

# **Camp Hill School District**

Year Ended June 30, 2021

# Camp Hill School District

## Financial Statements with Supplementary Information

Year Ended June 30, 2021

### TABLE of CONTENTS

	Page
<b>Independent Auditors' Report</b>	1 - 3
<b>Required Supplementary Information</b>	
Management's Discussion and Analysis	4 - 14
<b>Basic Financial Statements</b>	
Statement of Net Position	15 & 16
Statement of Activities	17
Balance Sheet - Governmental Funds	18
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	19
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	20
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	21 & 22
Statement of Net Position - Proprietary Funds	23
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds	24
Statement of Cash Flows - Proprietary Funds	25 & 26
Statement of Net Position - Fiduciary Funds	27
Statement of Changes in Fiduciary Net Position - Fiduciary Funds	28
Notes to Financial Statements	29 - 60

# Camp Hill School District

## Financial Statements with Supplementary Information

Year Ended June 30, 2021

### TABLE of CONTENTS (Continued)

	Page
<b>Required Supplementary Information</b>	
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund	61
Notes to Required Supplementary Information	62
Schedule of Changes in Net Other Postemployment Benefits (OPEB) Liability and Related Ratios - Single-Employer Defined Benefit OPEB Plan	63
Notes to Required Supplementary Information	64
Schedule of Employer Contributions - Public School Employees' Retirement System (PSERS) Health Insurance Premium Assistance Plan	65
Notes to Required Supplementary Information	66
Schedule of the School District's Proportionate Share of the Net Other Postemployment Benefits (OPEB) Liability - Public School Employees' Retirement System Health Insurance Premium Assistance Plan	67
Schedule of Employer Contributions - Public School Employees' Retirement System	68
Schedule of School District's Proportionate Share of the Net Pension Liability - Public School Employees' Retirement System	69
Notes to Required Supplementary Information	70

# Camp Hill School District

## Financial Statements with Supplementary Information

Year Ended June 30, 2021

### TABLE of CONTENTS (Continued)

	Page
<b>Supplementary Information</b>	
Schedule of Expenditures of Federal Awards	71 - 73
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	74 & 75
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	76 & 77
Schedule of Findings and Questioned Costs	78 - 81
Summary Schedule of Prior Audit Findings	82
Corrective Action Plan	83 & 84



## INDEPENDENT AUDITORS' REPORT

To the Board of School Directors  
**Camp Hill School District**  
Camp Hill, Pennsylvania

### Report on the Financial Statements

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 **Camp Hill School District** (the School District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

### Management's Responsibility 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.

### Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## Opinions

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 **Camp Hill School District** as of June 30, 2021, 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.

## Change in Accounting Principle

As described in Note 16 to the financial statements, in 2021 the School District adopted new accounting guidance, GASB Statement No. 84, *Fiduciary Activities*. Our opinions are not modified with respect to this matter.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 14, the budgetary comparison information on page 61 and 62, the other postemployment benefits (OPEB) health care benefits plan information on pages 63 through 67, and the pension information on pages 68 through 70 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise **Camp Hill School District's** basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements.

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 8, 2022, on our consideration of **Camp Hill 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 **Camp Hill 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 **Camp Hill School District's** internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Trout CPA". The signature is written in a cursive, flowing style.

March 8, 2022  
Lancaster, Pennsylvania

**Camp Hill School District**  
MANAGEMENT'S DISCUSSION and ANALYSIS  
Year Ended June 30, 2021

The Management of **Camp Hill School District** has prepared the following discussion and analysis (MD&A) to provide an overview of the financial performance of the School District between the fiscal years ended June 30, 2021 and 2020. This reports the School District's activities in accordance with governmental reporting requirements, and provides highlights of significant transactions, events, and conditions. The management's discussion and analysis should be read in conjunction with the School District's basic financial statements and notes to those statements.

**FINANCIAL HIGHLIGHTS**

For fiscal year 2020-21, the School Board adopted a general fund budget in the amount of \$24,947,798, and a real estate tax millage rate of 17.3467, which represented 3.0% tax increase from the 2019-20 year. The budget was adopted with a planned deficit of \$403,458. The actual expenditures were \$24,133,525, and revenues were \$25,528,049 resulting in an increase to fund balance of \$1,394,524. In addition, a bond in the amount of \$4,540,000 was refinanced and is shown in the statements in other financing sources.

In accordance with governmental accounting requirements, the School District is obligated to report its net pension obligation in the PSERS cost-sharing multi-employer defined benefit pension plan. This resulted in a recording of an obligation of \$36,092,000 as of June 30, 2021. The notes to the financial statements include both discussion and analysis of this liability.

In accordance with governmental accounting requirements, the School District is obligated to report other postemployment benefits (OPEB). This resulted in a recording of an obligation of \$1,137,000 as of June 30, 2021. The notes to the financial statements include both discussion and analysis of this liability.

**USING THESE FINANCIAL STATEMENTS**

The financial statements consist of, in addition to the MD&A, a series of financial statements and other required supplementary information. The statement of net position and the statement of activities (pages 15 through 17) provide information about the activities of the School District as a whole, and present both a short-term and long-term view of the School District's financial status.

The remaining "fund financial statements" focus on a more detailed presentation of operations. For governmental activities, these statements tell how the School District's services have been financed in the short-term, as well as show the amount remaining for future spending (pages 18 and 20). The reconciliation of the governmental funds balance sheet reconciles the governmental fund balances to the total net position presented on the statement of net position (page 19). The reconciliation (pages 21 and 22) does the same for the components of the changes in fund balances. Proprietary fund statements (pages 23 through 26) provide information about non-governmental operations, in our case, food services. Fiduciary fund statements (pages 27 and 28) report funds held in trust by the School District for such things as student activities.

See independent auditors' report.



**Camp Hill School District**  
MANAGEMENT'S DISCUSSION and ANALYSIS  
(Continued)  
Year Ended June 30, 2021

**USING THESE FINANCIAL STATEMENTS (Continued)**

Following the basic financial statements is required supplementary information (pages 61 through 70) that consists of the School District's budgetary comparison and other postemployment benefit plans and information related to the School District's pension plan.

**Reporting the School District as a Whole**

The statement of net position and statement of activities present financial activities and the results of those activities in two categories, governmental and business-type. Capital assets (land, buildings, improvements, furniture, equipment, and library books) are presented with all other assets. Long-term debt is presented with all other liabilities. The measurement focus of revenue and expense is similar to that used in the private sector and is referred to as the accrual basis of accounting. This is discussed further in the notes to financial statements.

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

The fund statements provide financial information about the School District's significant funds rather than the School District as a whole. There are three fund types - governmental, proprietary, and fiduciary. The use of each type of fund is described in the notes to financial statements. Unlike the financial statements that measure revenues on the accrual basis, the funds statements report revenues only to the extent cash has been received or is expected to be received in the near future. This is known as the modified-accrual basis of accounting and is unique to governmental entities.

**The School District as Trustee**

The School District acts as fiduciary for one fund, a student activities fund. In comparison to the governmental funds, the amounts held in the fiduciary funds are small.

**Camp Hill School District**  
MANAGEMENT'S DISCUSSION and ANALYSIS  
(Continued)  
Year Ended June 30, 2021

**THE SCHOOL DISTRICT as a WHOLE**

The School District's total net position (deficit) was \$(7,057,116) at June 30, 2021, a decrease of \$268,400 from the end of the previous year. Table A-1 summarizes and compares the statement of net position from the financial statements.

Table A-1						
Camp Hill School District						
Statement of Net Position						
(in thousands of dollars)						
June 30, 2021 and 2020						
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	2021	2020	2021	2020	2021	2020
Current assets	\$ 18,904.3	\$ 27,989.6	\$ 136.7	\$ 108.3	\$ 19,041.0	\$ 28,097.9
Noncurrent assets						
Capital assets	45,788.2	37,669.3	4.7	5.7	45,792.9	37,675.0
Total assets	64,692.5	65,658.9	141.4	114.0	64,833.9	65,772.9
Deferred outflows of resources	6,456.4	5,295.5	102.0	85.0	6,558.4	5,380.5
Current liabilities	5,557.3	5,789.9	20.1	22.0	5,577.4	5,811.9
Long-term liabilities (Less Pension)	35,813.1	36,917.5	40.0	42.6	35,853.1	36,960.1
Net pension liability	35,515.0	33,329.0	577.0	542.0	36,092.0	33,871.0
Total liabilities	76,885.4	76,036.4	637.1	606.6	77,522.5	76,643.0
Deferred inflows of resources	912.0	1,278.0	15.0	21.0	927.0	1,299.0
Net investment in capital assets	11,707.7	11,361.7	4.7	5.7	11,712.4	11,367.4
Restricted	2,119.7	156.8	-	-	2,119.7	156.8
Unrestricted	(20,475.7)	(17,878.4)	(413.4)	(434.4)	(20,889.1)	(18,312.8)
Total net position	\$ (6,648.3)	\$ (6,359.9)	\$ (408.7)	\$ (428.7)	\$ (7,057.0)	\$ (6,788.6)

Current assets decreased from the previous year primarily due to the spending of investments for capital projects which drove also the increase in capital assets compared to the previous year. The School District's total liabilities increased by approximately \$800,000. This increase is the combination of a decrease in bond debt as a result of principal payments and the increase in the PSERS net pension liability. The School District's overall net position remained comparable to the previous year.

