billion budget includes \$8.097 billion for the basic education funding appropriation. The total amount is a \$225 million increase over the 2023-24 fiscal year appropriation. The budget also provides \$100 million in additional aid to school districts for special education services for a total of \$1.487 billion and \$100 million for cyber charter school tuition reimbursement. 348 school districts (including the School District) will receive additional funding totaling \$493.8 million under a new Adequacy Supplement. 182 school districts will receive an additional \$60 million in total of Hold Harmless Relief Supplement as a component of their basic education funding.

After months of negotiations, Governor Josh Shapiro signed the state’s budget for the 2025-26 fiscal year late on November 12, 2025. The \$50.1 billion budget includes (i) \$8.262 billion for the basic education funding appropriation, which is more than a \$100 million increase over the basic education funding appropriation for the 2024-25 fiscal year, and (ii) \$1.526 billion for the special education appropriation, which is a \$40,000,000 increase over the same appropriation for the 2024-25 fiscal year. The budget also increases the Ready to Learn Block Grant program appropriation by approximately 68% from the 2024-25 fiscal year. In addition, the budget hopes to provide \$175 million in estimated savings for school districts through reforms to the existing cyber charter school law. (See “**SECURITY FOR THE BONDS**” herein.)

During a state budget impasse, school districts in the Commonwealth cannot be certain that state subsidies and revenues owed them from the Commonwealth will become available. This includes many of the major state subsidies, and overall revenues, that a Pennsylvania school district receives including basic education funding, special education funding, PlanCon reimbursements, and certain block grants, among many others. **Future budget impasses may affect the timeliness or amount of payments by the Commonwealth under the withholding provisions of Section 633 of the Public School Code. Act 85 of 2016 was adopted to address the timeliness of the withholding provisions of Section 633 of the Public School Code during any future budget impasses. See “Act 85 of 2016” herein.**

## **Act 85 of 2016 (State Subsidy Intercept During a Budget Impasse)**

On July 13, 2016, the Governor of the Commonwealth signed into law Act No. 85 of 2016, (P.L. 664, No. 85) ("Act 85 of 2016"), an amendment to the Act of April 9, 1929 (P.L. 343, No. 176), known as the Fiscal Code ("Fiscal Code"). Act 85 of 2016 adds to the Fiscal Code Article XVII-E.4, entitled "School District Intercepts for the Payment of Debt Service During Budget Impasse", which provides for intercept of subsidy payments by PDE otherwise due a school district that is subject to an intercept statute or an intercept agreement, in the event of a Commonwealth budget impasse in any fiscal year.

Act 85 of 2016 includes in the definition of "intercept statutes" Sections 633 of the Public School Code. The School District's general obligation debt, including the Bonds, are subject to Section 633 of the Public School Code.

Act 85 of 2016 provides that the amounts as may be necessary for PDE to comply with the provisions of the applicable intercept statute or intercept agreement "shall be appropriated" to PDE from the General Fund of the Commonwealth after PDE submits justification to the majority and minority chairs of the appropriations committees of the Pennsylvania Senate and House of Representatives allowing ten (10) calendar days for their review and comment, if, in any fiscal year:

- (1) annual appropriations for payment of Commonwealth money to school districts have not been enacted by July 1 and continue not to be enacted when a payment is due;
- (2) the conditions under which PDE is required to comply with an intercept statute or intercept agreement have occurred, thereby requiring PDE to withhold payments which would otherwise be due to school districts; and
- (3) the Secretary of PDE, in consultation with the Secretary of the Budget, determines that there are no payments or allocations due to be paid to the applicable school districts from which PDE may withhold money as required by the applicable intercept statute or intercept agreement.

The necessary amounts shall be appropriated on the expiration of the tenth (10th) day following submission of the justification described above to the majority and minority chairs of the appropriations committees, who may comment on the justification but cannot prevent the effectiveness of the appropriation.

The total of all intercept payments under Article XVII-E.4 of Act 85 of 2016 for a school district may not exceed 50% of the total nonfederal general fund subsidy payments made to that school district in the prior fiscal year.

Act 85 of 2016 requires that each school district subject to an intercept statute or intercept agreement must deliver to PDE, in the format PDE directs, information pertaining to each eligible borrowing within thirty (30) days of receipt of the proceeds of the obligations. The School District intends to submit this information to PDE within the prescribed timeframe following the issuance of the Bonds. Act 85 of 2016 provides that any obligation for which PDE does not receive the required documents shall not be subject to the applicable intercept statute or intercept agreement.

*The provisions of Act 85 of 2016 are not part of any contract with the holders of the Bonds and may be amended or repealed by future legislation.*

## **BOND INSURANCE**

### **BOND INSURANCE POLICY**

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company ("BAM") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

### **BUILD AMERICA MUTUAL ASSURANCE COMPANY**

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products to issuers in the U.S. public finance markets. BAM will only insure municipal bonds, as defined in Section 6901 of the New York Insurance Law, which are most often issued by states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 28 Liberty Street, 59<sup>th</sup> Floor, New York, New York 10005, its telephone number is: 212-235-2500, and its website is located at: [www.bambonds.com](http://www.bambonds.com).

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated "AA/Stable" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at <https://www.spglobal.com/en/>. The rating of BAM should be evaluated independently. The rating reflects S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Bonds, nor does it guarantee that the rating on the Bonds will not be revised or withdrawn.

#### *Capitalization of BAM*

BAM's total admitted assets, total liabilities, and total capital and surplus, as of December 31, 2025 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were \$514.1 million, \$290 million and \$224 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at [www.bambonds.com](http://www.bambonds.com), is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "BOND INSURANCE".

#### *Additional Information Available from BAM*

**Credit Insights Videos.** For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at <https://bambonds.com/insights/#video>. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

**Credit Profiles.** Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at <https://bambonds.com/credit-profiles>. BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

**Disclaimers.** The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Bonds, whether at the initial offering or otherwise.

### **BONDHOLDER CONSIDERATIONS**

*The Bonds, like all investment securities, carry a risk of loss of the investment, in whole or in part. This Official Statement does not purport to describe all of the risks of an investment in the Bonds; both the School District and the Underwriter disclaim any responsibility to advise prospective investors of such risks either as they may exist at the date of dissemination of this Official Statement or as they may appear or change from time to time in the future. Prospective purchasers of the Bonds should consult their own legal and tax advisors as to the risks associated with an investment in the Bonds, their ability to bear a loss from an investment in the Bonds and the suitability of investing in the Bonds, in light of their particular, individual circumstances. Prospective purchasers should carefully consider the matters described below, as well as all the information contained within this entire Official Statement inclusive of its Appendices.*

## **Bond Insurance Risk Factors**

In the event of default of the payment of principal or interest with respect to the Bonds when all or some becomes due, any owner of the Bonds shall have a claim under the applicable Bond Insurance Policy (the "Policy") for such payments. However, in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments are to be made in such amounts and at such times as such payments would have been due had there not been any such acceleration. The Policy does not insure against redemption premium, if any. The payment of principal and interest in connection with mandatory or optional prepayment of the Bonds by the School District which is recovered by the School District from the bond owner as a voidable preference under applicable bankruptcy law is covered by the insurance policy, however, such payments will be made by the Insurer at such time and in such amounts as would have been due absence such prepayment by the School District unless the Bond Insurer chooses to pay such amounts at an earlier date.

Under most circumstances, default of payment of principal and interest does not obligate acceleration of the obligations of the Bond Insurer without appropriate consent. The Bond Insurer may direct and must consent to any remedies that the Paying Agent exercises and the Bond Insurer's consent may be required in connection with amendments to the applicable agreements.

In the event the Bond Insurer is unable to make payment of principal and interest as such payments become due under the Policy, the Bonds are payable solely from the moneys received by the Paying Agent pursuant to the applicable agreements. In the event the Bond Insurer becomes obligated to make payments with respect to the Bonds, no assurance is given that such event will not adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds.

The long-term ratings on the Bonds are dependent in part on the financial strength of the Bond Insurer and its claim paying ability. The Bond Insurer's financial strength and claims paying ability are predicated upon a number of factors which could change over time. No assurance is given that the long-term ratings of the Bond Insurer and of the ratings on the Bonds insured by the Bond Insurer will not be subject to downgrade and such event could adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds. See description under "RATINGS" herein.

The obligations of the Bond Insurer are general obligations of the Bond Insurer and in an event of default by the Bond Insurer, the remedies available to the Paying Agent may be limited by applicable bankruptcy law or other similar laws related to insolvency.

Neither the School District or Underwriter has made independent investigation into the claims paying ability of the Bond Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Bond Insurer is given.

## **Cybersecurity**

The School District, like other public and private entities, relies on computer and other digital networks and systems to conduct its operations. As a recipient and provider of personal, private or other electronic sensitive information, the School District may be the subject of cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized remote access to the School District's systems for the purposes of misappropriating assets or information or causing operational disruption or damage, or demanding ransom for restored access to files or information. The School District has never had a material cyber breach or a cyber breach that resulted in a financial loss. No assurance can be given that the School District's current efforts to manage cyber threats and security will, in all cases, be successful. The School District cannot predict what future cyber security events may occur and what impact said events could have on its operations or finances. In addition to the various processes in place to safeguard against cyber security attacks, the School District also maintains a comprehensive insurance policy which includes privacy liability, cyber incident response, data breach, network security, internet media and network extortion coverages.

The School District relies on other entities and service providers in the course of operating the School District, including its accountants, attorneys, the trustee, and banks, as well as vendors with respect to outsourced critical digital network operations and functions. No assurance can be given that future cyber threats and attacks against other third party entities or service providers will not impact the School District, including the possibility of impacting the timely payments of debt service on the Bonds or timely filings pursuant to the Continuing Disclosure Certificate.

## **Climate Change**

Numerous scientific studies have detailed changing global weather patterns and the potential for increasing extreme weather events across the world. The School District cannot predict the timing, extent, or severity of climate change and its impact on its operations and finances. The School District has not experienced increases in extreme weather events, but has established reserves to address severe weather disasters and maintains a comprehensive insurance policy.

## **Risk of Audit by Internal Revenue Service**

The Internal Revenue Service has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Internal Revenue Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. No assurances can be given as to whether or not the Internal Revenue Service will commence an audit of the Bonds. If an audit is commenced, under current procedures the Internal Revenue Service is likely to treat the School District as the taxpayer and Bond purchasers may have no right to participate in such procedure. None of the School District, the Underwriter or Bond Counsel is obligated to defend the tax-exempt

status of the Bonds on behalf of the Bond purchasers, nor to pay or reimburse the cost of any Bond purchaser with respect to any audit or litigation relating to the Bonds. See “TAX MATTERS” herein.

**CONTINUING DISCLOSURE UNDERTAKING**

In accordance with the requirement of Rule 15c2-12 (the “Rule”) of the United States Securities and Exchange Commission (the “SEC”), the School District (being an “obligated person” with respect to the Bonds, within the meaning of the Rule), will agree to provide certain financial information and operating data to the Municipal Securities Rulemaking Board (the “MSRB”) in an electronic format as prescribed by the MSRB, either directly, or indirectly through a designated agent, as set forth in its Continuing Disclosure Certificate substantially in the form attached hereto as Appendix D.

With respect to the filing of annual financial information and operating data, the School District reserves the right to modify from time to time the specific types of information and data provided or the format of the presentation of such information to the extent necessary or appropriate as a result of a change in legal requirements or a change in the nature of the School District or its operations or financial reporting, but the School District will agree that any such modification will be done in a manner consistent with the Rule.

The School District is required to give notice of certain events as set forth in the Continuing Disclosure Certificate (not all of which will be relevant to the School District). The School District may from time to time choose to file notice of other events in addition to those specified in the Continuing Disclosure Certificate.

The School District acknowledges that its undertaking pursuant to the Rule described herein and in the Continuing Disclosure Certificate is intended to be for the benefit of the holders and beneficial owners of the Bonds and shall be enforceable by the holder and beneficial owner of the Bonds, but the right of the holders and beneficial owners of the Bonds to enforce the provisions of the School District’s continuing disclosure undertaking shall be limited to a right to obtain specific enforcement, and any failure by the School District to comply with the provisions of the undertaking shall not be an event of default with respect to the Bonds.

The School District’s obligations with respect to continuing disclosure described herein shall terminate upon the prior defeasance, redemption or payment in full of all of the Bonds or if and when the School District is no longer an “obligated person” with respect to the Bonds, within the meaning of the Rule.

The MSRB has been designated by the SEC to be the central and sole repository for continuing disclosure information filed by issuers of municipal securities since July 1, 2009. Information and notices filed by municipal issuers (and other defined “obligated persons”) with respect to municipal securities issues) are made available through the MSRB’s Electronic Municipal Market Access (EMMA) System, which may be accessed on the internet at <http://www.emma.msrb.org>.

The School District has previously entered into a continuing disclosure agreement with respect to its previously issued bond issues that are currently outstanding. The School District’s filing history of its annual financial and operating information during the past five (5) years are outlined in the following table.

<b>Fiscal Year</b>	<b>Filing</b>	<b>Filing Date:</b>		
		<b>Audit</b>	<b>Operating Data</b>	<b>Budget</b>
<b>Ending</b> 6/30/2025	<b>Due Date</b> 2/25/2026	12/31/2025 <sup>(1)</sup>	12/31/2025	6/03/2025
6/30/2024	2/25/2025	6/03/2025 <sup>(2)</sup>	7/21/2025 <sup>(2)</sup>	6/14/2024
6/30/2023	2/25/2024	2/13/2024	12/14/2023 <sup>(5)</sup>	12/14/2023
6/30/2022	12/27/2022	12/17/2022 <sup>(3)</sup>	12/17/2022 <sup>(5)</sup>	12/17/2022
6/30/2021	12/27/2021	12/13/2021 <sup>(4)</sup>	12/13/2021 <sup>(5)</sup>	12/13/2021

<sup>(1)</sup>The School District filed to EMMA its unaudited Audit on this date. The audit was filed separately to EMMA, when it became available, on 4/1/2026.

<sup>(2)</sup>The School District failed to timely file, but subsequently filed the information required to EMMA. A "Failure to Timely File Notice", although not timely, was also filed to EMMA on 7/21/2025.

<sup>(3)</sup>The School District filed its unaudited Audit as an interim filing along with a "Failure to Timely File Notice" and subsequently filed the Audit, when it became available, to EMMA on 2/14/2023.

<sup>(4)</sup>The School District filed its unaudited Audit as an interim filing along with a "Failure to Timely File Notice" and subsequently filed the Audit, when it became available, to EMMA on 4/6/2022.

<sup>(5)</sup>A certain portion of the operating data, the "Tax Rates - Municipal; County" were inadvertently missed in the original filing; however, was corrected in the operating data filing for FYE June 30, 2024, filed to EMMA on 7/21/2025.

On August 1, 2024, Assured Guaranty Municipal Corp. (“AGM”) merged with and into Assured Guaranty Inc. (“AG”), with AG as the surviving company (such transaction, the “Merger”). Although not timely, the School District subsequently filed an event notice to EMMA on 9/5/2024, regarding the substitution of credit facility.

The School District has reasonable procedures in place designed to facilitate ongoing timely filings with respect to its continuing disclosure requirements.

## NO LITIGATION

As a condition to the settlement for the Bonds, the School District will deliver a certificate, and the School District's Solicitor's opinion will include a paragraph, stating that there is no pending litigation challenging or pertaining to the Bonds.

## TAX MATTERS

### Federal

**Exclusion of Interest From Gross Income.** In the opinion of Bond Counsel, under existing statutes, regulations, rulings and court decisions, interest on the Bonds will not be includible in gross income of the holders thereof for federal income tax purposes, assuming continuing compliance by the School District with the requirements of the Code. Interest on the Bonds will not be a specific preference item for purposes of computing the federal alternative minimum tax on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations under the Code for tax years beginning after December 31, 2022.

In rendering its opinion, Bond Counsel has assumed compliance by the School District with its covenants contained in the Resolution and the representations in the Tax Compliance Certificate executed by the School District on the date of issuance of the Bonds relating to actions to be taken by the School District after issuance of the Bonds necessary to effect or maintain the exclusion from gross income of interest on the Bonds for federal income tax purposes. These covenants and representations relate to the use and investment of proceeds of the Bonds and the rebate to the United States Department of Treasury of specified arbitrage earnings, if any. Failure to comply with such covenants could result in interest on the Bonds becoming includible in gross income for federal income tax purposes from the date of issuance of the Bonds.

**Other Federal Tax Matters.** Ownership or disposition of the Bonds may result in other federal tax consequences to certain taxpayers, including, without limitation, certain S corporations, foreign corporations with branches in the United States, holders of an interest in a financial asset securitization investment trust, property and casualty insurance companies, individuals who otherwise qualify for the earned income credit and taxpayers who have an initial basis in the Bonds greater or less than the principal amount thereof, individual recipients of Social Security or Railroad Retirement benefits, and taxpayers, including banks, thrift institutions and other financial institutions, subject to Code Section 265, who may be deemed to have incurred or continued indebtedness to purchase or to carry the Bonds.

The Bonds are designated, as "qualified tax-exempt obligations" for purposes and effected by Section 265 of the Code (relating to expenses and interest relating to tax-exempt income of certain financial institutions).

**Bond Counsel is not rendering any opinion as to any federal tax matters other than as described under the caption "Exclusion of Interest from Gross Income" above and expressly stated in the form of Bond Counsel opinion included as APPENDIX C. Purchasers of the Bonds should consult their independent tax advisors with regard to all federal tax matters.**

### Pennsylvania

In the opinion of Bond Counsel, under the laws of the Commonwealth, as enacted and construed on the date hereof, interest on the Bonds is exempt from Pennsylvania personal income tax and Pennsylvania corporate net income tax; however, under the laws of the Commonwealth, as enacted and construed on the date hereof, any profits, gains or income derived from the sale, exchange or other disposition of the Bonds will be subject to Pennsylvania taxes and local taxes within the Commonwealth.

### Other Jurisdictions

The Bonds and the interest thereon may be subject to state or local taxes in jurisdictions other than the Commonwealth under applicable state or local tax laws.

### Other

The Inflation Reduction Act, H.R. 5376 (the "IRA"), has been passed by both houses of Congress and signed by the President; as passed, the IRA includes a 15% alternative minimum tax to be imposed on the "adjusted financial statement income", as defined in the IRA, of certain corporations for tax years beginning after December 31, 2022. If the IRA is enacted as passed, interest on the Bonds will be included in the "adjusted financial statement income" of such corporations for purposes of computing such alternative minimum tax.

## LEGAL OPINIONS

The issuance of the Bonds is subject to the approving legal opinion of Saxton & Stump, LLC, in Lancaster, Pennsylvania, as Bond Counsel to the School District, substantially in the form of Appendix C. Certain legal matters will be passed on for the School District by Saxton & Stump, LLC, in Lancaster, Pennsylvania, Solicitor to the School District, and Eckert Seamans Cherin & Mellott, LLC, in Harrisburg, Pennsylvania, will pass upon certain legal matters as limited scope undertaking counsel to the underwriter.

## RATINGS

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") is expected to assign its municipal bond insured rating of "AA" (stable outlook) to this issue of Bonds with the understanding that upon delivery of the Bonds, a municipal bond insurance policy insuring the payment when due of the principal of and interest on the Bonds will be issued by BAM. Currently, BAM's financial strength is rated "AA" (stable outlook) by S&P. S&P has also assigned, to this issue of the Bonds, the School District an underlying rating of "A+" (stable outlook). These ratings may be changed, suspended or withdrawn as a result in, or unavailability of, information.

The above ratings are not a recommendation to buy, sell or hold the Bonds, and such ratings may be subject to revision or withdrawal at any time by the rating agencies. Any downward revision or withdrawal of the above ratings may have an adverse effect on the market price of the Bonds.

## UNDERWRITING

Raymond James & Associates, Inc., Lancaster, Pennsylvania (the "Underwriter") subject to certain conditions, has purchased the Bonds from the School District at a purchase price of \$\_\_\_\_\_ (representing the par amount of the Bonds of \$\_\_\_\_\_, [plus/less] an original issue [premium/discount] of \$\_\_\_\_\_ less an underwriting discount of \$\_\_\_\_\_). The Underwriter's obligations are subject to certain conditions precedent; however, the Underwriter will be obligated to purchase all such Bonds on the Delivery Date if any such Bonds are purchased. The Bonds may be offered and sold to certain dealers (including dealers depositing such bonds into investment trusts) at prices lower than such public offering prices, and such public offering prices may be changed, from time to time, by the Underwriter.

The Underwriter and its respective affiliates are full-service financial institutions engaged in various activities that may include securities trading, commercial and investment banking, municipal advisory, brokerage, and asset management. In the ordinary course of business, the Underwriter and its respective affiliates may actively trade debt and, if applicable, equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps). The Underwriter and its respective affiliates may engage in transactions for their own accounts involving the securities and instruments made the subject of this securities offering or other offering of the School District. The Underwriter and its respective affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of this securities offering or other offerings of the School District. The Underwriter and its respective affiliates may make a market in credit default swaps with respect to municipal securities in the future.

## PAYING AGENT

Pursuant to the provisions of the Resolution, as paying agent and sinking fund depository, the Paying Agent has the limited duty of receiving payments from the School District, depositing such payments in a sinking fund and making payments to the owners of the Bonds of the principal of, interest on, and premium, if any, on the Bonds when due, but only to the extent such moneys have been received. As registrar and transfer agent, the Paying Agent has the limited duty of handling the registration and transfer of the Bonds. Accordingly, the Paying Agent performs ministerial duties not involving the exercise of discretion and assumes no fiduciary relationship with respect to the owners of the Bonds.

The Paying Agent may now or in the future have banking relationships with the School District which involve making loans to the School District; these loans may have a security feature which is different from that of the security feature associated with the Bonds. The Paying Agent may also serve as trustee or paying agent and sinking fund depository on other obligations issued by or on behalf of the School District.

