PRELIMINARY OFFICIAL STATEMENT DATED JULY 29, 2026

NEW ISSUE—BOOK-ENTRY ONLY

RATING: S&P: "AA-" (Stable Outlook) (Underlying)
(See "RATING" herein)

In the opinion of Bond Counsel, under existing statutes, regulations and judicial decisions, interest on the Bonds is excluded from gross income for purposes of federal income taxation and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals and, as to applicable corporations (as defined in Section 59(k) of the Code (as defined below)); however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations for tax years beginning after December 31, 2022. This opinion of Bond Counsel is subject to continuing compliance by the School District with its covenants in the Resolution and other documents to comply with requirements of the Code, as amended, and applicable regulations thereunder.

Bond Counsel is also of the opinion that under the laws of the Commonwealth of Pennsylvania (the "Commonwealth") as presently enacted and construed, the Bonds are exempt from personal property taxes in the Commonwealth and the interest on the Bonds is exempt from the Commonwealth's Personal Income Tax and the Commonwealth's Corporate Net Income Tax.

$40,525,000*
Northern York County School District
York County, Pennsylvania
General Obligation Bonds, Series of 2026

Dated: Date of Delivery
Interest Due: May 15 and November 15
Principal Due: November 15, as shown below
First Interest Payment: May 15, 2027

The General Obligation Bonds, Series of 2026 (the "Bonds") in the aggregate principal amount of $40,525,000* will be issued in registered form, without coupons, in denominations of $5,000 or any integral multiple thereof. The Bonds will be registered in the name of Cede & Co., as the registered owner and nominee of The Depository Trust Company ("DTC"), New York, New York. Beneficial ownership of the Bonds may be acquired in denominations of $5,000 or any integral multiple thereof only under the book-entry only system maintained by DTC through its brokers and dealers who are, or act through, DTC Participants. The purchasers of the Bonds will not receive physical delivery of the Bonds. For so long as any purchaser is the beneficial owner of a Bond, that purchaser must maintain an account with a broker or a dealer who is, or acts through, a DTC Participant to receive payment of principal of and interest on the Bonds. See **"BOOK-ENTRY ONLY SYSTEM"** herein. If, under the circumstances described herein, Bonds are ever issued in certificated form, the Bonds will be subject to registration of transfer, exchange and payment as described herein. The principal of the Bonds will be paid to the registered owners, when due, upon presentation and surrender of the Bonds to Manufacturers and Traders Trust Company (the "Paying Agent"), acting as paying agent and sinking fund depository, at its specified corporate trust office in Harrisburg, Pennsylvania. Interest on the Bonds is payable initially on May 15, 2027 and thereafter semiannually on May 15 and November 15 of each year, until the principal sum thereof is paid. Payment of interest on the Bonds will be made by check drawn on the Paying Agent mailed to the registered owners of the Bonds as of the Record Date (see **"THE BONDS"** herein).

The Bonds are general obligations of the Northern York County School District, York County, Pennsylvania (the "School District") payable from its tax and other general revenues. The School District has covenanted that it will, subject to statutory restrictions and limitations, to the fullest extent permitted under applicable law, provide in its budget in each year, and will appropriate from its general revenues in each such year, the amount of the debt service on the Bonds for such year and will duly and punctually pay or cause to be paid from the sinking fund established under the Resolution or any other of its revenues or funds the principal of every Bond and the interest thereon on the dates, at the place and in the manner stated in the Bonds, and for such budgeting, appropriation and payment the School District irrevocably has, subject to statutory restrictions and limitations, pledged its full faith, credit and taxing power, within the limits provided by law. (See **"Security"** and **"TAXING POWERS OF THE SCHOOL DISTRICT"** herein)**. The Bonds are subject to redemption prior to maturity as described herein.**

Proceeds of the Bonds will be used towards: (1) undertaking various capital projects including the design, acquisition, construction and installation of various capital improvements to the School District's facilities, buildings and systems, including, but not limited to construction, renovation and addition projects at the Northern High School and Northern Middle School, other ongoing and proposed capital projects as determined by the School District; and (2) the payment of all costs and expenses incurred by the School District in connection with the issuance and sale of the Bonds.

The Bonds are authorized investments for fiduciaries in the Commonwealth of Pennsylvania pursuant to the Pennsylvania Probate, Estate and Fiduciaries Code, Act of June 30, 1972, No. 164, P.L. 508, as amended and supplemented.

MATURITY DATES AND AMOUNTS, INTEREST RATES, INITIAL OFFERING YIELDS AND CUSIPS
See Inside Front Cover

The Bonds are offered when, as and if issued, subject to withdrawal or modification of the offer without notice, and subject to the approving legal opinion of Saxton & Stump, LLC, of Lancaster, Pennsylvania, Bond Counsel, to be furnished upon delivery of the Bonds. Certain matters will be passed upon for the School District by Saxton & Stump, LLC, of Lancaster, Pennsylvania, School District Solicitor and by McNees Wallace & Nurick LLC, of Harrisburg, Pennsylvania, Limited Scope Underwriter's Counsel. PFM Financial Advisors LLC, Harrisburg, Pennsylvania, will act as Municipal Advisor to the School District. It is expected that the Bonds will be available for delivery through DTC or its agent, on or about September __, 2026.

RAYMOND JAMES®

Dated:

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*Estimated, subject to change

$40,525,000*
Northern York County School District
York County, Pennsylvania
General Obligation Bonds, Series of 2026

Dated: Date of Delivery
Interest Due: May 15 and November 15

Principal Due: November 15, as shown below
First Interest Payment: May 15, 2027

BOND MATURITY SCHEDULE:

Maturity Date (November 15) Year	Principal Amounts	Interest Rates	Initial Offering Yields	CUSIP Numbers[1]
2027				
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				
2036				
2037				
2038				
2039				
2040				
2041				
2042				
2043				
2044				
2045				
2046				
2047				
2048				
2049				
2050				
2051				

[1]The above CUSIP (Committee on Uniform Securities Identification Procedures) numbers have been assigned by an organization not affiliated with the School District or the Underwriters, 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 Underwriters have agreed to, and there is no duty or obligation to, update this Preliminary Official Statement to reflect any change or correction in the CUSIP numbers set forth above.

*Estimated, subject to change

Northern York County School District
York County, Pennsylvania

BOARD OF SCHOOL DIRECTORS

Paul Miller, Jr.	President
John Gunning	Vice President
Maureen Ross	Secretary*
Steve Becker	Member
Renee Bordlemay	Member
David Hazen	Member
Derek Higgs	Member
Joe Rudy	Member
Gerald Schwille	Member
Gregory Weir	Member

*Non-voting member.

SUPERINTENDENT
DR. MATTHEW MEAKIN

CHIEF FINANCIAL AND OPERATIONS OFFICER
JASON YOUNG

SOLICITOR
SAXTON & STUMP, LLC
Lancaster, Pennsylvania

BOND COUNSEL
SAXTON & STUMP, LLC
Lancaster, Pennsylvania

MUNICIPAL ADVISOR
PFM FINANCIAL ADVISORS LLC
Harrisburg, Pennsylvania

UNDERWRITER
RAYMOND JAMES & ASSOCIATES, INC.
Lancaster, Pennsylvania

LIMITED SCOPE UNDERWRITER'S COUNSEL
McNEES WALLACE & NURICK LLC
Harrisburg, Pennsylvania

PAYING AGENT
MANUFACTURERS AND TRADERS TRUST COMPANY
Harrisburg, Pennsylvania

SCHOOL DISTRICT ADDRESS
650 S. Baltimore Street
Dillsburg, Pennsylvania 17019

No dealer, broker, salesman or other person has been authorized by the School District to give information or to make any representations, other than those contained in this Preliminary Official Statement, and if given or made, such other information or representations must not be relied upon. This Preliminary 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 in any jurisdiction in which it is unlawful to make such offer, solicitation or sale. The information set forth herein has been obtained from the School District and from other sources which are believed to be reliable but the School District does not guarantee the accuracy or completeness of information from sources other than the School District. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Preliminary Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in any of the information set forth herein since the date hereof.

IN CONNECTION WITH THIS OFFERING OF BONDS, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF SUCH BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE PUBLIC OFFERING PRICES STATED ON THE COVER HEREOF MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER WITHOUT PRIOR NOTICE.

THE UNDERWRITER HAS REVIEWED THE INFORMATION IN THIS PRELIMINARY 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.

TABLE OF CONTENTS

PRELIMINARY OFFICIAL STATEMENT

$40,525,000*
Northern York County School District
York County, Pennsylvania
General Obligation Bonds, Series of 2026

INTRODUCTION

This Preliminary Official Statement, including the cover page hereof, is furnished by the Northern York County School District, York County, Pennsylvania (the "School District") in connection with the offering of $40,525,000* aggregate principal amount of its General Obligation Bonds, Series of 2026 (the "Bonds") dated the date the Bonds are issued and delivered (the "Date of Delivery"). The Bonds are being issued pursuant to a Resolution of the Board of School Directors of the School District adopted on July 21, 2026, (the "Resolution"), and pursuant to the Local Government Unit Debt Act of the Commonwealth of Pennsylvania (the "Commonwealth"), 53 Pa. CS Chs. 80-82, as amended (the "Act").

PURPOSE OF THE ISSUE

Proceeds of the Bonds will be used towards: (1) undertaking various capital projects including the design, acquisition, construction and installation of various capital improvements to the School District's facilities, buildings and systems, including, but not limited to construction, renovation and addition projects at the Northern High School and Northern Middle School, other ongoing and proposed capital projects as determined by the School District; and (2) the payment of all costs and expenses incurred by the School District in connection with the issuance and sale of the Bonds.

Sources and Uses of Bond Proceeds*

The following is a summary of the sources and uses of the proceeds from the issuance of the Bonds.

Sources of Funds	
Proceeds of the Bonds	
Net Original Issue Premium/(Discount)	
Total Sources of Funds	
Uses of Funds	
Deposit to Construction Fund	
Cost of Issuance[(1)]	
Total Uses of Funds	

[(1)]Includes total bond discount, legal, municipal advisor, printing, rating, paying agent and miscellaneous fees.

*Estimated, subject to change

THE BONDS

Description

The Bonds will be issued only as fully registered bonds, without coupons, and registered in the denominations of $5,000 and integral multiples thereof. The Bonds will be issued as one fully registered Bond for each maturity of the Bonds in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), as registered owner of all Bonds. See "**BOOK-ENTRY ONLY SYSTEM**" herein. The Bonds will be dated as of the Date of Delivery, which is expected to be September __, 2026, and will bear interest at the rates and mature in the amounts and at the times set forth as shown on the inside cover of this Preliminary Official Statement. Interest on the Bonds will be payable initially on May 15, 2027, and thereafter, semiannually on May 15 and November 15 of each year, until the principal sum is paid.

Payment of Principal and Interest

Subject to the provisions described under "**BOOK-ENTRY ONLY SYSTEM**" below, principal of the Bonds will be paid to the registered owners thereof or assigns, when due, upon surrender of the Bonds at the specified corporate trust office of the Paying Agent.

Interest is payable to the registered owner of 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 May 15, 2027, in which event such Bond shall bear interest from the dated date of the Bonds, or (d) as shown by the records of Manufacturers and Traders Trust Company ("Paying Agent"), interest on such Bond shall be in default, in which event such Bonds shall bear interest from the date on which interest was last paid on such Bond. Interest shall be paid initially on May 15, 2027, and thereafter, semiannually on May 15 and November 15 of each year, until the principal sum is paid. Interest on each 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 last day (whether or not a day on which the Paying Agent is open for business) of the calendar month 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 the 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 Bonds are registered at the close of business on the fifth (5th) day preceding the date of mailing.

If the date for payment of the principal of or interest on any Bonds shall be Saturday, Sunday, legal holiday or a day on which banking institutions in the Commonwealth of Pennsylvania are authorized 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 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 Bonds

Subject to the provisions described below under "**BOOK-ENTRY ONLY SYSTEM,**" each of the Bonds are transferable or exchangeable by the registered owners thereof upon surrender of Bonds to the Paying Agent, at its specified corporate trust office 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 Bonds in the registration books and shall authenticate and deliver at the earliest practicable time in the name of the transferee or transferees a new fully registered bond or bonds of authorized denominations of the same series, maturity and interest rate for the aggregate principal amount which the registered owner is entitled to receive. The School District and the Paying Agent may deem and treat the registered owner of any Bond as the absolute owner thereof (whether or not a 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 issue or transfer or exchange any Bonds then considered for redemption during a period beginning at the close of business on the fifteenth (15th) day next preceding any date of selection of Bonds to be redeemed and ending at the close of business on the day on which the applicable notice of redemption is mailed or (b) to issue or transfer or exchange any portion of any Bond selected for redemption until after the redemption date or (c) to issue or transfer any Bonds during a period beginning with the close of business on the Record Date not preceding any interest payment date and ending at the close of business on the interest payment date or Bonds may be exchanged for a like aggregate principal amount of Bonds of other authorized denominations of the same series, maturity and interest rate.

Security

The Bonds will be general obligations of the School District, payable from its tax and other general revenues. The School District, subject to statutory restrictions and limitations, has covenanted that it will, to the fullest extent permitted by applicable law, provide in its budget for each year, and will appropriate from its general revenues in each such year, the amount of the debt service on the Bonds for such year, and will duly and punctually pay or cause to be paid from its Sinking Fund, as hereinafter defined, or any other of its revenues or funds, the principal of each of the Bonds and the interest thereon at the dates and place and in the manner stated on the Bonds, and for such budgeting, appropriation and payment the School District, subject to statutory restrictions and limitation, irrevocably has pledged its full faith, credit and taxing power, within the limits provided by law. (See "**TAXING POWERS OF THE SCHOOL DISTRICT**" herein). The Act presently provides for enforcement of debt service payments as hereinafter described (see "**DEFAULTS AND REMEDIES**" herein), and the Pennsylvania Public School Code presently provides for the withholding and application of subsidies in the event of failure to pay debt service (see "**Commonwealth Enforcement of Debt Service Payments**" hereinafter).

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"), presently 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 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 depositary 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. 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**" hereinafter.

Pennsylvania Budget Adoption

Over the past several years the Commonwealth of Pennsylvania has, from time to time, started its fiscal year without a fully adopted state 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 included (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 million increase over the same appropriation for the 2024-25 fiscal year. The budget also increased the Ready to Learn Block Grant program appropriation by approximately 68% from the 2024-25 fiscal year. In addition, the budget included $175 million in estimated savings for school districts through reforms to the existing cyber charter school law.

After approximately two weeks of delay, Governor Josh Shapiro signed the state's budget for the 2026-27 fiscal year on July 12, 2026. The $50.85 billion budget represents a 1.4% increase in spending over the prior fiscal year. The budget includes $8.3 billion for the basic education funding appropriation, which is a $50 million increase over the 2025-26 fiscal year appropriation, and $1.58 billion for the special education appropriation, which is a $55 million increase over the same appropriation for the 2025-26 fiscal year. The budget also includes $75 million in annual savings from cyber charter funding reform, bringing total cyber charter savings to $250 million annually. (See "**SECURITY FOR THE BONDS**" herein.)

*During a state budget impasse, school districts in Pennsylvania cannot be certain when 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 School Code, however recent legislation included in Act 85 of 2016 has attempted to address the timeliness of the withholding provisions of Section 633 of the School Code during any future budget impasses. See "**Act 85 of 2016**" hereinafter.*

Act 85 of 2016

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 the Pennsylvania Department of Education ("PDE") to a school district 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" Section 633 of the Public School Code. The School District's general obligation bonds, including the Bonds, are subject to Section 633 of the Public School Code.

Act 85 of 2016 provides that the amounts that 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 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 with bonds or notes subject to an intercept statute or intercept agreement must deliver to PDE, in such format as PDE may direct, a copy of the final Preliminary Official Statement for the relevant bonds or notes or the loan documents relating to the obligations, within thirty (30) days of receipt of the proceeds of the obligations. The School District intends on submitting this information with respect to the Bonds 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.

Sinking Fund

A sinking fund for the payment of debt service on the Bonds, designated "Sinking Fund, Northern York County School District, General Obligation Bonds, Series of 2026" (the "Sinking Fund"), has been created under the Resolution and is maintained by the Paying Agent as sinking fund depository. The School District shall deposit in the Sinking Fund a sufficient sum not later than the date when interest and/or principal is to become due on the Bonds so that on each payment date the Sinking Fund will contain an amount which, together with any other funds available therein, is sufficient to pay, in full, interest and/or principal then due on the Bonds.

The Sinking Fund shall be held by the Paying Agent, as sinking fund depository, and invested by the Paying Agent in such securities or shall be deposited in such funds or accounts as are authorized by the 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 Paying Agent, as sinking fund depository, and such deposits and securities, together with the interest thereon shall be a part of the Sinking Fund.

The Paying Agent, as sinking fund depository, is authorized without further order from the School District to pay from the Sinking Fund the principal of and interest on the Bonds, as and when due and payable.

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 maturity and series of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

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.

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 a series and maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such series and maturity 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 on the Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Paying 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 Paying 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 ISSUER 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 THEREUNDER; (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 Issuer 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 Preliminary Official Statement.

REDEMPTION OF BONDS

Mandatory Redemption

The Bonds stated to mature on November 15, ____, are subject to redemption prior to maturity as required by the Resolution, in the amounts and on November 15 of the years shown below, from moneys in the Mandatory Sinking Fund created pursuant to the Resolution, upon payment of the principal amount thereof together with interest accrued to the date fixed for redemption.

Bonds stated to mature November 15, _____:

*Stated Maturity

In lieu of such Mandatory Redemption, the Paying Agent, on behalf of the School District, may purchase from money in the Sinking Fund, at a price not to exceed the principal amount plus accrued interest, or the School District may tender to the Paying Agent, all or part of the Bonds subject to being drawn for redemption in any such year.

Optional Redemption

The Bonds stated to mature on or after November 15, ______ shall be subject to redemption prior to maturity, at the option of the School District, as a whole, on _________ or on any date thereafter, or from time to time, in part on _____________ (and if in part, if any order of maturity as selected by the School District and within a maturity by lot), in either case upon payment of a redemption price of 100% of the principal amount of such Bonds, together with accrued interest to the redemption date.

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 to 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 but no more than forty-five (45) days prior to the date fixed for redemption addressed to each of the registered owners of Bonds to be redeemed, in whole or in part, at the addresses shown on the registration books; 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 accrued 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 to such Bonds, except to receive payment of the principal of and accrued interest on such Bonds to the date fixed for redemption.

The notice of redemption may state that it is conditional, that it is subject to the deposit of sufficient redemption money with the Paying Agent no later than a time satisfactory to the Paying Agent on the redemption date and the School District has timely deposited with the Paying Agent money sufficient to redeem all the Bonds called for redemption. Such notice shall be of no effect unless and until such money is so deposited.

Manner of Redemption

*So long as Cede & Co., as nominee of DTC, is the registered owner of the Bonds, however, payment of the redemption price shall be made to Cede & Co. in accordance with the existing arrangements by and among the School District, the Paying Agent and DTC and, if less than all Bonds of any particular maturity are to be redeemed, the amount of the interest of each DTC Participant, Indirect Participant and Beneficial Owner in 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 Bond, payment of the redemption price shall be made only upon surrender of a certificated Bond in exchange for a Bond or Bonds of authorized denominations in 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 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 the 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.

THE SCHOOL DISTRICT

Introduction

The area of the School District lies in the northern portion of York County, adjoining Cumberland County on its western border and Adams County on the south. The City of Harrisburg is located 15 miles northeast of the School District, and the City of York is 25 miles southeast of the School District. Municipalities comprising the School District include the Boroughs of Dillsburg, Franklintown and Wellsville and the Townships of Carroll, Franklin, Monaghan, Warrington and Washington.

Administration

Effective July 1, 1966, the former school districts of the townships of Carroll, Franklin, Monaghan and Warrington and the Boroughs of Dillsburg, Franklintown and Wellsville reorganized as the School District with a nine-member Board of School Directors (the "School Board"), elected for four-year terms. The Superintendent is the chief administrative officer of the School District, with overall responsibility for all aspects of operations, including education and finance. The Chief Financial and Operations Officer is responsible for budget and financial operations. Both officials are selected by the School Board.

Washington Township Transfer

Effective July 1, 2021, all of the geographical area of Washington Township, York County, Pennsylvania (the "Township") has been transferred to and become a part of and became served by the School District, the Township being transferred from the Dover Area School District (the "DASD"). The transfer occurred as a result of orders of the Commonwealth Court and the Department of Education of the Commonwealth. As of July 1, 2021, the School District is the taxing authority with respect to school taxes for the taxpayers of the Township, and is responsible for the education of the students who reside in the Township. The School District is currently receiving school tax revenues from the Township beginning with the 2022-23 fiscal year. The amount of increased state subsidy that will be received by the School District as a result of the transfer has yet to be determined, and the School District has not yet received any related state subsidies. A request by DASD that the School District assume some presently undefined portion of the outstanding debt and obligations of DASD is pending. In the event that the School District may be required to assume a portion of such debt, the School District anticipates that any such required assumption would not have a material negative affect upon the financial condition of the School District.

The Township is a township of the second class located in York County, Pennsylvania. The Township has a population of approximately 2,573 per the 2020 Census.

Except as footnoted herein, none of the demographic or financial information in this Preliminary Offering Statement includes the relevant information of the Township.

School Facilities

The School District presently operates four elementary schools, one middle school, and one high school, all as described in Table 1. Students in grades 10-12 also have the option of attending the Cumberland-Perry Career and Technical Center.

TABLE 1
NORTHERN YORK COUNTY SCHOOL DISTRICT
SCHOOL FACILITIES

Building	Original Construction Date	Addition/ Renovation Date(s)	Grades	Rated Pupil Capacity	2025-26 Enrollment
Elementary:					
Dillsburg	1979	2015	K-5	714	423
Northern	1961	2000	K-5	550	389
Wellsville	1959	2017	K-5	360	243
South Mountain	1999	---	K-5	600	378
Secondary:					
Northern Middle[1]	1970	2000	6-8	1,138	748
Northern High	2002	---	9-12	1,784	926

[1]Includes 6th grade enrollments.
Source: PDE and School District Officials

Enrollment Trends

Table 2 presents recent trends in school enrollment and projections of enrollment for the next four years, as prepared by the School District's administrative officials.

TABLE 2
NORTHERN YORK COUNTY SCHOOL DISTRICT
ENROLLMENT TRENDS

Actual Enrollments				Projected Enrollments			
School Year	Elementary	Secondary	Total	School Year	Elementary	Secondary	Total
2021-22	1,488	1,826	3,314	2026-27	1,422	1,918	3,340
2022-23	1,545	1,812	3,357	2027-28	1,530	2,049	3,579
2023-24	1,515	1,829	3,344	2028-29	1,447	1,825	3,272
2024-25	1,471	1,745	3,216	2029-30	1,535	1,810	3,345
2025-26	1,433	1,778	3,211	2030-31	1,538	1,825	3,363

Source: School District officials.

SCHOOL DISTRICT FINANCES

Introduction

The School District budgets and expends funds according to procedures mandated by the Pennsylvania Department of Education ("PDE"). An annual operating budget is prepared by the Superintendent and Chief Financial and Operations Officer and submitted to the School Board for approval prior to the beginning of the fiscal year on July 1.

Financial Reporting

The financial statements of the School District are prepared in accordance with accounting principles generally accepted in the United States of America. The School District will be in compliance with Governmental Accounting Standards Board (GASB) in future years. The School District's reporting entity will apply all relevant GASB pronouncements. The School District's financial statements are audited annually by a firm of independent certified public accountants, as required by State law. The firm of Smith, Elliott, Kearns, and Company, LLC of Chambersburg, Pennsylvania serves as School District's auditor.

The School District keeps its books and prepares its financial reports according to a modified accrual basis.

The School District's auditor has not been engaged to perform, and has not performed, since the date of its report included at Appendix D to this Preliminary Official Statement, any procedure on the financial statement addressed in that report. Nor has the School District's auditor performed any procedures relating to this Preliminary Official Statement.

