

Tredyffrin/Easttown School District
Wayne, Pennsylvania

ANNUAL COMPREHENSIVE
FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2022



Tredyffrin/Easttown School District
940 West Valley Road, Suite 1700
Wayne, PA 19087-1856



Tredyffrin/Easttown School District **Wayne, Pennsylvania**

ANNUAL COMPREHENSIVE FINANCIAL REPORT **For the Fiscal Year Ended June 30, 2022**



Dr. Richard Gusick, Superintendent of Schools
Prepared by the Business Office,
Mr. Arthur J. McDonnell, Business Manager/Board Secretary
and Ms. Deborah Klahold, Controller

TREDYFFRIN/EASTTOWN SCHOOL DISTRICT

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Tredyffrin/Easttown School District



Introductory Section

The mission of Tredyffrin/Easttown School District is to inspire a passion for learning, personal integrity, the pursuit of excellence, and social responsibility in each student.

Tredyffrin/Easttown School District Mission Statement

Tredyffrin/Easttown Board of School Directors



Tredyffrin/Easttown School District

Administration Offices, West Valley Business Center
940 West Valley Road, Suite 1700, Wayne, PA 19087

Phone: 610-240-1801

December 8, 2022

TO: The Residents and the Board of School Directors of the Tredyffrin/Easttown School District

We are pleased to present the Annual Comprehensive Financial Report ("**ACFR**") of the Tredyffrin/Easttown School District for the fiscal year ended June 30, 2022. The report was prepared by the District's Business Office with assistance from our independent auditors, BBD, LLP. This report is prepared in conformity with generally accepted accounting principles ("**GAAP**") in the United States of America for governments as promulgated by the Government Accounting Standards Board ("**GASB**"). It is presented in a manner designed to fairly set forth the economic conditions and results of operations of the District as a whole as measured by the financial activity of its funds, and all disclosures necessary to gain a clear understanding of the District's financial affairs have been included.

Responsibility for the accuracy of the presented data and the completeness and the fairness of the presentation, including all disclosures, rest with the Superintendent and the Business Manager. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed both to protect the District's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with accounting principles. Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we believe the data presented in the financial report is accurate and reliable in all material respects.

BBD, LLP, Certified Public Accountants, have issued an unmodified ("clean") opinion on the Tredyffrin/Easttown's financial statements for the year ended June 30, 2022. The report is located at the beginning of the Financial Section of this report.

Management's Discussion and Analysis ("**MD&A**") immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A is a complement to this letter of transmittal and should be read in conjunction with it.

Organization of the Report

For the convenience of users, we have divided this annual comprehensive financial report into four major sections, described as follows:

The **introductory section** includes this transmittal letter, map of the district, list of school board members and District administrators, the organizational structure of Tredyffrin/Easttown School District, list of instructional buildings and district office, and a list of consultants and advisors.

The **financial section** includes the independent auditor's report on the financial statements and schedules; the District's management's discussion and analysis information; the government-wide financial statements; the fund financial statements; the notes to the basic financial statements; the required supplementary information as well as the combining statements and individual fund schedules.

The **statistical section** is unaudited data which includes selected financial and demographic information, generally presented on a multi-year basis.

The **single audit section** contains information relating to the District's single audit in conformity with the provisions of the Title 2 U.S. Code of Federal Regulations Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" (Uniform Guidance) and the independent auditor's reports on compliance and internal control.

The report provides valuable management information. The Annual Comprehensive Financial Report will be made available on the district's website at www.tesd.net.

Profile of the District

The primary responsibility for the activities of a school district lies with the locally elected nine-member Board of School Directors ("**Board**") who are elected for a four-year term and must direct the affairs of the school district within the framework of the Pennsylvania School Code, other state laws and various regulations and standards. These regulations and standards are established primarily by the Pennsylvania Department of Education, the State Board of Education, the Pennsylvania State Legislature, and other state agencies. The Superintendent is the Chief Administrative Officer of the school district with overall responsibility for all aspects of operations including education. The Business Manager is responsible for budget and financial operations. Both the Superintendent and Business Manager are appointed by the Board.

The Tredyffrin/Easttown School District serves the townships of Tredyffrin and Easttown, encompassing 38 square miles in eastern Chester County with an estimated population of 529,924. The area is primarily made up of single-family homes, and includes such notable communities as Paoli, Devon, Berwyn, Daylesford, Chesterbrook, Strafford and Wayne. The District is approximately 20 miles northwest of the City of Philadelphia. A map of the District can be found at the end of this transmittal letter.

Historically, Tredyffrin/Easttown School District and the surrounding area, known as the Great Valley, were settled by Welsh Quakers who purchased the land from William Penn. Valley Forge National Park is adjacent to Tredyffrin Township and lends a richness of history and beauty to the area.

Support Services are available throughout the community. FLITE, Foundation for Learning in Tredyffrin/Easttown, works in partnership with the Tredyffrin/Easttown School District to help all District students reach their potential. FLITE recognizes that some children do not have the financial, emotional, and environmental support to succeed in school. FLITE aims to invest in helping these students, and thereby invest in the good of our entire community. FLITE also recognizes that the District faces increasing pressures regarding adequate funding of its programs and will consider proposals for support of programs or activities that enhance the total offerings of the school district.

The Upper Main Line YMCA provides recreational activities, including year-round tennis and swimming. Residents of both townships are served by active park and recreation boards which sponsor summer day camps, sports clinics, and winter recreation programs. Local community parks offer playgrounds, basketball courts, tennis courts and baseball fields. The Tredyffrin Library, the Easttown Library and the smaller Paoli Library are part of the Chester County Library System, and their many services are free to residents. The Main Line School Night and the Chester County Intermediate Unit's Center for Arts and Technology offer adult training and vocational education. In addition, T&E Care, a non-profit organization devoted to helping local families in need, is comprised of community members who want to make a difference in the lives of others.

The purpose of the District is to provide an educational system kindergarten through 12th grade. Approximately 7,000 students attend Tredyffrin/Easttown's eight schools. The District has five elementary schools, grades K-4; two middle schools, grades 5-8; and one high school, grades 9-12. The average student to teacher ratio is as follows: kindergarten and grade 1, 23:1; grade 2, 24:1; grades 3 & 4, 26:1; and grades 5-12, 28:1. During the 2021/22 school year, the District had 49 students attend Charter/Cyber school with a cost of \$814,274. In 2008, Philadelphia Magazine ranked the school district the best in the Philadelphia area, and the District remains a top-rated school district today. Below is a table of student enrollments for the last five years. The table also includes projections for the next five years of students provided by Sundance Associates in their October 2022 demographic study.

ACTUAL					
GRADE	2017-18	2018-19	2019-20	2020-21	2021-22
K - 4	2,400	2,501	2,537	2,369	2,386
5 - 8	2,303	2,323	2,394	2,254	2,193
9 - 12	2,197	2,219	2,243	2,318	2,335
Total	<u>6,900</u>	<u>7,043</u>	<u>7,174</u>	<u>6,941</u>	<u>6,914</u>
PROJECTIONS					
GRADE	2022-23	2023-24	2024-25	2025-26	2026-27
K - 4	2,334	2,324	2,344	2,378	2,407
5 - 8	2,186	2,204	2,169	2,138	2,127
9 - 12	2,344	2,219	2,183	2,211	2,202
Total	<u>6,864</u>	<u>6,747</u>	<u>6,696</u>	<u>6,727</u>	<u>6,736</u>

Conestoga High School’s Class of 2021 included 559 students, of which 98% chose to continue their education at colleges and universities. Ninety-five percent of the students selected four-year programs, while 3% were enrolled in two-year programs. The remaining 2% of students chose to pursue the military, employment, gap year or were undecided. In a typical year, more than 75% of Conestoga graduates attend colleges listed in *The Best 378 Colleges*, a publication of the Princeton Review. The Class of 2021 included 39 National Merit Semifinalists, 50 National Merit Commended Students and 5 National Hispanic Scholars. In May 2021, 900 Conestoga students completed 1,883 AP tests. For the Class of 2021, 62% of students took at least one AP test during high school and scored a 3 or better. The Class of 2021 mean SAT scores were 647 for evidence-based reading and writing and 667 for math, well above the state and national means.

The District employs approximately 760 full-time equivalent employees ("**FTE's**"). Employees are comprised of 31 full-time administrators and 170 full-time support staff, 55 part-time employees, and a teaching staff of 513. Teachers in the District are members of the Pennsylvania State Education Association (PSEA) and Tredyffrin/Easttown Education Association (TEEA), which is the representative bargaining unit. A new successor contract with the Association was approved on August 4, 2022, for the period of July 1, 2023, through June 30, 2027.

Professional Staff Profile

Number of Teachers	513
% Certified Teachers	100%
% of Teachers with Bachelor’s Degrees	13.25%
% of Teachers with Master’s Degrees	83.25%
% of Teachers with Doctorate’s Degrees	3.5%
Average Teacher Salary	\$92,648
Average Years of Experience	12.43

The support staff are members of the Tredyffrin/Easttown Non-Instructional Group ("**TENIG**"), which is the representative bargaining unit. A new TENIG collective bargaining agreement was approved for July 1, 2022, through June 30, 2025. Below is a list of TENIG positions and FTE’s.

<u>Support Staff</u>	<u>FTE's</u>
Secretarial	48.69
Custodial	50.00
Maintenance	15.00
Security	9.50
Food Service	32.40

The District has a goal of ensuring students, families, and staff are physically safe and psychologically secure in our buildings. In conjunction with our contracted architectural firm, buildings are evaluated annually to maintain the infrastructure and ensure safety. Our schools are compliant with current safety codes and regular fire and security drills are performed. The Commonwealth of Pennsylvania, Department of Auditor General, conducts performance audits on school safety including fire and security drills. The most recent audit in December 2021 had no findings. Below is a table of school buildings of the District, original year of construction, year of additions/renovations, square footage, grades served and student enrollment.

Building	Year of Construction		Square Footage	Grades Served	2021-22 Enrollment
	Original	Addition/Renovation			
Beaumont Elementary School	1965	1993/94, 2002	75,740	K-4	465
Devon Elementary School	1957	1960, 1967, 1993/94	65,110	K-4	396
Hillside Elementary School	1961	1966, 1993/94, 2001	70,960	K-4	440
New Eagle Elementary School	1964	1967, 1975, 1993/94, 2014	66,640	K-4	505
Valley Forge Elementary School	1958	1959, 1993/94, 2002	73,480	K-4	580
Tredyffrin Easttown Middle School	1908	1928, 1938, 1960, 1970, 1998/99, 2008	158,750	5-8	1,052
Valley Forge Middle School	1965	1998/99, 2006	150,082	5-8	1,141
Conestoga High School	1954	1959, 1967, 1985, 1990, 2004, 2021	384,992	9-12	2,335

Reporting Entity

The Tredyffrin/Easttown School District is an independent reporting entity and a primary government as defined in the criteria established in the GASB *Codification of Governmental Accounting and Financial Reporting*. The basic criteria for determining the inclusion in the reporting entity is financial accountability and the nature and significance of the relationship.

Internal Controls

The object of a system of internal controls is to provide reasonable, not absolute, assurance that the District's assets are properly protected and to ensure that financial transactions, which are relied on in the preparation of financial reports, are accurately recorded. The concept of reasonable assurances recognizes that the cost of the

system of internal controls should not exceed the benefits likely to be realized and that the valuation of cost and benefits requires estimates and judgements by management. The District has established policies and procedures to effectively implement and maintain a system of internal accounting controls. Management and independent auditors continually evaluate these policies and procedures to ensure the adequacy and effectiveness of the internal control structure.

Budgeting

The District's budget development process is motivated by the following three major objectives: (1) to provide students with exceptional educational opportunities; (2) to maximize the use of all available resources to optimize student achievement in a manner that is fiscally responsible; and (3) to comply with applicable law. The District follows the Pennsylvania Public School Code requirements, the procedures mandated by the Pennsylvania Department of Education, and the District's policies and regulations for annual general fund budget approval. Pennsylvania State Code requires that each Pennsylvania school district prepare and adopt an annual appropriation budget for the general fund. The District's annual general fund budgets sets forth District expenditures and revenues and establishes the tax levy prior to the beginning of each fiscal year. The total amount of the budget may not exceed expected revenue plus a reasonable contingency and reserve. At least thirty days prior to adoption of the final budget, the Board prepares and presents a proposed final budget which is set forth in detail using the forms required by the Pennsylvania Department of Education. The Board holds several public meetings on the development of the annual budget prior to the meeting at which the budget is formally adopted. The final budget adoption must occur prior to June 30th.

According to the Pennsylvania School Code, spending may not exceed the approved budget. To adjust for price changes and other changes to the original budget assumptions, the District allows for the transfer of funds among budget line items upon approval of the Board. By law, budget transfers are only allowed the last nine months of the fiscal year and all transfers require Board approval.

Economic Condition and Outlook

Pennsylvania School Districts' major revenue source, property taxes, are subject to a legislated cap, which limits property taxes above the cap subject to certain exceptions. This cap is referred to as the Act 1 Index, and the exceptions are for costs exceeding that cap for employee retirement and special education expenditures. The Act 1 Index is used to determine the maximum tax increases for each tax the school district levies without Pennsylvania Department of Education exception or voter approval. The base index is calculated by averaging the percent increases in the Pennsylvania statewide average weekly wage and the Federal employment cost index for elementary/secondary schools. Additionally, for school districts with a market value/personal income aid ratio (MV/PI AR) greater than 0.40, the value of their index is adjusted upward by multiplying the base index by the sum of 0.75 and their MV/PI AR. The property taxes for Tredyffrin/Easttown School District have been at an average tax rate increase for the last five years of 2.93%. The District has an exceptionally healthy economy and tax base, with a median family income at a robust 224.4% of the US level, full value per capita (\$217,151) is much stronger than the US median, and the total full value (\$8.7 million) is materially above other Moody's-rated school districts nationwide.

The financial position of Tredyffrin/Easttown School District is strong and is consistent with its Aaa rating from Moody's. Some of the key factors contributing to its Aaa rating is the District's nominal size of reserves that is well above the national average, the cash balance as a percent of operating revenues is slightly higher than the US median, and the fund balance (reserves) as a percent of operating revenues approximates the US median. The largest industry sectors that drive the local economy are professional/scientific/technical services, health services, and finance/ insurance.

The challenges facing the District, along with other Pennsylvania Schools, is the rising cost of special education, state retirement contributions, and charter school tuition. The District continually explores new and enhanced methods of delivering the best education possible for students while minimizing the financial impact on the taxpayers.

Long-term Financial and Capital Planning

The District has established policies and regulations regarding the budget development process and fund balance (reserves) management, along with many other financial policies and regulations that contribute to the successful education of students through sound fiscal management. During the development of the budget, the District also forecasts revenue and expenditures five years into the future. Capital projects are funded by budgeted transfers from the General Fund, actual revenues exceeding actual expenditures, and bond issuances. The District also maintains a committed General Fund fund balance for capital projects. The District has a long-term capital source and use plan enabling the District to properly maintain current infrastructure while planning for additional capital improvements based on forecasted future student enrollment. This process also allows the District to forecast for future funding needs like bond issuances to maintain a serviceable debt schedule. The District is dedicated to maintaining a reasonable fund balance sufficient to mitigate current and future financial risks and to ensure stable tax rates. An adequate fund balance is one of many reasons that the District has a "Aaa" bond rating with Moody's therefore reducing future interest expense. Any revenue over expenditures recognized at year end has typically been transferred to the capital fund to further reduce the need for additional borrowing with bonds. The District's twelve-year projection in the infrastructure and capital improvement plan is evaluated annually to ensure the financial plan satisfies the capital needs of the District.

Major Initiatives

Curriculum

The curriculum of the Tredyffrin/Easttown School District is vertically articulated and horizontally enriched. It is based on and expands upon Pennsylvania State Standards, Chapter 4, and national content standards, and attends to available global standards. A designated curriculum supervisor is assigned to each of the District's curricular areas to ensure cohesiveness and consistency.

Curriculum is developed by District teachers under the guidance and direction of curriculum supervisors. Curriculum development is reviewed by the Board Education Committee and approved by the Board of School Directors. Cross-grade-level teams of teachers design curriculum in beginning and end of year in-services to ensure that the curriculum is standards-based, is properly spiraled from kindergarten through grade twelve, and that it incorporates District initiatives beyond basic learning standards. These initiatives include, but are not limited to, equity and social justice, critical and creative thinking, self-directed learning, written and oral communication, technology and information literacy, and ethical academic behavior.

The District's instructional program is organized and communicated via the research based Tredyffrin/Easttown School District Teacher Model. The Teacher Model expands and describes in some depth the areas of planning and preparation, classroom environment, instructional delivery, and professionalism. All teachers and administrators in the District have received training on the Teacher Model, and the model is completely accessible to all professional staff members. This model forms the basis for teacher reflection on personal performance and for teacher evaluation.

Instructional materials are selected and designed to support the District's curriculum. The District is committed to providing students with multiple sources of instructional materials, from text materials to primary source materials. Web-based materials are utilized, with both teachers and students being guided to be critical consumers of all sources of information. The District invests substantial resources and support into the design of teacher-made materials. These are most often produced in a collaborative summer workshop setting, with teachers working under the guidance of District supervisors and administrators. Curricular materials are available for review by parents upon request.

The Tredyffrin/Easttown School District allocates considerable financial and human resources to the development and updating of District curriculum, instructional strategies, and instructional materials. The design model is fully collaborative and is based on state and content-specific standards.

This base is extended through the explicit teaching of critical thinking skills, self-directed learning, and other content development themes that support life-long learning. Materials to deliver the curriculum range from texts to primary sources, to teacher made materials, to web-based sources. The District's instructional model implements research-based best practices and is systematized so that it is accessible to all who are responsible for instructing students.

CHS Renovation and Addition Project

The District recently completed a \$34.8 million renovation and expansion project to the Conestoga High School. In addition to the new atrium, which includes skylights allowing for abundant natural light providing an inviting, well-lit space for students, the new addition contains over 20 instructional spaces and countless collaborative spaces for students to work together or individually. The instructional spaces include regular educational classrooms, science labs, specially designed classrooms to meet the needs of technology, creativity, and STEAM (science, technology, engineering, arts, and math). In addition, portions of the existing building were renovated including additional instructional spaces, expanded administrative/counselor offices, expanded cafeteria, additional specialized designed instructional spaces, expanded library space and a new parking lot for increase parking access to students.

A new approach to assist students in achieving a more relaxed and comfortable approach to their learning methodology was used in designing the desks and instructional furniture for the new and renovated spaces in the project. The classrooms associated with this project have been furnished with mobile chairs that allow students to find their own comfort level each period and expandable desktops that permit students to find comfortable ways to stand or sit while learning. Other areas within the school have been designed using the same design parameters as the classrooms. The library, cafeteria collaborative spaces, meeting spaces and offices have been furnished with items that create a comfortable, collaborative, and exciting learning experience for all students.



Athletic Fields Project

The Board recently approved the initial design phase of an athletic fields project which includes two turf fields, grass practice field, softball diamond, fieldhouse, concessions, maintenance facility, spectator seating and restrooms. This project will allow the District to better maximize the number of teams that can play and practice on school property which reduces the need for and cost of busing. This project will provide internal circulation roads thus decompressing traffic around Conestoga High School and Tredyffrin/Easttown Middle School, minimizing the number of evening sporting events, increasing community group access, and increasing outside facility revenue.



Overview

These major initiatives support the District's goals of (1) providing an educational program aligned with PA Core Standards, state assessments and District strategic initiatives to meet the needs of all students; (2) ensuring students, families, and staff are physically safe and psychologically secure in our buildings; and (3) providing infrastructure and sustainable resources to accommodate the District's evolving needs. The District's twelve-year infrastructure and capital improvement plan is evaluated annually to ensure the integrity and safety of our buildings, enables the Board to monitor the progress and achievement of these goals.

The Residents and the Board of School Directors of the Tredyffrin/Easttown School District
December 8, 2022

Acknowledgements

The preparation of this Annual Comprehensive Financial Report on a timely basis could not have been accomplished without the daily commitment of the entire staff of the Business Office. We would also like to express our appreciation and respect to the administrators and employees of the Tredyffrin/Easttown School District for their interest and dedication in planning the financial affairs of the Tredyffrin/Easttown School District in a responsible and progressive manner.

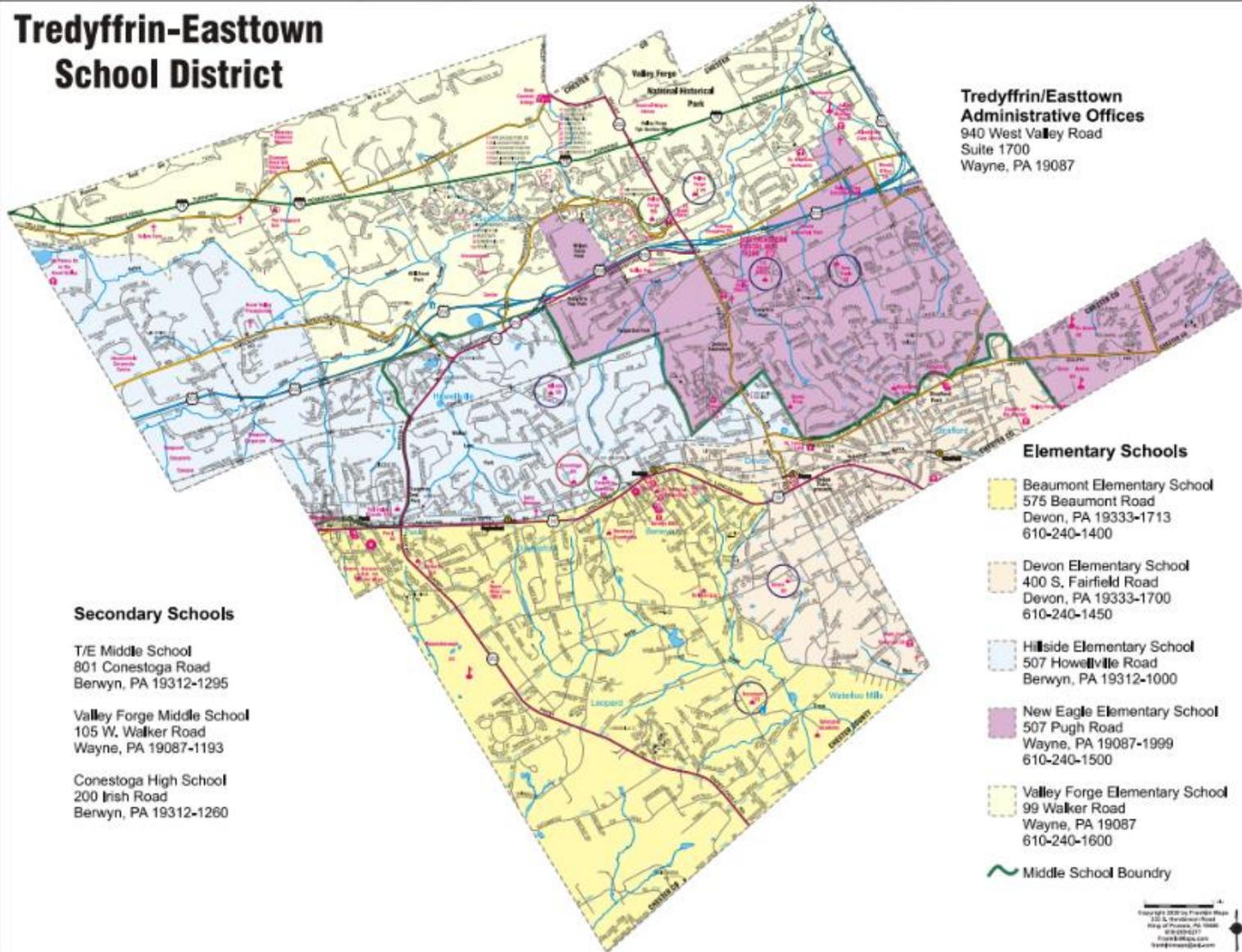
Respectfully,

Dr. Richard Gusick
Superintendent of Schools

Arthur J. McDonnell, PRSBA, RSBA, SFO
Business Manager/Board Secretary

Tredyffrin-Easttown School District

**Tredyffrin/Easttown
Administrative Offices**
940 West Valley Road
Suite 1700
Wayne, PA 19087



TREDYFFRIN/EASTTOWN SCHOOL DISTRICT

ORGANIZATION

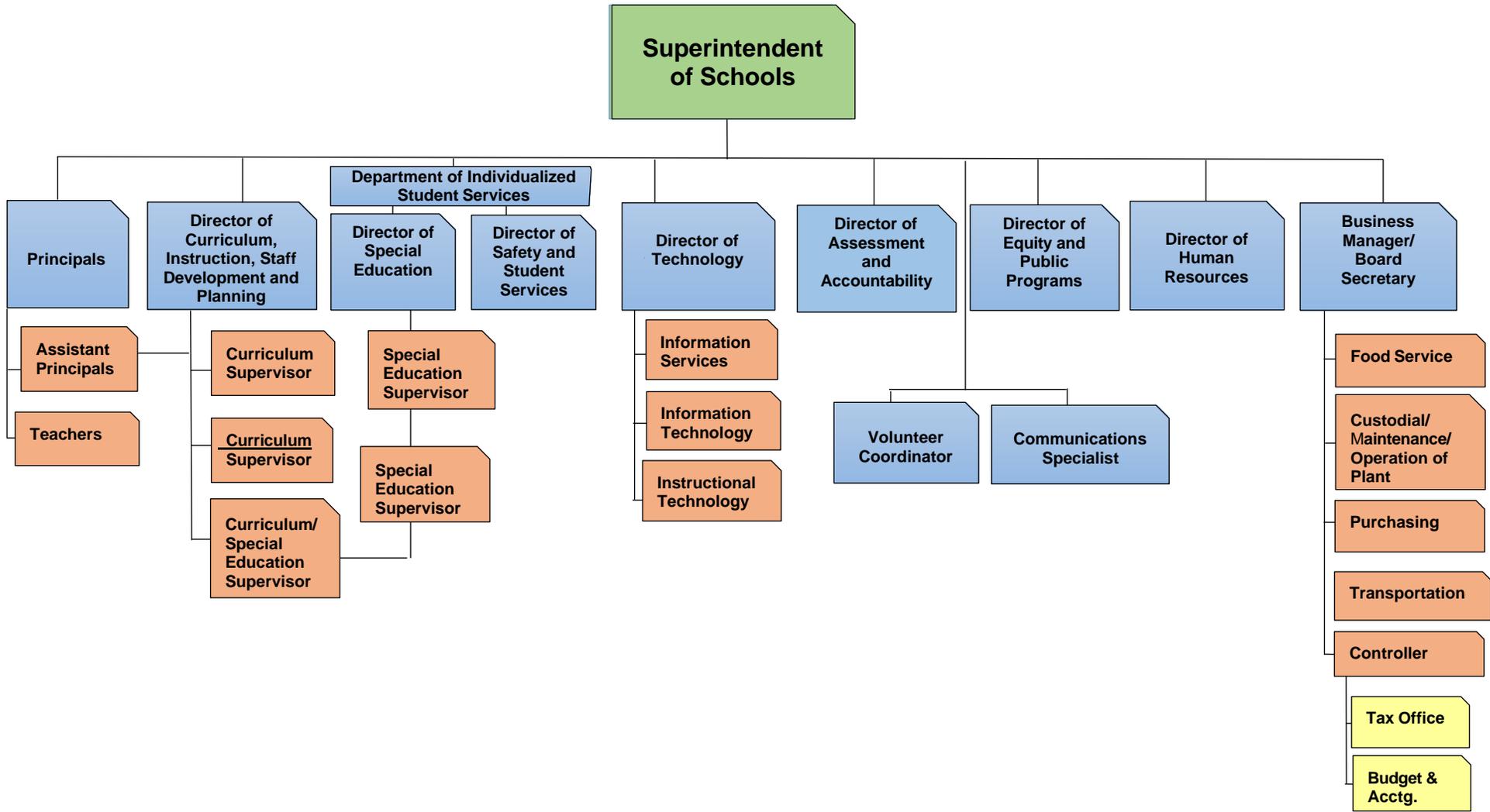
2021-2022

School Board Members

Dr. Roberta Hotinski	President
Todd Kantorczyk	Vice President
Dr. Yolanda Allen	Member
Susan Audrain	Member
Michele Burger	Member
Maryann Piccioni	Member
Dr. Robert Singh	Member
Stacy Stone	Member
Sue Tiede	Member
Arthur J. McDonnell	Secretary (non-member)
Deborah Klahold	Treasurer (non-member)

District Administrators

Dr. Richard Gusick	Superintendent
Arthur J. McDonnell	Business Manager/Board Secretary
Mark Cataldi	Director of Assessment and Accountability
Dr. Chris Groppe	Director of Safety and Student Services
Dr. Anthony Stevenson	Director of Human Resources
Nicole Roy	Director of Special Education
Dr. Mike Szymendera	Director of Technology
Dr. Oscar Torres	Director of Equity and Public Programs
Dr. Wendy Towle	Director of Curriculum, Instruction, Staff Development and Planning



TREDYFFRIN/EASTTOWN SCHOOL DISTRICT

LIST OF DISTRICT ADMINISTRATORS

2021-2022

District Level:	Main Number (610) 240-1900	
Superintendent	Dr. Richard Gusick	Extension: 1901
Communication Specialist	Christine Connolly	Extension: 1910
Volunteer Coordinator	Jeanne Braun	Extension: 1913
Director of Curriculum, Instruction, Staff Development and Planning	Dr. Wendy Towle	Extension: 1903
Curriculum Supervisor	Kim Morris	Extension: 1907
Curriculum Supervisor	Horace Rooney	Extension: 1923
Curriculum/Special Education Supervisor	Dr. John Mull	Extension: 1924
Director of Special Education	Nicole Roy	Extension: 1959
Special Education Supervisor	Kate Parker	Extension: 1945
Special Education Supervisor	Lisa Snyder	Extension: 1958
Director of Safety and Student Services	Dr. Chris Groppe	Extension: 1919
Director of Technology	Dr. Mike Szymendera	Extension: 1922
Information Services	Ben Kemp	Extension: 1964
Information Technology	Chen Williams	Extension: 1701
Instructional Technology	Lisa Lukens	Extension: 1973
Director of Assessment and Accountability	Mark Cataldi	Extension: 1905
Director of Equity and Public Programs	Dr. Oscar Torres	Extension: 1909
Director of Human Resources	Dr. Anthony Stevenson	Extension: 1926
Business Manager/Board Secretary	Arthur J. McDonnell	Extension: 1801
Food and Nutrition Services	Dave Preston	Extension: 1955
Custodial/Maintenance/Operation of Plant	Colm Kelly	Extension: 1651
Purchasing Agent	Fred Gordon	Extension: 1942
Transportation Supervisor	Karen Henry	Extension: 1684
Controller	Deborah Klahold	Extension: 1933

TREDYFFRIN/EASTTOWN SCHOOL DISTRICT

LIST OF DISTRICT ADMINISTRATORS (Continued)

2021-2022

Building Level:

Conestoga High School

Main Number: (610) 240-1100

Principal	Dr. Amy Meisinger	Extension: 1001
Assistant Principal – Grade 12	Dr. Patrick Boyle	Extension: 1029
Assistant Principal – Grade 11	Dr. Nicole Jolly	Extension: 1018
Assistant Principal – Grade 10	Jamie Bankert	Extension: 1067
Assistant Principal – Grade 9	Dr. Matthew Sterenczak	Extension: 1003
Athletic Director	Kevin Pechin	Extension: 1023

T/E Middle School

Main Number: (610) 240-1200

Principal	Dr. Andy Phillips	Extension: 1201
Assistant Principal	Orlando Carvajal	Extension: 1229
Assistant Principal	Dr. Jacquelyn Rothera	Extension: 1203

Valley Forge Middle School

Main Number: (610) 240-1300

Principal	Matt Gibson	Extension: 1301
Assistant Principal	Dr. Anthony DiLella	Extension: 1307
Assistant Principal	Dr. Ellen Turk	Extension: 1313

Beaumont Elementary

Main Number: (610) 240-1400

Principal	Dr. Stephanie Demming	Extension: 1401
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Devon Elementary

Main Number: (610) 240-1450

Principal	Dr. Todd Parker	Extension: 1451
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Hillside Elementary

Main Number: (610) 240-1500

Principal	Michele Staves	Extension: 1501
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New Eagle Elementary

Main Number: (610) 240-1400

Principal	Dr. Pat Gately	Extension: 1551
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Valley Forge Elementary

Main Number: (610) 240-1600

Principal	Rebecca Wills	Extension: 1601
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TREDYFFRIN/EASTTOWN SCHOOL DISTRICT

DISTRICT OFFICES AND SCHOOLS

District Office

940 West Valley Road, Suite 1700
Wayne, PA 19087
610-240-1900

Instructional Buildings

Beaumont Elementary School

575 Beaumont Road
Devon, PA 19333-1713
610-240-1400

Hillside Elementary School

507 Howellville Road
Berwyn, PA 19312-1000
610-240-1500

Valley Forge Elementary School

99 Walker Road
Wayne, PA 19087
610-240-1600

Valley Forge Middle School

105 W. Walker Road
Wayne, PA 19087-1193
610-240-1300

Devon Elementary School

400 S. Fairfield Road
Devon, PA 19333-1700
610-240-1450

New Eagle Elementary School

507 Pugh Road
Wayne, PA 19087-1999
610-240-1550

T/E Middle School

801 Conestoga Road
Berwyn, PA 19312-1295
610-240-1200

Conestoga High School

200 Irish Road
Berwyn, PA 19312-1260
610-240-1100

<https://www.tesd.net>

TREDYFFRIN/EASTTOWN SCHOOL DISTRICT

DISTRICT CONSULTANTS AND ADVISORS

2021-2022

Audit Firm

BBD, LLP
1835 Market Street, 3rd Floor, Philadelphia, PA 19103

Attorney

Wisler Pearlstine, LLP
460 Norristown Road, Suite 110, Blue Bell, PA 19422-2323

Fiscal Agents

Stifel Public Finance
20 Ash Street, 4th Floor, Conshohocken, PA 19428

PFM Financial Advisors, LLC
1735 Market Street, Suite 43, Philadelphia, PA 19103

Official Depositories

Pennsylvania Local Government Investment Trust
213 Market Street, Harrisburg, PA 17101

Fulton Bank

155 Swedesford Road, Exton, PA 19341

PA School District Liquid Asset Fund
2101 Oregon Pike, Lancaster, PA 17601-4624

Architect

Heckendorn Shiles Architects
347 East Conestoga Road, Wayne, PA 19087-3500



Tredyffrin/Easttown School District

FINANCIAL SECTION





INDEPENDENT AUDITOR'S REPORT

**Board of School Directors
Tredyffrin/Easttown School District
Wayne, Pennsylvania**

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 Tredyffrin/Easttown School District, Wayne, Pennsylvania as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Tredyffrin/Easttown 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 Tredyffrin/Easttown School District, Wayne, Pennsylvania as of June 30, 2022, 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. 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 Tredyffrin/Easttown School District, Wayne, Pennsylvania, 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 described in Note 16 to the financial statements, Tredyffrin/Easttown School District adopted new accounting guidance, GASB Statement No. 87, "Leases". Our opinions are not modified with respect to that 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 Tredyffrin/Easttown School District, Wayne, Pennsylvania's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from 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 Tredyffrin/Easttown 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 Tredyffrin/Easttown 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 Tredyffrin/Easttown School District's 2021 financial statements, and our report dated November 3, 2021 expressed unmodified opinions on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedule – General Fund, the schedules of the District's proportionate share of the net pension liability - PSERS and pension plan contributions - PSERS, schedule of changes in OPEB liability single-employer plan, and the schedules of the District's proportionate share of the net OPEB liability - PSERS and OPEB plan contributions – PSERS on pages 20 through 30 and 67 through 72 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 Tredyffrin/Easttown School District's basic financial statements. The accompanying schedule of expenditures of federal awards and certain state grants, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Information Included in the Financial Statements

Management is responsible for the other information in the financial statements. The other information comprises the introductory and statistical sections, but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2022, on our consideration of Tredyffrin/Easttown 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 Tredyffrin/Easttown 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 Tredyffrin/Easttown School District's internal control over financial reporting and compliance.