## CERTAIN OTHER MATTERS

All references to sections or language of the Debt Act, Act 1, the Bonds and the Resolution set forth in this Official Statement are made subject to all the detailed provisions thereof, to which reference is hereby made for further information, and this Official Statement does not purport to be complete statements of any or all such provisions.

All information, estimates and assumptions herein have been obtained from officials of the School District, other governmental bodies, trade and statistical services, and other sources, which we believe to be reliable; but no representations whatsoever are made that such estimates or assumptions are correct or will be realized. So far as any statements herein involve matters of opinion, whether or not expressly so stated, they are intended as such and not representations of fact.

The School District has authorized the distribution of this Official Statement.

**YORK SUBURBAN SCHOOL DISTRICT**  
**York County, Pennsylvania**

By: \_\_\_\_\_  
President, Board of School Directors

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**APPENDIX A**

**SUMMARIES OF OPERATING DATA REGARDING THE SCHOOL DISTRICT**

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**DESCRIPTION OF THE SCHOOL DISTRICT**

**Introduction**

The York Suburban School District (the “School District”) is located in central York County and encompasses approximately 14 square miles, comprised of Spring Garden Township and approximately half of the total area of Springettsbury Township, serving a population of approximately 41,210.

The School District governed by a board of nine School Directors who are citizens of the School District and who are elected to serve four-year terms on a staggered basis. The daily operations and management of the School District are performed by a central administrative staff which is led by the Superintendent who is appointed by the Board of School Directors.

**School Facilities**

The School District operates four elementary schools, one middle school and one high school, all as described on the following table.

<u>School</u>	<u>Year Constructed</u>	<u>Additions/ Alterations</u>	<u>Grades</u>	<u>Rated Pupil Capacity</u>	<u>2025-26 Enrollment</u>
<b><u>Elementary:</u></b>					
East York Elementary.....	1957	1961, 1967, 1997, 2000 & 2002	3-5	584	327
Indian Rock Elementary.....	1972	1991	3-5	480	307
Valley View Elementary.....	1949	1952, 1972, 1992, 2002 & 2010	K-2	395	286
Yorkshire Elementary.....	2010	---	K-2	475	306
<b><u>Secondary:</u></b>					
Middle School.....	1962	1997, 2003	6-8	755	726
Senior High School.....	1958	1969, 1998	9-12	1,797	885
<b>Total School District.....</b>					<u><b>2,837</b></u>

Source: School District Officials.

**Pupil Enrollment**

The present, current and projected enrollments within the School District are shown below:

<u>Year</u>	<u>Elementary</u>	<u>Secondary</u>	<u>Total</u>
2021-22.....	1,317	1,664	2,981
2022-23.....	1,616	1,411	3,027
2023-24.....	1,347	1,657	3,004
2024-25.....	1,292	1,662	2,954
2025-26 (Current).....	1,273	1,658	2,931
2026-27 (Projected).....	1,255	1,645	2,900

Source: School District Officials

**SCHOOL DISTRICT FINANCES**

**Financial Reporting**

The School District keeps its books and prepares its financial reports according to a modified accrual basis. Major accrual items are payroll taxes and pension fund contributions payable, loans receivable from other funds, and revenues receivable from other governmental units.

The School District’s financial statements are audited annually by a firm of independent certified public accountants, as required by State law. The firm Barbacane, Thornton & Company LLP currently serves as the School District's auditor. The School District’s auditor has not been engaged to perform and has not performed since the date of its report, any procedures on the financial statements addressed in that report. Such auditor also has not performed any procedures relating to this official statement.

## **Budgeting Process in accordance with the Public School Code and Act 1 of 2006 (Taxpayer Relief Act)**

In General. School districts budget and expend funds according to procedures mandated by the Pennsylvania Department of Education (“PDE”). An annual operating budget is prepared by school district administrative officials on a uniform form furnished by PDE and submitted to the board of school directors for approval prior to the beginning of the school districts’ fiscal year beginning on July 1.

Procedures for Adoption of the Annual Budget. Unless the Simplified Procedures described below are utilized, under Pennsylvania Act No. 1 of the Special Session of 2006, as amended by Act 25 of 2011 (together, the “Taxpayer Relief Act” or “Act 1”) all school districts of the first class A, second class, third class and fourth class must adopt a preliminary budget (which must include estimated revenues and expenditures and proposed tax rates) no later than 90 days prior to the date of the election preceding the next fiscal year. This preliminary budget must be printed and made available for public inspection at least 20 days prior to its adoption; the board of school directors may hold a public hearing on the budget; and the board must give at least 10 days prior public notice of its intent to adopt the preliminary budget prior to its adoption. The board of school directors shall print the final budget and make it available for public inspection at least 20 days prior to its adoption and shall give public notice of its intent to adopt the final budget at least 10 days prior to adoption, and may hold a public hearing prior to adoption. Guidance from PDE suggest that the preliminary budget be converted to a proposed budget adopted by the board of school directors at least 30 days prior to the adoption of the final budget as required by the Public School Code. The School District follows the requirements of Act 1 and the guidance of PDE pursuant to the requirements of the Public School Code.

If the adopted preliminary budget includes an increase in the rate of any tax levied, the school district must submit information on the increase to PDE on a uniform form furnished by PDE. Such information must be submitted no later than 85 days prior to the date of the election immediately preceding the school district’s next fiscal year. PDE compares the proposed percentage increase in the rate of any tax with an index established annually (see “**The Taxpayer Relief Act (Act 1)**” herein) and within 10 days of the receipt of the information but not later than 75 days prior to the date of the election immediately preceding the beginning of the school district’s next fiscal year, PDE informs the school district whether the proposed tax rate increase is less than or equal to the index. If PDE determines that the proposed percentage increase in the rate of the tax exceeds the index, PDE notifies the school district that: (1) the proposed tax increase must be reduced to an amount less than or equal to the index; or (2) the proposed tax increase must be approved by the electorate at the election immediately preceding the beginning of the school district’s next fiscal year; or (3) the School District seek approval to utilize one or more of the referendum exceptions authorized under the Taxpayer Relief Act.

With respect to the utilization of any of the Taxpayer Relief Act referendum exceptions for which PDE approval is required (see “**The Taxpayer Relief Act (Act 1)**” herein), the school district must publish notice of its intent to seek PDE approval not less than one week before submitting its request for approval to PDE and, if PDE determines to schedule a public hearing on the request, a notice of the date, time and place of such hearing. PDE is required by the Taxpayer Relief Act to rule on the school district’s request and inform the school district of its decision no later than 55 days prior to the upcoming election so that, if PDE denies the school district’s request, the school district may submit a referendum question to the local election officials at least 50 days before the upcoming election if it so chooses.

If a school district seeks voter approval to increase taxes at a rate higher than the applicable Index, whether or not it first seeks approval to utilize one of the referendum exceptions available under the Taxpayer Relief Act, and the referendum question is not approved by a majority of the voters voting on the question, the board of school directors may not approve an increase in the tax rate greater than the applicable Index.

Simplified Procedures in Certain Cases. The above budgetary procedures will not apply to a school district if the board of school directors adopts a resolution no later than 110 days prior to the election immediately preceding the upcoming fiscal year declaring that it will not increase any tax at a rate that exceeds the applicable Index and that a tax increase at or below the rate of the Index will be sufficient to balance its budget. In that case, the Taxpayer Relief Act requires that the school district comply with the procedures in Section 687 of the School Code for the adoption of its proposed and final budgets. Section 687 of the School Code requires that the school district adopt a proposed budget at least thirty (30) days prior to the adoption of the annual budget; that the proposed budget be made available for public inspection at least twenty (20) days prior to the date set for the adoption of the annual budget; and that action shall not be taken on the annual budget until after ten (10) days public notice. No referendum exceptions are available to a school district adoption such resolution.

**Summary and Discussion of Financial Results**

The below table presents a summary of the School District’s General Fund Financial Condition for Fiscal Years ending June 30, 2021 through June 30, 2025 and budgeted June 30, 2026. For more complete information, the individual financial statements and the 2024 Budget of the School District are available on the School District’s website or may be reviewed at the School District’s Business Office.

**YORK SUBURBAN SCHOOL DISTRICT  
General Fund Revenues, Expenditures and Fund Balances  
(Fiscal Years Ending June 30)**

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<b>Budgeted <u>2026</u></b>
<b><u>Revenues</u></b>						
Local Sources	\$48,623,521	\$50,976,450	\$52,325,346	\$53,741,783	\$55,102,106	\$56,334,825
State Sources	11,423,907	12,226,597	14,306,041	15,122,932	18,054,177	18,276,000
Federal Sources	<u>769,935</u>	<u>2,979,101</u>	<u>1,304,722</u>	<u>2,115,927</u>	<u>1,211,444</u>	<u>556,000</u>
<b>Total Revenues</b>	\$60,817,363	\$66,182,148	\$67,936,109	\$70,980,642	\$74,367,727	\$75,166,825
<b><u>Expenditures</u></b>						
Instruction	\$40,039,390	\$41,278,162	\$42,335,541	\$44,210,636	\$46,309,517	\$46,932,228
Support Services	15,831,565	18,644,373	18,796,833	18,436,779	19,350,756	20,539,808
Operation of Non-Instructional Services	926,700	0	0	1,160,644	1,259,457	1,334,253
Debt Service	<u>0</u>	<u>0</u>	<u>178,449</u>	<u>0</u>	<u>0</u>	<u>6,061,130</u>
<b>Total Expenditures</b>	\$56,797,655	\$59,922,535	\$61,310,823	\$63,808,059	\$66,919,730	\$68,806,289
<b><u>Other Financing Sources (Uses)</u></b>						
Interfund Transfers in (out)	(\$4,651,747)	(\$5,471,789)	(\$5,845,501)	(\$6,500,791)	(\$7,131,252)	(\$1,457,000)
Refund of prior year receipts	0	(8,114)	0	266	1,387	\$0
Proceeds from sale of capital assets	0	3,090	1,495	0	0	\$0
Proceeds from subscription-based IT arrangements	0	0	43,864	0	0	\$0
Budgetary reserve	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(500,000)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(\$4,651,747)</u>	<u>(\$5,476,813)</u>	<u>(\$5,800,142)</u>	<u>(\$6,500,525)</u>	<u>(\$7,129,865)</u>	<u>(\$1,957,000)</u>
<b>Net change in fund balances</b>	(\$632,039)	\$782,800	\$825,144	\$672,058	\$318,132	\$4,403,536
<b>FUND BALANCES - BEGINNING</b>	\$13,426,509	\$12,794,470	\$12,924,403	\$13,749,547	\$14,421,605	\$14,739,737
<b>Restated</b>	<u>\$0</u>	<u>(\$652,867)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>FUND BALANCES - ENDING</b>	<u>\$12,794,470</u>	<u>\$12,924,403</u>	<u>\$13,749,547</u>	<u>\$14,421,605</u>	<u>\$14,739,737</u>	<u>\$19,143,273</u>

Source: School District Audits and Budget.

## TAXING POWERS AND LIMITS

### In General

*Subject to certain limitations imposed by the Act 1 (more specifically described below),* the School District is empowered by the School Code and other statutes to levy the following taxes:

1. An annual tax on all real property taxable for school purposes, not to exceed 25 mills on each dollar of assessed valuation, to be used for general school purposes.
2. An unlimited ad valorem tax on the property taxable for school purposes to provide funds:
  - a) for minimum salaries and increments of the teaching and supervisory staff;
  - b) to pay rentals due any municipality authority or non-profit corporation or due the State Public School Building Authority;
  - c) *to pay interest and principal on any indebtedness incurred pursuant to the Local Government Unit Debt Act, or any prior or subsequent act governing the incurrence of indebtedness of the School District; and*
  - d) to pay for the amortization of a bond or note issue which provided a school building prior to the first Monday of July 1959.
3. An annual per capita tax on each resident over 18 years of age of not more than \$5.00.
4. Additional taxes subject to division with other political subdivisions authorized to levy similar taxes on the same person, subject, business, transaction or privilege, under Act No. 511, enacted December 31, 1965, as amended (“The Local Tax Enabling Act”). These taxes, which may include, among others, a per capita tax, an earned income and net profits tax, a real estate transfer tax, a gross receipts tax, a local services tax and an occupation tax, shall not exceed, in the aggregate, an amount equal to the product of the market valuation of real estate in the School District (as certified by the State Tax Equalization Board of the Commonwealth (“STEB”)/Tax Equalization Division (“TED”)) multiplied by twelve mills. All local taxing authorities are required by the Local Tax Enabling Act to exempt disabled veterans and members of the armed forces reserve who are called to active duty at any time during the tax year from any local services tax and to exempt from any local services tax levied at a rate in excess of \$10 those persons whose total income and net profits from all sources within the political subdivision is less than \$12,000 for the tax year. The Local Tax Enabling Act also authorizes, but does not require, taxing authorities to exempt from per capita, occupation, and earned income taxes and any local services tax levied at a rate of \$10 or less per year, any person whose total income from all sources is less than \$12,000 per year.

### PENNSYLVANIA ACTS AFFECTING CERTAIN LOCAL TAXING POWERS OF SCHOOL DISTRICTS

#### Taxpayer Relief Act (Act 1)

**The information set forth below is a partial summary of relevant sections of Act 1 and their impact. This summary is not intended to be an exhaustive discussion of the provisions of Act 1 nor intended to provide a legal interpretation of any provision of Act 1. A prospective purchaser of the Bonds should review the full text of Act 1 as a part of any decision to purchase the Bonds.**

Under the Taxpayer Relief Act (Act 1), a school district may not levy any tax for the support of the public schools which was not levied in the previous fiscal year, raise the rate of any earned income and net profits tax if already imposed under the authority of the Local Tax Enabling Act, or increase the rate of any tax for school purposes by more than the Index (defined below), unless in each case either (a) such increase is approved by the voters in the school district at a public referendum or (b) one or more of the exceptions summarized below is applicable and the use of such exception is approved by PDE:

1. to pay interest and principal on indebtedness incurred (i) prior to September 4, 2004, in the case of a school district which had elected to become subject to the provisions of the prior Homeowner Tax Relief Act, Act 72 of 2004 (“Act 72”), or (ii) prior to June 27, 2006, in the case of a school district which had not elected to become subject to Act 72 (as in the case of the School District); (a) to pay interest and principal on any indebtedness approved by the voters at referendum (electoral debt); and (b) to pay interest and principal on debt refunding or refinancing debt for which one of the above exceptions is permitted, as long as the refunding or refinancing incurs no additional debt other than for costs and expenses related to the refunding or refinancing and the funding of appropriate debt service reserves;
2. to pay costs incurred in providing special education programs and services to students with disabilities, under specified circumstances;
3. To make payments into the State Public School Employees’ Retirement System when the increase in the estimated payments between the current year and the upcoming year is greater than the Index (as determined by PDE in accordance with the provisions of Act 1), subject to the limitation that the salary base used for calculating estimated payments is capped at the 2011-12 salary base level, per PDE Referendum Exception Guidelines.”

Any revenue derived from an increase in the rate of any tax allowed under the exception numbered 1 above may not exceed the anticipated dollar amount of the expenditure, and any revenue derived from an increase in the rate of any tax allowed pursuant to any other exception enumerated above may not exceed the rate increase required, as determined by PDE, as the case may be. If a school district’s petition or request to increase taxes by more than the Index pursuant to one or more of the allowable exceptions is not approved, the school district may submit the proposed tax increase to a referendum.

“Index” is defined in Act 1 as follows:

INDEX

1. Except as set forth in paragraph (2), the average of the percentage increase in the Statewide Average Weekly Wage and the Employment Cost Index.
2. For a school district with a market value/income aid ratio great than 0.400 for the school fiscal year prior to the school fiscal year for which the Index is calculated, the value under paragraph (1) multiplied by the sum of:
  - (i) 0.75; and
  - (ii) the school district’s market value/income aid ratio for the school fiscal year prior to the school fiscal year for which the Index is calculated.

“Statewide Average Weekly Wage” is defined in Act 1 as follows:

STATEWIDE AVERAGE WEEKLY WAGE

That amount determined by the Department of Labor and Industry in the same manner that it determines the average weekly wage under section 404(e)(2) of the Act of December 5, 1936 (2<sup>nd</sup> Sp. Sess., 1937 P.L. 2897, No. 1), known as the Unemployment Compensation Law, except that it shall be calculated for the preceding calendar year.

The Act 1 Index applicable to the School District for the next fiscal year, current fiscal year and prior four fiscal years is as follows:

<u>Fiscal Year</u>	<u>Index %</u>
2025-26	4.9
2024-25	6.4
2023-24	5.0
2022-23	4.0
2021-22	3.6

Source: Pennsylvania Department of Education website.

In accordance with Act 1, a board of school directors may submit, but is not required to submit, a referendum question to the voters in any future municipal election seeking approval to levy or increase the rate of an earned income tax (“EIT”) or impose a personal income tax (“PIT”) for the purpose of funding homestead and farmstead exclusions, but the proposed rate of the EIT or PIT shall not exceed the rate that is required to provide the maximum homestead and farmstead exclusions allowable under law. The referendum was not approved by a majority of the voters at the primary election.

**Status of the Bonds Under the Taxpayer Relief Act (Act 1)**

The debt service payable on the Bonds described in this Official Statement is not eligible for a specific exception to the Index limits of Act 1.

**Limitations on School District Fund Balance**

**Set forth below is a summary of relevant sections of Act 48. This summary is not intended to be an exhaustive discussion of the provisions of Act 48 nor intended to provide a legal interpretation of any provisions of Act 48. A prospective purchaser of the Bonds should review the full text of Act 48 as a part of any decision to purchase the Bonds.**

Pennsylvania Act No. 2003-48 (enacted December 23, 2003) prohibits a school district from increasing real property taxes unless the school district has adopted a budget for such school fiscal year that includes an estimated ending unreserved and undesignated fund balance which is not more than a specified percentage of the total budgeted expenditures, as set forth below:

**Estimated Ending Unreserved Undesignated Fund Balance as a Percentage of Total Budgeted Expenditures<sup>(1)</sup>:**

**Total Budgeted Expenditures:**

Less than or equal to \$11,999,999	12.0%
Between \$12,000,000 and \$12,999,999	11.5%
Between \$13,000,000 and \$13,999,999	11.0%
Between \$14,000,000 and \$14,999,999	10.5%
Between \$15,000,000 and \$15,999,999	10.0%
Between \$16,000,000 and \$16,999,999	9.5%
Between \$17,000,000 and \$17,999,999	9.0%
Between \$18,000,000 and \$18,999,999	8.5%
Greater than or equal to \$19,000,000	8.0%*

“Estimated ending unreserved, undesignated fund balance” is defined in Act 2003-48 as that portion of the fund balance which is appropriate for expenditure or not legally or otherwise segregated for a specific or tentative future use, projected for the close of the school year for which a school district’s budget was adopted and held in the general fund accounts of the school district.

\*Applicable to the School District

<sup>(1)</sup>Effective June 30, 2011, Governmental Accounting Standards Statement #54 adopted the term “Unassigned” to refer to general fund balances that would fall within the definition of “Unreserved and Undesignated Fund Balance” in the statute known as Act 48 of 2003.

**TAX REVENUES OF THE SCHOOL DISTRICT**

**Tax Levies**

**2025-26 Real Estate and Non-Real Estate Tax Rates**

<u>Municipality</u>	<u>Real Estate (Mills)</u>				<u>Total</u>
	<u>School District</u>	<u>Municipal</u>	<u>County</u>		
Spring Garden Township .....	27.4488	4.29	7.55		33.7216
Springettsbury Township .....	27.4488	1.50	7.55		46.7216

<u>Municipality</u>	<u>Local Services</u>		<u>Real Estate Transfer</u>		<u>Earned Income</u>	
	<u>Municipal</u>	<u>School</u>	<u>Municipal</u>	<u>School</u>	<u>Municipal</u>	<u>School</u>
Spring Garden Township .....	\$52.00	\$0.00	0.5%	0.5%	0.5%	0.5%
Springettsbury Township .....	52.00	0.00	0.5	0.5	0.5	0.5

Source: School District Officials

**Real Estate Tax Collection Record**

The School District's realty tax collection record for the current and previous five fiscal years ending June 30<sup>th</sup>, of the years shown below, is as follows:

<u>Fiscal Year</u>	<u>Adjusted Total Levy<sup>(1)</sup></u>	<u>Current Collections</u>	<u>Current Percent Collected</u>	<u>Total Collections<sup>(2)</sup></u>	<u>Total Collections as a Percent</u>
2020-21	\$43,179,019	\$41,322,561	95.70%	\$41,986,005	97.24%
2021-22	44,509,683	42,766,288	96.08%	43,430,024	97.57%
2022-23	46,367,841	44,091,726	95.09%	44,956,618	96.96%
2023-24	47,613,611	45,292,284	95.12%	46,061,372	96.74%
2024-25	48,255,188	46,695,826	96.77%	46,920,772	97.23%

<sup>(1)</sup>Includes portion of tax levy received from the state through the Homestead/Farmstead Exclusion program.

<sup>(2)</sup>Includes delinquent real estate collection.

Source: School District Officials.

**Trends in Market and Assessed Valuations**

The trend in market and assessed valuations of real estate in the School District is shown below:

<u>Fiscal Year</u>	<u>Market Value</u>	<u>Assessed Value</u>	<u>Ratio</u>
2020-21	\$1,873,245,347	\$1,825,952,084	97.48%
2021-22	1,899,814,515	1,847,127,740	97.23%
2022-23	2,042,458,104	1,850,236,070	90.59%
2023-24	2,046,771,516	1,853,693,892	90.57%
2024-25	2,252,796,026	1,854,217,039	82.31%

Source: Pennsylvania State Tax Equalization Board (STEB). Valuations are certified in June of the following year.

**Ten Most Valuable Taxable Parcels in the School District**

The following table represents the ten real estate parcels having the highest assessed values in the School District. These taxpayers represent approximately 9.59% of the School District’s total most recent assessed value.