See independent auditors' report.

**Camp Hill School District**  
MANAGEMENT'S DISCUSSION and ANALYSIS  
(Continued)  
Year Ended June 30, 2021

**THE SCHOOL DISTRICT as a WHOLE (Continued)**

Table A-2 summarizes and compares activity presented in the statement of activities (page 17). It shows the items that made up the increase in total net position. This increase (decrease) represents a change in reported value measuring revenue and expenses on an accrual basis. It does not represent an increase (decrease) in cash or other readily available funds.

Table A-2						
Camp Hill School District						
Statement of Activities						
(in thousands of dollars)						
June 30, 2021 and 2020						
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	2021	2020	2021	2020	2021	2020
Revenues						
Program Revenues						
Charges for service	\$ 541.8	\$ 750.3	\$ 12.9	\$ 187.5	\$ 554.7	\$ 937.8
Operating grants and contributions	3,522.9	3,130.8	156.7	123.2	3,679.6	3,254.0
Capital grants and contributions	168.4	382.8	-	-	168.4	382.8
General Revenues						
Taxes	19,270.2	18,044.9	-	-	19,270.2	18,044.9
Grants, subsidies, contributions, not restricted	2,086.7	2,257.4	0.2	1.8	2,086.9	2,259.2
Other	0.4	-	-	-	0.4	-
Total revenue	25,590.4	24,566.2	169.8	312.5	25,760.2	24,878.7
Direct Expenses	(25,730.9)	(25,075.2)	(365.8)	(458.6)	(26,096.7)	(25,533.8)
Transfers	(216.0)	(192.4)	216.0	192.4	-	-
Changes in net position	(356.5)	(701.4)	20.0	46.3	(336.5)	(655.1)
Net position - beginning	(6,291.9)	(5,658.4)	(428.7)	(475.0)	(6,720.6)	(6,133.4)
Total net position	\$ (6,648.4)	\$ (6,359.8)	\$ (408.7)	\$ (428.7)	\$ (7,057.1)	\$ (6,788.5)

Governmental Activities: The primary contributor for the increase in total School District revenues are real estate taxes due to a 3% millage rate increase and real estate transfer taxes due to the sale of a large commercial property in the School District. Expenses are discussed in more detail in Table A-3.

Business-Type Activities: The primary change relates to the funding of most student meals from federal subsidies in the current year and less student paid meals. Lower utilization of food services contributed to the overall decline in revenues and direct expenses.

See independent auditors' report.

**Camp Hill School District**  
MANAGEMENT'S DISCUSSION and ANALYSIS  
(Continued)  
Year Ended June 30, 2021

**THE SCHOOL DISTRICT as a WHOLE (Continued)**

**Governmental Activities**

Table A-3, shown below, presents expense information from the statement of activities for governmental activities. The total cost of services represents the actual cost of providing the services, while the net cost represents the amount of cost not recovered through program revenues, meaning user charges, grants, and contributions. The total net cost of services of \$20,121,192 must be recovered through general revenue, primarily taxes, and state subsidies. Amounts not recovered will reduce funds available for future years.

Table A-3						
Camp Hill School District						
Statements of Total and Net Cost of Services - Governmental Activities						
(in thousands of dollars)						
June 30, 2021 and 2020						
	Total Cost of Services		Less: Program Revenues		Net Cost of Services	
Functions/Programs	2021	2020	2021	2020	2021	2020
Instruction	\$ 15,814.8	\$ 15,433.5	\$ 2,782.8	\$ 2,389.3	\$ 13,032.0	\$ 13,044.2
Instructional student support	2,497.6	2,644.9	\$ 229.1	236.8	2,268.5	2,408.1
Administrative & financial support	2,460.6	2,887.6	\$ 237.6	262.0	2,223.0	2,625.6
Operation & maintenance of plant svc	3,066.1	2,281.4	\$ 173.8	151.7	2,892.3	2,129.7
Pupil transportation	138.9	166.0	\$ 10.5	11.4	128.4	154.6
Student activities	795.0	861.5	\$ 88.5	73.3	706.5	788.2
Community services	32.5	38.7	\$ 0.6	6.3	31.9	32.4
Interest on long-term debt	925.3	761.6	\$ -	-	925.3	761.6
Total governmental activities	\$ 25,730.8	\$ 25,075.2	\$ 3,522.9	\$ 3,130.8	\$ 22,207.9	\$ 21,944.4
Less grants, subsidies & contributions not restricted & investment earnings					\$ 2,086.7	\$ 2,257.4
Total needs from local taxes and other revenue					\$ 20,121.2	\$ 19,687.0

Increased instructional expenses are primarily the result of wage increase and charter school cost increases which were partially offset by lower health insurance expenses. Operation and maintenance costs increased with more projects being undertaken than in the prior year and not all such costs meeting the School District's criteria for capitalization. The program revenues offsetting such expenses increased primarily due to COVID related grant funding.

See independent auditors' report.

**Camp Hill School District**  
MANAGEMENT'S DISCUSSION and ANALYSIS  
(Continued)  
Year Ended June 30, 2021

**THE SCHOOL DISTRICT as a WHOLE (Continued)**

**Business-Type Activities**

Table A-4 is similar to the previous table, except it presents business-type service costs.

Table A-4						
Camp Hill School District						
Statements of Total and Net Cost of Services - Business-type Activities						
(in thousands of dollars)						
June 30, 2021 and 2020						
Functions/Programs	Total Cost of Services		Less: Program Revenues		Net Cost of Services	
	2021	2020	2021	2020	2021	2020
Food services	\$ 365.8	\$ 458.6	\$ 169.6	\$ 310.7	\$ 196.2	\$ 147.9
Less investment earnings						
					\$ 0.2	\$ 1.7
Total needs from local taxes and other revenue					\$ 196.0	\$ 146.2

See independent auditors' report.

**Camp Hill School District**  
MANAGEMENT'S DISCUSSION and ANALYSIS  
(Continued)  
Year Ended June 30, 2021

**SCHOOL DISTRICT FUNDS**

The information in Table A-5 summarizes and compares the governmental funds' fund balances for June 30, 2021 and 2020.

Table A-5			
Camp Hill School District			
Statements of Comparative Fund Balances			
June 30, 2021 and 2020			
	2021	2020	change
Nonspendable	\$ 2,033,193	\$ 1,428,785	\$ 604,408
Restricted			-
capital projects	9	8,867,115	(8,867,106)
scholarships	65,231	-	65,231
performing arts center	86,497	156,823	(70,326)
Committed			-
future PSERS expenditures	1,000,000	1,000,000	-
future capital expenditures	3,539,892	4,813,774	(1,273,882)
athletic fund reserves	18,311	49,019	(30,708)
band uniform replacement fund	17,010	13,510	3,500
school funds		37,958	(37,958)
curriculum and technology	1,000,000	1,000,000	-
Assigned			-
future healthcare costs	800,000	793,723	6,277
instructional investments	500,000	977,359	(477,359)
future capital expenditures	3,426,689	2,226,856	1,199,833
Earl Besch Pantry	19,654	-	19,654
Unassigned	2,057,203	1,880,000	177,203
Total All Governmental Funds	\$ 14,563,689	\$ 23,244,922	\$ (8,681,233)

See independent auditors' report.

**Camp Hill School District**  
MANAGEMENT'S DISCUSSION and ANALYSIS  
(Continued)  
Year Ended June 30, 2021

**SCHOOL DISTRICT FUNDS (Continued)**

As previously mentioned, the basis of measurement for fund assets and liabilities is different than that used in the statement of net position. The differences between the total governmental fund balances of \$14,563,689 and the total net position (deficit) of \$(6,648,397) are itemized in the reconciliation presented within the financial statements on page 19. Primarily, the difference relates to inclusion of capital assets and related long-term debt, inclusion of unamortized bond-related costs, taxes receivable, and beginning 2015-16 net pension expense in the statement of net position.

**General Fund Budgetary Highlights**

Table A-6 has been summarized from the comparative budget information presented on page 61 of the financial statements.