Budgeting Process in School Districts under the Taxpayer Relief Act

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

Procedures for Adoption of the Annual Budget. Under the Taxpayer Relief Act, all school districts of the first class A, second class, third class and fourth class (except as described below) must adopt a preliminary budget proposal (which must include estimated revenues and expenditures and proposed tax rates) no later than 90 days prior to the date of the election immediately preceding the fiscal year. The preliminary budget proposal 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' public notice of its intent to adopt the final budget.

If the adopted preliminary budget includes an increase in the rate of any tax levy, the preliminary budget must be submitted to the PDE no later than 85 days prior to the date of the election immediately preceding the fiscal year. PDE is to compare the proposed percentage increase in the rate of any tax with the school district's Index (see **"The Taxpayer Relief Act (Act 1)"** herein) and within 10 days, but not later than 75 days prior to the upcoming election, inform the school district whether the proposed percentage increase is less than or equal to the Index. If PDE determines that a proposed tax increase will exceed the Index, the school district must reduce the proposed tax increase, seek voter approval for the tax increase at the upcoming election, or seek approval to utilize one 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 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 only that the proposed annual budget be prepared at least 30 days, and made available for public inspection at least 20 days, prior to its adoption, and that at least ten (10) days' public notice be given of the board's intent to adopt the annual budget. No referendum exceptions are available to a school district adopting such a resolution.

Summary and Discussion of Financial Results

A summary of the General Fund balance sheet and changes in fund balances is presented in Table 3. Tables 4 and 5 shows revenues and expenditures for the past five years and the budget for 2025-26 and 2026-27. The budget for 2025-26, as adopted May 20, 2025, has budgeted revenue of $70,528,817 and expenditures of $70,477,440. The budget for 2026-27, as adopted May 19, 2026, has budgeted revenue of $73,267,133 and expenditures of $73,430,257.

TABLE 3
NORTHERN YORK COUNTY SCHOOL DISTRICT
SUMMARY OF COMPARATIVE GENERAL FUND BALANCE SHEET*
(Years Ending June 30)

ASSETS	**2021**	**2022**	**2023**	**2024**	**2025**
Cash and Cash Equivalents	$5,215,093	$7,463,609	$11,555,977	$13,914,669	$14,168,228
Investments	0	0	0	0	0
Taxes Receivable	1,695,983	2,137,853	2,437,361	2,390,516	2,615,883
Interfund Receivable	317,751	50,881	65,859	64,714	91,038
Other Intergovernmental Revenue Receivable	2,607,077	2,517,514	1,962,040	3,149,986	3,325,824
Other Receivables	125,057	152,618	352,892	239,287	583,962
Inventories	218,497	214,089	236,884	150,942	160,155
Prepaid Expenses/Expenditures	66,545	63,865	32,743	37,921	27,700
TOTAL ASSETS	$10,246,003	$12,600,429	$16,643,756	$19,948,035	$20,972,790
LIABILITIES					
Accounts Payable	$337,925	$789,277	$955,065	$1,206,568	$1,631,554
Due to Other Funds	0	14,448	12,348	15,886	34,407
Accrued Salaries and Benefits	3,034,009	3,125,613	3,916,926	4,002,159	4,317,849
Payroll Deductions and Withholdings	0	0	0	0	0
Deferred Revenues	3,181	26,647	1,631	1,700	1,700
Other	0	0	0	0	0
TOTAL LIABILITIES	$3,375,115	$3,955,985	$4,885,970	$5,226,313	$5,985,510
DEFERRED INFLOWS OF RESOURCES					
Deferred Revenues	$601,335	$1,042,641	$1,173,539	$1,026,940	$1,308,138
FUND EQUITIES					
Nonspendable Fund Balance	$285,042	$277,954	$263,845	$187,423	$187,855
Restricted Fund Balance	0	216,598	215,845	215,881	212,989
Committed Fund Balance	234,613	1,496,228	2,860,612	7,334,863	7,321,422
Assigned Fund Balance	374,136	87,075	92,545	375,992	118,951
Unassigned Fund Balance	346,115	5,523,948	7,151,400	5,580,623	5,837,925
TOTAL FUND EQUITIES	$1,239,906	$7,601,803	$10,584,247	$13,694,782	$13,679,142
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND EQUITIES	$5,216,356	$12,600,429	$16,643,756	$19,948,035	$20,972,790

*Totals may not add due to rounding.
Source: Annual Financial Reports.

TABLE 4
NORTHERN YORK COUNTY SCHOOL DISTRICT GENERAL FUND
SUMMARY OF CHANGES IN FUND BALANCE*
(Years Ending June 30)

	Actual				Budget	Budget
	2022	**2023**	**2024**	**2025**	**2026**[1]	**2027**[2]
Beginning Fund Balance............	$6,269,550	$7,601,799	$10,584,244	$13,694,779	$13,679,138	$13,730,515
Revenues over (under) Expenditure	1,332,249	2,982,445	3,110,535	(15,640)	51,377	(163,124)
Change in Inventory Reserve/Prior Period Adjustment	0	0	0	0	0	0
Ending Fund Balance................	$7,601,799	$10,584,244	$13,694,779	$13,679,138	$13,730,515	$13,567,391

*Totals may not add due to rounding.
[1]Budget, as adopted May 20, 2025.
[2]Budget, as adopted May 19, 2026.
Source: School District Annual Financial Reports and Budget.

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Revenue

The School District received $68,359,303 in revenue in 2024-25 and has budgeted $70,528,817 in 2025-26 and $73,267,133 in 2026-27. Local sources increased as a share of total revenue in the past four years, from 58.0 percent in 2021-22 to 64.0 percent in 2024-25. Revenue from Commonwealth sources increased as a share of total revenue from 26.5 percent to 34.8 percent over this period. Federal and Other sources decreased as a share of total revenue from 15.5 percent to 1.3 percent during this period.

TABLE 5
NORTHERN YORK COUNTY SCHOOL DISTRICT
SUMMARY OF SCHOOL DISTRICT GENERAL FUND REVENUES*
(Years Ending June 30)

REVENUE:	Actual				Budget	Budget
Local Sources:	2022	2023	2024	2025	2026 (1)	2027 (2)
Real Estate Taxes	$29,716,972	$30,699,447	$31,928,469	$32,652,161	$32,842,570	$34,975,431
Interim Real Estate	172,087	275,523	311,633	314,088	230,393	293,000
Public Utility Realty Tax	30,793	31,726	33,230	37,527	33,000	38,000
Payments in lieu of Current Taxes/State & Local	3,005	3,005	3,005	3,005	3,000	3,000
Per Capita (Sec. 679) Taxes	75,972	74,832	0	0	0	0
Total Act 511 Taxes	6,553,260	7,685,963	7,675,579	7,577,503	7,911,600	8,264,054
Delinquency on Taxes Levied	630,596	611,146	779,100	677,949	623,000	637,000
Earnings from Investments	13,368	645,505	985,899	949,832	800,000	775,000
Revenue from Student Activities	252,907	307,448	418,006	346,059	260,500	350,000
State Rev. Rec'd. from PA Public Schools	87,149	112,059	126,267	141,507	0	0
Fed. Rev. Rec'd. from PA Public Schools	621,108	569,316	582,017	527,872	630,000	640,000
Rentals	43,772	44,916	35,702	22,755	40,000	30,000
Contributions & Donations	0	425,033	0	114	2,000	2,000
Regular Day School Tuition	1,330	0	0	0	182,000	310,000
Receipts from other LEAs	109,437	191,097	163,149	341,690	0	0
Refunds of Prior Years' Expenditures	78,404	184,635	207,785	86,211	190,000	115,362
All Other Revenues Not Specified	27,395	52,009	22,136	40,104	0	0
Total Local Sources	$38,417,554	$41,913,659	$43,271,976	$43,718,377	$43,748,063	$46,432,847
State Sources:						
Basic Instructional Subsidy	$8,023,552	$8,757,170	$9,880,756	$10,246,391	$11,553,500	$11,628,400
Tuition for Orphans & Children in Private Homes	56,381	29,801	18,202	45,813	20,000	30,000
Vocational Education	29,595	29,855	34,008	38,117	50,000	40,000
Special Education	1,842,947	1,988,481	2,155,992	2,426,668	2,520,000	2,485,000
Transportation	1,316,999	1,515,327	1,684,138	1,911,454	1,830,000	2,033,000
Rentals and Sinking Fund Payments	568,531	591,833	604,177	923,166	739,000	176,000
Health Services	56,653	59,303	59,883	65,260	60,000	60,000
State Property Tax Reduction Allocation	728,326	914,416	910,189	1,095,180	1,269,037	1,271,753
Grants	384,133	401,640	561,280	1,700,299	2,768,217	3,154,133
Revenue for Social Security	788,502	876,135	932,954	907,039	970,000	1,000,000
Revenue for Retirement Payments	3,776,044	4,076,526	4,185,217	4,136,996	4,500,000	4,400,000
Other Sources	1,798	1,383,555	35,476	259,806	0	0
Total State Sources	$17,573,461	$20,624,043	$21,062,271	$23,756,188	$26,279,754	$26,278,286
Federal Sources:						
Total Federal Sources	$1,313,009	$1,291,846	$1,636,186	$562,577	$501,000	$556,000
Other Sources:						
Total Other Sources	$8,972,816	$11,586	$881,776	$322,161	$0	$0
TOTAL REVENUE	$66,276,839	$63,841,135	$66,852,210	$68,359,303	$70,528,817	$73,267,133

*Totals may not add due to rounding.
(1)Budget, as adopted May 20, 2025. See "Summary and Discussion of Financial Results" herein.
(2)Budget, as adopted May 19, 2026. See "Summary and Discussion of Financial Results" herein.
Source: School District Annual Financial Reports and Budget.

Expenditures

TABLE 5
NORTHERN YORK COUNTY SCHOOL DISTRICT
SUMMARY OF SCHOOL DISTRICT GENERAL FUND EXPENDITURES*
(Years Ending June 30)

	Actual				Budget	Budget
EXPENDITURES:	**2022**	**2023**	**2024**	**2025**	**2026[1]**	**2027[2]**
Instruction	$32,914,770	$33,105,142	$35,414,594	$39,030,545	$37,656,713	$39,514,044
Pupil Personnel	2,297,799	2,536,157	2,592,640	2,831,666	2,927,568	3,115,629
Instructional Staff	1,275,163	1,454,111	1,418,769	1,388,701	1,523,512	1,481,778
Administration	3,896,492	3,690,895	3,772,955	3,871,219	3,950,664	4,058,185
Pupil Health	821,435	802,600	862,215	964,426	819,964	912,540
Business	690,517	723,047	747,335	761,657	795,877	816,625
Operation and Maintenance	3,918,601	4,473,855	4,847,845	5,311,994	5,054,986	5,329,434
Student Transportation	2,954,121	3,228,386	3,619,118	3,789,186	3,947,093	4,223,325
Central	1,482,111	2,152,652	2,391,489	2,327,270	2,442,101	2,441,746
Other Support Services	29,496	28,329	28,438	32,504	30,000	33,000
Operation of Noninstructional Services	1,526,292	1,702,383	1,843,303	1,923,492	1,864,962	2,028,951
Debt Service	12,627,419	6,491,180	5,048,267	5,742,282	8,959,000	9,060,000
Debt Service - Refunded Bonds	0	0	0	0	0	0
Refund of Prior Years Receipts	0	0	0	0	0	0
Fac. Adq., Const. and Imp.	36,374	33,377	754,708	0	5000	5000
Fund Transfers	474,000	436,576	400,000	400,000	500,000	410,000
Short Term Borrowing - Interests and Costs	0	0	0	0	0	0
Budgetary Reserve	0	0	0	0	0	0
TOTAL EXPENDITURES	$64,944,590	$60,858,690	$63,741,674	$68,374,943	$70,477,440	$73,430,257
SURPLUS (DEFICIT) OF REVENUES OVER EXPENDITURES	$1,332,249	$2,982,445	$3,110,535	($15,640)	$51,377	($163,124)

*Totals may not add due to rounding.
[1]Budget, as adopted May 20, 2025. See “Summary and Discussion of Financial Results” herein.
[2]Budget, as adopted May 19, 2026. See “Summary and Discussion of Financial Results” herein.
Source: School District Annual Financial Reports and Budget.

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TAXING POWERS OF THE SCHOOL DISTRICT

In General

Subject to certain limitations imposed by the Taxpayer Relief Act, Act No. 1 of the Special Session of 2006, as amended (see "The Taxpayer Relief Act (Act 1)" herein), the School District is empowered by the School Code and other statutes to levy the following taxes:

1. A basic 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 or inhabitant 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, an additional per capita tax, a wage and other earned income tax, a real estate transfer taxes, 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") 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.

The Taxpayer Relief Act (Act 1)

Under Pennsylvania Act No. 1 of the Special Session of 2006, as amended by Act 25 of 2011 ("The Taxpayer Tax Relief Act" or "Act 1"), a school district may not, in fiscal year 2007-2008 or in any subsequent fiscal year, levy any tax for the support of the public schools which was not levied in the 2006-2007 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 (Act 511), 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 of the exceptions summarized below is applicable and the use of such exception is approved by the Pennsylvania Department of Education ("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, or (ii) prior to June 27, 2006, in the case of a school district which had not elected to become subject to Act 72 of 2004; to pay interest and principal on any indebtedness approved by the voters at referendum (electoral debt); and 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; and

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.

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. 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.

The Index (to be determined and reported by PDE by September of each year for application to the following fiscal year) is the average of the percentage increase in the statewide average weekly wage, as determined by the State Department of Labor and Industry for the preceding calendar year, and the employment cost index for elementary and secondary schools, as reported by the federal Bureau of Labor Statistics for the preceding 12-month period beginning July 1 and ending June 30. If and when a school district has a Market Value/Income Aid Ratio greater than 0.40 for the prior school year, however, the Index is adjusted upward by multiplying the unadjusted Index by the sum of 0.75 and such Aid Ratio.

SET FORTH ABOVE IS A SUMMARY OF ACT 1 AND ITS IMPACT. THIS SUMMARY IS NOT INTENDED TO BE AN EXHAUSTIVE DISCUSSION OF THE PROVISIONS OF ACT 1 NOR A LEGAL INTERPRETATION OF ANY PROVISION OF ACT 1, AND A PROSPECTIVE PURCHASER OF THE BONDS SHOULD REVIEW THE FULL TEXT OF ACT 1 AS A PART OF ANY DECISION TO PURCHASE THE BONDS.

Status of the Bonds Under Act 1

The Bonds constitute indebtedness incurred after the effective date of Act 1. Therefore, any tax increases required to pay the debt service due on the Bonds, together with other expenditures in each fiscal year, would have to be within the Act 1 Index or, the School District would be required to use other (non-debt related) exceptions to the Index or seek voter approval by referendum.

Act 48 of 2003

Pennsylvania Act No. 2003-48 (enacted December 23, 2003) prohibits a school district from increasing real property taxes for the school year 2005-2006 or any subsequent school year, unless the school district has adopted a budget for such school year that includes an estimated ending unreserved undesignated fund balance which is not more than a specified percentage of the total budgeted expenditures, as set forth below:

Total Budgeted Expenditures	Estimated Ending Unreserved Undesignated Fund Balance as a Percentage of 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 fund balance" is defined in Act 2003-48 as that portion of the fund balance which is appropriable 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.

SET FORTH ABOVE IS A SUMMARY OF PORTIONS OF ACT 48. THIS SUMMARY IS NOT INTENDED TO BE AN EXHAUSTIVE DISCUSSION OF THE PROVISIONS OF ACT 48 NOR 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.

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Tax Levy Trends

Table 6 shows the recent trend of tax rates levied by the School District. Table 7 shows the comparative trend of real property tax rates for the School District, the townships and boroughs comprising the School District, and York County. Washington Township became served by the School District on July 1, 2021. Therefore data related to Washington Township, beginning with fiscal year 2021-22, will appear in Table 7 below and will appear in Tables 6, 8, 9 and 10 in future disclosures.

TABLE 6
NORTHERN YORK COUNTY SCHOOL DISTRICT TAX RATES

	Real Estate (mills)	Per Capita ($)[1]	Real Estate Transfer (%)	Wage and Income (%)[2]	Amusement (%)
2021-22	18.7339	10.00	0.50	0.75	5.00
2022-23	19.2959	10.00	0.50	0.75	5.00
2023-24	19.8362	0.00	0.50	0.75	5.00
2024-25	20.1337	0.00	0.50	0.75	5.00
2025-26	20.3350	0.00	0.50	0.75	5.00

(1)Includes School Code and Act 511 taxes.
(2)Subject to sharing.

Source: School District Budgets.

TABLE 7
NORTHERN YORK COUNTY SCHOOL DISTRICT
COMPARATIVE REAL PROPERTY TAX RATES
(Mills on Assessed Value)

	2021-22	2022-23	2023-24	2024-25	2025-26
School District	18.7339	19.2959	19.8362	20.1337	20.3350
Municipalities within the School District	**2022**	**2023**	**2024**	**2025**	**2026**
Carroll Township	2.62	2.62	2.62	2.62	2.62
Dillsburg Borough	2.87	2.87	2.87	2.87	2.87
Franklin Township	0.60	0.60	0.60	0.60	1.19
Franklintown Borough	2.07	2.07	2.07	2.07	2.87
Monaghan Township	1.30	1.30	1.30	1.30	1.50
Warrington Township	0.21	0.21	0.21	0.21	0.21
Washington Township*	0.45	0.45	0.45	0.45	0.45
Wellsville Borough	0.42	0.42	0.42	0.42	0.42
York County	5.90	6.90	6.90	6.90	6.90

Source: School District Budgets and York County website.
*Washington Township became served by the School District on July 1, 2021

Real Property Tax

The real property tax (excluding delinquent collections) produced $33,284,130 in 2025-26, approximately 48.7 percent of total revenue. The tax is levied on July 1 of each year. Taxpayers who remit within 77 days receive a 2 percent discount, those who remit subsequent to 77 days after July 1 are at par and those who remit after November 15 are at a 10% penalty. The County underwent a county wide reassessment which became effective in 2006 for the County, and which took effect for the School District in the 2005-06 School Year.

Under Section 602 of the Pennsylvania Fourth to Eighth Class County Assessment Law, 72 P.S. §5453.602, as amended, whenever a county makes a county-wide reassessment of real property or changes its predetermined ratio of assessed to market value of real property for tax purposes, a school district located in that county must reduce, if necessary, its tax rate for the first year in which it levies taxes based upon such revised assessment or valuation for the purpose of having the total amount of taxes levied for that first year against the properties taxed in the preceding year equal not more than 110% of the total amount the School District levied on such properties in the preceding year, notwithstanding the increased valuation of such properties under the new assessment system. For the purpose of determining the total amount of taxes to be levied for such first year, however, the amount to be levied on newly constructed buildings or structures or on increased valuations based on new improvements made to existing houses need not be considered. Furthermore, the School District may exceed the foregoing limitation with the approval of the court of common pleas, upon good cause shown.

The following tables summarize recent trends of assessed and market valuations of real property and real property tax collection data.

TABLE 8
NORTHERN YORK COUNTY SCHOOL DISTRICT
REAL PROPERTY ASSESSMENT DATA

Year	Market Value	Assessed Value	Ratio
2021-22	$1,626,968,576	$1,507,232,600	92.6%
2022-23*	2,005,187,162	1,684,238,508	84.0%
2023-24*	2,034,010,287	1,704,030,593	83.8%
2024-25*	2,278,498,281	1,724,205,384	75.7%
2025-26*	2,309,414,452	1,741,868,474	75.4%
Compound Average Annual Percentage Change	9.15%	3.68%	

Source: Pennsylvania State Tax Equalization Board. The transfer of Washington Township into the School District became effective July 1, 2021. The Pennsylvania State Tax Equalization Board failed to include the Real Property Assessment Data for Washington Township starting with fiscal year 2021-22. Washington Township's 2021-22 Market Value was $222,320,316 and its Assessed Value was $164,162,806.
*Includes Washington Township

TABLE 9
NORTHERN YORK COUNTY SCHOOL DISTRICT
REAL PROPERTY ASSESSMENT DATA

	2024 Market Value	2024 Assessed Value	2025 Market Value	2025 Assessed Value
School District	$2,278,498,281	$1,724,205,384	$2,309,414,452	$1,741,868,474
Municipalities within the School District				
Carroll Township	$684,788,673	$561,414,428	$691,642,633	$565,562,158
Dillsburg Borough	183,609,960	135,803,457	186,395,038	136,910,607
Franklin Township	392,918,344	286,489,125	398,549,238	289,716,965
Franklintown Borough	29,035,522	23,134,090	29,111,219	23,179,840
Monaghan Township	299,627,949	213,086,942	304,624,977	216,227,492
Warrington Township	432,119,148	321,933,156	435,800,859	323,630,356
Washington Township	238,649,053	166,481,096	245,352,359	170,664,586
Wellsville Borough	17,749,632	15,863,090	17,938,130	15,976,470
York County	$36,883,238,444	$29,861,545,479	$37,397,534,158	$30,190,016,866

Source: Pennsylvania State Tax Equalization Board.

TABLE 10
NORTHERN YORK COUNTY SCHOOL DISTRICT
ASSESSMENT BY LAND USE

	2021*	2022	2023	2024	2025
Residential	$1,154,701,421	$1,259,966,108	$1,275,753,978	$1,286,850,749	$1,297,124,769
Trailers	11,378,480	13,219,030	13,427,270	13,683,980	13,785,780
Lots	25,279,080	27,762,641	26,949,886	26,046,376	25,959,076
Industrial	16,787,960	17,967,530	18,857,660	23,786,110	24,467,510
Commercial	122,516,968	128,252,118	128,455,288	129,183,668	130,583,198
Agriculture	167,823,261	227,511,411	231,143,961	235,223,591	240,710,891
Land	8,745,430	9,559,670	9,442,550	9,430,910	9,237,250
Total	$1,507,232,600	$1,684,238,508	$1,704,030,593	$1,724,205,384	$1,741,868,474

Source: Pennsylvania State Tax Equalization Board.
*Does not include values for Washington Township for 2021 but does include the Washington Township values going forward.

TABLE 11
NORTHERN YORK COUNTY SCHOOL DISTRICT
REAL PROPERTY TAX COLLECTION DATA

Year	Adjusted Levy(1)	Current Collections Amount	Current Year Collections as Percent of Adjusted Levy	Total Delinquent Collections and Total Current Collections Amount	Total Current as Percentage of Adjusted Levy
2021-22	$30,689,119	$29,716,972	96.83%	$30,312,305	98.77%
2022-23	31,774,286	30,699,125	96.62%	31,251,871	98.36%
2023-24	33,075,654	31,928,432	96.53%	32,657,025	98.73%
2024-25	33,794,502	32,652,161	96.62%	33,325,903	98.61%
2025-26	34,408,140	33,284,130	96.73%	34,767,925	101.05%

(1) Flat billing plus penalties, less discounts.
Source: School District officials. The Real Property Tax Collection Data for Years 2021-22 and 2022-23 does include Washington Township data.

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The ten largest real property taxpayers in the School District, together with their assessed values are shown in Table 12. The aggregate assessed value of these ten taxpayers totals approximately 3.6 percent of total assessed value.

TABLE 12
NORTHERN YORK COUNTY SCHOOL DISTRICT
TEN LARGEST REAL PROPERTY TAXPAYERS

Owner	2025-26 Assessed Value
Dillsburg Center/Land LLC	$12,978,700
Presbyterian Homes / Schartner House / Westminster Place	8,328,050
Fox, Harry H Jr	7,925,540
Dillsburg 1 APL RKC LLC	6,598,250
William Wessel & Virginia	5,044,220
Spring Lane Partners II LLC	7,834,200
Ski Roundtop Inc / Ski America Inc	4,182,305
Lobar Properties LLC	3,824,060
Dillsburg Nominee LP	3,432,850
Lebo Reed RW Partnership	3,004,200
Total	$63,152,375

Source: School District officials.