<u>Taxpayer</u>	<u>Taxable Aggregate Assessed Valuation</u>
Equity Industrial A York	\$ 34,216,619
Caterpillar Inc.	25,500,000
Triple Bar York Marketplace	24,467,790
York Town Center Holdings	20,630,600
They York Development LLP	18,197,360
Stagg York LLC	14,294,890
RREEF CPIF 693 North Hills	12,811,960
AP Greenspring LLC	11,338,900
Dealbrook LLC	9,023,020
Springettsbury Manor	7,399,970
<b>Totals</b>	<b><u>\$177,881,109</u></b>

Source: County Assessment Office

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## COMMONWEALTH AID TO SCHOOL DISTRICTS

Pennsylvania school districts receive financial assistance from the Commonwealth in a number of forms, all subject to statutory provisions and annual appropriation by the Pennsylvania General Assembly.

Basic education funding is allocated to all school districts in an amount equal to: (1) a fixed sum equal to the school district's Fiscal Year 2014-15 basic educational funding; plus (2) an additional increment determined annually pursuant to statutory formula which adjusts a school district's average daily membership by a number of factors specific to the composition of the student population as well as the school district's median household income, local tax effort and capacity to generate local revenue. The additional increment as calculated above for any individual school district may be zero.

Information concerning the calculation of the School District's basic education funding can be found on the Pennsylvania Department of Education's website at <https://www.education.pa.gov>.

School districts also receive subsidies for special education, pupil transportation, career and technical education and health services, among other things.

### **Lack of Commonwealth Appropriations for Debt Service Reimbursement**

Commonwealth law presently provides that the School District will receive reimbursement from the Commonwealth for a portion of the debt service on some or all of the School District's outstanding bonds after said bonds have received final approval from the Department of Education (see **"DEBT STATEMENT AND DEBT LIMITS"** herein). Commonwealth reimbursement is based on the "Reimbursable Percentage" assigned to the Bonds and the School District's Aid Ratio or CARF, whichever is higher. The School District's MVAR is currently higher at 50.09%. The Reimbursable Percentage is determined through a process known as the "Planning and Construction Workbook" or "PlanCon". In future years, this percentage may change as the School District's MVAR changes, or as a result of future legislation regarding changes to, or even elimination of, the PlanCon program.

In May of 2016, the Commonwealth enacted appropriation legislation known as Act 25 ("Act 25"), which contains authorization for the Commonwealth Finance Authority ("CFA") to issue up to \$2.5 billion of debt to fund PlanCon reimbursements to school districts. Act 25 also instituted a moratorium on new projects entering the PlanCon process while an advisory committee established under Act 25 considers amendments to the PlanCon reimbursement program. This moratorium went into effect on May 15, 2016 and expired on June 30, 2017. On November 6, 2017, House Bill 178 became law without the signature of the Governor and became known as Act 55 of 2017. Contained in Act 55 of 2017 was an extension of the PlanCon moratorium through the end of the 2017-18 fiscal year and a retroactive effective date of July 1, 2017. Subsequently, the Commonwealth enacted Act 42 of 2018, which permitted PlanCon applications submitted between July 1, 2017 and November 6, 2017, and whose school district votes to proceed with construction and award bids on their construction contracts no later than July 1, 2021, to receive PlanCon funding as permitted by law, if made available by the Commonwealth. On June 22, 2018, the Governor approved and signed House Bill 1448, known as Act 39 of 2018, extending the PlanCon moratorium through the end of the 2018-2019 fiscal year. On June 28, 2019, the Governor approved and signed House Bill 1615, known as Act 16 of 2019, that included a continuation of the moratorium on new PlanCon Part A submittals through the end of the 2019-20 fiscal year. Act 30 of 2020 extended the moratorium on new PlanCon Part A submittals through the end of the 2020-21 fiscal year. On June 30, 2021, the Governor approved and signed Senate Bill 381 known as School Code or Act 26 of 2021, which extended the moratorium on new PlanCon Part A submittals through the end of the 2021-2022 fiscal year.

To date, the CFA has issued \$1,903,065,000, to provide for PlanCon reimbursements owed to school districts, consisting of the issuance of its Revenue Bonds, Series A of 2016 (Federally Taxable) in the principal amount of \$758,185,000 issued on October 31, 2016 and its Revenue Bonds, Series of 2019 (Federally Taxable) in the total amount of \$412,520,000 issued on January 18, 2018, its Revenue Bonds (Federally Taxable), Series A of 2019 in the total amount of \$388,975,000 issued on May 9, 2019, as well as its Revenue Bonds (Federally Taxable), Series A of 2021 in the total amount of \$343,385,000 issued on June 23, 2021. It is expected that proceeds of these issues will be used to provide PlanCon reimbursement to the School District for the current and future fiscal years. However, the School District cannot be certain that any future PlanCon reimbursement will be received by PDE as the ability for CFA to issue additional bonds in the future to fund future PlanCon reimbursements owed to school districts may impact the availability of PlanCon reimbursements payable to the School District. Any failure by the Commonwealth to adopt a timely budget and enact necessary spending authorizations could have a material adverse effect upon the School District's anticipated receipt of PlanCon reimbursements.

Act 70 of 2019 was adopted by the State legislature that has modified the PlanCon process. The Act states that on July 1, 2020, a new PlanCon system will go online. However, the legislation does not include any funding nor does it state when the Commonwealth would start to allow applicants to enter into the new program. There is a moratorium for the new PlanCon program, which still remains in place.

There can be no assurances that the School District will be able to successfully apply for, be awarded, and receive sufficient PlanCon reimbursement for the costs of any current or future projects of the School District. A failure by the School District to receive such reimbursement could force the School District to apply other available funds, if any, toward the completion costs of the Project and may have a material adverse effect on the financial resources of the School District to fund other obligations, including payment of debt service on the Bonds.

**DEBT STATEMENT AND DEBT LIMITS**

Residents of the School District are responsible for the following debt within the School District, the municipalities within the School District and the County following the settlement of the Bonds. The School District has never defaulted on the payment of debt service.

<b><u>DIRECT DEBT</u></b>	<b><u>Gross</u></b>	<b><u>Project</u></b>	<b><u>Effective</u></b>	<b><u>State</u></b>	<b><u>Local</u></b>
<b><u>NONELECTORAL DEBT*</u></b>	<b><u>Outstanding</u></b>	<b><u>Reimbursable</u></b>	<b><u>Reimbursement</u></b>	<b><u>Share</u></b>	<b><u>Share</u></b>
<b><u>Issue Type</u></b>		<b><u>Percent (%)</u></b>			
General Obligation Bonds, Series of 2026	\$8,890,000	0.00%	0.00%	\$0	\$8,890,000
General Obligation Bonds, Series of 2024	9,470,000	0.00%	0.00%	0	9,470,000
General Obligation Bonds, Series of 2023	9,985,000	0.00%	0.00%	0	9,985,000
General Obligation Bonds, Series of 2020 (Federally Taxable)	9,282,000	0.00%	0.00%	0	9,282,000
General Obligation Bonds, Series A of 2019	1,010,000	8.88%	4.45%	44,925	965,075
General Obligation Note, Series of 2016	1,270,000	16.49%	8.26%	104,900	1,165,100
<b>Total Principal of Nonelectoral Debt</b>	<b>\$39,907,000</b>			<b>\$149,825</b>	<b>\$39,757,175</b>
<b><u>LEASE RENTAL DEBT</u></b>					
<b>Total Principal of Lease Rental Debt</b>	<b>0</b>				
<b>TOTAL DIRECT DEBT</b>	<b>\$39,907,000</b>				
<b><u>OVERLAPPING DEBT</u></b>					
Component Municipalities Debt	\$39,914,200				
York County	16,240,746				
<b>Total Principal of Overlapping Debt</b>	<b>\$56,154,946</b>				
<b>TOTAL DIRECT AND OVERLAPPING DEBT</b>					
<b><u>DEBT RATIOS OF DIRECT DEBT</u></b>					
Market Valuation of Real Estate	1.77%				
Assessed Valuation of Real Estate	2.15%				
Per Capita (2020 Population)	\$968				
<b><u>DEBT RATIOS OF DIRECT DEBT AND OVERLAPPING DEBT</u></b>					
Market Valuation of Real Estate	4.26%				
Assessed Valuation of Real Estate	5.18%				
Per Capita (2020 Population)	\$3,874				

\*Preliminary, subject to change and excludes the 2019 Bonds being refunded herein.

<sup>(1)</sup>Gives effect to current appropriations for payment of debt service and expected future State Reimbursement of School District sinking fund payments based on current Aid Ratio. See “**Commonwealth Aid to School Districts**” herein.

<sup>(2)</sup>School District’s pro rata 6.70% share of the County’s \$242,315,225 principal amount outstanding.

Source: Department of Community and Economic Development (“DCED”) website.

**FUTURE FINANCING**

The School District does anticipate issuing an additional \$70 million of long-term debt to fund its capital improvement plan over the next two years.

**BORROWING CAPACITY  
(Under Local Government Unit Debt Act)**

The legal borrowing capacity of the School District is calculated in accordance with the Debt Act, which describes the applicable debt limits for local government units (entities with taxing powers), including school districts and municipalities. Under the Debt Act, the School District may incur electoral debt, which is debt that is approved by a majority of the School District's voters at either a general or special election, in an unlimited amount. Net nonelectoral debt, or debt not approved by the School District's electorate, net of state aid, may not exceed 225% of the School District's "Borrowing Base", as defined in the Debt Act. The Bonds constitute nonelectoral debt under the Debt Act. The Borrowing Base is calculated as the annual arithmetic average of Total Revenues (as defined in the Debt Act), for the three full fiscal years next preceding the date of incurring debt. Combined net nonelectoral debt and net lease rental debt (debt represented by capital leases and similar agreements relating to debt payments), net of approved state aid, incurred on behalf of the School District may not exceed 225% of the School District's Borrowing Base. The Borrowing Base and borrowing capacity of the School District are as follows:

	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>
<b>Total General Fund Revenues</b>	\$67,936,109	\$70,980,642	\$74,367,727
<b><u>Less: Required Deductions</u></b>			
a. Rental and Sinking Fund Reimbursement .....	\$ 308,513	\$ 194,334	\$ 159,000
b. Revenues for Self-Liquidating Debt .....	0	0	0
c. Refunds from Prior Year Expenditures .....	0	0	0
d. Grant and Gifts for Capital Projects .....	0	0	0
e. Sale of Equipment and Non-Recurring Items (i.e., insurance recoveries)....	0	0	0
<b>Total Deductions</b> .....	<u>\$ 308,513</u>	<u>\$ 194,334</u>	<u>\$ 159,000</u>
<b>Total Revenues</b> .....	<u><u>\$67,627,596</u></u>	<u><u>\$70,786,308</u></u>	<u><u>\$74,208,727</u></u>
<b>Total Net Revenues for Three Years</b> .....		\$212,622,631	
<b>Borrowing Base - Average Net Revenues for Three-Year Period</b> .....		\$70,874,210	
<b><u>Computation of Borrowing Capacity</u></b>			
Debt Limitation - 225% OF Borrowing Base .....		\$159,466,973	
Less: Net Non-Electoral and Lease Rental Debt .....		39,907,000	
<b>Current Non-Electoral and Lease Rental Borrowing Capacity</b> .....		<u>\$119,559,973</u>	

**LABOR RELATIONS**

**Employees and Labor Contracts**

The School District employs approximately 382 employees of the School District, including 257 teachers and administrators and 125 support personnel. The support personnel include administrative assistants, cafeteria staff, custodians, maintenance, transportation and teachers' aides.

The School District teachers are represented by the York Suburban Education Association, an affiliate of the Pennsylvania State Education Association, under a contract with the School District which expires on June 30, 2027. The School District believes its current labor relations with unionized personnel are good.

**Pension Program**

Currently, all Pennsylvania school districts and intermediate units participate in a pension program administrated by the Commonwealth. The program is formally known as the Public School Employees' Retirement System ("PSERS"), and a percentage of each eligible employee's salary is contributed by the employee, the School District and the Commonwealth. All full-time employees, part-time employees salaried over eighty days per year and hourly employees with over five hundred hours per year participate in the program.

Contributions are required by active members, School Districts, and the Commonwealth of Pennsylvania as established by the Public School Employees' Retirement Code. Members who enrolled prior to January 1, 2002, range from 5.28% to 7.5% of compensation, depending upon the date of commencement of employment and elections made by each employee member. Members who enrolled in the pension plan on or after January 1, 2002 and before July 1, 2011 is 7.5% of compensation. The contribution rate for PSERS members who enrolled on or after July 1, 2011 is 7.5% or 10.3%, depending upon elections made by each employee member. The PSERS Board certified the

employer rate, to be paid by the School District, of 33.59% for the 2026-27 fiscal year. According to Act 120 of 2010 the employer contribution rate is suppressed for future years by using rate caps to keep the rate from rising too high, too fast.

The Commonwealth will reimburse the School District at the rate of 50% of its total contributions with respect to all employees who were hired prior to July 1, 1994. With respect to employees hired after July 1, 1994, and who were not previously employed by another public school system in the Commonwealth, the School District will be reimbursed by the Commonwealth at the rate of the higher of 50% of contributions made by the School District or the current Market Value/Personal Income Aid Ratio. The School District is reimbursed on a quarterly basis.

Under Act 5 of 2017 (“Act 5”) PSERS transitioned from a traditional defined benefit system and begin to offer defined contribution plans as well. Beginning July 1, 2019, in addition to other transaction rules and options based on members’ classifications, certain classes of active members may choose to switch from the current defined benefit plan to one of three new retirement benefit plan options which will be available. Additionally, all active members newly hired on or after July 1, 2019, will be required to select one of those three new retirement benefit plan options and will not be eligible to participate in the current defined benefit plan. The three new plans consist of two hybrid plans, with defined benefit and defined contribution components, along with a stand-alone defined contribution plan.

In addition to its comprehensive change in available plans for active members, Act 5 also made certain changes to the PSERS Board of Trustees and administrative protocols and created the Public Pension Management and Asset Investment Review Commission to study and make recommendations to the General Assembly and the Governor regarding investment performance and strategies.

According to the Independent Fiscal Office, Act 5 is not expected to reduce school district and state contributions to PSERS over the first fifteen years. However, beginning in fiscal 2034-35 through fiscal 2049-50, employer contribution rates are expected to begin to decline due to the lower long-term employer costs of the new benefit plans and will be lower, in the aggregate, over the study period. Both the School District and the Commonwealth are responsible for paying a portion of the employer’s share. School entities are responsible for paying 100% of the employer share of contributions to PSERS. The Commonwealth reimburses the employer for one-half the payment for employees. The School District contributions are made on a quarterly basis and employee contributions are deducted bi-weekly for each paycheck and remitted monthly. Recent School District payments, net of reimbursement, have been as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2021-22	\$4,582,574
2022-23	4,575,223
2023-24	4,195,294
2024-25	5,117,896
2025-26 (Budgeted)	5,111,880

On June 30, 2025, the School District reported a liability of \$62,908,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by rolling forward the PSERS' total pension liability as of June 30, 2023 to June 30, 2024. The School District's proportion of the net pension liability was calculated utilizing the employer's one-year reported contributions as it relates to the PSERS' one-year reported contributions. This method was changed beginning with the System’s fiscal year ended June 30, 2020. In prior years, the proportion of the PSERS net pension liability was calculated utilizing the School District’s one-year reported covered payroll as it related to PSERS’ total one-year report covered payroll. On June 30, 2024 (measurement date), the School District's proportion was 0.1503%, which was a decrease of 0.0313% from its proportion measured as of June 30, 2023.

As of June 30, 2024, the PSERS plan was 64.63% funded, with an unfunded actuarial accrued liability of approximately \$42.3 billion. PSERS’ rate of return for fiscal year ended June 30, 2024 was 7.05%. The Fund had plan net assets of \$76.5 billion at June 30, 2024. For more information, visit the PSERS website at [www.psers.pa.gov](http://www.psers.pa.gov), which is not incorporated by specific reference into this Preliminary Official Statement.

Source: School District Audit and PSERS

**Other Post-Employment Benefits (“OPEB”)**

The School District provides certain health care and life insurance benefits for its retirees (commonly referred to as “other post-employment benefits” or “OPEB”). Effective for the 2008-2009 fiscal year, the District adhered to Governmental Accounting Standards Board Statement No. 45, (“GASB 45”) "Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions," for certain post-employment healthcare benefits and life insurance benefits provided by the District. As of June 2017, GASB 45 has been eliminated and replaced with a new standard, Governmental Accounting Standards Board Statement No. 75 (“GASB 75”). GASB 75 replaces the requirements of GASB 45 and establishes new accounting and financial reporting requirements. The School District funds the PSERS cost sharing, multiple-employer OPEB plan through contractually required contribution rates. No assurances can be given that the District’s future OPEB obligations will not have a material impact on the District’s ability to pay its debts, including the Bonds.

For a full description of the pension and OPEB plans, please refer to Appendix E – Audited Financial Statements.

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**APPENDIX B**

**LOCAL DEMOGRAPHIC AND STATISTICAL; AND ECONOMIC INFORMATION**

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**DEMOGRAPHIC AND STATISTICAL INFORMATION**

**Population**

	<u>2020</u>	<u>2010</u>
York County.....	143,257	133,568
Pennsylvania.....	12,794,885	12,702,379

Source: U.S. Bureau of Census.

**Age Composition  
(2020 5-year estimates)**

	<u>Percent Under 18</u>	<u>Percent 65 and Over</u>
York County.....	22.7%	19.9%
Pennsylvania.....	20.7	18.3

Source: U.S. Bureau of Census.

**Income  
(2020 5-year estimates)**

	<u>Median Household</u>	<u>Per Capita</u>	<u>Persons in Poverty</u>
York County.....	\$81,453	\$41,018	9.4
Pennsylvania.....	63,627	35,518	10.9

Source: U.S. Bureau of Census.

**Housing Characteristics  
(2020 5-year estimates)**

	<u>Housing Units</u>	<u>% Owner-Occupied</u>	<u>Households</u>	<u>Persons Per Household</u>
York County.....	192,110	76.0	185,039	2.50
Pennsylvania.....	5,815,392	69.2	5,147,783	2.44

Source: U.S. Bureau of Census.

**Transportation**

The School District is strategically located, which provides its industries with convenient access to the major market areas and ports in the eastern United States. The Pennsylvania Turnpike traverses the extreme northern tip of York County east to west, and Interstate Highway 83 runs north to south close to the City through the central part of the County.

Community Transit provides service to the City of York and its immediate environs. Rail service in York County is provided by Conrail on the lines of the former Reading, Penn-Central, and Western Maryland Railroads and by the Maryland and Pennsylvania Railroad. York County is served by four general service commercial airports, one of which is within a few miles of the City of York. The City of York is also served by a heliport, and intercity bus service is provided by Greyhound lines.

The diverse nature of the area's industry and the concomitant need for export-import outlets has required support from the motor carrier industry within the area. Therefore, the York area is serviced by forty-one motor freight carriers which provide daily service to the area.

**Utilities**

The York area is served by three major electric power and light companies: Adams Electric Cooperative, Inc., Metropolitan Edison and Philadelphia Electric Company. Major gas companies include Columbia Gas of Pennsylvania, Inc., Agway petroleum, and UGITE LP Gas Service. Telephone service is provided by General Telephone Company of Pennsylvania. Water services are supplied by the York Water Company while the City of York operates a sewage disposal and treatment plant.

## Higher Education

Located within York County are York College, a private college and a branch campus of the Pennsylvania State University. In addition, the region is endowed with a number of other institutions of higher learning, including the Pennsylvania State University Hershey Medical Center, Pennsylvania State University Capital Campus, Dickinson College, Harrisburg Area Community College and Dickenson Law School in the Harrisburg-Carlisle-Lebanon Metropolitan Area and Elizabethtown College, Messiah College, Lebanon Valley College and Shippensburg State College in other portions of the region. All of the aforementioned institutions lie within a fifty-mile radius of the School District.

## Medical Facilities

York County is served by Memorial Hospital and York Hospital, both are located in York. York Hospital is recognized as a teaching hospital offering courses through allied health education; and dental and medical education in the form of residency and internship. School District residents are also within commuting distance of the Hanover General Hospital, located in Hanover.

## ECONOMIC INFORMATION

### Ten Largest Employers in York County

#### Company

York Hospital

Federal Government

WellSpan Health

Amazon.com Services Inc.

WellSpan Medical Group

Wal-Mart Associates Inc.

York County

Giant Food Stores LLC

BAE Systems Land & Amaments LP

Kinsley Construction LLC

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Source: Department of Labor a& Industry, Center for Workforce Information and Analysis – Labor & Industry (L & I), 3<sup>rd</sup> Quarter, 2025.