Table A-6						
Camp Hill School District						
Comparison of Budget to Actual						
June 30, 2021 and 2020						
	Final Budget		Actual		Variance	
	2021	2020	2021	2020	2021	2020
Total Revenues	\$ 24,544,340	\$ 23,798,713	\$ 25,528,049	\$ 24,679,806	983,709	881,093
Total Expenditures	24,706,798	23,598,911	23,901,615	23,623,403	805,183	(24,492)
Revenues over/(under) Expenditures	(162,458)	199,802	1,626,434	1,056,403	1,788,892	856,601
Other Financing Sources/(Uses)	(241,000)	(197,126)	(231,910)	(12,844)	9,090	184,282
Net Changes in Fund Balances	\$ (403,458)	\$ 2,676	\$ 1,394,524	\$ 1,043,559	\$ 1,797,982	\$ 1,040,883

The 2021 budget was expected to have a deficit of \$403,458; however, the actual expenses and revenue generated a surplus of \$1,394,524. There are a number of factors that caused this result. Actual revenues exceeded the budgeted amount by \$983,709 primarily due to real estate transfer tax being much higher than budgeted due to a sale of one of the largest properties in the School District. Additionally, earned income tax revenue came in higher than budgeted. The original budget was conservatively estimated because of the unknown effects of COVID on earned income. Actual expenditures were \$805,183 less than the budget amount, driven mostly by reduced health insurance cost due to lower utilization due to COVID.

See independent auditors' report.

**Camp Hill School District**  
MANAGEMENT'S DISCUSSION and ANALYSIS  
(Continued)  
Year Ended June 30, 2021

**CAPITAL ASSETS**

Table A-7 summarizes and makes year-to-year comparisons between the School District's capital assets; year-to-year changes in capital assets as presented in the notes section (page 43) of the financial statements. The net cost of the capital assets on the books at June 30, 2021, was \$45,788,261. During fiscal year 2020-2021, the School District invested \$506,066 in technology, and an additional \$74,860 in furniture and equipment. Additionally, the existing building project added another \$8,858,080 in value as the project nears completion. Each year capital assets, other than land and construction in progress, are depreciated (reduced in value) to reflect usage.

Table A-7			
Camp Hill School District			
Governmental Activities Capital Assets Comparison			
net of accumulated depreciation			
June 30, 2021 and 2020			
	2021	2020	Change
Governmental Activities			
Land and site improvements	\$ 2,885,320	\$ 3,089,509	\$ (204,189)
Building and building improvements	20,010,822	20,827,804	(816,982)
Furnitures and equipment	1,895,575	1,613,566	282,009
Construction in progress	20,996,544	12,138,464	8,858,080
Total governmental activities - capital assets	\$ 45,788,261	\$ 37,669,343	\$ 8,118,918

**DEBT ADMINISTRATION**

Table A-8 summarizes the long-term liabilities, of the governmental and business-type activities of the School District, more fully described in the notes to financial statements (page 45 and 46).

Table A-8			
Camp Hill School District			
Long-Term Liabilities			
June 30, 2021 and 2020			
	2021	2020	Change
General obligation debt	\$ 34,090,994	\$ 35,188,271	\$ (1,097,277)
Compensated absences	270,788	365,699	(94,911)
Other post-employment benefits	2,681,000	2,496,000	185,000
Net pension liability	35,515,000	33,871,000	1,644,000
Total long-term liabilities	\$ 72,557,782	\$ 71,920,970	\$ 636,812

See independent auditors' report.



**Camp Hill School District**  
MANAGEMENT'S DISCUSSION and ANALYSIS  
(Continued)  
Year Ended June 30, 2021

**NEXT YEAR'S BUDGET, ECONOMIC FACTORS, and RATES**

**General Fund Budget**

Table A-9 compares the 2020-2021 to the 2021-22 budget.

Table A-9			
Camp Hill School District			
Comparison of Budgets			
June 30, 2021 and 2022			
	Budget		
	2021	2022	Change
<b>Budgeted Revenues</b>			
Local sources	\$ 19,015,223	\$ 20,276,983	\$ 1,261,760
State sources	5,135,699	5,204,717	69,018
Federal/other sources	393,418	767,895	374,477
Total budgeted revenues	24,544,340	26,249,595	1,705,255
<b>Budgeted Expenditures</b>			
Salaries	10,826,779	11,861,514	1,034,735
Benefits	6,897,869	7,127,473	229,604
Outside student and professional svcs	1,347,790	1,614,451	266,661
Purchased property services	530,720	532,335	1,615
Other services and tuitions	1,512,889	2,025,431	512,542
Supplies/materials/texts	1,276,995	1,016,236	(260,759)
Equipment	207,845	216,800	8,955
Dues, Fees, Interest	1,070,911	945,364	(125,547)
Transfers and Principal	1,276,000	1,430,000	154,000
	24,947,798	26,769,604	1,821,806
<b>Budgeted change in fund balance</b>	<b>(403,458)</b>	<b>(520,009)</b>	<b>(116,551)</b>

- The School District adopted the 2021-22 budget in the amount of \$26,769,604, an increase of \$1,821,806 over the previous year.
- The professional contract with the Camp Hill Education Association was executed on March 18, 2020. The contract is effective July 1, 2020 through June 30, 2024. The agreement included salary increases of 3.0% each year 2020-2021 through 2023-2024.
- The School District continues to share in the cost of a renovation project of the Siebert Park facilities with the Camp Hill Borough. The annual cost to the School District began in 2014-15 of \$85,000.

See independent auditors' report.

**Camp Hill School District**  
MANAGEMENT'S DISCUSSION and ANALYSIS  
(Continued)  
Year Ended June 30, 2021

**NEXT YEAR'S BUDGET, ECONOMIC FACTORS, and RATES (Continued)**

**General Fund Budget (Continued)**

- Revenue budget accounts increased by \$1,705,255 for the 2021-22 fiscal year. The local real estate tax rate increased by 3.5%. Earned income tax was also estimated to be higher based on actuals from 2020-2021 that showed the impact of COVID to be relatively minor on this line item. Additionally, various Federal ESSER funds were included in the 2021-2022 budget.
- Tuition to Charter Schools was increased in expenses based on actual expenses incurred in 2020-2021. Salaries and benefits account for the bulk of the other increases in expenses.
- The 2021-2022 budget was approved with a deficit (revenue over expenditure) of \$(520,009). The Board intends to use fund balance to fund the difference.

**CONTACTING the SCHOOL DISTRICT'S FINANCIAL MANAGEMENT**

The School District's financial report is intended to provide the readers with a general overview of the School District's finances and to show the Board's accountability for the funds it receives. If you have questions about this report or wish to request additional financial information, please visit the School District website at [www.camphillsd.k12.pa.us](http://www.camphillsd.k12.pa.us), or contact Jeff Ammerman at the School District Office of the **Camp Hill School District**, 408 S 24<sup>th</sup> Street, Camp Hill, PA 17011, (717) 901-2400 x5941.

# Camp Hill School District

## STATEMENT of NET POSITION

June 30, 2021

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	\$ 12,907,522	\$ 17,315	\$ 12,924,837
Restricted Cash and Cash Equivalents	86,497	-0-	86,497
Investments	1,424,799	85,119	1,509,918
Taxes Receivable, net	805,343	-0-	805,343
Intergovernmental Receivables	1,573,609	29,286	1,602,895
Internal Balances	4,754	(4,754)	-0-
Other Receivables	68,621	3	68,624
Inventories	-0-	9,719	9,719
Risk- Sharing Pool Deposit	2,033,193	-0-	2,033,193
<b>Total Current Assets</b>	<b>18,904,338</b>	<b>136,688</b>	<b>19,041,026</b>
<b>Capital Assets</b>			
Non-Depreciable	21,994,386	-0-	21,994,386
Depreciable, net	23,793,875	4,767	23,798,642
<b>Total Capital Assets</b>	<b>45,788,261</b>	<b>4,767</b>	<b>45,793,028</b>
<b>TOTAL ASSETS</b>	<b>64,692,599</b>	<b>141,455</b>	<b>64,834,054</b>
<b>DEFERRED OUTFLOWS of RESOURCES</b>			
Pension	6,007,000	98,000	6,105,000
Other Postemployment Benefits	439,000	4,000	443,000
Loss on Bond Refunding	10,413	-0-	10,413
<b>TOTAL DEFERRED OUTFLOWS of RESOURCES</b>	<b>\$ 6,456,413</b>	<b>\$ 102,000</b>	<b>\$ 6,558,413</b>

See notes to financial statements.