Other Taxes

Under Act 511, the School District collected $7,577,503 in other taxes in 2024-25. Its limit under Act 511 equal to 12 mills on the market value of real property was approximately $27,712,973. Among the Act 511 taxes collected are:

Wage and Income Tax. A tax of .75 percent is levied on earned income of residents. In 2024-25 the collected portion of this tax was an estimated $6,920,486 or 10.8 percent of total revenue.

Amusement Tax. A tax of 10% of the admission price on outdoor recreation facilities is levied by the School District. In 2024-25 the collected portion of this tax is $11,636 or less than one-half of one percent of total revenue. The legislature passed Act 124 of 2002, and signed October 4, 2002, prohibits the collection of taxes on the admission to ski resorts, effective December 1, 2002.

Real Estate Transfer. A tax of one-half percent of the value of real estate transfers yielded $645,381 in 2024-25 or 1 percent of total revenue

COMMONWEALTH AID TO SCHOOL DISTRICTS

General

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 may also receive state aid for special education, pupil transportation, vocational education, and health services, among other things.

Current Lack of State Appropriations for Debt Service Subsidies

Commonwealth law presently provides that the School District will receive, subject to state legislative appropriation, reimbursement from the Commonwealth for a portion of debt service paid on the Bonds following final approval by the PDE. Commonwealth reimbursement is calculated based on the "Reimbursable Percentage" assigned to the Bonds by the PDE and the School District's permanent Capital Account Reimbursement Fraction ("CARF") currently 53.98% or the wealth based Market Value Aid Ratio ("MVAR") currently 54.80%, whichever is higher. The Reimbursable Percentage is determined through a process known as the "Planning and Construction Workbook" or "PlanCon".

The School District estimates the Bonds will not be subject to reimbursement by the Commonwealth.

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 most recently became indefinite with the adoption of Act No. 33 of 2023 on December 13, 2023.

To date, the CFA has issued $1,903,065,000, to provide for PlanCon reimbursements owed to school districts, including 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, its Revenue Bonds, Series A of 2018 (Federally Taxable) in the total amount of $412,520,000 issued on January 18, 2018, its Revenues 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 have been and will continue to be used to provide PlanCon reimbursement that is owed to the School District for past and current 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 State would start to allow applicants to enter into the new program.

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.

Legislation has been introduced from time to time in the Pennsylvania legislature containing language that would revise or even abolish the debt service reimbursement program for Pennsylvania school districts. As of the date hereof, and except as described above, none of these proposals have been signed into law. To the extent that any future legislation contains material changes to the PlanCon program as it is structured currently, the amount of PlanCon reimbursement to the School District may be positively or negatively affected, which could materially impact the amount of local funds needed to be raised by the School District to pay debt service on its debt obligations.

DEBT AND DEBT LIMITS

Debt Statement

Table 13 which follows shows the debt under the provisions of the Local Government Unit Debt Act of the Northern York County School District as of July 7, 2026, including the issuance of the Bonds.

TABLE 13
NORTHERN YORK COUNTY SCHOOL DISTRICT
DEBT STATEMENT
(As of July 7, 2026)*

NONELECTORAL DEBT	Gross Outstanding
General Obligation Bonds, Series of 2026 (last maturity 2051)	$40,525,000*
General Obligation Bonds, Series of 2024 (last maturity 2043)	14,375,000
General Obligation Bonds, Series of 2023 (last maturity 2042)	14,345,000
General Obligation Bonds, Series A of 2022 (last maturity 2037)	9,510,000
General Obligation Bonds, Series of 2022 (last maturity 2029)	8,135,000
General Obligation Notes, Series B of 2021 (last maturity 2029)	4,575,000
General Obligation Bonds, Series of 2019 (last maturity 2029)	410,000
TOTAL NONELECTORAL DEBT	$91,875,000
LEASE RENTAL DEBT	
TOTAL LEASE RENTAL DEBT	$0
TOTAL PRINCIPAL OF DIRECT DEBT	$91,875,000

*Includes the estimated Bonds offered through this Preliminary Official Statement.

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Table 14 presents the overlapping indebtedness and debt ratios of the School District. After issuance of the Bonds, principal of direct debt of the School District will total $91,875,000*. After adjustment for available funds and estimated State aid, the local effort of direct debt will total $90,826,049*.

TABLE 14
NORTHERN YORK COUNTY SCHOOL DISTRICT
BONDED INDEBTEDNESS AND DEBT RATIOS*
(As of July 7, 2026)*

DIRECT DEBT	**Gross Outstanding**	**Local Effort or Net of Available Funds and Estimated State Aid[(1)]**
Nonelectoral Debt	$91,875,000	$90,826,049
Lease Rental Debt	0	0
TOTAL DIRECT DEBT	$91,875,000	$90,826,049
OVERLAPPING DEBT		
York County, General Obligation[(2)]	$13,479,155	$13,479,155
Municipal Debt	3,841,122	3,841,122
TOTAL OVERLAPPING DEBT	$17,320,277	$17,320,277
TOTAL DIRECT AND OVERLAPPING DEBT	$109,195,277	$108,146,326
DIRECT DEBT RATIOS		
Per Capita	$4,071.39	$4,024.91
Percent 2025-26 Assessed Value	5.27%	5.21%
Percent 2025-26 Market Value	3.98%	3.93%
DIRECT & OVERLAPPING DEBT RATIOS		
Per Capita	$4,838.93	$4,792.45
Percent 2025-26 Assessed Value	6.27%	6.21%
Percent 2025-26 Market Value	4.73%	4.68%

*Includes the estimated Bonds offered through this Preliminary Official Statement.

(1) Gives effect to expected future State reimbursement of School District sinking fund payments based on current CARF. See "**COMMONWEALTH AID TO SCHOOL DISTRICTS**" herein.

(2) Pro rata 5.77 percent of $233,620,341 principal amount outstanding. Reflects Washington Township now being served by the School District as of July 1, 2021.

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Debt Limit and Remaining Borrowing Capacity

The statutory borrowing limit of the School District under the Act is computed as a percentage of the School District's "Borrowing Base". The "Borrowing Base" is defined as the annual arithmetic average of "Total Revenues" (as defined by the Act), for the three full fiscal years ended next preceding the date of incurring debt. The School District calculates its present borrowing base and borrowing capacity as follows:

Total Revenues for 2023-24	$64,195,316
Total Revenues for 2024-25	67,108,007
Total Revenues for 2025-26 (budgeted)	69,789,817
Total	$201,093,140
Annual Arithmetic Average (Borrowing Base)	$67,031,047

Under the Act as presently in effect, new lease rental debt or new nonelectoral debt may not be incurred if the net amount of such new debt plus all outstanding net nonelectoral debt and net lease rental debt would cause the total net nonelectoral plus net lease rental debt to exceed 225% of the Borrowing Base. The application of the aforesaid percentages to the School District's Borrowing Base produces the following:

	Legal Limit	Net Debt Outstanding*	Remaining Borrowing Capacity
Net Nonelectoral Debt Limit:			
225% of Borrowing Base	$150,819,855	$91,875,000	$58,944,855

*Includes the estimated Bonds described herein and does not reflect credits against gross indebtedness that may be claimed for a portion of principal of debt estimated to be reimbursed by State aid.

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Debt Service Requirements

Table 15 presents the debt service requirements on the School District's outstanding general obligation and lease rental indebtedness including debt service on the Bonds.

Table 16 presents data on the extent to which State Aid provides coverage for debt service and lease rental requirements.

The School District has never defaulted on the payment of debt service.

TABLE 15
NORTHERN YORK COUNTY SCHOOL DISTRICT
DEBT SERVICE REQUIREMENTS*

	Other General Obligation	Series of 2026			Total
Year	Debt	Principal	Interest	Subtotal	Requirements
2026-27	$5,238,869				
2027-28	5,378,431				
2028-29	5,377,244				
2029-30	5,368,831				
2030-31	3,696,913				
2031-32	3,696,213				
2032-33	3,696,288				
2033-34	3,696,913				
2034-35	3,697,888				
2035-36	3,698,963				
2036-37	3,699,888				
2037-38	3,700,438				
2038-39	3,700,788				
2039-40	3,699,806				
2040-41	3,700,875				
2041-42	3,699,056				
2042-43	3,699,369				
2043-44	3,697,500				
2044-45	0				
2045-46	0				
2046-47	0				
2047-48	0				
2048-49	0				
2049-50	0				
2050-51	0				
Total	$73,144,269				

*Totals may not add due to rounding.

TABLE 16
NORTHERN YORK COUNTY SCHOOL DISTRICT
COVERAGE OF DEBT SERVICE AND LEASE RENTAL
REQUIREMENTS BY COMMONWEALTH AID*

2024-25 Commonwealth Aid Received	$23,756,188
2024-25 Debt Service Requirements	$5,742,282
Maximum Future Debt Service Requirements after Issuance of Bonds	$
Coverage of 2024-25 Debt Service Requirements	4.14 times
Coverage of Maximum Future Debt Service Requirements after Issuance of Bonds	times

*Assumes current Commonwealth Aid Ratio. See "**COMMONWEALTH AID TO SCHOOL DISTRICTS**" herein.

Future Financing

The School District anticipates issuing an additional $40 million for capital projects over the next 1-2 years.

LABOR RELATIONS

School District Employees

There are presently 392 employees of the School District, including 260 teachers, 20 administrators and 112 support personnel, including secretaries, maintenance staff, cafeteria employees, and teacher aides.

The School District's teachers are represented by the Northern York Education Association (the "Association"), an affiliate of the Pennsylvania State Education Association (PSEA), under a contract with the School District, which will expire on June 30, 2031. Secretaries, custodians, maintenance, and cafeteria employees and teacher aides are not represented by any union organization.

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 of Trustees certified an annual employer contribution rate of 33.6% for the fiscal year 2026-27.

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 will transition 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.

Annual School District contributions have been as follows:

2021-22	$7,264,060
2022-23	$7,703,625
2023-24	$7,740,409
2024-25	$7,966,558
2025-26 (budgeted)	$7,776,312
2026-27 (budgeted)	$7,740,409

At June 30, 2025, the School District reported a liability of $59,517,729 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 its one-year reported covered payroll as it relates to the total one-year reported covered payroll of all school districts. At June 30, 2024, the School District's proportion was 1422% which was an increase of .0033% from its proportion measured as of June 30, 2024.

As of June 30, 2025, the PSERS plan was 64.8% funded, with an unfunded actuarial accrued liability of approximately $42.0 billion. PSERS' rate of return for fiscal year ended June 30, 2025 was 9.67%. The Fund had plan net assets of $83.7 billion at June 30, 2025. For more information, visit the PSERS website at www.psers.pa.gov, which is not incorporated by specific reference into this Official Statement.

____
Source: School District Administrative Officials and PSERS.

Other Post-Employment Benefits

The School District is obligated under collective bargaining agreements to provide in the future health insurance coverage for current and future retired employees, and to provide retirement severance pay for existing employees. For a full description of the School District's Postemployment Healthcare Plan, please refer to Appendix D – Audited Financial Statements.

For further information on the effects of GASB Statement No.75, the School District's OPEB and other vested employee benefits, including valuation and sick pay, see "Appendix D- Audited Financial Statement, Note 10".

LITIGATION

At closing, the President or Vice-President of the Board of the School Directors will certify that there is no presently pending or threatened litigation which would materially and adversely affect the validity of the Bonds or the proceedings for issuance of same and there is no litigation which would materially affect the issuer's financial condition.

DEFAULTS AND REMEDIES

In the event of failure of the School District to pay or cause to be paid the interest on or principal of the Bonds, the holders of the Bonds shall be entitled to certain remedies provided by the Act. 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; any judgment shall have an appropriate priority upon the moneys next coming into the treasury of the School District. The Act also provides that upon a default of at least 30 days, holders of at least 25 percent of the Bonds may appoint a trustee to represent them. The Act provides certain other remedies in the event of default, and further qualifies the remedies herebefore described.

TAX EXEMPTION AND OTHER TAX MATTERS

Federal Tax Matters

In the opinion of Bond Counsel, assuming continuing compliance by the School District with certain covenants to comply with provisions of the Internal Revenue Code of 1986, as amended (the "Code") in order to preserve the Federal income tax exemption of the interest on the Bonds, interest on the Bonds is excluded from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals and, as to applicable corporations (as defined in Section 59(k) of the Internal Revenue Code, as amended (the "Code")); however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations for tax years beginning after December 31, 2022, under existing statutes, regulations, rulings and court decisions.

The School District will issue its certificate to the effect that on the basis of the facts, estimate and circumstances in existence on the date of delivery of the Bonds it will make no use of the proceeds of the Bonds if such use on the date of issuance reasonably had been expected to cause the Bonds to be "arbitrage bonds" under Section 148 of the Code or the United States Treasury regulations relating to "arbitrage bonds" or corresponding provisions of any Federal tax laws or regulations from time to time proposed or enacted and at the time applicable or proposed to be applicable to the Bonds.

Failure of the School District to comply with certain provisions of the Code, including the requirements to pay certain arbitrage profits to the United States Treasury (unless the School District qualifies for exemption from such requirement) may result in the interest on the Bonds becoming includable in the gross income of the Bondholders. In certain circumstances, such taxability of the interest on the Bonds may be retroactive to the date of the original issuance. It is not anticipated that it will be necessary to rebate any arbitrage profits under the Code.

Deductions for Interest Paid by Financial Institutions to Purchase or Carry Tax-Exempt Obligations

Under the Internal Revenue Code of 1986, as amended (the "Code"), financial institutions are disallowed 100 percent of their interest expense deductions that are allocable, by a formula, to tax-exempt obligations acquired after August 7, 1986. An exception, which reduces the amount of the disallowance, is provided for certain tax-exempt obligations that are designated or "deemed designated" by the issuer as "qualified tax-exempt obligations" under Section 265 of the Code.

The Bonds shall **not** be qualified tax-exempt obligations for purposes of Section 265 of the Code (relating to expenses and interest rating to tax-exempt income of certain financial institutions.)

Financial institutions intending to purchase Bonds should consult with their professional tax advisors to determine the effect of the interest expense disallowance on their federal income tax liability.

Other Federal Tax Matters

Ownership of the Bonds may result in other collateral federal income tax consequences to certain taxpayers, including, but not limited to, financial institutions, property and casualty insurance companies, certain subchapter S corporations with substantial passive income and subchapter C earnings and profits, individual recipients of Social Security and Railroad Retirement benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry the Bonds. No opinion or representation concerning these matters is being given or made by the School District, Bond Counsel or any other party associated with the issuance, offering or sale of the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors concerning these matters.

Changes in Law

From time to time, certain legislative proposals may be introduced, or may now be pending, in the Congress of the United States, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters described above or affect the market value of the Bonds. No prediction can be made whether or in what form any such proposal or proposals might be enacted into law or whether, if enacted, the same would apply to bonds issued prior to enactment.

Bond Counsel gives no assurance that any future legislation or clarifications or amendments to the Code, if enacted into law, will not cause the interest on the Bonds to be subject, directly or indirectly, to federal income taxation, or otherwise prevent any beneficial owner of a Bond from realizing the full current benefit of the tax status of the interest on the Bonds. Prospective purchasers of the Bonds are encouraged to consult their own tax advisors regarding any pending or proposed federal legislation, as to which Bond Counsel expresses no view.

The Inflation Reduction Act, H.R. 5376 (the "IRA"), was signed into law by President Biden on August 16, 2022. The IRA includes a 15 percent 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. Under the IRA, interest on the Bonds is included in the "adjusted financial statement income" of such corporations for purposes of computing such alternative minimum tax.

Pennsylvania Tax Matters

On the Date of Delivery of the Bonds, Bond Counsel will issue an opinion to the effect that under existing laws of the Commonwealth, the Bonds are exempt from personal property taxes in the Commonwealth and the interest thereon is exempt from the Commonwealth's personal income tax and the Commonwealth's corporate net income tax; however, 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. Bond Counsel will express no opinion regarding other state consequences arising with respect to the Bonds.

Original Issue Discount

The Bonds stated to mature on November 15, ______ are being offered and sold to the public at an original issue discount ("OID") from the amounts payable at their maturity (the "Discount Bonds"). OID is the excess of the stated redemption price of a bond at maturity (the face amount) over the "issue price" of such bond. The issue price is the initial offering price to the public (other than the bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers) at which a substantial amount of bonds of the same maturity are sold pursuant to that initial offering. For federal income tax purposes, OID on each bond will accrue over the term of the bond, and for the Discount Bonds, the amount of the accrual will be based upon a single rate of interest, compounded semiannual (the "yield of maturity"). The amount of OID that accrues during each semi-annual period will do so ratably over that period on a daily basis. With respect to an initial purchaser of a Discount Bond at its issue price, the portion of OID that accrues during the period that such purchaser owns such Bond is added to the purchaser's tax basis for purposes of determining gain or loss at the maturity, redemption, sale or other disposition of that Discount Bond and thus, in practical effect, is treated as stated interest, which is excludible from gross income for federal income tax purposes.

Holders of Discount Bonds should consult their own tax advisors as to the treatment of OID and the tax consequences of the purchase of such Discount Bonds other than at the issue price during the initial public offering and as to the treatment of OID for state tax purposes.

Original Issue Premium

The Bonds maturing November 15 ___ have been sold at an original issue premium (the "Premium Bonds"). Under the Code, the premium on the Premium Bonds is an adjustment to basis and must be amortized. No deduction is allowable on account of such premium. The method of amortization may be the method regularly employed by the taxpayer if such method is reasonable, or, in all other cases, must be the method prescribed by applicable Treasury Regulations, which provide that the amortizable bond premium is an amount which bears the same ratio to the premium on the Premium Bonds as the number of months in the taxable year during which the bond or note was held by the taxpayer bears to the number of months from the beginning of the taxable year (or, if the bond or note was acquired in the taxable year, from the date of acquisition) to the date of maturity. The basis of the Premium Bonds is reduced by the amount of the amortizable premium.

Holders of Premium Bonds purchased with an original issue premium (the "Acquisition Premium") should consult their own tax advisors as to the actual effect of such Acquisition Premium with respect to their own tax situation as to the treatment of Acquisition Premium for state tax purposes.

Information Reporting

Under 2006 amendments to the Internal Revenue Code, payments of interest on the Bonds will be reported to the Internal Revenue Service by the payor on Form 1099 unless the bondholder is an "exempt person" under Section 6049 of the Code. A Bondholder who is not an exempt person may be subject to "backup withholding" at a specified rate prescribed in the code if the Bondholder does not file Form W-9 with the payor advising the payor of the Bondholder's taxpayer identification number. Bondholders should consult with their brokers regarding this matter.

The Paying Agent will report to the Bondholders and to the Internal Revenue Service for each calendar year the amount of any "reportable payments" during such year and the amount of tax, if any, with respect to payments made on the Bonds.

BONDHOLDER CONSIDERATIONS

The Bonds, like all investment securities, carry a risk of loss of the investment, in whole or in part. This Preliminary 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 Preliminary 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 Preliminary Official Statement inclusive of its Appendices.

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 an insurance policy. .

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 and the s, including the possibility of impacting the timely payments of debt service on the Bonds or timely filings pursuant to the Continuing Disclosure Agreement.

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 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 Agreement substantially in the form attached hereto as Appendix C.

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 it 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 Agreement (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 Agreement.

The School District acknowledges that its undertaking pursuant to the Rule described herein and in the Continuing Disclosure Agreement 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 Continuing Disclosure Agreements with respect to each one of 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 is outlined in the following table.

Fiscal Year Ending	Filing Due Date	Filing Date: Audit and Budget	Operating Data
6/30/2025	3/27/2026	3/24/2026	3/24/2026
6/30/2024	3/27/2025	3/27/2025	3/27/2025
6/30/2023	3/26/2024	12/21/2023	12/21/2023
6/30/2022	3/27/2023	12/16/2022	12/16/2022
6/30/2021	12/27/2021	12/16/2021	12/16/2021

The School District has reasonable procedures in place designed to ensure ongoing timely filings of its material continuing disclosure requirements.

RATING

S&P Global Ratings has assigned an underlying rating of "AA-" (Stable Outlook) on the Bonds. Such rating reflects only the view of such organization and any desired explanation of the significance of such rating should be obtained from the rating agency furnishing the same, at the following address: 55 Water Street, New York, New York 10041. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that any such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by the rating agency, if circumstances so warrant. Any such downward revision or withdrawal of such rating 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.

LEGAL OPINION

The Bonds are offered with the approving legal opinion of Saxton & Stump, LLC, of Lancaster, Pennsylvania, Bond Counsel. Certain legal matters will be passed upon for the School District by Saxton & Stump, LLC, of Lancaster, Pennsylvania, School District Solicitor and by McNees Wallace & Nurick LLC, of Harrisburg, Pennsylvania, Limited Scope Underwriter's Counsel.

MUNICIPAL ADVISOR

The School District has retained PFM Financial Advisors LLC, Harrisburg, Pennsylvania as municipal advisor (the "Municipal Advisor") in connection with the preparation, authorization and issuance of the Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Preliminary Official Statement. PFM Financial Advisors LLC is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

MISCELLANEOUS

This Preliminary Official Statement has been prepared under the direction of the School District by PFM Financial Advisors LLC, Harrisburg, Pennsylvania, in its capacity as Municipal Advisor to the School District. The information set forth in this Preliminary Official Statement has been obtained from the School District and from other sources believed to be reliable. Insofar as any statement herein includes matters of opinion or estimates about future conditions, it is not intended as representation of fact, and there is no guarantee that it is, or will be, realized. Summaries or descriptions of provisions of the Bonds, the Resolution, and all references to other materials not purporting to be quoted in full are only brief outlines of some of the provisions thereof. Reference is hereby made to the complete documents, copies of which will be furnished by the School District or the Municipal Advisor upon request. The information assembled in this Preliminary Official Statement is not to be construed as a contract with holders of the Bonds.

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

NORTHERN YORK COUNTY SCHOOL DISTRICT
YORK COUNTY, PENNSYLVANIA

By: ______________________________________
President, Board of School Directors

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APPENDIX A - Demographic and Economic Information Relating to the Northern York County School District

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Introduction

The area of the School District lies in the northern portion of York County, adjoining Cumberland County on its western border and Adams County on the south. The City of Harrisburg is located 15 miles northeast of the School District, and the City of York is 25 miles southeast of the School District. Municipalities comprising the School District include the Boroughs of Dillsburg, Franklintown and Wellsville and the Townships of Carroll, Franklin, Monaghan, Warrington and Washington.

The School District can be characterized as a suburban-agricultural community. The economy of the School District always has had large farm connections. Large apple, peach and cherry orchards thrive on the fertile soil in this rich agricultural area of York County.

In recent years, parts of the School District have become suburban-residential in nature, as a result of the influence of the School District's suburban relationship to Harrisburg, Carlisle, York and Gettysburg. Living in the School District has proved attractive in offering the advantages non-urban and in some cases rural conditions without great travel requirements to metropolitan centers.

Population

Table A-1 shows recent population trends for the School District, York County and the Commonwealth. Table A-2 shows 2020 age composition and average number of persons per household in York County and for the Commonwealth. Average household size was slightly higher for the County than the Commonwealth.

TABLE A-1

RECENT POPULATION TRENDS

Area	2010	2020	Compound Average Annual Percentage Change 2010-2020
School District	21,316	22,566	1.54
York County	428,937	456,438	2.34
Pennsylvania	12,604,767	13,002,700	0.33

Source: U.S. Census Bureau, Census 2000 & 2010 Redistricting Data (Public Law 94-171) Summary File and the Pennsylvania State Data Center.

TABLE A-2

AGE COMPOSITION

	0-17 Years	18-64 Years	65+ Years	Persons Per Household
York County	24.2%	62.7%	13.1%	2.60
Pennsylvania	23.5%	61.1%	15.4%	2.57

Source: Pennsylvania State Data Center, 2020 Census: Pennsylvania.

Employment

Overall employment data is not compiled for the School District or municipalities within it, but such data is compiled for the York Metropolitan Statistical Area (an area which includes the School District).