# YORK-HANOVER METROPOLITAN STATISTICAL AREA

(York County)

## TOTAL CIVILIAN LABOR FORCE, EMPLOYMENT, UNEMPLOYMENT, AND UNEMPLOYMENT RATE BY PLACE OF RESIDENCE

TIME PERIOD	CIVILIAN LABOR FORCE	EMPLOY- MENT	UNEMPLOY- MENT	RATE (%)	SEASONALLY ADJUSTED			
					LABOR FORCE	EMPLOY- MENT	UNEMPLOY- MENT	RATE (%)
December 2025	238,000	229,900	8,000	3.4	238,200	228,600	9,700	4.1
November	239,100	230,500	8,600	3.6	237,700	228,100	9,700	4.1
October	-	-	-	-	-	-	-	-
December 2024	236,600	229,600	7,000	2.9	239,000	230,500	8,400	3.5

### Classification of Employment by Industry

YORK-HANOVER METROPOLITAN STATISTICAL AREA						
(York County)						
December 2025						
NONFARM JOBS - NOT SEASONALLY ADJUSTED						
ESTABLISHMENT DATA	Industry Employment				Net Change From:	
	Dec 2025	Nov 2025	Oct 2025	Dec 2024	Nov 2025	Dec 2024
<b>TOTAL NONFARM</b>	<b>196,400</b>	196,600	195,800	195,800	-200	600
<b>TOTAL PRIVATE</b>	<b>176,300</b>	176,400	175,500	176,200	-100	100
<b>GOODS-PRODUCING</b>	<b>44,900</b>	45,100	45,100	45,000	-200	-100
Mining, Logging, and Construction	12,500	12,800	12,900	12,400	-300	100
Manufacturing	32,400	32,300	32,200	32,600	100	-200
<b>SERVICE-PROVIDING</b>	<b>151,500</b>	151,500	150,700	150,800	0	700
<b>PRIVATE SERVICE-PROVIDING</b>	<b>131,400</b>	131,300	130,400	131,200	100	200
Trade, Transportation, and Utilities	44,500	44,300	43,400	45,100	200	-600
Wholesale Trade	7,300	7,300	7,300	7,500	0	-200
Retail Trade	20,700	20,600	20,300	20,600	100	100
Grocery and convenience retailers	4,300	4,300	4,200	4,300	0	0
General merchandise retailers	5,000	4,900	4,800	4,900	100	100
Transportation, Warehousing, and Utilities	16,500	16,400	15,800	17,000	100	-500
Information	1,000	1,000	1,000	1,000	0	0
Financial Activities	6,300	6,300	6,300	6,200	0	100
Professional and Business Services	23,300	23,300	23,200	22,500	0	800
Education and Health Services	31,800	31,800	31,600	31,300	0	500
Health care and social assistance	29,000	29,000	28,900	28,200	0	800
Leisure and Hospitality	14,800	14,900	15,200	15,400	-100	-600
Other Services	9,700	9,700	9,700	9,700	0	0
Government	20,100	20,200	20,300	19,600	-100	500
Federal Government	4,000	3,900	4,000	4,300	100	-300
State Government	1,000	1,100	1,100	1,100	-100	-100
Local Government	15,100	15,200	15,200	14,200	-100	900
Data benchmarked to March 2024	***Data changes of 100 may be due to rounding***					

Source: Center for Workforce Information & Analysis (CWIA), Pennsylvania Department of Labor & Industry.

**APPENDIX C**  
**FORM OF OPINION OF BOND COUNSEL**

# SAXTON & STUMP

LAWYERS AND CONSULTANTS

280 Granite Run Drive, Suite 300 • Lancaster, PA 17601

P: (717) 556-1000 • F: (717) 441-3810

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## DRAFT

### YORK SUBURBAN SCHOOL DISTRICT YORK COUNTY, PENNSYLVANIA

\$ \_\_\_\_\_ GENERAL OBLIGATION BONDS, SERIES OF 2026

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#### OPINION

We have acted as Bond Counsel in connection with the issuance by the York Suburban School District, York County, Pennsylvania (the "School District"), of the \$ \_\_\_\_\_ General Obligation Bonds, Series of 2026 (the "Bonds").

We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion. As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The Bonds are issued in accordance and in compliance with the provisions of the Local Government Unit Debt Act of the Commonwealth of Pennsylvania, as codified by the Act of December 19, 1996 (53 Pa. Cons. Stat. Chs. 80-82), ("the Act"), without the assent of the electors, and pursuant to two resolutions adopted by the Board of School Directors of the School District on March 23, 2026.

2. The Bonds are a valid and binding obligation of the School District.

3. The School District has established with the Paying Agent, as Sinking Fund Depository, a sinking fund in which it has covenanted to deposit amounts sufficient to pay the principal of and interest on the Bonds as the same become due and payable and, to the extent required, to apply such amounts to such purposes.

4. The School District has further covenanted that, subject to statutory restrictions and limitations, it will include in its budget for each fiscal year in which the Bonds are outstanding, and will appropriate in each such fiscal year, the amount of the debt service on the Bonds for such year, that it will duly and punctually pay or cause to be paid, the principal of and interest on the Bonds at the dates and place and in the manner stated on the Bonds; and for such budgeting, appropriation and payment, the School District has irrevocably pledged its full faith, credit and taxing power. For purposes of such payments, the School District has covenanted that it will exercise its ad valorem taxing power, within limitations provided by law, upon all taxable property within the School District. The Bonds are additionally secured by the "state aid intercept" provisions of Section 633 of the Public School Code of 1949, as amended by Act 150 of 1975.

5. The interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. The opinions set forth in the preceding sentence are subject to the condition that the School District comply with all requirements of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder, that must be satisfied subsequent to the issuance of the Bonds, in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The School District has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

6. The Bonds are “qualified tax-exempt obligations” as defined in Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended (the “Code”) and, in the case of certain financial institutions (within the meaning of Section 265(b)(5) of the Code), a deduction is allowed for 80 percent of the portion of such financial institutions’ interest expense allocable to interest on the Bonds. The opinions set forth in the preceding sentence are subject to the condition that the School District comply with all requirements of the Code, and any regulations promulgated thereunder, that must be satisfied subsequent to the issuance of the Bonds, in order that the Bonds continue to constitute qualified tax exempt obligations for purposes of Section 265(b)(3) of the Code. Failure to comply with such requirements may cause the Bonds to cease to constitute qualified tax exempt obligations, with the result that the Bonds would have to be taken into account by financial institutions (as defined in Section 265(b)(5) of the Code) for purposes of determining the allocation of interest expense to tax-exempt interest under Sections 265(b)(1) and (2) of the Code retroactive to the date of issuance of the Bonds.

7. Under the laws of the Commonwealth of Pennsylvania as presently enacted and construed, the Bonds and the interest thereon will be free from taxation for state and local purposes within the Commonwealth of Pennsylvania, but this exemption does not extend to gift, estate, succession or inheritance taxes or any other taxes not levied or assessed directly on the Bonds or the interest thereon. Under the laws of the Commonwealth, profits, gains or income derived from the sale, exchange or other disposition of certain government obligations, including the Bonds, may be subject to state and local taxation within the Commonwealth of Pennsylvania.

The rights of the holders of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Bonds.

Very truly yours,

SAXTON & STUMP, LLC

\_\_\_\_\_, 2026

**APPENDIX D**

**FORM OF CONTINUING DISCLOSURE CERTIFICATE**

# DRAFT

## YORK SUBURBAN SCHOOL DISTRICT YORK COUNTY, PENNSYLVANIA

\$ \_\_\_\_\_ GENERAL OBLIGATION BONDS, SERIES OF 2026  
DATED, ISSUED AND DELIVERED \_\_\_\_\_, 2026

### CONTINUING DISCLOSURE AGREEMENT

This agreement (the "Agreement") is executed as one of the closing documents for the \$ \_\_\_\_\_ General Obligation Bonds, Series of 2026 (the "Bonds") in accordance with the provisions of Rule 15c2-12, as amended (the "Rule"), promulgated by the Securities and Exchange Commission (the "Commission") pursuant to the Securities Exchange Act of 1934.

The undersigned are officers of the Board of School Directors of York Suburban School District (the "School District"), a Pennsylvania governmental unit, and hereby certify on behalf of the School District as follows:

**Section 1. Undertaking to file current information with MSRB.** The School District agrees, in accordance with the Rule, to provide or cause to be provided, to the Municipal Securities Rulemaking Board ("MSRB") as designated by the Commission in accordance with the Rule, the following annual financial information and operating data commencing with the fiscal year ended June 30, 2026:

a. A copy of its budget and audited financial statements, prepared in accordance with the guidelines adopted by the Governmental Accounting Standard Board and the American Institute of Certified Public Accountants' Audit Guide, Audits of State and Local Government, containing the:

- (i) Combined balance sheet of all fund types and account groups; and
- (ii) Combined statement of revenues, expenditures and changes in fund balances - all governmental fund types and expendable trust funds.

b. An update of the following information in the Official Statement for the Bonds dated \_\_\_\_\_:

(i) 2025-26 Real Estate and Non-Real Estate Tax Rates (may be contained within the budget or audit for the current fiscal year without need for further cross reference);

(ii) Real Estate Tax Collection Record (may be contained within the budget or audit for the current fiscal year without need for further cross reference);

(iii) Trends in Market and Assessed Valuations (may be contained within the budget or audit for the current fiscal year without need for further cross reference);

(iv) Ten Most Valuable Taxable Parcels in the School District (may be contained within the budget or audit for the current fiscal year without need for further cross reference).

Any or all of the items listed above may also be included by specific reference to other documents, including official statements of debt issues of the Issuer or related public entities, which have been submitted to the MSRB or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB. The Issuer shall clearly identify each such other document so included by reference.

**Section 2. Modification of types of information and format of information permitted.** The School District reserves the right to modify from time to time the specific types of information provided, the time period within which the information must be filed, the format of the presentation of such information, or any other requirements hereunder, in its sole discretion, so long as such modification or amendment would have been allowed under the Rule at the time of the undertaking. Any such modification will be done in a manner consistent with the Rule at the time of the undertaking, and will not substantially impair the interest of the holders of the Bonds.

**Section 3. Time period within which annual information must be filed.** The annual information and operating data described above in Section 1 must be provided within 270 days after the end of each fiscal year, commencing with the fiscal year ending June 30, 2026. Such information shall be made available, in addition to the MSRB, to the Paying Agent for the Bonds and to each holder of Bonds who makes request for such information. In the event that no such audited financial statement is available within 270 days of the close of the fiscal year, the School District shall provide an unaudited statement, and shall thereafter provide an audited financial statement for the same period as soon as available. Upon receipt of the audited financial statement, the School District will promptly file it.

**Section 4. Notice of failure to comply with annual information updates.** The School District agrees to provide or cause to be provided, in a timely manner, to the Paying Agent for the Bonds, and to the MSRB, notice of a failure by the School District to provide the annual financial information described in Section 1 above on or prior to the date set forth in Section 3 above.

**Section 5. Event disclosure.** The School District agrees to provide or cause to be provided to the MSRB, in a timely manner, not to exceed ten (10) days after occurrence, notice of the occurrence of any of the following events with respect to the Bonds:

- a. Principal and interest payment delinquencies;
- b. Non-payment related defaults, if material;
- c. Unscheduled draws on debt service reserves reflecting financial difficulties;
- d. Unscheduled draws on credit enhancements reflecting financial difficulties;
- e. Substitution of any credit or liquidity providers, or their failure to perform;

- f. Adverse tax opinions, IRS notices or material events affecting the tax status of the Bonds;
- g. Modifications to rights of holders of the Bonds, if material;
- h. Bond calls, if material, and tender offers;
- i. Defeasances;
- j. Release, substitution, or sale of property securing repayment of the Bonds, if material;
- k. Rating changes;

l. Bankruptcy, insolvency, receivership or similar event of the School District (which is considered to occur when any of the following occur: appointment of a receiver, fiscal agent or similar officer for the School District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the School District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of any order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the School District);

m. Merger, consolidation or acquisition involving the School District, if material; or

n. Appointment of successor or additional trustee or the change of name of a trustee, if material.

o. Incurrence of a financial obligation of the School District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the School District, any of which affect security holders, if material; and

p. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the School District, any of which reflect financial difficulties.

For purposes of this Section, the term financial obligation shall mean a (i) debt obligation; (ii) derivative instrument entered onto in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

The School District may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above, if, in the judgment of the School District, such

other event is material with respect to the Bonds, but the School District does not commit to provide any such notice of the occurrence of any material event except those events listed above.

**Section 6. Termination of reporting obligation.** The School District's obligations under this Agreement shall terminate upon the redemption or payment in full of all of the Bonds.

**Section 7. Enforcement.** The School District agrees that its undertakings pursuant to this Agreement are intended to be for the benefit of the holders of the Bonds (including beneficial owners thereof) and shall be enforceable by the holders of the Bonds or the Paying Agent for the Bonds on behalf of such holders; provided that the holders of the Bonds, or in lieu thereof, the Paying Agent's right to enforce the provisions of this undertaking shall be limited to a right to obtain specific enforcement of the School District's obligations hereunder, and any failure by the School District to comply with the provisions of this undertaking shall not be an event of default, with respect to the Bonds.

**Section 8. Amendment; waiver.** Notwithstanding any other provision of this Agreement, the School District may amend this Agreement, and any provision of this Agreement may be waived, if such amendment or waiver is supported by an opinion of Bond Counsel, to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

IN WITNESS WHEREOF, the undersigned officers of the School District, being duly authorized, have executed this certificate in the name of and on behalf of the School District and in our own names and on our own behalf, the day and year of the issuance and delivery of the Bonds set forth above.

**York Suburban School District**

By: \_\_\_\_\_  
(Vice) President

Attest: \_\_\_\_\_  
Secretary

(SEAL)

**APPENDIX E**  
**AUDITED FINANCIAL STATEMENTS**



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**YORK SUBURBAN SCHOOL DISTRICT  
YORK, PENNSYLVANIA**

**AUDIT REPORT**

**JUNE 30, 2025**

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YORK SUBURBAN SCHOOL DISTRICT

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YORK SUBURBAN SCHOOL DISTRICT

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## INDEPENDENT AUDITOR'S REPORT

January 8, 2026

Board of School Directors  
York Suburban School District  
York, Pennsylvania

### Opinions

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

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

### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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.

### Report on Summarized Comparative Information

We have previously audited the District's 2024 financial statements, and we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information in our report dated January 20, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024 is consistent, in all material respects, with the audited financial statements from which it has been derived.

### Responsibilities of Management for the Financial Statements

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

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

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

Board of School Directors  
York Suburban School District

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Emphasis of a Matter

As discussed in Notes 1 and Note 18 to the financial statements, the District has adopted the requirements of GASB Statement No. 101, "Compensated Absences." The purpose of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. As a result, the District has restated its governmental activities net position as of July 1, 2023. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 12 and the schedule of the District's proportionate share of the net pension liability, schedule of District pension contributions, schedule of the District's proportionate share of the net OPEB liability - PSERS, schedule of District OPEB contributions - PSERS, and schedule of changes in the District's net OPEB liability - single employer plan on pages 55 through 59 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedule of expenditures of federal awards on page 65 is presented for purposes of additional analysis as required by Title 2 U.S. Code of

Board of School Directors  
York Suburban School District

Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"), and is not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 8, 2026, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Barbacane, Thornton & Company LLP*  
BARBACANE, THORNTON & COMPANY LLP

**YORK SUBURBAN SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED  
JUNE 30, 2025**

Management's Discussion and Analysis of the financial performance of the York Suburban School District ("the District") provides an overall review of the District's financial activities for the fiscal year ended June 30, 2025. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers also should review the basic financial statements and the accompanying notes to enhance their understanding of the District's financial performance.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for 2025 are as follows:

- In total, net position increased by \$11,690,090. Net position of governmental activities increased by \$11,598,956 while net position of business-type activities increased by \$91,134.
- Revenues totaled \$77,914,733. General revenues accounted for \$56,640,162, or 73% of total revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$21,274,571, or 27% of total revenues.
- The District had \$64,048,159 in expenses related to governmental activities. Of these expenses, \$19,103,005 was offset by program specific charges for services and operating grants and contributions. General revenues (primarily taxes and unrestricted grants and subsidies) of \$56,544,110 were adequate to provide for these programs.
- Among major funds, the general fund had \$74,369,114 in revenues and other financing sources and \$74,050,982 in expenditures and other financing uses. Revenues and other financing sources exceeded expenditures and other financing uses for the year by \$318,132, resulting in a fund balance of \$14,739,737.

**USING THIS ANNUAL REPORT**

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

The statement of net position and statement of activities provide information about the activities of the entire District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. 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 District's most significant funds with all other nonmajor funds presented in total in one column. In the case of the District, the general fund is the most significant fund.

**YORK SUBURBAN SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)  
JUNE 30, 2025**

**REPORTING THE DISTRICT AS A WHOLE**

One of the most important questions asked about the District's finances is, "Is the District as a whole better off or worse off as a result of the year's activities?" The statement of net position and the statement of activities report information about the District as a whole and about its overall activities. These statements include all the assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the District using the accrual basis of accounting similar to the accounting used by private sector corporations. All of the current year's revenues and expenses are taken into consideration regardless of when cash is received or paid.

These two statements report the District's net position and changes during the fiscal year. The change in net position provides the reader a tool to assist in determining whether the District's financial health is improving or deteriorating. The reader will need to consider other nonfinancial factors such as the District's property tax base, current property tax laws, student enrollment growth, and facility conditions in arriving at a conclusion regarding the overall health of the District.

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

- **Governmental Activities** – All the District's basic services are included here, such as instruction, administration, and community services. Property taxes, state, and federal subsidies and grants finance most of these 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 District's food service program is reported as a business-type activity.

**REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS**

Fund Financial Statements

The fund financial statements of the District's major funds provide detailed information about the most significant funds - not the District as a whole. Some funds are required to be established by state statute, while many other funds are established by the District to help manage money for particular purposes and compliance with various grant provisions. The District's three types of funds, governmental, proprietary, and fiduciary, use different accounting approaches as described further in the notes to the financial statements.

**Governmental Funds** – Most of the 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 that are available for spending in future periods. These funds are reported using the modified accrual accounting method, which measures cash and other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government

**YORK SUBURBAN SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)  
JUNE 30, 2025**

operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources available to spend in the near future to finance the District's programs. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is reconciled in the basic financial statements.

**Proprietary Funds** – Proprietary funds use the accrual basis of accounting, the same as on the entity-wide statements; therefore, the statements will essentially match the business-type activities portion of the entity-wide statements.

**THE DISTRICT AS A WHOLE**

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

Table 1 provides a summary of the District's net position for 2025 compared to 2024:

**Table 1  
Net Position**

	Governmental Activities		Business-type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Assets:						
Current and other assets	\$ 56,275,662	\$ 60,358,762	\$ 2,234,591	\$ 2,743,320	\$ 58,510,253	\$ 63,102,082
Capital assets	40,931,426	39,914,291	296,396	298,501	41,217,822	40,212,792
<b>Total Assets</b>	<b>97,207,088</b>	<b>100,273,053</b>	<b>2,520,987</b>	<b>3,041,821</b>	<b>99,728,075</b>	<b>103,314,874</b>
Deferred Outflows of Resources	13,563,489	15,181,597	-	-	13,563,489	15,181,597
Liabilities:						
Current liabilities	17,519,020	19,242,889	70,877	682,845	17,589,897	19,925,734
Noncurrent liabilities	110,625,853	135,486,012	-	-	110,625,853	135,486,012
<b>Total Liabilities</b>	<b>128,144,873</b>	<b>154,728,901</b>	<b>70,877</b>	<b>682,845</b>	<b>128,215,750</b>	<b>155,411,746</b>
Deferred Inflows of Resources	13,785,169	3,484,170	-	-	13,785,169	3,484,170
Net Position (Deficit):						
Net investment in capital assets	23,116,134	20,022,065	286,396	298,501	23,402,530	20,320,566
Restricted	3,542,578	3,305,596	-	-	3,542,578	3,305,596
Unrestricted (deficit)	(57,818,177)	(66,086,082)	2,163,714	2,060,475	(55,654,463)	(64,025,607)
<b>Total Net Position (Deficit)</b>	<b>\$ (31,159,465)</b>	<b>\$ (42,758,421)</b>	<b>\$ 2,450,110</b>	<b>\$ 2,358,976</b>	<b>\$ (28,709,355)</b>	<b>\$ (40,399,445)</b>

**YORK SUBURBAN SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)  
JUNE 30, 2025**

Table 2 shows the changes in net position for fiscal year 2025 compared to 2024.

**Table 2  
Changes in Net Position**

	Governmental Activities		Business-type Activities		Totals	
	2025	2024	2025	2024	2025	2024
<b>Revenues</b>						
Program Revenues:						
Charges for services	\$ 119,268	\$ 288,962	\$ 688,301	\$ 665,278	\$ 807,569	\$ 954,240
Operating grants	11,132,656	10,640,193	1,483,265	1,639,869	12,615,921	12,280,062
Capital grants and contributions	7,851,081	6,639,559	-	-	7,851,081	6,639,559
General Revenues:						
Property taxes	47,480,167	45,561,365	-	-	47,480,167	45,561,365
Unrestricted grants and Subsidies	5,184,709	5,541,615	-	-	5,184,709	5,541,615
Other	3,879,234	2,566,536	96,052	91,031	3,975,286	2,657,567
<b>Total Revenues</b>	<b>75,647,115</b>	<b>71,238,230</b>	<b>2,267,618</b>	<b>2,396,178</b>	<b>77,914,733</b>	<b>73,634,408</b>
<b>Expenses</b>						
Program Expenses:						
Instruction	43,596,845	44,070,448	-	-	43,596,845	44,070,448
Support Services:						
Instructional student support	5,627,229	6,187,269	-	-	5,627,229	6,187,269
Administrative and financial support services	5,494,393	5,895,805	-	-	5,494,393	5,895,805
Operation and maintenance of plant services	4,062,299	4,365,883	-	-	4,062,299	4,365,883
Pupil transportation	2,744,057	2,853,628	-	-	2,744,057	2,853,628
Student activities	1,145,006	1,173,747	-	-	1,145,006	1,173,747
Community services	16,647	7,420	-	-	16,647	7,420
Interest on long-term debt	1,361,683	644,465	-	-	1,361,683	644,465
Food service	-	-	2,176,484	2,182,663	2,176,484	2,182,663
<b>Total Expenses</b>	<b>64,048,159</b>	<b>65,198,665</b>	<b>2,176,484</b>	<b>2,182,663</b>	<b>66,224,643</b>	<b>67,381,328</b>
<b>Change in Net Position</b>	<b>\$11,598,956</b>	<b>\$ 6,039,565</b>	<b>\$ 91,134</b>	<b>\$ 213,515</b>	<b>\$11,690,090</b>	<b>\$ 6,253,080</b>

The changes in net position table show 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 4 shows, for business-type activities, the total cost of services and the net cost of services.