# Camp Hill School District

## STATEMENT of NET POSITION

(Continued)

June 30, 2021

	Governmental Activities	Business-Type Activities	Total
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts Payable	\$ 1,279,368	\$ 25	\$ 1,279,393
Other Current Liabilities	36,557	-0-	36,557
Current Portion of Long-Term Debt	1,189,000	-0-	1,189,000
Accrued Salaries and Benefits	2,863,486	-0-	2,863,486
Compensated Absences Due Within One Year	40,618	-0-	40,618
Accrued Interest on Long-Term Debt	111,792	-0-	111,792
Unearned Revenues	36,424	20,149	56,573
<b>Total Current Liabilities</b>	<b>5,557,245</b>	<b>20,174</b>	<b>5,577,419</b>
<b>Noncurrent Liabilities</b>			
Long-Term Portion of Bonds Payable, net of Unamortized Discount and Premium	32,901,994	-0-	32,901,994
Net Pension Liability	35,515,000	577,000	36,092,000
Long-Term Portion of Compensated Absences	230,170	-0-	230,170
Net Other Postemployment Benefits (OPEB) Liability	2,681,000	40,000	2,721,000
<b>Total Noncurrent Liabilities</b>	<b>71,328,164</b>	<b>617,000</b>	<b>71,945,164</b>
<b>TOTAL LIABILITIES</b>	<b>76,885,409</b>	<b>637,174</b>	<b>77,522,583</b>
<b>DEFERRED INFLOWS of RESOURCES</b>			
Pension	855,000	14,000	869,000
Other Postemployment Benefits	57,000	1,000	58,000
<b>TOTAL DEFERRED INFLOWS of RESOURCES</b>	<b>912,000</b>	<b>15,000</b>	<b>927,000</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	11,707,689	4,767	11,712,456
Restricted	2,119,690	-0-	2,119,690
Unrestricted (Deficit)	(20,475,776)	(413,486)	(20,889,262)
<b>TOTAL NET POSITION</b>	<b>\$ (6,648,397)</b>	<b>\$ (408,719)</b>	<b>\$ (7,057,116)</b>

See notes to financial statements.

# Camp Hill School District

## STATEMENT of ACTIVITIES

Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenue			Net Revenue (Expense) and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction	\$ 15,814,791	\$ 415,149	\$ 2,782,789	\$ -0-	\$ (12,616,853)	\$ -0-	\$ (12,616,853)
Instructional Student Support	2,497,648	38,807	229,099	-0-	(2,229,742)	-0-	(2,229,742)
Administrative and Financial Support Services	2,460,588	31,594	237,554	-0-	(2,191,440)	-0-	(2,191,440)
Operation and Maintenance of Plant Services	3,066,071	37,824	173,812	-0-	(2,854,435)	-0-	(2,854,435)
Pupil Transportation	138,933	-0-	10,524	-0-	(128,409)	-0-	(128,409)
Student Activities	794,984	18,316	88,537	-0-	(688,131)	-0-	(688,131)
Community Services	32,507	95	622	-0-	(31,790)	-0-	(31,790)
Interest on Long-Term Debt	925,337	-0-	-0-	168,367	(756,970)	-0-	(756,970)
<b>Total Governmental Activities</b>	<b>25,730,859</b>	<b>541,785</b>	<b>3,522,937</b>	<b>168,367</b>	<b>(21,497,770)</b>	<b>-0-</b>	<b>(21,497,770)</b>
Business-Type Activities:							
Food Services	365,837	12,896	156,687	-0-	-0-	(196,254)	(196,254)
<b>Total Primary Government</b>	<b>\$ 26,096,696</b>	<b>\$ 554,681</b>	<b>\$ 3,679,624</b>	<b>\$ 168,367</b>	<b>(21,497,770)</b>	<b>(196,254)</b>	<b>(21,694,024)</b>
General Revenues:							
Taxes:							
Property Taxes, Levied for							
General Purposes, net					13,844,557	-0-	13,844,557
Public Utility Realty, Earned Income, and Other Taxes Levied for							
General Purposes, net					5,425,628	-0-	5,425,628
Unrestricted Grants and Subsidies					1,882,247	-0-	1,882,247
Unrestricted Investment Earnings					204,483	247	204,730
Loss on Sale of Capital Assets					428	-0-	428
Transfers					(216,025)	216,025	-0-
<b>Total General Revenues and Transfers</b>					<b>21,141,318</b>	<b>216,272</b>	<b>21,357,590</b>
<b>CHANGES in NET POSITION</b>					<b>(356,452)</b>	<b>20,018</b>	<b>(336,434)</b>
<b>NET POSITION</b>							
Beginning, as Restated (Note 16)					(6,291,945)	(428,737)	(6,720,682)
<b>Ending</b>					<b>\$ (6,648,397)</b>	<b>\$ (408,719)</b>	<b>\$ (7,057,116)</b>

See notes to financial statements.

**Camp Hill School District**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
June 30, 2021

	Major Funds			Non-Major Fund	Total
		Bond	Capital Reserve	Special Revenue	Governmental
	General Fund	Construction Fund	Fund	Fund	Funds
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 8,763,779	\$ -0-	\$ 4,093,096	\$ 50,647	\$ 12,907,522
Restricted Cash and Cash Equivalents	86,497	-0-	-0-	-0-	86,497
Investments	1,019,696	9	390,510	14,584	1,424,799
Taxes Receivable, net	805,343	-0-	-0-	-0-	805,343
Due from Other Funds	7,503	-0-	-0-	-0-	7,503
Intergovernmental Receivables	1,573,609	-0-	-0-	-0-	1,573,609
Other Receivables	65,872	-0-	-0-	-0-	65,872
Risk-Sharing Pool Deposit	2,033,193	-0-	-0-	-0-	2,033,193
<b>TOTAL ASSETS</b>	<b>14,355,492</b>	<b>9</b>	<b>4,483,606</b>	<b>65,231</b>	<b>18,904,338</b>
<b>LIABILITIES and DEFERRED INFLOWS of RESOURCES and FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts Payable	335,654	-0-	943,714	-0-	1,279,368
Due to Student Groups	36,557	-0-	-0-	-0-	36,557
Accrued Salaries and Benefits	1,668,419	-0-	-0-	-0-	1,668,419
Payroll Deductions and Withholdings	1,195,067	-0-	-0-	-0-	1,195,067
Unearned Revenues	36,424	-0-	-0-	-0-	36,424
<b>TOTAL LIABILITIES</b>	<b>3,272,121</b>	<b>-0-</b>	<b>943,714</b>	<b>-0-</b>	<b>4,215,835</b>
<b>DEFERRED INFLOWS of RESOURCES</b>					
Unavailable Tax Revenue	124,814	-0-	-0-	-0-	124,814
<b>FUND BALANCES</b>					
Nonspendable	2,033,193	-0-	-0-	-0-	2,033,193
Restricted	86,497	9	-0-	65,231	151,737
Committed	2,035,321	-0-	3,539,892	-0-	5,575,213
Assigned	4,746,343	-0-	-0-	-0-	4,746,343
Unassigned	2,057,203	-0-	-0-	-0-	2,057,203
<b>TOTAL FUND BALANCES</b>	<b>10,958,557</b>	<b>9</b>	<b>3,539,892</b>	<b>65,231</b>	<b>14,563,689</b>
<b>TOTAL LIABILITIES and DEFERRED INFLOWS of RESOURCES and FUND BALANCES</b>					
<b>FUND BALANCES</b>	<b>\$ 14,355,492</b>	<b>\$ 9</b>	<b>\$ 4,483,606</b>	<b>\$ 65,231</b>	<b>\$ 18,904,338</b>

See notes to financial statements.

**Camp Hill School District**  
RECONCILIATION of the GOVERNMENTAL FUNDS BALANCE SHEET  
to the STATEMENT of NET POSITION  
June 30, 2021

Total fund balances - governmental funds \$ 14,563,689

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in governmental funds. The cost of assets is \$67,002,293 and the accumulated depreciation is \$21,214,032. 45,788,261

Property taxes receivable are available for collection this year, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds. 124,814

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

Bonds and Notes Payable, Net of Unamortized Bond Premium and Discount	(34,090,994)
Net Pension Liability	(35,515,000)
Accrued Interest on Long-Term Debt	(111,792)
Net Other Postemployment Benefits (OPEB) Liability	(2,681,000)
Compensated Absences	(270,788)

Deferred outflows of resources - pension, OPEB and loss on bond refunding are not due and payable in the current period and, therefore, are not reported in the funds. 6,456,413

Deferred inflows of resources - gain on bond refunding, pension and OPEB are not due and collectable in the current period and, therefore, are not reported in the funds. (912,000)

**TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES \$ (6,648,397)**

See notes to financial statements.