Major York County employers within commuting distance of the School District, which provide employment opportunities for School District residents, are shown below:

York County 4th Quarter 2025
York Hospital
Federal Government
Amazon.com Services LLC
WellSpan Health
WellSpan Medical Group
Wal-Mart Associates Inc
York County
Giant Food Stores LLC
BAE Systems Land & Armaments LP
Kinsley Construction LLC

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

Table A-3 shows the distribution of employment for the York Metropolitan Statistical Area.

TABLE A-3

YORK-HANOVER METROPOLITAN STATISTICAL AREA)
(York County)

NONFARM JOBS
May 2026

	Industry Employment				Net Change From:	
ESTABLISHMENT DATA	**May-26**	**Apr-26**	**Mar-26**	**May-25**	**Apr-26**	**May-25**
TOTAL NONFARM	**195,100**	193,900	192,900	194,800	1,200	300
TOTAL PRIVATE	**175,900**	174,800	173,700	175,000	1,100	900
GOODS-PRODUCING	**44,600**	44,400	44,100	44,800	200	-200
Mining, Logging, and Construction	**12,700**	12,600	12,200	12,800	100	-100
Manufacturing	**31,900**	31,800	31,900	32,000	100	-100
SERVICE-PROVIDING	**150,500**	149,500	148,800	150,000	1,000	500
PRIVATE SERVICE-PROVIDING	**131,300**	130,400	129,600	130,200	900	1,100
Trade, Transportation, and Utilities	**42,800**	42,800	42,600	43,200	0	-400
Wholesale trade	**7,700**	7,700	7,600	7,500	0	200
Retail trade	**19,900**	19,900	19,800	20,200	0	-300
Grocery stores	**4,100**	4,100	4,100	4,100	0	0
General merchandise stores	**4,600**	4,600	4,600	4,600	0	0
Transportation, Warehousing & Utilities	**15,200**	15,200	15,200	15,500	0	-300
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	**23,100**	23,000	22,900	22,100	100	1,000
Educational and Health Services	**31,800**	31,900	31,700	31,200	-100	600
Health care and social assistance	**28,800**	28,700	28,600	28,300	100	500
Leisure and Hospitality	**16,700**	15,900	15,700	16,900	800	-200
Other Services	**9,600**	9,500	9,400	9,600	100	0
Government	**19,200**	19,100	19,200	19,800	100	-600
Federal Government	**4,000**	4,000	4,000	4,300	0	-300
State Government	**1,000**	1,000	1,000	1,100	0	-100
Local Government	**14,200**	14,100	14,200	14,400	100	-200

Source: Pennsylvania Department of Labor & Industry, Center for Workforce and Information Analysis.

Table A-4 shows recent trends in labor force, employment and unemployment for York County and the Commonwealth.

TABLE A-4

RECENT TRENDS IN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT

	2022	2023	2024	2025	2026(1)	Rate
York County						
Civilian Labor Force (000)	238.5	240.3	240.2	238.0	241.2	0.19%
Employment (000)	230.1	233.1	232.1	228.4	231.6	0.11%
Unemployment (000)	8.4	7.2	8.2	9.7	9.5	2.07%
Unemployment Rate	3.5%	3.0%	3.4%	4.1%	3.9%	
Pennsylvania						
Civilian Labor Force (000)	6,465.0	6,518.0	6,577.0	6,542.0	6,626.0	0.41%
Employment (000)	6,202.0	6,296.0	6,337.0	6,262.0	6,350.0	0.39%
Unemployment (000)	263.0	223.0	239.0	280.0	277.0	0.87%
Unemployment Rate	4.10%	3.40%	3.60%	4.30%	4.20%	

(1)As of May 2026.
Source: Pennsylvania Department of Labor & Industry

Income

The data in Table A-5 show trends in per capita income for the School District, York County and Pennsylvania over the 2010-2020 period. Per capita income in the School District is lower than per capita income in the County and the Commonwealth. Per capita income for the School District increased at a faster rate over this period than per capita income for the County and the Commonwealth.

TABLE A-5

TRENDS IN PER CAPITA INCOME*

	2010	2020	Compound Average Annual Percentage Change 2010-2020
School District	$29,362	$38,566	1.67%
York County	27,196	33,587	3.78
Pennsylvania	27,049	35,518	4.03

*Income is defined by the Bureau of the Census as the sum of wage and salary income, non-farm self-employment income, net self-employment income, Social Security and Railroad retirement income, public assistance income, interest, dividends, pensions, etc. before deductions for personal income taxes, Social Security, etc. School District income is the population-weighted average for political subdivisions.
Source: Pennsylvania State Data Center, Census: Pennsylvania.

Commercial Activity

Table A-6 shows retail sales over a five-year period for the County, and the Commonwealth.

TABLE A-6

TOTAL RETAIL SALES
(Millions of Dollars)

	2021	2022	2023	2024	2025
York County..................	$7,129.07	$7,725.28	$8,452,628	$8,316,600	$10,627,641
Pennsylvania	274,685,600	297,770,326	310,912,244	317,239,286	403,629,014

Source: The Nielsen Company.

Educational Institutions

Located within York County are York College, a private college with an enrollment of approximately 3,200 students, and a branch campus of Pennsylvania State University with an approximate enrollment of 1,000 students. 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 Dickinson 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 located in York, with a combined total of approximately 738 beds, and both with an approved residency and internship program. In addition, 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 Hanover General Hospital, located in Hanover.

Utilities

Electric service supplied throughout the area covered by the School District is provided by Metropolitan Edison Company. Natural gas is supplied by Columbia Gas Co., Inc. Telephone service is supplied by GTE.

Transportation

U.S. Route 15 connects the School District north to Harrisburg and south to Maryland. State Routes 74, 194 and 177 traverse the School District. State Route 74 provides direct access into the City of York and to surrounding municipalities, and State Route 921 leads east to Interstate Highway Route 83. Railroads servicing the area are Conrail, Western Maryland, Stewartstown, and Maryland and Pennsylvania railroads. The nearest scheduled airline service is located at the Harrisburg International Airport, approximately 20 miles north of the School District.

APPENDIX B
Opinion of Bond Counsel

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DRAFT

NORTHERN YORK COUNTY SCHOOL DISTRICT
YORK COUNTY, PENNSYLVANIA
$__________________ GENERAL OBLIGATION BONDS, 2026

OPINION

We have acted as Bond Counsel in connection with the issuance by the Northern York County 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 July 21, 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 Depositary, 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. 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 C
Continuing Disclosure Agreement

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DRAFT

NORTHERN YORK COUNTY 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 Northern York County 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) Northern York County School District Tax Rates (Table 6) - (may be contained within the budget or audit for the current fiscal year without need for further cross reference);

(ii) Northern York County School District Real Property Assessment Data (Table 8) - (may be contained within the budget or audit for the current fiscal year without need for further cross reference);

(iii) Northern York County School District Real Property Tax Collection Data (Table 11) - (may be contained within the budget or audit for the current fiscal year without need for further cross reference);

(iv) Northern York County School District Ten Largest Real Property Taxpayers (Table 12) - (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.

NORTHERN YORK COUNTY SCHOOL DISTRICT

By:____
(Vice) President

Attest:______________________________________
Secretary

(SEAL)

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APPENDIX D
Audited Financial Statement June 30, 2025

Audited Financial Statements

June 30, 2025

Northern York County School District

CONTENTS

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Northern York County School District
Dillsburg, Pennsylvania

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinions

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

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

Basis for Opinions

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

Change in Accounting Principle

As discussed in Notes 1 and 15 of the financial statements for the year ended June 30, 2025, the School District adopted new accounting guidance GASB No. 101 *Compensated Absences*. Our opinions are not modified with respect to this matter.

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 Northern York County School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Report on Summarized Comparative Information

We have previously audited Northern York County School 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 December 19, 2024. As more fully described in Notes 1 and 15 to the financial statements, the School District has adjusted its 2024 financial statements for the correction of an error and to retroactively apply the change in accounting principle noted above for the adoption of GASB 101, *Compensated Absences*. In our opinion, except for the effects of the matters previously noted and detailed in Note 15, 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 is derived.

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 13, budgetary comparison information on page 63, and the schedules related to the pension and OPEB liabilities on pages 64 to 68 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Northern York County School District's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part* 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for the purposes of additional analysis 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2025, on our consideration of Northern York County School 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 Northern York County School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Northern York County School District's internal control over financial reporting and compliance.

Smith Elliott Kearns & Company, LLC

Chambersburg, Pennsylvania
December 11, 2025

The management of the Northern York County School District is pleased to present the following discussion and analysis of the School District's financial activities for the fiscal year ending June 30, 2025. Comparative financial information between fiscal years ending June 30, 2024 and June 30, 2025 is also presented in this report to show changes in the financial position of the School District from prior year to current year.

The intent of this discussion and analysis is to provide a narrative summary of the financial position and activities of the School District in order to enhance the reader's understanding of the School District's basic financial statements. The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*.

FINANCIAL HIGHLIGHTS

- For the 2024-2025 fiscal year, the School Board adopted a balanced General Fund Budget. In order to balance the budget, a real estate tax rate of 20.1337 mills was required. Included in the budget was a $ 400,000 transfer into the Capital Reserve Fund for capital improvements. The General Fund had an actual loss of $ 15,640 which was a $ 247,390 difference compared to budget. Actual revenues exceeded budgeted revenues by $ 1,149,976. This difference is attributed to $ 350,000 in higher investment earnings, $ 487,000 in additional state revenue from new adequacy funds of $ 1,141,762, $ 252,000 for charter school reimbursement, FICA and retirement subsidy of $ 544,000, Special Ed of $ 167,000, and transportation of $181,000 offset by lower Basic Ed subsidy of $ 1,800,000 and federal revenue of $ 136,000 due to the run out of ESSER funds. General Fund actual expenditures were more than budgeted expenditures by $ 1,223,747. This difference is mainly attributed to outside cyber charter special education payments being over budget by $ 960,000, special education placement services being over budget by $ 380,000, lease subscriptions of $ 350,000, and building maintenance being over budget by $ 300,000 which are offset by debt payments being under budget by $ 2,250,000. Other financing uses were less than budgeted amounts due to not having a gain from long-term financing arrangements of $ 322,161.

- The School District received $ 1,095,180 from the State to fund property tax reductions. Property owners in the School District who filed and received approval for a homestead/farmstead exclusion saw their net tax due decrease by this amount.

- The Governmental Accounting Standards Board Statement No. 68 (GASB 68), became effective for fiscal year ending June 30, 2015. This statement addresses accounting and financial reporting for pensions that are provided to employees of state and local government employers. The implementation of this standard had a significant negative impact on the net position of the School District. Further analysis is available in the "Net Position" portion of this MD&A and can also be found in Note 11 of the financial statements.

- The Governmental Accounting Standards Board Statement No. 75 (GASB 75), became effective for fiscal year ending June 30, 2018. This statement addresses accounting and financial reporting for other post-employment benefits that are provided to employees of state and local government employers. Additional information can be found in Note 10 of the financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

These financial statements consist of three sections – Management's Discussion and Analysis (this section), the basic financial statements, and other required supplementary information. The basic financial statements include two kinds of statements, which present different views of the School District.

The first two statements of the basic financial statements are government-wide financial statements. These statements on pages 14 and 15 consist of the Statement of Net Position and the Statement of Activities. The government-wide financial statements provide both short-term and long-term information about the School District's overall financial status.

The remaining basic financial statements consist of fund financial statements. These statements focus on individual funds of the School District and provide a more detailed presentation of the School District's operations. The governmental funds statements on pages 16 and 18 present how general School District services, such as regular and special education, are financed in the short-term as well as what remains for future spending. The statement of revenues, expenditures and changes in fund balance – budget and actual for the general fund is shown on page 63 and provides the budgetary comparisons to the actual revenues, expenditures and other financing sources (uses). The proprietary fund statements on pages 20 - 22 present both short-term and long-term information about the activities that the School District operates similar to a business, such as food service. Following the proprietary fund statements, the fiduciary fund statements on pages 23 and 24 present information about the financial relationships in which the School District acts solely as a trustee or agent for the benefit of others, such as student activity and trust funds.

Notes to the basic financial statements are included on pages 25 - 62. These notes provide a more detailed explanation of the School District's financial statements. Following the notes to the basic financial statements is supplementary information on pages 63 – 68 that details budgetary information, other post-employment benefit information and pension benefit information.

During June 30, 2025, the School District adopted GASB 101 for Compensated Absences. In accordance with GASB standards, summarized comparative information presented for June 30, 2024 within the management's discussion and analysis does not take into account the restatement for implementation of the standard. See Note 15 of the financial statements for additional information detailing the restatement. In addition, the information presented in this management's discussion and analysis has been updated to reflect the impact of a correction of an error as detailed in Note 15 of the financial statements.

Government-Wide Statements

The government-wide statements report financial information about the School District as a whole using accounting methods similar to the accounting used by private-sector companies. The Statement of Net Position includes all of the School District's assets and liabilities utilizing the full accrual basis of accounting. The Statement of Activities accounts for all of the School District's revenues and expenses, regardless of when cash is received or paid.

These two government-wide statements report the School District's net position and changes in them. The School District's net position represents the difference between the School District's assets and deferred outflows of resources from liabilities and deferred inflow of resources. The School District's net position is one way to measure the School District's financial position, or financial health, over time. Increases or decreases in the School District's net position is one indicator of whether its financial health is improving or deteriorating, respectively. To assess the overall health of the School District, non-financial factors must also be considered, such as changes in the School District's property tax base and the performance of the students.

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

- **Governmental activities** – All of the School District's basic services are included here, such as instruction and administration. Real estate and earned income taxes, state and federal subsidies, and grants finance most of these activities.

- **Business-type activities** – The School District operates a food service operation and charges fees to staff, students, and visitors to help it cover the costs of the food service operation.

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds, or major funds – not the School District as a whole. Funds are accounting components that the School District uses to keep track of specific sources of funding and spending on particular programs. Some funds are required to be reported as major funds.

- **Governmental funds** – Most of the School District's activities are reported in governmental funds and focus on financial position and changes in financial position, rather than upon net income determination. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's operations and the services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's programs. The relationship (or differences) between governmental activities (reported in the Statements of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements on pages 17 and 19.

- **Proprietary funds** – These funds are used to account for the School District activities that are similar to business operations in the private sector. When the School District charges customers for services it provides, these services are generally reported in proprietary funds. The Food Service Fund is the School District's proprietary fund and is the same as the business-type activities reported in the government-wide statements, but provides more detail and additional information, such as cash flows.

- **Fiduciary funds** – The School District is the trustee or agent for individuals, private organizations and/or governmental units, such as student activity funds. The School District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong; the School District cannot use these assets to finance its operations. The financial statements for the fiduciary funds are shown on pages 23 and 24.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

Net Position

The School District's total net position was ($ 15,918,744) at June 30, 2025 which includes ($ 15,878,517) in Governmental Activities and ($ 40,227) in Business-Type Activities. This shows a increase in the negative net position of $ 1,562,612 compared to June 30, 2024, ($ 17,481,356). The reason for the large negative net position is caused by the implementation of both GASB 68 and GASB 75 which required the School District to record the net pension and other post-employment benefits (OPEB), deferred outflows and inflows of resources, and expense associated with the post-employment benefits other than pensions. The total School District's net pension liability at June 30, 2025 was $ 59,517,729, of which $ 58,084,050 was the Governmental Activities share and $ 1,433,679 was the Business-Type Activities share. The result of recording these liabilities in each fiscal year has resulted in a negative net position. While PSERS is not a new pension plan, June 30, 2015 was the first time the proportionate share of the liability was required to be recorded on the financial statements of the School District. The total School District's Other Postemployment Benefits Liability at June 30, 2025 was $ 5,250,586, of which $ 5,136,462 was the result of Governmental Activities and $ 114,124 was for Business-Type Activities.

Statement of Net Position

	2025			2024		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current assets	$ 35,734,259	$ 1,288,401	$ 37,022,660	$ 39,414,611	$ 1,237,618	$ 40,652,229
Noncurrent assets	72,770,588	57,009	72,827,597	59,209,970	57,269	59,267,239
Deferred outflows of resources	10,990,715	363,645	11,354,360	11,787,353	444,197	12,231,550
Total Assets and Deferred Outflows of Resources	$ 119,495,562	$ 1,709,055	$ 121,204,617	$ 110,411,934	$ 1,739,084	$ 112,151,018
Current liabilities	$ 12,394,543	$ 65,633	$ 12,460,176	$ 13,053,659	$ 57,021	$ 13,110,680
Noncurrent liabilities	117,698,228	1,577,329	119,275,557	108,905,427	1,614,992	110,520,419
Total Liabilities	130,092,771	1,642,962	131,735,733	121,959,086	1,672,013	123,631,099
Deferred Inflows of Resources	5,281,308	106,320	5,387,628	5,883,234	118,041	6,001,275
Net investment in capital assets	27,207,985	57,009	27,264,994	27,677,960	57,269	27,735,229
Restricted	804,697	-	804,697	548,877	57,339	606,216
Unrestricted	(43,891,199)	(97,236)	(43,988,435)	(45,657,223)	(165,578)	(45,822,801)
Total Net Position	(15,878,517)	(40,227)	(15,918,744)	(17,430,386)	(50,970)	(17,481,356)
Total Liabilities and Net Position	$ 119,495,562	$ 1,709,055	$ 121,204,617	$ 110,411,934	$ 1,739,084	$ 112,151,018

Statement of Activities

The results of this year's operations as a whole are reported in the Statement of Activities. Direct expenses are listed by programs, and then offset by program revenues to determine net (expense) revenue and changes in net position. General revenues, such as taxes, state subsidies, and investment earnings are then applied prior to transfers, and special items, to determine the change in net position. For the 2024-2025 fiscal year, the change in net position for governmental activities reflects an increase of $ 1,790,713 and of $ 16,738 for business-type activities, or a total net increase of $ 1,807,451 as reflected in the chart below.

	2025			2024		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Program Revenues						
Charges for services	$ 648,558	$ 643,127	$ 1,291,685	$ 558,480	$ 691,856	$ 1,250,336
Operating grants and contributions	12,723,196	1,103,550	13,826,746	12,011,619	1,251,608	13,263,227
Capital grants and contributions	923,166	-	923,166	604,177	-	604,177
General Revenues						
Taxes	41,544,868	-	41,544,868	40,588,630	-	40,588,630
State grants and subsidies	11,427,896	-	11,427,896	10,998,730	-	10,998,730
Other local revenue	211,791	-	211,791	80,514	-	80,514
Investment earnings	1,682,872	53,071	1,735,943	1,869,148	55,607	1,924,755
Total revenues	69,162,347	1,799,748	70,962,095	66,711,298	1,999,071	68,710,369
Direct expenses	67,371,634	1,783,010	69,154,644	59,302,987	1,799,552	61,102,539
Excess (deficiency) before transfers	1,790,713	16,738	1,807,451	7,408,311	199,519	7,607,830
Transfers between activities	-	-	-	-	-	-
Change in net position	$ 1,790,713	$ 16,738	$ 1,807,451	$ 7,408,311	$ 199,519	$ 7,607,830

Governmental Activities

Direct expenses represent the actual cost of providing the services while the net cost represents the amount of cost that is not recovered through program revenues, meaning user charges, subsidies, grants, and contributions. The largest source of grants and contributions are state and federal sources, which provided $ 24,151,092 for governmental activities. The net cost of services must be recovered through general revenue, primarily taxes. Amounts not recovered will reduce funds available for future years. Direct expenses increased $ 8,068,647 or 13.61% over the prior year for governmental activities. This increase was primarily due to an increase in all salary and benefit line items as well as an increase in tuition costs for special education placements and cyber charter costs. Governmental activities program revenues increased $ 1,120,644 or 8.51% from the prior year. Business-type activities posted an operating loss of $ 36,333 which is $ 180,245 less than the prior year gain of $ 143,912.

	2025			2024		
	Direct Expenses	Program Revenues	Net Cost	Direct Expenses	Program Revenues	Net Cost
Governmental Activities						
Instruction	$ 39,342,271	$ 9,190,348	$ 30,151,923	$ 35,689,953	$ 8,661,731	$ 27,028,222
Instructional student support	5,017,986	656,331	4,361,655	4,690,870	630,559	4,060,311
Administrative and financial support	6,879,675	596,155	6,283,520	6,498,987	555,833	5,943,154
Operation and maintenance of plant	8,396,145	543,539	7,852,606	5,434,277	514,821	4,919,456
Pupil transportation	3,782,733	1,925,754	1,856,979	3,611,971	1,698,469	1,913,502
Student activities	1,959,315	456,244	1,503,071	1,861,915	504,985	1,356,930
Community services	3,618	3,383	235	4,292	3,701	591
Interest expense and bond issue costs	1,989,891	923,166	1,066,725	1,510,722	604,177	906,545
Total Governmental Activities	$ 67,371,634	$ 14,294,920	53,076,714	$ 59,302,987	$ 13,174,276	46,128,711
Unrestricted grants and subsidies			(11,427,896)			(10,998,730)
Transfers			-			-
Investment earnings			(1,682,872)			(1,869,148)
Total needs from taxes and other local sources			$ 39,965,946			$ 33,260,833

	Direct Expenses	Program Revenues	Net Cost	Direct Expenses	Program Revenues	Net Cost
Business-type Activities						
Food services	$ 1,783,010	$ 1,746,677	$ 36,333	$ 1,799,552	$ 1,943,464	$ (143,912)
Transfers			-			-
Investment earnings			(53,071)			(55,607)
Total business-type activities			$ (16,738)			$ (199,519)

Governmental Fund Balance

At June 30, 2025, the School District governmental funds reported a combined fund balance of $ 26,721,859, which is a decrease of $ 2,559,036 from the June 30, 2024 combined fund balance.

	Governmental Fund Balance			
	2025	2024	$ Change	% Change
General Fund - Nonspendable	$ 187,855	$ 187,423	$ 432	0.23%
General Fund - Restricted	212,989	215,881	(2,892)	(1.34%)
General Fund - Committed	7,321,422	7,334,863	(13,441)	(0.18%)
General Fund - Assigned	118,951	375,992	(257,041)	(68.36%)
General Fund - Unassigned	5,837,925	5,580,623	257,302	4.61%
Capital Reserve Fund - Restricted	591,708	332,996	258,712	77.69%
Renovation Projects Fund- Restricted	767,270	4,064,762	(3,297,492)	(81.12%)
Building Projects Fund - Restricted	11,683,739	11,188,355	495,384	100.00%
	$ 26,721,859	$ 29,280,895	$ (2,559,036)	(8.74%)
Total spendable	$ 13,278,298	$ 13,291,478	$ (13,180)	(0.10%)
Total restricted	13,255,706	15,801,994	(2,546,288)	(16.11%)
Total nonspendable	187,855	187,423	432	0.23%
	$ 26,721,859	$ 29,280,895	$ (2,559,036)	(8.74%)

General Fund Budget

A General Fund budget is adopted each year in accordance with the Pennsylvania School Code. The revised budget reflects budget transfers as approved by the Board. Contracted educational services and unforeseen expenditures regularly require annual budget adjustments.

The School District applies for State and Federal grants each year. Certain grants may not be anticipated during the budgeting process and may be added to the budget during the fiscal year if significant in nature. In addition, the grants that are anticipated during the budgeting process are based on estimates. The budget may then be modified based on the actual grant award.

	2025			2024		
	Final Budget	Actual	Variance	Final Budget	Actual	Variance
Total revenues	$ 66,887,166	$ 68,037,142	$ 1,149,976	$ 63,561,597	$ 65,970,434	$ 2,408,837
Total expenditures	66,751,196	67,974,943	(1,223,747)	62,317,544	63,341,675	(1,024,131)
Revenues over (under) expenditures	135,970	62,199	(73,771)	1,244,053	2,628,759	1,384,706
Other financing sources (uses)	(399,000)	(77,839)	321,161	(1,149,000)	481,776	1,630,776
Net change in fund balance	$ (263,030)	$ (15,640)	$ 247,390	$ 95,053	$ 3,110,535	$ 3,015,482

CAPITAL ASSETS

At June 30, 2025, the School District recorded $ 72,770,588 in governmental activities capital assets, which represents an increase of $ 13,154,392 from the previous fiscal year. This net increase is a result of depreciation and amortization of $ 2,862,446 being offset by additions of $ 24,731,876. The largest additions were for projects that are currently in process the largest of which being the Northern Elementary School renovation and addition and the completion of the South Mountain Elementary School roof and HVAC renovations.