BBD, LLP

**Philadelphia, Pennsylvania
November 14, 2022**

TREDYFFRIN/EASTTOWN SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED

June 30, 2022

Management's discussion and analysis ("**MD&A**") of the financial performance of the Tredyffrin/Easttown School District (the "**District**") provides an overview of the District's financial performance for fiscal year ended June 30, 2022. Readers should also review the basic financial statements and related notes to enhance their understanding of the District's financial performance.

DISTRICT PROFILE

Tredyffrin/Easttown School District is comprised of five elementary schools, grades K-4; two middle schools, grades 5-8; and one high school, grades 9-12. Approximately 7,000 students attend the District's eight schools. The Tredyffrin/Easttown School District serves the townships of Tredyffrin and Easttown, encompassing 38 square miles in eastern Chester County. During 2021-2022, there were 806 employees in the District, consisting of 537 instructional staff, 30 administrators, including general administration, principals and supervisors, and 239 non-instructional staff including administrative assistants, maintenance staff, custodial staff and classroom assistants.

DISTRICT MISSION

In August 2022, the School Board approved the Tredyffrin/Easttown School District 2022 Strategic Plan. The plan was developed through the work of the District Strategic Planning Committee, which represents a microcosm of the community and includes faculty, staff, Board members, students, parents, and community partners. The goal of the Strategic Planning Committee was to design a mission and strategies that will provide an educational vision for the District for at least the next six years. The strategic planning process provided an opportunity for members of our community to share their thoughts on what we do well and where we can grow, and to lend their insight on the skill our kids need the most when they enter the world of the 2020s and beyond.

FINANCIAL HIGHLIGHTS

- On a government-wide basis, including all governmental activities and the business-type activities, the liabilities and deferred inflows of resources of the District exceeded assets and deferred outflows of resources resulting in a deficit in total net position at the close of the 2021-2022 fiscal year of \$158,027,937. During the 2021-2022 fiscal year, the District had an increase in total net position of \$16,939,373. The net position of governmental activities increased by \$16,392,249 and the net position of business-type activities increased by \$547,124.
- The General Fund reported an increase in fund balance of \$267,106, bringing the cumulative balance to \$32,554,789 at the conclusion of the 2021-2022 fiscal year.
- At June 30, 2022, the General Fund fund balance includes \$43,575 in nonspendable prepaid expenditures, \$6,406,382 committed to balance the subsequent year's budget, \$4,006,072 committed to capital projects, \$7,441,138 committed to vested employee services, \$9,127,679 committed to PSERS contingency, \$5,300,000 committed to healthcare contingency, \$229,943 assigned to athletic fund expenditures, and no unassigned amounts. Guidelines prescribed by the Pennsylvania Department of Education allow a district to maintain a maximum General Fund unassigned fund balance of 8% of the following year's expenditure budget.
- During 2021-2022, the Capital Projects Fund reported an increase in fund balance of \$21,781,735 due primarily to unspent bond proceeds related to the issuance of new debt and transfers in from the General Fund. The Capital Projects Fund fund balance of \$24,785,522 as of June 30, 2022, was restricted for the Conestoga High School expansion and renovation project and other future infrastructure and capital project expenditures.
- Total General Fund revenues and other financing sources were \$6,054,368 or 3.97% more than budgeted amounts, and total General Fund expenditures and other financing uses were \$6,540,975 or 3.97% less than budgeted amounts resulting in a net positive variance of \$12,595,343.
- In December 2019, an outbreak of a novel strain of coronavirus ("**COVID-19**") was identified and has since spread worldwide including the United States. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. The District continues to experience financial impacts from the COVID-19 pandemic.

TREDYFFRIN/EASTTOWN SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED

June 30, 2022

OVERVIEW OF THE FINANCIAL STATEMENTS

The MD&A is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *Statement of Net Position (Deficit)* presents information on all of the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as net position (deficit). Over time, increases or decreases in net position (deficit) may serve as a useful indicator of whether the financial condition of the District is improving or deteriorating. To assess the District's overall health, the reader will need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

The *Statement of Activities* presents information showing how the District's net position (deficit) changed during the most recent fiscal year. All changes in net position (deficit) are reported as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements distinguish the functions of the District that are principally supported by taxes and intergovernmental revenues from other functions that are intended to recover all or a significant portion of their costs through user fees and charges.

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

Governmental Activities

Most of the District's basic services are included here, such as regular and special education, support services, maintenance, transportation and administration.

Business-Type Activities

The District charges fees to cover the costs of its food services program.

The government-wide financial statements can be found on Pages 31 and 32 of this report.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the District's funds. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the District's funds can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds

Most of the District's activities are included in the governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on short-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

TREDYFFRIN/EASTTOWN SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED

June 30, 2022

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the governmental near-term financing decisions. Both the *Balance Sheet – Governmental Funds* and *Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds* provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains three individual governmental funds. Information is presented separately in the *Balance Sheet – Governmental Funds* and *Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds* for each of the three major funds.

The District adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with the budget.

The governmental fund financial statements can be found on Pages 33 through 36 of this report.

Proprietary Funds

The District maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Food Service Fund is reported as an enterprise fund of the proprietary fund type.

The proprietary fund financial statements can be found on Pages 37 through 39 of this report.

Fiduciary Funds

The District is the trustee, or fiduciary, for assets that belong to others, consisting of scholarship and student activity funds. The District is responsible for ensuring that the assets reported in these funds are used for their intended purpose and by those to whom the assets belong. Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs.

The fiduciary fund financial statements can be found on Pages 40 and 41 of this report.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements.

The notes to the financial statements can be found on Pages 42 through 66 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information which consists of the budgetary comparison schedule for the general fund, schedules of the District's proportionate share of the net pension liability-PSERS and pension plan contributions-PSERS, schedule of changes in OPEB liability single-employer plan, and the schedules of the District's proportionate share of the net OPEB liability-PSERS and OPEB plan contributions-PSERS.

The required supplementary information can be found on Pages 67 through 72 of this report.

TREDYFFRIN/EASTTOWN SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED

June 30, 2022

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted above, net position may serve over time as a useful indicator of the District's financial condition. At the close of the 2021-2022 fiscal year the District's liabilities and deferred inflows exceeded assets and deferred outflows by \$158,027,937. The following table presents condensed information for the *Statement of Net Position (Deficit)* of the District at June 30, 2022 and 2021.

	Governmental Activities		Business-Type Activities		Totals	
	2022	2021	2022	2021	2022	2021
ASSETS						
Current assets	\$ 89,723,607	\$ 69,283,024	\$ 188,752	\$ (378,421)	\$ 89,912,359	\$ 68,904,603
Noncurrent assets	89,323,097	76,719,280	83,189	108,989	89,406,286	76,828,269
Total assets	<u>179,046,704</u>	<u>146,002,304</u>	<u>271,941</u>	<u>(269,432)</u>	<u>179,318,645</u>	<u>145,732,872</u>
DEFERRED OUTFLOWS						
Deferred amounts on debt refunding	703,780	804,624	-	-	703,780	804,624
Deferred charges – OPEB	3,683,693	2,848,115	97,680	75,892	3,781,373	2,924,007
Deferred charges – pensions	36,227,830	33,286,747	524,965	462,736	36,752,795	33,749,483
Total deferred outflows	<u>40,615,303</u>	<u>36,939,486</u>	<u>622,645</u>	<u>538,628</u>	<u>41,237,948</u>	<u>37,478,114</u>
LIABILITIES						
Current liabilities	32,115,062	33,493,014	144,165	176,951	32,259,227	33,669,965
Noncurrent liabilities	309,162,462	312,677,192	3,259,963	3,521,233	312,422,425	316,198,425
Total liabilities	<u>341,277,524</u>	<u>346,170,206</u>	<u>3,404,128</u>	<u>3,698,184</u>	<u>344,681,652</u>	<u>349,868,390</u>
DEFERRED INFLOWS						
Deferred credits – OPEB	1,723,185	1,465,846	45,693	39,060	1,768,878	1,504,906
Deferred credits – pensions	31,675,008	6,711,697	458,992	93,303	32,134,000	6,805,000
Total deferred inflows	<u>33,398,193</u>	<u>8,177,543</u>	<u>504,685</u>	<u>132,363</u>	<u>33,902,878</u>	<u>8,309,906</u>
NET POSITION (DEFICIT)						
Net investment in capital assets	5,150,922	3,245,315	83,189	108,989	5,234,111	3,354,304
Restricted	10,008,211	4,332,941	-	-	10,008,211	4,332,941
Unrestricted (deficit)	(170,172,843)	(178,984,215)	(3,097,416)	(3,670,340)	(173,270,259)	(182,654,555)
Total net position (deficit)	<u>\$(155,013,710)</u>	<u>\$(171,405,959)</u>	<u>\$(3,014,227)</u>	<u>\$(3,561,351)</u>	<u>\$(158,027,937)</u>	<u>\$(174,967,310)</u>

The District's total assets as of June 30, 2022 were \$179,318,645 of which \$81,530,601 or 45.47% consisted of cash and investments and \$89,406,286 or 49.86% consisted of the District's investment in capital assets. The District's total liabilities as of June 30, 2022 were \$344,681,652 of which \$98,573,783 or 28.60% consisted of general obligation debt used to acquire and construct capital assets, \$183,605,697 or 53.27% consisted of the actuarially determined net pension liability, and \$21,616,194 or 6.27% consisted of the actuarially determined OPEB liability.

The District had a deficit in unrestricted net position of \$173,270,259 at June 30, 2022. The District's unrestricted net position increased by \$9,384,296 during 2021-2022 primarily due to the results of current year operations net of the change in the District's actuarially determined net pension liability and related pension items.

A portion of the District's net position reflects its restricted net position which totaled \$10,008,211 as of June 30, 2022. All of the District's restricted net position related to amounts restricted for capital expenditures. The District's restricted net position increased by \$5,675,270 due to unspent transfers in for future capital expenditures.

TREDYFFRIN/EASTTOWN SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED

June 30, 2022

Another portion of the District's net position reflects its investment in capital assets net of accumulated depreciation less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. For the year ended June 30, 2022, the District's net investment in capital assets increased by \$1,879,807 because the debt used to acquire the capital assets was being repaid faster than the capital assets were being depreciated and capital assets were acquired with funds other than debt.

The following table presents condensed information for the *Statement of Activities* of the District for 2022 and 2021:

	Governmental Activities		Business-Type Activities		Totals	
	2022	2021	2022	2021	2022	2021
REVENUES						
Program revenues						
Charges for services	\$ 980,505	\$ 227,411	\$ 758,915	\$ 17,408	\$ 1,739,420	\$ 244,819
Operating grants and contributions	20,445,149	21,287,762	2,629,241	846,584	23,074,390	22,134,346
General revenues						
Property taxes levied for general purposes	125,975,187	120,558,093	-	-	125,975,187	120,558,093
Other taxes levied for general purposes	4,511,184	4,009,972	-	-	4,511,184	4,009,972
Grants and entitlements not restricted to specific programs	6,137,207	5,859,893	-	-	6,137,207	5,859,893
Investment earnings	249,955	304,591	1,882	563	251,837	305,154
Gain on sale of capital assets	91,000	-	-	-	91,000	-
Total revenues	<u>158,390,187</u>	<u>152,247,722</u>	<u>3,390,038</u>	<u>864,555</u>	<u>161,780,225</u>	<u>153,112,277</u>
EXPENSES						
Instruction	94,167,704	98,738,936	-	-	94,167,704	98,738,936
Instructional student support services	11,485,892	12,648,401	-	-	11,485,892	12,648,401
Administrative and financial support services	14,367,516	14,620,219	-	-	14,367,516	14,620,219
Operation and maintenance of plant services	11,376,501	13,927,664	-	-	11,376,501	13,927,664
Pupil transportation	6,369,911	6,474,614	-	-	6,369,911	6,474,614
Student activities	1,947,605	1,702,301	-	-	1,947,605	1,702,301
Interest and amortization expense related to non-current liabilities	2,282,809	1,776,040	-	-	2,282,809	1,776,040
Food service	-	-	2,842,914	1,428,381	2,842,914	1,428,381
Total expenses	<u>141,997,938</u>	<u>149,888,175</u>	<u>2,842,914</u>	<u>1,428,381</u>	<u>144,840,852</u>	<u>151,316,556</u>
CHANGE IN NET POSITION (DEFICIT)	16,392,249	2,359,547	547,124	(563,826)	16,939,373	1,795,721
NET POSITION (DEFICIT)						
Beginning of year	<u>(171,405,959)</u>	<u>(173,765,506)</u>	<u>(3,561,351)</u>	<u>(2,997,525)</u>	<u>(174,967,310)</u>	<u>(176,763,031)</u>
End of year	<u>\$(155,013,710)</u>	<u>\$(171,405,959)</u>	<u>\$(3,014,227)</u>	<u>\$(3,561,351)</u>	<u>\$(158,027,937)</u>	<u>\$(174,967,310)</u>

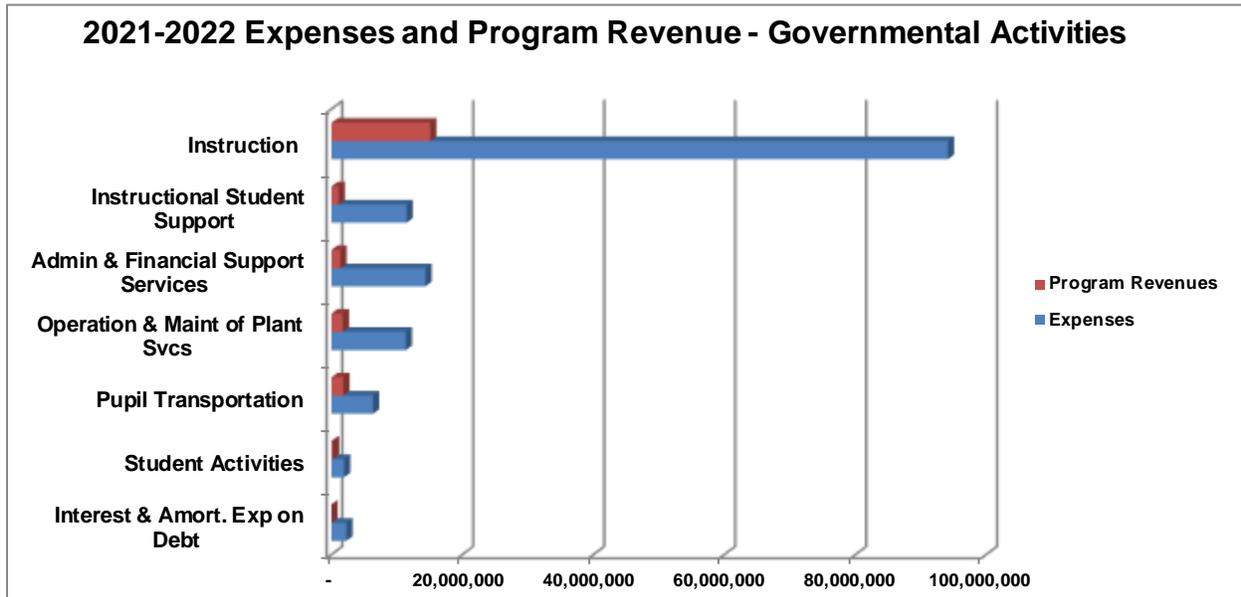
Overall, the District's financial position improved but challenges such as increased medical costs, pension contributions and unfunded state mandates have a potential to impact future fiscal years. In addition, during the 2021-2022 school year, the District and its operations were disrupted by COVID-19 and its financial impact on future fiscal years is not entirely known.

TREDYFFRIN/EASTTOWN SCHOOL DISTRICT

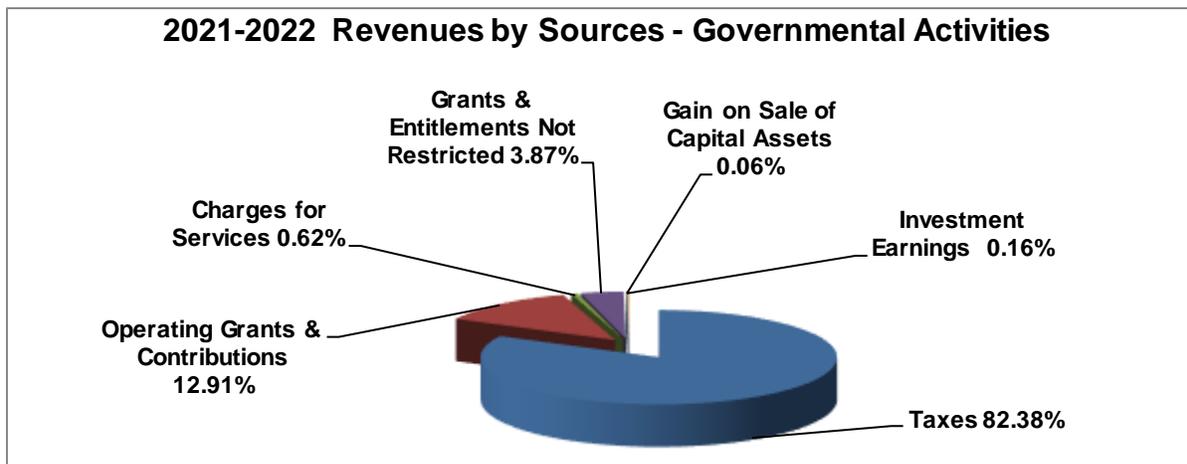
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED

June 30, 2022

The *Statement of Activities* provides detail that focuses on how the District finances its services. The *Statement of Activities* compares the costs of the District functions and programs with the resources those functions and programs generate themselves in the form of program revenues. As demonstrated by the following graph, all of the District's governmental activities are not self-supporting.



To the degree that the District's functions or programs cost more than they raise, the *Statement of Activities* shows how the District chose to finance the difference through general revenues. The following chart shows that the District relies on tax revenues to finance its governmental activities.



TREDYFFRIN/EASTTOWN SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED

June 30, 2022

GOVERNMENTAL FUNDS

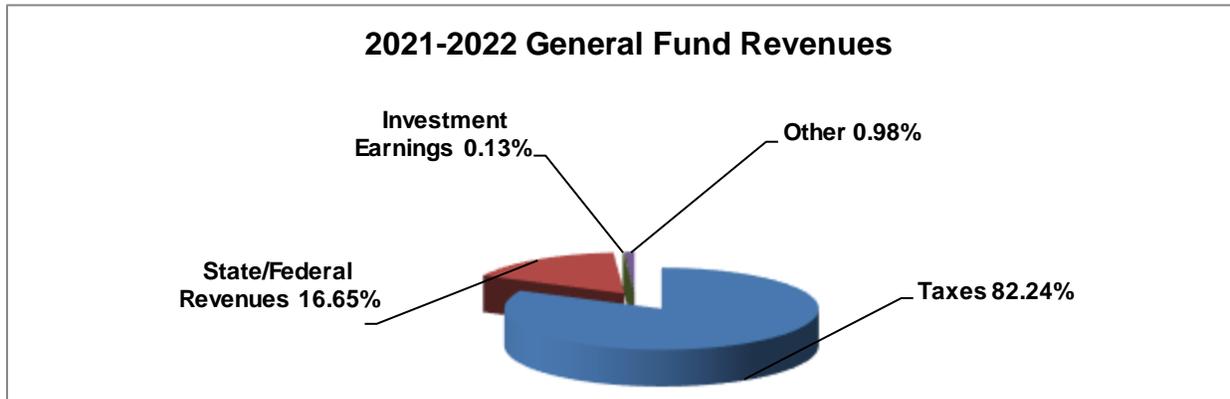
The governmental fund financial statements provide detailed information on the District's major funds. Some funds are required to be established by State statute while other funds are established by the District to manage monies restricted for a specific purpose. As of June 30, 2022, the District's governmental funds reported a combined fund balance of \$57,340,311 which is an increase of \$22,048,841 from the prior year. The following table summarizes the District's total governmental fund balances as of June 30, 2022 and 2021 and the total 2022 change in governmental fund balances.

	<u>2022</u>	<u>2021</u>	<u>Change</u>
General Fund	\$32,554,789	\$32,287,683	\$ 267,106
Capital Projects Fund	24,785,522	3,003,787	21,781,735
Debt Service Fund	-	-	-
	<u>\$57,340,311</u>	<u>\$35,291,470</u>	<u>\$22,048,841</u>

GENERAL FUND

The General Fund is the District's primary operating fund. At the conclusion of the 2021-2022 fiscal year, the General Fund fund balance was \$32,554,789 representing an increase of \$267,106 from the prior year. The increase in the District's General fund balance is due to many factors. The following analysis has been provided to assist the reader in understanding the financial activities of the General Fund during the 2021-2022 fiscal year.

The District's reliance upon tax revenues is demonstrated by the graph below that indicates 82.24% of General Fund revenues are derived from local taxes.



General Fund Revenues

	<u>2022</u>	<u>2021</u>	<u>\$ Change</u>	<u>% Change</u>
Tax revenues	\$130,281,075	\$124,565,586	\$5,715,489	4.59
State/Federal revenues	26,375,285	27,048,590	(673,305)	(2.49)
Investment earnings	201,992	148,279	53,713	36.22
Other	1,558,887	701,732	857,155	122.15
	<u>\$158,417,239</u>	<u>\$152,464,187</u>	<u>\$5,953,052</u>	<u>3.90</u>

Net tax revenues increased by \$5,715,489 or 4.59% due to several factors. The District balanced its budget deficit, in part, by increasing the 2021-2022 tax rate by 2.50% to 25.1128 mills. Delinquent real estate collections, interim real estate taxes, and real estate transfer taxes were up \$1,015,071; \$1,010,219; and \$493,920 respectively.

TREDYFFRIN/EASTTOWN SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED

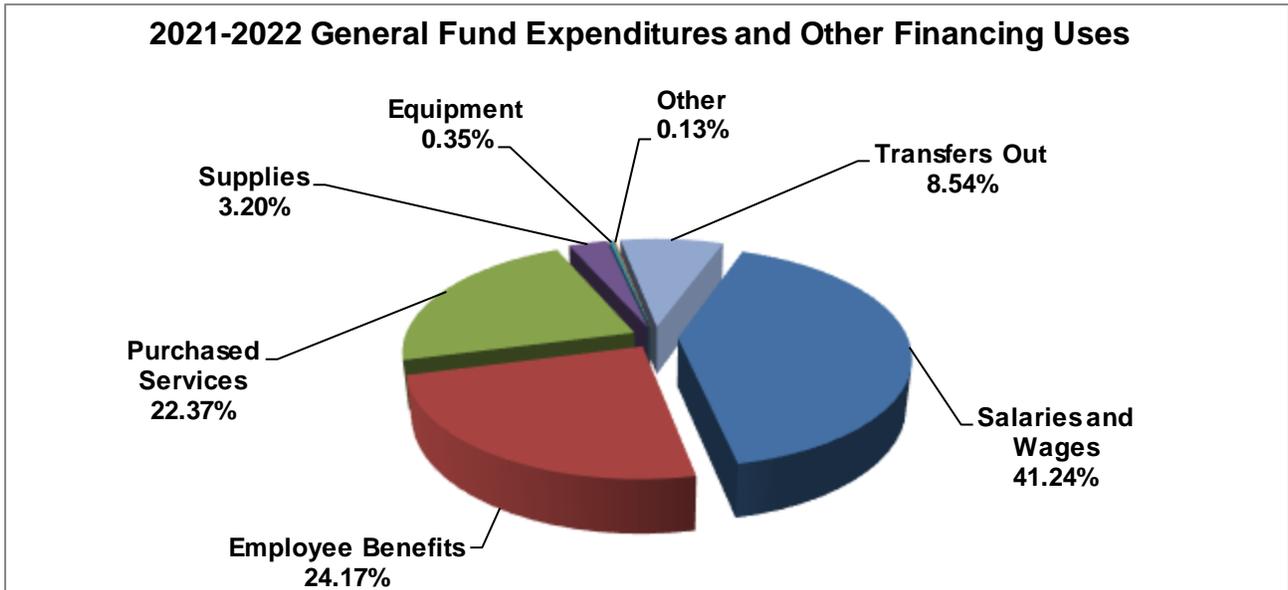
June 30, 2022

	<u>2022</u>	<u>2021</u>	<u>\$ Change</u>	<u>% Change</u>
Real estate tax	\$121,719,972	\$118,530,985	\$3,188,987	2.69
Interim tax	1,733,878	723,659	1,010,219	139.60
PURTA tax	121,502	113,064	8,438	7.46
Realty transfer tax	4,389,682	3,895,762	493,920	12.68
Amusement tax	-	1,146	(1,146)	(100.00)
Delinquent real estate tax	<u>2,316,041</u>	<u>1,300,970</u>	<u>1,015,071</u>	<u>78.02</u>
	<u>\$130,281,075</u>	<u>\$124,565,586</u>	<u>\$5,715,489</u>	<u>4.59</u>

State/Federal revenues decreased \$673,305 as the result of offsetting increases and decreases. State revenue has increased by \$259,421 and Federal revenue decreased by \$932,726. The District received \$932,726 less in COVID-19-related Federal grant funding. Additionally, the District received \$497,118 more in state retirement subsidy funding which is formulaically tied to the increase in the employer annual contribution rate of employees' salaries. Offsetting decreases were seen in transportation.

Investment earnings increased commensurate with an increase in interest rates. Other revenue increased due to rental agreements for use of facilities returning to pre-COVID levels.

As the graph below illustrates, the largest portion of General Fund expenditures are for salaries and benefits. The District is an educational service entity and as such is labor intensive.



General Fund Expenditures and Other Financing Uses

	<u>2022</u>	<u>2021</u>	<u>\$ Change</u>	<u>% Change</u>
Salaries and wages	\$ 65,216,212	\$ 64,123,137	\$1,093,075	1.70
Employee benefits	38,232,690	37,403,371	829,319	2.22
Purchased services	35,371,764	33,711,491	1,660,273	4.92
Supplies	5,066,140	5,621,682	(555,542)	(9.88)
Equipment	553,460	1,383,687	(830,227)	(60.00)
Other	203,981	233,754	(29,773)	(12.74)
Transfers out	<u>13,505,886</u>	<u>9,603,135</u>	<u>3,902,751</u>	<u>40.64</u>
	<u>\$158,150,133</u>	<u>\$152,080,257</u>	<u>\$6,069,876</u>	<u>3.99</u>

TREDYFFRIN/EASTTOWN SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED

June 30, 2022

Salaries and wages increased by \$1,093,075 or 1.70% in 2021-2022 as a result of additional staff added and contractually obligated pay increases for the various District union agreements in addition to salary increases for non-union employees.

Employee benefits increased by \$829,319 or 2.22% due to an increase in the employer contribution pension rate from 34.51% in 2020-2021 to 34.94% in 2021-2022. The employer contribution for pension increased approximately \$985,604 as a result of the aforementioned increase in salaries and employer contribution rate. The District's employer pension contribution rate is set by the Public School Employees' Retirement System ("**PSERS**") and participation in the system is mandatory for all Pennsylvania public school districts. The increase in pension benefits were offset by a decrease in other employee benefits of \$156,285.