# Camp Hill School District

## STATEMENT of REVENUES, EXPENDITURES, and CHANGES in FUND BALANCES -

### GOVERNMENTAL FUNDS

Year Ended June 30, 2021

	Major Funds			Non-Major Fund	Total Governmental Funds
	General Fund	Bond Construction Fund	Capital Reserve Fund	Special Revenue Fund	
<b>REVENUES</b>					
Local Sources:					
Real Estate Taxes	\$ 14,574,134	\$ -0-	\$ -0-	\$ -0-	\$ 14,574,134
Other Taxes	4,702,021	-0-	-0-	-0-	4,702,021
Investment Earnings	139,288	10,635	53,934	626	204,483
Other Revenue	753,323	-0-	-0-	2,730	756,053
Total Local Sources	20,168,766	10,635	53,934	3,356	20,236,691
State Sources	4,893,451	-0-	-0-	-0-	4,893,451
Federal Sources	465,832	-0-	-0-	-0-	465,832
<b>Total Revenues</b>	<b>25,528,049</b>	<b>10,635</b>	<b>53,934</b>	<b>3,356</b>	<b>25,595,974</b>
<b>EXPENDITURES</b>					
Instructional Services	14,523,404	-0-	-0-	-0-	14,523,404
Support Services	6,579,554	113,502	266,150	-0-	6,959,206
Noninstructional Services	751,174	-0-	-0-	6,062	757,236
Capital Outlay	-0-	8,764,239	1,136,666	-0-	9,900,905
Debt Service	2,047,483	-0-	-0-	-0-	2,047,483
<b>Total Expenditures</b>	<b>23,901,615</b>	<b>8,877,741</b>	<b>1,402,816</b>	<b>6,062</b>	<b>34,188,234</b>
<b>EXCESS (DEFICIENCY) of REVENUES over EXPENDITURES</b>	<b>1,626,434</b>	<b>(8,867,106)</b>	<b>(1,348,882)</b>	<b>(2,706)</b>	<b>(8,592,260)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from Refunding Notes	4,540,000	-0-	-0-	-0-	4,540,000
Payment to Escrow Agent for Refunded Bonds	(4,490,317)	-0-	-0-	-0-	(4,490,317)
Interfund Transfers In (Out)	(291,025)	-0-	75,000	-0-	(216,025)
Other Sources	3,500	-0-	-0-	-0-	3,500
Proceeds from Sale of Fixed Assets	5,932	-0-	-0-	-0-	5,932
<b>Net Other Financing Sources (Uses)</b>	<b>(231,910)</b>	<b>-0-</b>	<b>75,000</b>	<b>-0-</b>	<b>(156,910)</b>
<b>NET CHANGES in FUND BALANCES</b>	<b>1,394,524</b>	<b>(8,867,106)</b>	<b>(1,273,882)</b>	<b>(2,706)</b>	<b>(8,749,170)</b>
<b>FUND BALANCES</b>					
Beginning, as Restated (Note 16)	9,564,033	8,867,115	4,813,774	67,937	23,312,859
<b>Ending</b>	<b>\$ 10,958,557</b>	<b>\$ 9</b>	<b>\$ 3,539,892</b>	<b>\$ 65,231</b>	<b>\$ 14,563,689</b>

See notes to financial statements.



## Camp Hill School District

### RECONCILIATION of the GOVERNMENTAL FUNDS STATEMENT of REVENUES, EXPENDITURES, and CHANGES in FUND BALANCES to the STATEMENT of ACTIVITIES Year Ended June 30, 2021

Net changes in fund balances - total governmental funds \$ (8,749,170)

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. The amount by which capital outlays exceeds depreciation in the period is as follows:

Remaining Basis of Capital Assets Disposed	(5,504)	
Depreciation Expense	(1,314,584)	
Capital Outlays	<u>9,439,006</u>	8,118,918

Because some property taxes and subsidies receivable will not be collected for several months after the School District's fiscal year ends, they are not considered available revenues in the governmental funds. Deferred tax revenues decreased by this amount this year. (5,970)

The issuance of long-term obligations (e.g., bonds, leases, loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term obligations consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, gains and losses due to refunding and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term obligations, net impact of bond refinancing and related items. 14,141

Repayment of bond and lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 1,080,000

In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds, an interest expenditure is reported when due. \$ (25,178)

See notes to financial statements.

## Camp Hill School District

RECONCILIATION of the GOVERNMENTAL FUNDS STATEMENT of REVENUES,  
EXPENDITURES, and CHANGES in FUND BALANCES  
to the STATEMENT of ACTIVITIES  
(Continued)  
Year Ended June 30, 2021

In the statement of activities, certain operating expenses (e.g., compensated absences) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used. This amount represents the difference between the amount earned versus the amount used.

\$ 91,807

In the statement of activities, deferred inflows of resources - pension, deferred outflows of resources - OPEB, and OPEB expense are recognized in conjunction with net OPEB liability. Whereas in the governmental funds, OPEB expense is recorded when required contributions are payable. This amount represents the current OPEB obligation expense over amounts payable.

(87,000)

In the statement of activities, deferred inflows of resources - pension, deferred outflows of resources - pension, and pension expense are recognized in conjunction with net pension liability. Whereas in the governmental funds, pension expense is recorded when required contributions are payable. This amount represents the current pension obligation expense over amounts payable.

(794,000)

**CHANGES in NET POSITION of GOVERNMENTAL ACTIVITIES**

**\$ (356,452)**

**Camp Hill School District**  
**STATEMENT of NET POSITION - PROPRIETARY FUNDS**  
June 30, 2021

	<u>Major Enterprise Fund</u> Food Service Fund
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash and Cash Equivalents	\$ 17,315
Investments	85,119
Receivables from Other Governments	29,289
Inventories	<u>9,719</u>
<b>Total Current Assets</b>	<b>141,442</b>
<b>Noncurrent Assets</b>	
Machinery and Equipment, net of Accumulated Depreciation	<u>4,767</u>
<b>TOTAL ASSETS</b>	<b><u>146,209</u></b>
<b>DEFERRED OUTFLOWS of RESOURCES</b>	
Pension	98,000
Other Postemployment Benefits	<u>4,000</u>
<b>TOTAL DEFERRED OUTFLOWS of RESOURCES</b>	<b><u>102,000</u></b>
<b>LIABILITIES</b>	
<b>Current Liabilities</b>	
Accounts Payable	25
Due to Other Funds	4,754
Unearned Revenues	<u>20,149</u>
<b>Total Current Liabilities</b>	<b>24,928</b>
<b>Noncurrent Liabilities</b>	
Net Pension Liability	577,000
Net Other Postemployment Benefits (OPEB) Liability	<u>40,000</u>
<b>Total Noncurrent Liabilities</b>	<b><u>617,000</u></b>
<b>TOTAL LIABILITIES</b>	<b><u>641,928</u></b>
<b>DEFERRED INFLOWS of RESOURCES</b>	
Pension	14,000
Other Postemployment Benefits	<u>1,000</u>
<b>TOTAL DEFERRED INFLOWS of RESOURCES</b>	<b><u>15,000</u></b>
<b>NET POSITION</b>	
Net Investment in Capital Assets	4,767
Unrestricted (Deficit)	<u>(413,486)</u>
<b>TOTAL NET POSITION</b>	<b><u>\$ (408,719)</u></b>

See notes to financial statements.

# Camp Hill School District

## STATEMENT of REVENUES, EXPENSES, and CHANGES in FUND NET POSITION - PROPRIETARY FUNDS Year Ended June 30, 2021

	Major Enterprise Fund	Food Service Fund
<b>OPERATING REVENUES</b>		
Food Service Revenue	\$	12,896
<b>OPERATING EXPENSES</b>		
Salaries		137,654
Employee Benefits		136,626
Purchased Property Services		3,896
Other Purchased Services		555
Food and Milk		83,077
Supplies		3,123
Depreciation		906
<b>Total Operating Expenses</b>		<b>365,837</b>
<b>OPERATING LOSS</b>		<b>(352,941)</b>
<b>NONOPERATING REVENUES</b>		
Investment Earnings		247
State Sources - Social Security and Retirement Subsidies		29,571
State Sources - Meal Subsidies		2,642
Federal Sources - Meal Subsidies		90,712
Federal Sources - Donated Commodities		33,762
<b>Net Nonoperating Revenues</b>		<b>156,934</b>
<b>CHANGES in NET POSITION BEFORE TRANSFERS</b>		<b>(196,007)</b>
<b>TRANSFERS from OTHER FUNDS</b>		<b>216,025</b>
<b>CHANGES in NET POSITION</b>		<b>20,018</b>
<b>NET POSITION</b>		
Beginning		(428,737)
<b>Ending</b>	<b>\$</b>	<b>(408,719)</b>

See notes to financial statements.