Capital Assets (Net of Depreciation/Amortization)

	2025	2024	Change
Governmental activities			
Land	$ 324,188	$ 324,188	$ -
Construction in progress	17,031,367	7,590,309	9,441,058
Site improvements	2,939,403	3,177,063	(237,660)
Buildings	50,972,333	46,727,884	4,244,449
Equipment and furniture	1,125,506	1,275,571	(150,065)
Right-to-use asset - leased equipment	27,101	53,372	(26,271)
Right-to-use asset - IT subscriptions	350,690	118,852	231,838
Total governmental capital assets	$ 72,770,588	$ 59,267,239	$ 13,503,349
Business-type activities			
Food service equipment	$ 57,009	$ 57,269	$ (260)

LONG-TERM LIABILITIES

Bonds, direct borrowings, and financed purchases were $ 57,335,457 and $ 46,250,119 at June 30, 2025 and 2024, respectively. Scheduled principal payments totaling $ 3,560,000 were made to bondholders during 2024-2025.

Lease-purchase obligations were $ 29,151 and $ 56,194 at June 30, 2025 and 2024, respectively.

Lease IT Subscription obligations were $ 259,356 at June 30, 2025 with no obligations at June 30, 2024.

The liability for Compensated Absences is reported under long-term liabilities. Under the terms of the School District's employment policies, employees are reimbursed for accrued vacation and personal leave upon retirement or other termination of employment. The reimbursement rate is established by the employment contract and varies by employee classification. In addition, under the Pennsylvania School Code, employees are granted sick days annually, with all unused sick days accumulating in subsequent years. Upon retirement the School District, employees are reimbursed based on their accumulated sick days, or a portion thereof, multiplied by an amount pre-established per the employment contract. The total liability for accrued vacation, personal and sick leave has been reflected in the Statement of Net Position and totals $ 1,252,624 for the Governmental Activities and $ 40,732 for the Business-type Activities for year ended June 30, 2025. Employees who retire with 15 years of service are eligible to remain on the School District's health care plan until age 65. The liability for these post-employment benefits has been reflected in the Statement of Net Position and totals $ 5,136,462 for the Governmental Activities and $ 114,124 for the Business-type Activities for year ended June 30, 2025. The net pension obligation for the proportionate share of the PSERS pension plan for was $ 58,084,050 for the Governmental Activities and $ 1,433,679 for the Business-type Activities for the year ended June 30, 2025.

2025-2026 BUDGET (PDE-2028) AND ECONOMIC FACTORS

	Budget 2025-2026	Budget 2024-2025	Change
Total revenues	$ 70,528,817	$ 66,887,166	$ 3,641,651
Total expenditures	61,018,440	58,809,196	2,209,244
Revenues over (under) expenditures	9,510,377	8,077,970	1,432,407
Other financing sources (uses)	(9,459,000)	(8,341,000)	(1,118,000)
Net change in fund balance	$ 51,377	$ (263,030)	$ 314,407

The budget for 2025-2026 represents an increase in total expenditures of $ 2,209,244 or 3.76%. This increase is caused by increases in cyber charter school costs, costs for outside placements of students for specific needs, and an increase in debt capacity for upcoming building projects. The remaining increase in costs are due to normal operations for utilities, supplies, and contracted personnel costs. The 2025-2026 budgeted revenues reflect a millage increase of .2013 or 1.0%. The 2025-2026 real estate tax rate is 20.3350 mills and is calculated on each property's assessed value in each of the eight municipalities located within the Northern York County School District. The Board of School Directors approved a balanced budget for the 2025-2026 fiscal year.

Budgeted employee health care premiums increased at a rate of 4.0% for 2025-2026. The School District has implemented premium sharing with some personnel as well as a deductible for all employees in an effort to reduce annual premium increases.

The 2024-2025 general fund unassigned fund balance of $ 5,837,925 represents 8.28% of 2025-2026 budgeted expenditures. The fund balance is held to offset unforeseen expenditures and to fund future School District capital and debt expenditures. It is also needed to pay bills over the summer months before the majority of revenues begins to flow in late summer.

During 2006, the Pennsylvania State Legislators passed Act 1 which is also called the Homeowner Property Tax Relief Act. The passage of this Act coincided with the enactment of Act 72 which is commonly referred to as the "Slots Bill". With the passage of these two pieces of legislation, the State intended to tax newly created gaming proceeds and use a portion of those funds to give a property tax credit to certain groups of residents. The 2025-2026 budget reflects the estimated receipt of $ 900,000 from the state to be used to reduce property taxes. Northern York County's adjusted index for 2025-2026 was set at 5.1%. The School District did not go to the full index and raised the rate by 1.0%. The School District's adjusted index for 2026-2027 was set at 4.4%. This index limits the rate of increase on tax mills.

The 2024-2025 fiscal year was the fourth year of a five-year contract with the Northern York Education Association (NYEA).

CONTACTING THE SCHOOL DISTRICT FINANCIAL MANAGEMENT

The School District's financial report is intended to provide the readers with a general overview of the School District's finances and to show the Board's accountability for the funds it receives. If you have questions about this report or wish to request additional financial information, please contact the Business Office of the Northern York County School District, 650 S. Baltimore Street, Dillsburg, PA 17019, and (717) 432-8691, ext. 1100.

NORTHERN YORK COUNTY SCHOOL DISTRICT
Statement of Net Position
June 30, 2025 with Summarized Comparative Totals for 2024

	Governmental Activities	Business-Type Activities	Total	2024 Summarized as restated
ASSETS				
Current Assets				
Cash and cash equivalents	$ 28,964,104	$ 1,175,056	$ 30,139,160	$ 34,528,865
Receivables				
Taxes, net	2,615,883	-	2,615,883	2,390,516
Intergovernmental	3,325,824	37,461	3,363,285	3,149,986
Other	583,962	79,937	663,899	337,646
Internal balances	56,631	(56,631)	-	-
Leases	-	-	-	1,440
Inventories	160,155	41,956	202,111	196,972
Prepaid items	27,700	10,622	38,322	46,804
Total current assets	35,734,259	1,288,401	37,022,660	40,652,229
Noncurrent Assets				
Capital assets not being depreciated				
Land	324,188	-	324,188	324,188
Construction in progress	17,031,367	-	17,031,367	7,590,309
Capital assets net of accumulated depreciation/amortization				
Site improvements	2,939,403	-	2,939,403	3,177,063
Buildings	50,972,333	-	50,972,333	46,727,884
Equipment, furniture and fixtures	1,125,506	57,009	1,182,515	1,275,571
Right-to-use asset - equipment	27,101	-	27,101	53,372
Right-to-use asset - IT subscriptions	350,690	-	350,690	118,852
Total noncurrent assets	72,770,588	57,009	72,827,597	59,267,239
TOTAL ASSETS	108,504,847	1,345,410	109,850,257	99,919,468
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pension liability	9,757,841	327,331	10,085,172	10,823,598
Deferred outflows related to OPEB liability	1,232,874	36,314	1,269,188	1,407,952
TOTAL DEFERRED OUTFLOWS OF RESOURCES	10,990,715	363,645	11,354,360	12,231,550
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 119,495,562	$ 1,709,055	$ 121,204,617	$ 112,151,018
LIABILITIES				
Current liabilities				
Accounts payable	$ 3,384,713	$ 6,231	$ 3,390,944	$ 4,697,553
Accrued salaries and benefits/withholdings	4,317,849	-	4,317,849	4,002,159
Accrued interest	291,409	-	291,409	227,384
Unearned revenue	1,700	-	1,700	1,700
Other payables	-	48,196	48,196	46,902
Portion due or payable within one year				
General obligation bonds and notes payable	3,881,716	-	3,881,716	3,892,588
Lease obligations	26,895	-	26,895	27,043
IT subscription liability	61,076	-	61,076	-
Compensated absences	311,830	8,896	320,726	283,198
OPEB liability	117,355	2,310	119,665	119,665
Total current liabilities	12,394,543	65,633	12,460,176	13,298,192
Noncurrent liabilities				
Portion due or payable after one year				
General obligation bonds and notes payable	53,453,741	-	53,453,741	42,357,532
Lease obligations	2,256	-	2,256	29,151
IT subscription liability	198,280	-	198,280	-
Compensated absences	940,794	31,836	972,630	967,821
Net pension liability	58,084,050	1,433,679	59,517,729	61,791,582
OPEB liability	5,019,107	111,814	5,130,921	5,431,658
Total noncurrent liabilities	117,698,228	1,577,329	119,275,557	110,577,744
TOTAL LIABILITIES	130,092,771	1,642,962	131,735,733	123,875,936
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to leases	-	-	-	1,437
Deferred inflows related to pension liability	1,647,939	38,541	1,686,480	2,387,553
Deferred inflows related to OPEB liability	3,243,721	67,779	3,311,500	3,133,472
Deferred (gain) charge on bond refunding	389,648	-	389,648	478,813
TOTAL DEFERRED INFLOWS OF RESOURCES	5,281,308	106,320	5,387,628	6,001,275
NET POSITION				
Net investment in capital assets	27,207,985	57,009	27,264,994	28,141,455
Restricted	804,697	-	804,697	606,216
Unrestricted	(43,891,199)	(97,236)	(43,988,435)	(46,473,864)
TOTAL NET POSITION	(15,878,517)	(40,227)	(15,918,744)	(17,726,193)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	$ 119,495,562	$ 1,709,055	$ 121,204,617	$ 112,151,018

NORTHERN YORK COUNTY SCHOOL DISTRICT
Statement of Activities
Year Ended June 30, 2025 with Summarized Comparative Totals for 2024

		Program Revenue			Net (Expense) Revenue and Changes in Net Position			
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business-type Activities**	**Totals**	**2024 Summarized as restated**
Governmental activities:								
Instruction	$ 39,342,271	$ 341,690	$ 8,848,658	$ -	$ (30,151,923)	$ -	$ (30,151,923)	$ (27,028,020)
Instructional student support	5,017,986	-	656,331	-	(4,361,655)	-	(4,361,655)	(4,060,311)
Administrative and financial support services	6,879,675	-	596,155	-	(6,283,520)	-	(6,283,520)	(5,943,154)
Operation and maintenance of plant services	8,396,145	22,755	520,784	-	(7,852,606)	-	(7,852,606)	(4,919,456)
Pupil transportation	3,782,733	-	1,925,754	-	(1,856,979)	-	(1,856,979)	(1,913,502)
Student activities	1,959,315	284,113	172,131	-	(1,503,071)	-	(1,503,071)	(1,356,930)
Community services	3,618	-	3,383	-	(235)	-	(235)	(591)
Interest expense and bond issue costs	1,989,891	-	-	923,166	(1,066,725)	-	(1,066,725)	(906,545)
Total governmental activities	67,371,634	648,558	12,723,196	923,166	(53,076,714)	-	(53,076,714)	(46,128,509)
Business-type activities:								
Food services	1,783,010	643,127	1,103,550	-	-	(36,333)	(36,333)	143,540
Total primary government	$ 69,154,644	$ 1,291,685	$ 13,826,746	$ 923,166	(53,076,714)	(36,333)	(53,113,047)	(45,984,969)
General revenues and transfers:								
Property taxes levied for general purposes, public utility realty tax, earned income tax					41,544,868	-	41,544,868	40,588,630
Grants, subsidies and contributions not restricted					11,427,896	-	11,427,896	10,998,730
Investment earnings					1,682,872	53,071	1,735,943	1,924,755
Miscellaneous income					211,791	-	211,791	80,514
Total general revenues and transfers					54,867,427	53,071	54,920,498	53,592,629
Change in net position					1,790,713	16,738	1,807,451	7,607,660
Net position - beginning, as previously reported					(17,430,386)	(50,970)	(17,481,356)	(25,089,186)
Restatement - change in accounting principle					(238,844)	(5,995)	(244,839)	(244,669)
Net position - beginning, as restated					(17,669,230)	(56,965)	(17,726,195)	(25,333,855)
Net position - ending					$ (15,878,517)	$ (40,227)	$ (15,918,744)	$ (17,726,195)

NORTHERN YORK COUNTY SCHOOL DISTRICT
Balance Sheet - Governmental Funds
June 30, 2025 with Summarized Comparative Totals for 2024

	General Fund	Capital Reserve Fund	Renovation Projects Fund	Building Projects Fund	Total Governmental Funds	2024 Summarized as restated
ASSETS						
Cash and cash equivalents	$ 14,168,228	$ 591,708	$ 767,270	$ 13,436,898	$ 28,964,104	$ 33,397,131
Taxes receivable, net	2,615,883	-	-	-	2,615,883	2,390,516
Due from other funds	91,466	-	-	-	91,466	64,714
Intergovernmental receivables	3,325,824	-	-	-	3,325,824	3,149,986
Other receivables	583,962	-	-	-	583,962	239,287
Leases receivable	-	-	-	-	-	1,440
Inventories	160,155	-	-	-	160,155	150,942
Prepaid items	27,700	-	-	-	27,700	36,481
Total assets	$ 20,973,218	$ 591,708	$ 767,270	$ 13,436,898	$ 35,769,094	$ 39,430,497
LIABILITIES						
Accounts payable	$ 1,631,554	$ -	$ -	$ 1,753,159	$ 3,384,713	$ 4,696,691
Accrued salaries and benefits/withholdings	4,317,849	-	-	-	4,317,849	4,002,159
Unearned revenue	1,700	-	-	-	1,700	1,700
Due to other funds	34,835	-	-	-	34,835	15,886
Total liabilities	5,985,938	-	-	1,753,159	7,739,097	8,716,436
DEFERRED INFLOWS OF RESOURCES						
Leases	-	-	-	-	-	1,437
Unavailable tax revenue	1,308,138	-	-	-	1,308,138	1,025,503
Total deferred inflows of resources	1,308,138	-	-	-	1,308,138	1,026,940
FUND BALANCES						
Nonspendable fund balance						
Inventories	160,155	-	-	-	160,155	150,942
Prepaid items	27,700	-	-	-	27,700	36,481
Spendable fund balance						
Restricted fund balance						
Scholarships	212,989	-	-	-	212,989	215,881
Future capital improvements	-	591,708	767,270	11,683,739	13,042,717	15,992,339
Committed fund balance						
Health insurance	420,000	-	-	-	420,000	420,000
Transportation	40,000	-	-	-	40,000	40,000
Debt service	6,700,000	-	-	-	6,700,000	6,700,000
Student activities	161,422	-	-	-	161,422	174,863
Assigned fund balance						
Special school accounts	118,951	-	-	-	118,951	112,962
Budgeted deficit	-	-	-	-	-	263,030
Unassigned fund balance	5,837,925	-	-	-	5,837,925	5,580,623
Total fund balances	13,679,142	591,708	767,270	11,683,739	26,721,859	29,687,121
Total liabilities, deferred inflows of resources, and fund balances	$ 20,973,218	$ 591,708	$ 767,270	$ 13,436,898	$ 35,769,094	$ 39,430,497

NORTHERN YORK COUNTY SCHOOL DISTRICT
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2025

Total fund balances - governmental funds		$ 26,721,859
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.		
Cost of assets	122,983,679	
Accumulated depreciation/amortization	(50,213,091)	
		72,770,588
Certain receivables are not available to pay for current period expenditures and therefore are not reported in the fund financial statements, but are reported in governmental activities of the Statement of Net Position.		
Taxes receivable		1,308,138
Long-term liabilities are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position. Long-term liabilities and associated deferred inflows and outflows of resources consist of:		
Bonds, notes payable, and financed purchases net of discount and premium	(57,335,457)	
Deferred charge on bond refunding	(389,648)	
Accrued interest on bonds	(291,409)	
Compensated absences	(1,252,624)	
Lease obligations	(29,151)	
IT subscription liability	(259,356)	
Net pension liability	(58,084,050)	
Deferred outflows related to pension liability	9,757,841	
Deferred inflows related to pension liability	(1,647,939)	
OPEB liability	(5,136,462)	
Deferred outflows related to OPEB liability	1,232,874	
Deferred inflows related to OPEB liability	(3,243,721)	
		(116,679,102)
Net position of governmental activities in the Statement of Net Position		$ (15,878,517)

NORTHERN YORK COUNTY SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
Year Ended June 30, 2025 with Summarized Comparative Totals for 2024

	General Fund	Capital Reserve Fund	Renovation Projects Fund	Building Projects Fund	Total Governmental Funds	2024 Summarized as restated
REVENUES						
Local revenues						
Taxes	$ 41,262,233	$ -	$ -	$ -	$ 41,262,233	$ 40,731,015
Investment earnings	949,832	21,760	89,928	621,352	1,682,872	1,869,148
Revenue from intermediate sources	669,379	-	-	-	669,379	708,284
Other	836,933	-	-	-	836,933	846,779
State sources	23,756,189	-	-	-	23,756,189	21,062,272
Federal sources	562,576	-	-	-	562,576	1,636,185
Total revenues	68,037,142	21,760	89,928	621,352	68,770,182	66,853,683
EXPENDITURES						
Instruction	39,030,545	-	-	-	39,030,545	35,607,141
Support services	21,328,139	-	-	-	21,328,139	20,280,810
Operation of noninstructional services	1,923,492	-	-	-	1,923,492	1,843,308
Facilities acquisition, construction and improvements	-	163,048	3,382,198	15,411,755	18,957,001	8,311,495
Debt service:						
Principal	3,600,333	-	-	-	3,600,333	3,123,901
Interest	2,092,434	-	-	-	2,092,434	1,731,807
Bond issue costs	-	-	-	121,257	121,257	117,708
Underwriter's bond discount	-	-	-	111,445	111,445	111,251
Total expenditures	67,974,943	163,048	3,382,198	15,644,457	87,164,646	71,127,421
Excess (deficiency) of revenues over expenditures	62,199	(141,288)	(3,292,270)	(15,023,105)	(18,394,464)	(4,273,738)
OTHER FINANCING SOURCES (USES)						
Proceeds from long-term financing and leases	322,161	-	-	14,380,000	14,702,161	14,488,991
Bond premium	-	-	-	617,511	617,511	640,461
Refund of prior year expenditures	-	-	-	109,530	109,530	-
Interfund transfers	(400,000)	400,000	(5,222)	5,222	-	-
Total other financing sources and (uses)	(77,839)	400,000	(5,222)	15,112,263	15,429,202	15,129,452
Net change in fund balances	(15,640)	258,712	(3,297,492)	89,158	(2,965,262)	10,855,714
Fund balances - beginning, as previously reported	13,694,782	332,996	4,064,762	11,188,355	29,280,895	18,831,407
Restatement for error correction	-	-	-	406,226	406,226	-
Fund balances - beginning, as restated	13,694,782	332,996	4,064,762	11,594,581	29,687,121	18,831,407
Fund balances - ending	$ 13,679,142	$ 591,708	$ 767,270	$ 11,683,739	$ 26,721,859	$ 29,687,121

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities
Year Ended June 30, 2025

Net change in fund balances - total governmental funds	$ (2,965,262)
Amounts reported for Governmental Activities in the Statement of Activities are different because:	
Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period. This is the amount by which capital outlays ($ 16,424,507) differed from depreciation/ amortization expense ($ 2,863,889) in the current period.	13,560,618
Because certain taxes will not be collected for several months after the School District's fiscal year end, they are not considered as "available" revenues in the governmental funds. This is the change in the receivable balance for the government-wide statements.	282,635
The issuance of long term obligations (bonds, leases, loans, IT subscription) provides current financial resources to governmental funds, while the repayment of principal of long term obligations consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of prepaid bond insurance, premiums, discounts, and similar items when debt is first issued, whereas, these amounts are deferred and amortized in the statement of activities.	
Repayment of general obligation bonds/notes and financed purchases- principal	3,600,333
Issuance of general obligation bonds	(14,380,000)
Purchase of IT subscription	(322,161)
Bond premium on debt issuance	(617,511)
Amortization of bond premiums, discounts, deferred charge on bond refunding and prepaid bond insurance	401,006
Repayment of lease obligations - principal	27,043
Repayment of IT subscription liability - principal	62,805
Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds. This is the difference between the amount incurred and the amount paid of:	
Accrued interest	(64,025)
Net pension liability and related deferred outflows and inflows	2,262,509
OPEB liability and related deferred outflows and inflows	(11,759)
Compensated absences	(45,518)
Change in net position of governmental activities	$ 1,790,713

NORTHERN YORK COUNTY SCHOOL DISTRICT
Statement of Net Position - Proprietary Fund
June 30, 2025 with Summarized Comparative Totals for 2024

	Food Service	2024 Summarized as restated
ASSETS		
Current Assets		
Cash and cash equivalents	$ 1,175,056	$ 1,131,734
Due from other funds	34,835	15,907
Intergovernmental receivables	37,461	-
Receivable from students, net	57,621	79,573
Other receivables	22,316	18,786
Inventories	41,956	46,030
Prepaid items	10,622	10,323
Total current assets	1,379,867	1,302,353
Noncurrent Assets		
Furniture and equipment	1,025,665	1,017,685
Accumulated depreciation	(968,656)	(960,416)
Total noncurrent assets	57,009	57,269
Total assets	1,436,876	1,359,622
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pension liability	327,331	402,133
Deferred outflows related to OPEB liability	36,314	42,064
Total deferred outflows	363,645	444,197
Total assets and deferred outflows of resources	$ 1,800,521	$ 1,803,819
LIABILITIES		
Current Liabilities		
Accounts payable	$ 6,231	$ 862
Due to other funds	91,466	64,735
Compensated absences	8,896	12,030
Other payables	48,196	46,902
OPEB liability	2,028	2,310
Total current liabilities	156,817	126,839
Noncurrent Liabilities		
Compensated absences	31,836	31,885
OPEB liability	112,096	116,192
Net pension liability	1,433,679	1,467,827
Total noncurrent liabilities	1,577,611	1,615,904
Total liabilities	1,734,428	1,742,743
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pension liability	38,541	53,186
Deferred inflows related to OPEB liability	67,779	64,855
Total deferred inflows	106,320	118,041
NET POSITION		
Net investment in capital assets	57,009	57,269
Restricted	-	57,339
Unrestricted	(97,236)	(171,573)
Total net position	(40,227)	(56,965)
Total liabilities, deferred inflows of resources, and net position	$ 1,800,521	$ 1,803,819

NORTHERN YORK COUNTY SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Fund
Year Ended June 30, 2025 with Summarized Comparative Totals for 2024

	Food Service	2024 Summarized as restated
OPERATING REVENUE		
Charges for services	$ 643,127	$ 691,856
Total operating revenues	643,127	691,856
OPERATING EXPENSES		
Food and milk purchases	676,894	770,283
Salaries	579,288	571,720
Employee benefits	379,045	337,386
Supplies	22,313	13,676
Depreciation	8,240	8,338
Purchased services	117,230	98,521
Total operating expenses	1,783,010	1,799,924
Operating (loss)	(1,139,883)	(1,108,068)
NONOPERATING REVENUES		
Federal subsidies	764,862	897,293
State subsidies	338,688	354,315
Interest income	53,071	55,607
Total nonoperating revenue	1,156,621	1,307,215
Income (loss) before transfers	16,738	199,147
Change in net position	16,738	199,147
Net position - beginning, as previously reported	(50,970)	(250,489)
Restatement - change in accounting principle	(5,995)	(5,623)
Net position - beginning, as restated	(56,965)	(256,112)
Total net position - ending	$ (40,227)	$ (56,965)

NORTHERN YORK COUNTY SCHOOL DISTRICT
Statement of Cash Flows - Proprietary Fund
Year Ended June 30, 2025 with Summarized Comparative Totals for 2024

	Food Service	2024 Summarized as restated
Cash flows from operating activities		
Cash received from food sales	$ 643,915	$ 675,907
Cash payments to suppliers for goods and services	(699,508)	(790,349)
Cash payments to and on behalf of employees	(904,480)	(901,887)
Net cash used for operating activities	(960,073)	(1,016,329)
Cash flows from capital financing activities		
Purchase of equipment	(7,980)	-
Cash flows from noncapital financing activities		
Federal subsidies	629,879	798,661
State subsidies	328,425	361,453
Net cash provided by noncapital financing activities	958,304	1,160,114
Cash flows from investing activities		
Earnings on investments	53,071	55,607
Net increase (decrease) in cash and cash equivalents	43,322	199,392
Cash and cash equivalents - beginning	1,131,734	932,342
Cash and cash equivalents - ending	$ 1,175,056	$ 1,131,734

Reconciliation of income (loss) from operations to net cash provided (used) by operating activities

	Food Service	2024 Summarized as restated
Cash flows from operating activities		
Operating loss	$ (1,139,883)	$ (1,108,068)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Donated food used	107,785	117,233
Depreciation	8,240	8,338
(Increase) decrease in:		
Inventory	4,074	(13,389)
Prepaid items	(299)	(10,323)
Accounts receivable	18,422	(9,022)
Due from other funds	(18,928)	(3,559)
Increase (decrease) in:		
Compensated absences	(3,183)	4,035
OPEB liability and related items	4,296	7,732
Net pension liability and related items	26,009	(3,424)
Due to other funds	26,731	(1,124)
Accounts payable	6,663	(4,758)
Total adjustments	179,810	91,739
Net cash used for operating activities	$ (960,073)	$ (1,016,329)

NORTHERN YORK COUNTY SCHOOL DISTRICT
Statement of Fiduciary Net Position
June 30, 2025 with Summarized Comparative Totals for 2024

	Custodial Funds	2024 Summarized
ASSETS		
Cash and cash equivalents	$ 18,150	$ 33,068
Total assets	$ 18,150	$ 33,068
LIABILITIES		
Accounts payable	$ 574	$ 776
Total liabilities	574	776
NET POSITION		
Restricted for:		
Student activities	17,576	32,292
Total net position	17,576	32,292
Total liabilities and net position	$ 18,150	$ 33,068

Northern York County School District
Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2025 with Summarized Comparative Totals for 2024

	Custodial Funds	2024 Summarized
ADDITIONS		
Fundraising	$ 28,694	$ 38,538
Interest	1,147	1,184
Sales	7,043	-
Contributions	31,995	40,171
Total additions	68,879	79,893
DEDUCTIONS		
Contributions	51,570	14,101
Travel	-	16,280
Supplies	20,670	21,893
Conferences	10,559	12,505
Dues and fees	796	-
Miscellaneous	-	42
Total deductions	83,595	64,821
Change in net position	(14,716)	15,072
Net position - beginning	32,292	17,220
Net position - ending	$ 17,576	$ 32,292

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Northern York County School District (School District) operates a public school system which is geographically comprised of the Boroughs of Dillsburg, Franklintown, and Wellsville and Townships of Carroll, Franklin, Monaghan, Warrington, and Washington in York County, Pennsylvania.