**YORK SUBURBAN SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)  
JUNE 30, 2025**

**Table 3  
Governmental Activities**

	2025		2024	
	Total Cost	Net Cost	Total Cost	Net Cost
Instruction	\$ 43,596,845	\$ 27,551,156	\$ 44,070,448	\$ 29,020,121
Support Services:				
Instructional student support	5,627,229	5,134,937	6,187,269	5,760,081
Administrative and financial support services	5,494,393	5,011,522	5,895,805	5,476,856
Operation and maintenance of plant services	4,062,299	3,711,405	4,365,883	4,055,648
Pupil transportation	2,744,057	1,602,477	2,853,628	1,955,858
Student activities	1,145,006	1,044,378	1,173,747	1,090,342
Community services	16,647	15,272	7,420	6,878
Interest on long-term debt	1,361,683	874,007	644,465	264,167
<b>Total Expenses</b>	<b>\$ 64,048,159</b>	<b>\$ 44,945,154</b>	<b>\$ 65,198,665</b>	<b>\$ 47,629,951</b>

**Table 4  
Business-type Activities**

	2025		2024	
	Total Cost	Net Cost	Total Cost	Net Revenue
Food service	\$ 2,176,484	\$ 4,918	\$ 2,182,663	\$ (122,484)

**Governmental Activities**

The District depends on a combination of tax revenues and governmental grants for governmental activities. For all governmental activities, general revenue support is 75% of the total governmental revenues. The community, as a whole, is the primary financial support for the District's students, although 25% comes from charges for services as well as operating grants and contributions, making them integral for the financial stability of the District.

**Business-type Activities**

Business-type activities consist of food service operations and are the same as the food service fund. This program had revenues of \$2,267,618 and expenses of \$2,176,484 for fiscal year 2025. Business-type activities receive no support from tax revenues.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The 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.

**YORK SUBURBAN SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)  
JUNE 30, 2025**

The District used site-based budgeting, and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

For the general fund, budgeted revenue totaled \$72,113,867, but the District realized actual revenues of \$74,367,727. The budgeted expenditures and transfers were \$73,216,386 plus a budgetary reserve for unexpected building repairs of \$200,000. The District expended \$74,050,982 (including transfers) without the need to utilize the budgetary reserve. The District budgets expenditures based upon a long-term strategy of sustainability and held the line on the actual expenditures during the year in support of that strategy.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

Capital Assets

At the end of fiscal year 2025, the District had \$41.21 million invested in capital assets, with \$40.93 million in governmental activities.

Table 5 shows the fiscal year 2025 balance compared to 2024:

**Table 5  
Capital Assets at June 30  
(Net of Depreciation)**

	Governmental Activities		Business-type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Land	\$ 485,450	\$ 485,450	\$ -	\$ -	\$ 485,450	\$ 485,450
Construction in progress	3,948,111	2,540,212	-	-	3,948,111	2,540,212
Site improvements	6,161,384	6,161,384	-	-	6,161,384	6,161,384
Buildings and improvements	82,327,227	80,516,983	-	-	82,327,227	80,516,983
Furniture and equipment	8,902,064	10,646,714	1,538,378	1,519,123	10,440,442	12,165,837
Right-to-use lease assets	156,678	156,678	-	-	156,678	156,678
Right-to-use subscriptions	607,803	289,343	-	-	607,803	289,343
Accumulated depreciation/ amortization	(61,657,291)	(60,882,473)	(1,251,982)	(1,220,622)	(62,909,273)	(62,103,095)
<b>Totals</b>	<b>\$ 40,931,426</b>	<b>\$ 39,914,291</b>	<b>\$ 286,396</b>	<b>\$ 298,501</b>	<b>\$ 41,217,822</b>	<b>\$ 40,212,792</b>

Debt Administration

At June 30, 2025, the District had \$43.877 million in bonds, notes, and leases outstanding, with \$4.886 million due within one year. Table 6 on the following page summarizes bonds and notes outstanding.

**YORK SUBURBAN SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)  
JUNE 30, 2025**

**Table 6  
Outstanding Debt at Year End  
(In Thousands)**

	Governmental Activities	
	2025	2024
General Obligation Bonds and Notes:		
Series of 2016	\$ 1,270	\$ 1,675
Series of 2019	9,475	9,480
Series of 2019A	3,440	7,145
Series of 2020	9,289	9,416
Series of 2023	9,990	9,995
Series of 2024	9,475	9,480
<b>Total</b>	<b>\$ 42,939</b>	<b>\$ 47,191</b>

The District has no special assessment debt. Long-term debt is liquidated from the debt service fund.

**FOR THE FUTURE**

The challenges for the future for the York Suburban School District for financing the instructional programs and support services are considerable.

- The District's tax base has had little growth over the last five years. The assessed value of real estate is at \$1.846 billion for fiscal year 2025 - 2026. The assessment decreased from 2024 - 2025 to 2025 - 2026 by 0.3% and cost the District approximately \$146,000 in tax revenue.
- Since the enactment of Act 5, effective July 1, 2019, which changes retirement benefits for new employees under the Public-School Employee Retirement System, projected increases in retirement expenses for both the state government and local school districts have decreased and stabilized. The PSERS rate for wages paid in 2025-2026 is 34%.
- Rising wages and pension contributions at 34% of wages will continue to put pressure on the District's financial position. For fiscal year 2025 - 2026, the District budgeted to contribute approximately \$10.3 million or 13.5% of total governmental expenditures toward PSERS.
- The District has a self-funded health insurance model. Health care costs continue to rise, but at a rate at or below the industry average. In 2024-2025, the District experienced a significant increase in its pharmacy costs, partly attributed to GLP-1 prescriptions.
- Enrollment in the District totals 2,960 K-12 in the 2025-2026 school year as of October 1, 2025, 87 fewer than the prior year.

**YORK SUBURBAN SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)  
JUNE 30, 2025**

- Cyber charter school tuition costs continue to put a strain on the District's finances. The District has spent over \$3.1 million in the last two years on cyber charter expenses. On November 12, 2025, as part of the 2025-2026 state budget package, Act 47 of 2025, or the School Code Bill, was signed into law. Some Cyber Charter reform was included. It is estimated to provide approximately \$200,000 in cost avoidance to the District in 2025-2026.
- The District is awaiting land development approval by the township for its Intermediate School building project. Bids for the project came in \$ 1.2 million under budget. Total costs for the project are estimated to be between \$46 and \$48 million.
- The District continues planning projects to upgrade the facilities. Aside from the York Intermediate School, the District is also in the design and development stages for a renovated High School and the construction of a new pool.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money received. If you have questions about this report or need additional financial information, please contact Michelle Kendig, Chief Financial & Operations Officer, York Suburban School District, 1800 Hollywood Drive, York, PA 17403.

**YORK SUBURBAN SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2025**  
**(With Summarized Comparative Data for June 30, 2024)**

	Governmental	Business-type	Totals	
	Activities	Activities	2025	2024*
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>				
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 52,251,229	\$ 2,179,301	\$ 54,430,530	\$ 58,173,688
Taxes receivable, net of allowance	1,355,375	-	1,355,375	1,678,807
Due from other governments	2,232,501	-	2,232,501	2,870,911
Other receivables	338,829	20,387	359,216	308,669
Inventories	-	34,903	34,903	47,804
Prepaid items	75,525	-	75,525	-
Bond prepaid insurance	22,203	-	22,203	22,203
Land	485,450	-	485,450	485,450
Construction-in-progress	3,948,111	-	3,948,111	2,540,212
Site improvements	1,495,087	-	1,495,087	1,708,888
Buildings and improvements	32,876,628	-	32,876,628	33,063,075
Machinery and equipment	1,887,942	286,396	2,174,338	2,373,124
Right-to-use subscriptions	238,208	-	238,208	42,043
<b>TOTAL ASSETS</b>	<b>97,207,088</b>	<b>2,520,987</b>	<b>99,728,075</b>	<b>103,314,874</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>				
Deferred outflows related to pension	12,604,783	-	12,604,783	14,047,060
Deferred outflows related to OPEB	792,131	-	792,131	967,962
Deferred change on bond refunding	166,575	-	166,575	166,575
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>13,563,489</b>	<b>-</b>	<b>13,563,489</b>	<b>15,181,597</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 110,770,577</b>	<b>\$ 2,520,987</b>	<b>\$ 113,291,564</b>	<b>\$ 118,496,471</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION (DEFICIT)</b>				
<b>LIABILITIES:</b>				
Accounts payable	\$ 1,839,038	\$ 28,134	\$ 1,867,172	\$ 3,352,293
Accrued salaries, payroll withholdings, and benefits	8,826,198	24,806	8,851,004	10,159,081
Accrued interest payable	514,477	-	514,477	250,809
Unearned revenues	-	17,937	17,937	17,937
Long-term liabilities:				
Portion due or payable within one year:				
Bonds and notes payable, net	4,818,313	-	4,818,313	4,257,313
Subscription liability	68,160	-	68,160	40,571
Compensated absences	1,452,834	-	1,452,834	1,847,730
Portion due or payable after one year:				
Bonds and notes payable, net	38,877,475	-	38,877,475	44,279,484
Subscription liability	113,180	-	113,180	-
Accumulated compensated absences	3,389,946	-	3,389,946	4,311,371
Net pension liability	62,908,000	-	62,908,000	80,787,000
Net OPEB liability	5,337,252	-	5,337,252	6,108,157
<b>TOTAL LIABILITIES</b>	<b>128,144,873</b>	<b>70,877</b>	<b>128,215,750</b>	<b>155,411,746</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Deferred inflows related to pension	11,121,000	-	11,121,000	1,202,000
Deferred inflows related to OPEB	2,664,169	-	2,664,169	2,282,170
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>13,785,169</b>	<b>-</b>	<b>13,785,169</b>	<b>3,484,170</b>
<b>NET POSITION (DEFICIT):</b>				
Net investment in capital assets	23,116,134	286,396	23,402,530	20,320,566
Restricted capital projects, student activities, and debt service	3,542,578	-	3,542,578	3,305,596
Unrestricted (deficit)	(57,818,177)	2,163,714	(55,654,463)	(64,025,607)
<b>TOTAL NET POSITION (DEFICIT)</b>	<b>(31,159,465)</b>	<b>2,450,110</b>	<b>(28,709,355)</b>	<b>(40,399,445)</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION (DEFICIT)</b>	<b>\$ 110,770,577</b>	<b>\$ 2,520,987</b>	<b>\$ 113,291,564</b>	<b>\$ 118,496,471</b>

\* - Restated, see notes 1 and 18

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



**YORK SUBURBAN SCHOOL DISTRICT  
BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2025  
(With Summarized Comparative Data for June 30, 2024)**

	General Fund	Capital Projects Fund	Debt Service Fund	Nonmajor Governmental Funds	Totals	
					2025	2024
<b>ASSETS</b>						
Cash and cash equivalents	\$ 23,668,525	\$ 2,574,698	\$ 22,653,214	\$ 3,342,578	\$ 52,239,015	\$ 54,080,214
Taxes receivable, net	1,355,375	-	-	-	1,355,375	1,678,807
Due from other funds	-	-	909,809	200,000	1,109,809	566,800
Due from other governments	2,232,501	-	-	-	2,232,501	2,714,909
Other receivables	204,463	-	-	-	204,463	228,314
Prepaid expenditures	15,359	-	-	-	15,359	-
<b>TOTAL ASSETS</b>	<b>\$ 27,476,223</b>	<b>\$ 2,574,698</b>	<b>\$ 23,563,023</b>	<b>\$ 3,542,578</b>	<b>\$ 57,156,522</b>	<b>\$ 59,269,044</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
<b>LIABILITIES:</b>						
Accounts payable	\$ 1,164,845	\$ 242,460	\$ -	\$ -	\$ 1,407,305	\$ 1,730,225
Accrued salaries, payroll withholdings, and benefits	8,826,198	-	-	-	8,826,198	10,159,081
Due to other funds	2,213,117	-	-	-	2,213,117	566,800
<b>TOTAL LIABILITIES</b>	<b>12,204,160</b>	<b>242,460</b>	<b>-</b>	<b>-</b>	<b>12,446,620</b>	<b>12,456,106</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenues - delinquent taxes	532,326	-	-	-	532,326	607,741
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>532,326</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>532,326</b>	<b>607,741</b>
<b>FUND BALANCES:</b>						
Nonspendable	15,359	-	-	-	15,359	-
Restricted	-	2,332,238	23,563,023	3,542,578	29,437,839	31,705,119
Committed	-	-	-	-	-	78,473
Assigned	10,427,825	-	-	-	10,427,825	10,342,432
Unassigned	4,296,553	-	-	-	4,296,553	4,079,173
<b>TOTAL FUND BALANCES</b>	<b>14,739,737</b>	<b>2,332,238</b>	<b>23,563,023</b>	<b>3,542,578</b>	<b>44,177,576</b>	<b>46,205,197</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 27,476,223</b>	<b>\$ 2,574,698</b>	<b>\$ 23,563,023</b>	<b>\$ 3,542,578</b>	<b>\$ 57,156,522</b>	<b>\$ 59,269,044</b>

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

**YORK SUBURBAN SCHOOL DISTRICT  
RECONCILIATION OF BALANCE SHEET - GOVERNMENTAL FUNDS  
TO STATEMENT OF NET POSITION  
JUNE 30, 2025**

TOTAL GOVERNMENTAL FUND BALANCES \$ 44,177,576

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of:

Land	\$ 485,450	
Site improvements	6,161,384	
Buildings and improvements	82,327,227	
Furniture and equipment	8,902,064	
Construction in progress	3,948,111	
Right-to-use subscriptions	607,803	
Accumulated depreciation/amortization	<u>(61,657,291)</u>	40,931,426

Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Those liabilities consist of:

Bonds and note payable, net	(43,695,788)	
Subscription liability	(181,340)	
Accumulated compensated absences	(4,842,780)	
Accrued interest payable	(514,477)	
Net pension liability	(62,908,000)	
Net OPEB liability	<u>(5,337,252)</u>	(117,479,637)

Issuance of debt resulted in prepaid insurance costs and deferred charges which will be amortized over the life of new debt but do not represent current rights. 188,778

An internal service fund is used by the District to charge the cost of health insurance claims to the individual funds. The assets and liabilities of the internal service fund are included with governmental activities. 878,321

Deferred inflows and outflows of resources related to the District's pension and OPEB plans do not represent current resources or uses of resources and, therefore, are not reported in the funds. Deferred inflows and outflows of resources consist of the following:

Deferred outflows of resources:		
Deferred outflows related to pension	12,604,783	
Deferred outflows related to OPEB	792,131	
Deferred inflows of resources:		
Deferred inflows related to pension	(11,121,000)	
Deferred inflows related to OPEB	<u>(2,664,169)</u>	(388,255)

Some of the District's revenues will be collected after year end but are not available soon enough to pay for the current period's expenditures and, therefore, are unavailable in the funds. 532,326

NET DEFICIT OF GOVERNMENTAL ACTIVITIES \$ (31,159,465)

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

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

	General Fund	Capital Projects Fund	Debt Service Fund	Nonmajor Governmental Funds	Totals	
					2025	2024
<b>REVENUES</b>						
Local sources	\$55,102,106	\$ 243,085	\$ 947,997	\$ 163,721	\$56,456,909	\$54,511,368
State sources	18,054,177	-	-	-	18,054,177	15,122,932
Federal sources	1,211,444	-	-	-	1,211,444	2,115,927
<b>TOTAL REVENUES</b>	<u>74,367,727</u>	<u>243,085</u>	<u>947,997</u>	<u>163,721</u>	<u>75,722,530</u>	<u>71,750,227</u>
<b>EXPENDITURES</b>						
Current:						
Instruction	46,309,517	-	-	-	46,309,517	44,393,341
Support services	19,350,756	-	-	-	19,350,756	18,702,026
Operation of noninstructional services	1,259,457	-	-	75,542	1,334,999	1,249,994
Capital outlay	-	4,683,626	-	51,197	4,734,823	2,308,515
Debt service	-	-	6,021,443	-	6,021,443	5,257,948
<b>TOTAL EXPENDITURES</b>	<u>66,919,730</u>	<u>4,683,626</u>	<u>6,021,443</u>	<u>126,739</u>	<u>77,751,538</u>	<u>71,911,824</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>7,447,997</u>	<u>(4,440,541)</u>	<u>(5,073,446)</u>	<u>36,982</u>	<u>(2,029,008)</u>	<u>(161,597)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Issuance of debt	-	-	-	-	-	19,475,000
Bond discount	-	-	-	-	-	(161,383)
Bond premiums	-	-	-	-	-	517,282
Transfers in	-	-	6,931,252	200,000	7,131,252	6,493,281
Transfers out	(7,131,252)	-	-	-	(7,131,252)	(6,500,791)
Refund or prior year expenditures	1,387	-	-	-	1,387	266
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(7,129,865)</u>	<u>-</u>	<u>6,931,252</u>	<u>200,000</u>	<u>1,387</u>	<u>19,823,655</u>
<b>NET CHANGE IN FUND BALANCES</b>	318,132	(4,440,541)	1,857,806	236,982	(2,027,621)	19,662,058
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>14,421,605</u>	<u>6,772,779</u>	<u>21,705,217</u>	<u>3,305,596</u>	<u>46,205,197</u>	<u>26,543,139</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$14,739,737</u>	<u>\$ 2,332,238</u>	<u>\$23,563,023</u>	<u>\$ 3,542,578</u>	<u>\$44,177,576</u>	<u>\$46,205,197</u>

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

**YORK SUBURBAN SCHOOL DISTRICT  
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2025**

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS \$ (2,027,621)

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/amortization expense. This is the amount by which depreciation/amortization exceeded capital outlays and disposals in the period. 1,017,135

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. Unavailable tax revenues decreased by this amount this year. (75,415)

An internal service fund has been established to account for self-insured healthcare costs. The net revenue is reported with governmental activities. 201,166

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This amount is the net effect of these differences in the treatment of long-term and related items. 4,436,572

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:

Compensated absences	\$ 1,316,321	
Net pension liability and related deferrals	6,517,723	
Net OPEB liability and related deferrals	213,075	
		8,047,119

CHANGE IN NET DEFICIT OF GOVERNMENTAL ACTIVITIES \$ 11,598,956

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

**YORK SUBURBAN SCHOOL DISTRICT  
BUDGETARY COMPARISON STATEMENT - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual (GAAP Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Local sources	\$ 54,360,296	\$ 54,360,296	\$ 55,102,106	\$ 741,810
State sources	16,639,997	16,639,997	18,054,177	1,414,180
Federal sources	1,113,574	1,113,574	1,211,444	97,870
<b>TOTAL REVENUES</b>	<u>72,113,867</u>	<u>72,113,867</u>	<u>74,367,727</u>	<u>2,253,860</u>
<b>EXPENDITURES</b>				
Instruction:				
Regular programs	31,773,622	31,773,622	32,947,398	(1,173,776)
Special programs	12,097,137	12,097,137	11,872,661	224,476
Vocational programs	1,499,396	1,499,396	1,209,114	290,282
Other instructional programs	181,079	181,079	223,695	(42,616)
Nonpublic school programs	16,100	16,100	24,089	(7,989)
Adult education school programs	-	-	32,560	(32,560)
Total Instruction	<u>45,567,334</u>	<u>45,567,334</u>	<u>46,309,517</u>	<u>(742,183)</u>
Support services:				
Pupil personnel services	2,880,886	2,880,886	3,013,109	(132,223)
Instructional staff services	2,565,964	2,565,964	2,151,182	414,782
Administrative services	4,646,790	4,646,790	4,608,561	38,229
Pupil health	931,219	931,219	914,144	17,075
Business services	878,083	878,083	937,657	(59,574)
Operation and maintenance of plant services	4,440,078	4,440,078	4,332,564	107,514
Student transportation services	2,784,637	2,784,637	2,977,648	(193,011)
Central support services	368,046	368,046	410,281	(42,235)
Other support services	6,000	6,000	5,610	390
Total Support Services	<u>19,501,703</u>	<u>19,501,703</u>	<u>19,350,756</u>	<u>150,947</u>
Operation of noninstructional services:				
Student activities	1,200,097	1,200,097	1,242,476	(42,379)
Community services	16,000	16,000	16,981	(981)
Total Operation of Noninstructional Services	<u>1,216,097</u>	<u>1,216,097</u>	<u>1,259,457</u>	<u>(43,360)</u>
<b>TOTAL EXPENDITURES</b>	<u>66,285,134</u>	<u>66,285,134</u>	<u>66,919,730</u>	<u>(634,596)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>5,828,733</u>	<u>5,828,733</u>	<u>7,447,997</u>	<u>1,619,264</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Budgetary reserve	(200,000)	(200,000)	-	200,000
Transfers to other funds	(6,931,252)	(6,931,252)	(7,131,252)	(200,000)
Refund or prior year expenditures	-	-	1,387	1,387
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(7,131,252)</u>	<u>(7,131,252)</u>	<u>(7,129,865)</u>	<u>1,387</u>
<b>NET CHANGE IN FUND BALANCE</b>	(1,302,519)	(1,302,519)	318,132	1,620,651
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>14,421,605</u>	<u>14,421,605</u>	<u>14,421,605</u>	<u>-</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 13,119,086</u>	<u>\$ 13,119,086</u>	<u>\$ 14,739,737</u>	<u>\$ 1,620,651</u>