Purchased service cost increases were driven by increases in special education costs.

Supplies decreased from fewer textbook purchases.

The District increased the transfer to the Capital Fund from \$3,000,000 in the prior year to \$7,000,000 in the current year. The District increased the transfer amount to partially fund current capital projects and reduce the amount needed to borrow to fund future capital needs.

CAPITAL PROJECTS FUND

The Capital Project Funds account for construction and renovation activity associated with the District's buildings and major equipment purchases. A portion of the fund is funded by contributions from the General Fund and a portion of the fund is funded by bond proceeds. The District has been proactive in terms of preparing for future capital needs each year and has a capital infrastructure plan which prioritizes deferred maintenance needs and capital projects. During 2021-2022, the Capital Project Fund reported an increase in fund balance of \$21,781,735. The drivers for this change were a General Fund contribution in the amount of \$7,000,000, the issuance of debt and bond premiums totaling more than \$31 million, and project expenditures in the amount of \$17 million.

DEBT SERVICE FUND

The Debt Service Fund is used to account for debt service and capital financing transactions. During 2021-2022, the District reduced outstanding debt service by paying \$4,145,000 in principal maturities. The balance of the annual expenditures related to interest maturities.

GENERAL FUND BUDGET INFORMATION

The District maintains its financial records and prepares its financial reports on the modified accrual basis of accounting. The District budgets and expends funds according to procedures mandated by the Pennsylvania Department of Education. An annual operating budget is prepared by management and submitted to the School Board for approval prior to the beginning of the fiscal year on July 1 each year. The most significant budgeted fund is the General Fund.

Total General Fund revenues and other financing sources were \$6,054,368 or 3.97% more than budgeted amounts and total General Fund expenditures and other financing uses were \$6,540,975 or 3.97% less than budgeted amounts resulting in a net positive variance of \$12,595,343. Major budgetary highlights for 2021-2022 were as follows:

- Actual local revenues received were \$4,009,962 more than budgeted amounts. This was a result of total real estate tax collections of \$3,360,754 more than budgeted and investment earnings and rental income over budget by \$155,166 and \$63,616, respectively. The District historically budgets conservatively in these areas to account for non-recurring collections and economic impact on markets.
- State source revenues were \$1,690,201 more than budgeted which relates to State retirement revenue, transportation, basic subsidy, and special education being over budget by \$562,369, \$501,623, \$277,392, and \$201,923, respectively. Federal source revenues were more than budgeted amounts by \$353,935 which directly correlates with the additional pass-through funding received to respond to COVID-19.

TREDYFFRIN/EASTTOWN SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED

June 30, 2022

- Salary expenditures were under budget by \$273,058 due to vacancies which was offset by additional overtime cost to cover for those vacancies. Employee benefits were \$676,696 under budget. The largest driver of the benefit savings was employee healthcare expenses including prescription, vision, and dental of \$1,113,313 under budget due to favorable claims and workers compensation of \$425,567 under budget. This was offset by retirement benefits being over budget by \$1,016,295. Transportation costs were \$2.2 million lower than budget due to a driver shortage and special education under budget by \$1.8 million.
- The budgetary reserve was under expended by \$3,000,000. Additionally, the transfer from the General Fund to the Capital Projects Fund was over expended by \$5.8 million. The additional transfer to the Capital Projects Fund was a strategic decision to fund future capital needs.

BUSINESS-TYPE ACTIVITIES AND FOOD SERVICE FUND

During 2021-2022, the net position of the business-type activities and Food Service Fund increased by \$547,124 primarily due to an increase federal subsidies. As of June 30, 2022, the business-type activities and Food Service Fund had a deficit in net position of \$3,014,227. The deficit in net position correlates to the Food Service Fund and business-type activities recording its proportionate share of the net pension and OPEB liabilities in PSERS.

CAPITAL ASSETS

The District's investment in capital assets for its governmental and business-type activities as of June 30, 2022 amounted to \$89,406,286 net of accumulated depreciation. This investment in capital assets includes land, land improvements, buildings and improvements, right-to-use lease arrangements, and furniture and equipment. The total increase in the District's investment in capital assets for the current fiscal year was \$12,578,017 or 16.37%. The increase was the result of capital additions in excess of current year disposals and depreciation.

Current year capital additions were \$17,185,174 and depreciation expense was \$4,607,157.

Major capital additions for the current fiscal year included the following:

- | | |
|--|-------------|
| • Conestoga High School expansion project - CIP | \$6,755,285 |
| • Air conditioning projects at Devon/New Eagle - CIP | \$2,903,249 |
| • Infrastructure plan - CIP | \$1,095,560 |

NONCURRENT LIABILITIES

At the end of the current fiscal year, the District had total general obligation debt of \$98,573,783 consisting of \$88,270,000 of bonds payable, \$2,425,000 of notes payable, and net deferred credits of \$7,878,783. The entire amount is backed by the full faith and credit of the District. General obligation debt was issued to finance capital expenditures or to finance the retirement (refund) of prior obligation debt. The District's general obligation debt increased by \$26,513,693 or 36.79% during the fiscal year.

State statutes limit the amount of general obligation debt the District may issue up to 225% of its borrowing base capacity which is calculated as the annual arithmetic average of the total revenues for the preceding three fiscal years. The District's outstanding general obligation debt is within the current debt limitation of the District which was \$345,008,930 as of June 30, 2022.

The District reports its allocated portion of its defined benefit unfunded benefit obligation related to its participation in PSERS. The District's allocated portion of the net pension liability is an actuarially determined estimate of the unfunded cost of the pension plan obligation which totaled \$183,605,697 as of June 30, 2022. The District's net pension liability decreased by \$30,879,457 or 14.40% during the fiscal year.

TREDYFFRIN/EASTTOWN SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED

June 30, 2022

The District reports a liability for its other post-employment benefits ("**OPEB**") related to its single employer OPEB plan and its participation in the PSERS health insurance premium assistance program. The District's OPEB liability is an actuarially determined estimate of the unfunded cost of the OPEB obligation which totaled \$21,616,194 as of June 30, 2022. The District's OPEB liability increased by \$1,265,346 or 6.22% during the fiscal year.

Other noncurrent liabilities consist of the District's liabilities for right-to-use leases, compensated absences, and accrued severance obligations, which totaled \$8,626,751 as of June 30, 2022. These liabilities decreased by \$675,582 or 7.26% during the fiscal year.

FACTORS BEARING ON THE DISTRICT'S FUTURE

Until very recently, the District has experienced an increase in student enrollment. While the District successfully accommodates its students each year, the increasing enrollment has resulted in the need for additional staff at all levels and facility reconfigurations and expansions to meet the needs of the growing student population.

Enrollment at Conestoga High School was projected to increase putting a strain on the instructional spaces within the school's current footprint. Through a facilities study, the District determined a need to expand and renovate Conestoga High School to include 8 additional regular classrooms, 2 additional special education classrooms, 4 additional science labs, 1 additional art room, 1 additional kitchen, a fabrication lab, a large flexible learning space and additional smaller spaces for meetings, offices, and small group instruction. Also included in the high school project is expanded spaces in the nurse suite, library, cafeteria, student services suite and health and fitness room. The construction expansion and renovation project was completed for the opening of the 2022 school year.

The District-commissioned update to the 2013 infrastructure report was delivered to the Facilities Committee, providing a framework for future decisions on which deferred maintenance and capital improvement projects will be the focus of District capital resources. The format of the infrastructure report incorporates studies on traffic/circulation, exterior masonry, roofing, technology, and HVAC. One of the major capital projects identified in the report is additional athletic fields. The District has obtained a large tract of land adjacent to the Conestoga High School that has been designated for new athletic fields. The design phase has started, and the project is slated to begin in early 2023. The future funding of the District's capital plan will involve a combination of new bond issues, contributions from the general funds and current resources in the capital fund. The District's strong fund balance and conservative budgeting practices will provide for future budgeted capital planning.

In a June 2020 Issuer Comment Report, Moody's Investors Service's stated "Tredyffrin-Easttown SD has a superior credit position, and its Aaa rating is well above the median rating of Aa3 for US school districts. The key credit factors include a very strong wealth and income profile, a substantial tax base and a robust financial position. It also reflects an affordable debt burden and a mid-ranged pension liability. The district has an exceptionally healthy economy and tax base. The financial position of the district is strong and is consistent with its Aaa rating. The nominal size of the district's reserves is well above average. Moreover, the cash balance as a percent of operating revenues (33.7%) is slightly higher than the US median."

CONTACTING THE DISTRICT FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Business Manager/Board Secretary, at the Tredyffrin/Easttown School District, 940 West Valley Road, Suite 1700, Wayne, PA 19087 or (610) 240-1801.

TREDYFFRIN/EASTTOWN SCHOOL DISTRICT

STATEMENT OF NET POSITION (DEFICIT)

June 30, 2022 with summarized comparative totals for 2021

	Governmental	Business-type	Totals	
	Activities	Activities	2022	2021
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
CURRENT ASSETS				
Cash	\$ 38,646,835	\$ 172,148	\$ 38,818,983	\$ 40,465,549
Investments	42,711,618	-	42,711,618	19,726,630
Taxes receivable, net	1,851,841	-	1,851,841	1,789,030
Interest receivable	113,190	-	113,190	5,991
Internal balances	150,159	(150,159)	-	-
Due from other governments	6,114,257	126,485	6,240,742	6,871,391
Other receivables	92,132	6,144	98,276	15,083
Prepaid expenses	43,575	-	43,575	6,468
Inventories	-	34,134	34,134	24,461
Total current assets	89,723,607	188,752	89,912,359	68,904,603
NONCURRENT ASSETS				
Land	4,660,944	-	4,660,944	4,660,944
Construction-in-progress	5,403,108	-	5,403,108	30,962,627
Depreciable capital assets	151,527,834	903,373	152,431,207	110,007,364
Less: accumulated depreciation	(72,268,789)	(820,184)	(73,088,973)	(68,802,666)
Total noncurrent assets	89,323,097	83,189	89,406,286	76,828,269
Total assets	179,046,704	271,941	179,318,645	145,732,872
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges - pension	36,227,830	524,965	36,752,795	33,749,483
Deferred charges - OPEB	3,683,693	97,680	3,781,373	2,924,007
Deferred amounts on debt refunding	703,780	-	703,780	804,624
Total deferred outflows of resources	40,615,303	622,645	41,237,948	37,478,114
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION (DEFICIT)				
CURRENT LIABILITIES				
Accounts payable	6,376,282	-	6,376,282	8,050,553
Accrued salaries, payroll withholdings and benefits	24,515,723	59,398	24,575,121	24,696,340
Accrued interest payable	1,223,057	-	1,223,057	787,455
Unearned revenue	-	84,767	84,767	135,617
Total current liabilities	32,115,062	144,165	32,259,227	33,669,965
NONCURRENT LIABILITIES				
Due within one year	5,236,334	-	5,236,334	4,663,687
Due in more than one year	303,926,128	3,259,963	307,186,091	311,534,738
Total noncurrent liabilities	309,162,462	3,259,963	312,422,425	316,198,425
Total liabilities	341,277,524	3,404,128	344,681,652	349,868,390
DEFERRED INFLOWS OF RESOURCES				
Deferred credits - pension	31,675,008	458,992	32,134,000	6,805,000
Deferred credits - OPEB	1,723,185	45,693	1,768,878	1,504,906
Total deferred inflows of resources	33,398,193	504,685	33,902,878	8,309,906
NET POSITION (DEFICIT)				
Net investment in capital assets	5,150,922	83,189	5,234,111	3,354,304
Restricted	10,008,211	-	10,008,211	4,332,941
Unrestricted (deficit)	(170,172,843)	(3,097,416)	(173,270,259)	(182,654,555)
Total net position (deficit)	\$ (155,013,710)	\$ (3,014,227)	\$ (158,027,937)	\$ (174,967,310)

See accompanying notes

TREDYFFRIN/EASTTOWN SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

Year ended June 30, 2022 with summarized comparative totals for 2021

	Program Revenues				Net (Expense) Revenue and Changes in Net Position (Deficit)			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Totals	
							2022	2021
GOVERNMENTAL ACTIVITIES								
Instruction	\$ 94,167,704	\$ 293,307	\$ 14,811,719	\$ -	\$ (79,062,678)	\$ -	\$ (79,062,678)	\$ (83,052,760)
Instructional student support	11,485,892	-	1,129,131	-	(10,356,761)	-	(10,356,761)	(11,512,857)
Administrative and financial support services	14,367,516	-	1,397,079	-	(12,970,437)	-	(12,970,437)	(13,305,321)
Operation and maintenance of plant services	11,376,501	647,687	1,095,888	-	(9,632,926)	-	(9,632,926)	(12,802,687)
Pupil transportation	6,369,911	-	1,822,354	-	(4,547,557)	-	(4,547,557)	(4,387,688)
Student activities	1,947,605	39,511	188,978	-	(1,719,116)	-	(1,719,116)	(1,535,649)
Interest and amortization expense related to noncurrent liabilities	2,282,809	-	-	-	(2,282,809)	-	(2,282,809)	(1,776,040)
Total governmental activities	<u>141,997,938</u>	<u>980,505</u>	<u>20,445,149</u>	<u>-</u>	<u>(120,572,284)</u>	<u>-</u>	<u>(120,572,284)</u>	<u>(128,373,002)</u>
BUSINESS-TYPE ACTIVITIES								
Food service	2,842,914	758,915	2,629,241	-	-	545,242	545,242	(564,389)
Total primary government	<u>\$ 144,840,852</u>	<u>\$ 1,739,420</u>	<u>\$ 23,074,390</u>	<u>\$ -</u>	<u>(120,572,284)</u>	<u>545,242</u>	<u>(120,027,042)</u>	<u>(128,937,391)</u>
GENERAL REVENUES								
Property taxes levied for general purposes					125,975,187	-	125,975,187	120,558,093
Other taxes levied for general purposes					4,511,184	-	4,511,184	4,009,972
Grants and entitlements not restricted to specific programs					6,137,207	-	6,137,207	5,859,893
Investment earnings					249,955	1,882	251,837	305,154
Gain on sale of capital assets					91,000	-	91,000	-
Total general revenues					<u>136,964,533</u>	<u>1,882</u>	<u>136,966,415</u>	<u>130,733,112</u>
CHANGE IN NET POSITION (DEFICIT)					16,392,249	547,124	16,939,373	1,795,721
NET POSITION (DEFICIT)								
Beginning of year, restated					(171,405,959)	(3,561,351)	(174,967,310)	(176,763,031)
End of year					<u>\$ (155,013,710)</u>	<u>\$ (3,014,227)</u>	<u>\$ (158,027,937)</u>	<u>\$ (174,967,310)</u>

See accompanying notes

TREDYFFRIN/EASTTOWN SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2022 with summarized comparative totals for 2021

	General Fund	Capital Projects Fund	Debt Service Fund	Totals	
				2022	2021
ASSETS					
Cash	\$ 18,611,015	\$ 20,035,820	\$ -	\$ 38,646,835	\$ 39,558,556
Investments	41,713,296	998,322	-	42,711,618	19,726,630
Taxes receivable, net	1,851,841	-	-	1,851,841	1,789,030
Interest receivable	91,310	21,880	-	113,190	5,991
Due from other funds	150,159	6,007,964	-	6,158,123	1,530,537
Due from other governments	6,114,257	-	-	6,114,257	6,673,165
Other receivables	92,132	-	-	92,132	14,542
Prepaid items	43,575	-	-	43,575	6,468
Total assets	\$ 68,667,585	\$ 27,063,986	\$ -	\$ 95,731,571	\$ 69,304,919
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 4,097,818	\$ 2,278,464	\$ -	\$ 6,376,282	\$ 8,048,028
Due to other funds	6,007,964	-	-	6,007,964	21,895
Accrued salaries, payroll withholdings and benefits	24,515,723	-	-	24,515,723	24,657,531
Total liabilities	34,621,505	2,278,464	-	36,899,969	32,727,454
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues - property taxes	1,491,291	-	-	1,491,291	1,285,995
FUND BALANCES					
Nonspendable					
Prepaid items	43,575	-	-	43,575	6,468
Restricted for					
Capital projects	-	24,785,522	-	24,785,522	3,003,787
Committed to					
Balance subsequent year's budget	6,406,382	-	-	6,406,382	10,870,680
Capital projects	4,006,072	-	-	4,006,072	4,006,072
Vested employee services	7,441,138	-	-	7,441,138	8,353,572
PSERS contingency	9,127,679	-	-	9,127,679	3,960,459
Healthcare contingency	5,300,000	-	-	5,300,000	4,900,000
Assigned to					
Athletic fund expenditures	229,943	-	-	229,943	190,432
Unassigned	-	-	-	-	-
Total fund balances	32,554,789	24,785,522	-	57,340,311	35,291,470
Total liabilities, deferred inflows of resources and fund balances	\$ 68,667,585	\$ 27,063,986	\$ -	\$ 95,731,571	\$ 69,304,919

See accompanying notes

TREDYFFRIN/EASTTOWN SCHOOL DISTRICT

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO NET POSITION (DEFICIT) OF GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF NET POSITION (DEFICIT)

June 30, 2022

TOTAL GOVERNMENTAL FUND BALANCES	\$ 57,340,311
<p>Amounts reported for governmental activities in the statement of net position (deficit) are different because:</p>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds balance sheet.	89,323,097
Deferred outflows of resources and deferred inflows of resources related to pensions and other post-employment benefits are not reported as assets and liabilities in the governmental funds balance sheet.	6,513,330
Deferred outflows of resources for deferred amounts on debt refunding are currently expended in the governmental funds, whereas they are capitalized and amortized over the life of the respective debt in the government-wide statement of net position (deficit).	703,780
Some of the District's property taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred inflows of resources on the governmental funds balance sheet.	1,491,291
Noncurrent liabilities are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds balance sheet.	(309,162,462)
Accrued interest payable on long-term liabilities is included in the statement of net position (deficit), but is excluded from the governmental funds balance sheet until due and payable.	<u>(1,223,057)</u>
NET POSITION (DEFICIT) OF GOVERNMENTAL ACTIVITIES	<u>\$ (155,013,710)</u>

See accompanying notes

TREDYFFRIN/EASTTOWN SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

Year ended June 30, 2022 with summarized comparative totals for 2021

	General Fund	Capital Projects Fund	Debt Service Fund	Totals	
				2022	2021
REVENUES					
Local sources	\$ 132,041,685	\$ 47,962	\$ -	\$ 132,089,647	\$ 125,571,909
State sources	23,848,128	-	-	23,848,128	23,588,707
Federal sources	2,527,156	-	-	2,527,156	3,459,883
Total revenues	<u>158,416,969</u>	<u>47,962</u>	<u>-</u>	<u>158,464,931</u>	<u>152,620,499</u>
EXPENDITURES					
Current					
Instruction	98,095,506	-	-	98,095,506	96,277,935
Support services	44,536,737	920,876	-	45,457,613	44,865,531
Operation of noninstructional services	2,010,504	-	-	2,010,504	1,654,800
Facilities acquisition, construction and improvement services	-	16,411,721	-	16,411,721	34,496,809
Debt service	1,500	-	6,505,886	6,507,386	6,603,135
Total expenditures	<u>144,644,247</u>	<u>17,332,597</u>	<u>6,505,886</u>	<u>168,482,730</u>	<u>183,898,210</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>13,772,722</u>	<u>(17,284,635)</u>	<u>(6,505,886)</u>	<u>(10,017,799)</u>	<u>(31,277,711)</u>
OTHER FINANCING SOURCES (USES)					
Refund of prior year receipts	-	-	-	-	(231)
Refund of prior year expenditures	270	-	-	270	-
Proceeds from sale of assets	-	91,000	-	91,000	-
Proceeds from extended term financing	-	700,654	-	700,654	-
Issuance of debt	-	26,900,000	-	26,900,000	-
Issuance of debt - refunding	-	-	-	-	32,050,000
Payment of debt - refunding	-	-	-	-	(31,728,625)
Proceeds from bond premiums	-	4,374,716	-	4,374,716	-
Transfers in	-	7,000,000	6,505,886	13,505,886	9,603,135
Transfers out	(13,505,886)	-	-	(13,505,886)	(9,603,135)
Total other financing sources (uses)	<u>(13,505,616)</u>	<u>39,066,370</u>	<u>6,505,886</u>	<u>32,066,640</u>	<u>321,144</u>
NET CHANGE IN FUND BALANCES	267,106	21,781,735	-	22,048,841	(30,956,567)
FUND BALANCES					
Beginning of year	<u>32,287,683</u>	<u>3,003,787</u>	<u>-</u>	<u>35,291,470</u>	<u>66,248,037</u>
End of year	<u>\$ 32,554,789</u>	<u>\$ 24,785,522</u>	<u>\$ -</u>	<u>\$ 57,340,311</u>	<u>\$ 35,291,470</u>

See accompanying notes

TREDYFFRIN/EASTTOWN SCHOOL DISTRICT

RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO CHANGE IN NET POSITION (DEFICIT) OF GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF ACTIVITIES

Year ended June 30, 2022

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS \$ 22,048,841

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.

Capital outlay expenditures	\$ 17,185,174	
Depreciation expense	<u>(4,581,357)</u>	12,603,817

Because some taxes will not be collected for several months after the District's fiscal year ends, they are not considered as "available" revenues in the governmental funds. Deferred inflows of resources increased by this amount this year.

Deferred inflows of resources June 30, 2021	(1,285,995)	
Deferred inflows of resources June 30, 2022	<u>1,491,291</u>	205,296

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on the change in net assets of governmental activities. Also, governmental funds report the effect of premiums, discounts and similar items when long-term debt is issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Repayment of bonds and notes payable	4,145,000	
Issuance of bonds and notes payable	(26,900,000)	
Proceeds from bond premiums	(4,374,716)	
Proceeds from extended term financing	(700,654)	
Repayment of extended term financing	510,516	
Amortization of bond premiums and deferred amounts on refunding	<u>515,179</u>	(26,804,675)

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

Current year change in accrued interest payable	(435,602)	
Change in net pension liability and related deferred inflows and outflows	8,539,013	
Current year change in compensated absences	1,604,805	
Current year change in accrued severance	(712,325)	
Change in net post-employment benefit (OPEB) liability and related deferred inflows and outflows	<u>(656,921)</u>	<u>8,338,970</u>

CHANGE IN NET POSITION (DEFICIT) OF GOVERNMENTAL ACTIVITIES \$ 16,392,249

See accompanying notes

TREDYFFRIN/EASTTOWN SCHOOL DISTRICT

STATEMENT OF NET POSITION (DEFICIT) - PROPRIETARY FUND

June 30, 2022 with summarized comparative totals for 2021

	Major Fund	
	Food Service Fund	
	<u>2022</u>	<u>2021</u>
ASSETS AND DEFERRED OUTFLOW OF RESOURCES		
CURRENT ASSETS		
Cash and cash equivalents	\$ 172,148	\$ 906,993
Due from other governments	126,485	198,226
Other receivables	6,144	541
Inventories	<u>34,134</u>	<u>24,461</u>
Total current assets	<u>338,911</u>	<u>1,130,221</u>
NONCURRENT ASSETS		
Capital assets, net	<u>83,189</u>	<u>108,989</u>
Total assets	<u>422,100</u>	<u>1,239,210</u>
DEFERRED OUTFLOW OF RESOURCES		
Deferred charges - pension	524,965	462,736
Deferred charges - OPEB	<u>97,680</u>	<u>75,892</u>
Total deferred outflows of resources	<u>622,645</u>	<u>538,628</u>
LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION		
LIABILITIES		
Accounts payable	-	2,525
Due to other funds	150,159	1,508,642
Accrued salaries, payroll withholdings and benefits	59,398	38,809
Unearned revenue	<u>84,767</u>	<u>135,617</u>
Total current liabilities	<u>294,324</u>	<u>1,685,593</u>
NONCURRENT LIABILITIES		
Net pension liability	2,622,567	2,940,783
Net OPEB liability	558,386	528,200
Compensated absences	<u>79,010</u>	<u>52,250</u>
Total noncurrent liabilities	<u>3,259,963</u>	<u>3,521,233</u>
Total liabilities	<u>3,554,287</u>	<u>5,206,826</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred credits - pension	458,992	93,303
Deferred credits - OPEB	<u>45,693</u>	<u>39,060</u>
Total deferred inflows of resources	<u>504,685</u>	<u>132,363</u>
NET POSITION (DEFICIT)		
Net investment in capital assets	83,189	108,989
Unrestricted (deficit)	<u>(3,097,416)</u>	<u>(3,670,340)</u>
	<u>\$ (3,014,227)</u>	<u>\$ (3,561,351)</u>

See accompanying notes

TREDYFFRIN/EASTTOWN SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (DEFICIT) - PROPRIETARY FUND

Year ended June 30, 2022 with summarized comparative totals for 2021

	Major Fund	
	Food Service Fund	
	<u>2022</u>	<u>2021</u>
OPERATING REVENUES		
Charges for services	\$ 758,915	\$ 17,408
OPERATING EXPENSES		
Salaries	962,415	784,815
Employee benefits	670,175	183,248
Purchased property services	61,694	12,800
Other purchased services	100	30
Supplies	1,121,954	415,769
Dues and fees	776	461
Depreciation	25,800	31,258
Total operating expenses	<u>2,842,914</u>	<u>1,428,381</u>
Operating loss	<u>(2,083,999)</u>	<u>(1,410,973)</u>
NONOPERATING REVENUES		
Earnings on investments	1,882	563
State sources	255,529	202,207
Federal sources	2,373,712	644,377
Total nonoperating revenues	<u>2,631,123</u>	<u>847,147</u>
CHANGE IN NET POSITION (DEFICIT)	547,124	(563,826)
NET POSITION (DEFICIT)		
Beginning of year	<u>(3,561,351)</u>	<u>(2,997,525)</u>
End of year	<u><u>\$(3,014,227)</u></u>	<u><u>\$(3,561,351)</u></u>

See accompanying notes

TREDYFFRIN/EASTTOWN SCHOOL DISTRICT

STATEMENT OF CASH FLOWS - PROPRIETARY FUND

Year ended June 30, 2022 with summarized comparative totals for 2021

	Major Fund	
	Food Service Fund	
	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from charges for services	\$ 753,312	\$ 17,044
Cash payments to employees for services	(2,943,449)	(225,374)
Cash payments to suppliers for goods and services	<u>(1,080,940)</u>	<u>(431,149)</u>
Net cash used for operating activities	<u>(3,271,077)</u>	<u>(639,479)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State sources	258,885	196,858
Federal sources	<u>2,275,465</u>	<u>460,710</u>
Net cash provided by noncapital financing activities	<u>2,534,350</u>	<u>657,568</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Earnings on investments	<u>1,882</u>	<u>563</u>
Net increase in cash	(734,845)	18,652
CASH		
Beginning of year	<u>906,993</u>	<u>888,341</u>
End of year	<u>\$ 172,148</u>	<u>\$ 906,993</u>
Reconciliation of operating loss to net cash provided by (used for) operating activities:		
Operating loss	\$ (2,083,999)	\$ (1,410,973)
Adjustments to reconcile operating loss to net cash provided by (used for) operating activities		
Depreciation	25,800	31,258
Donated commodities used	166,632	22,237
(Increase) decrease in		
Other receivables	(5,603)	(364)
Inventories	(9,673)	36,915
Deferred outflows of resources	(84,017)	(117,443)
Increase (decrease) in		
Accounts payable	(2,525)	(20,971)
Due to other funds	(1,358,483)	1,184,055
Accrued salaries, payroll withholdings and benefits	20,589	15,834
Unearned revenue	(50,850)	(40,270)
Compensated absences	26,760	(1,594)
Net OPEB liability	30,186	(74,178)
Net pension liability	(318,216)	(187,996)
Deferred inflows of resources	<u>372,322</u>	<u>(75,989)</u>
Net cash used for operating activities	<u>\$ (3,271,077)</u>	<u>\$ (639,479)</u>
SUPPLEMENTAL DISCLOSURE		
Noncash noncapital financing activity		
USDA donated commodities	<u>\$ 166,632</u>	<u>\$ 22,237</u>

See accompanying notes

TREDYFFRIN/EASTTOWN SCHOOL DISTRICT

STATEMENT OF NET POSITION - FIDUCIARY FUNDS

June 30, 2022 with summarized comparative totals for 2021

	Private Purpose Trust	Custodial Funds	Totals	
			2022	2021
ASSETS				
Cash and cash equivalents	<u>\$ 60,511</u>	<u>\$ 315,058</u>	<u>\$ 375,569</u>	<u>\$ 334,102</u>
LIABILITIES				
Accounts payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION				
Restricted for student activities	-	315,058	315,058	299,807
Net position held in trust for scholarships	<u>60,511</u>	<u>-</u>	<u>60,511</u>	<u>34,295</u>
Total net position	<u>\$ 60,511</u>	<u>\$ 315,058</u>	<u>\$ 375,569</u>	<u>\$ 334,102</u>

TREDYFFRIN/EASTTOWN SCHOOL DISTRICT

STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS

Year ended June 30, 2022 with summarized comparative totals for 2021

	Private Purpose Trust	Custodial Funds	Totals	
			2022	2021
ADDITIONS				
Receipts from student groups	\$ -	\$ 668,061	\$ 668,061	\$ 193,028
Local contributions	<u>67,066</u>	<u>-</u>	<u>67,066</u>	<u>7,264</u>
Total additions	<u>67,066</u>	<u>668,061</u>	<u>735,127</u>	<u>200,292</u>
DEDUCTIONS				
Student activity disbursements	-	652,810	652,810	262,110
Scholarships awarded and fees paid	<u>40,850</u>	<u>-</u>	<u>40,850</u>	<u>40,750</u>
Total deductions	<u>40,850</u>	<u>652,810</u>	<u>693,660</u>	<u>302,860</u>
CHANGE IN NET POSITION	26,216	15,251	41,467	(102,568)
NET POSITION				
Beginning of year	<u>34,295</u>	<u>299,807</u>	<u>334,102</u>	<u>436,670</u>
End of year	<u>\$ 60,511</u>	<u>\$ 315,058</u>	<u>\$ 375,569</u>	<u>\$ 334,102</u>

TREDYFFRIN/EASTTOWN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Tredyffrin/Easttown School District (the "**District**") operates five elementary schools, two middle schools and a high school to provide education and related services to the residents of eastern Chester County in the townships of Tredyffrin and Easttown. The District operates under current standards prescribed by the Pennsylvania Department of Education in accordance with the provisions of the School Laws of Pennsylvania as a school district of the second class. The District operates under a locally elected nine-member board form of government (the "**School Board**").

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

Reporting Entity

GASB has established the criteria for determining the activities, organizations and functions of government to be included in the financial statements of the reporting entity. In evaluating the District as a reporting entity, management has addressed all potential component units which may or may not fall within the District's accountability. The criteria used to evaluate component units for possible inclusion as part of the District's reporting entity are financial accountability and the nature and significance of the relationship. The District is considered to be an independent reporting entity and has no component units.

Basis of Presentation

Government-Wide Financial Statements

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

The government-wide financial statements are prepared 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 timing of related cash flow. 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 as further defined below. Therefore, governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements of governmental funds.

The government-wide statement of net position (deficit) presents the financial position of the District which is the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources and is classified in one of three components. Net investment in capital assets consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of borrowing attributable to acquiring, constructing or improving those assets. The net position of the District is reported as restricted when constraints placed on net position use is either externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Unrestricted net position (deficit) is the net position that does not meet the definition of "net investment in capital assets" or "restricted net position."