The School District consists of Northern High School, Northern Middle School; and the Dillsburg, Northern, South Mountain and Wellsville Elementary Schools; as well as the School District Administration Office and the Sports and Learning Center.

The financial statements of the School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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 the exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The School District is not a component unit of any other entities.

Certain organizations warrant inclusion as part of the financial reporting entity because of the nature and significance of their relationship with the primary government, including their ongoing financial support of the primary government. A legally separate, tax-exempt organization should be reported as a component unit of the reporting entity if all of the following criteria are met:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. In the case of the School District, this would include benefiting the students of the School District.

2. The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. The ability of a primary government to otherwise access the resources of an organization does not necessarily imply control over the organization or its resources. This access can be demonstrated if historically the primary government has received, directly or indirectly, a majority of the economic resources provided by the organization, or the organization has previously honored requests to provide resources to the organization.

3. The economic resources received or held by the individual organization, that the primary government is entitled to, or has the ability to otherwise access, is significant to the primary government.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

The Polar Bear Foundation was evaluated as a potential component unit, but it was determined to not meet all of the criteria necessary to be considered a component unit.

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

Cumberland-Perry Area Career and Technical Center - is a separate legal entity organized by thirteen local school districts. The School is operated, administered and managed by a joint operating committee consisting of board members from the thirteen member school districts. These members are elected from their individual school district board of directors. The School District's share of annual operating costs of CPACTC is reflected as intergovernmental expenditures of the General Fund.

Capital Area Intermediate Unit – is a separate legal entity organized by constituent school districts in Cumberland, Dauphin, Perry, and York 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 School District contracts with the Intermediate Unit primarily for special education services and training.

Complete financial statements for each of the entities described above can be obtained from each respective administrative office. The School District has no equity interest in any of the above joint ventures.

Fund Accounting

The School District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain School District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of the School District are grouped into the categories of governmental, proprietary, and fiduciary.

1. Governmental Funds

Governmental Funds are those through which most governmental functions of the School District are financed. The measurement focus is on the flow of expendable resources, rather than on net earnings determination.

The School District reports the following major governmental funds:

a. General Fund

The General Fund is used to account for all financial transactions not accounted for in another fund. Revenues are primarily derived from local property taxes, earned income taxes, and state and federal subsidies. Many of the more important activities of the School District, including instruction, administration of the School District, and certain noninstructional services are accounted for in this fund. This is a legally budgeted fund, and any unassigned fund balances are considered as resources available for use.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting (Continued)

b. Capital Reserve Fund

This fund is authorized under by Municipal Code P.L. 145, Act of April 30, 1943, accounts for (1) moneys transferred during any fiscal year from appropriations made for any particular purpose which may not be needed, (2) surplus moneys in the General Fund of the treasury of the School District at the end of any fiscal year, and (3) interest earnings of the fund itself. These funds must be used for capital improvements.

c. Renovation Projects Fund

The Renovation Projects Fund is used to account for financial resources to be used for capital maintenance upgrades including HVAC projects, roof replacements, and energy savings projects.

d. Building Projects Fund

The Building Projects Fund is used to account for financial resources to be used for the Northern Middle School and Northern Elementary School renovation projects.

2. Proprietary Fund

Proprietary Funds are used to account for the School District's ongoing activities which are similar to those often found in the private sector. The focus of proprietary funds is on the determination of net earnings and capital maintenance. The following fund is utilized:

Food Service Fund – Enterprise Fund – Major Fund

This fund accounts for all revenues and expenses pertaining to cafeteria operations as authorized under Section 504 of the 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.

3. Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and custodial funds. Custodial funds are used to account for fiduciary activities that are not required to be reported in pension trust funds, investment trust funds, or private-purpose trust funds. The School District reports the Student Activities as a custodial fund.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

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

The government-wide statements are prepared using the economic resources measurement focus. 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. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

Fund Financial Statements - Fund financial statements report detailed information about the School District. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds (if applicable) are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures, and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net position. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities.

Fiduciary funds are reported using the economic resources measurement focus.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

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

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers tax revenue to be available if collected within 60 days of the end of the fiscal period. Revenue from federal, state, and other grants designated for payment of specific school district expenditures is recognized when the related expenditures are incurred and available, which is generally 60 days; accordingly, when such funds are received, they are recorded as liabilities until earned. If time eligibility requirements are not met, a deferred inflow of resources would be recorded. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services, including charges for meals, and the costs of food, salaries and benefits, depreciation, and other expenses. Federal and State subsidies are considered non-operating revenues as no exchange transaction occurs.

Budgets and Budgetary Accounting

An operating budget is adopted each year for the General Fund on a modified accrual basis of accounting.

The Pennsylvania School Code dictates specific procedures relative to adoption of the School District's budget and reporting of its financial statements, specifically:

1. The School District, before levying annual school taxes, is required to prepare an operating budget for the succeeding fiscal year.

2. The Board of School Directors may make transfers of funds appropriated to any particular item of expenditure by legislative action. An affirmative vote of two-thirds of all members of the Board is required.

3. Fund balances in budgetary funds may be appropriated based on resolutions passed by the Board of Education, which authorize the School District to make expenditures. Appropriations lapse at the end of the fiscal period.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets and Budgetary Accounting (Continued)

4. Included in the General Fund budget are program budgets as prescribed by the state and federal agencies funding the programs. These budgets are approved on a program-by-program basis by the state or federal funding agency. These programs frequently result in supplementary budget appropriations.

During 2024/2025, the School District overspent the budgeted expenditures of the General Fund, which is a violation of the Pennsylvania School Code, but is not expected to result in any negative implications of the School District.

Capital budgets are not implemented for capital improvements in the Capital Reserve Fund, Renovation Projects Fund, and Building Projects Fund. All transactions of the Capital Reserve Fund, Renovation Projects Fund, and Building Projects Fund are approved by the Board prior to commitment, thereby constructively achieving budgetary control.

Cash, Cash Equivalents, and Investments

Cash and cash equivalents include all demand deposits, petty cash, savings, money market accounts, PLGIT accounts, PSDLAF accounts, and certificates of deposit with an original maturity of less than 90 days owned by the School District. Investments include certificates of deposit with an original maturity of greater than 90 days. Investments are stated at market value. Accrued interest is included with other receivables on the balance sheet.

Statement of Cash Flows

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

Inventory

Inventory in the Food Service Fund consists of expendable supplies and food (valued at cost) held for consumption. The expendable supplies are recorded as an expenditure when used. The cost of governmental fund inventories are recorded as expenditures when purchased in the fund financial statements and the asset (valued at cost) at June 30 is offset by nonspendable fund balance. Governmental fund supplies inventories are capitalized at cost and expensed as used on the government-wide financial statements.

Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds.

These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and in the respective funds.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at acquisition value as of the date received. The School District maintains a capitalization threshold of $ 7,500. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed. Interest incurred during the construction of capital assets is not capitalized.

All reported capital assets are depreciated/amortized. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation/amortization is computed using the straight-line method over the following useful lives:

	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Site Improvements	20 – 50 years	N/A
Buildings	20 – 50 years	N/A
Equipment, Furniture and Fixtures	5 – 20 years	5 – 12 years
Right-to-use asset – leased equipment	2 – 5 years	N/A
Right-to-use asset – IT subscriptions	2 – 5 years	N/A

Deferred Outflows and 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) until then. The School District has several items that qualify for reporting in this category, including amounts deferred due to various impacts of the accounting for Pension and OPEB liabilities. The OPEB and pension amounts deferred will be amortized as described in Note 10 and Note 11, respectively.

In addition to liabilities, the statement of net position or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The School District has several items that qualify for reporting in this category, including the deferred charge on bond refunding, amounts deferred due to various impacts of the accounting for OPEB and pension liabilities as detailed in Note 10 and Note 11, respectively, and future revenues related to leases (on the statement of net position and the balance sheet for governmental funds). A deferred charge on bond refunding results from the difference in the carrying value of refunding debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The School District also reports unavailable revenue on the governmental funds balance sheet as a deferred inflow of resources.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interfund Activity/Internal Balances

Advances between funds are accounted for in the appropriate interfund receivable and payable accounts. Advances between funds which are not expected to be repaid are accounted for as transfers. Interfund balances and transactions are eliminated in the government-wide financial statements.

Exchange transactions, if any, between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental or business-type activity columns in the statement of net position. This same treatment also applies to proprietary fund financial statements. Bond premiums and discounts, deferred charge on bond refunding, as well as prepaid bond insurance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. The deferred (gain)/charge on bond refunding is reported as deferred outflows of resources and amortized over the term of the related debt. Prepaid bond insurance costs are reported as an asset and amortized over the term of the related debt. Other bond issuance costs are expensed at the time the debt is issued.

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 and original issue discounts or premiums are reported as other financing sources and uses. Issuance costs and underwriter's discount, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

Leases

The School District is a lessee for noncancellable leases of equipment. The School District recognizes lease liabilities and intangible right-to-use lease assets (lease assets) in the government-wide financial statements.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

Key estimates and judgments related to leases include how the School District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The School District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the School District generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and any purchase option price that the School District is reasonably certain to exercise.

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

Subscription-Based Information Technology Arrangements

The School District is a lessee for noncancellable arrangements for subscription-based information technology. The School District recognizes a subscription liability and an intangible right-to-use subscription asset (subscription asset) in the government-wide financial statements.

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

Key estimates and judgments related to subscription arrangements include how the School District determines (1) the discount rate it uses to discount the expected subscription arrangement payments to present value, (2) subscription term, and (3) subscription payments.

- The School District uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not provided, the School District generally uses its estimated incremental borrowing rate as the discount rate for subscriptions.
- The subscription term includes the noncancellable period of the subscription arrangement. Subscription payments included in the measurement of the subscription liability are composed of fixed payments and any renewal provisions that the School District is reasonably certain to exercise.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Retirement Plans

The School District contributes to the Public School Employees Retirement System (PSERS), a cost-sharing multiple-employer defined benefit pension plan. The School District accounts for the plan under the provisions of the GASB Statements, which establishes standards for the measurement, recognition, and display of pension expense and related liabilities, assets, and note disclosures.

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

Compensated Absences

The School District accounts for compensated absences in accordance with GASB Standards which establishes a unified approach for recognizing and measuring leave benefits. During the year ended June 30, 2025, the School District adopted GASB 101, Compensated Absences. See Note 15 for further information related to this change in accounting principle.

Under this guidance, a liability is recorded for leave that employees have earned but not yet used, provided the leave is expected to be paid or settled in the future. This includes vacation, sick leave, and other types of paid time off that accumulate and are attributable to services already rendered. The liability is recognized when it is more likely than not that the leave will be used for time off or otherwise compensated, either in cash or through noncash settlement. The measurement of the liability is based on the employee's pay rate as of the financial statement date, unless a different rate is specified in the leave arrangement. Additionally, salary-related payments that are directly and incrementally associated with leave payments – such as payroll taxes and certain pension contributions – are included in the liability. This approach ensures that the financial statements reflect the cost of compensated absences in the period in which the benefits are earned, providing a more accurate picture of the School District's financial obligations.

The School District's full time employees earn up to a maximum of twenty vacation leave days per year and are entitled to compensation for accumulated, unpaid vacation leave upon termination. Full-time employees also earn up to twelve sick leave days per year and are entitled to compensation for a portion of accumulated unpaid sick leave upon termination or retirement, after ten years of service. The maximum payout is $ 14,000 for sick days. Full-time employees earn up to three personal days per year and are entitled to compensation for accumulated, unpaid personal leave upon termination.

As part of the implementation, the School District adopted a last-in, first-out (LIFO) flow assumption for the use of leave balances. Under this approach, the most recently earned leave is assumed to be used first. This assumption aligns with the School District's administrative practices and provides a more accurate reflection of the expected settlement value of compensated absences.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences (Continued)

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

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

Other Postemployment Benefits Other Than Pensions

The School District provides postemployment benefits by permitting retired employees the ability to participate in the employee health plan through a single employer defined benefit other post-employment health plan (OPEB) at the same premium rate, albeit 100% paid for by the retirees. Consequently, the School District is providing an implicit rate subsidy to its retirees. These benefits are financed on a pay-as-you-go basis.

The School District also participates in a governmental cost sharing multiple-employer OPEB plan with PSERS for all eligible employees who qualify and elect to participate.

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position have been determined on the same basis as they are reported by PSERS. For this purpose, benefit payments are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

Net Position - Government-Wide/Proprietary Funds

In the government-wide financial statements and proprietary fund financial statements, net position is classified in the following categories:

Net Investment in Capital Assets: This component consists of capital assets, net of accumulated depreciation and reduced by any outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those capital assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of debt is included in the same net position component as the unspent proceeds. Deferred outflows of resources and deferred inflows of resources attributable to acquisition, construction, or improvement of assets or related debt also should be included in this component of net position.

Restricted Net Position: This component consists of net position with constraints placed on the use by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation.

Restricted net position as of June 30, 2025 consists of $ 212,989 for scholarships and $ 591,708 for capital projects.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position - Government-Wide/Proprietary Funds (Continued)

Unrestricted Net Position: This category of net position is the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position, a flow assumption must be made about the order in which the resources are considered to be applied. It is the School District's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Balance – Governmental Funds

In the governmental funds financial statements, fund balance is classified in the following categories:

Restricted: This classification includes amounts where the constraints placed on the use of resources are either (1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the government to assess, levy, change or mandate payment and includes a legally enforceable requirement on the use of these funds.

Committed: This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision–making authority. This formal action is in the form of a resolution which is made by the School Board. Once an amount is committed, it cannot be used for any other purpose unless changed by the same type of formal action used to initially constrain the funds.

Assigned: This classification includes spendable amounts that are reported in governmental funds *other than the General Fund*, that are neither restricted nor committed, and amounts in the General Fund that are intended to be used for a specific purpose. The intent of an assigned fund balance should be expressed by either the School District's Board, or a subordinate high-level body, such as the finance committee, superintendent, or business manager that is authorized to assign amounts to be used for specific purposes. As detailed in its Fund Balance Policy, the School Board or the Business Manager has the authority to make assignments of fund balance. The assignment of fund balance cannot result in a negative unassigned fund balance.

Unassigned: This classification represents the portion of spendable fund balance that has not been categorized as restricted, committed or assigned. The General Fund is the only fund which would include a positive unassigned fund balance as all other fund types must categorize amounts within the other classifications. A negative unassigned fund balance may occur in any fund when there is an over expenditure of restricted or committed fund balance. In this case, any assigned fund balance (and unassigned fund balance in the general fund) would be eliminated prior to reporting a negative unassigned fund balance.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Policy Regarding Order of Spending

When fund balance resources are available for a specific purpose in multiple classifications, the School District's policy is to use restricted resources first and then apply unrestricted resources in the following order: unassigned, assigned and committed. Assigned or committed resources would only be used upon specific authorization by the School Board, or the Business Manager in the case of assigned fund balance.

Minimum Fund Balance

The School District strives to maintain an unassigned general fund balance of not less than four percent (4%) and not more than eight percent (8%) of the budgeted expenditures for that fiscal year.

The total fund balance, consisting of portions including committed, assigned, and unassigned, may exceed eight percent (8%).

If the unassigned portion of the fund balance falls below the threshold of four percent (4%), the Board will pursue variations of increasing revenues and decreasing expenditures or a combination of both until four percent (4%) is attained. If the assigned, committed and unassigned portions of the fund balance exceed eight percent (8%) of budgeted expenditures, the Board may utilize a portion of the fund balance by appropriating excess funds for nonrecurring expenditures only.

Use of Estimates

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

Comparative Data

Comparative total data for the prior year has been presented in the accompanying financial statements as it was originally reported in order to provide an understanding of changes in the School District's financial position and results of operations. This prior year summarized comparative information is not presented in the level of detail required for presentation in conformity with generally accepted accounting principles. In addition, the prior year data has been restated for the impact for a correction of an error and implementation of a new accounting principle as detailed further in Note 15.

NOTE 2 CASH AND INVESTMENTS

Section 440.1 of the Pennsylvania School Code and Act 10 of 2016 define allowable investments for school districts, which are summarized as follows:

- U.S. Treasury Bills.
- Short-term obligations of the U.S. Government and Federal agencies.
- Deposits in savings accounts or time deposits or share accounts of institutions insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund 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 therefore shall be pledged by the depository.
- Obligations of the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the respective governmental entity.
- Shares of an investment company restricted under the Investment Company Act of 1940.
- Obligations, participations or other instruments of any Federal agency, instrumentality, or United States government-sponsored enterprise if the debt obligations are rated at least "A" or its equivalent.
- Commercial paper issued by corporations or other business entities organized in accordance with federal or state law, with a maturity not to exceed 270 days.
- Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as bankers' acceptances, if the bankers' acceptances do not exceed 180 days' maturity.
- Negotiable certificates of deposit or other evidences of deposit, with a remaining maturity of three years or less.

Credit Risk – Investments

The School District invests in external investment pools with the Pennsylvania School District Liquid Asset Fund (PSDLAF) and Pennsylvania Local Government Investment Trust (PLGIT). As of June 30, 2025, the School District had the following investments:

Investment	Fair Value
PA Local Government Investment Trust (PLGIT)	$ 14,799,072
PA School District Liquid Asset Fund - PSDMAX	16,332,868
	$ 31,131,940

Included in cash and cash equivalents on the statement of net position are pooled investments in the Pennsylvania School District Liquid Asset Fund (PSDLAF-MAX) of $ 16,332,868. The PSDLAF investments are essentially a mutual fund that consists of short-term money market instruments and seeks to maintain a constant net asset value of $ 1 per share. PSDLAF deposits are invested by PSDLAF directly in portfolios of securities held by a third-party custodian and are collateralized with securities held by the PSDLAF agent in a collateral pool.

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Credit Risk – Investments (Continued)

Included in cash and cash equivalents on the statement of net position are investments in Pennsylvania Local Government Investment Trust (PLGIT) of $ 14,799,072. PLGIT operates like a money market and seeks to maintain a stable net asset value of $ 1 per share. PLGIT portfolio funds are invested in United States Treasury bills; obligations, participations, or other instruments of any Federal agency, instrumentality or United States government-sponsored enterprise; deposits in savings accounts or time deposits or share accounts of institutions insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund; obligations guaranteed or insured by the United States of America, obligations of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the Commonwealth; and repurchase agreements involving United States Government and agency obligations.

Policies Followed at PSDLAF and PLGIT

PSDLAF and PLGIT are not registered with the Securities and Exchange Commission (SEC); however, PSDLAF and PLGIT follow investment procedures similar to those followed by SEC registered money market funds. There is no regulatory oversight for the pools which are governed by the Board of Trustees. The School District's investments in PSDLAF and PLGIT are valued at amortized cost, which approximates fair value and is determined by the pools' share price.

The School District has no limitations or restrictions on withdrawals on accounts held at PSDLAF or PLGIT.

The School District does not have a formal written investment policy that limits its investment choices to certain credit ratings. As of June 30, 2025, the School District's investments were rated as:

Investment	S&P Global Ratings
PA School District Liquid Asset Fund	AAAm
PA Local Government Investment Trust	AAAm

Interest Rate Risk - Investments

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

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

Investments in Pennsylvania School District Liquid Asset Fund (PSDLAF) - Max and Pennsylvania Local Government Investment Trust (PLGIT) are not subject to interest rate risk as the funds are accessible on a daily basis and the interest rates change daily based on market conditions.

NOTE 3 TAXES

Real estate taxes are considered fully collectible since liens can be filed on properties. The uncollectible portion of per capita taxes was estimated based on previous collection experience.

Property taxes are levied as of July 15 on assessed property values. The tax bills are mailed by the Tax Collectors on July 1 and are payable as follows:

Discount	July 15 – September 15
Face	September 16 – November 15
Penalty	November 16 - January 15

After January 15, the bills are considered delinquent and turned over to the County Tax Claim Bureau for collection.

NOTE 4 TAXES RECEIVABLE AND DEFERRED INFLOWS OF RESOURCES

Taxes receivable and related deferred inflows of resources in the financial statements consist of the following as of June 30, 2025:

Real estate	$ 835,183
Earned income	1,763,305
Per capita	40,960
	2,639,448
Reserve for uncollectible accounts	(23,565)
Taxes receivable, net	2,615,883
Taxes collected within sixty days, recorded as revenues in governmental funds	(1,307,745)
Taxes estimated to be collected after sixty days (unavailable), recorded as deferred inflows of resources in governmental funds	$ 1,308,138

Tax Abatements

Pennsylvania Clean and Green Program

Clean and Green is a preferential tax assessment program that bases property taxes on use values rather than fair market values. This ordinarily results in tax savings for landowners.