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

**YORK SUBURBAN SCHOOL DISTRICT**  
**STATEMENTS OF NET POSITION - PROPRIETARY FUNDS**  
**JUNE 30, 2025 AND 2024**

	Food Service Fund		Internal Service Fund	
	2025	2024	2025	2024
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>				
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 2,179,301	\$ 2,525,444	\$ 12,214	\$ 1,568,030
Due from other funds	-	-	1,103,308	-
Due from other governments	-	156,002	-	-
Accounts receivable	20,387	14,070	134,366	66,285
Prepaid expenses	-	-	60,166	-
Inventories	34,903	47,804	-	-
Furniture and equipment, net	286,396	298,501	-	-
<b>TOTAL ASSETS</b>	<b>\$ 2,520,987</b>	<b>\$ 3,041,821</b>	<b>\$ 1,310,054</b>	<b>\$ 1,634,315</b>
 <b>LIABILITIES AND NET POSITION</b>				
<b>LIABILITIES:</b>				
Accounts payable	\$ 28,134	664,908	431,733	\$ 957,160
Accrued payroll	24,806	-	-	-
Unearned revenues	17,937	17,937	-	-
<b>TOTAL LIABILITIES</b>	<b>70,877</b>	<b>682,845</b>	<b>431,733</b>	<b>957,160</b>
 <b>NET POSITION:</b>				
Investment in capital assets	286,396	298,501	-	-
Unrestricted	2,163,714	2,060,475	878,321	677,155
<b>TOTAL NET POSITION</b>	<b>2,450,110</b>	<b>2,358,976</b>	<b>878,321</b>	<b>677,155</b>
 <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>	 <b>\$ 2,520,987</b>	 <b>\$ 3,041,821</b>	 <b>\$ 1,310,054</b>	 <b>\$ 1,634,315</b>

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

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

	Food Service Fund		Internal Service Fund	
	2025	2024	2025	2024
<b>OPERATING REVENUES</b>				
Food service revenues	\$ 688,301	\$ 665,278	\$ -	\$ -
Charges for health insurance	-	-	6,702,919	5,927,920
<b>Total Operating Revenues</b>	<u>688,301</u>	<u>665,278</u>	<u>6,702,919</u>	<u>5,927,920</u>
<b>OPERATING EXPENSES</b>				
Supplies, small equipment, and contracted services	2,079,188	2,151,954	-	-
Salaries and benefits	65,936	-	-	-
Depreciation	31,360	30,709	-	-
Insurance claims	-	-	6,424,347	6,279,364
Administrative fees	-	-	77,406	116,579
<b>Total Operating Expenses</b>	<u>2,176,484</u>	<u>2,182,663</u>	<u>6,501,753</u>	<u>6,395,943</u>
<b>OPERATING (LOSS) INCOME</b>	<u>(1,488,183)</u>	<u>(1,517,385)</u>	<u>201,166</u>	<u>(468,023)</u>
<b>NONOPERATING REVENUES</b>				
Earnings on investments	96,052	83,521	-	-
State sources	299,031	283,195	-	-
Federal sources	1,184,234	1,356,674	-	-
<b>Total Nonoperating Revenues</b>	<u>1,579,317</u>	<u>1,723,390</u>	<u>-</u>	<u>-</u>
<b>OPERATING TRANSFERS</b>				
Transfer in	-	7,510	-	-
<b>Total Operating Transfers</b>	<u>-</u>	<u>7,510</u>	<u>-</u>	<u>-</u>
<b>CHANGE IN NET POSITION</b>	91,134	213,515	201,166	(468,023)
<b>NET POSITION, BEGINNING OF YEAR</b>	<u>2,358,976</u>	<u>2,145,461</u>	<u>677,155</u>	<u>1,145,178</u>
<b>NET POSITION, END OF YEAR</b>	<u>\$ 2,450,110</u>	<u>\$ 2,358,976</u>	<u>\$ 878,321</u>	<u>\$ 677,155</u>

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

**YORK SUBURBAN SCHOOL DISTRICT  
STATEMENTS OF CASH FLOWS - PROPRIETARY FUNDS  
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

	<u>Food Service Fund</u>		<u>Internal Service Fund</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Cash received from customers	\$ 681,984	\$ 658,971	\$ 6,634,838	\$ 7,341,707
Payments to suppliers	(2,556,240)	(1,390,934)	-	-
Payments to employees	(41,130)	-	(1,163,474)	-
Cash payments for health insurance costs	-	-	(7,027,180)	(6,165,078)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b><u>(1,915,386)</u></b>	<b><u>(731,963)</u></b>	<b><u>(1,555,816)</u></b>	<b><u>1,176,629</u></b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Transfers from (to) other funds	-	7,510	-	-
State sources	330,179	282,718	-	-
Federal sources	1,162,267	1,202,141	-	-
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<b><u>1,492,446</u></b>	<b><u>1,492,369</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Purchase of capital assets	(19,255)	-	-	-
<b>NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b><u>(19,255)</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Earnings on investments	96,052	83,521	-	-
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<b><u>96,052</u></b>	<b><u>83,521</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(346,143)</b>	<b>843,927</b>	<b>(1,555,816)</b>	<b>1,176,629</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b><u>2,525,444</u></b>	<b><u>1,681,517</u></b>	<b><u>1,568,030</u></b>	<b><u>391,401</u></b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b><u>\$ 2,179,301</u></b>	<b><u>\$ 2,525,444</u></b>	<b><u>\$ 12,214</u></b>	<b><u>\$ 1,568,030</u></b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>				
Operating income (loss)	\$ (1,488,183)	\$ (1,517,385)	\$ 201,166	\$ (468,023)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:				
Depreciation	31,360	30,709	-	-
Donated commodities	146,821	164,148	-	-
Decrease (Increase) in:				
Accounts receivable	(6,317)	(6,307)	(68,081)	(65,561)
Due from other funds	-	-	(1,103,308)	1,479,348
Prepaid expenss	-	-	(60,166)	-
Inventories	12,901	(5,125)	-	-
Increase (Decrease) in:				
Accounts payable	(636,774)	601,997	(525,427)	230,865
Accrued payroll	24,806	-	-	-
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b><u>\$ (1,915,386)</u></b>	<b><u>\$ (731,963)</u></b>	<b><u>\$ (1,555,816)</u></b>	<b><u>\$ 1,176,629</u></b>
<b><u>SUPPLEMENTAL DISCLOSURE</u></b>				
Noncash noncapital financing activity:				
USDA donated commodities	<u>\$ 146,821</u>	<u>164,148</u>	<u>\$ -</u>	<u>\$ -</u>

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

YORK SUBURBAN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The York Suburban School District (“the District”) operates a public school system which is comprised of the Townships of Spring Garden and Springettsbury.

The District consists of York Suburban High School, York Suburban Middle School, and the Valley View, Yorkshire, Indian Rock, East York Elementary Schools, as well as the District Administration Office which is located in the Education Center.

Reporting Entity

Governmental Accounting Standards Board (“GASB”) Statements define the criteria used to determine the composition of the reporting entity. These standards require that the reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable, (3) organizations that are fiscally dependent on the primary government and a financial benefit or burden exists, and (4) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. The District is not a component unit of any other entities. Based on the above criteria, the District has no component units.

Joint Ventures

The following joint ventures are not component units of the York Suburban School District and are not included in this report.

**York County School of Technology**

The District is one of fourteen member school districts participating in the operation of the York County School of Technology. The School is operated, administered, and managed by a joint operating committee consisting of board members from the fourteen member school districts. These members are elected by their individual school district board of directors. The District’s share of annual operating and capital costs for York County School of Technology are reflected in intergovernmental expenditures of the general fund. During the year ended June 30, 2025, the District paid \$1,270,390 to the York County School of Technology for operating expenditures. In addition, the District paid \$236,392 to the York County School of Technology Authority for debt service payments.

**York/LIU Joint Authority**

This is a separate legal entity organized by thirteen local school districts to provide services in York County. Each of the member school districts appoints one member to service on the joint operating committee, and each has an ongoing financial responsibility to fund the District’s operations. During the year ended June 30, 2025, the District paid \$67,250 to York/LIU Joint Authority for these services.

YORK SUBURBAN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

**Lincoln Intermediate Unit #12**

This is a separate legal entity organized by constituent school districts in York, Adams, and Franklin counties to provide services to the school districts. Each member school district appoints one member to serve on the Board of Directors of the Intermediate Unit. The District contracts with the Intermediate Unit primarily for special education services and training. During the year ended June 30, 2025, the District paid \$2,951,711 to the Lincoln Intermediate Unit.

Complete financial statements for each of the entities described above can be obtained from each respective administrative office.

Basis of Presentation

***Entity-wide Financial Statements***

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

The entity-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting as further defined under proprietary funds below. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the entity-wide statements and the statements of governmental funds.

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

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

YORK SUBURBAN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The entity-wide financial statements report net position in one of three components. Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by the outstanding balances of borrowings attributable to acquiring, constructing, or improving those assets. Net position is reported as restricted when constraints placed on net position use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Net position as of June 30, 2025 consists of \$3,542,578 restricted for capital projects and student activities. Unrestricted net position consists of net position that does not meet the definition of "net investment in capital assets" or "restricted."

***Fund Financial Statements***

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

***Governmental Funds***

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

The District reports the following major governmental funds:

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

The **Capital Project Fund** is used to account for financial resources obtained for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

The **Debt Service Fund** is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

The District reports the following nonmajor governmental funds:

YORK SUBURBAN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The **Capital Reserve Fund** is authorized by P. L. 145 Act of April 30, 1943 known as 53 PS 1432 and accounts for monies transferred during any fiscal year from appropriations, or from surplus monies in the general fund, to be used for future capital improvements.

The **Student Sponsored Activity Fund** is used to account for monies raised by student clubs through fundraising and pay for expenditures for student activities such as field trips.

***Proprietary Funds***

Proprietary funds are accounted for using the accrual basis of accounting. These funds account for operations that are financed primarily by user charges. The economic resources measurement focus concerns determining costs as a means of maintaining the capital investment and management control. Revenues are recognized when they are earned, and expenses are recognized when they are incurred. Allocations of certain costs, such as depreciation, are recorded in proprietary funds. The District does not attempt to allocate all "building-wide costs" to the enterprise fund. Thus, general fund expenditures which partially benefit the enterprise fund (utilities, janitorial services, insurance, etc.) are not recognized proportionately in the enterprise fund. Similarly, the enterprise fund does not recognize a cost for the building space it occupies.

The District's proprietary funds consist of the food service fund and the internal service fund. The food service fund is a major enterprise fund used to account for operations where the intent of the governmental entity is to recover the costs of providing goods and services to the District's student population and staff primarily through user charges. This fund is used to account for the District's food service operations that are financed and operated in a manner similar to private business enterprises. The fund accounts for all revenues, food purchases, and costs and expenses for the Food Service Program. The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the District on a cost reimbursement basis. The District's only internal service fund is used to account for the operation of the District's self-insurance program for employee medical and prescription drug claims on a cost reimbursement basis.

The District reports the following proprietary funds:

The **Food Service Fund** is used to account for all revenues and expenses pertaining to cafeteria operations as authorized under Section 504 of Public School Code of 1949. It is the intent of the governing body that the cost of providing food goods or services to the students on a continuing basis be financed or recovered primarily through user charges or cost reimbursement plans.

The District does not attempt to allocate "building-wide costs" to the food service fund. Thus, general fund expenditures which partially benefit the food service fund (utilities, janitorial

YORK SUBURBAN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

services, insurance, etc.) are not proportionately recognized within the food service fund; similarly, the food service fund does not recognize a cost for the building space it occupies (no rental-of-facilities expense).

The **Self-Insurance Fund** is used to account for resources, derived primarily from premiums collected from other funds, for payment of medical and dental insurance premiums and claims.

Revenue Recognition

In applying the "susceptible to accrual concept" under the modified accrual basis, revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers tax revenue and similar revenue streams 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 District expenditures is recognized when the related expenditures are incurred; accordingly, when such funds are received, they are reported as unearned revenues until earned.

Other revenues, including certain other charges for services and miscellaneous revenues, are recorded as revenue when received in cash because they generally are not measurable until actually received.

Expenditure Recognition

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred. However, principal and interest on general long-term debt which has not matured are recognized when paid. Liabilities for compensated absences and special termination benefits are recognized as fund liabilities to the extent they mature each period. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds.

Cash and Cash Equivalents

The District has limited authority as to the types of allowable investments. Cash consists of cash on hand and checking, savings, and money market account balances.

Cash and cash equivalents are defined as short-term, highly liquid investments that are readily convertible to known amounts of cash and include investments with original maturities of three months or less.

All investments are stated at cost, which approximates fair value.

YORK SUBURBAN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Inventories

The Food Service Fund food inventory consists of expendable supplies held for consumption and federal government donated commodities that are valued at estimated fair market value. The expendable supplies are recorded as an expense when used, the cost of governmental fund inventories are recorded as expenditures when purchased rather than when consumed. The value of governmental fund inventories is not significant at June 30, 2025.

Receivables/Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is 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."

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the entity-wide and proprietary fund financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$1,500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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

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

Property, plant, and equipment of the District are depreciated/amortized using the straight-line method over the following estimated useful lives:

Buildings and improvements	20 - 50 years
Site improvements	20 years
Machinery and equipment	5 - 20 years
Right-to-use subscription assets	term of subscription

Compensated Absences

Liability for compensated absences is accounted for in accordance with the provisions of GASB standards, which require entities to accrue for employees' rights to receive compensation for vacation leave, or payments in lieu of accrued vacation or sick leave, as such benefits are earned, and payment becomes probable.

YORK SUBURBAN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The estimate of the liabilities for compensated absences has been calculated using the vesting method in accordance with the provisions of the GASB. Under that method, the District has identified the amount earned to date by each employee, determined the cost of that benefit by reference to the benefit provisions and the current rates paid by the District, and estimated the probability of the payment of that benefit to employees upon retirement.

Liabilities for vested, unused vacation pay, and sick pay are recorded in the government-wide and proprietary fund financial statements and are expensed as incurred.

Payments for vacation and sick leave are expensed as paid in the governmental fund financial statements.

Long-term Obligations

In the entity-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are netted against outstanding principal balances and amortized over the life of the bonds. Bond issuance costs are expensed when incurred. Deferred amounts on refunding are recorded as a deferred inflow or outflow of resources and amortized over the life of the old debt or the life of the new debt, whichever is shorter. All amortized amounts are amortized using the straight-line method.

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

Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has three items that qualify for reporting in this category on the government-wide statements. The deferred loss on refunding is reported in the government-wide statement of net position. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price, and this amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Also, certain changes to the net pension liability and net OPEB liability are required to be amortized over a period of years; the unamortized portions of these changes are reflected as deferred outflows of resources on the entity-wide statement of net position.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows

YORK SUBURBAN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category on the government-wide statements. Certain changes to the net pension liability and net OPEB liability are required to be amortized over a period of years; the unamortized portions of these changes are reflected as deferred inflows of resources on the entity-wide statement of net position. The governmental funds report unavailable revenues from one source: property taxes. These amounts are reflected as deferred inflows of resources on the general fund balance sheet and recognized as an inflow of resources in the period that the amounts become available.

Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first and then unrestricted resources as they are needed.

Fund balances of the governmental funds are classified, if applicable, as follows:

*Nonspendable* – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

*Restricted* – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

*Committed* – amounts that can be used only for specific purposes determined by formal action of the Board of Directors. The Board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through resolutions approved by the Board of Directors.

*Assigned* – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The Finance Committee, the Superintendent, or the Business Manager may assign amounts for specific purposes.

*Unassigned* – all other spendable amounts.

Comparative Data

Comparative totals for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations. However, presentation of prior year totals by fund and activity type have not been presented in each of the statements since their inclusion would make the statements

YORK SUBURBAN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

unduly complex and difficult to read. Summarized comparative information should be read in conjunction with the District's financial statements for the year ended June 30, 2024, from which the summarized information was derived.

Use of Estimates in the Preparation of Financial Statements

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

Implementation of GASB Statement

During the year ended June 30, 2025, the District implemented Governmental Accounting Standards Board ("GASB") Statement No. 101, "Compensated Absences." The purpose of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. As described in Note 18, the District has restated opening balances as a result of the implementation.

NOTE 2 DEPOSITS AND INVESTMENTS

***Deposits***

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned. The District does not have a policy for custodial credit risk but adheres to the requirements of Act 72 of the Commonwealth of Pennsylvania. At June 30, 2025, the carrying amount of the District's deposits was \$54,430,530, and the bank balance was \$55,644,481. Of the bank balance, \$250,000 was covered by federal depository insurance, and \$4,000,513 was exposed to custodial credit risk because it was uninsured, and the collateral held by the depository's agent was not in the District's name. The remaining \$51,393,968 in cash deposits of the District are in the Pennsylvania School District Liquid Asset Fund ("PSDLAF"). Although not registered with the Securities and Exchange Commission and not subject to regulatory oversight, PSDLAF acts like a money market mutual fund in that their objective is to maintain a stable net asset value of \$1 per share, is rated by a nationally recognized rating organization, and is subject to an independent annual audit. Of the \$51,393,968 held with PSDLAF, \$5,272,800 is held in Certificates of Deposit with a maturity date of less than one year and are fully FDIC insured.

***Investments***

Under Section 440.1 of the Public School Code of 1949, as amended, the District is permitted to invest its monies as follows: Obligations of (a) the United States of America or any of its

YORK SUBURBAN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 2 DEPOSITS AND INVESTMENTS (cont'd)

agencies or instrumentalities backed by the full faith and credit of the United States of America; (b) the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth; (c) any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision; (d) shares of an investment company registered under the Investment Company Act of 1940; or (e) deposits in savings accounts or time deposits or share accounts of institutions insured by the Federal Deposit Insurance Corporation ("FDIC"), the Federal Savings and Loan Insurance Corporation ("FSLIC"), or the National Credit Union Share Insurance Fund ("NCUSIF") to the extent that such accounts are so insured and for any amounts above the insured maximum, provided that approved collateral as provided by law is pledged by the depository.

Credit Risk

The District has no investment policy that would limit its investment choices to those with certain credit ratings. As of June 30, 2025, PSDLAF was rated as AAAM by a nationally recognized statistical rating organization. The District's investments in U.S. Treasury bonds are backed by the full faith and credit of the U.S. government and are not considered to have credit risk.

NOTE 3 PROPERTY TAXES

Property taxes are levied on July 1. Taxes are collected at a discount until August 31, at their face amount from September 1 until October 31, and include a penalty thereafter. The taxes are billed by the District. One Township is collected by an appointed tax collector and the other is collected by the District. Delinquent real estate taxes are sent to York County Tax Claim Bureau for collection on December 31.

NOTE 4 TAXES RECEIVABLE/DEFERRED INFLOWS OF RESOURCES

The District collects property taxes, earned income taxes, other taxes, and fees primarily from taxpayers located in the following municipalities within York County, Pennsylvania: Spring Garden Township, and Springettsbury Township:

Taxes receivable consist of the following as of June 30, 2025:

Real estate taxes receivable	\$ 1,355,375
Taxes collected within 60 days, recorded as revenues in governmental funds	<u>823,139</u>
Real estate taxes to be collected after 60 days, recorded as deferred inflows of resources in governmental funds	<u>\$ 532,326</u>

YORK SUBURBAN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 5 CAPITAL ASSETS

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

	Beginning Balance	Increases	Deletions/ Transfers	Ending Balance
<i>Governmental Activities</i>				
Capital assets not being depreciated:				
Land	\$ 485,450	\$ -	\$ -	\$ 485,450
Construction in progress	2,540,212	2,976,287	(1,568,388)	3,948,111
<b>Total Capital Assets Not Being Depreciated</b>	<b>3,025,662</b>	<b>2,976,287</b>	<b>(1,568,388)</b>	<b>4,433,561</b>
Capital assets being depreciated/ amortized:				
Site improvements	6,161,384	-	-	6,161,384
Buildings and improvements	80,516,983	241,856	1,568,388	82,327,227
Furniture and equipment	10,646,714	395,292	2,139,942	8,902,064
Right-to-use lease assets	156,678	-	-	156,678
Right-to-use subscriptions	289,343	318,460	-	607,803
<b>Total Capital Assets Being Depreciated</b>	<b>97,771,102</b>	<b>955,608</b>	<b>3,708,330</b>	<b>98,155,155</b>
Less accumulated depreciation/ amortization	60,882,473	2,914,760	2,139,942	61,657,291
<b>Total Capital Assets Being Depreciated/ Amortized, Net</b>	<b>36,888,629</b>	<b>(1,959,152)</b>	<b>1,568,388</b>	<b>36,497,865</b>
<b>Governmental Activities Assets, Net</b>	<b>\$ 39,914,291</b>	<b>\$ 1,017,135</b>	<b>\$ -</b>	<b>\$ 40,931,426</b>
<i>Business-type Activities</i>				
Capital assets being depreciated:				
Furniture and equipment	\$ 1,519,123	\$ 19,255	\$ -	\$ 1,538,378
Less accumulated depreciation	1,220,622	31,360	-	1,251,982
<b>Business-type Activities Assets, Net</b>	<b>\$ 298,501</b>	<b>\$ (12,105)</b>	<b>\$ -</b>	<b>\$ 286,396</b>

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

<b>Governmental Activities:</b>	
Instruction	\$ 2,053,036
Instructional student support	253,423
Administrative and financial support services	248,573
Operation and maintenance of plant services	183,783
Pupil transportation	124,144
Student activities	51,801
<b>Total Depreciation/Amortization Expense - Governmental Activities</b>	<b>\$ 2,914,760</b>

YORK SUBURBAN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 5 CAPITAL ASSETS (cont'd)

Governmental Activities:  
Business-type Activities:  
    Food Service

\$ 31,360

NOTE 6 INTERNAL RECEIVABLES, PAYABLES, AND TRANSFERS

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

<u>Receivable By</u>	<u>Amount</u>	<u>Payable From</u>	<u>Amount</u>
Internal Service Fund	\$ 1,103,308	General Fund	\$ 2,213,117
Debt Service Fund	909,809		
Capital Reserve Fund	<u>200,000</u>		
	<u>\$ 2,213,117</u>		<u>\$ 2,213,117</u>

Interfund balances between the various funds represent temporary loans recorded at year end subsequent to a final allocation of expenses. The balances generally are repaid shortly after year end.