The statement of net position (deficit) includes separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until that time. Deferred inflows of resources represent an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

TREDYFFRIN/EASTTOWN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

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

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

Fund Financial Statements

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

Governmental Funds

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

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

The Capital Projects Fund accounts for financial resources restricted, committed or assigned to be used for capital expenditures or for the acquisition, construction of capital facilities, improvements and/or equipment.

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of long-term principal, interest and other related costs.

Revenue Recognition

In applying the "susceptible to accrual concept" under the modified accrual basis, revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers tax revenue to be available if collected within 60 days of the end of the fiscal period. Deferred inflows of resources are reported in connection with receivables for tax revenues that are not considered to be available to liquidate liabilities of the current period. Revenue from federal, state and other grants designated for payment of specific District expenditures is recognized when the related expenditures are incurred; accordingly, when such funds are received, they are reported as unearned revenues until earned. Other receipts are recorded as revenue when received in cash because they are generally not measurable until actually received.

TREDYFFRIN/EASTTOWN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

Expenditure Recognition

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences, special termination benefits, other post-employment benefits and claims and judgments are recorded only when payment is due. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds.

Proprietary Funds

Like the government-wide financial statements, proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. These funds account for operations that are primarily financed by user charges. The economic resource focus concerns determining costs as a means of maintaining the capital investment and management control. Revenues are recognized when they are earned and expenses are recognized when they are incurred. Allocations of certain costs, such as depreciation, are recorded in proprietary funds. The District reports the following proprietary fund:

The Food Service Fund accounts for the revenues and costs of providing meals to students during the school year.

These funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds' principal ongoing operations. The principal operating revenues of the District's proprietary fund are charges for services. Operating expenses for the District's proprietary fund include payroll, employee benefits, supplies and administrative costs. All revenues or expenses not meeting this definition are reported as nonoperating revenues and expenses.

Fiduciary Funds

Fiduciary funds reporting focuses on net assets and changes in net assets and are accounted for using the economic resources measurement focus and the accrual basis of accounting. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial funds. The private-purpose trust fund accounts for activities in various scholarship accounts, whose sole purpose is to provide annual scholarships to particular students as described by donor stipulations. Custodial funds are used to account for assets held on behalf of individuals and/or government units and are, therefore, not available to support the District's own programs. The District has one custodial fund consisting of funds held on behalf of the students.

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

Investments are stated at fair value based upon quoted market prices, except for certificates of deposit which are recorded at cost and external investment pools which are recorded at amortized cost, both of which approximate fair value.

Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/due from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

TREDYFFRIN/EASTTOWN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

Property Taxes

Taxes are levied on July 1 and are payable in the following periods:

July 1 – August 31	- Discount period, 2% of gross levy
September 1 – October 31	- Face period
November 1 to collection	- Penalty period, 10% of gross levy
January 1	- Lien date

The County Board of Assessments determines assessed valuations of property and the District bills and collects its own property taxes. The tax on real estate for public school purposes for fiscal 2021-2022 was 25.1128 mills (\$25.11 for \$1,000 of assessed valuation) for Chester County. The District experiences very small losses from uncollectible property taxes. Property taxes constitute a lien against real property and usually can be collected in full when title transfers. Only balances that remain after tax sales are written off each year. Accordingly, an allowance for doubtful accounts has not been established by the District for property taxes receivable.

Taxpayers within the District have the option of paying in three installments. These installments have the following due dates:

Installment One	- August 31
Installment Two	- September 30
Installment Three	- October 31

The discount (two percent) is not applicable to installment payments; however, the penalty (10 percent) will be added if second and third installments are paid subsequent to the due dates.

Prepaid Items and Inventories

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the government-wide and fund financial statements.

All inventories are valued at the lower of cost (first-in, first-out method) or market.

Unearned Revenues

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary fund financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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

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

Property, plant and equipment (net of salvage value) of the District is depreciated using the straight-line method over the following estimated useful lives: buildings and improvements – 20-40 years, land improvements – 15-20 years and furniture and equipment – 3-10 years.

TREDYFFRIN/EASTTOWN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

Impairment of Long-Lived Assets

The District evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. A capital asset is generally considered impaired if both (a) the decline in service utility of the capital asset is large in magnitude and (b) the event or change in circumstances is outside the normal life cycle of the capital asset. If a capital asset is considered to be impaired, the amount of impairment is measured by the method that most reflects the decline in service utility of the capital asset at the lower of carrying value or fair value for impaired capital assets that will no longer be used by the District. No impairment losses were recognized in the year ended June 30, 2022.

Compensated Absences

District policies permit employees to accumulate earned but unused vacation days. The liability for these compensated absences is recorded as a noncurrent liability in the government-wide financial statements. A liability for these amounts is recorded in the Governmental Funds financial statements only to the extent they have matured, for example, as a result of employee resignation and retirements.

Long-Term Obligations

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Bonds payable are reported net of the applicable bond premium or discount. Bond premiums and discounts are deferred and amortized over the life of the bonds. Deferred amounts on refunding are recorded as a deferred outflow of resources and amortized over the life of the old debt or the life of the new debt, whichever is shorter. All amounts are amortized using the straight-line method.

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

Fund Equity

As prescribed by GASB, governmental funds report fund balance in classifications based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the fund can be spent. The District reports the following fund balance classifications:

Nonspendable

Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form – such as inventory or prepaid insurance or (b) legally or contractually required to be maintained intact – such as a trust that must be retained in perpetuity.

Restricted

Restricted fund balances are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed

Committed fund balances are amounts that can only be used for specific purposes determined by a formal action of the District's highest level of decision-making authority, the School Board. Committed amounts cannot be used for any other purpose unless the School Board removes those constraints by taking the same type of formal action (e.g., resolution).

TREDYFFRIN/EASTTOWN SCHOOL DISTRICT

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June 30, 2022

Assigned

Assigned fund balances are amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the Business Administrator or (b) an appointed body (e.g., finance committee) or (c) an official to which the District has delegated the authority to assign, modify or rescind amounts to be used for specific purposes.

Assigned fund balance includes (a) all remaining amounts that are reported in governmental funds (other than the General Fund) that are not classified as non-spendable, restricted or committed, and (b) amounts in the General Fund that are intended to be used for a specific purpose. Specific amounts that are not restricted or committed in a special revenue fund or the capital projects fund are assigned for purposes in accordance with the nature of their fund type.

Unassigned

Unassigned fund balance is the residual classification for the General Fund. This classification represents General Fund fund balance that has not been assigned to other funds, and that has not been restricted, committed or assigned to specific purposes within the General Fund.

When both restricted and unrestricted resources are available for use, it is the District's policy to use externally restricted resources first, then unrestricted resources—committed, assigned or unassigned—in order as needed.

Comparative Data

Comparative totals for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations. Certain amounts presented in the prior year have been reclassified in order to be consistent with the current year's presentation. However, presentation of prior year totals by fund and activity type has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read. Summarized comparative information should be read in conjunction with the District's financial statements for the year ended June 30, 2021, from which the summarized information was derived.

Use of Estimates

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

Implementation of New Accounting Pronouncements

Effective July 1, 2021, the District adopted the provisions of GASB Statement No. 87 "Leases", GASB Statement No. 89, "Accounting for Interest Cost Incurred Before the End of a Construction Period"; GASB Statement No. 91, "Conduit Debt Obligations", and GASB Statement No. 92, "Omnibus 2020".

The objective of GASB Statement No. 87 is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. GASB Statement No. 87 increases the usefulness of financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under GASB Statement No. 87, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about leasing activities. As a result of the implementation of Statement No. 87, the District recognized its right-to-use lease assets and corresponding liabilities for the year ended June 30, 2022.

TREDYFFRIN/EASTTOWN SCHOOL DISTRICT

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The objectives of GASB Statement No. 89 are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. GASB Statement No. 89 establishes accounting required for interest cost incurred before the end of a construction period. Such interest costs include all interest that previously was accounted for in accordance with the requirements of GASB Statement No. 62, "*Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*", which are superseded by GASB Statement No. 89. GASB Statement No. 89 requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. GASB Statement No. 89 also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with government fund accounting principles. The implementation of GASB Statement No. 89 had no impact on the financial statements of the District for the year ended June 30, 2022.

GASB Statement No. 91 provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The implementation of GASB Statement No. 91 had no impact on the District's financial statements for the year ended June 30, 2022.

GASB Statement No. 92 addresses a variety of topics to enhance comparability in accounting and financial reporting and improve consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The implementation of GASB Statement No. 92 had no impact on the District's financial statements for the year ended June 30, 2022.

New Accounting Pronouncements

GASB Statement No. 94, "*Public-Private and Public-Public Partnerships and Availability Payment Arrangements*" will be effective for the District for the year ended June 30, 2023. GASB Statement No. 94 improves financial reporting by addressing issues related to public-private and public-public partnership arrangements ("**PPP**"s). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

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

TREDYFFRIN/EASTTOWN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

(2) STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

An annual budget is adopted prior to the beginning of each year for the General Fund on a modified accrual basis of accounting. The General Fund is the only fund for which a budget is legally required, although project-length financial plans are adopted for the Capital Projects fund.

The District is required to publish notice by advertisement at least once in two newspapers of general circulation in the municipalities in which it is located, and within 20 days of final action, that the proposed budget has been prepared and is available for public inspection at the administrative offices of the District. Notice that public hearings will be held on the proposed operating budget must be included in the advertisement; such hearings are required to be scheduled at least 10 days prior to when final action on adoption is taken by the School Board.

After the legal adoption of the budget, the School Board is required to file a copy of the budget with the Pennsylvania Department of Education by July 31. Additional copies of the budget also are required to be filed with the House Education Committee and the Senate Education Committee by September 15.

Legal budgetary control is maintained at the sub-function/major object level. The School Board may make transfers of funds appropriated in any particular item of expenditure by legislative action in accordance with Pennsylvania School Code. Management may amend the budget at the sub-function/sub-object level without approval from the School Board. Appropriations lapse at the end of the fiscal period. Budgetary information reflected in the financial statements is presented at or below the level of budgetary control and includes the effect of approved budget amendments.

(3) DEPOSITS AND INVESTMENTS

State statutes authorize the District to invest in U.S. Treasury bills, time or share accounts of institutions insured by the Federal Deposit Insurance Corporation or in certificates of deposit when they are secured by proper bond or collateral, repurchase agreements, state treasurer's investment pools or mutual funds.

Deposits

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned. At June 30, 2022, the carrying amount of the District's deposits was \$39,194,552 and the bank balance was \$41,325,018. The District is required by state statute to deposit funds in depositories that are either banks, banking institutions or trust companies located in the Commonwealth of Pennsylvania. To the extent that such deposits exceed federal insurance, the depositories must pledge as collateral obligations of the United States, Commonwealth of Pennsylvania or any political subdivision. Under Act 72 of 1971, as amended, the depositories may meet this collateralization requirement by pooling appropriate securities to cover all public funds on deposit. Of the bank balance, \$250,000 was covered by federal depository insurance, and \$3,924,618 was collateralized by the District's depositories in accordance with Act 72 and the collateral was held by the depositories' agent in pooled public funds. The remaining cash deposits of the District are in the Pennsylvania School District Liquid Asset Fund ("**PSDLAF**") and the Pennsylvania Local Government Investment Trust ("**PLGIT**"). Although not registered with the Securities and Exchange Commission and not subject to regulatory oversight, PSDLAF and PLGIT act like money market mutual funds in that their objective is to maintain a stable net asset value of \$1 per share, are rated by a nationally recognized statistical rating organization and are subject to independent annual audit. As of June 30, 2022, PSDLAF and PLGIT were rated as AAA by a nationally recognized statistical rating agency.

Reconciliation to Financial Statements

Uninsured amounts	\$ 3,924,618
FDIC Insured amounts	250,000
Reconciling items	<u>(2,130,466)</u>
Carrying amount, bank balances	2,044,152
Pooled cash equivalents in government investment pools	<u>37,150,400</u>
Total carrying amount deposits	<u>\$39,194,552</u>

TREDYFFRIN/EASTTOWN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

Investments

State statutes authorize the District to invest in U.S. Treasury bills, time or share accounts of institutions insured by the Federal Deposit Insurance Corporation or in certificates of deposit when they are secured by proper bond or collateral, repurchase agreements, state treasurer's investment pools or mutual funds.

As of June 30, 2022, the District had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (In Years)</u>			
		<u>Less than 1</u>	<u>1 – 5</u>	<u>6 – 10</u>	<u>11 – 15</u>
Certificates of deposit	\$ 496,496	\$ 496,496	\$ -	\$ -	\$ -
PSDLAF/PLGIT collateralized investment pools	37,000,000	37,000,000	-	-	-
U.S. Treasury bill	<u>5,215,122</u>	<u>5,215,122</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$42,711,618</u>	<u>\$42,711,618</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

PSDLAF and PLGIT collateralized investment pools are fully collateralized by U.S. government agency and Treasury obligations and certificates of deposit. PSDLAF and PLGIT collateralized investment pools and the U.S. Treasury bill were valued using Level 2 inputs.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of the investments or collateral security that are in the possession of an outside party. The District had no investment subject to custodial credit risk as of June 30, 2022.

Interest Rate Risk

The District's investment policy limits investment maturities in accordance with state statutes as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

The District's investment policy limits its investments that are not backed by the "full faith and credit" of the federal and state government to those with the highest credit rating available for such investments issued by a recognized statistical rating organization.

(4) CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets not being depreciated				
Land	\$ 4,660,944	\$ -	\$ -	\$ 4,660,944
Construction in progress	<u>30,962,627</u>	<u>16,357,227</u>	<u>41,916,746</u>	<u>5,403,108</u>
Total capital assets not being depreciated	<u>35,623,571</u>	<u>16,357,227</u>	<u>41,916,746</u>	<u>10,064,052</u>
Capital assets being depreciated				
Buildings and improvements	96,032,510	39,069,561	-	135,102,071
Land improvements	4,751,494	123,985	-	4,875,479
Furniture and equipment	6,837,412	2,850,493	320,850	9,367,055
Right-to-use leased equipment	<u>1,482,575</u>	<u>700,654</u>	<u>-</u>	<u>2,183,229</u>
Total capital assets being depreciated	<u>109,103,991</u>	<u>42,744,693</u>	<u>320,850</u>	<u>151,527,834</u>

TREDYFFRIN/EASTTOWN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

Less accumulated depreciation for				
Buildings and improvements	(59,747,956)	(3,053,526)	-	(62,801,482)
Land improvements	(4,005,695)	(126,185)	-	(4,131,880)
Furniture and equipment	(3,641,797)	(884,929)	(320,850)	(4,205,876)
Right-to-use leased equipment	<u>(612,834)</u>	<u>(516,717)</u>	<u>-</u>	<u>(1,129,551)</u>
Total accumulated depreciation	<u>(68,008,282)</u>	<u>(4,581,357)</u>	<u>(320,850)</u>	<u>(72,268,789)</u>
Total capital assets being depreciated, net	<u>41,095,709</u>	<u>38,163,336</u>	<u>-</u>	<u>79,259,045</u>
Governmental activities, net	<u>\$ 76,719,280</u>	<u>\$54,520,563</u>	<u>\$41,916,746</u>	<u>\$ 89,323,097</u>
Business-type activities				
Machinery and equipment	\$ 903,373	\$ -	\$ -	\$ 903,373
Less accumulated depreciation	<u>(794,384)</u>	<u>(25,800)</u>	<u>-</u>	<u>(820,184)</u>
Business-type activities, net	<u>\$ 108,989</u>	<u>\$ (25,800)</u>	<u>\$ -</u>	<u>\$ 83,189</u>

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

Governmental activities	
Instruction	\$3,105,245
Instructional student support	381,708
Administrative and financial support services	461,684
Operation and maintenance of plant services	370,470
Pupil transportation	198,365
Student activities	<u>63,885</u>
Total depreciation expense – governmental activities	<u>\$4,581,357</u>
Business-type activities	
Food service	<u>\$ 25,800</u>

As of June 30, 2022, the District had outstanding construction commitments for various capital projects in the amount of \$7,068,784.

(5) NET INVESTMENT IN CAPITAL ASSETS

Components of the net position of the governmental activities net investment in capital assets at June 30, 2022 are as follows:

Capital assets	\$161,591,886
Deferred outflows of resources	703,780
Unspent bond proceeds	14,777,311
Accumulated depreciation	<u>(72,268,789)</u>
	104,804,188
Right-to-use leases payable	(1,079,483)
General obligation debt	<u>(98,573,783)</u>
Net investment in capital assets	<u>\$ 5,150,922</u>

Components of the net position of the business-type activities net investment in capital assets at June 30, 2022 are as follows:

Capital assets	<u>\$ 83,189</u>
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TREDYFFRIN/EASTTOWN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

(6) INTERNAL RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2022 is as follows:

<u>Receivable To</u>	<u>Amount</u>	<u>Payable From</u>	<u>Amount</u>
General Fund	\$ 150,159	Food Service Fund	\$ 150,159
Capital Projects Fund	<u>6,007,964</u>	General Fund	<u>6,007,964</u>
	<u>\$6,158,123</u>		<u>\$6,158,123</u>

Interfund balances between funds represent temporary loans recorded at year-end as the result of a final allocation of revenues and expenditures.

A summary of interfund transfers for the year ended June 30, 2022 is as follows:

<u>Transfers In</u>	<u>Amount</u>	<u>Transfers Out</u>	<u>Amount</u>
Capital Projects Fund	\$ 7,000,000	General Fund	\$ 7,000,000
Debt Service Fund	<u>6,505,886</u>	General Fund	<u>6,505,886</u>
	<u>\$13,505,886</u>		<u>\$13,505,886</u>

Transfers from the General Fund represent transfers to subsidize costs associated with the acquisition of capital assets and debt service requirements.

(7) NONCURRENT LIABILITIES

The following summarizes the changes in noncurrent liabilities for the year ended June 30, 2022:

	<u>Balance July 1, 2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2022</u>	<u>Amount Due Within One Year</u>
Governmental activities					
General obligation debt					
Bonds payable	\$ 63,170,000	\$26,900,000	\$ 1,800,000	\$ 88,270,000	\$1,640,000
Notes payable	4,770,000	-	2,345,000	2,425,000	2,425,000
Bond premiums	<u>4,120,090</u>	<u>4,374,716</u>	<u>616,023</u>	<u>7,878,783</u>	<u>616,023</u>
Total general obligation debt	<u>72,060,090</u>	<u>31,274,716</u>	<u>4,761,023</u>	<u>98,573,783</u>	<u>4,681,023</u>
Other noncurrent liabilities					
Compensated absences	5,641,399	-	1,604,805	4,036,594	-
Accrued severance	2,719,339	712,325	-	3,431,664	27,120
Right-to-use leases payable	889,345	700,654	510,516	1,079,483	528,191
OPEB liability	10,684,402	68,967	-	10,753,369	-
Net OPEB liability – PSERS	9,138,246	1,166,193	-	10,304,439	-
Net pension liability - PSERS	<u>211,544,371</u>	<u>-</u>	<u>30,561,241</u>	<u>180,983,130</u>	<u>-</u>
Total other noncurrent liabilities	<u>240,617,102</u>	<u>2,648,139</u>	<u>32,676,562</u>	<u>210,588,679</u>	<u>555,311</u>
Total governmental activities	<u>312,677,192</u>	<u>33,922,855</u>	<u>37,437,585</u>	<u>309,162,462</u>	<u>5,236,334</u>
Business-type activities					
Compensated absences	52,250	26,760	-	79,010	-
OPEB liability	284,700	445	-	285,145	-
Net OPEB liability – PSERS	243,500	29,741	-	273,241	-
Net pension liability - PSERS	<u>2,940,783</u>	<u>-</u>	<u>318,216</u>	<u>2,622,567</u>	<u>-</u>
Total business-type activities	<u>3,521,233</u>	<u>56,946</u>	<u>318,216</u>	<u>3,259,963</u>	<u>-</u>
Total noncurrent liabilities	<u>\$316,198,425</u>	<u>\$33,979,801</u>	<u>\$37,755,801</u>	<u>\$312,422,425</u>	<u>\$5,236,334</u>

TREDYFFRIN/EASTTOWN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

Noncurrent liabilities of governmental activities are generally liquidated by the General Fund, while noncurrent liabilities of the business-type activities are liquidated by the Food Service Fund.

(8) GENERAL OBLIGATION DEBT

General obligation debt is a direct obligation of the District for which full faith and credit are pledged and is payable from unrestricted local sources. The District has not pledged any assets as collateral for general obligation debt. General obligation debt was issued to finance capital expenditures or to finance the retirement (refund) of prior general obligation debt.

General obligation debt outstanding as of June 30, 2022 consisted of the following:

<u>Description</u>	<u>Interest Rate(s)</u>	<u>Original Issue Amount</u>	<u>Final Maturity</u>	<u>Principal Outstanding</u>
General obligation bonds				
Series of 2016	2.00% - 4.00%	\$13,040,000	02/15/2025	\$ 9,805,000
Series of 2019	2.45% - 5.00%	\$26,915,000	02/15/2040	26,900,000
Series of 2021	0.30% - 2.54%	\$24,935,000	02/15/2035	24,935,000
Series A of 2021	2.00% - 4.00%	\$26,900,000	02/15/2045	<u>26,630,000</u>
Total general obligation bonds				<u>88,270,000</u>
General obligation notes				
Series of 2020	1.30%	\$ 7,115,000	02/15/2023	<u>2,425,000</u>
Total general obligation debt				<u>\$90,695,000</u>

General obligation bonds

On December 7, 2016, the District issued \$13,040,000 of general obligation bonds, Series of 2016. The proceeds were used to advance refund a portion of the general obligation bonds, Series of 2010. Principal is due February 15 each year and the issues' final maturity date is February 15, 2025. The bonds are payable in periodic installments and bear interest payable semi-annually on February 15 and August 15 at rates ranging from 2.00% to 4.00%. The District advance refunded the general obligation bonds to reduce future debt service payments by \$1,978,029.

\$ 9,805,000

On February 12, 2019, the District issued \$26,915,000 of general obligation bonds, Series of 2019. The proceeds were used to finance the District's capital program, capitalized interest on the bond, and to pay for the costs of issuance. Principal is due February 15 each year and the issues' final maturity date is February 15, 2040. The bonds are payable in periodic installments and bear interest payable semi-annually on February 15 and August 15 at rates ranging from 2.45% to 5.00%.

26,900,000

On May 6, 2021, the District issued \$24,935,000 of general obligation bonds, Series of 2021. The proceeds were used to advance refund all the District's outstanding general obligation bonds, Series of 2015, and to pay for the costs of issuance. Principal is due February 15 each year and the issues' final maturity date is February 15, 2035. The bonds are payable in periodic installments and bear interest payable semi-annually on February 15 and August 15 at rates ranging from 0.30% to 2.54%. The District advance refunded the general obligation bonds to reduce future debt service payments by \$2,076,014.

24,935,000

TREDYFFRIN/EASTTOWN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

On November 3, 2021, the District issued \$26,900,000 of general obligation bonds, Series A of 2021. The proceeds were used to finance the District's capital program and to pay for the costs of issuance. Principal is due February 15 each year and the issues' final maturity date is February 15, 2045. The bonds are payable in periodic installments and bear interest payable semi-annually on February 15 and August 15 at rates ranging from 2.00% to 4.00%.

26,630,000

Total general obligation bonds

88,270,000

General obligation notes

On July 7, 2020, the District issued \$7,115,000 of general obligation notes, Series of 2020. The proceeds were used to currently refund all the District's outstanding general obligation bonds, Series of 2010, and to pay for the costs of issuance. Principal is due February 15 each year and the issues' final maturity date is February 15, 2023. The notes are payable in periodic installments and bear interest payable semi-annually on February 15 and August 15 at a rate of 1.30%. The District currently refunded the general obligation bonds to reduce future debt service payments by \$353,030.

2,425,000

Total general obligation debt

\$90,695,000

Annual debt service requirements to maturity on these obligations are as follows:

<u>Year ending June 30,</u>	<u>Principal Maturities</u>	<u>Interest Maturities</u>	<u>Total Maturities</u>
2023	\$ 4,065,000	\$ 3,305,157	\$ 7,370,157
2024	4,150,000	3,218,947	7,368,947
2025	4,315,000	3,056,218	7,371,218
2026	2,960,000	2,886,468	5,846,468
2027	2,940,000	2,852,027	5,792,027
2028-2032	15,500,000	13,411,928	28,911,928
2033-2037	18,085,000	10,829,326	28,914,326
2038-2042	22,635,000	6,267,550	28,902,550
2043-2045	<u>16,045,000</u>	<u>1,300,400</u>	<u>17,345,400</u>
	<u>\$90,695,000</u>	<u>\$47,128,021</u>	<u>\$137,823,021</u>

In-Substance Defeasance

The District has advance refunded its general obligation bonds, Series 2015 (the "**Series of 2015 Bonds**") by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust funds. The investments and earnings from the investments are sufficient to fully service the advance refunded debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and, therefore, removed as a liability from the District's government-wide financial statements. At June 30, 2021, the \$22,315,000 of the Series of 2015 Bonds is considered defeased. The District has authorized to call the remaining defeased bonds for redemption on August 15, 2023.

(9) ACCRUED SEVERANCE

Upon retirement under the provisions of PSERS and so long as the employee provides the District 90 days calendar notice, the District will pay a professional employee for unused sick time. The reimbursement will be at one-third of the employee's full-time per diem rate per unused sick time, up to a maximum of 135 days.

TREDYFFRIN/EASTTOWN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

Upon retirement under the provisions of PSERS and so long as the employee provides the District 90 days calendar notice, the District will pay a support staff employee for unused sick time. The reimbursement will be at 50% of the employee's per diem rate per unused sick time, up to a maximum of 135 days

Upon retirement under the provisions of PSERS, the District will pay supervisors and confidential positions with at least 10 years of service for unused sick time. The reimbursement will be at 50% of the employee's per diem rate per unused sick time, up to a maximum of 135 days. Additionally, administrators with 20 to 15 years of continuous service with the District are eligible for a \$5,200 to \$2,600 annual credit toward their health insurance for 10 years from the date of retirement.

Upon retirement, administrators with 10 years of administrative service with the District are eligible to receive a severance payment equal to between 60% to 100% of the employee's final base salary, based upon years of service. Administrators with 5 to 10 years of administrative service with the District are eligible to receive a severance payment equal to 45% of the employee's final base salary. Additionally, administrators with 10 years of continuous service with the District are eligible for a \$5,200 annual credit toward their health insurance for 10 years from the date of retirement.

(10) OTHER POST-EMPLOYMENT BENEFITS

Single-Employer Defined Benefit OPEB Plan

The District's other post-employment benefits include a single-employer defined benefit plan that provides benefits to administrative personnel. Administrative personnel who retire under the normal PSERS guidelines with at least ten years of administrative service (if an administrator retires from an administrative position) are covered for ten years. Supervisory and confidential employees who retire under the normal PSERS guidelines with at least 20 years of service, the final ten years of which must be in supervisory and confidential positions, are covered for ten years. The benefits, benefits level, employee contribution and employer contribution are administered by management and can be amended by the District through its personnel manual and union contracts. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue any financial report and is not included in the report of any public employee retirement system or any other entity.

OPEB Plan Membership

Membership in the OPEB plan consisted of the following at July 1, 2020:

Active participants	693
Vested former participants	-
Retired participants	<u>57</u>
Total	<u>750</u>

Funding Policy

The District's contributions are funded on a pay-as-you-go basis. The contribution requirements of retirees are established and may be amended by the School Board.

OPEB Liability

The District's OPEB liability has been measured as of June 30, 2022. The total OPEB liability was determined by an actuarial valuation as of July 1, 2020, and by rolling forward the liabilities from the July 1, 2020 actuarial valuation through the measurement date. No significant events or changes in assumptions occurred between the valuation date and the fiscal year end. The OPEB liability is \$11,038,514, all of which is unfunded. As of June 30, 2022, the OPEB liability of \$10,753,369 is related to the governmental funds and is recorded in the governmental activities in the government-wide statement of net position (deficit) and the remaining \$285,145 of the OPEB liability is recorded as a liability in the proprietary fund statement of net position (deficit), and in the business-type activities in the government-wide statement of net position (deficit).

TREDYFFRIN/EASTTOWN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

The District's change in its OPEB liability for the year ended June 30, 2022 was as follows:

Balance as of July 1, 2021	<u>\$10,969,102</u>
Changes for the year	
Service cost	608,051
Interest on total OPEB liability	212,908
Change of assumptions	(510,680)
Benefit payments	<u>(240,867)</u>
Net changes	<u>69,412</u>
Balance as of June 30, 2022	<u>\$11,038,514</u>

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

For the year ended June 30, 2022, the District recognized OPEB expense of \$795,017. At June 30, 2022, the District had deferred outflows of resources and deferred inflows of resources related to the OPEB plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 309,305
Changes in assumptions	1,437,197	1,222,573
Payments subsequent to measurement date	<u>261,228</u>	<u>-</u>
	<u>\$1,698,425</u>	<u>\$1,531,878</u>

\$261,228 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2023. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in OPEB expense as follows:

Year ended June 30,

2023	\$(25,942)
2024	(25,942)
2025	(25,942)
2026	(25,942)
2027	(25,942)
Thereafter	<u>35,029</u>
	<u>\$(94,681)</u>

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

The following presents the OPEB liability for June 30, 2022, calculated using current healthcare cost trends as well as what the OPEB liability would be if health cost trends were 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>1% Decrease</u>	<u>Trend Rate</u>	<u>1% Increase</u>
OPEB liability	<u>\$10,195,615</u>	<u>\$11,038,514</u>	<u>\$12,049,872</u>

Sensitivity of the OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the District calculated using the discount rate of 2.28%, as well as what the OPEB liability would be if it were calculated using the discount rate that is one percentage point lower (1.28%) or 1 percentage point higher (3.28%) than the current rate:

TREDYFFRIN/EASTTOWN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

	<u>1% Decrease</u> <u>1.28%</u>	<u>Current Discount Rate</u> <u>2.28%</u>	<u>1% Increase</u> <u>3.28%</u>
OPEB Liability	<u>\$12,313,440</u>	<u>\$11,038,514</u>	<u>\$9,946,147</u>

Actuarial Methods and Significant Assumptions

The OPEB Liability as of June 30, 2022, was determined by rolling forward the OPEB Liability as of July 1, 2020 to June 30, 2022 using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method – entry age normal
- Discount rate – 2.28% - 20 Year High-Grade Municipal Rate Index
- Salary growth – 2.50% cost of living adjustment, 1.00% real wage growth, and for teachers and administrators a merit increase which varies by age from 0.00% to 2.75%.
- Assumed healthcare cost trends – 5.50% in 2021 through 2023, gradually decreasing from 5.40% in 2024 to 4.00% in 2075 and later.
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 retiree tables for males and females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 improvement scale.

Cost Sharing Multiple-Employer Defined Benefit OPEB Plan

PSERS provides health insurance premium assistance which, is a governmental cost sharing, multiple-employer OPEB plan for all eligible retirees who qualify and elect to participate. Employer contribution rates for health insurance premium assistance are established to provide reserves in the health insurance account that are sufficient for the payment of health insurance 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, 2021, there were no assumed future benefit increases to participating eligible retirees.

Retirees of PSERS can participate in the health insurance premium assistance program if they satisfy the following criteria:

- Have 24 ½ or more years of service, or
- Are a disability retiree, or
- Have 15 or more years of service and retired after reaching superannuation age, and
- Participate in the PSERS' health options program or employer-sponsored health insurance program.

Benefits Provided

Participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of \$100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS' health options program. As of June 30, 2021, there were no assumed future benefit increases to participating eligible retirees.