Property owners can apply at the York County tax assessment office for their property to be included in Pennsylvania's Clean and Green program. The program was enacted as a tool to encourage protection of the Commonwealth's valuable farmland, forestland, and open spaces. To be eligible, a property must be at least ten acres in size, and in Agriculture Use, Agriculture Reserve, or Forest Reserve. Agricultural Use applications may be less than ten acres in size if the property is capable of generating at least $ 2,000 annually in farm income. A landowner who breaches the covenant is subject to seven years of rollback taxes at 6% interest per year. The rollback tax is the difference between what was paid under Clean and Green versus what would have been paid, if the property had not been enrolled, plus 6% simple interest per year.

For the fiscal year ended June 30, 2025, total School District property taxes of $ 3,759,034, were abated under this program.

NOTE 5 INTERNAL BALANCES

Interfund receivables/payables consist of the following at June 30, 2025:

Funds	Interfund Receivable	Interfund Payable
General Fund	$ 91,466	$ 34,835
Food Service	34,835	91,466
	$ 126,301	$ 126,301

The Food Service Fund owes the General Fund for reimbursement of salaries and related benefits. The General Fund owes the Food Service Fund for student receivables.

Interfund transfers consist of the following for the year ended June 30, 2025:

Funds	Transfers In	Transfer Out
General Fund	$ -	$ 400,000
Capital Reserve	400,000	-
Renovation Projects	-	5,222
Building Projects	5,222	-
	$ 405,222	$ 405,222

During the current year, a budgeted transfer was made to the Capital Reserve Fund from the General Fund to cover current year expenditures. A transfer was made from the Renovation Projects Fund to the Building Projects Fund to cover current year capital expenditures.

NOTE 6 INTERGOVERNMENTAL RECEIVABLES

Intergovernmental receivables at June 30, 2025 consist of the following:

		Governmental Activities	Business-Type Activities
Local:	Deed transfer	$ 31,451	$ -
State:	Social Security	332,425	-
	Retirement	1,408,276	-
	Rental	915,958	-
	Breakfast and lunch subsidy	-	10,262
Federal:	Grants	637,714	-
	Breakfast and lunch subsidy	-	27,199
Total		$ 3,325,824	$ 37,461

NOTE 7 CAPITAL ASSETS

Capital asset activity for the School District consists of the following as of and for the year ended June 30, 2025:

	Beginning Balance (as restated)	Additions	Retirements	Ending Balance
Governmental Activities				
Cost				
Assets not being depreciated				
Land	$ 324,188	$ -	$ -	$ 324,188
Construction in progress	7,590,309	17,799,027	(8,357,969)	17,031,367
Assets being depreciated/amortized:				
Site improvements	5,070,463	-	-	5,070,463
Buildings	87,166,853	6,495,586	-	93,662,439
Equipment, furniture, and fixtures	6,120,245	165,702	-	6,285,947
Right-to-use asset - leased equipment	129,848	-		129,848
Right-to-use asset - IT subscriptions	223,685	322,161	(66,419)	479,427
Total cost	106,625,591	24,782,476	(8,424,388)	122,983,679
Less accumulated depreciation/amortization				
Site improvements	(1,893,400)	(237,660)	-	(2,131,060)
Buildings	(40,438,969)	(2,251,137)	-	(42,690,106)
Equipment, furniture, and fixtures	(4,901,943)	(258,498)	-	(5,160,441)
Right-to-use asset - leased equipment	(76,476)	(26,271)	-	(102,747)
Right-to-use asset - IT subscriptions	(104,833)	(90,323)	66,419	(128,737)
Total accumulated depreciation/amortization	(47,415,621)	(2,863,889)	66,419	(50,213,091)
Capital assets, net	$ 59,209,970	$ 21,918,587	$ (8,357,969)	$ 72,770,588
Business-Type Activities				
Cost				
Equipment, furniture and fixtures	$ 1,017,685	$ 7,980	$ -	$ 1,025,665
Less accumulated depreciation:				
Equipment, furniture and fixtures	(960,416)	(8,240)	-	(968,656)
Capital assets, net	$ 57,269	$ (260)	$ -	$ 57,009

The balance in construction in progress is related to Northern Elementary School renovations and Northern High School greenhouse project.

NOTE 7 CAPITAL ASSETS (CONTINUED)

Depreciation and amortization expense for the year ended June 30, 2025 was charged to governmental functions as follows:

Instruction	$	2,179,992
Instructional student support		109,686
Administrative and financial support services		110,259
Operation and maintenance of plant services		361,137
Student activities		102,815
	$	2,863,889

NOTE 8 ACCRUED SALARIES AND BENEFITS/WITHHOLDINGS

Accrued salaries and benefits/withholdings consist of the following as of June 30, 2025:

Accrued salaries	$	2,455,895
Retirement		796,935
Social security		188,223
Health insurance		720,922
Other withholdings		155,874
	$	4,317,849

NOTE 9 LONG-TERM LIABILITIES

The changes in long-term liabilities (other than pension and OPEB) during the year ended June 30, 2025 were as follows:

	Beginning Balance (as restated)	Additions	Reductions	Ending Balance	Current Portion	Long-term Portion
Governmental Activities						
Bonds						
(A) Series of 2019	$ 5,170,000	$ -	$ (2,770,000)	$ 2,400,000	$ 1,990,000	$ 410,000
(B) Series of 2022	8,405,000	-	(265,000)	8,140,000	5,000	8,135,000
(C) Series of 2021A	1,605,000	-	(470,000)	1,135,000	1,135,000	-
(D) Series of 2021B	4,900,000	-	-	4,900,000	325,000	4,575,000
(E) Series of 2022A	9,610,000	-	(50,000)	9,560,000	50,000	9,510,000
(F) Series of 2023	14,355,000	-	(5,000)	14,350,000	5,000	14,345,000
(G) Series of 2024	-	14,380,000	-	14,380,000	5,000	14,375,000
Direct Borrowing						
(H) Financed purchases	125,505	-	(40,332)	85,173	41,817	43,356
Unamortized bond (discount)/premium	2,079,614	617,511	(311,841)	2,385,284	324,899	2,060,385
Subtotal - bonds and notes payable	46,250,119	14,997,511	(3,912,173)	57,335,457	3,881,716	53,453,741
Compensated absences*						
Vacation leave	277,533	28,341	-	305,874	82,051	223,823
Personal leave	239,753	13,007	-	252,760	32,505	220,255
Sick leave	689,819	4,171	-	693,990	197,274	496,716
Subtotal - compensated absences	1,207,105	45,519	-	1,252,624	311,830	940,794
Lease obligations	56,194	-	(27,043)	29,151	26,895	2,256
IT subscription liability	-	322,161	(62,805)	259,356	61,076	198,280
Total long-term liabilities	$ 47,513,418	$ 15,365,191	$ (4,002,021)	$ 58,876,588	$ 4,281,517	$ 54,595,071
Business-Type Activities						
Compensated absences*						
Vacation leave	$ 14,117	$ -	$ (2,519)	$ 11,598	$ 3,314	$ 8,284
Personal leave	4,184	-	(2,672)	1,512	127	1,385
Sick leave	25,614	2,008	-	27,622	5,455	22,167
Total long-term liabilities	$ 43,915	$ 2,008	$ (5,191)	$ 40,732	$ 8,896	$ 31,836

* The change in the compensated absences liabilities are presented as a net change.

(A) On October 9, 2019, the School District issued general obligation bonds – Series of 2019 in the amount of $ 6,310,000 to currently refund the School District's Series of 2014 bonds, provide funds for future capital projects and to pay the cost of issuing the bond. The bonds are due in varying amounts on May 15, 2020 to 2030. The bonds bear fixed interest rates ranging from 2.0% to 4.0%.

(B) On May 18, 2022, the School District issued general obligation bonds – Series of 2022 in the amount of $ 8,545,000 to currently refund the School District's Series of 2017 bonds and to pay the cost of issuing the bond. The bonds are due in varying amounts on November 15, 2022 to 2029. The bonds bear fixed interest rates ranging from 3.0% to 4.0%.

(C) On April 20, 2021, the School District issued general obligation note – Series of 2021A in the amount of $ 9,820,000 to currently refund the School District's Series of 2012 bonds, Series of 2015A bonds and to pay the cost of issuing the notes. The notes are due in varying amounts on November 15, 2021 to 2025. The notes bear interest rates ranging from 1.0% to 4.0%.

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

(D) On April 20, 2021, the School District issued general obligation note – Series of 2021B in the amount of $ 4,900,000 to fund renovations and improvements to the School District facilities, refund the School District's Series of 2015 bond and to pay the cost of issuing the notes. The notes are due in varying amounts on November 15, 2025 to 2030. The notes bear interest at a rate of 4%.

(E) On December 22, 2022, the School District issued general obligation bonds – Series of 2022A in the amount of $ 9,660,000 to fund various future capital projects. The bonds are due in varying amounts on November 15, 2023 to 2037. The bonds bear fixed interest rates at 4.0%.

(F) On October 25, 2023, the School District issued general obligation bonds – Series of 2023 in the amount of $ 14,355,000 to fund renovations and improvements to the School District facilities and pay the cost of issuing the bonds. The bonds are due in varying amounts on November 15, 2024 to 2043. The notes bear fixed interest rates ranging from 3.75% to 5.25%.

(G) On October 31, 2024, the School District issued general obligation bonds – Series of 2024 in the amount of $ 14,380,000 to fund the acquisition, design, construction of renovations and improvements to existing school facilities. The bonds are due in varying amounts on November 15, 2025 to 2044. The bonds bear interest rates ranging from 3.21% to 4.19%.

(H) The School District entered into one financed purchase for energy upgrades. The financed purchase requires an annual principal and interest payment of $ 44,951 based on an interest rate of 3.68% through 2027.

The School District's general obligation bonds and notes contain a provision that in the event of default for non-payment of principal and interest, the School Code allows for the Commonwealth of Pennsylvania to withhold monies from the School District subsidies and pay any past due amounts directly to the paying agent for payments to the bond holders.

The School District's general fund is used to make principal payments on long-term liabilities.

Lease Obligation

The School District entered into lease agreements for five years as lessee for the acquisition and use of copiers and a postage machine. The leases require monthly principal and interest payments ranging from $ 135 to $ 2,263 based on interest rates ranging between 2.45% and 4.00%. The associated right-to-use assets are disclosed in the Capital Asset footnote.

IT Subscription Liabilities

The School District entered into subscription arrangements ranging from 2 to 5 years for the exclusive use of subscription-based information technology. The arrangements require annual principal and interest payments of $ 71,450 based on an interest rate of 4.00%. The associated right-to-use asset is disclosed in the Capital Assets footnote.

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

The annual debt requirements for future general obligation bonds as of June 30, 2025 are as follows:

	Bonds		Financed Purchases		Lease Obligations	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	$ 3,515,000	$ 2,309,331	$ 41,817	$ 3,134	$ 26,895	$ 669
2027	3,055,000	2,183,869	43,356	1,596	2,256	8
2028	3,320,000	2,058,431	-	-	-	-
2029	3,440,000	1,937,244	-	-	-	-
2030	3,545,000	1,823,831	-	-	-	-
2031- 2035	10,825,000	7,659,213	-	-	-	-
2036 - 2040	13,615,000	4,884,881	-	-	-	-
2041 - 2044	13,550,000	1,246,800	-	-	-	-
	$ 54,865,000	$ 24,103,600	$ 85,173	$ 4,730	$ 29,151	$ 677

	IT Subscription Liabilities		Totals		
	Principal	Interest	Principal	Interest	
2026	$ 61,076	$ 10,374	$ 3,644,788	$ 2,323,508	$ 5,968,296
2027	63,519	7,931	3,164,131	2,193,404	5,357,535
2028	66,060	5,390	3,386,060	2,063,821	5,449,881
2029	68,701	2,748	3,508,701	1,939,992	5,448,693
2030	-	-	3,545,000	1,823,831	5,368,831
2031- 2035	-	-	10,825,000	7,659,213	18,484,213
2036 - 2040	-	-	13,615,000	4,884,881	18,499,881
2041 - 2044	-	-	13,550,000	1,246,800	14,796,800
	$ 259,356	$ 26,443	$ 55,238,680	$ 24,135,450	$ 79,374,130

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS

Plan Descriptions and Benefits Provided

School District Plan

The School District provides the continuation of medical and dental benefits, including prescription drug coverage, to eligible retired employees and qualified spouses/beneficiaries until the retired employee reaches Medicare age. In order to obtain coverage, retired employees must provide payment for 50% to 100% of the premium cost determined for the purpose of COBRA, depending on the employee group and length of service.

The School District pays 50% of the premiums for medical, dental, and prescription drug benefits for eligible retirees in the administrator's employee group. To be eligible for this group the retiree would have to be a retired administrator with 15 years of continuous services with the School District, 30 years of service with PSERS, and be eligible for retirement with PSERS.

Retired employees in the teacher and support staff groups pay 100% of their premiums for medical, dental, and prescription drug benefits under the School District's postemployment benefit plan.

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Plan Descriptions and Benefits Provided (Continued)

The premium amount retirees pay is a blended rate for covering both active and retired Plan members. The fact that the blended rate that retirees pay is less than the cost of covering retired members and their beneficiaries results in what is known as an "implicit rate subsidy" by the School District, which gives rise to the benefits. All employees are eligible for this benefit upon reaching PSERS retirement age. The School District's postemployment benefits are administered by School District personnel. The Plan does not issue a separate stand-alone financial statement.

No assets are accumulated in a trust that meets the criteria of GASB standards.

PSERS

In addition to the other postemployment benefit detailed above, the Public School Employees' Retirement System (PSERS) also provides a health insurance premium assistance program for all eligible employees, which is a governmental cost-sharing multiple employer defined benefit plan. Employer contribution rates for premium assistance are established to provide reserves in the health insurance account that are sufficient for the payment of premium assistance benefits for each succeeding year. Effective January 1, 2002 under the provisions of Act 9 of 2001, participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of $ 100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS' Health Options Program. As of June 30, 2024, there were no assumed future benefit increase to participating eligible retirees or employer-sponsored health insurance program.

Retirees of the System can participate in the premium assistance program if they 1) have 24 ½ or more years of service, 2) are a disability retiree, 3) have 15 or more years of service and retired after reaching superannuation age, or 4) participate in the PSERS' health option program or the employer-sponsored health insurance program.

The members eligible to participate in the System include all full-time public school employees, part-time hourly public school employees who render at least 500 hours of service in the school year, and part-time per diem public school employees who render at least 80 days of service in the school year in any of the reporting entities in Pennsylvania. PSERS issues a publicly available financial report that can be obtained at www.psers.pa.gov.

Plan Membership

School District Plan

Membership in the School District's plan consisted of the following at July 1, 2024, the date of the latest actuarial valuation:

Active participants	319
Retired participants	9
Total	328

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Contributions

PSERS

The School District's contractually required contribution rate for the fiscal year ended June 30, 2025 was 0.63% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year with an additional amount to finance the unfunded accrued liability. Contributions to the OPEB plan from the employer were $ 146,280 for the year ended June 30, 2025.

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

School District Plan

The School District's total OPEB liability was measured as of July 1, 2024, and the total OPEB liability was based on an actuarial valuation as of July 1, 2024, which was based on census information as of July 2024. The plan has no assets that are accumulated in a trust that meets the criteria established in GASB Statement No. 75. At June 30, 2025, the School District reported a total OPEB liability of $ 2,712,026.

For the year ended June 30, 2025, the School District recognized OPEB expense of $ 174,820.

PSERS

At June 30, 2025, the School District reported a liability of $ 2,538,560 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 School 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, 2025, the School District's proportion was 0.1429 percent, which was an increase of 0.0037 percent from its proportion measured as of June 30, 2024.

For the year ended June 30, 2025, the School District recognized OPEB expense of $ 92,802.

The table below summarizes the combined OPEB liability and OPEB expense:

	Total OPEB/ Net OPEB Liability	OPEB Expense
School District Plan	$ 2,712,026	$ 174,820
PSERS	2,538,560	92,802
Total	$ 5,250,586	$ 267,622

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Changes in the Total OPEB Liability

School District Plan

	Total OPEB Liability
Beginning Balance	$ 3,032,880
Changes for the year:	
Service cost	215,350
Interest	131,475
Changes in assumptions	(51)
Difference between expected and actual experience	(547,963)
Benefit payments	(119,665)
Net changes	(320,854)
Ending Balance	$ 2,712,026

At June 30, 2025, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	School District Plan		PSERS		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 343,268	$ 1,259,356	$ 10,000	$ 38,000	$ 353,268	$ 1,297,356
Changes in assumptions	413,121	1,527,254	155,000	388,000	568,121	1,915,254
Net difference between projected and actual investment earnings	-	-	2,000	-	2,000	-
Changes in proportions - plan	-	-	78,000	88,000	78,000	88,000
Changes in proportions - fund	-	-	10,890	10,890	10,890	10,890
and proportionate share of total	-	-	5,342	-	5,342	-
to the measurement date	103,999	-	147,568	-	251,567	-
	$ 860,388	$ 2,786,610	$ 408,800	$ 524,890	$ 1,269,188	$ 3,311,500

The amount of $ 251,567 is reported as deferred outflows of resources related to OPEB resulting from School District benefit payments/contributions subsequent to the measurement date and will be recognized as a reduction in the total/net OPEB liability in the year ended June 30, 2026 related to the School District and PSERS plans, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

	School District Plan	PSERS	Total
Year ended June 30:			
2026	$ (172,005)	$ (76,400)	$ (248,405)
2027	(172,005)	(89,539)	(261,544)
2028	(172,005)	(91,688)	(263,693)
2029	(172,005)	(10,061)	(182,066)
2030	(172,005)	4,030	(167,975)
Thereafter	(1,170,196)	-	(1,170,196)
Total	$ (2,030,221)	$ (263,658)	$ (2,293,879)

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Actuarial Methods and Assumptions

School District Plan

The total OPEB liability as of June 30, 2025 was determined by an actuarial valuation as of July 1, 2024, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

PSERS

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.

	School District Plan	PSERS
Actuarial Cost Method	Entry age normal	Entry age normal – level % of pay.
Investment Rate of Return	4.29% (S&P 20 year municipal bond rate July 1, 2024)	4.21% (S&P 20 year municipal bond rate June 30, 2024)
Salary	An assumption for salary increase is used 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%.	Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.
Mortality	PubT-2010 headcount-weighted mortality table including rates for contingent survivors for teachers. PubG-2010 headcount-weighted mortality table including rates for contingent survivors for administrators and all other employees. Incorporated into the tables are rates projected generationally using Scale MP-2021 to reflect mortality improvement.	Based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and project using a modified version of the MP-2020 Improvement Scale.
Percentage of Eligible Employees Electing Coverage in Plan	80% of teachers and administrators and 35% of the support staff are assumed to elect coverage. 50% of retirees deferring coverage are assumed to elect coverage at age 62, or age on valuation date, if older.	Eligible retirees will elect to participate pre-age 65 at 50% and eligible retirees will elect to participate post-age 65 at 70%.
Health Care Cost Trend Rate	7.0% in 2024, with a 0.5% decrease per year until 5.5% in 2027. Rates gradually decrease from 5.4% in 2028 to 4.0% in 2075 and later based on the Society of Actuaries Long-Run Medical Cost Trend Model.	Applied to retirees with less than $ 1,200 in premium assistance per year. Benefit is capped at $ 1,200 per year.
Per Capita Claims Cost	The per capita claims cost for medical and prescription drug is based on the expected portion of the group's overall cost attributed to individuals in the specified age and gender brackets. The resulting costs are as follows: age 45-49, $ 8,211 for males and $ 11,858 for females; 50-54, $ 10,874 for males and $ 13,402 for females; 55-59, $ 13,244 for males and $ 14,023 for females; and 60-64, $ 17,283 for males and $ 16,109 for females.	N/A

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Actuarial Methods and Assumptions (Continued)

PSERS

Investment Return

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.

OPEB – Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	100%	1.7%

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 OPEB liability was 4.29% and 4.21% for the School District's Plan and PSERS, respectively. The School District Plan is not funded, therefore, the S&P 20-year municipal bond rate of 4.29% as of July 1, 2024, is the applicable discount rate. Under the PSERS 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 or the payment of premium assistance benefits for each succeeding year. Due to the short-term funding policy, the OPEB's plan 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 OPEB liability.

Sensitivity of the Total and Net OPEB Liability to Changes in the Discount Rate

The following presents the total and net OPEB liabilities of the School District, as well as what the School District's liabilities would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate.

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Sensitivity of the Total and Net OPEB Liability to Changes in the Discount Rate (Continued)

	1% Decrease 3.29%	Current Discount Rate 4.29%	1% Increase 5.29%
School District Plan - Total OPEB liability	$ 2,924,538	$ 2,712,026	$ 2,511,829

	1% Decrease 3.21%	Current Discount Rate 4.21%	1% Increase 5.21%
PSERS - School District's proportionate share of the net OPEB liability	$ 2,868,000	$ 2,538,560	$ 2,263,000

Sensitivity of the Total and Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

For the PSERS plan, 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.

The following presents the total and net OPEB liabilities of the plans, as well as what the plans' total OPEB liability would be if it were calculated using the healthcare cost trend rate that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

School District Plan

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
School District Plan - Total OPEB Liability	$ 2,415,819	$ 2,712,026	$ 3,059,828

PSERS

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
PSERS - School District's proportionate share of the net OPEB liability	$ 2,538,000	$ 2,538,560	$ 2,539,000

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

OPEB Plan Fiduciary Net Position

PSERS

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

School District Plan

As of June 30, 2025, the School District had no amounts payable to the School District OPEB Plan.

Payables to the OPEB Plan

PSERS

As of June 30, 2025, the School District had $ 19,367 payable to the pension plan related to OPEB benefits.

NOTE 11 PENSION PLAN

General Information about the Pension Plan

Plan Description

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

Benefits Provided

PSERS provides retirement, disability, and death benefits. Members are eligible for monthly retirement benefits upon reaching (a) age 62 with at least 1 year of credited service; (b) age 60 with 30 or more years of credited service; or (C) 35 or more years of service regardless of age.

Act 120 of 2010 (Act 120) preserves the benefits of existing members and introduced benefit reductions for individuals who become new members on or after July 1, 2011. Act 120 created two new membership classes, Membership Class T-E (Class T-E) and Membership Class T-F (Class T-F). To qualify for normal retirement, Class T-E and Class T-F members must work until age 65 with a minimum of 3 years of service or attain a total combination of age and service that is equal to or greater than 92 with a minimum of 35 years of service.

NOTE 11 PENSION PLAN (CONTINUED)

General Information about the Pension Plan (Continued)

Benefits Provided (Continued)

Benefits are generally equal to 2% or 2.5%, depending upon membership class, of the member's final average salary (as defined by the Code) multiplied by the number of years of credited service. For members whose membership started prior to July 1, 2011, after completion of five years of service, a member's right to the defined benefits is vested and early retirement benefits may be elected. For Class T-E and Class T-F members, the rights to benefits are vested after ten years of service. Act 5 of 2017 (Act 5) introduced a hybrid benefit plan with two membership classes and a separate defined contribution plan for individuals who become new members on or after July 1, 2019. Act 5 created two new hybrid membership classes, Membership Class T-G (Class T-G) and Membership Class T-H (Class T-H) and the separate defined contribution membership class, Membership Class DC (Class DC).

Class T-G and Class T-H members qualify for a defined benefit normal retirement benefit must work until age 67 with a minimum of 3 years of services or attain a total combination of age and service that is equal to or greater than 97 with a minimum of 35 years of service.

Defined benefits for T-G and T-H are 1.25% or 1.00%, depending upon membership class, of the member's final average salary (as defined in the Code) multiplied by the number of years of credited service. A members' right to a defined benefit is vested in 10 years.

Participants are eligible for disability retirement benefits after completion of five years of credited service. Such benefits are generally equal to 1% or 2.5%, depending upon membership class, of the member's final average salary (as defined by the Code) multiplied by the number of years of credited service, but not less than one-third of such salary nor greater than the benefits the member would have had at normal retirement age. Members over normal retirement age may apply for disability benefits.