During the year ended June 30, 2025, the general fund transferred \$6,931,252 to the debt service fund to support future debt service, and \$200,000 to the capital reserve fund to support future capital needs.

NOTE 7 GENERAL LONG-TERM LIABILITIES

The following summarizes the changes in the long-term liabilities for the year for the year ended June 30, 2025:

	<u>Balance</u> <u>July 1, 2024</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2025</u>	<u>Due Within</u> <u>One Year</u>
<i>Governmental Activities:</i>					
Bonds and notes payable, net	\$ 48,536,797	\$ -	\$ 4,841,009	\$ 43,695,788	\$ 4,818,313
Subscription liability	40,571	140,769	-	181,340	68,160
Accumulated compensated absences	6,159,101	-	1,316,321	4,842,780	1,452,834
Net pension liability	80,787,000	-	17,879,000	62,908,000	-
Net OPEB liability	<u>6,108,157</u>	<u>-</u>	<u>770,905</u>	<u>5,337,252</u>	<u>-</u>
<b>TOTALS</b>	<u>\$141,631,626</u>	<u>\$ 140,769</u>	<u>\$ 24,807,235</u>	<u>\$116,965,160</u>	<u>\$ 6,339,307</u>

YORK SUBURBAN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 7 GENERAL LONG-TERM LIABILITIES (cont'd)

Long-term liabilities of the governmental activities are anticipated to be liquidated by the general fund and debt service fund.

The District's long-term debt consisted of the following:

**General Obligation Bonds**

Series of 2019, dated February 21, 2019 due in annual installments through May 1, 2031, bearing interest rates of 1.90% to 4.00%	\$ 9,475,000
Series A of 2019, dated October 21, 2019 due in annual installments through June 30, 2028, bearing interest rates of 2.00% to 5.00%	3,440,000
Series of 2023, dated September 26, 2023 due in semi-annual installments through June 30, 2050	9,990,000
Series of 2024, dated February 26, 2024 due in semi-annual installments through March 1, 2050	9,475,000

**General Obligation Notes**

Series of 2016, dated May 2, 2016, due in annual installments through June 1, 2028 bearing interest rate of 2.27%	1,270,000
Series of 2020, dated October 13, 2020, due in annual installments through May 1, 2029, bearing interest rate of 1.40%	<u>9,289,000</u>

FINANCING TOTAL	<u>\$ 42,939,000</u>
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Bonds and Notes payable is comprised of the following:

Bonds and Notes payable, at face	\$ 42,939,000
Unamortized premium	<u>756,788</u>
Bonds and Notes payable, net	<u>\$ 43,695,788</u>
Amounts due in one year	\$ 4,818,313
Amounts due after one year	<u>38,877,475</u>
Bonds and Notes payable, net	<u>\$ 43,695,788</u>

YORK SUBURBAN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 7 GENERAL LONG-TERM LIABILITIES (cont'd)

Presented below is a summary of debt service requirements to maturity by years:

<u>Year Ending June 30,</u>	<u>Principal Maturities</u>	<u>Interest Maturities</u>	<u>Total Maturities</u>
2026	\$ 4,408,000	\$ 1,926,650	\$ 6,334,650
2027	4,561,000	1,753,070	6,314,070
2028	4,647,000	1,573,847	6,220,847
2029	4,678,000	1,353,338	6,031,338
2030	4,930,000	1,165,288	6,095,288
2031 - 2035	3,295,000	4,539,252	7,834,252
2036 - 2040	4,220,000	3,631,065	7,851,065
2041 - 2045	5,375,000	2,474,127	7,849,127
2046 - 2050	6,825,000	1,029,538	7,854,538
Total	<u>\$ 42,939,000</u>	<u>\$ 19,446,175</u>	<u>\$ 62,385,175</u>

NOTE 8 INFORMATION TECHNOLOGY SUBSCRIPTION ARRANGEMENTS

The District entered into several subscription arrangements ranging from 1 to 4 years for the use of subscription-based information technology. The arrangements require annual principal and interest payments ranging from \$11,457 to \$59,100 based on interest rates from 0.32% to 4.03%. See payment schedule broken out below:

<u>Year Ending June 30,</u>	<u>Principal Maturities</u>	<u>Interest Maturities</u>	<u>Total Maturities</u>
2026	\$ 68,160	\$ 5,586	\$ 73,746
2027	69,025	4,720	73,745
2028	14,141	1,779	15,920
2029	14,710	1,210	15,920
2030	15,304	617	15,921
Total	<u>\$ 181,340</u>	<u>\$ 13,912</u>	<u>\$ 195,252</u>

NOTE 9 PENSION PLAN

Plan Description

The District contributes to the Public School Employees' Retirement System ("PSERS"), a governmental cost-sharing multiple-employer defined benefit pension plan that provides

YORK SUBURBAN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 9 PENSION PLAN (cont'd)

retirement benefits to public school employees of the Commonwealth of Pennsylvania. The members eligible to participate in the system include all full-time public school employees, part-time hourly public school employees who render at least 500 hours of service in the school year, and part-time per diem public school employees who render at least 80 days of service in the school year in any of the reporting entities in Pennsylvania. PSERS issues a publicly available annual comprehensive financial report that includes the financial statements and required supplementary information for the plan. A copy of this report may be obtained by writing to the Public School Employees' Retirement System, P.O. Box 125, Harrisburg, Pennsylvania, 17108-0125, or by visiting the PSERS website 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 one year of credited service, (b) age 60 with 30 or more years of credited service, or (c) 35 or more years of service regardless of age. Act 120 of 2010 ("Act 120") preserves the benefits of existing members and introduced benefit reductions for individuals who became new members on or after July 1, 2011. Act 120 created two new membership classes, Membership Class T-E ("Class T-E"), and Membership Class T-F ("Class T-F"). To qualify for normal retirement, Class T-E and Class T-F members must work until age 65 with a minimum of three years of service, or attain a total combination and 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 2½%, depending upon the membership class, of the member's final average salary as defined in the Code, multiplied by the number of years of credited service. For members whose membership started prior to July 1, 2011, after completion of five years of service, a member's right to the defined benefits is vested and early retirement may be elected. For Class T-E and Class T-F members, the right to benefits is vested after ten years of service. Benefit terms may be amended by passing bills in the Pennsylvania Senate and House of Representatives and sending them to the Governor for approval.

Participants are eligible for disability retirement benefits after completion of five years of credited service. Such benefits are generally equal to 2% or 2½%, depending upon the membership class of the member's final average salary as defined in the Code, multiplied by the number of years of credited service, but not less than one-third of such salary nor greater than the benefit the member would have had at normal retirement age. Members over normal retirement age may apply for disability benefits.

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

YORK SUBURBAN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 9 PENSION PLAN (cont'd)

Member Contributions

Active members who joined the system prior to July 22, 1983 contributed at 5.25% (Membership Class T-C), or at 6.50% (Membership Class T-D) of the member's qualifying compensation.

Members who joined the system on or after July 22, 1983, and who were active or inactive as of July 1, 2001, contribute at 6.25% (Membership Class T-C) or at 7.50% (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 7.50% (base rate) of the member's qualifying compensation. All new hires after June 30, 2011, who elect Class T-F membership, contribute at 10.30% (base rate) of the member's qualifying compensation. Membership Class T-E and T-F are affected by a "shared risk" provision in Act 120 that in future fiscal years could cause the Membership Class T-E contribution rate to fluctuate between 7.50% and 9.50%, and Membership Class T-F contribution rate to fluctuate between 10.30% and 12.30%.

Employer Contributions

The District's contractually required annual contribution is based on an actuarially determined amount that, when combined with the 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. For the year ended June 30, 2025, the rate of the employer contribution was 33.90% of covered payroll, which was comprised of 32.92% for pension contributions, 0.63% for healthcare contributions, and 0.35% for the PSERS defined contribution plan. The District's pension contribution to PSERS for the year ended June 30, 2025 was \$9,677,050.

Pension Liability and Expense, and Deferred Outflows and Inflows of Resources

At June 30, 2025, the District reported a liability of \$62,908,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by rolling forward the system's total pension liability as of June 30, 2023 to June 30, 2024. The District's proportion of the net pension liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2024, the District's proportion was 0.1503%, which was a decrease of 0.0313% from its proportion measured as of June 30, 2023.

YORK SUBURBAN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 9 PENSION PLAN (cont'd)

For the year ended June 30, 2025, the District recognized pension expense of \$3,159,327. At June 30, 2025, the District 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	\$ 1,041,000	\$ -
Difference between expected and actual experience	-	989,000
Changes in proportions	643,000	10,132,000
Difference between employer contributions and proportionate share of total contributions	1,243,733	-
Contributions subsequent to measurement date	<u>9,677,050</u>	<u>-</u>
	<u>\$ 12,604,783</u>	<u>\$ 11,121,000</u>

An amount of \$9,677,050 is reported as deferred outflows of resources resulting from the District's contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. The remaining amounts will be reported as deferred outflows of resources and deferred inflows of resources related to pension and will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	
2026	\$ (4,283,514)
2027	(983,514)
2028	(2,715,239)
2029	<u>(211,000)</u>
	<u>\$ (8,193,267)</u>

Actuarial Assumptions

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

- Actuarial cost method – entry age normal, level percentage of pay
- Investment return – 7.00%, including inflation of 2.50%

YORK SUBURBAN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 9 PENSION PLAN (cont'd)

- Salary increases – effective average of 4.50%, which reflects an allowance for inflation of 2.50%, real wage growth, and for merit or seniority increases of 2.00%
- Mortality rates were based on a blend of 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.

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

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

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

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

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

Discount Rate

The discount used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will

YORK SUBURBAN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 9 PENSION PLAN (cont'd)

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

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

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

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Proportionate share of the net pension liability	\$ 82,869,000	\$ 62,908,000	\$ 46,052,000

Pension Plan Fiduciary Net Position

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

NOTE 10 PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM OTHER POSTEMPLOYMENT BENEFITS PLAN

Health Insurance Premium Assistance Program

The system provides premium assistance, which is a governmental cost sharing, multiple-employer other postemployment benefit ("OPEB") plan 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.

YORK SUBURBAN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 10 PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM OTHER POSTEMPLOYMENT BENEFITS PLAN  
(cont'd)

As of June 30, 2024, there were no assumed future benefit increases to participating eligible retirees.

Premium Assistance Eligibility Criteria

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

- Have 24½ or more years of service, or
- Are a disability retiree, or
- Have 15 or more years of service and retired after reaching superannuation age, and
- Participate in the HOP or employer-sponsored health insurance program.

Pension Plan Description

The District contributes to the Public School Employees' Retirement System ("PSERS"), a governmental cost-sharing multiple-employer defined benefit pension plan that provides retirement benefits to public school employees of the Commonwealth of Pennsylvania. The members eligible to participate in the system include all full-time public school employees, part-time hourly public school employees who render at least 500 hours of service in the school year, and part-time per diem public school employees who render at least 80 days of service in the school year in any of the reporting entities in Pennsylvania. Benefit terms and contributions may be amended by passing bills in the Pennsylvania Senate and House of Representatives and sending them to the Governor for approval. PSERS issues a publicly available annual comprehensive financial report that includes the financial statements and required supplementary information for the plan. A copy of this report may be obtained by visiting the PSERS website at [www.psers.pa.gov](http://www.psers.pa.gov).

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, 2023, there were no assumed future benefit increases to participating eligible retirees. Benefit terms may be amended by passing bills in the Pennsylvania Senate and House of Representatives and sending them to the Governor for approval.

Employer Contributions

The District's contractually required annual contribution is based on an actuarially determined amount that, when combined with the employee contributions, is expected to finance the

YORK SUBURBAN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 10 PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM OTHER POSTEMPLOYMENT BENEFITS PLAN  
(cont'd)

costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2025, the rate of the employer contribution was 33.90% of covered payroll, which was comprised of 32.92% for pension contributions, 0.63% for healthcare contributions, and 0.35% for the PSERS defined contribution plan. The District's OPEB contribution to PSERS for the year ended June 30, 2025 was \$185,193.

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

At June 30, 2025, the District reported a liability of \$2,654,000 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by rolling forward the system's total OPEB liability as of June 30, 2023 to June 30, 2024. The District's proportion of the net OPEB liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2024, the District's proportion was 0.1494%, which was a decrease of 0.0314% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the District recognized OPEB expense of \$3,102. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings	\$ 3,000	\$ -
Change in the proportionate share of the net pension liability	46,000	544,000
Change in assumptions	162,000	405,000
Difference between expected and actual experience	10,000	40,000
Difference between employer proportionate share of total contributions	22,968	-
Contributions subsequent to measurement date	185,193	-
	<u>\$ 429,161</u>	<u>\$ 989,000</u>

An amount of \$185,193 is reported as deferred outflows of resources resulting from the District's contributions subsequent to the measurement date and will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2026. The remaining amounts will be reported

YORK SUBURBAN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 10 PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM OTHER POSTEMPLOYMENT BENEFITS PLAN  
(cont'd)

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

Year Ending June 30,

2026	\$ (172,236)
2027	(171,236)
2028	(188,236)
2029	(104,662)
2030	<u>(108,662)</u>
	<u>\$ (745,032)</u>

Actuarial Assumptions

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

- Actuarial cost method – entry age normal - level percentage of pay.
- Investment return – 4.21% - S&P 20-year Municipal Bond Rate
- Salary growth – Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.
- Premium assistance reimbursement is capped at \$1,200 per year.
- Assumed healthcare cost trends were applied to retirees with less than \$1,200 in premium assistance per year.
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree 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, 2022 determined the employer contribution rate for fiscal year 2024.
- Cost method – Amount necessary to assure solvency of premium assistance through the third fiscal year after the valuation date
- Asset valuation method – Market Value

YORK SUBURBAN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 10 PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM OTHER POSTEMPLOYMENT BENEFITS PLAN  
(cont'd)

- Participation rate – 63% of eligible retirees are assumed to elect premium assistance.
- Morality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Mortality Improvement Scale.

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>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Cash	<u>100.0%</u>	1.7%
	<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, 2024.

Discount Rate

The discount rate used to measure the total OPEB liability was 4.21%, an increase from 4.13% as of June 30, 2023. Under the plan's funding policy, contributions are structured for short-term funding of premium assistance. The funding policy sets contribution rates necessary to assure solvency of premium assistance through the third fiscal year after the actuarial valuation date. The premium assistance account is funded to establish reserves that are sufficient for the payment of premium assistance benefits for each succeeding year. Due to the short-term funding policy, the OPEB plan's fiduciary net position was not projected to be sufficient to meet projected future benefit payments; therefore, the plan is considered a "pay-as-you-go" plan. A discount rate of 4.21%, which represents the S&P 20-year Municipal Bond rate at June 30, 2024, was applied to all projected benefit payments to measure the total OPEB liability.

YORK SUBURBAN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 10 PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM OTHER POSTEMPLOYMENT BENEFITS PLAN  
(cont'd)

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

Healthcare cost trends were applied to retirees receiving less than \$1,200 in annual premium assistance. As of June 30, 2024, retirees' premium assistance benefits are not subject to future healthcare cost increases. The annual premium assistance reimbursement for qualifying retirees is capped at a maximum of \$1,200. As of June 30, 2024, 92,149 retirees were receiving the maximum amount allowed of \$1,200 per year. As of June 30, 2024, 489 members were receiving less than the maximum amount allowed of \$1,200 per year. The actual number of retirees receiving less than the \$1,200 per year cap is a small percentage of the total population and has a minimal impact on healthcare cost trends as depicted below.

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

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
System's net OPEB liability	\$ 2,654,000	\$ 2,654,000	\$ 2,654,000

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

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

	<u>1% Decrease 3.21%</u>	<u>Current Discount Rate 4.21%</u>	<u>1% Increase 5.21%</u>
Proportionate share of the net OPEB liability	\$ 2,998,000	\$ 2,654,000	\$ 2,336,000

OPEB Plan Fiduciary Net Position

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

YORK SUBURBAN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 11 SINGLE EMPLOYER OTHER POSTEMPLOYMENT BENEFITS PLAN

Plan Description

The District administers a single employer defined benefit healthcare plan (“the Retiree Health Plan”) for employees who meet the eligibility requirements upon retirement. The District’s 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. Under GASB Statement No. 75, retiree benefits are viewed as a form of deferred compensation. As such, the benefits are treated as being earned over the working lifetime of the employee so that the cost is fully charged to operations by the earliest date of eligibility under the plan. A plan report is available in the District office.

Funding Policy

The contribution requirements of plan members are established and may be amended by the Board of School Directors. The District has no assets accumulated in a trust or equivalent arrangement for the purpose of administering the OPEB plan. The required contribution is based on projected pay-as-you-go financing requirements, with any additional amount to prefund as determined annually by the Board of School Directors. For fiscal year 2025, the District paid \$103,812 to plan members eligible for receiving benefits.

Actuarial Assumptions and Other Inputs

The total OPEB liability was measured as of July 1, 2024 using the actuarial assumptions noted below.

Discount Rate

The discount used to measure the total OPEB liability was 4.29% based on S&P Municipal Bond 20-year High Grade Rate Index at July 1, 2024.

Salary Increases

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. The plan utilizes Actuary’s Turnover Table T-3 for establishing withdrawal rates. Sample rates are as follows:

YORK SUBURBAN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 11 SINGLE EMPLOYER OTHER POSTEMPLOYMENT BENEFITS PLAN (cont'd)

<u>Age</u>	<u>Rate</u>
25	3.90%
40	1.67%
55	3.66%

Mortality Rates

Pre-retirement mortality rates are established based on the PubT-2010 headcount-weighted mortality tables as published by the Society of Actuaries. Post-retirement mortality rates are established based on the PubG-2010 headcount-weight mortality tables as published by the Society of Actuaries. Mortality improvement utilizes Scale MP-2021 (Male and Female) as published by the Society of Actuaries.

Disability

No disability was assumed.

Retirement

Assumed retirement rates are based on PSERS plan experience and vary by age, service, and gender. All employees are assumed to retire when eligible for unreduced benefits under the PSERS system. For employees hired before July 1, 2011, this is the earlier of 1) age 60 with 30 years of service, 2) at least 35 years of service, or 3) age 62 with at least one year of service. For employees hired after July 1, 2011, this is the earlier of 1) age 65 with at least three years of service or 2) age plus at least 35 years of service equals 92.

Percent of Eligible Retirees Electing Coverage in Plan

Sixty percent of all employees and twenty percent of all spouses are assumed to elect coverage.

Percent Married at Retirement

Thirty percent 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.

Per Capita Claims Cost

The per capita claims cost for medical and prescription drugs is based on the expected portion of the group's overall cost attributed to individuals in the specified age and gender

YORK SUBURBAN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 11 SINGLE EMPLOYER OTHER POSTEMPLOYMENT BENEFITS PLAN (cont'd)

brackets. Dental and vision costs are assumed to not vary with age or gender. The resulting costs are as follows:

<u>Age</u>	<u>Medical and Prescription Drug Combined</u>	
	<u>Males</u>	<u>Females</u>
45 - 49	\$ 6,961	\$ 10,053
50 - 54	\$ 9,219	\$ 11,362
55 - 59	\$ 11,228	\$ 11,889
60 - 64	\$ 14,652	\$ 13,657

Retiree Contributions

Retiree contributions are assumed to increase at the same rate as the healthcare cost trend rate.

Healthcare Cost Trend

The healthcare cost trend was 7.0% in 2024 and decreasing in increments to 4.0% in 2075 and beyond.

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.

Participant Data

Participant data is based on census information as of July 2024, at which time the plan consisted of 380 participants, of which 363 were active and 17 were retired and receiving benefits.

Sensitivity Analysis

The following presents the net OPEB liability, calculated using the valuation discount rate, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate.

YORK SUBURBAN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 11 SINGLE EMPLOYER OTHER POSTEMPLOYMENT BENEFITS PLAN (cont'd)

	1% Decrease 3.29%	Current Discount Rate 4.29%	1% Increase 5.29%
Total OPEB liability	\$ 2,876,037	\$ 2,683,252	\$ 2,500,187
Fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 2,876,037</u>	<u>\$ 2,683,252</u>	<u>\$ 2,500,187</u>

The following presents the net OPEB liability, calculated using the valuation healthcare cost trend rate, as well as what the net OPEB liability would be if it were calculated using a trend rate that is one percentage point lower each year or one percentage point higher each year than the current rate.

	1% Decrease	Current Rate	1% Increase
Total OPEB liability	\$ 2,415,148	\$ 2,683,252	\$ 2,992,192
Fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 2,415,148</u>	<u>\$ 2,683,252</u>	<u>\$ 2,992,192</u>

Changes in Total OPEB Liability

Total OPEB liability - beginning	\$ 2,837,157
Service cost	198,358
Interest	123,044
Change in benefit terms	(75,504)
Changes in assumptions	(157,331)
Differences between expected and actual experience	(138,660)
Benefit payments	(103,812)
Net change	<u>(153,905)</u>
Total OPEB liability - ending	<u>\$ 2,683,252</u>

The amount of OPEB expense for the single employer plan recognized by the District was (\$134,796) for the year ended June 30, 2025. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

YORK SUBURBAN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 11 SINGLE EMPLOYER OTHER POSTEMPLOYMENT BENEFITS PLAN (cont'd)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in assumptions	\$ 262,942	\$ 952,493
Differences between expected and actual experience	-	722,676
Benefit payments subsequent to the measurement date	<u>100,028</u>	<u>-</u>
	<u>\$ 362,970</u>	<u>\$ 1,675,169</u>

Change in assumptions: The discount rate changed from 4.13% to 4.29%.