Employer Contributions

The District's contractually required contribution rate for the fiscal year ended June 30, 2022 was 0.80% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the OPEB plan from the District were \$519,948 for the year ended June 30, 2022.

TREDYFFRIN/EASTTOWN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

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

At June 30, 2022, the District reported a liability of \$10,577,680 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by rolling forward PSERS' total OPEB liability as of June 30, 2020 to June 30, 2021. The District's proportion of the net OPEB liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2022, the District's proportion was 0.4463 percent, which was an increase of 0.0121 percent from its proportion measured as of June 30, 2021. As of June 30, 2022, the OPEB liability of \$10,304,439 is related to the governmental funds and is recorded in the governmental activities in the government-wide statement of net position (deficit) and the remaining \$273,241 of the OPEB liability is recorded as a liability in the proprietary fund statement of net position, and in the business-type activities in the government-wide statement of net position (deficit).

For the year ended June 30, 2022, the District recognized OPEB expense of \$663,000. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 98,000	\$ -
Changes in assumptions	1,127,000	141,000
Net difference between projected and actual investment earnings	21,000	-
Changes in proportions	317,000	96,000
Contributions subsequent to the measurement date	<u>519,948</u>	<u>-</u>
	<u>\$2,082,948</u>	<u>\$237,000</u>

\$519,948 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30,

2023	\$ 200,000
2024	198,000
2025	290,000
2026	242,000
2027	219,000
Thereafter	<u>177,000</u>
	<u>\$1,326,000</u>

Actuarial Assumptions

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

- Actuarial cost method - entry age normal - level % of pay
- Investment return – 2.18% - Standard & Poor's 20-year municipal bond rate
- Salary growth – Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.

TREDYFFRIN/EASTTOWN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

- Premium assistance reimbursement is capped at \$1,200 per year.
- Assumed healthcare cost trends were applied to retirees with less than \$1,200 in premium assistance per year.
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.

Participation rate:

- Eligible retirees will elect to participate pre age 65 at 50%
- Eligible retirees will elect to participate post age 65 at 70%

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study that was performed for the five-year period June 30, 2020.

The following assumptions were used to determine the contribution rate:

- The results of the actuarial valuation as of June 30, 2019 determined the employer contribution rate for fiscal year 2021.
- Cost method - amount necessary to assure solvency of premium assistance through the third fiscal year after the valuation date.
- Asset valuation method: market value.
- Participation rate: 63% of eligible retirees are assumed to elect premium assistance.
- Mortality tables for males and females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale.

Investments consist primarily of short term assets designed to protect the principal of the OPEB 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 health insurance premium assistance are established to provide reserves in the health insurance account that are sufficient for the payment of health insurance premium assistance benefits for each succeeding year.

<u>OPEB – Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	79.80%	0.10 %
US Core Fixed Income	17.50%	0.70 %
Non-US Developed Fixed	<u>2.70%</u>	(0.30)%
	<u>100.00%</u>	

The above was the Board's adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2021.

Discount Rate

The discount rate used to measure the OPEB liability was 2.18%. Under the OPEB plan's funding policy, contributions are structured for short term funding of health insurance premium assistance. The funding policy sets contribution rates necessary to assure solvency of health insurance premium assistance through the third fiscal year after the actuarial valuation date. The health insurance premium assistance account is funded to establish reserves that are sufficient for the payment of health insurance premium assistance benefits for each succeeding year. Due to the short term funding policy, the OPEB plan's fiduciary net position was not projected to be sufficient to meet projected future benefit payments, therefore the OPEB plan is considered a "pay-as-you-go" plan. A discount rate of 2.18% which represents the Standard & Poor's 20 year municipal bond rate at June 30, 2021, was applied to all projected benefit payments to measure the total OPEB liability.

TREDYFFRIN/EASTTOWN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

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

Healthcare cost trends were applied to retirees receiving less than \$1,200 in annual health insurance premium assistance. As of June 30, 2021, retirees health insurance premium assistance benefits are not subject to future healthcare cost increases. The healthcare insurance premium assistance reimbursement for qualifying retirees is capped at a maximum of \$1,200. The actual number of retirees receiving less than the \$1,200 per year cap is a small percentage of the total population and has a minimal impact on healthcare cost trends as depicted below.

The following presents the net OPEB liability for June 30, 2021, calculated using current healthcare cost trends as well as what net OPEB liability would be if it health cost trends were 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>1% Decrease</u>	<u>Trend Rate</u>	<u>1% Increase</u>
District's proportionate share of the net OPEB liability	<u>\$10,576,480</u>	<u>\$10,577,680</u>	<u>\$10,578,627</u>

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

The following presents the net OPEB liability, calculated using the discount rate of 2.18%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (1.18%) or 1-percentage-point higher (3.18%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	<u>1.18%</u>	<u>2.18%</u>	<u>3.18%</u>
District's proportionate share of the net OPEB liability	<u>\$12,139,208</u>	<u>\$10,577,680</u>	<u>\$9,291,529</u>

OPEB Plan Fiduciary Net Position

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

(11) PENSION PLAN

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

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 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.

TREDYFFRIN/EASTTOWN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

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 credited service; (b) age 60 with 30 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 membership classes, Membership Class T-E (Class T-E) and Membership Class T-F (Class T-F). To qualify for normal retirement, Class T-E and Class T-F members must work until age 65 with a minimum of 3 years of service or attain a total combination of age and service that is equal to or greater than 92 with a minimum of 35 years of service. Benefits are generally equal to 2% or 2.5%, depending upon membership class, of the member's final average salary (as defined in the code) multiplied by the number of years of credited service. For members whose membership started prior to July 1, 2011, after completion of five years of service, a member's right to the defined benefits is vested and early retirement benefits may be elected. For Class T-E and Class T-F members, the right to benefits is vested after ten years of service.

Participants are eligible for disability retirement benefits after completion of five years of credited service. Such benefits are generally equal to 2.00% or 2.50%, depending upon membership class, of the member's final average salary (as defined in the code) multiplied by the number of years of credited service, but not less than one-third of such salary nor greater than the benefit the member would have had at normal retirement age. Members over normal retirement age may apply for disability benefits.

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

Contributions

Member Contributions

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

Members who joined the system on or after July 22, 1983 and who were active or inactive as of July 1, 2001, contribute at 6.25% (Membership Class T-C) or at 7.50% (Membership Class T-D) of the member's qualifying compensation.

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

Members who joined the system after June 30, 2011, automatically contribute at the Membership Class T-E rate of 7.50% (base rate) of the member's qualifying compensation. All new hires after June 30, 2011, who elect T-F membership, contribute at 10.30% (base rate) of the member's qualifying compensation. Membership Class T-E and T-F are affected by a "shared risk" provision in Act 120 of 2010 that in future fiscal years could cause Membership Class T-E contribution rate to fluctuate between 7.50% and 9.50% and Membership Class T-F contribution rate to fluctuate between 10.30% and 12.30%.

Employees who become an active member of PSERS on or after July 1, 2019, are enrolled in a hybrid plan that has a defined benefit and defined contribution component. Members who joined PSERS after June 30, 2019, automatically contribute at the Membership Class T-G rate of 8.25% (base rate), including a 2.75% defined contribution component of the member's qualifying compensation. All new hires after June 30, 2019, who elect T-H membership, contribute at 7.50% (base rate), including a 3.00% defined contribution component of the member's qualifying compensation. Membership Class T-G and T-H are affected by a "shared risk" provision in Act 120 of 2010 that in future fiscal years could cause Membership Class T-G contribution rate to fluctuate between 5.50% and 8.50% and Membership Class T-H contribution rate to fluctuate between 4.50% and 7.50%. All new members can also elect a DC membership and contribute at 7.50% (base rate) to a defined contribution plan that has no defined benefit component.

TREDYFFRIN/EASTTOWN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

Employer Contributions

The District's contractually required contribution rate for fiscal year ended June 30, 2022 was 34.14% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the District were \$22,188,795 for the year ended June 30, 2022.

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

At June 30, 2022, the District reported a liability of \$183,605,697 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by rolling forward the system's total pension liability as of June 30, 2020 to June 30, 2021. The District's proportion of the net pension liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2022, the District's proportion was 0.4472 percent, which was an increase of 0.0116 percent from its proportion measured as of June 30, 2021. As of June 30, 2022, the net pension liability of \$180,983,130 is related to the governmental funds and is recorded in the governmental activities in the government-wide statement of net position (deficit) and the remaining \$2,622,567 of the net pension liability is recorded as a liability in the proprietary fund statement of net position (deficit), and in the business-type activities in the government-wide statement of net position (deficit).

For the year ended June 30, 2022, the District recognized net pension expense of \$13,628,000. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 135,000	\$ 2,412,000
Changes in assumptions	8,905,000	-
Net difference between projected and actual investment earnings	-	29,226,000
Changes in proportions	5,524,000	496,000
Contributions subsequent to the measurement date	<u>22,188,795</u>	<u>-</u>
	<u>\$36,752,795</u>	<u>\$32,134,000</u>

\$22,188,795 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,

2023	\$ (4,468,000)
2024	(1,500,000)
2025	(2,158,000)
2026	<u>(9,444,000)</u>
	<u>\$(17,570,000)</u>

Actuarial Assumptions

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

TREDYFFRIN/EASTTOWN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

- Actuarial cost method – entry age normal – level % of pay
- Investment return – 7.00%, includes inflation at 2.50%
- Salary growth – Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 retiree tables for males and females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 improvement scale.
- The discount rate used to measure the total pension liability decreased from 7.25% as of June 30, 2020 to 7.00% as of June 30, 2021.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial valuation 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 expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global public equity	27.0 %	5.2%
Private equity	12.0 %	7.3%
Fixed income	35.0 %	1.8%
Commodities	10.0 %	2.0%
Absolute return	8.0 %	3.1%
Infrastructure/MLPs	8.0 %	5.1%
Real estate	10.0 %	4.7%
Cash	3.0 %	0.1%
Leverage	(13.0)%	0.1%
	<u>100.0 %</u>	

The above was the PSERS Board's adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2021.

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.

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

The following represents 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:

TREDYFFRIN/EASTTOWN SCHOOL DISTRICT

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June 30, 2022

	<u>1% Decrease</u> <u>6.00%</u>	<u>Current Discount Rate</u> <u>7.00%</u>	<u>1% Increase</u> <u>8.00%</u>
District's proportionate share of the net pension liability	<u>\$240,989,180</u>	<u>\$183,605,697</u>	<u>\$135,199,892</u>

Pension Plan Fiduciary Net Position

Detailed information about the 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.

(12) RIGHT-TO-USE LEASES PAYABLE

The District has entered into long-term lease agreements as lessee for the use of vehicles and equipment. Initial lease liabilities were recorded in the amount of \$2,183,229. As of 6/30/2022, the value of the lease liabilities is \$1,079,483. The leases have an imputed interest rate of 3.00%. The vehicle and equipment's estimated useful lives range from 39 months to 5 years as of their contract commencements. The value of the intangible right-to-use assets as of 6/30/2022 is \$1,053,678, net of accumulated amortization of \$1,129,551, and is included with noncurrent assets on the statement of net position.

Future minimum lease payments under these leases are as follows:

<u>Year ending June 30,</u>	
2023	\$ 558,692
2024	370,617
2025	189,361
2026	10,863
2027	2,341
Less: amount representing interest	<u>(52,391)</u>
Present value of minimum lease payments	<u>\$1,079,483</u>

(13) JOINT VENTURE AND JOINTLY GOVERNED ORGANIZATION

Technical College High School Pennock's Bridge

The District and other Chester County school districts participate in the Technical College High School Pickering Campus ("**TCHS Pickering**"). The TCHS Pickering provides vocational-technical training and education to students of the participating school districts. The TCHS Pickering is controlled by a joint Board comprised of representative school board members of the participating school districts. District oversight of the TCHS Pickering operations is the responsibility of the joint board. The District's share of operating costs for the TCHS Pickering fluctuates based on the District's percentage of enrollment. The District's share of operating costs for 2021-2022 was \$681,178.

The TCHS Pickering prepares financial statements that are available to the public from their administrative offices.

Chester County Intermediate Unit

The District and the other Chester County school districts are participating members of the Chester County Intermediate Unit (the "**CCIU**"). The CCIU is a regional educational service agency, established by the Commonwealth of Pennsylvania, which is governed by a joint committee consisting of School Board members from each participating district. The School Board of each participating district must approve the annual operating budget of the CCIU but the participating districts have no ongoing fiduciary interest or responsibility to the CCIU. The CCIU is a self-sustaining organization that provides a broad array of services to participating districts which include: curriculum development and instructional improvement; educational planning services; instructional material; continuing professional development; pupil personnel services; management services and state and federal liaison services.

TREDYFFRIN/EASTTOWN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

(14) CONTINGENCIES AND COMMITMENTS

Government Grants and Awards

The District receives federal, state and local funding under a number of programs. Payments made by these sources under contractual agreements are provisional and subject to redetermination based on filing of reports and audits of those reports. Final settlements due from or to these sources are recorded in the year in which the related services are performed. Any adjustments resulting from subsequent examinations are recognized in the year in which the results of such examinations become known. District officials do not expect any significant adjustments as a result of these examinations.

Litigation

The District is a defendant in various matters of litigation and claims. These matters result from the normal course of business. It is not presently possible to determine the ultimate outcome or settlement cost, if any, of these matters.

(15) RISK MANAGEMENT

Health Insurance

The District administers a self-insurance program to provide health and prescription insurance for eligible employees, spouses and their dependents. Accordingly, benefit payments plus an administrative charge are made to a third-party administrator, who approves and processes all claims. The District has recorded a liability for claims incurred through June 30, 2022 and are typically satisfied shortly after year end.

Workers' Compensation

The District and other participating Pennsylvania school districts and educational agencies participate in the School District Insurance Consortium ("**SDIC**"), which is a voluntary trust. The District and the other participating members pay premiums to SDIC for the purpose of seeking prevention or lessening of claims due to injuries of employees of the participating members and pooling workers' compensation and occupational disease insurance risks, reserves claims and losses and providing self-insurance and reinsurance thereof. It is the intent of the participating members of SDIC that the SDIC will utilize funds contributed by the participating members, which shall be held in trust by SDIC, to provide self-insurance and reimbursements to the members for their obligations to pay compensation as required under the Workers' Compensation Act and the Pennsylvania Occupational Disease Act and to purchase excess and aggregate insurance. As of June 30, 2022, the District is not aware of any additional assessments relating to SDIC.

Other Risks

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Significant losses are covered by commercial insurance for all major programs. For insured programs, there were no significant reductions in insurance coverages during the 2021-2022 year. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

(16) PRIOR PERIOD RESTATEMENTS

As a result of the implementation of GASB Statement No. 87, the District made a prior period adjustment to record its lease liability and capital assets related to lessee agreements. In addition, the District made a prior period adjustment to restate capital assets for construction in progress costs not capitalized in prior years. These prior period adjustments and their effect on net position at July 1, 2021 are summarized in the following table.

TREDYFFRIN/EASTTOWN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

	Governmental Activities
Net position (deficit) at June 30, 2021, as previously stated	\$(173,682,426)
Prior period adjustment to	
Record GASB 87 lease liabilities	(889,345)
Record GASB 87 right-to-use assets	869,741
Record capital assets – construction in progress	<u>2,296,071</u>
Net position (deficit) at June 30, 2021, as restated	<u>\$(171,405,959)</u>

(17) SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 14, 2022, the date on which the financial statements were available to be issued. No material subsequent events have occurred since June 30, 2022 that required recognition or disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

TREDYFFRIN/EASTTOWN SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Year ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Local sources	\$ 128,031,723	\$ 128,031,723	\$ 132,041,685	\$ 4,009,962
State sources	22,157,927	22,157,927	23,848,128	1,690,201
Federal sources	2,173,221	2,173,221	2,527,156	353,935
Total revenues	<u>152,362,871</u>	<u>152,362,871</u>	<u>158,416,969</u>	<u>6,054,098</u>
EXPENDITURES				
Instruction				
Regular programs	67,683,198	68,361,484	68,440,705	(79,221)
Special programs	31,391,652	30,672,721	28,837,733	1,834,988
Vocational programs	700,000	700,000	681,178	18,822
Other instructional programs	139,113	139,113	132,318	6,795
Nonpublic school programs	-	-	3,572	(3,572)
Total instruction	<u>99,913,963</u>	<u>99,873,318</u>	<u>98,095,506</u>	<u>1,777,812</u>
Support services				
Pupil support services	6,188,283	6,188,595	5,998,837	189,758
Instructional staff services	3,962,205	3,962,563	4,118,528	(155,965)
Administrative services	8,488,445	8,492,782	8,651,861	(159,079)
Pupil health	1,841,683	1,840,717	1,895,255	(54,538)
Business services	1,389,338	1,389,336	1,400,101	(10,765)
Operation and maintenance of plant services	12,326,482	12,326,482	12,339,033	(12,551)
Student transportation services	8,465,464	8,465,464	6,242,686	2,222,778
Support services - central	4,443,199	4,408,099	3,346,292	1,061,807
Other support services	921,536	921,536	544,144	377,392
Total support services	<u>48,026,635</u>	<u>47,995,574</u>	<u>44,536,737</u>	<u>3,458,837</u>
Operation of noninstructional services				
Student activities	1,777,525	1,849,231	2,010,504	(161,273)
Debt service	<u>6,515,427</u>	<u>6,515,427</u>	<u>1,500</u>	<u>6,513,927</u>
Total expenditures	<u>156,233,550</u>	<u>156,233,550</u>	<u>144,644,247</u>	<u>11,589,303</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,870,679)</u>	<u>(3,870,679)</u>	<u>13,772,722</u>	<u>17,643,401</u>
OTHER FINANCING SOURCES (USES)				
Refund of prior year expenditures	-	-	270	270
Transfers out	(5,457,558)	(5,457,558)	(13,505,886)	(8,048,328)
Budgetary reserve	(3,000,000)	(3,000,000)	-	3,000,000
Total other financing sources (uses)	<u>(8,457,558)</u>	<u>(8,457,558)</u>	<u>(13,505,616)</u>	<u>(5,048,058)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (12,328,237)</u>	<u>\$ (12,328,237)</u>	<u>267,106</u>	<u>\$ 12,595,343</u>
FUND BALANCE				
Beginning of year			<u>32,287,683</u>	
End of year			<u>\$ 32,554,789</u>	

TREDYFFRIN/EASTTOWN SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - PSERS

Year ended June 30

	Measurement Date							
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the the pension liability	0.4472%	0.4356%	0.4300%	0.4342%	0.4302%	0.4376%	0.4355%	0.4259%
District's proportionate share of the net pension liability	\$ 183,605,697	\$ 214,485,154	\$ 201,165,214	\$ 208,438,000	\$ 212,469,000	\$ 216,861,000	\$ 188,638,000	\$ 168,575,000
District's covered-employee payroll	\$ 63,268,598	\$ 60,948,835	\$ 59,296,675	\$ 58,475,423	\$ 57,275,359	\$ 56,680,014	\$ 56,037,504	\$ 54,346,695
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	290.20%	351.91%	339.25%	356.45%	370.96%	382.61%	336.63%	310.18%
Plan fiduciary net position as a percentage of the total pension liability	63.67%	54.32%	55.66%	54.00%	51.84%	50.14%	54.00%	57.24%

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In accordance with GASB Statement No. 68, this schedule has been prepared prospectively. This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

TREDYFFRIN/EASTTOWN SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PENSION PLAN CONTRIBUTIONS - PSERS

Year ended June 30

	Measurement Date							
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 21,250,789	\$ 20,350,827	\$ 19,256,415	\$ 19,249,000	\$ 18,553,000	\$ 16,737,000	\$ 14,153,000	\$ 11,482,000
Contributions in relation to the contractually required contribution	<u>21,250,789</u>	<u>20,350,827</u>	<u>19,256,415</u>	<u>19,249,000</u>	<u>18,553,000</u>	<u>16,737,000</u>	<u>14,153,000</u>	<u>11,482,000</u>
Contribution deficiency (excess)	-	-	-	-	-	-	-	-
District's covered-employee payroll	\$ 63,268,598	\$ 60,948,835	\$ 59,296,675	\$ 59,046,012	\$ 58,475,423	\$ 57,275,359	\$ 56,680,014	\$ 56,037,504
Contributions as a percentage of covered-employee payroll	33.59%	33.39%	32.47%	32.60%	31.73%	29.22%	24.97%	20.49%

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In accordance with GASB Statement No. 68, this schedule has been prepared prospectively. This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

TREDYFFRIN/EASTTOWN SCHOOL DISTRICT

SCHEDULE OF CHANGES IN OPEB LIABILITY - SINGLE EMPLOYER PLAN

Year ended June 30

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
TOTAL OPEB LIABILITY					
Service cost	\$ 608,051	\$ 450,166	\$ 456,400	\$ 447,319	\$ 463,308
Interest on total OPEB liability	212,908	328,365	290,170	303,300	245,302
Change of benefit terms	-	(558,806)	-	-	-
Difference between expected and actual experience	-	(118,753)	-	(290,520)	-
Change of assumptions	(510,680)	1,676,729	(425,925)	(119,812)	(533,219)
Benefit payments	(240,867)	(286,298)	(270,097)	(340,204)	(297,865)
Net change in total OPEB liability	69,412	1,491,403	50,548	83	(122,474)
Total OPEB liability, beginning	<u>10,969,102</u>	<u>9,477,699</u>	<u>9,427,151</u>	<u>9,427,068</u>	<u>9,549,542</u>
Total OPEB liability, ending	<u>\$ 11,038,514</u>	<u>\$ 10,969,102</u>	<u>\$ 9,477,699</u>	<u>\$ 9,427,151</u>	<u>\$ 9,427,068</u>
Fiduciary net position as a % of total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%
Covered payroll	\$ 58,220,568	\$ 58,220,568	\$ 54,617,864	\$ 54,617,864	\$ 50,507,324
Net OPEB liability as a % of covered payroll	18.96%	18.84%	17.35%	17.26%	18.66%

In accordance with GASB Statement No. 75, this schedule has been prepared prospectively. This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

TREDYFFRIN/EASTTOWN SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY -PSERS

Year ended June 30

	Measurement Date				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net OPEB liability	0.4463%	0.4342%	0.4300%	0.4342%	0.4302%
District's proportionate share of the net OPEB liability	\$ 10,577,680	\$ 9,381,746	\$ 9,145,421	\$ 9,053,000	\$ 8,765,000
District's covered-employee payroll	\$ 63,268,598	\$ 60,948,835	\$ 59,296,675	\$ 58,433,735	\$ 57,275,359
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	16.72%	15.39%	15.42%	15.49%	15.30%
Plan fiduciary net position as a percentage of the total OPEB liability	5.30%	5.69%	5.56%	5.56%	5.73%

In accordance with GASB Statement No. 75, this schedule has been prepared prospectively. This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

TREDYFFRIN/EASTTOWN SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S OPEB PLAN CONTRIBUTIONS - PSERS

Year ended June 30

	<u>Measurement Date</u>				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 519,337	\$ 511,153	\$ 492,655	\$ 490,000	\$ 485,000
Contributions in relation to the contractually required contribution	<u>519,337</u>	<u>511,153</u>	<u>492,655</u>	<u>490,000</u>	<u>485,000</u>
Contribution deficiency (excess)	-	-	-	-	-
District's covered-employee payroll	\$ 63,268,598	\$ 60,948,835	\$ 59,296,675	\$ 59,036,145	\$ 58,433,735
Contributions as a percentage of covered-employee payroll	0.82%	0.84%	0.83%	0.83%	0.83%

In accordance with GASB Statement No. 75, this schedule has been prepared prospectively. This schedule will accumulate each year until sufficient information to present a ten-year trend is available.



Tredyffrin/Easttown School District

STATISTICAL SECTION



TREDYFFRIN/EASTTOWN SCHOOL DISTRICT

Statistical Section

Unaudited

The Statistical Section of the Tredyffrin/Easttown School District's Annual Comprehensive Financial Report (ACFR) presents other detailed information to allow the reader a better understanding of the Government's overall financial health in conjunction with the information in the financial statements, note disclosures, and required supplementary information.

Contents	Pages
Financial Trends.....	74-79
<i>These schedules contain selected information from current and previous years' financial statements to allow users to assess financial trends.</i>	
Revenue Capacity	80-84
<i>These schedules contain information useful in assess the District's ability to raise own-source revenue.</i>	
Debt Capacity	85-88
<i>These schedules contain information useful in assessing the District's ability to afford the existing debt as well as the District's ability to issue new debt.</i>	
Demographic and Economic Information	89-91
<i>These schedules contain information about the socio-economic environment within which the District's financial activities take place.</i>	
Operating Information.....	92-103
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.</i>	

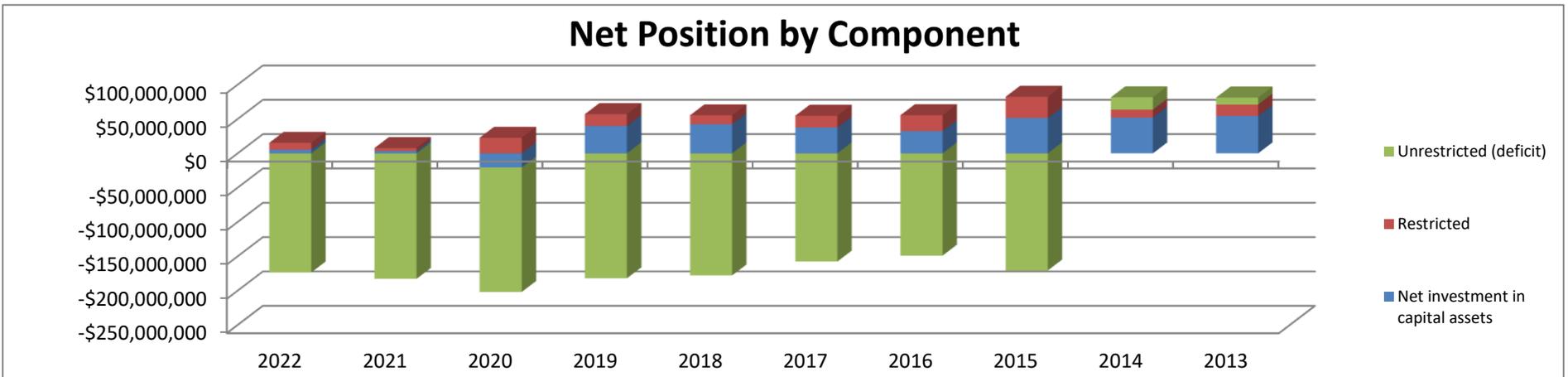
TREDYFFRIN / EASTTOWN SCHOOL DISTRICT

NET POSITION (DEFICIT) BY COMPONENT - UNAUDITED

Last Ten Fiscal Years Ending June 30,
(accrual basis of accounting)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Governmental activities										
Net investment in capital assets	\$ 5,150,922	\$ 3,245,315	\$ (20,559,749)	\$ 39,455,882	\$ 42,016,537	\$ 37,144,324	\$ 31,989,983	\$ 51,011,885	\$ 51,615,432	\$ 53,906,189
Restricted	10,008,211	4,332,941	22,678,263	17,181,439	12,939,421	17,236,017	23,155,339	30,957,834	11,633,268	16,683,983
Unrestricted (deficit)	<u>(170,172,843)</u>	<u>(178,984,215)</u>	<u>(178,160,487)</u>	<u>(178,831,845)</u>	<u>(174,567,166)</u>	<u>(154,747,556)</u>	<u>(146,209,688)</u>	<u>(167,762,278)</u>	<u>17,521,410</u>	<u>9,392,107</u>
Total governmental activities net position (deficit)	<u>\$(155,013,710)</u>	<u>\$(171,405,959)</u>	<u>\$(176,041,973)</u>	<u>\$(122,194,524)</u>	<u>\$(119,611,208)</u>	<u>\$(100,367,215)</u>	<u>\$(91,064,366)</u>	<u>\$(85,792,559)</u>	<u>\$ 80,770,110</u>	<u>\$ 79,982,279</u>
Business-type activities										
Net investment in capital assets	\$ 83,189	\$ 108,989	\$ 140,247	\$ 371,088	\$ 404,196	\$ 338,162	\$ 347,260	\$ 407,869	\$ 458,917	\$ 483,034
Unrestricted	<u>(3,097,416)</u>	<u>(3,670,340)</u>	<u>(3,137,772)</u>	<u>(3,002,013)</u>	<u>(3,081,522)</u>	<u>(2,692,158)</u>	<u>(2,600,606)</u>	<u>(2,722,160)</u>	<u>387,508</u>	<u>699,671</u>
Total business-type activities net position	<u>\$(3,014,227)</u>	<u>\$(3,561,351)</u>	<u>\$(2,997,525)</u>	<u>\$(2,630,925)</u>	<u>\$(2,677,326)</u>	<u>\$(2,353,996)</u>	<u>\$(2,253,346)</u>	<u>\$(2,314,291)</u>	<u>\$ 846,425</u>	<u>\$ 1,182,705</u>
Primary Government										
Net investment in capital assets	\$ 5,234,111	\$ 3,354,304	\$ (20,419,502)	\$ 39,826,970	\$ 42,420,733	\$ 37,482,486	\$ 32,337,243	\$ 51,419,754	\$ 52,074,349	\$ 54,389,223
Restricted	10,008,211	4,332,941	22,678,263	17,181,439	12,939,421	17,236,017	23,155,339	30,957,834	11,633,268	16,683,983
Unrestricted (deficit)	<u>(173,270,259)</u>	<u>(182,654,555)</u>	<u>(181,298,259)</u>	<u>(181,833,858)</u>	<u>(177,648,688)</u>	<u>(157,439,714)</u>	<u>(148,810,294)</u>	<u>(170,484,438)</u>	<u>17,908,918</u>	<u>10,091,778</u>
Total primary government net position (deficit)	<u>\$(158,027,937)</u>	<u>\$(174,967,310)</u>	<u>\$(179,039,498)</u>	<u>\$(124,825,449)</u>	<u>\$(122,288,534)</u>	<u>\$(102,721,211)</u>	<u>\$(93,317,712)</u>	<u>\$(88,106,850)</u>	<u>\$ 81,616,535</u>	<u>\$ 81,164,984</u>

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Source: District's Audited Financial Statements

Note: Starting in 2014-15, the District booked their share of the PSERS multiple employer pension plan liability to comply with GASB 67/68.

Note: Starting in 2017-18, the District booked their share of the PSERS multiple employer net OPEB liability and the District's single employer total OPEB to comply with GASB 75.