# Camp Hill School District

## STATEMENT of CASH FLOWS -

### PROPRIETARY FUNDS

Year Ended June 30, 2021

	<b>Major</b>
	<b>Enterprise Fund</b>
	<b>Food Service Fund</b>
<b>CASH FLOWS from OPERATING ACTIVITIES</b>	
Cash Received from Users	\$ 11,685
Cash Payments to Employees for Services	(265,384)
Cash Payments to Suppliers for Goods and Services	<u>(53,618)</u>
<b>Net Cash Used by Operating Activities</b>	<b>(307,317)</b>
<b>CASH FLOWS from NONCAPITAL FINANCING ACTIVITIES</b>	
State Sources	31,417
Federal Sources	62,222
Transfer from General Fund	<u>216,025</u>
<b>Net Cash Provided by Noncapital Financing Activities</b>	<b>309,664</b>
<b>CASH FLOWS from INVESTING ACTIVITIES</b>	
Investment Earnings	247
Purchase of Investments	<u>(22,095)</u>
<b>Net Cash Used by Investing Activities</b>	<b><u>(21,848)</u></b>
<b>DECREASE in CASH and CASH EQUIVALENTS</b>	<b>(19,501)</b>
<b>CASH and CASH EQUIVALENTS</b>	
Beginning	<u>36,816</u>
<b>Ending</b>	<b><u>\$ 17,315</u></b>

See notes to financial statements.

**Camp Hill School District**

STATEMENT of CASH FLOWS -

PROPRIETARY FUNDS

(Continued)

Year Ended June 30, 2021

	<b>Major</b>
	<b><u>Enterprise Fund</u></b>
	<b>Food Service Fund</b>

**RECONCILIATION of OPERATING LOSS to NET CASH  
PROVIDED (USED) by OPERATING ACTIVITIES**

Operating Loss	\$ (352,941)
----------------	--------------

**ADJUSTMENTS to RECONCILE OPERATING LOSS to NET CASH  
PROVIDED (USED) by OPERATING ACTIVITIES**

Depreciation	906
Donated Commodities Used	33,762
Pension-Related Changes Other than Periodic Pension Costs	12,000
Increase in Inventory	(1,264)
Increase in Accounts Receivable	(3)
Increase in Interfund Payables	4,754
Decrease in Accounts Payable	(219)
Decrease in Unearned Revenue	(1,208)
Decrease in Compensated Absences	<u>(3,104)</u>

<b>Total Adjustments</b>	<b><u>45,624</u></b>
--------------------------	----------------------

<b>Net Cash Used by Operating Activities</b>	<b><u><u>\$ (307,317)</u></u></b>
--	-----------------------------------

**SUPPLEMENTAL DISCLOSURE of CASH FLOW INFORMATION**

**NONCASH FINANCING ACTIVITIES**

Receipt of USDA Donated Commodities	33,762
-------------------------------------	--------

See notes to financial statements.

# **Camp Hill School District**

## **STATEMENT of NET POSITION -**

### **FIDUCIARY FUNDS**

June 30, 2021

#### **Custodial Fund**

#### **ASSETS**

Cash and Cash Equivalents

\$ 141,206

#### **LIABILITIES**

Due to Other Funds

2,749

#### **NET POSITION**

Restricted

\$ 138,457

See notes to financial statements.

**Camp Hill School District**  
STATEMENT of CHANGES in FIDUCIARY NET POSITION -  
FIDUCIARY FUNDS  
Year Ended June 30, 2021

	<b>Custodial Fund</b>
<b>ADDITIONS</b>	
Interest	\$ 1,572
Gifts and Contributions	50,521
Student Activity Revenues	<u>52,055</u>
<b>Total Additions</b>	<b>104,148</b>
<b>DEDUCTIONS</b>	
Supplies	52,101
Donations	20,004
Purchased Services	1,543
Dues and Fees	959
Scholarships and Awards	900
Professional Services	<u>100</u>
<b>Total Deductions</b>	<b><u>75,607</u></b>
<b>CHANGES in NET POSITION</b>	<b>28,541</b>
<b>NET POSITION</b>	
Beginning, as Restated (Note 16)	<u>109,916</u>
<b>Ending</b>	<b><u><u>\$ 138,457</u></u></b>

See notes to financial statements.



**Camp Hill School District**  
NOTES to FINANCIAL STATEMENTS

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

**Camp Hill School District** (the School District), located in Cumberland County, Pennsylvania, provides a full range of educational services appropriate to grade levels kindergarten through 12 to students living in Camp Hill Borough. These include regular, advanced academic, vocational education programs, and special education programs for gifted and handicapped children. The governing body of the School District is a board of nine school directors who are each elected for a four-year term. The daily operation and management of the School District is carried out by the administrative staff of the School District, headed by the Superintendent of Schools who is appointed by the Board of School Directors. The School District is comprised of two elementary schools, one middle school, and one high school, and serves approximately 1,088 students.

The accounting policies of **Camp Hill School District** conform with accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the authoritative standard-setting body for the establishment of governmental accounting and financial reporting principles. The more significant of these accounting policies are as follows:

**Reporting Entity**

Consistent with guidance contained in Statement No. 14 of the GASB, *The Financial Reporting Entity*, as amended, the criteria used by the School District to evaluate the possible inclusion of related entities (authorities, boards, councils, and so forth) within its reporting entity are financial accountability and the nature and significance of the relationship. In determining financial accountability in a given case, the School District reviews the applicability of the following criteria:

The School District is financially accountable for:

1. Organizations that make up its legal entity.
2. Legally separate organizations if the School District officials appoint a voting majority of the organization's governing body and the School District is able to impose its will on the organization or if there is a potential for the organization to provide specific financial benefits to, or impose specific burdens on, the School District as defined below.

**Impose its Will** - If the School District can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization.

**Financial Benefit or Burden** - If the School District (1) is entitled to the organization's resources or (2) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide support to, the organization or (3) is obligated in some manner for the debt of the organization.

3. Organizations which are fiscally dependent on the School District, and have a financial benefit or burden, as defined above. Fiscal dependency is established if the organization is unable to adopt its own budget, levy taxes or set rates or charges, or issue bonded debt without the approval of the School District.

Based on the foregoing criteria, no additional entities are included in the accompanying general purpose financial statements.

**Camp Hill School District**  
NOTES to FINANCIAL STATEMENTS  
(Continued)

**NOTE 1 - SUMMARY of SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Joint Ventures**

The School District is a participant in five joint venture organizations, each of which is a separate legal entity that offers services to the School District and its residents. Each of these entities serves several School Districts and/or municipalities and therefore are not included in this reporting entity. These entities do not have taxing power, but are required to adopt an annual budget, which is funded primarily by its member School Districts or others that use its services. Complete financial statements for these entities can be obtained from the respective entity's administrative office.

**South-Central Trust**

The School District participates with five other Cumberland and Perry County School Districts in the claims servicing pool of the South-Central Trust. The School District appoints one Trustee to the Board of Trustees. The South-Central Trust provides claims administration services, purchases excess loss insurance, and offers other employee benefit related services to the School District. In addition, there is a level of cross-sharing of risk between the trust members that participate in the claims servicing pool.

**Cumberland County Tax Bureau** provides earned income tax collection services. The amount paid for these services for the year ended June 30, 2021, was approximately \$81,400.

**Capital Area Intermediate Unit** provides special education services and programs. The amount paid for these services for the year ended June 30, 2021, was approximately \$530,300.

**Cumberland Perry Area Vocational Technical School** provides vocational and technical education services and programs. The amount paid for these services for the year ended June 30, 2021, was approximately \$66,500.

**Harrisburg Area Community College** provides community college education services and programs. The amount paid for these services for the year ended June 30, 2021, was approximately \$71,000.

**Basis of Presentation - Fund Accounting**

The accounts of the School District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts comprising each fund's assets, liabilities, deferred outflows and inflows of resources, fund equity, revenues, and expenditures/expenses. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent.

**Basis of Presentation - Financial Statements**

**Government-Wide Financial Statements**

The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Internal service fund activity is eliminated to avoid "doubling up" revenues and expenses. The statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities.

**Camp Hill School District**  
NOTES to FINANCIAL STATEMENTS  
(Continued)

**NOTE 1 - SUMMARY of SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Basis of Presentation - Financial Statements (Continued)**

**Government-Wide Financial Statements (Continued)**

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

**Fund Financial Statements**

Fund financial statements are provided for governmental, proprietary, and fiduciary funds. Major individual governmental and enterprise funds are reported in separate columns with composite columns for nonmajor funds. Internal service funds are combined, and the totals are presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by fund type.

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

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

Fiduciary funds are reported using the economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net position.

**Camp Hill School District**  
NOTES to FINANCIAL STATEMENTS  
(Continued)

**NOTE 1 - SUMMARY of SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Basis of Presentation - Financial Statements (Continued)**

**Fund Financial Statements (Continued)**

The School District reports the following major governmental funds:

**General Fund** - The general fund is the principal operating fund of the School District. It is used to account for all financial resources except those accounted for in another fund.

**Bond Construction Fund** - The bond construction fund, a capital projects fund-type, is used to account for financial resources that are restricted to expenditures for specific capital outlays, including the acquisition, construction, or renovation of capital facilities.