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

NOTE 11 PENSION PLAN (CONTINUED)

Contributions

Member Contributions:

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

Member Contribution Rates				
Membership Class	Continuous Employment Since	Defined Benefit (DB) Contribution Rate	DC Contribution Rate	Total Contribution Rate
T-C	Prior to July 22, 1983	5.25%	N/A	5.25% 6.25%
T-C	On or after July 22, 1983	6.25%	N/A	6.25%
T-D	Prior to July 22, 1983	6.50%	N/A	6.50%
T-D	On or after July 22, 1983	7.50%	N/A	7.50%
T-E	On or after July 1, 2011	7.50% base rate with shared risk provision	N/A	Prior to 7/1/21: 7.50% After 7/1/21: 8.00%
T-F	On or after July 1, 2011	10.30% base rate with shared risk provision	N/A	Prior to 7/1/21: 10.30% After 7/1/21: 10.8%
T-G	On or after July 1, 2019	5.5% base rate with shared risk provision	2.75%	Prior to 7/1/21: 8.25% After 7/1/21: 9.00%
T-H	On or after July 1, 2019	4.50% base rate with shared risk provision	3.00%	Prior to 7/1/21: 7.50% After 7/1/21: 8.25%
DC	On or after July 1, 2019	N/A	7.50%	7.50%

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

Employer Contributions:

The School District's contractually required contribution rate for fiscal year ended June 30, 2025 was 32.92% of covered payroll. This is actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions recognized as revenue by the defined benefit pension plan from the School were $ 7,620,741. In addition, the School's contribution to the defined contribution plan was $ 104,237 for the year ended June 30, 2025.

State Funding:

The Commonwealth of Pennsylvania generally reimburses the School District for 50%-60% of its retirement expense. This arrangement does not meet the criteria of a special funding situation in accordance with GASB standards. Therefore, the net pension and OPEB liabilities and related pension and OPEB expense represent 100% of the School District's share of these amounts. During the year ended June 30, 2025, the School District recognized revenue of $ 4,232,633 from reimbursement for its current year pension and OPEB payments.

NOTE 11 PENSION PLAN (CONTINUED)

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

At June 30, 2025, the School District reported a liability of $ 59,517,729 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by rolling forward the System's total pension liability as of June 30, 2023 to June 30, 2024. The School 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 School District's proportion was 0.1422 percent, which was an increase of 0.0033 percent from its proportion measured as of June 30, 2024.

For the year ended June 30, 2025, the School District recognized pension expense of $ 5,704,045.

At June 30, 2025, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ 936,000
Changes in assumptions	-	-
Net difference between projected and actual investment earnings	985,000	-
Changes in proportionate share - plan	1,207,000	664,000
Changes in proportionate share - fund	86,480	86,480
Difference between employer contributions and proportionate share of total contributions	145,659	-
Contributions subsequent to the measurement date	7,661,033	-
	$ 10,085,172	$ 1,686,480

The $ 7,661,033 reported as deferred outflows of resources related to pensions resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2026	$ (1,340,106)
2027	1,654,426
2028	623,339
2029	(200,000)
Total	$ 737,659

NOTE 11 PENSION PLAN (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Actuarial Assumptions

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

- Actuarial cost method – Entry Age Normal – level % of pay.
- Investment return – 7.00% includes inflation at 2.50%.
- Salary growth – effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projecting using a modified version of the MP-2020 Improvement Scale.

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

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

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

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

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

NOTE 11 PENSION PLAN (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Discount Rate

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

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

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
School District's proportionate share of the net pension liability	$ 78,403,000	$ 59,517,729	$ 43,570,000

Pension Plan Fiduciary Net Position

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

Payables to the Pension Plan

As of June 30, 2025, the School District had $ 777,568 payable to the pension plan.

NOTE 12 AFFILIATES

Payments to fund operations of affiliated entities for the year ended 2024/2025 were as follows:

Cumberland-Perry Area Career and Technology Center	$ 2,430,853
Capital Area Intermediate Unit	943,949

NOTE 13 COMMITMENTS AND CONTINGENCIES

As of June 30, 2025, the District had the following commitments related to capital projects:

	Total Estimated Costs	Total Costs Incurred	Total Costs To Be Incurred
Northern Elementary School Renovations	$ 20,061,488	$ 15,425,305	$ 4,636,183
Northern High School Greenhouse	234,592	192,247	42,345
	$ 20,296,080	$ 15,617,552	$ 4,678,528

The School District is subject to real estate tax assessment appeals on an ongoing basis. If tax appeals are successful, the result is a loss of tax revenue to the School District. It is anticipated that any material loss of tax revenue on individual tax appeals will be offset with additional revenues from other properties or other sources of revenue and would not create a financial hardship to the School District.

The School District is involved with various lawsuits in the normal course of operations. Management cannot predict the outcome of the lawsuits or estimate the amount of any loss that may result. Accordingly, no provision for any contingent liabilities that may result have been made in the financial statements. Management believes that losses resulting from these matters, if any, would be substantially covered under the School District's professional liability insurance policy and would not have a material effect on the financial position of the School District.

The School District participates in numerous state and federal programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the School District has not complied with rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2025 may be impaired. In the opinion of the School District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

Effective July 1, 2021, all of the geographical area of Washington Township, York County, Pennsylvania (the "Township") has been transferred to and become a part of and became served by the School District, the Township being transferred from the Dover Area School District (the "DASD"). The transfer has occurred as a result of orders of the Commonwealth

NOTE 13 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Court and the Department of Education of the Commonwealth. As of July 1, 2021, the School District is the taxing authority with respect to school taxes for the taxpayers of the Township and is responsible for the education of the students who reside in the Township. The School District is currently receiving school tax revenues from the Township beginning with the 2021-22 fiscal year. The amount of increased state subsidy that will be received by the School District as a result of the transfer has yet to be determined, and the School District has not yet received any related state subsidies. A request by DASD that the School District assume some presently undefined portion of the outstanding debt and obligations of DASD will be determined by the Commonwealth Court of Pennsylvania. In the event that the School District may be required to assume a portion of such debt, the School District anticipates that any such required assumption would not have a material negative affect upon the financial condition of the School District.

NOTE 14 RISK MANAGEMENT

The School District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The School District has purchased commercial insurance to cover general liability, directors' and officers' liability, unemployment compensation and employees' health coverage. For these insured programs there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or three prior years.

All expenditures for the School District's risk management are recorded in the general fund or food service fund.

Lincoln Benefit Trust

The School District is a member of the Lincoln Benefit Trust. The Trust is a claims servicing pool which pays claims for hospital benefits, medical coverage for physicians' services, certain dental coverage, major medical coverage, and certain other benefits submitted by employees of the participating School Districts. Each participating employer contributes to the trust amounts determined by actuarial principles which will be adequate to cover annual claim costs, operating costs, and reserves sufficient to provide stated benefits. Since each school district is responsible for its own risk, additional assessments would be charged to make up any deficiency; thus, this functions like a retrospectively rated program.

Because Lincoln Benefit Trust acts as a claim-servicing pool, the School District remains responsible for the economic risk of providing stated benefits to employees. However, claims incurred between $ 175,000 and $ 300,000 are paid from the Trust mini-pool. Claims incurred over $ 300,000 are paid from a stop loss insurance policy purchased by the Trust.

NOTE 14 RISK MANAGEMENT (CONTINUED)

Lincoln Benefit Trust (Continued)

Changes in net position for the School District's account at Lincoln Benefit Trust (based on audited financial statements of Lincoln Benefit Trust) were as follows for the year ended June 30, 2025:

Net position - July 1, 2024	$ 4,403,878
Contributions and interest income	6,064,834
Claims paid	(6,221,580)
Stop-loss insurance	(446,116)
PA Trust insurance premiums	(376,458)
PA Trust reimbursement	900,814
Stop-loss pool reimbursement	305,221
Administrative fees	(369,620)
PA Trust experience refund	50,439
Other	(6,500)
Net position - June 30, 2025	$ 4,304,912

Overall, the Lincoln Benefit Trust has net position of $ 69,877,240 as of June 30, 2025 and showed an increase in net position of $ 645,750 for the year then ended. Financial statements of the Trust are available at the School District.

NOTE 15 RESTATEMENT

During the year ended June 30, 2025, the District adopted GASB Standard Statement No. 101 Compensated Absences. Implementation of the new standard changed the School District's compensated absence liability measurement related to their employee's accrued vacation, sick, and personal leave liability. Implementation of the new standard impacted the current and noncurrent compensated absences line item of the Government-wide and Proprietary fund statements of net position. This change also impacted the Instruction expense line item for governmental activities and all expense items for business-type activities on the government-wide Statement of Activities.

For the Proprietary fund Statement of Revenues, Expenses, and Changes in Fund Net Position it impacts the Food Service fund Salaries expense line item.

During the year ended June 30, 2025, the District had a restatement for a correction due to an error in recording accounts payable in the Building Projects Fund in the prior year. This impacted accounts payable of the Governmental Funds balance sheet and Government-wide Statement of Net Position by $ 406,226. This correction also impacted the Facilities acquisition, construction and improvements expenditure in the Statement of Revenues, Expenditures and Changes in Fund Balance and the construction in progress in the Statement of Net Position by $ 406,226.

NOTE 15 RESTATEMENT (CONTINUED)

	Governmental Activities	Business-Type Activities/ Food Service Fund
Net position, June 30, 2024, as originally stated	$ (17,430,386)	$ (50,970)
Restatement for change in accounting principle - GASB 101	(238,844)	(5,995)
Net position, June 30, 2024, as restated	$ (17,669,230)	$ (56,965)

	Building Projects Fund
Fund balance, June 30, 2024, as originally stated	$ 11,188,355
Restatement for error correction	406,226
Fund balance, June 30, 2024, as restated	$ 11,594,581
Net change in fund balances, June 30, 2024 as originally stated	$ 11,188,355
Restatement for error correction	406,226
Net change in fund balances, June 30, 2024, as restated	$ 11,594,581

REQUIRED SUPPLEMENTARY INFORMATION

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL (BUDGETARY/ GAAP BASIS)	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Local Sources				
Taxes	$ 41,076,353	$ 41,076,353	$ 41,262,233	$ 185,880
Investment earnings	600,000	600,000	949,832	349,832
Federal revenue from intermediate sources	660,000	660,000	669,379	9,379
Other	856,500	856,500	836,933	(19,567)
State sources	23,268,313	23,268,313	23,756,189	487,876
Federal sources	426,000	426,000	562,576	136,576
Total revenues	66,887,166	66,887,166	68,037,142	1,149,976
EXPENDITURES				
Instruction	36,115,885	36,115,885	39,030,545	(2,914,660)
Support services	20,857,984	20,857,984	21,328,139	(470,155)
Operation of noninstructional services	1,835,327	1,835,327	1,923,492	(88,165)
Debt service				
Principal	6,153,000	6,153,000	3,600,333	2,552,667
Interest	1,789,000	1,789,000	2,092,434	(303,434)
Total expenditures	66,751,196	66,751,196	67,974,943	(1,223,747)
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	1,000	1,000	-	(1,000)
Proceeds from long-term financing and leases	-	-	322,161	322,161
Interfund transfers	(400,000)	(400,000)	(400,000)	-
Total other financing sources and (uses)	(399,000)	(399,000)	(77,839)	321,161
Net change in fund balances	$ (263,030)	$ (263,030)	$ (15,640)	$ 247,390

Schedule of School District's Proportionate Share of the Net Pension Liability - Public School Employees' Retirement System

For the Fiscal Year Ended June 30	School District's Proportion of the Net Pension Liability (Asset)	School District's Proportionate Share of the Net Pension Liability (Asset)	School District's Covered Payroll - Measurement-Period	School District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2025	0.1422%	$ 59,517,729	$ 22,664,688	262.60%	64.63%
2024	0.1389%	61,791,582	21,328,392	289.72%	61.85%
2023	0.1419%	63,086,927	20,907,963	301.74%	61.34%
2022	0.1407%	57,766,819	19,972,249	289.24%	63.67%
2021	0.1440%	70,904,183	20,237,351	350.36%	54.32%
2020	0.1470%	68,770,434	20,271,259	339.25%	55.66%
2019	0.1463%	70,231,264	19,707,713	356.36%	54.00%
2018	0.1427%	70,477,218	19,000,157	370.93%	51.84%
2017	0.1445%	71,609,615	18,711,581	382.70%	50.14%
2016	0.1399%	60,598,118	18,003,316	336.59%	54.36%

NOTES

The amounts presented for each fiscal year were determined as of the measurement period year-end that was used for the fiscal year. For PSERS, the measurement period year-end is one year prior to the fiscal year-end.

Schedule of School District's Contributions - Public School Employees' Retirement System

For the Fiscal Year Ended June 30	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll - fiscal year	Contributions as a Percentage of Covered Payroll
2025	$ 7,620,741	$ 7,620,741	$ -	$ 23,289,963	32.72%
2024	7,434,328	7,434,328	-	22,664,688	32.80%
2023	7,301,933	7,301,933	-	21,328,392	34.24%
2022	7,085,633	7,085,633	-	20,907,963	33.89%
2021	6,722,712	6,722,712	-	19,972,249	33.66%
2020	6,740,800	6,740,800	-	20,237,351	33.31%
2019	6,617,012	6,617,012	-	20,271,259	32.64%
2018	6,222,091	6,222,091	-	19,707,713	31.57%
2017	5,496,260	5,496,260	-	19,000,157	28.93%
2016	4,599,484	4,599,484	-	18,711,581	24.58%

NORTHERN YORK COUNTY SCHOOL DISTRICT
Schedule of Changes in the School District's Total OPEB Liability and Related Ratios – School District Plan

	2025	2024	2023	2022	2021	2020	2019
Total OPEB liability							
Service cost	$ 215,350	$ 201,695	$ 416,431	$ 422,227	$ 300,576	$ 300,730	$ 241,741
Interest	131,475	118,635	118,936	94,421	128,213	108,469	107,218
Changes of benefit terms	-	-	-	-	-	-	39,031
Differenes between expected and actual experience	(547,963)	-	(959,056)	-	345,840	-	241,883
Changes in assumptions	(51)	41,685	(1,507,621)	(160,397)	545,409	(108,862)	(331,743)
Benefit payments	(119,665)	(107,996)	(196,103)	(227,269)	(126,603)	(121,440)	(167,827)
Net change in total OPEB liability	(320,854)	254,019	(2,127,413)	128,982	1,193,435	178,897	130,303
Total OPEB liability - beginning	3,032,880	2,778,861	4,906,274	4,777,292	3,583,857	3,404,960	3,274,657
Total OPEB liability - ending	$ 2,712,026	$ 3,032,880	$ 2,778,861	$ 4,906,274	$ 4,777,292	$ 3,583,857	$ 3,404,960
Covered employee payroll	$ 20,294,528	N/A	$ 18,643,997	N/A	$ 18,003,994	N/A	$ 18,831,627
Total OPEB liability as a percentage of covered employee payroll	13.36%		14.90%		26.53%		18.08%

NOTES

This schedule will be expanded to show 10 fiscal years once information becomes available in the future.

Schedule of School District's Proportionate Share of Net OPEB Liability – Public School Employees' Retirement System

For the Fiscal Year Ended June 30	School District's Proportion of the Net OPEB Liability (Asset)	School District's Proportionate Share of the Net OPEB Liability (Asset)	School District's Covered Payroll - measurement period	School District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2025	0.1429%	$ 2,712,026	$ 22,664,688	11.97%	7.13%
2024	0.1392%	3,032,880	21,328,392	14.22%	7.22%
2023	0.1422%	2,778,861	20,907,963	13.29%	6.86%
2022	0.1409%	4,906,274	19,972,249	24.57%	5.30%
2021	0.1442%	4,777,292	20,237,351	23.61%	5.69%
2020	0.1470%	3,583,857	20,271,259	17.68%	5.56%
2019	0.1463%	3,126,458	19,707,713	15.86%	5.56%
2018	0.1427%	2,907,386	19,000,157	15.30%	5.73%

NOTES

The amounts presented for each fiscal year were determined as of the measurement period year-end that was used for the fiscal year. For PSERS, the measurement period year-end is one year prior to the fiscal year-end.

This schedule will be expanded to show 10 fiscal years once information becomes available in the future.

NORTHERN YORK COUNTY SCHOOL DISTRICT

Schedule of School District's OPEB Contributions - Public School Employees' Retirement System

For the Fiscal Year Ended June 30	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll - Fiscal Year	Contributions as a Percentage of Covered Payroll
2025	$ 146,280	$ 146,280	-	$ 23,289,963	0.63%
2024	144,524	144,524	-	22,664,688	0.64%
2023	159,958	159,958	-	21,328,392	0.75%
2022	166,946	166,946	-	20,907,963	0.80%
2021	163,628	163,628	-	19,972,249	0.82%
2020	187,918	187,918	-	20,237,351	0.93%
2019	169,154	169,154	-	20,271,259	0.83%
2018	157,714	157,714	-	19,707,713	0.80%

NOTES

This schedule will be expanded to show 10 fiscal years once information becomes available in the future.

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OTHER SUPPLEMENTARY INFORMATION

NORTHERN YORK COUNTY SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Federal Grantor/Pass-through Grantor/ Program or Cluster Title	Source Code	Federal ALN Number	Pass-through Grantor's Number	Program Period	Program or Award Amount	Total Received for the Year	Receivable (Unearned) at July 1, 2024	Revenue Recognized	Expenditures	Receivable (Unearned) at June 30, 2025	Total Passed-through to Subrecipients
DEPARTMENT OF EDUCATION											
Passed through the Pennsylvania Department of Education											
ESEA Title I	I	84.010	013-24-0302	July 1, 2023 - September 30, 2024	$ 414,202	$ 104,676	$ 56,876	$ 47,800	$ 47,800	$ -	$ -
ESEA Title I	I	84.010	013-25-0302	July 1, 2024 - September 30, 2025	408,937	327,530	-	403,201	403,201	75,671	-
Title I					823,139	432,206	56,876	451,001	451,001	75,671	-
ESEA Title II - Part A	I	84.367	020-24-0302	July 1, 2023 - September 30, 2024	75,439	19,683	19,683	-	-	-	-
ESEA Title II - Part A	I	84.367	020-25-0302	July 1, 2024 - September 30, 2025	74,415	58,959	-	74,415	74,415	15,456	-
Title II					149,854	78,642	19,683	74,415	74,415	15,456	-
ESEA Title IV	I	84.424	144-25-0302	July 1, 2024 - September 30, 2025	31,193	12,477	-	31,193	31,193	18,716	-
Title IV					31,193	12,477	-	31,193	31,193	18,716	-
COVID-19 - Elementary and Secondary School Emergency Relief Fund (ESSER III)	I	84.425U	223-21-0302	March 13, 2020 - September 30, 2024	2,341,181	468,236	462,268	5,968	5,968	-	-
Total Education Stabilization Fund					2,341,181	468,236	462,268	5,968	5,968	-	-
Passed through Capital Area Intermediate Unit											
Special Education Cluster (I.D.E.A.)											
I.D.E.A.	I	84.027	062-230015	July 1, 2023 - September 30, 2024	578,713	578,713	578,713	-	-	-	-
I.D.E.A.	I	84.027	062-230015	July 1, 2024 - September 30, 2025	525,892	-	-	525,892	525,892	525,892	-
I.D.E.A.	I	84.173	131-230015	July 1, 2023 - June 30, 2024	3,304	3,304	3,304	-	-	-	-
I.D.E.A.	I	84.173	131-230015	July 1, 2024 - June 30, 2025	1,980	-	-	1,980	1,980	1,980	-
Total Special Education Cluster					1,109,889	582,017	582,017	527,872	527,872	527,872	-
Total U.S. Department of Education						1,573,578	1,120,844	1,090,449	1,090,449	637,715	-
DEPARTMENT OF AGRICULTURE											
Child Nutrition Cluster											
Passed through the Pennsylvania Department of Education											
National School Breakfast Program	I	10.553	N/A	July 1, 2024 - June 30, 2025	N/A	171,595	-	180,049	180,049	8,454	-
National School Lunch Program	I	10.555	N/A	July 1, 2023 - June 30, 2024	N/A	458,283	-	477,028	477,028	18,745	-
Passed through the Pennsylvania Department of Agriculture											
Value of USDA Commodities	I(B)	10.555	206-67-460	July 1, 2024 - June 30, 2025	N/A	107,785	-	107,785	107,785	-	-
Total Child Nutrition Clsuter						737,663	-	764,862	764,862	27,199	-
Total U.S. Department of Agriculture						737,663	-	764,862	764,862	27,199	-
Total Expenditures of Federal Awards						$ 2,311,241	$ 1,120,844	$ 1,855,311	$ 1,855,311	$ 664,914	$ -

NOTE 1 REFERENCE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

(I) Indirect award

(B) Based on USDA valuation

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The schedule of expenditures of federal awards is presented using the modified accrual basis in accordance with accounting principles prescribed by the Pennsylvania Department of Education, which conform to generally accepted governmental accounting principles. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable. Revenues designated for payment of specific School District expenditures are recognized when the related expenditures are incurred. Any excess of revenues or expenditures at the fiscal year end is recorded as a liability or a receivable, respectively.

Indirect Cost Rate

The School District does not utilize the 10% de minimis indirect cost rate.

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*

Board of Directors
Northern York County School District
Dillsburg, 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 Northern York County School District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Northern York County School District's basic financial statements, and have issued our report thereon dated December 11, 2025.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

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

REPORT ON COMPLIANCE AND OTHER MATTERS

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

PURPOSE OF THIS REPORT

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

Smith Elliott Kearns & Company, LLC

Chambersburg, Pennsylvania
December 11, 2025

Guidance You Can Count On.

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

Board of Directors
Northern York County School District
Dillsburg, Pennsylvania

REPORT ON COMPLINACE FOR EACH MAJOR FEDERAL PROGRAM

Opinion on Each Major Federal Program

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

In our opinion, Northern York County School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with accounting standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and the 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 Northern York County School District and to meet our other ethical requirements, 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 Northern York County School 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 Northern York County School District's federal programs.

Auditors Responsibilities for the Audit of Compliance

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

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

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

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

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

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

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

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

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

Smith Elliott Kearns & Company, LLC

Chambersburg, Pennsylvania
December 11, 2025

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified:	☐ Yes ☒ No
• Significant deficiencies identified that are not considered to be material weakness(es)?	☐ Yes ☒ None Reported
Noncompliance material to financial statements noted?	☐ Yes ☒ No

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	☐ Yes ☒ No
• Significant deficiencies identified that are not considered to be a material weakness(es)?	☐ Yes ☒None Reported
Type of auditor's report issued on compliance for the major programs:	Unmodified
• Any compliance audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516?	☐ Yes ☒ No

Identification of the major programs:

ALN(s)	Name of Federal Program
	Child Nutrition Cluster
10.553	National School Breakfast Program
10.555	National School Lunch Program
10.555	Value of USDA Commodities

Dollar threshold used to distinguish between type A and type B programs:	$ 750,000
Auditee qualified as low-risk auditee?	☒ Yes ☐ No

Section II - Financial Statement Findings

A. Significant Deficiencies or Material Weaknesses in Internal Control

None noted

B. Compliance Findings

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

Section III - Federal Award Findings and Questioned Costs

A. Significant Deficiencies or Material Weaknesses in Internal Control Over Compliance

None noted

B. Compliance Findings

There were no findings relating to the major federal awards as required to be reported in accordance with the Uniform Guidance by 2CFR Section 200.516.

Northern York County School District
650 South Baltimore Street
Dillsburg, PA 17019
Telephone (717) 432-8691 ◆ Fax (717) 432-1421

Mr. Michael Walker
Assistant Superintendent

Dr. Matthew Meakin
Superintendent

Mr. Jason A. Young
Chief Financial & Operations Officer

NORTHERN YORK COUNTY SCHOOL DISTRICT
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2025

Findings related to the financial statements:

None reported in the June 30, 2024 Schedule of Findings and Questioned Costs.

Findings related to federal awards:

None reported in the June 30, 2024 Schedule of Findings and Questioned Costs

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