TREDYFFRIN / EASTTOWN SCHOOL DISTRICT

CHANGES IN NET POSITION (DEFICIT) - GOVERNMENTAL ACTIVITIES - UNAUDITED

Last Ten Fiscal Years Ending June 30,
(accrual basis of accounting)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Governmental Activities										
Program revenues										
Charges for services	\$ 980,505	\$ 227,411	\$ 706,166	\$ 718,246	\$ 630,634	\$ 622,712	\$ 620,917	\$ 696,608	\$ 578,499	\$ 695,631
Operating grants and contributions										
Instruction	14,811,719	15,465,981	12,441,991	11,894,921	11,723,097	10,665,074	9,844,362	8,703,876	7,476,019	6,795,509
Instructional student support services	1,129,131	1,135,544	892,421	1,497,412	2,098,069	1,007,528	1,134,363	1,378,002	1,240,478	1,446,587
Administrative and financial support services	1,397,079	1,314,898	1,136,036	1,236,391	1,154,351	1,141,472	930,332	818,634	668,316	531,724
Operation and maintenance of plant services	1,095,888	1,117,761	1,948,645	1,025,034	1,038,459	1,046,147	917,838	855,864	702,588	558,837
Pupil transportation	1,822,354	2,086,926	2,274,904	2,347,391	2,305,695	2,210,114	2,383,876	2,339,776	2,004,461	1,832,434
Student activities	188,978	166,652	152,687	182,519	180,818	171,042	155,113	143,111	120,985	95,502
Community services	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	-	-	79,169	-	-	-	-	-	-	-
Capital grants and contributions	-	-	-	318,161	318,221	636,003	157,567	317,453	185,368	171,227
Total program revenues	<u>21,425,654</u>	<u>21,515,173</u>	<u>19,632,019</u>	<u>19,220,075</u>	<u>19,449,344</u>	<u>17,500,092</u>	<u>16,144,368</u>	<u>15,253,324</u>	<u>12,976,714</u>	<u>12,127,451</u>
Program expenses										
Instruction	94,167,704	98,738,936	97,205,484	94,570,298	92,405,658	88,973,844	82,247,684	76,564,084	68,821,923	67,048,174
Instructional student support services	11,485,892	12,648,401	11,676,998	11,580,269	11,291,068	11,060,294	10,707,647	9,761,332	8,718,184	8,374,240
Administrative and financial support services	14,367,516	14,620,219	14,678,425	14,721,330	14,159,271	15,221,545	12,874,422	12,839,165	11,536,091	10,837,656
Operation and maintenance of plant services	11,376,501	13,927,664	12,835,506	12,100,709	12,794,344	13,386,648	12,466,679	12,530,893	11,765,274	11,156,932
Pupil transportation	6,369,911	6,474,614	7,511,791	7,707,623	7,953,992	7,966,053	7,962,086	7,413,210	7,089,002	7,177,261
Student activities	1,947,605	1,702,301	1,996,331	2,163,484	2,206,544	2,198,335	2,134,632	2,170,243	2,039,082	1,930,075
Community services	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	2,282,809	1,776,040	2,692,964	2,574,736	1,672,776	1,852,490	2,080,641	2,412,148	2,138,015	2,327,441
Total program expenses	<u>141,997,938</u>	<u>149,888,175</u>	<u>148,597,499</u>	<u>145,418,449</u>	<u>142,483,653</u>	<u>140,659,209</u>	<u>130,473,791</u>	<u>123,691,075</u>	<u>112,107,571</u>	<u>108,851,779</u>
Net program expense	<u>(120,572,284)</u>	<u>(128,373,002)</u>	<u>(128,965,480)</u>	<u>(126,198,374)</u>	<u>(123,034,309)</u>	<u>(123,159,117)</u>	<u>(114,329,423)</u>	<u>(108,437,751)</u>	<u>(99,130,857)</u>	<u>(96,724,328)</u>
General revenues										
Taxes										
Property taxes, net	125,975,187	120,558,093	118,720,616	111,217,624	107,196,781	103,455,473	98,978,044	94,856,014	91,462,130	90,687,764
Other taxes	4,511,184	4,009,972	4,963,721	3,437,061	3,145,898	3,598,104	3,939,971	2,394,084	2,613,643	2,281,368
Unrestricted grants and subsidies	6,137,207	5,859,893	5,859,689	5,778,461	5,649,862	5,568,914	5,402,773	5,269,433	5,286,347	5,180,321
Investment earnings	249,955	304,591	2,676,229	2,772,536	1,246,492	677,745	433,199	246,811	163,328	164,253
Gain on sale of capital assets	91,000	-	(409)	455,844	407,529	-	(23,119)	(376)	(4,659)	971
Misc	-	-	-	(46,469)	(902)	556,084	326,748	434,907	397,899	791,592
Refund of PY receipts	-	-	-	-	-	-	-	(11,791)	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Total general revenues and transfers	<u>136,964,533</u>	<u>130,732,549</u>	<u>132,219,846</u>	<u>123,615,057</u>	<u>117,645,660</u>	<u>113,856,320</u>	<u>109,057,616</u>	<u>103,189,082</u>	<u>99,918,688</u>	<u>99,106,269</u>
Total changes in net position (deficit)	<u>\$ 16,392,249</u>	<u>\$ 2,359,547</u>	<u>\$ 3,254,366</u>	<u>\$ (2,583,317)</u>	<u>\$ (5,388,649)</u>	<u>\$ (9,302,797)</u>	<u>\$ (5,271,807)</u>	<u>\$ (5,248,669)</u>	<u>\$ 787,831</u>	<u>\$ 2,381,941</u>

Source: District's Audited Financial Statements

TREDYFFRIN / EASTTOWN SCHOOL DISTRICT

CHANGES IN NET POSITION (DEFICIT) - BUSINESS-TYPE ACTIVITIES - UNAUDITED

Last Ten Fiscal Years Ending June 30,
(accrual basis of accounting)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Business-type activities										
Program revenues										
Charges for services	\$ 758,915	\$ 17,408	\$ 1,722,115	\$ 2,392,678	\$ 2,433,130	\$ 2,481,392	\$ 2,409,916	\$ 2,427,290	\$ 2,105,677	\$ 2,161,114
Operating grants and contributions										
Food service	2,629,241	846,584	582,015	542,716	544,157	448,282	522,405	481,004	447,138	419,082
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total program revenues	<u>3,388,156</u>	<u>863,992</u>	<u>2,304,130</u>	<u>2,935,394</u>	<u>2,977,287</u>	<u>2,929,674</u>	<u>2,932,321</u>	<u>2,908,294</u>	<u>2,552,815</u>	<u>2,580,196</u>
Program expenses										
Food services	<u>2,842,914</u>	<u>1,428,381</u>	<u>2,484,039</u>	<u>2,914,197</u>	<u>2,974,064</u>	<u>3,034,989</u>	<u>2,878,164</u>	<u>3,140,750</u>	<u>2,890,500</u>	<u>2,777,768</u>
Net program revenue (expense)	<u>545,242</u>	<u>(564,389)</u>	<u>(179,909)</u>	<u>21,197</u>	<u>3,223</u>	<u>(105,315)</u>	<u>54,157</u>	<u>(232,456)</u>	<u>(337,685)</u>	<u>(197,572)</u>
General revenues										
Investment earnings	1,882	563	15,803	25,204	12,717	4,665	6,788	4,740	1,405	844
Gain on sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Total general revenues and transfers	<u>1,882</u>	<u>563</u>	<u>15,803</u>	<u>25,204</u>	<u>12,717</u>	<u>4,665</u>	<u>6,788</u>	<u>4,740</u>	<u>1,405</u>	<u>844</u>
Total changes in net position (deficit)	<u>\$ 547,124</u>	<u>\$ (563,826)</u>	<u>\$ (164,106)</u>	<u>\$ 46,401</u>	<u>\$ 15,940</u>	<u>\$ (100,650)</u>	<u>\$ 60,945</u>	<u>\$ (227,716)</u>	<u>\$ (336,280)</u>	<u>\$ (196,728)</u>

Source: District's Audited Financial Statements

TREDYFFRIN / EASTTOWN SCHOOL DISTRICT

CHANGES IN NET POSITION (DEFICIT) - PRIMARY GOVERNMENT - UNAUDITED

Last Ten Fiscal Years Ending June 30,
(accrual basis of accounting)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Primary Government										
Program revenues										
Charges for services										
Governmental activities	\$ 980,505	\$ 227,411	\$ 706,166	\$ 718,246	\$ 630,634	\$ 622,712	\$ 620,917	\$ 696,608	\$ 578,499	\$ 695,631
Business-type activities	758,915	17,408	1,722,115	2,392,678	2,433,130	2,481,392	2,409,916	2,427,290	2,105,677	2,161,114
Operating grants and contributions										
Instruction	14,811,719	15,465,981	12,441,991	11,894,921	11,723,097	10,665,074	9,844,362	8,703,876	7,476,019	6,795,509
Instructional student support services	1,129,131	1,135,544	892,421	1,497,412	2,098,069	1,007,528	1,134,363	1,378,002	1,240,478	1,446,587
Administrative and financial support services	1,397,079	1,314,898	1,136,036	1,236,391	1,154,351	1,141,472	930,332	818,634	668,316	531,724
Operation and maintenance of plant services	1,095,888	1,117,761	1,948,645	1,025,034	1,038,459	1,046,147	917,838	855,864	702,588	558,837
Pupil transportation	1,822,354	2,086,926	2,274,904	2,347,391	2,305,695	2,210,114	2,383,876	2,339,776	2,004,461	1,832,434
Student activities	188,978	166,652	152,687	182,519	180,818	171,042	155,113	143,111	120,985	95,502
Community services	-	-	-	-	-	-	-	-	-	-
Food services	2,629,241	846,584	582,015	542,716	544,157	448,282	522,405	481,004	447,138	419,082
Interest on long-term debt	-	-	79,169	-	-	-	-	-	-	-
Capital grants and contributions	-	-	-	318,161	318,221	636,003	157,567	317,453	185,368	171,227
Total program revenues	24,813,810	22,379,165	21,936,149	22,155,469	22,426,631	20,429,766	19,076,689	18,161,618	15,529,529	14,707,647
Program expenses										
Instruction	94,167,704	98,738,936	97,205,484	94,570,298	92,405,658	88,973,844	82,247,684	76,564,084	68,821,923	67,048,174
Instructional student support services	11,485,892	12,648,401	11,676,998	11,580,269	11,291,068	11,060,294	10,707,647	9,761,332	8,718,184	8,374,240
Administrative and financial support services	14,367,516	14,620,219	14,678,425	14,721,330	14,159,271	15,221,545	12,874,422	12,839,165	11,536,091	10,837,656
Operation and maintenance of plant services	11,376,501	13,927,664	12,835,506	12,100,709	12,794,344	13,386,648	12,466,679	12,530,893	11,765,274	11,156,932
Pupil transportation	6,369,911	6,474,614	7,511,791	7,707,623	7,953,992	7,966,053	7,962,086	7,413,210	7,089,002	7,177,261
Student activities	1,947,605	1,702,301	1,996,331	2,163,484	2,206,544	2,198,335	2,134,632	2,170,243	2,039,082	1,930,075
Community services	-	-	-	-	-	-	-	-	-	-
Food services	2,842,914	1,428,381	2,484,039	2,914,197	2,974,064	3,034,989	2,878,164	3,140,750	2,890,500	2,777,768
Interest on long-term debt	2,282,809	1,776,040	2,692,964	2,574,736	1,672,776	1,852,490	2,080,641	2,412,148	2,138,015	2,327,441
Total program expenses	144,840,852	151,316,556	151,081,538	148,332,646	145,457,717	143,694,198	133,351,955	126,831,825	114,998,071	111,629,547
Net program expense	(120,027,042)	(128,937,391)	(129,145,389)	(126,177,177)	(123,031,086)	(123,264,432)	(114,275,266)	(108,670,207)	(99,468,542)	(96,921,900)
General revenues										
Taxes										
Property taxes, net	125,975,187	120,558,093	118,720,616	111,217,624	107,196,781	103,455,473	98,978,044	94,856,014	91,462,130	90,687,764
Other taxes	4,511,184	4,009,972	4,963,721	3,437,061	3,145,898	3,598,104	3,939,971	2,394,084	2,613,643	2,281,368
Unrestricted grants and subsidies	6,137,207	5,859,893	5,859,689	5,778,461	5,649,862	5,568,914	5,402,773	5,269,433	5,286,347	5,180,321
Investment earnings	251,837	305,154	2,692,032	2,797,740	1,259,209	682,410	439,987	251,551	164,733	165,097
Gain on sale of capital assets	91,000	-	(409)	455,844	407,529	-	(23,119)	(376)	(4,659)	971
Misc	-	-	-	(46,469)	(902)	556,084	326,748	434,907	397,899	791,592
Refund of PY receipts	-	-	-	-	-	-	-	(11,791)	-	-
Total general revenues	136,966,415	130,733,112	132,235,649	123,640,261	117,658,377	113,860,985	109,064,404	103,193,822	99,920,093	99,107,113
Total changes in net position (deficit)	\$ 16,939,373	\$ 1,795,721	\$ 3,090,260	\$ (2,536,916)	\$ (5,372,709)	\$ (9,403,447)	\$ (5,210,862)	\$ (5,476,385)	\$ 451,551	\$ 2,185,213

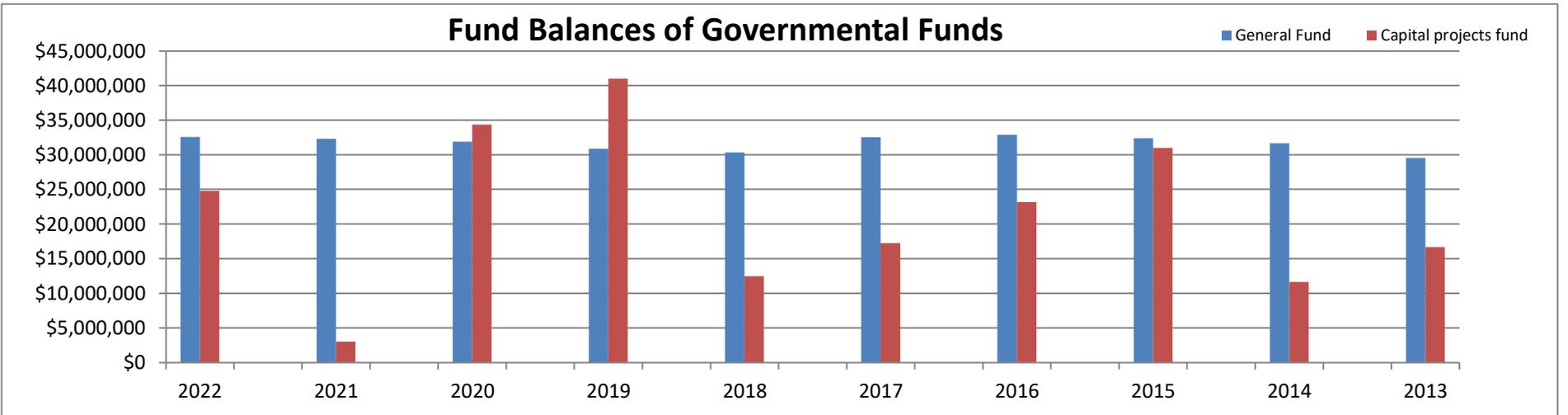
TREDYFFRIN / EASTTOWN SCHOOL DISTRICT

FUND BALANCES OF GOVERNMENTAL FUNDS - UNAUDITED

Last Ten Fiscal Years Ending June 30,
(modified accrual basis of accounting)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General Fund										
Nonspendable										
Prepaid expenditures	\$ 43,575	\$ 6,468	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Committed for										
Next year's budget	6,406,382	10,870,680	7,923,426	6,206,629	5,245,509	5,824,815	2,766,651	3,154,836	2,671,891	3,244,095
Capital projects	4,006,072	4,006,072	4,006,072	4,006,072	4,006,072	5,206,072	5,206,072	5,206,072	5,206,072	2,105,358
Vested employee services	7,441,138	8,353,572	7,820,079	7,344,669	12,388,333	12,185,311	10,697,277	9,742,611	9,039,048	8,731,594
PSERS contingency	9,127,679	3,960,459	7,077,137	8,251,384	4,248,676	4,158,731	9,219,862	9,313,434	10,328,216	10,328,216
Healthcare contingency	5,300,000	4,900,000	4,900,000	4,900,000	4,200,000	4,450,000	4,340,000	4,300,000	3,800,000	4,511,246
Committed										
Assigned for athletics	229,943	190,432	177,039	147,715	254,313	715,774	656,941	664,094	629,103	597,525
Unassigned (deficit)	-	-	-	-	-	-	-	-	-	-
Total general fund	<u>32,554,789</u>	<u>32,287,683</u>	<u>31,903,753</u>	<u>30,856,469</u>	<u>30,342,903</u>	<u>32,540,703</u>	<u>32,886,803</u>	<u>32,381,047</u>	<u>31,674,330</u>	<u>29,518,034</u>
All other governmental funds										
Restricted										
Capital projects fund	24,785,522	3,003,787	34,344,284	40,977,931	12,939,421	17,236,071	23,155,339	30,957,834	11,633,268	16,683,983
Unassigned										
Capital projects fund	-	-	-	-	(465,747)	-	-	-	-	-
Total all other governmental funds	<u>24,785,522</u>	<u>3,003,787</u>	<u>34,344,284</u>	<u>40,977,931</u>	<u>12,473,674</u>	<u>17,236,071</u>	<u>23,155,339</u>	<u>30,957,834</u>	<u>11,633,268</u>	<u>16,683,983</u>
Total governmental funds	<u>\$57,340,311</u>	<u>\$35,291,470</u>	<u>\$66,248,037</u>	<u>\$71,834,400</u>	<u>\$42,816,577</u>	<u>\$49,776,774</u>	<u>\$56,042,142</u>	<u>\$63,338,881</u>	<u>\$43,307,598</u>	<u>\$46,202,017</u>

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Source: District's Audited Financial Statements

TREDYFFRIN / EASTTOWN SCHOOL DISTRICT

CHANGES IN GOVERNMENTAL FUND BALANCES - UNAUDITED

Last Ten Fiscal Years Ending June 30,
(modified accrual basis of accounting)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Revenues										
Local sources	\$132,089,647	\$125,571,909	\$125,458,681	\$120,350,627	\$114,363,723	\$109,682,897	\$104,891,598	\$ 99,325,494	\$ 95,998,445	\$ 95,383,521
State sources	23,848,128	23,588,707	22,532,021	22,611,660	22,126,993	21,100,979	19,292,616	18,209,382	16,160,260	14,658,417
Federal sources	2,527,156	3,459,883	2,048,632	796,040	1,472,508	487,133	854,682	809,962	780,572	1,118,167
Total revenues	<u>158,464,931</u>	<u>152,620,499</u>	<u>150,039,334</u>	<u>143,758,327</u>	<u>\$137,963,224</u>	<u>131,271,009</u>	<u>125,038,896</u>	<u>118,344,838</u>	<u>112,939,277</u>	<u>111,160,105</u>
Expenditures										
Current										
Instruction	98,095,506	96,277,935	91,354,287	86,730,836	86,782,669	78,937,472	75,310,892	70,366,398	65,603,590	63,084,301
Support services	45,457,613	44,865,531	43,255,277	43,061,525	42,720,030	42,999,847	40,697,832	39,158,621	36,781,390	35,188,511
Operation of noninstructional services	2,010,504	1,654,800	1,862,732	2,026,192	2,044,663	2,002,018	1,964,445	1,983,837	1,928,888	1,804,568
Capital outlay	16,411,721	34,496,809	12,379,533	5,925,970	6,399,297	6,500,261	7,456,208	5,544,108	5,081,603	3,453,262
Debt service										
Principal	4,145,000	3,875,000	3,575,000	4,790,000	4,871,150	4,690,000	4,335,000	4,535,085	4,075,000	3,890,000
Interest	2,362,386	2,728,135	3,163,748	2,950,673	2,105,612	2,559,081	2,571,258	1,937,694	2,363,225	2,549,050
Total expenditures	<u>168,482,730</u>	<u>183,898,210</u>	<u>155,590,577</u>	<u>145,485,196</u>	<u>144,923,421</u>	<u>137,688,679</u>	<u>132,335,635</u>	<u>123,525,743</u>	<u>115,833,696</u>	<u>109,969,692</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,017,799)</u>	<u>(31,277,711)</u>	<u>(5,551,243)</u>	<u>(1,726,869)</u>	<u>(6,960,197)</u>	<u>(6,417,670)</u>	<u>(7,296,739)</u>	<u>(5,180,905)</u>	<u>(2,894,419)</u>	<u>1,190,413</u>
Other financing sources (uses)										
Refund of prior year receipts	-	(231)	(36,120)	-	-	-	-	(11,791)	-	-
Refund of prior year expenditures	270	-	-	-	-	-	-	-	-	331,649
Proceeds from sale of assets	91,000	-	-	-	-	-	-	-	-	-
Proceeds from extended term financing	700,654	-	-	-	-	-	-	-	-	-
Issuance of debt	26,900,000	-	-	26,915,000	-	-	-	22,435,000	-	-
Proceeds from bond premiums	4,374,716	-	-	3,830,692	-	1,978,029	-	3,950,378	-	-
Issuance of debt - refunding	-	32,050,000	-	-	-	13,040,000	-	18,410,000	-	-
Payment of debt - refunding	-	(31,728,625)	-	-	-	(14,865,727)	-	(19,571,400)	-	-
Transfers in	13,505,886	9,603,135	11,938,748	10,863,954	8,440,525	-	6,435,426	6,112,694	6,438,225	16,826,587
Transfers out	(13,505,886)	(9,603,135)	(11,938,748)	(10,863,954)	(8,440,525)	-	(6,435,426)	(6,112,694)	(6,438,225)	(16,826,587)
Total other financing sources (uses)	<u>32,066,640</u>	<u>321,144</u>	<u>(36,120)</u>	<u>30,745,692</u>	<u>-</u>	<u>152,302</u>	<u>-</u>	<u>25,212,187</u>	<u>-</u>	<u>331,649</u>
Net change in fund balances	<u>\$ 22,048,841</u>	<u>\$ (30,956,567)</u>	<u>\$ (5,587,363)</u>	<u>\$ 29,018,823</u>	<u>\$ (6,960,197)</u>	<u>\$ (6,265,368)</u>	<u>\$ (7,296,739)</u>	<u>\$ 20,031,282</u>	<u>\$ (2,894,419)</u>	<u>\$ 1,522,062</u>
Debt service as a percentage of noncapital expenditures	4.28%	4.42%	4.71%	5.55%	5.04%	5.53%	5.53%	5.49%	5.81%	6.05%
Debt service as a percentage of total expenditures	3.86%	3.59%	4.33%	5.32%	4.81%	5.26%	5.22%	5.24%	5.56%	5.86%

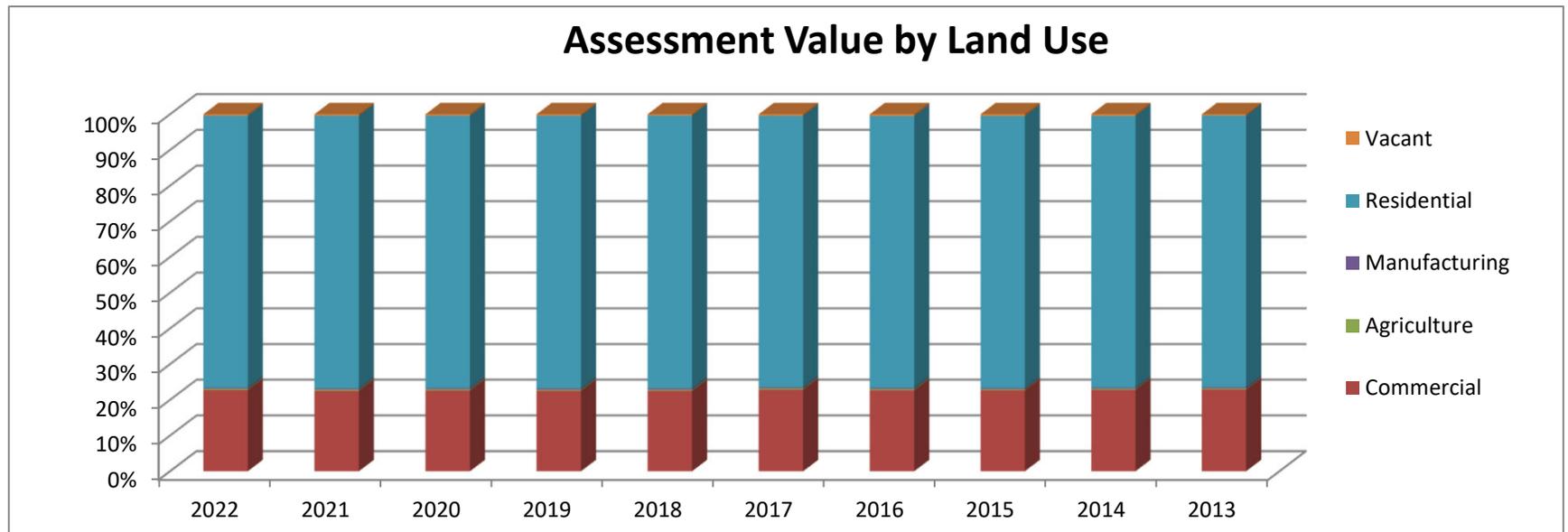
Source: District's Audited Financial Statements

TREDYFFRIN / EASTTOWN SCHOOL DISTRICT

ASSESSMENT VALUE BY LAND USE - UNAUDITED

Last Ten Fiscal Years Ending June 30,

Property Type	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Commercial	\$ 1,154,283,570	\$ 1,134,887,340	\$ 1,136,092,640	\$ 1,115,269,112	\$ 1,105,139,562	\$ 1,117,210,217	\$ 1,101,128,195	\$ 1,097,447,955	\$ 1,100,361,195	\$ 1,107,985,137
Agriculture	18,424,410	18,841,500	18,841,500	18,792,180	18,337,650	18,185,760	18,043,950	15,511,990	15,511,990	15,269,900
Manufacturing	17,027,590	17,027,590	17,027,590	17,027,590	17,027,590	17,027,590	17,027,590	17,027,590	17,027,590	17,027,590
Residential	3,864,976,929	3,845,141,059	3,826,247,347	3,789,313,974	3,756,221,015	3,717,065,625	3,697,750,660	3,684,687,910	3,674,520,074	3,681,960,824
Vacant	21,898,752	21,245,772	21,873,472	20,558,850	18,185,300	20,285,820	24,105,312	24,055,302	22,933,752	19,201,480
Total	\$ 5,076,611,251	\$ 5,037,143,261	\$ 5,020,082,549	\$ 4,960,961,706	\$ 4,914,911,117	\$ 4,889,775,012	\$ 4,858,055,707	\$ 4,838,730,747	\$ 4,830,354,601	\$ 4,841,444,931



Source: Chester County Assessment Office

TREDYFFRIN / EASTTOWN SCHOOL DISTRICT

ASSESSED VALUE AND MARKET VALUE OF TAXABLE PROPERTY - UNAUDITED

Last Ten Fiscal Years Ending June 30,

<u>Fiscal Year</u>	<u>Total Taxable Assessed Value</u>	<u>Estimated (1) Actual Value of Taxable Property</u>	<u>Total Direct Tax Rate</u>	<u>Assessed Value as A Percentage of Market Value</u>
2022	\$5,076,611,251	\$9,476,823,741	25.1128	53.57%
2021	\$5,037,143,261	\$9,355,505,105	24.5003	53.84%
2020	\$5,020,082,549	\$9,058,087,616	23.8795	55.42%
2019	\$4,960,961,706	\$8,941,758,580	22.9810	55.48%
2018	\$4,914,911,117	\$8,563,911,215	22.4381	57.39%
2017	\$4,889,775,012	\$8,525,707,090	21.7423	57.35%
2016	\$4,858,055,707	\$8,152,508,719	20.9868	59.59%
2015	\$4,838,730,747	\$8,113,681,613	20.2171	59.64%
2014	\$4,830,354,601	\$7,941,134,120	19.5902	60.83%
2013	\$4,841,444,931	\$7,960,932,335	19.2628	60.82%

Source: Chester County Assessment Office

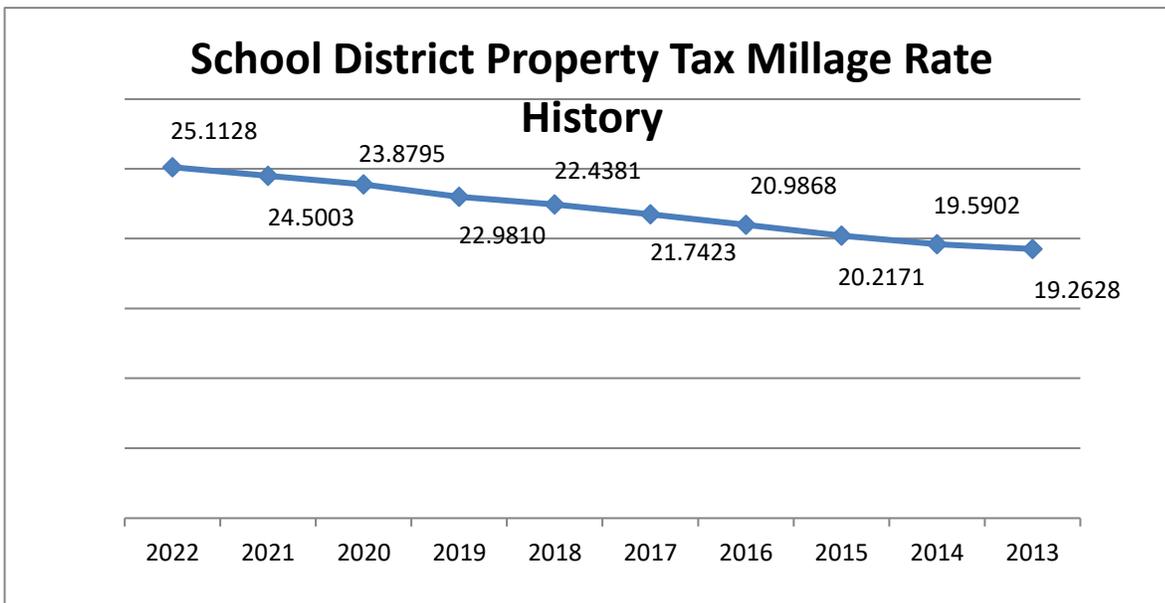
(1) Market value as determined by the Pennsylvania State Tax Equalization Board, or estimated.

TREDYFFRIN / EASTTOWN SCHOOL DISTRICT

PROPERTY TAX RATES – ALL OVERLAPPING GOVERNMENTS - UNAUDITED

Last Ten Fiscal Years Ending June 30,

<u>Fiscal Year</u>	<u>Direct Rate</u> <u>School District</u>	<u>Overlapping Governments</u>			<u>Total Direct &</u> <u>Overlapping Rates</u>	<u>Act 1</u> <u>Index*</u>
		<u>Chester</u> <u>County</u>	<u>Tredyffrin</u> <u>Township</u>	<u>Easttown</u> <u>Township</u>		
2022	25.1128	4.5510	2.5690	4.1340	36.37	3.0%
2021	24.5003	4.3690	2.5000	4.0140	35.38	2.6%
2020	23.8795	4.3690	2.4270	4.0140	34.69	2.3%
2019	22.9810	4.3690	2.3800	4.0140	33.74	2.4%
2018	22.4381	4.3690	2.3800	4.0140	33.20	2.5%
2017	21.7423	4.1630	2.3800	4.0140	32.30	2.4%
2016	20.9868	4.1630	2.3800	4.0140	31.54	1.9%
2015	20.2171	4.1630	2.3800	4.0140	30.77	2.1%
2014	19.5902	4.1630	2.3800	4.0140	30.15	1.7%
2013	19.2628	3.9650	2.3080	3.9790	29.51	1.7%



* Pennsylvania school districts' major revenue source, property taxes, are subject to a legislated cap, which limits property taxes above the cap subject to certain exceptions. This cap is referred to as the Act 1 Index, and the exceptions are for costs exceeding that cap for employee retirement and special education expenditures. The Act 1 Index is used to determine the maximum tax increases for each tax the school district levies without Pennsylvania Department of Education exception or voter approval.