An amount of \$100,028 is reported as deferred outflows of resources resulting from the District's contributions subsequent to the measurement date and will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2026. The remaining amounts will be reported as deferred outflows of resources and deferred inflows of resources related to OPEB and will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	
2026	\$ (176,854)
2027	(176,854)
2028	(176,854)
2029	(176,859)
2030	(181,754)
Thereafter	<u>(523,052)</u>
	<u>\$ (1,412,227)</u>

NOTE 12 NET OPEB LIABILITY AGGREGATION

The District's aggregate net OPEB liability and deferred inflows and outflows of resources are as follows:

	Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources
District Plan (See Note 11)	\$ 2,683,252	\$ 362,970	\$ 1,675,169
PSERS Plan (See Note 10)	<u>2,654,000</u>	<u>429,161</u>	<u>989,000</u>
Total	<u>\$ 5,337,252</u>	<u>\$ 792,131</u>	<u>\$ 2,664,169</u>

YORK SUBURBAN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 13 FUND BALANCES

As of June 30, 2025, fund balances are composed of the following:

	General Fund	Capital Projects Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Restricted:					
Capital projects	\$ -	\$ 2,332,238	\$23,563,023	\$ 3,450,497	\$ 29,345,758
Student activities	-	-	-	92,081	92,081
Nonspendable:					
Prepaid expense	15,359	-	-	-	15,359
Assigned:					
Retirement/PSERS	1,125,924	-	-	-	1,125,924
Pool	300,000	-	-	-	300,000
Equipment	800,000	-	-	-	800,000
Capital purchases/ Debt service	3,350,000	-	-	-	3,350,000
Technology	408,101	-	-	-	408,101
Healthcare	1,809,738	-	-	-	1,809,738
Special Education	200,000	-	-	-	200,000
Curriculum development	384,062	-	-	-	384,062
Budgetary reserve	1,000,000	-	-	-	1,000,000
Future budgetary reserve	1,050,000	-	-	-	1,050,000
Unassigned	4,296,553	-	-	-	4,296,553
Total Fund Balances	<u>\$14,739,737</u>	<u>\$ 2,332,238</u>	<u>\$23,563,023</u>	<u>\$ 3,542,578</u>	<u>\$ 44,177,576</u>

NOTE 14 RISK MANAGEMENT

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

Self-Insurance

As of July 1, 2018, the District implemented its own self-funded health care plan administered by Highmark. The plan is a "cost plus" plan in which the District pays Highmark for actual claims and administering the plan. On a monthly basis, the District transfers funds into the insurance account. Other sources of revenue are from stop loss-insurance coverage, COBRA payments, and employee reimbursements (including retirees who elect to continue coverage). The District maintains stop-loss coverage for claims greater than \$150,000 individually.

YORK SUBURBAN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 14 RISK MANAGEMENT (cont'd)

The ending liability in the Self-Insurance Fund represents unpaid claims and the estimated amount of incurred but not reported claims as of June 30, 2025. All expenditures for the District's risk management are recorded within the general fund.

NOTE 15 CONSTRUCTION COMMITMENTS

As of June 30, 2025, the District was in the process of several capital projects. Construction commitments completed to date are as follows:

Project	Contract Amount	Completed 6/30/2025	Commitment
High School Renovation Project	\$ 2,757,743	\$ 184,950	\$ 2,572,793
Valley View Roofing Project	<u>2,282,000</u>	<u>2,055,600</u>	<u>226,400</u>
Total Commitments Related to Construction in progress	<u>\$ 5,039,743</u>	<u>\$ 2,240,550</u>	<u>\$ 2,799,193</u>

Additionally, the District had \$1,707,561 in construction in progress at June 30, 2025, which was not subject to any construction commitments.

NOTE 16 EXCESS OF EXPENDITURES OVER APPROPRIATIONS

General fund functions incurred expenditures in excess of appropriations in the following amounts for the year ended June 30, 2025:

Instruction	\$ 742,183
Noninstructional	\$ 43,360

The excess of expenditures over appropriations was financed by areas in which expenditures did not exceed budgeted projections and revenues exceeding projections.

NOTE 17 DEFICIT NET POSITION

For governmental activities, the unrestricted net deficit amounts of \$57,818,177, includes the effect of the District's net pension and OPEB liabilities, including the net effects of related deferred inflows and outflows of resources.



**REQUIRED SUPPLEMENTARY INFORMATION**

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

	MEASUREMENT DATE									
	JUNE 30, 2024	JUNE 30, 2023	JUNE 30, 2022	JUNE 30, 2021	JUNE 30, 2020	JUNE 30, 2019	JUNE 30, 2018	JUNE 30, 2017	JUNE 30, 2016	JUNE 30, 2015
District's proportion of the net pension liability	0.1503%	0.1816%	0.1788%	0.1786%	0.1794%	0.1773%	0.1815%	0.1789%	0.1734%	0.1718%
District's proportion of the net pension liability - dollar value	\$ 62,908,000	\$ 80,787,000	\$ 79,492,195	\$ 73,327,320	\$ 88,334,795	\$ 82,945,564	\$ 87,129,012	\$ 88,355,857	\$ 85,931,538	\$ 74,415,701
District's covered employee payroll	\$ 28,494,659	\$ 26,401,753	\$ 26,219,074	\$ 25,302,937	\$ 25,150,778	\$ 24,446,280	\$ 24,436,703	\$ 23,916,982	\$ 22,532,311	\$ 22,284,281
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	220.77%	305.99%	303.18%	289.80%	351.22%	339.30%	356.55%	369.43%	381.37%	333.94%
Plan fiduciary net position as a percentage of the total pension liability	64.63%	61.85%	61.34%	63.67%	54.32%	55.66%	54.00%	51.84%	50.14%	54.36%

Note: The above information is presented as of the Plan's measurement date.

**YORK SUBURBAN SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS  
Pennsylvania Public School Employees' Retirement System (PSERS)**

	<u>JUNE 30, 2025</u>	<u>JUNE 30, 2024</u>	<u>JUNE 30, 2023</u>	<u>JUNE 30, 2022</u>	<u>JUNE 30, 2021</u>	<u>JUNE 30, 2020</u>	<u>JUNE 30, 2019</u>	<u>JUNE 30, 2018</u>	<u>JUNE 30, 2017</u>	<u>JUNE 30, 2016</u>
Contractually required contribution	\$ 9,677,050	\$ 9,428,883	\$ 9,508,006	\$ 8,916,137	\$ 8,102,699	\$ 8,381,050	\$ 7,945,293	\$ 7,710,343	\$ 6,825,611	\$ 5,524,534
Contributions in relation to the contractually required contribution	<u>9,677,050</u>	<u>9,428,883</u>	<u>9,508,006</u>	<u>8,916,137</u>	<u>8,102,699</u>	<u>8,381,050</u>	<u>7,945,293</u>	<u>7,710,343</u>	<u>6,825,611</u>	<u>5,524,534</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered employee payroll	\$ 29,395,656	\$ 28,494,659	\$ 26,401,753	\$ 26,219,074	\$ 25,302,937	\$ 25,150,778	\$ 24,446,280	\$ 24,436,703	\$ 23,916,982	\$ 22,532,311
Contributions as a percentage of covered employee payroll	32.92%	33.09%	36.01%	34.01%	32.02%	33.32%	32.50%	31.55%	28.54%	24.52%

**YORK SUBURBAN SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY  
Pennsylvania Public School Employees' Retirement System (PSERS)**

	MEASUREMENT DATE							
	JUNE 30, 2024	JUNE 30, 2023	JUNE 30, 2022	JUNE 30, 2021	JUNE 30, 2020	JUNE 30, 2019	JUNE 30, 2018	JUNE 30, 2017
District's proportion of the net OPEB liability	0.1494%	0.1808%	0.1783%	0.1785%	0.1792%	0.1773%	0.1815%	0.1789%
District's proportion of the net OPEB liability - dollar value	\$ 2,654,000	\$ 3,271,000	\$ 3,282,095	\$ 4,230,598	\$ 3,871,969	\$ 3,771,000	\$ 3,784,000	\$ 3,644,930
District's covered employee payroll	\$ 28,494,659	\$ 26,401,753	\$ 26,219,074	\$ 25,302,937	\$ 25,150,778	\$ 24,446,280	\$ 24,436,703	\$ 23,916,982
District's proportionate share of the net OPEB liability as a percentage of its covered employee payroll	9.31%	12.39%	12.52%	16.72%	15.40%	15.43%	15.48%	15.24%
Plan fiduciary net position as a percentage of the total pension liability	7.13%	7.22%	6.86%	5.30%	5.69%	5.56%	5.56%	5.73%

Note: The above information is presented as of the Plan's measurement date.

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

**YORK SUBURBAN SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS  
Pennsylvania Public School Employees' Retirement System (PSERS)**

	<u>JUNE 30, 2025</u>	<u>JUNE 30, 2024</u>	<u>JUNE 30, 2023</u>	<u>JUNE 30, 2022</u>	<u>JUNE 30, 2021</u>	<u>JUNE 30, 2020</u>	<u>JUNE 30, 2019</u>	<u>JUNE 30, 2018</u>
Contractually required contribution	\$ 185,193	\$ 182,366	\$ 207,439	\$ 209,477	\$ 197,492	\$ 210,592	\$ 202,288	\$ 201,625
Contributions in relation to the contractually required contribution	<u>185,193</u>	<u>182,366</u>	<u>207,439</u>	<u>209,477</u>	<u>197,492</u>	<u>210,592</u>	<u>202,288</u>	<u>201,625</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered employee payroll	\$ 29,395,714	\$ 28,494,659	\$ 26,401,753	\$ 26,219,074	\$ 25,302,937	\$ 25,150,778	\$ 24,446,280	\$ 24,436,703
Contributions as a percentage of covered employee payroll	0.63%	0.64%	0.79%	0.80%	0.78%	0.84%	0.83%	0.83%

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

**YORK SUBURBAN SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE DISTRICT'S NET OPEB LIABILITY  
SINGLE EMPLOYER OPEB PLAN**

	MEASUREMENT DATE							
	July 1, 2024	July 1, 2023	July 1, 2022	July 1, 2021	July 1, 2020	July 1, 2019	July 1, 2018	July 1, 2017
TOTAL OPEB LIABILITY								
Service cost	\$ 198,358	\$ 184,509	\$ 300,405	\$ 301,866	\$ 234,001	\$ 233,534	\$ 247,760	\$ 241,085
Interest on total OPEB liability	123,044	110,926	86,771	67,939	102,807	86,326	108,751	80,487
Change of benefit terms	(75,504)	-	-	-	-	-	-	-
Difference between expected and actual experience	(138,660)	-	(289,360)	-	(69,937)	-	(810,603)	-
Effect of assumption changes or inputs	(157,331)	45,437	(937,809)	(100,848)	349,309	(75,365)	4,097	58,819
Benefit payments	(103,812)	(112,085)	(124,334)	(102,580)	(77,683)	(87,260)	(144,298)	(145,832)
NET CHANGE IN TOTAL OPEB LIABILITY	(153,905)	228,787	(964,327)	166,377	538,497	157,235	(594,293)	234,559
TOTAL OPEB LIABILITY, BEGINNING OF YEAR	<u>2,837,157</u>	<u>2,608,370</u>	<u>3,572,697</u>	<u>3,406,320</u>	<u>2,867,823</u>	<u>2,710,588</u>	<u>3,304,881</u>	<u>3,070,322</u>
TOTAL OPEB LIABILITY, END OF YEAR	<u>\$ 2,683,252</u>	<u>\$ 2,837,157</u>	<u>\$ 2,608,370</u>	<u>\$ 3,572,697</u>	<u>\$ 3,406,320</u>	<u>\$ 2,867,823</u>	<u>\$ 2,710,588</u>	<u>\$ 3,304,881</u>
<b>PLAN FIDUCIARY NET POSITION</b>								
PLAN FIDUCIARY NET POSITION, BEGINNING OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
PLAN FIDUCIARY NET POSITION, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
DISTRICT'S NET OPEB LIABILITY	<u>\$ 2,683,252</u>	<u>\$ 2,837,157</u>	<u>\$ 2,608,370</u>	<u>\$ 3,572,697</u>	<u>\$ 3,406,320</u>	<u>\$ 2,867,823</u>	<u>\$ 2,710,588</u>	<u>\$ 3,304,881</u>
Plan fiduciary net position as a percentage of total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered employee payroll	\$ 27,643,742	\$ 25,230,024	\$ 25,230,024	N/A	\$ 24,726,748	N/A	\$ 24,031,632	\$ 22,023,576
District's net OPEB liability as a percentage of covered payroll	9.71%	11.25%	10.34%	N/A	13.78%	N/A	11.28%	15.01%
Expected average remaining service years of all participants	14	14	14	14	12	11	10	9

**SINGLE AUDIT SUPPLEMENT**



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

January 8, 2026

Board of School Directors  
York Suburban 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, each major fund, and the aggregate remaining fund information of the York Suburban School District ("the District"), York, Pennsylvania, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 8, 2026.

Report on Internal Control Over Financial Reporting

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

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

Board of School Directors  
York Suburban School District

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.

#### Compliance and Other Matters

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

#### Purpose of This Report

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

*Barbacane, Thornton & Company LLP*  
BARBACANE, THORNTON & COMPANY LLP



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

January 8, 2026

Board of School Directors  
York Suburban School District  
York, Pennsylvania

Report on Compliance for Each Major Each Federal Program

Opinion on Each Major Federal Program

We have audited the York Suburban School District's ("the District") compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2025. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and recommendations.

In our opinion, the 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 major federal program for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

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

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

#### Responsibilities of Management for Compliance

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

#### Auditor's Responsibility for the Audit of Compliance

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

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

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

Board of School Directors  
York Suburban School District

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

#### Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program, 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

*Barbacane, Thornton & Company LLP*

BARBACANE, THORNTON & COMPANY LLP

**YORK SUBURBAN SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2025**

FEDERAL GRANTOR/PASS-THROUGH GRANTOR PROJECT TITLE	SOURCE CODE	FEDERAL ALN NUMBER	PASS- THROUGH GRANTOR'S NUMBER	GRANT PERIOD BEGINNING/ ENDING DATES	GRANT AMOUNT	TOTAL RECEIVED FOR YEAR	ACCRUED (UNEARNED) REVENUE 7/01/2024	REVENUE RECOGNIZED	EXPENDITURES	ACCRUED (UNEARNED) REVENUE 6/30/2025	PASSED THROUGH TO SUB- RECIPIENTS
<b>U.S. Department of Education</b>											
Passed Through the Pennsylvania Department of Education:											
Title I - Grants to Local Educational Agencies	I	84.010A	013-24-0499	07/01/23 - 09/30/24	\$ 434,766	\$ 92,249	\$ 122,775	\$ -	\$ -	\$ 30,526	\$ -
Title I - Grants to Local Educational Agencies	I	84.010A	013-25-0499	07/01/24 - 09/30/25	429,739	399,043	-	434,152	434,152	35,109	-
Total ALN 84.010						491,292	122,775	434,152	434,152	65,635	-
Title II - Supporting Effective Instruction State Grants	I	84.367A	020-24-0499	07/01/23 - 06/30/24	74,253	10,739	10,739	-	-	-	-
Title II - Supporting Effective Instruction State Grants	I	84.367A	020-25-0499	07/01/24 - 06/30/25	83,698	71,741	-	66,080	66,080	(5,661)	-
Total ALN 84.287						82,480	10,739	66,080	66,080	(5,661)	-
Title III - English Language Acquisition State Grants	I	84.365	010-23-0499	07/01/22 - 09/30/23	30,367	1,728	1,728	-	-	-	-
Title III - English Language Acquisition State Grants	I	84.365	010-24-0499	07/01/23 - 09/30/24	28,800	4,114	4,114	-	-	-	-
Title III - English Language Acquisition State Grants	I	84.365	010-25-0499	07/01/24 - 09/30/25	29,266	29,266	-	29,266	29,266	-	-
Total ALN 84.365						35,108	5,842	29,266	29,266	-	-
Title IV - Student Support and Academic Enrichment Program	I	84.424	144-24-0499	07/01/23 - 09/30/24	26,452	17,005	3,016	13,989	13,989	-	-
Title IV - Student Support and Academic Enrichment Program	I	84.424	144-25-0499	07/01/24 - 09/30/25	32,741	32,741	-	24,933	24,933	(7,808)	-
Total ALN 84.424						49,746	3,016	38,922	38,922	(7,808)	-
Education Stabilization Fund - ARP Act - ESSER III	I	84.425U	223-21-0499	03/13/20 - 09/30/24	2,664,755	387,601	387,601	-	-	-	-
Education Stabilization Fund - ARP ESSER Homeless Children and Youth	I	84.425W	181-21-2500	07/01/21 - 09/30/24	19,722	9,646	5,998	6,008	6,008	2,360	-
Total ALN 84.425						397,247	393,599	6,008	6,008	2,360	-
Passed Through Lincoln Intermediate Unit No. 12:											
Special Education - Grants to States (IDEA, Part B)	I	84.027	N/A	07/01/24 - 09/30/25	565,708	565,708	-	565,708	565,708	-	-
Total ALN 84.027						565,708	-	565,708	565,708	-	-
Special Education - Preschool Grants (IDEA Preschool)	I	84.173	N/A	07/01/24 - 09/30/25	2,975	2,975	-	2,975	2,975	-	-
Total ALN 84.173						2,975	-	2,975	2,975	-	-
Total U.S. Department of Education						1,624,556	535,971	1,143,111	1,143,111	54,526	-
<b>U.S. Department of Agriculture</b>											
Passed Through the Pennsylvania Department of Education:											
School Breakfast Program	I	10.553	365	07/01/24 - 06/30/25	N/A	327,258	-	327,258	327,258	-	-
Total ALN 10.553						327,258	-	327,258	327,258	-	-
National School Lunch Program	I	10.555	N/A	07/01/23 - 06/30/24	N/A	124,854	124,854	-	-	-	-
National School Lunch Program	I	10.555	N/A	07/01/24 - 06/30/25	N/A	710,155	-	710,155	710,155	-	-
Total ALN 10.555						835,009	124,854	710,155	710,155	-	-
Passed Through the Pennsylvania Department of Agriculture:											
National School Lunch Program - commodities	I	10.555	N/A	07/01/24 - 06/30/25	N/A	146,821	-	146,821	146,821	-	-
Total ALN 10.555						146,821	-	146,821	146,821	-	-
Total U.S. Department of Agriculture						1,309,088	124,854	1,184,234	1,184,234	-	-
<b>TOTAL FEDERAL AWARDS</b>						<b>\$2,933,644</b>	<b>\$ 660,825</b>	<b>\$ 2,327,345</b>	<b>\$ 2,327,345</b>	<b>\$ 54,526</b>	<b>\$ -</b>
Total Special Education Cluster (ALN 84.027, 84.173)						\$ 568,683	\$ -	\$ 568,683	\$ 568,683	\$ -	\$ -
Total Child Nutrition Cluster (ALN 10.553, 10.555)						\$1,309,088	\$ 124,854	\$ 1,184,234	\$ 1,184,234	\$ -	\$ -

Source Code

I - Indirect

YORK SUBURBAN SCHOOL DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE A SCOPE OF THIS SCHEDULE

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

NOTE B BASIS OF ACCOUNTING

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

NOTE C NONMONETARY FEDERAL AWARDS - DONATED FOOD

The Commonwealth of Pennsylvania distributes federal surplus food to institutions (schools, hospitals, and prisons) and to the needy. Expenditures reported in the schedule of expenditures of federal awards under ALN 10.555 includes surplus food consumed by the District during the 2024 - 2025 fiscal year.

NOTE D INDIRECT COST RATE

The District has not elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE E ACCESS PROGRAM

The ACCESS Program is a medical assistance program that reimburses local educational agencies for direct eligible health-related services provided to enrolled special needs students. Reimbursements are federal source revenues but are classified as fee-for-service and are not considered federal financial assistance. The amount of ACCESS funding recognized for the year ended June 30, 2025 was \$68,333.

YORK SUBURBAN SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND RECOMMENDATIONS

**PART A - SUMMARY OF AUDITOR'S RESULTS**

*Financial Statements*

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

Unmodified

Internal control over financial reporting:

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

*Federal Awards*

Internal control over major programs:

- Material weakness(es) identified? \_\_\_\_\_ Yes  X  No
- Significant deficiency(ies) identified? \_\_\_\_\_ Yes  X  None reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?

\_\_\_\_\_ Yes  X  No

Identification of major programs:

Assistance Listing Numbers

Name of Federal Program or Cluster

10.553, 10.555

Child Nutrition Cluster

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

\_\_\_\_\_ Yes  X  No

YORK SUBURBAN SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND RECOMMENDATIONS (CONT'D)

**PART B - FINDINGS RELATED TO FINANCIAL STATEMENTS**

STATUS OF PRIOR YEAR FINDINGS

None.

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None.

**PART C - FINDINGS RELATED TO FEDERAL AWARDS**

STATUS OF PRIOR YEAR FINDINGS

None.

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None.

**APPENDIX F**  
**BOND AMORTIZATION SCHEDULE**

**APPENDIX G**

**SPECIMEN MUNICIPAL BOND INSURANCE POLICY**



## MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: \_\_\_\_\_

MEMBER: [NAME OF MEMBER]

BONDS: \$ \_\_\_\_\_ in aggregate principal  
amount of [NAME OF TRANSACTION]  
[and maturing on]

Effective Date: \_\_\_\_\_

Risk Premium: \$ \_\_\_\_\_

Member Surplus Contribution: \$ \_\_\_\_\_

Total Insurance Payment: \$ \_\_\_\_\_

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

BAM may appoint a fiscal agent (the “Insurer’s Fiscal Agent”) for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer’s Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer’s Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer’s Fiscal Agent on behalf of BAM. The Insurer’s Fiscal Agent is the agent of BAM only, and the Insurer’s Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer’s Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: \_\_\_\_\_  
Authorized Officer

SPECIMEN

**Notices (Unless Otherwise Specified by BAM)**

Email:

[claims@buildamerica.com](mailto:claims@buildamerica.com)

Address:

28 Liberty Street, 59<sup>th</sup> Floor  
New York, New York 10005

Telecopy:

212-962-1524 (attention: Claims)

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