**Capital Reserve Fund** - The capital reserve fund, a capital projects fund-type, is used to account for financial resources that are committed or assigned to expenditures for capital outlay, including the acquisition or construction of capital facilities and other capital assets.

The School District reports the following major proprietary fund:

**Food Service Fund** - This fund accounts for the revenues, food purchases, and other costs and expenses of providing meals to students during the school year.

The School District accounts for assets held by the School District in a custodial capacity in a special revenue fund due to administrative involvement. This fund accounts for the receipts and disbursement of monies contributed to the School District for scholarships.

The custodial fund is used to account for assets held by the School District as an agent for others. Custodial funds are custodial in nature and have no administrative involvement. This fund includes the student activities fund.

**Basis of Accounting**

Basis of accounting represents the methodology utilized in the recognition of revenues and expenditures or expenses reported in the financial statements. The accounting and reporting treatment applied to a fund is determined by its measurement focus.

Government-wide, proprietary, and fiduciary fund financial statements measure and report all assets, liabilities, deferred outflows and inflows of resources, revenues, expenses, gains, and losses using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The modified accrual basis of accounting is followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available.

**Camp Hill School District**  
NOTES to FINANCIAL STATEMENTS  
(Continued)

**NOTE 1 - SUMMARY of SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Basis of Accounting (Continued)**

The term “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which for the School District is considered to be 60 days after fiscal year end. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except debt service, other postemployment benefits, pensions, and compensated absence payments which are recognized when due.

Under the modified accrual basis, the following revenue sources are considered susceptible to accrual at year end: property taxes, tuition, grants and entitlements, student fees, and interest on investments. Current property taxes measurable at June 30, 2021, which are not intended to finance fiscal 2021 operations, have been recorded as deferred inflows of resources. Delinquent property taxes measurable and available (received within 60 days) are recognized as revenue at year end.

The accrual basis of accounting is utilized for reporting purposes by the government-wide financial statements, proprietary funds, and the fiduciary funds. Revenues are recognized when they are earned, and expenses are recognized when incurred.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Derived tax revenues (earned income taxes) are recognized when received, as the amounts are not reasonably estimable prior to receipt.

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the fund’s principal ongoing operations. The principal operating revenues of the School District’s food service fund are charges to students and staff for food. Operating expenses include the costs to provide food. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When amounts are available in multiple fund balance classifications, it is the School District’s policy to use restricted funds first. The order of use of committed, assigned, and unassigned funds is determined based on needs to cover any deficits. In the case of a deficit, committed and assigned funds would be used before unassigned funds. If there is no deficit, the School District typically uses unassigned funds before committed or assigned funds.

**Camp Hill School District**  
NOTES to FINANCIAL STATEMENTS  
(Continued)

**NOTE 1 - SUMMARY of SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Cash and Cash Equivalents**

Cash and cash equivalents include amounts in demand and interest-bearing bank deposits and in money market accounts. They are carried at cost plus accrued interest, which approximates fair value.

**Investments**

The School District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Investments with remaining maturities at the time of purchase of one year or less are stated at amortized cost which approximates fair value. The securities of 2a7-like investment pools are valued at amortized cost, which approximates fair value of the pool.

**Taxes Receivable and Deferred Tax Revenues**

The portion of delinquent real estate taxes receivable that is expected to be received within 60 days of June 30 is recorded as revenue in the current year. The remaining amount of those and other taxes receivable is recorded as deferred inflows of resources. An allowance of \$27,259 as of June 30, 2021, has been recorded for taxes receivable that are not considered to be fully collectible (Note 4).

**Inventories**

On the government-wide financial statements, inventories are presented at the lower of cost or market on a first in/first-out (FIFO) basis and are expensed when used.

Inventories in the cafeteria fund represent the cost using the first-in/first-out (FIFO) method of food and supplies on hand at June 30, 2021, including the value of commodities donated by the federal government.

**Capital Assets and Depreciation**

The School District's property, plant, and equipment with useful lives of more than one year are stated at historical cost (or estimated historical cost) and comprehensively reported in the government-wide financial statements. Proprietary fund capital assets are also reported in their fund financial statements. Donated assets are stated at fair value on the date donated. The School District generally capitalizes assets with a cost of \$2,000 or more as purchase and construction outlays occur. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed of, the cost and applicable accumulated depreciation are removed from the respective accounts and the resulting gain or loss is recorded in operations. Estimated historical costs of capital assets were derived, when information supporting historical costs was not obtainable, by adjusting current replacement cost back to the estimated year of acquisition. Estimated useful lives, in years, for depreciable assets are generally as follows:

**Camp Hill School District**  
NOTES to FINANCIAL STATEMENTS  
(Continued)

**NOTE 1 - SUMMARY of SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Capital Assets and Depreciation (Continued)**

School Buildings	40 Years
Building Improvements	20 - 30 Years
Land Improvements	15 - 20 Years
Furniture	15 - 20 Years
Equipment	5 - 20 Years
Vehicles	8 Years
Computer Equipment	5 Years
Library Books	7 Years

**Long-Term Obligations**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. They are recategorized as gain on bond refinancing in the event that debt is refinanced. Amortization continues over the life of the new or refinanced debt, whichever is shorter.

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 while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Compensated Absences**

The School District accrues unused sick leave as a liability as the benefits are earned by the employees if it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive severance benefits and those the School District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employee's wage rates at year end, taking into consideration any limits specified in the School District's severance policy. For governmental funds, that portion of unpaid compensated absences that is expected to be paid using expendable, available resources is reported as an expenditure in the fund from which the individual earning the leave is paid, and a corresponding liability is reflected.

Payments for compensated absences are contributed into either a 403(b) plan as a non-elective employer contribution or other appropriate tax-sheltered account.

**Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration and project control in the general fund. As of June 30, 2021, the School District had no encumbrances.

**Camp Hill School District**  
NOTES to FINANCIAL STATEMENTS  
(Continued)

**NOTE 1 - SUMMARY of SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Pension Plan**

Substantially all full-time and qualifying part-time employees of the School District participate in a cost-sharing multiple-employer defined benefit and defined contribution 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. Investments are reported at fair value.

**Other Postemployment Benefits (OPEB)**

***Single-Employer Defined Benefit OPEB Plan***

The School District sponsors a single employer defined benefit OPEB plan. For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB plan and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, the plan recognizes benefit payments when due and payable in accordance with the benefit terms. The single-employer OPEB plan is unfunded.

***Cost-Sharing Multiple-Employer Defined Benefit Plan***

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

**Interfund Activity**

Exchange transactions between governmental funds are eliminated on the government-wide statements. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

**Fund Balance Classification**

Fund balance for the governmental funds can be classified into five different categories: nonspendable, restricted, committed, assigned, or unassigned.

Nonspendable fund balance includes amounts that are not in a spendable form or required to be maintained intact.



**Camp Hill School District**  
NOTES to FINANCIAL STATEMENTS  
(Continued)

**NOTE 1 - SUMMARY of SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Fund Balance Classification (Continued)**

Restricted fund balance includes amounts that can be spent only for specific purposes stipulated by external resource providers, constitutionally, or through enabling legislation. Restrictions may be changed only with the consent of the resource providers.

Committed fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the School Board. Commitments may be changed only by the government taking the same formal action that imposed the constraint originally.

Assigned fund balance comprises amounts intended to be used by the government for specific purposes. Intent can be expressed by the business manager.

In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

Unassigned fund balance is the residual classification for the general fund and includes all amounts not contained in other classifications. Unassigned amounts are available for any purpose.

The School District considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available.

The School District considers committed and assigned amounts to have been spent when an expenditure is incurred for purposes for which amounts in committed, assigned, and unassigned fund balance classifications could be used. In the case of a deficit, committed and assigned funds would be used before unassigned funds. If there is no deficit, the School District typically uses unassigned funds before committed or assigned funds.

**Estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Significant estimates used in preparation of these financial statements include the risk-sharing pool deposit, depreciation, compensated absences, pension related items, and other postemployment benefits. Actual results could differ from those estimates.

**Current Year Changes in Accounting Principles**

During the current year, the School District adopted GASB Statement No. 84, *Fiduciary Activities*. The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how these activities should be reported. Upon implementation of this standard, the Private Purpose Trust Fund was established as a special revenue fund and the former agency fund is now reported as a custodial fund. See Note 16 for prior period adjustments related to the adoption of this standard.

**Pending Changes in Accounting Principles**

In June 2017, GASB issued Statement No. 87, *Leases*. The primary objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases; enhancing the comparability of financial statements between governments; and also enhancing the relevance, reliability, and consistency of information about the leasing activities of governments. The provisions of this statement are effective for the School District's June 30, 2022 financial statements.