Source: District and Municipality Records

TREDYFFRIN / EASTTOWN SCHOOL DISTRICT

PRINCIPAL TAXPAYERS - UNAUDITED

June 30, 2022 and ten years ago June 30, 2013

June 30, 2022

<u>Taxpayer</u>	<u>Nature of Business</u>	<u>Taxable Assessed Value</u>	<u>Percentage of Total Taxable Assessed Valuation</u>
Vanguard (Horatio/Nelson)	Office	\$ 92,262,070	1.82%
Chesterbrook Partners LP	Mixed Use; Office/Commercial	78,048,520	1.54%
Westlakes KPG III LLC	Office	42,340,760	0.83%
Prime US Crosspoint at Valley Forge LLC	Office	40,102,450	0.79%
Brandywine Operating	Office	38,002,155	0.75%
WPT Land 2 LP	Office	34,334,270	0.68%
BBKP Realty Trust Office	Office	25,883,960	0.51%
GV Center LLC	Office	24,269,870	0.48%
Devon Lantern Owner LLC	Apartments	22,418,930	0.44%
Southpoint Land Holdings Inc	Office	21,006,980	0.41%
Total Principal Taxpayers		\$418,669,965	8.25%

June 30, 2013

<u>Taxpayer</u>	<u>Nature of Business</u>	<u>Taxable Assessed Value</u>	<u>Percentage of Total Taxable Assessed Valuation</u>
Vanguard (Horatio/Nelson)	Office	\$108,804,070	2.25%
Liberty Property Office	Office	98,122,420	2.03%
Chesterbrook Partners LP	Mixed Use; Office/Commercial	79,163,800	1.64%
Brandywine Operating Partnership	Office	61,932,935	1.28%
Cali PA Realty Associates LP	Office	38,885,200	0.80%
Swedesford Associates	Office	30,610,470	0.63%
BBKP Realty Trust Office	Office	27,576,320	0.57%
Southpoint Land Holdings	Office	22,600,980	0.47%
Home Properties Apartments	Apartments	22,343,990	0.46%
GPX Wayne Office Properties	Office	21,250,000	0.44%
Total Principal Taxpayers		\$511,290,185	10.56%

Source: Chester County Assessment Office

TREDYFFRIN / EASTTOWN SCHOOL DISTRICT

PROPERTY TAX LEVIES AND COLLECTIONS - UNAUDITED

Last ten fiscal years ending June 30,

<u>Fiscal Year</u>	<u>Total Levy</u>	<u>Homestead Exemptions</u>	<u>Net Levy</u>	<u>Collected Within Fiscal Year of Levy</u>		<u>Subsequent Collections</u>	<u>Total Collections to Date</u>	
				<u>Face Amount</u>	<u>Percentage of Net Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
2022	\$ 128,022,833	\$ 2,099,920	\$ 125,922,913	\$ 121,719,972	96.66%	\$ 2,316,041	\$ 124,036,013	98.50%
2021	\$ 123,588,965	\$ 2,100,045	\$ 121,488,920	\$ 118,530,985	97.57%	\$ 1,300,970	\$ 119,831,955	98.64%
2020	\$ 120,241,024	\$ 2,099,793	\$ 118,141,231	\$ 115,374,217	97.66%	\$ 1,037,480	\$ 116,411,697	98.54%
2019	\$ 114,862,160	\$ 2,099,869	\$ 112,762,291	\$ 109,970,864	97.52%	\$ 1,200,692	\$ 111,171,556	98.59%
2018	\$ 110,802,693	\$ 2,099,853	\$ 108,702,840	\$ 106,436,005	93.34%	\$ 927,774	\$ 107,363,779	98.77%
2017	\$ 106,149,370	\$ 2,099,988	\$ 104,049,382	\$ 101,737,051	97.78%	\$ 972,332	\$ 102,709,383	98.71%
2016	\$ 104,491,640	\$ 2,099,834	\$ 102,391,806	\$ 97,226,501	94.96%	\$ 996,433	\$ 98,222,934	95.93%
2015	\$ 100,067,179	\$ 2,099,990	\$ 97,967,189	\$ 93,251,423	95.19%	\$ 1,060,992	\$ 94,312,415	96.27%
2014	\$ 96,919,083	\$ 2,099,984	\$ 94,819,099	\$ 89,845,392	94.75%	\$ 1,352,356	\$ 91,197,748	96.18%
2013	\$ 95,692,230	\$ 2,099,645	\$ 93,592,585	\$ 89,664,845	95.80%	\$ 1,124,145	\$ 90,788,990	97.00%

Source: District Records

TREDYFFRIN / EASTTOWN SCHOOL DISTRICT

RATIOS OF OUTSTANDING DEBT BY TYPE - UNAUDITED

Last Ten Fiscal Years Ending June 30,

<u>Fiscal Year</u>	<u>General Obligation Bonds and Notes</u>	<u>Capital Leases</u>	<u>Right-to-use Leases</u>	<u>Total</u>	<u>Percentage of Personal Income</u>	<u>Per Capita</u>
2022	\$98,573,783	\$ -	\$ 1,079,483	\$99,653,266	0.19%	\$2,299
2021	\$72,060,090	\$ -	\$ 889,345	\$72,949,435	0.15%	\$1,692
2020	\$75,871,593	\$ -	\$ -	\$75,871,593	0.16%	\$1,768
2019	\$79,983,383	\$ -	\$ -	\$79,983,383	0.17%	\$1,998
2018	\$55,017,418	\$ -	\$ -	\$55,017,418	0.12%	\$1,369
2017	\$60,414,756	\$ -	\$ -	\$60,414,756	0.15%	\$1,504
2016	\$64,741,617	\$ -	\$ -	\$64,741,617	0.16%	\$1,619
2015	\$69,499,189	\$ 45,463	\$ -	\$69,544,652	0.18%	\$1,736
2014	\$48,388,032	\$ 102,640	\$ -	\$48,490,672	0.13%	\$1,209
2013	\$52,611,386	\$ 166,117	\$ -	\$52,777,503	0.15%	\$1,319

Note: See the Schedule of Demographic and Economic Statistics for personal income and population data

Source: District Records

TREDYFFRIN / EASTTOWN SCHOOL DISTRICT

RATIOS OF TOTAL DEBT OUTSTANDING - UNAUDITED

Last Ten Fiscal Years Ending June 30,

<u>Fiscal Year</u>	<u>Total Debt Outstanding</u>	<u>Total Taxable Assessed Value</u>	<u>Percentage of Total Taxable Value of Property</u>	<u>Per Capita</u>
2022	\$98,573,783	\$5,076,611,251	1.94%	\$2,299
2021	\$72,060,090	\$5,037,143,261	1.43%	\$1,692
2020	\$75,871,593	\$5,020,082,549	1.51%	\$1,768
2019	\$79,983,383	\$4,960,961,706	1.61%	\$1,998
2018	\$55,017,418	\$4,914,911,117	1.12%	\$1,369
2017	\$60,414,756	\$4,889,775,012	1.24%	\$1,504
2016	\$64,741,617	\$4,858,055,707	1.33%	\$1,619
2015	\$69,499,189	\$4,838,730,747	1.44%	\$1,736
2014	\$48,388,032	\$4,830,354,601	1.00%	\$1,209
2013	\$52,611,386	\$4,841,444,931	1.09%	\$1,319

Note: See the Schedule of Demographic and Economic Statistics for population data

Source: District Records

TREDYFFRIN / EASTTOWN SCHOOL DISTRICT

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT - UNAUDITED

June 30, 2022

<u>Fiscal Year</u>	<u>Total Debt</u>	<u>Percentage Applicable to District</u>	<u>Amount Applicable to District</u>
Direct Debt			
General Obligation Bonds/Notes			
GOB Series 2016	\$ 9,805,000	100.0%	\$ 9,805,000
GOB Series 2019	26,900,000	100.0%	26,900,000
GON Series 2020	2,425,000	100.0%	2,425,000
GOB Series 2021	24,935,000	100.0%	24,935,000
GOB Series 2021A	<u>26,630,000</u>	<u>100.0%</u>	<u>26,630,000</u>
Total	<u>90,695,000</u>		<u>90,695,000</u>
Right-to-use Leases	<u>1,079,483</u>	100.0%	<u>1,079,483</u>
Total Direct Debt	<u>91,774,483</u>		<u>91,774,483</u>
Overlapping Debt ⁽¹⁾			
Chester County	512,480,000	12.9%	66,109,920
Easttown Township	2,385,000	100.0%	2,385,000
Tredyffrin Township	<u>6,915,000</u>	<u>100.0%</u>	<u>6,915,000</u>
Total Overlapping Debt	<u>521,780,000</u>		<u>75,409,920</u>
Total Direct and Overlapping Debt	<u>\$613,554,483</u>		<u>\$167,184,403</u>

⁽¹⁾ Debt as of July 1, 2022. This debt is paid from taxes levied by governments other than the District. Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Tredyffrin Easttown School District. One hundred percent of Tredyffrin Township and Easttown Township is located in Tredyffrin/Easttown School District. Chester County Government calculated the 12.9% by dividing the assessed values of properties in Tredyffrin and Easttown Townships by the total assessed values of properties in Chester County. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Source: District Records

Source: Pennsylvania Department of Community & Economic Development (DCED)

TREDYFFRIN / EASTTOWN SCHOOL DISTRICT

LEGAL DEBT LIMIT AND REMAINING BORROWING CAPACITY - UNAUDITED

Last Ten Fiscal Years Ending June 30,
(Expressed in Thousands)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Borrowing Base Revenues										
Two years prior	\$ 149,292,939	\$ 142,891,821	\$ 137,471,866	\$ 130,467,777	\$ 124,914,350	\$ 118,022,606	\$ 112,723,020	\$ 111,291,024	\$ 105,240,026	\$ 103,721,101
Prior Year	152,449,461	149,292,939	142,891,821	137,471,866	130,467,777	124,914,350	118,022,606	112,723,020	111,291,024	105,240,026
Current Year	<u>158,269,507</u>	<u>152,449,461</u>	<u>149,292,939</u>	<u>142,891,821</u>	<u>137,471,866</u>	<u>130,467,777</u>	<u>124,914,350</u>	<u>118,022,606</u>	<u>112,723,020</u>	<u>111,291,024</u>
Total Revenues	<u>\$ 460,011,907</u>	<u>\$ 444,634,221</u>	<u>\$ 429,656,626</u>	<u>\$ 410,831,464</u>	<u>\$ 392,853,993</u>	<u>\$ 373,404,733</u>	<u>\$ 355,659,976</u>	<u>\$ 342,036,650</u>	<u>\$ 329,254,070</u>	<u>\$ 320,252,151</u>
Debt Limit for General Obligation Bonds										
Average borrowing base revenues	\$ 153,337,302	\$ 148,211,407	\$ 143,218,875	\$ 136,943,821	\$ 130,951,331	\$ 124,468,244	\$ 118,553,325	\$ 114,012,217	\$ 109,751,357	\$ 106,750,717
Debt limit percentage	x <u>225%</u> x									
Debt limit	345,008,930	333,475,666	322,242,469	308,123,597	294,640,495	280,053,549	266,744,981	256,527,488	246,940,553	240,189,113
Total outstanding bonded debt	<u>90,695,000</u>	<u>67,940,000</u>	<u>69,000,000</u>	<u>72,575,000</u>	<u>50,450,000</u>	<u>55,070,000</u>	<u>59,755,000</u>	<u>64,090,000</u>	<u>46,560,000</u>	<u>50,635,000</u>
Legal Debt Margin	<u>\$ 254,313,930</u>	<u>\$ 265,535,666</u>	<u>\$ 253,242,469</u>	<u>\$ 235,548,597</u>	<u>\$ 244,190,495</u>	<u>\$ 224,983,549</u>	<u>\$ 206,989,981</u>	<u>\$ 192,437,488</u>	<u>\$ 200,380,553</u>	<u>\$ 189,554,113</u>
Total outstanding bonded debt as a percentage of debt limit	26.29%	20.37%	21.41%	23.55%	17.12%	19.66%	22.40%	24.98%	18.85%	21.08%

Source: District Records

TREDYFFRIN / EASTTOWN SCHOOL DISTRICT

PRINCIPAL EMPLOYERS IN CHESTER COUNTY - UNAUDITED

June 30, 2022 and ten years ago June 30, 2013

June 30, 2022		
<u>Company</u>	<u>Nature of Business</u>	<u>Number of Employees</u>
Vanguard Group	Investment Management	6,471
Delage Landen Financial Services	Private Label Leasing and Financing Programs	904
Tredyffrin/Easttown School District	Public Education	749
Comcast Corporation	Telecommunications Conglomerate	709
Renal Treatment Centers Mid-Atlantic	Dialysis Services	634
Infosys BPM Limited	Business Process Management Services	625
Johnson Matthey Inc.	Specialty Chemicals	620
AmerisourceBergen	Healthcare Delivery	569
Cardionet LLC	Physiological Laboratory	432
Amerisource Bergen Corp.	Healthcare Delivery	427
Envestnet Financial Technologies Inc.	Investment Management	421
		<u>12,561</u>

June 30, 2013		
<u>Company</u>	<u>Nature of Business</u>	<u>Number of Employees</u>
Vanguard Group	Investment Management	7,402
Tredyffrin/Easttown School District	Public Education	1,088
Delage Landen Financial Services	Private Label Leasing and Financing Programs	726
Shire	Specialty Biopharmaceuticals	678
Johnson Matthey Inc.	Specialty Chemicals	614
SunGard	Software, IT Recovery and Processing Solutions	564
Unisys	Information Technology Services	508
Centorcor	Pharmaceuticals	499
Planco	Distributor/Wholesaler of Retirement	476
Total Renal Care	Dialysis Services	422
		<u>12,977</u>

Source: School District and Township Officials

TREDYFFRIN / EASTTOWN SCHOOL DISTRICT

DEMOGRAPHIC AND ECONOMIC STATISTICS - UNAUDITED

Last Ten Fiscal Years Ending June 30,

<u>Fiscal Year</u>		<u>Population of County</u>	<u>Population of District</u>	<u>Personal Income (000)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate County</u>	<u>TESD School Enrollment</u>
2022	*	529,924	43,341	\$51,423,276	\$98,975	3.60%	6,914
2021	*	528,339	43,125	\$49,923,276	\$95,451	4.20%	6,941
2020		526,759	42,911	\$48,423,276	\$91,927	10.00%	7,174
2019		525,059	40,040	\$46,416,892	\$88,403	3.30%	7,043
2018		522,256	40,174	\$44,368,143	\$84,955	3.50%	6,900
2017		519,057	40,160	\$41,312,630	\$79,592	3.80%	6,749
2016		516,768	39,996	\$39,277,266	\$76,006	4.10%	6,573
2015		515,098	40,070	\$39,430,281	\$76,549	4.10%	6,553
2014		512,776	40,100	\$37,530,746	\$73,191	4.30%	6,537
2013		509,101	40,002	\$35,232,786	\$69,206	5.50%	6,223

Source:

U.S. Census Bureau

U.S. Department of Commerce - Bureau of Economic Analysis. Amounts expressed in thousands

U.S. Department of Labor - Bureau of Labor Statistics

School District Officials

* Estimated

TREDYFFRIN / EASTTOWN SCHOOL DISTRICT

FULL TIME EQUIVALENT EMPLOYEES BY FUNCTION - UNAUDITED

Last ten fiscal years ending June 30,

Employee Category ⁽¹⁾	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Professional (includes Teachers)	509	511	501	490	485	475	466	455	451	440
Administration	31	31	31	30	30	30	29	28	28	27
Suprvr/Confid	30	30	31	32	32	32	32	28	27	26
Secretarial	49	49	48	48	49	49	49	47	47	46
Custodial	50	50	50	50	50	50	50	50	50	50
Maintenance	15	15	15	15	15	15	15	15	15	15
Security	10	10	8	8	8	8	8	8	8	7
Transportation	-	-	-	-	-	-	-	1	1	1
Food Service	32	32	32	32	32	32	32	32	32	32
Health Rm Nurse	5	5	4	4	4	4	4	4	4	4
Reg Ed Aide/Para	12	14	15	19	25	25	30	54	53	54
Spec Ed Aide/Para	17	18	22	28	34	34	38	78	78	80
Total	760	764	756	755	764	753	752	798	793	782

⁽¹⁾ Employee information from School District Budget documentation

Source: Tredyffrin Easttown School District Office of Human Resources

TREDYFFRIN / EASTTOWN SCHOOL DISTRICT

REVENUE BY SOURCE - GENERAL FUND - UNAUDITED

Last Ten Fiscal Years Ending June 30,
(modified accrual basis of accounting)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Local Income:										
Real Estate Taxes	\$ 121,719,972	\$ 118,530,985	\$ 115,374,217	\$ 109,970,864	\$ 106,436,005	\$ 101,737,051	\$ 97,226,501	\$ 93,251,423	\$ 89,845,392	\$ 89,664,845
Interim R E Taxes	1,733,878	723,659	495,980	930,465	738,471	663,071	604,219	468,201	325,526	164,795
Public Utility	121,502	113,064	102,231	109,269	105,740	109,011	109,405	117,886	113,080	118,105
R.E. Transfer - 511	4,389,683	3,895,762	4,829,630	3,291,879	3,015,583	3,458,333	3,801,093	2,249,203	2,475,072	2,136,291
Amusement Tax	-	1,146	31,859	35,913	24,575	30,760	31,195	26,994	25,490	26,972
Delinquent Tax	2,316,041	1,300,970	1,037,480	1,200,692	927,774	972,332	996,433	1,060,992	1,352,356	1,124,145
Investment Income	201,992	148,279	2,009,003	2,214,420	1,032,459	506,879	271,617	207,696	110,511	122,518
Parking Revenue	54,000	-	54,000	54,000	54,000	54,000	54,000	54,528	53,820	53,432
Student Activities Revenue	153,071	85,672	150,889	163,630	149,777	191,014	146,396	144,006	139,350	142,550
IDEA	-	-	-	874,690	871,816	859,434	780,285	806,805	743,730	835,556
Rentals	647,687	7,216	521,512	675,455	592,095	563,879	581,768	639,343	514,443	638,272
Teamer Field Rental	-	-	-	-	-	-	-	3,600	4,800	3,900
Donations	-	9,485	-	600	70	62,784	410	87,919	73,757	86,342
Miscellaneous Revenue	703,859	599,359	184,654	280,405	242,221	307,120	163,732	202,118	190,228	236,295
Total Local Income	132,041,685	125,415,597	124,791,455	119,802,282	114,190,586	109,515,668	104,767,054	99,320,714	95,967,555	95,354,018
State Income:										
Basic Subsidy	4,037,288	3,759,848	3,759,896	3,627,911	3,545,004	3,468,926	3,302,938	3,169,443	3,186,363	3,080,676
Tuition for Orphans	-	-	28,418	25,682	5,005	-	35,065	68,465	59,293	38,515
Special Education	2,530,885	2,511,566	2,478,962	2,597,079	2,517,421	2,400,294	2,390,615	2,371,116	2,292,798	2,288,056
Transportation	1,028,499	1,414,232	1,486,774	1,692,717	1,640,515	1,569,667	1,791,799	1,836,720	1,586,990	1,477,191
Rentals and Sinking Fund	-	-	79,169	318,161	318,221	636,003	-	317,453	185,368	171,227
Health Services	156,163	155,072	153,124	151,390	150,171	155,135	157,567	154,888	155,721	155,881
State Property Tax Reduction	2,099,920	2,100,045	2,099,793	2,099,869	2,099,853	2,099,988	2,099,834	2,099,990	2,099,984	2,099,645
Safety Grant	212,274	222,791	45,000	-	-	-	-	-	-	-
PA Accountability Grants	199,614	199,614	199,614	199,614	199,614	199,614	199,614	147,247	50,894	50,894
PA Smart Grants	-	35,000	-	-	-	-	-	-	-	-
Other State Rev	-	-	-	25,000	-	-	-	-	-	-
Social Security	2,389,090	2,493,262	1,979,774	2,307,800	2,289,213	2,100,401	2,185,204	2,130,629	2,030,660	2,019,539
Retirement	11,194,395	10,697,277	10,221,497	9,566,437	9,361,976	8,470,951	7,129,980	5,913,431	4,512,189	3,276,793
Total State Income	23,848,128	23,588,707	22,532,021	22,611,660	22,126,993	21,100,979	19,292,616	18,209,382	16,160,260	14,658,417
Federal Income:										
Federally Impacted Areas	-	-	-	-	-	45,879	-	-	-	-
IDEA	1,183,928	982,931	938,241	-	-	-	-	-	-	-
Title I	171,230	201,448	236,998	278,822	327,974	362,547	413,301	155,201	135,707	159,656
Title II	73,248	91,990	92,101	134,087	116,540	71,921	80,280	78,930	78,762	84,261
Title III	29,848	27,624	-	-	-	-	-	-	-	-
Title IV	12,251	22,321	14,836	-	-	-	-	-	-	-
CARES Act	-	862,795	80,056	-	-	-	-	-	-	-
GEER	-	69,748	-	-	-	-	-	-	-	-
ESSER	324,503	683,612	194,657	-	-	-	-	-	-	-
Med Asst Reimb	732,148	517,414	491,743	383,131	1,027,994	6,786	361,101	575,831	566,103	874,250
Total Federal Income	2,527,156	3,459,883	2,048,632	796,040	1,472,508	487,133	854,682	809,962	780,572	1,118,167
Total Revenue	\$ 158,416,969	\$ 152,464,187	\$ 149,372,108	\$ 143,209,982	\$ 137,790,087	\$ 131,103,780	\$ 124,914,352	\$ 118,340,058	\$ 112,908,387	\$ 111,130,602

Source: District Records

TREDYFFRIN / EASTTOWN SCHOOL DISTRICT

EXPENDITURES BY FUNCTION - GENERAL FUND - UNAUDITED

Last Ten Fiscal Years Ending June 30,

Function	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Regular Programs	\$ 68,440,705 43.28%	\$ 67,644,295 44.48%	\$ 64,055,356 43.19%	\$ 61,953,511 43.42%	\$ 62,112,440 40.34%	\$ 58,575,757 41.28%	\$ 55,329,481 44.47%	\$ 51,540,663 43.81%	\$ 48,430,749 43.73%	\$ 46,786,159 40.02%
Special Programs	28,837,733 18.23%	27,913,434 18.35%	26,604,238 17.94%	24,049,048 16.85%	24,078,223 15.79%	19,355,235 14.94%	19,206,529 15.44%	18,114,876 15.40%	16,559,630 14.95%	15,701,474 13.43%
Vocational Programs	681,178 0.43%	632,281 0.42%	643,503 0.43%	675,627 0.47%	727,536 1.06%	702,725 1.11%	687,028 0.55%	600,862 0.51%	507,946 0.46%	431,390 0.37%
Other Instructional Programs	132,318 0.08%	87,925 0.06%	51,190 0.03%	52,651 0.04%	67,503 1.16%	100,733 1.14%	87,854 0.07%	97,443 0.08%	105,265 0.10%	165,277 0.14%
Nonpublic School Programs	3,572 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.01%	- 0.01%	- 0.00%	- 0.00%	- 0.00%	- 0.00%
Higher Education Programs	- 0.00%	1,089 0.00%								
Pupil Personnel Services	5,998,837 3.79%	5,813,510 3.82%	5,466,593 3.69%	5,276,562 3.70%	4,968,815 3.73%	5,012,600 3.57%	4,591,731 3.69%	4,490,698 3.82%	4,028,270 3.64%	3,829,827 3.28%
Instructional Staff Services	4,118,528 2.60%	4,698,682 3.09%	4,006,208 2.70%	3,961,583 2.78%	4,039,296 4.18%	3,538,864 4.33%	3,654,802 2.94%	3,343,873 2.84%	3,149,890 2.84%	2,946,619 2.52%
Administrative Services	8,651,861 5.47%	8,424,188 5.54%	8,501,888 5.73%	8,195,675 5.74%	8,088,677 5.15%	8,471,382 5.09%	7,180,754 5.77%	7,087,124 6.02%	6,642,169 6.00%	6,658,732 5.70%
Pupil Health	1,895,255 1.20%	1,748,709 1.15%	1,414,468 0.95%	1,451,113 1.02%	1,394,082 0.96%	1,346,240 0.91%	1,546,516 1.24%	1,138,225 0.97%	1,090,840 0.98%	1,092,720 0.93%
Business Services	1,400,101 0.89%	1,368,378 0.90%	1,338,333 0.90%	1,347,527 0.94%	1,363,952 0.82%	1,484,170 0.76%	1,355,910 1.09%	1,248,912 1.06%	1,162,536 1.05%	1,090,132 0.93%
Operation & Maintenance Plant Services	12,339,033 7.80%	12,068,886 7.94%	11,393,355 7.68%	11,379,130 7.97%	11,742,792 7.60%	12,245,018 7.70%	11,584,555 9.31%	11,864,215 10.09%	11,201,490 10.11%	10,559,566 9.03%
Student Transportation Services	6,242,686 3.95%	6,338,294 4.17%	7,115,360 4.80%	7,267,679 5.09%	7,521,765 7.23%	7,496,345 7.21%	7,498,427 6.03%	6,973,495 5.93%	6,655,806 6.01%	6,712,532 5.74%
Central Support Services	3,346,292 2.12%	3,533,018 2.32%	3,554,621 2.40%	3,597,436 2.52%	3,046,586 1.51%	2,844,381 1.45%	2,735,232 2.20%	2,482,204 2.11%	2,427,420 2.19%	2,048,352 1.75%
Other Support Services	544,144 0.34%	550,491 0.36%	343,110 0.23%	584,819 0.41%	554,055 0.04%	560,846 0.04%	549,904 0.44%	529,875 0.45%	422,969 0.38%	234,743 0.20%
Student Activities	2,010,504 1.27%	1,654,800 1.09%	1,862,732 1.26%	2,026,192 1.42%	2,044,663 1.92%	2,002,018 1.74%	1,964,445 1.58%	1,986,302 1.69%	1,928,888 1.74%	1,804,568 1.54%
Community Services	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.02%	- 0.03%	- 0.00%	(2,465) 0.00%	- 0.00%	- 0.00%
Debt Service	1,500 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.02%	- 0.00%	- 0.00%	- 0.00%	15,287 0.01%
Interfund Transfers out	13,505,886 8.54%	9,603,135 6.31%	11,938,748 8.05%	10,863,954 7.61%	8,440,525 8.43%	7,510,542 8.64%	6,435,426 5.17%	6,112,694 5.20%	6,438,225 5.81%	16,826,587 14.39%
Refunds of Prior Year Receipts	- 0.00%	231 0.00%	36,119 0.02%	12,909 0.01%	- 0.06%	- 0.02%	- 0.00%	24,345 0.02%	- 0.00%	- 0.00%
Total	\$ 158,150,133	\$ 152,080,257	\$ 148,325,822	\$ 142,695,417	\$ 213,264,470	\$ 210,959,284	\$ 124,408,594	\$ 117,633,341	\$ 110,752,093	\$ 116,905,055
October 1st Pupil Count	6,914	6,941	7,174	7,043	6,900	6,749	6,573	6,553	6,537	6,487
Average Expenditures Per Pupil	\$22,874	\$21,910	\$20,675	\$20,261	\$30,908	\$31,258	\$18,927	\$17,951	\$16,942	\$18,021

Source: District Records

TREDYFFRIN / EASTTOWN SCHOOL DISTRICT

CAPITAL ASSET INFORMATION

Last Ten Fiscal Years Ending June 30,

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>School Building and Age</u>										
Beaumont Elementary School										
Square feet	75,740	75,740	75,740	75,740	75,740	75,740	75,740	75,740	75,740	75,740
Core Classrooms	24	24	24	24	24	24	24	24	24	24
Enrollment	465	443	513	475	392	404	401	387	419	425
Devon Elementary School										
Square feet	65,110	65,110	65,110	65,110	65,110	65,110	65,110	65,110	65,110	65,110
Core Classrooms	20	20	20	20	20	20	20	20	20	20
Enrollment	396	406	475	500	603	585	592	577	544	526
Hillside Elementary School										
Square feet	70,960	70,960	70,960	70,960	70,960	70,960	70,960	70,960	70,960	70,960
Core Classrooms	20	20	20	20	20	20	20	20	20	20
Enrollment	439	428	455	473	423	441	434	472	471	458
New Eagle Elementary School										
Square feet	66,640	66,640	66,640	66,640	66,640	66,640	66,640	66,640	66,640	64,640
Core Classrooms	24	24	24	24	24	24	24	24	24	22
Enrollment	505	516	530	486	480	467	441	415	429	418
Valley Forge Elementary School										
Square feet	73,480	73,480	73,480	73,480	73,480	73,480	73,480	73,480	73,480	73,480
Core Classrooms	25	25	25	25	25	25	25	25	25	25
Enrollment	581	576	564	567	502	532	558	573	539	509
Tredyffrin/Easttown Middle School										
Square feet	158,750	158,750	158,750	158,750	158,750	158,750	158,750	158,750	158,750	158,750
Core Classrooms	39	39	39	39	39	39	39	39	39	39
Enrollment	1,052	1,098	1,166	1,134	1,157	1,101	1,073	1,094	1,096	1,082
Valley Forge Middle School										
Square feet	150,082	150,082	150,082	150,082	150,082	150,082	150,082	150,082	150,082	150,082
Core Classrooms	43	43	43	43	43	43	43	43	43	43
Enrollment	1,141	1,156	1,228	1,189	1,146	1,078	1,011	984	985	1,013
Conestoga High School										
Square feet	384,992	320,546	320,546	320,546	320,546	320,546	320,546	320,546	320,546	320,546
Core Classrooms	80	75	75	75	75	75	75	75	75	75
Enrollment	2,335	2,318	2,243	2,219	2,197	2,141	2,063	2,051	2,054	2,056

Source: District Records

TREDYFFRIN / EASTTOWN SCHOOL DISTRICT

NATIONAL SCHOOL LUNCH PROGRAM FREE AND REDUCED DATA - UNAUDITED

Last Ten Fiscal Years Ending June 30,

<u>Year</u>	<u>Enrollment</u>	<u>Percentage Reduced</u>	<u>Percentage Free</u>
2021-22	6,914	0.27%	7.73%
2020-21	6,941	0.30%	7.15%
2019-20	7,174	0.58%	5.97%
2018-19	7,043	0.89%	5.67%
2017-18	6,900	0.82%	6.44%
2016-17	6,749	0.86%	5.92%
2015-16	6,573	0.93%	6.23%
2014-15	6,553	0.91%	4.85%
2013-14	6,537	1.13%	5.61%
2012-13	6,487	1.33%	4.25%

Source: District Records

TREDYFFRIN / EASTTOWN SCHOOL DISTRICT

PUPIL-TEACHER RATIO - UNAUDITED

Last Ten Fiscal Years Ending June 30,

<u>Year</u>	<u>Enrollment</u>	<u>Teaching Staff</u>	<u>Pupil-Teacher Ratio</u>
2021-22	6,914	509	13.6
2020-21	6,941	511	13.6
2019-20	7,174	501	14.3
2018-19	7,043	490	14.4
2017-18	6,900	485	14.2
2016-17	6,749	475	14.2
2015-16	6,573	466	14.1
2014-15	6,553	455	14.4
2013-14	6,537	451	14.5
2012-13	6,487	440	14.7

Source: District Records

TREDYFFRIN / EASTTOWN SCHOOL DISTRICT

GOVERNMENTAL FUNDS - MOST SIGNIFICANT OWN-SOURCE REVENUES - UNAUDITED

Last ten fiscal years ending June 30,
(modified accrual basis of accounting)

<u>Fiscal Year</u>	<u>Millage Rate</u>	<u>Current Property Taxes</u>	<u>Other Taxes (1)</u>	<u>Other Revenues</u>	<u>Total Revenues</u>
2022	25.1128	\$ 121,719,972	\$ 8,561,104	\$ 1,808,571	\$ 132,089,647
2021	24.5003	\$ 118,530,985	\$ 6,034,601	\$ 1,006,323	\$ 125,571,909
2020	23.8795	\$ 115,374,217	\$ 6,497,180	\$ 3,587,284	\$ 125,458,681
2019	22.9810	\$ 109,970,864	\$ 5,568,218	\$ 4,811,545	\$ 120,350,627
2018	22.4381	\$ 105,894,005	\$ 5,354,143	\$ 3,115,575	\$ 114,363,723
2017	21.7423	\$ 101,737,051	\$ 5,233,507	\$ 2,712,339	\$ 109,682,897
2016	20.9868	\$ 97,226,501	\$ 5,542,345	\$ 2,122,752	\$ 104,891,598
2015	20.2171	\$ 93,251,423	\$ 3,923,277	\$ 2,150,794	\$ 99,325,494
2014	19.5902	\$ 89,845,392	\$ 4,291,524	\$ 1,861,529	\$ 95,998,445
2013	19.2628	\$ 89,664,845	\$ 3,570,308	\$ 2,148,368	\$ 95,383,521

(1) Other taxes include delinquent, transfer, utility, and interim taxes.

(2) Other revenue includes tuition, rental income, interest, and miscellaneous income.

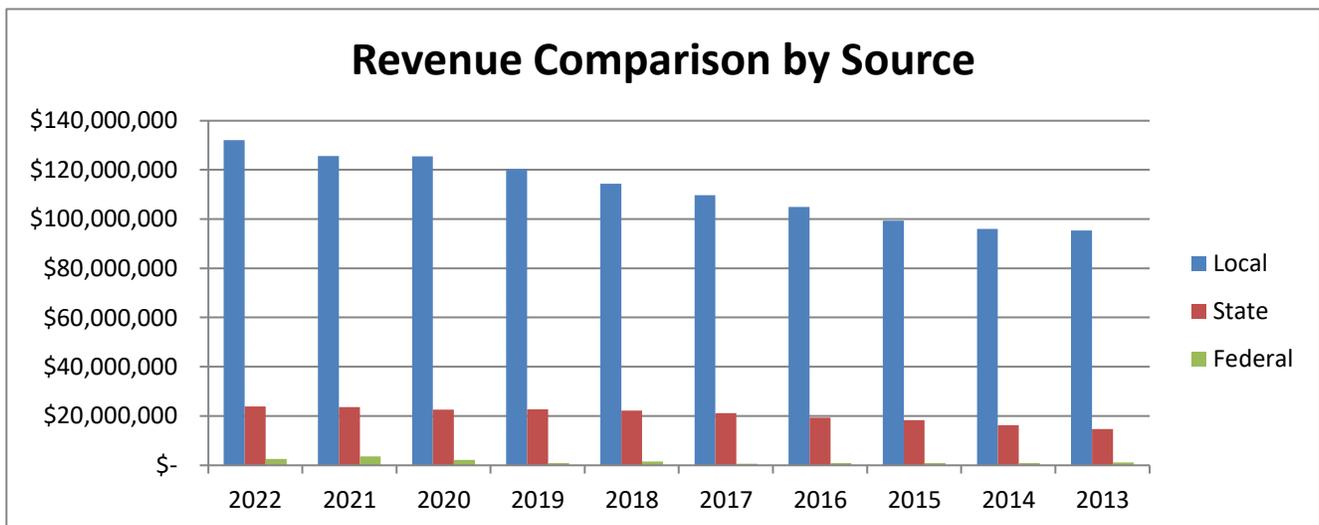
Source: Tredyffrin Easttown School District Annual Financial Statements

TREDYFFRIN / EASTTOWN SCHOOL DISTRICT

GOVERNMENTAL FUNDS - REVENUES BY SOURCE - UNAUDITED

Last ten fiscal years ending June 30,
(modified accrual basis of accounting)

<u>Fiscal Year</u>	<u>Local</u>	<u>State</u>	<u>Federal</u>	<u>Total Revenues</u>
2022	\$132,089,647	\$23,848,128	\$2,527,156	\$158,464,931
2021	\$125,571,909	\$23,588,707	\$3,459,883	\$152,620,499
2020	\$125,458,681	\$22,532,021	\$2,048,632	\$150,039,334
2019	\$120,350,627	\$22,611,660	\$ 796,040	\$143,758,327
2018	\$114,363,723	\$22,126,993	\$1,472,508	\$137,963,224
2017	\$109,682,897	\$21,100,979	\$ 487,133	\$131,271,009
2016	\$104,891,598	\$19,292,616	\$ 854,682	\$125,038,896
2015	\$ 99,325,494	\$18,209,382	\$ 809,962	\$118,344,838
2014	\$ 95,998,445	\$16,160,260	\$ 780,572	\$112,939,277
2013	\$ 95,383,521	\$14,658,417	\$1,118,167	\$111,160,105



Source: Tredyffrin Easttown School District Annual Financial Statements

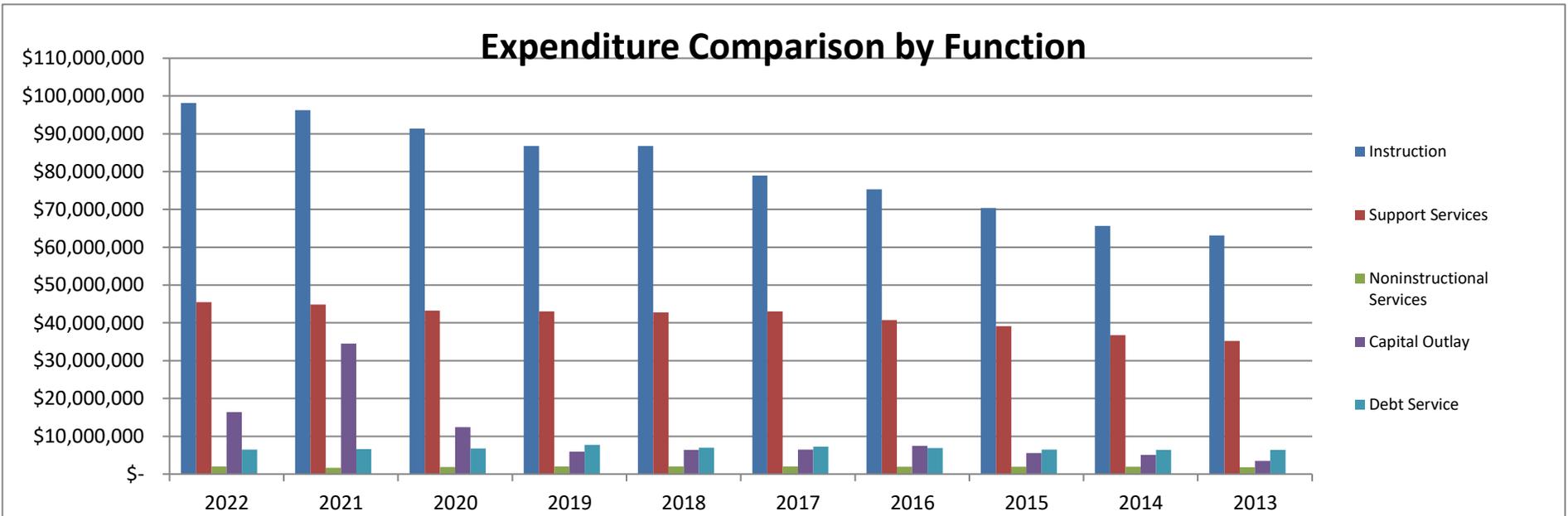
TREDYFFRIN / EASTTOWN SCHOOL DISTRICT

GOVERNMENTAL FUNDS - EXPENDITURES BY FUNCTION - UNAUDITED

Last ten fiscal years ending June 30,
(modified accrual basis of accounting)

<u>Fiscal Year</u>	<u>Instruction</u>	<u>Support Services</u>	<u>Noninstructional Services</u>	<u>Capital Outlay</u>	<u>Debt Service</u>	<u>Total Expenditures</u>
2022	\$98,095,506	\$45,457,613	\$2,010,504	\$16,411,721	\$6,507,386	\$168,482,730
2021	\$96,277,935	\$44,865,531	\$1,654,800	\$34,496,809	\$6,603,135	\$183,898,210
2020	\$91,354,287	\$43,255,277	\$1,862,732	\$12,379,533	\$6,738,748	\$155,590,577
2019	\$86,730,836	\$43,061,525	\$2,026,192	\$ 5,925,970	\$7,740,673	\$145,485,196
2018	\$86,782,669	\$42,720,030	\$2,044,663	\$ 6,399,297	\$6,976,762	\$144,923,421
2017	\$78,937,472	\$42,999,847	\$2,002,018	\$ 6,500,261	\$7,249,081	\$137,688,679
2016	\$75,310,892	\$40,697,832	\$1,964,445	\$ 7,456,208	\$6,906,258	\$132,335,635
2015	\$70,366,398	\$39,158,621	\$1,983,837	\$ 5,544,108	\$6,472,779	\$123,525,743
2014	\$65,603,590	\$36,781,390	\$1,928,888	\$ 5,081,603	\$6,438,225	\$115,833,696
2013	\$63,084,301	\$35,188,511	\$1,804,568	\$ 3,453,262	\$6,439,050	\$109,969,692

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Source: Tredyffrin Easttown School District Annual Financial Statements

TREDYFFRIN / EASTTOWN SCHOOL DISTRICT

SCHEDULE OF MILLAGE RATES CHESTER COUNTY SCHOOL DISTRICTS (In Mills) - UNAUDITED

Last Ten Fiscal Years Ending June 30,

School District	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Tredyffrin-Easttown SD	25.1128	24.5003	23.8795	22.9810	22.4381	21.7423	20.9868	20.2171	19.5902	19.2628
Avon Grove SD	33.5200	32.7100	31.6100	30.6900	29.7700	29.0400	28.1570	27.4990	26.7500	26.7500
Coatesville Area SD	39.6910	38.2018	38.2018	36.7537	34.9138	33.4598	32.7716	32.0036	31.1926	30.1090
Downingtown Area SD	27.7260	27.1820	27.1820	27.1820	27.1820	27.1820	27.1820	27.1820	27.1820	27.1820
Great Valley SD	22.3600	21.8100	21.5500	21.2950	20.8000	20.8000	20.3200	20.0000	19.5900	19.5900
Kennett Consolidated SD	31.8707	31.4852	30.9497	30.4479	29.8789	29.2408	28.6017	27.9406	27.4520	26.7303
Octorara Area SD	40.8200	40.8900	40.7900	39.9400	39.4900	38.6300	37.5100	36.6600	36.6600	36.6600
Owen J Roberts SD	33.2712	32.7858	31.9550	31.2366	30.5045	29.6305	28.8262	28.2888	27.7395	27.2759
Oxford Area SD	33.3548	32.0104	31.4599	31.1484	31.1484	30.8400	30.5347	30.2324	30.0502	30.0502
Phoenixville Area SD	32.3200	31.8200	31.2000	30.5200	29.5800	29.1600	28.8900	28.8900	28.6400	28.2400
Unionville-Chadds Ford SD	29.9600	29.0700	29.1600	28.5100	28.4100	27.6900	26.9900	26.4400	25.7300	25.1800
West Chester Area SD	<u>22.0604</u>	<u>21.6622</u>	<u>21.6622</u>	<u>21.2723</u>	<u>20.6841</u>	<u>20.0982</u>	<u>19.5779</u>	<u>19.2100</u>	<u>18.6700</u>	<u>18.6700</u>
Average Chester County School District Millage	<u>31.0056</u>	<u>30.3440</u>	<u>29.9667</u>	<u>29.3314</u>	<u>28.7333</u>	<u>28.1261</u>	<u>27.5290</u>	<u>27.0470</u>	<u>26.6039</u>	<u>26.3084</u>

Source: County of Chester

TREDYFFRIN / EASTTOWN SCHOOL DISTRICT

ENROLLMENT HISTORY & PROJECTIONS - UNAUDITED

Last Ten Fiscal Years Ending June 30,

ACTUAL																		
YEAR	K	1	2	3	4	5	6	7	8	9	10	11	12	K thru 4	5 thru 8	9 thru 12	TOTALS	% Change
2012-13	366	523	466	500	481	532	523	536	504	521	501	515	519	2336	2095	2056	6487	
2013-14	367	500	541	478	516	481	537	522	541	499	524	509	522	2402	2081	2054	6537	0.77%
2014-15	393	452	520	564	495	523	500	536	519	531	506	507	507	2424	2078	2051	6553	0.24%
2015-16	356	496	463	529	582	506	525	511	542	510	550	499	504	2426	2084	2063	6573	0.31%
2016-17	399	462	525	498	545	600	520	540	519	563	523	554	501	2429	2179	2141	6749	2.68%
2017-18	378	484	481	543	514	575	625	548	555	551	569	528	549	2400	2303	2197	6900	2.24%
2018-19	389	519	512	513	568	537	592	640	554	587	542	566	524	2501	2323	2219	7043	2.07%
2019-20	419	504	539	539	536	570	576	600	648	557	574	547	565	2537	2394	2243	7174	1.86%
2020-21	317	484	507	543	518	524	563	573	594	657	554	561	546	2369	2254	2318	6941	-3.25%
2021-22	366	449	491	522	558	536	525	558	574	575	662	545	553	2386	2193	2335	6914	-0.39%
PROJECTIONS																		
2022-23	417	472	464	510	533	572	550	535	564	588	574	658	542	2396	2221	2362	6979	0.94%
2023-24	373	538	487	482	521	546	587	559	539	577	585	570	654	2401	2231	2386	7018	0.56%
2024-25	354	481	555	506	493	533	561	596	564	552	574	580	567	2389	2254	2273	6916	-1.45%
2025-26	374	457	497	576	517	504	547	569	602	577	549	570	578	2421	2222	2274	6917	0.01%
2026-27	379	483	472	516	588	529	518	556	573	616	574	545	567	2438	2176	2302	6916	-0.01%

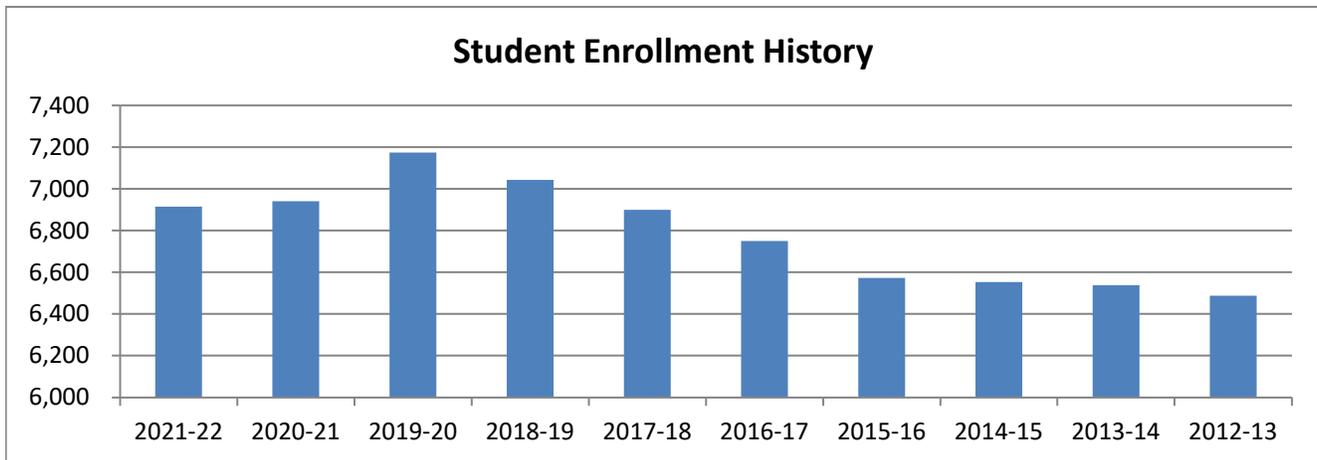
Source: School District Officials and demographic study by Sundance Associates

TREDYFFRIN / EASTTOWN SCHOOL DISTRICT

ENROLLMENT HISTORY BY INSTRUCTION LEVEL - UNAUDITED

Last Ten Fiscal Years Ending June 30,

<u>Year</u>	<u>Elementary (K-6)</u>	<u>Secondary (7-12)</u>	<u>Totals</u>
2021-22	3,447	3,467	6,914
2020-21	3,456	3,485	6,941
2019-20	3,683	3,491	7,174
2018-19	3,630	3,413	7,043
2017-18	3,600	3,300	6,900
2016-17	3,549	3,200	6,749
2015-16	3,457	3,116	6,573
2014-15	3,447	3,106	6,553
2013-14	3,420	3,117	6,537
2012-13	3,391	3,096	6,487



Source: School District Officials

TREDYFFRIN / EASTTOWN SCHOOL DISTRICT

TEACHER SALARY SCHEDULE - UNAUDITED

2021 - 2022

<u>Step</u>	<u>Bachelor's Degree</u>	<u>Master's Degree</u>	<u>Master's Degree + 15</u>	<u>Master's Degree + 30</u>	<u>Master's Degree + 45</u>	<u>Master's Degree + 60</u>	<u>Doctorate Degree</u>
1	\$ 54,467	\$ 59,769	\$ 65,082	\$ 68,574	\$ 70,869	\$ 73,983	\$ 78,336
2	\$ 55,697	\$ 61,204	\$ 66,668	\$ 70,543	\$ 72,837	\$ 76,099	\$ 80,452
3	\$ 56,363	\$ 62,998	\$ 68,703	\$ 72,577	\$ 74,872	\$ 78,133	\$ 82,486
4	\$ 58,002	\$ 64,741	\$ 70,819	\$ 74,693	\$ 76,988	\$ 80,249	\$ 84,602
5	\$ 58,975	\$ 65,766	\$ 73,302	\$ 77,176	\$ 79,471	\$ 82,732	\$ 86,718
6	\$ 60,410	\$ 67,304	\$ 77,547	\$ 82,352	\$ 84,647	\$ 87,761	\$ 91,747
7	\$ 61,894	\$ 69,508	\$ 81,648	\$ 85,018	\$ 86,338	\$ 88,786	\$ 92,772
8	\$ 62,816	\$ 70,892	\$ 85,748	\$ 86,966	\$ 88,286	\$ 91,759	\$ 96,770
9	\$ 64,863	\$ 73,148	\$ 86,979	\$ 88,196	\$ 89,516	\$ 92,989	\$ 98,001
10	\$ 66,707	\$ 76,736	\$ 88,024	\$ 89,241	\$ 90,562	\$ 94,035	\$ 99,046
11	\$ 69,359	\$ 79,094	\$ 90,792	\$ 92,010	\$ 93,330	\$ 96,803	\$101,814
12	\$ 74,829	\$ 84,527	\$ 93,560	\$ 94,778	\$ 96,098	\$ 99,571	\$104,582
13	\$ 79,982	\$ 90,107	\$ 97,661	\$ 98,878	\$100,199	\$103,672	\$108,683
14	\$ 88,366	\$ 95,209	\$101,557	\$102,774	\$104,095	\$107,567	\$112,579
15	\$ 95,218	\$101,267	\$106,586	\$107,803	\$109,124	\$112,596	\$117,608
16	\$ 96,554	\$102,602	\$107,928	\$109,154	\$110,480	\$113,961	\$118,979

Source: Collective Bargaining Agreement Between District and Tredyffrin/Easttown Education Association

SINGLE AUDIT

TREDYFFRIN/EASTTOWN SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND CERTAIN STATE GRANTS

Year ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Project Title	Source Code	Federal ALN	Pass-Through Grantor's Number	Grant Period Beginning/Ending Dates	Grant Amount	Total Received for Year	Accrued (Deferred) Revenue July 1, 2021	Revenue Recognized	Expenditures	Accrued (Deferred) Revenue June 30, 2022	Passed Through to Subrecipients
U.S. Department of Education											
Passed-Through the Pennsylvania Department of Education											
Title I - Improving Basic Programs	I	84.010	013-210430	07/01/20 - 09/30/21	\$ 201,448	\$ 28,778	\$ 28,778	\$ -	\$ -	\$ -	\$ -
Title I - Improving Basic Programs	I	84.010	013-220430	07/01/21 - 09/30/22	171,230	134,538	-	171,230	171,230	36,692	-
Total ALN 84.010						163,316	28,778	171,230	171,230	36,692	-
Title II - Improving Teacher Quality	I	84.367	020-210430	07/01/20 - 09/30/21	94,129	19,992	16,695	3,297	3,297	-	-
Title II - Improving Teacher Quality	I	84.367	020-220430	07/01/21 - 09/30/22	83,991	83,820	-	69,951	69,951	(13,869)	-
Total ALN 84.367						103,812	16,695	73,248	73,248	(13,869)	-
Title III - Language Instruction for English Learners	I	84.365	010-210430	07/01/20 - 09/30/21	35,247	5,035	(2,588)	7,623	7,623	-	-
Title III - Language Instruction for English Learners	I	84.365	010-220430	07/01/21 - 09/30/22	28,925	24,484	-	22,225	22,225	(2,259)	-
Total ALN 84.365						29,519	(2,588)	29,848	29,848	(2,259)	-
Title IV - Student Support and Academic Achievement	I	84.424	144-210430	07/01/20 - 09/30/21	17,973	-	(1,684)	1,684	1,684	-	-
Title IV - Student Support and Academic Achievement	I	84.424	144-220430	07/01/21 - 09/30/22	15,149	6,489	-	10,567	10,567	4,078	-
Total ALN 84.424						6,489	(1,684)	12,251	12,251	4,078	-
COVID-19 ESSER II	I	84.425D	200-210430	03/13/21 - 09/30/23	743,885	743,885	683,612	60,273	60,273	-	-
COVID-19 ESSER III	I	84.425U	223-210430	03/13/20 - 09/30/24	1,504,664	164,145	-	259,872	259,872	95,727	-
ARP ESSER 7%	I	84.425U	225-210430	03/13/20 - 09/30/24	116,947	6,379	-	3,811	3,811	(2,568)	-
ARP ESSER Homeless Children and Youth	I	84.425W	181-212432	03/13/20 - 09/30/24	12,903	993	-	546	546	(447)	-
Passed-Through the Pennsylvania Commission on Crime and Delinquency											
COVID-19 School Health and Safety	I	84.425D	2020-ES-01-35102	03/13/20 - 09/30/22	223,652	223,652	223,652	-	-	-	-
Total ALN 84.425						1,139,054	907,264	324,502	324,502	92,712	-
Passed Through the Chester County I.U.											
I.D.E.A. - Part B, Section 619	I	84.173	131-2100024	07/01/20 - 06/30/21	2,600	2,600	2,600	-	-	-	-
I.D.E.A. - Part B, Section 619	I	84.173	131-2200024	07/01/21 - 06/30/22	1,638	-	-	1,638	1,638	1,638	-
Total ALN 84.173						2,600	2,600	1,638	1,638	1,638	-

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Continued on next page

<u>Federal Grantor/Pass-Through Grantor/Project Title</u>	<u>Source Code</u>	<u>Federal ALN</u>	<u>Pass-Through Grantor's Number</u>	<u>Grant Period Beginning/Ending Dates</u>	<u>Grant Amount</u>	<u>Total Received for Year</u>	<u>Accrued (Deferred) Revenue July 1, 2021</u>	<u>Revenue Recognized</u>	<u>Expenditures</u>	<u>Accrued (Deferred) Revenue June 30, 2022</u>	<u>Passed Through to Subrecipients</u>
I.D.E.A. - Part B, Section 611	I	84.027	062-2100024	07/01/20 - 09/30/21	979,926	979,926	979,926	-	-	-	-
I.D.E.A. - Part B, Section 611	I	84.027	062-2200024	07/01/21 - 09/30/22	971,320	-	-	971,320	971,320	971,320	-
I.D.E.A. - Part B, Section 611 ARP	I	84.027	062-2200024	07/01/21 - 09/30/22	234,261	-	-	210,970	210,970	210,970	-
Total ALN 84.027						979,926	979,926	1,182,290	1,182,290	1,182,290	-
Total U.S. Department of Education						<u>2,424,716</u>	<u>1,930,991</u>	<u>1,795,007</u>	<u>1,795,007</u>	<u>1,301,282</u>	<u>-</u>
U.S. Department of Health and Human Services											
Medical Assistance Program	D	93.778	N/A	07/01/21 - 06/30/22	N/A	12,085	-	12,085	12,085	-	-
U.S. Department of Agriculture											
Passed-Through the Pennsylvania Department of Education											
State Matching Share	S	N/A	N/A	07/01/20 - 06/30/21	N/A	6,706	6,706	-	-	-	-
State Matching Share	S	N/A	N/A	07/01/21 - 06/30/22	N/A	54,103	-	57,453	57,453	3,350	-
Total State Matching Share						60,809	6,706	57,453	57,453	3,350	-
Breakfast Program	I	10.553	N/A	07/01/20 - 06/30/21	N/A	14,765	14,765	-	-	-	-
Breakfast Program	I	10.553	N/A	07/01/21 - 06/30/22	N/A	138,748	-	147,993	147,993	9,245	-
Total ALN 10.553						153,513	14,765	147,993	147,993	9,245	-
P-EBT Local Admin Funds	I	10.649	N/A	07/01/21 - 06/30/22	N/A	614	-	614	614	-	-
National School Lunch Program	I	10.555	N/A	07/01/20 - 06/30/21	N/A	176,755	176,755	-	-	-	-
National School Lunch Program	I	10.555	N/A	07/01/21 - 06/30/22	N/A	1,944,583	-	2,058,472	2,058,472	113,889	-
Passed-Through the Pennsylvania Department of Agriculture											
National School Lunch Program	I	10.555	N/A	07/01/21 - 06/30/22	N/A	166,632	-	166,632	166,632	-	-
Total ALN 10.555						2,287,970	176,755	2,225,104	2,225,104	113,889	-
Total U.S. Department of Agriculture						<u>2,502,906</u>	<u>198,226</u>	<u>2,431,164</u>	<u>2,431,164</u>	<u>126,484</u>	<u>-</u>
Total Federal Awards and Certain State Grants						<u>\$ 4,939,707</u>	<u>\$ 2,129,217</u>	<u>\$ 4,238,256</u>	<u>\$ 4,238,256</u>	<u>\$ 1,427,766</u>	<u>\$ -</u>
Total Federal Awards						\$ 4,878,898	\$ 2,122,511	\$ 4,180,803	\$ 4,180,803	\$ 1,424,416	\$ -
Total State Awards						60,809	6,706	57,453	57,453	3,350	-
Total Federal Awards and Certain State Grants						<u>\$ 4,939,707</u>	<u>\$ 2,129,217</u>	<u>\$ 4,238,256</u>	<u>\$ 4,238,256</u>	<u>\$ 1,427,766</u>	<u>\$ -</u>
Special Education Cluster (IDEA) (ALN's 84.027 and 84.173)						<u>\$ 982,526</u>	<u>\$ 982,526</u>	<u>\$ 1,183,928</u>	<u>\$ 1,183,928</u>	<u>\$ 1,183,928</u>	<u>\$ -</u>
Child Nutrition Cluster (ALN's 10.553 and 10.555)						<u>\$ 2,441,483</u>	<u>\$ 191,520</u>	<u>\$ 2,373,097</u>	<u>\$ 2,373,097</u>	<u>\$ 123,134</u>	<u>\$ -</u>

Continued on next page

<u>Federal Grantor/Pass-Through Grantor/Project Title</u>	<u>Source Code</u>	<u>Federal ALN</u>	<u>Pass-Through Grantor's Number</u>	<u>Grant Period Beginning/Ending Dates</u>	<u>Grant Amount</u>	<u>Total Received for Year</u>	<u>(Deferred) Revenue July 1, 2021</u>	<u>Revenue Recognized</u>	<u>Expenditures</u>	<u>(Deferred) Revenue June 30, 2022</u>	<u>Passed Through to Subrecipients</u>
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Source Codes

- D - Direct Funding
- I - Indirect Funding
- S - State Share



TREDYFFRIN/EASTTOWN SCHOOL DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND CERTAIN STATE GRANTS

June 30, 2022

(1) FEDERAL EXPENDITURES

The Schedule of Expenditures of Federal Awards and Certain State Grants reflects federal expenditures for all individual grants which were active during the fiscal year. Additionally, the Schedule reflects expenditures for certain state grants.

(2) BASIS OF ACCOUNTING

The District uses the modified accrual method of recording transactions except as noted for the accounting of donated commodities in Note 3. Revenues are recorded when measurable and available. Expenditures are recorded when incurred.

(3) NONMONETARY FEDERAL AWARDS – DONATED FOOD

The Commonwealth of Pennsylvania distributes federal surplus food to institutions (schools, hospitals and prisons) and to the needy. Expenditures reported in the Schedule of Expenditures of Federal Awards and Certain State Grants under ALN 10.555 National School Lunch Program and passed through the Pennsylvania Department of Agriculture represent federal surplus food consumed by the District during the 2021-2022 fiscal year.

(4) ACCESS PROGRAM

The District participates in the ACCESS Program which is a medical assistance program that reimburses local educational agencies for direct eligible health-related services provided to enrolled special needs students. Reimbursements are federal source revenues but are classified as fee-for-service and are not considered federal financial assistance. The amount of ACCESS funding recognized for the year ended June 30, 2022 was \$720,064.

(5) INDIRECT COSTS

The District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance. No indirect costs were charged to the District's Federal awards for the year ended June 30, 2022.

TREDYFFRIN/EASTTOWN SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year ended June 30, 2022

There were no audit findings for the year ended June 30, 2021.



**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 School Directors
Tredyffrin/Easttown School District
Wayne, 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 Tredyffrin/Easttown School District, Wayne, Pennsylvania, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Tredyffrin/Easttown School District's basic financial statements, and have issued our report thereon dated November 14, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Tredyffrin/Easttown 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 Tredyffrin/Easttown School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Tredyffrin/Easttown 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 Tredyffrin/Easttown 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 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.

BBD, LLP

**Philadelphia, Pennsylvania
November 14, 2022**



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

**Board of School Directors
Tredyffrin/Easttown School District
Wayne, Pennsylvania**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Tredyffrin/Easttown School District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Tredyffrin/Easttown School District's major federal programs for the year ended June 30, 2022. Tredyffrin/Easttown 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, Tredyffrin/Easttown 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, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Tredyffrin/Easttown 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 Tredyffrin/Easttown 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 Tredyffrin/Easttown 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 Tredyffrin/Easttown 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 Tredyffrin/Easttown 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, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

BBD, LLP

**Philadelphia, Pennsylvania
November 14, 2022**

TREDYFFRIN/EASTTOWN SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended June 30, 2022

SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on whether the financial statements of the Tredyffrin/Easttown School District were prepared in accordance with GAAP.
2. No significant deficiencies or material weaknesses relating to the audit of the financial statements of the Tredyffrin/Easttown School District are reported in the 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.
3. No instances of noncompliance material to the financial statements of the Tredyffrin/Easttown School District, which would be required to be reported in accordance with Government Auditing Standards, were disclosed during the audit.
4. No significant deficiencies or material weaknesses in internal control over the major federal award programs are reported in the independent auditor's report on compliance for each major program and on internal control over compliance required by the Uniform Guidance.
5. The auditor's report on compliance for the major federal award programs for the Tredyffrin/Easttown School District expresses an unmodified opinion on all major federal programs.
6. There are no audit findings that are required to be reported in accordance with 2 CFR Section 200.516(a).
7. The programs tested as major programs were:
 - Child Nutrition Cluster:
 - School Breakfast Program – ALN 10.553
 - National School Lunch Program – ALN 10.555
8. The threshold used for distinguishing between Type A and B programs was \$750,000.
9. The Tredyffrin/Easttown School District did qualify as a low-risk auditee.

FINDINGS—FINANCIAL STATEMENT AUDIT

None

FINDINGS AND QUESTIONED COSTS—MAJOR FEDERAL AWARD PROGRAMS AUDIT

None