**Camp Hill School District**  
NOTES to FINANCIAL STATEMENTS  
(Continued)

**NOTE 1 - SUMMARY of SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Pending Changes in Accounting Principles (Continued)**

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this statement 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. The statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period incurred, and not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The provisions of this statement are effective for the School District's June 30, 2022 financial statements.

In March 2020, GASB issued Statement No. 94, *Public-Private Partnerships and Availability Payment Arrangements*. The objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs) in which a government compensates an operator of a nonfinancial asset for services for a period of time in an exchange transaction. The provisions of this statement are effective for the School District's June 30, 2023 financial statements.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. The primary objective of this statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset and corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments; and (4) requires note disclosures regarding a SBITA. The provisions of this statement are effective for the School District's June 30, 2023 financial statements.

In June 2020, the GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*. The primary objectives of this statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans. The provisions of this statement are effective for the School District's June 30, 2022 financial statements.

The effects of implementation of these standards have not yet been determined.

**Camp Hill School District**  
NOTES to FINANCIAL STATEMENTS  
(Continued)

**NOTE 2 - CASH and CASH EQUIVALENTS and INVESTMENTS**

Under Section 440.1 of the Public-School Code of 1949, as amended, the School District is permitted to invest its monies as follows:

Obligations of (a) the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, (b) the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth, or (c) any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision.

Certain other high-quality bank and corporate instruments.

Deposits in savings accounts or time deposits or share accounts of institutions insured by the Federal Deposit Insurance Corporation to the extent that such accounts are so insured and, for any amounts above the insured maximum, provided that approved collateral as provided by law is pledged by the depository.

The deposit and investment policy of the School District adheres to state statutes. There were no deposit or investment transactions during the year that were in violation of either the state statutes or the policy of the School District.

The School District has \$86,497 in restricted cash received from the Lion Foundation. These funds can only be used for costs and expenses related to the operation and maintenance of the Pollock Performing Arts Center.

**Cash and Cash Equivalents - Custodial Credit Risk**

Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District does not have a policy for custodial credit risk although the public-school code requires that all deposits of the School District, which are not insured, are collateralized by the depository institution. As of June 30, 2021, \$13,215,404 of the School District's bank balance of \$13,465,404 was exposed to custodial credit risk as:

Uninsured and Uncollateralized	-0-
Collateralized with Securities Held by the Pledging Financial Institution	-0-
Uninsured and Collateral Held by the Pledging Bank's Trust Department not in the School District's Name	<u>13,215,204</u>
	<b>13,215,204</b>

**Reconciliation of Cash and Cash Equivalents to the Financial Statement**

Uninsured Amount Above	13,215,404
Insured Amount	<u>250,000</u>
Bank Balance	13,465,404
Outstanding Checks	<u>(312,864)</u>
<b>Total Cash and Cash Equivalents Per Financial Statement</b>	<b>13,152,540</b>

**Camp Hill School District**  
NOTES to FINANCIAL STATEMENTS  
(Continued)

**NOTE 2 - CASH and CASH EQUIVALENTS and INVESTMENTS (Continued)**

**Investments**

Investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that GASB Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

At June 30, 2021, the School District holds the following investments recorded at cost or amortized cost:

PA INVEST Daily Pool	812,440
PLGIT - Class/PRIME	596,688
PSDLAF/MAX Series	86,206
Centric Bank - Certificates of Deposit	<u>14,584</u>
	<b>1,509,918</b>

The Pennsylvania School District Liquid Asset Fund (PSDLAF)/MAX Series balances are liquid. The PSDLAF/MAX Series is a 2a7-like pool. The amortized cost, which approximates fair value of the pool, is determined by the pool's share price. The School District has no regulatory oversight for the pool, which is governed by the Board of Trustees and is administered by PMA Financial Network, Inc. The pool is audited annually by PricewaterhouseCoopers, LLP an independently elected public official.

The Pennsylvania Local Government Investment Trust (PLGIT) is a 2a7-like pool with respect to the Class, ARM and PRIME investments. The amortized cost, which approximates fair value of the pool, is determined by the pool's share price. The School District has no regulatory oversight for the pool, which is governed by the Board of Trustees and is administered by PFM Asset Management, LLC. The pool is audited annually by Ernst & Young, LLP, an independently elected public official.

The PA INVEST Daily Pool is a 2a7-like pool. The amortized cost, which approximates fair value of the pool, is determined by the pool's share price. The School District has no regulatory oversight for the pool, which is governed by the Commonwealth of Pennsylvania Treasury Department's Chief Executive Officer with the assistance of the department's staff and contracted service providers based on principles of prudent investment and applicable Pennsylvania law. The pool is audited, as part of the audit of the Commonwealth of Pennsylvania, annually by CliftonLarsonAllen, LLP, an independently elected public official.

The School District reports its investment in certificates of deposit purchased through the Certificate of Deposit Account Registry Service (CDARS) at cost which approximates fair value. The CDs are subject to Securities Investor Protection Corporation (SIPC) coverage.

**Restrictions on Qualified Investment Pool Withdrawals**

The School District's investments in the PLGIT account are subject to a one-day holding period. The School District is limited to two withdrawals per calendar month from the PLGIT I - Class account. Investments in the PLGIT/PLUS account are subject to a 30-day holding period for each deposit, and to penalty for early withdrawal.

**Interest Rate Risk**

The School District has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Camp Hill School District**  
NOTES to FINANCIAL STATEMENTS  
(Continued)

**NOTE 2 - CASH and CASH EQUIVALENTS and INVESTMENTS (Continued)**

**Credit Risk**

The School District has no investment policy that would limit its investment choices to certain credit ratings. As of June 30, 2021, the School District investments were rated as:

<b>Investments</b>	<b>Standard &amp; Poor's</b>
PA School District Liquid Asset Fund - Max Series	AAAm
PA Treasury INVEST	AAAm
PLGIT (Class)	AAAm
Centric Bank - Certificates of Deposit	Unrated

**Concentration of Credit Risk**

The School District places no limit on the amount they may invest in any one issuer. At June 30, 2021, the School District does not have any concentration of credit risk in its investments.

**Custodial Credit Risk**

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. The School District has no investments which are subject to custodial credit risk at June 30, 2021.

**NOTE 3 - REAL ESTATE TAXES**

Based upon assessments provided by the County, the Camp Hill Borough tax collector bills, collects and remits property taxes to the School District. The School District tax rate for the year ended June 30, 2021, was 17.3467 mills as levied by the Board of School Directors. The schedule for real estate taxes levied for the fiscal year ended June 30, 2021, follows:

July 1	- Levy Date
July 1 - August 31	- 2% Discount Period
September 1 - October 31	- Face Payment Period
November 1 - December 31	- 10% Penalty Period
January 1	- Lien Date (Cumberland County Tax Claim Bureau)

**Camp Hill School District**  
NOTES to FINANCIAL STATEMENTS  
(Continued)

**NOTE 4 - TAXES RECEIVABLE and DEFERRED TAXES**

The School District, in accordance with accounting principles generally accepted in the United States of America, recognized the delinquent and unpaid taxes receivable. A portion of the receivable amount which was measurable and available within 60 days was recognized as revenue and the balance deferred in the fund financial statements. The balances at June 30, 2021, are as follows:

	<b>Taxes Receivable (Gross)</b>	<b>Allowance for Uncollectibles</b>	<b>Taxes Receivable (Net)</b>	<b>Deferred Taxes</b>
Real Estate Taxes	135,092	-0-	135,092	97,554
Personal Taxes	54,519	27,259	27,260	27,260
Earned Income Tax	<u>642,991</u>	<u>-0-</u>	<u>642,991</u>	<u>-0-</u>
	<b>832,602</b>	<b>27,259</b>	<b>805,343</b>	<b>124,814</b>

**NOTE 5 - INTERFUND ACCOUNTS**

Interfund transfers for the year ended June 30, 2021, are as follows:

Transfers from General Fund to Food Service Fund to Offset Operating Loss	216,025
Transfer from General Fund to Capital Reserve Fund for Future Capital Outlays	75,000

Individual fund receivable and payable balances at June 30, 2021, are as follows:

<b>Fund</b>	<b>Due from Other Funds</b>	<b>Due to Other Funds</b>
General Fund	7,503	-0-
Food Service Fund	-0-	4,754
Custodial Fund	<u>-0-</u>	<u>2,749</u>
	<b>7,503</b>	<b>7,503</b>

**NOTE 6 - DUE from/to OTHER GOVERNMENTS**

Amounts due from other governments represent receivables for revenues earned by the School District. At June 30, 2021, the following amounts are due from other governmental units:

<b>Due From</b>	<b>General Fund</b>
Federal Grants	61,852
State Grants and Subsidies	981,875
Local Grants	<u>529,882</u>
	<b>1,573,609</b>

**Camp Hill School District**  
NOTES to FINANCIAL STATEMENTS  
(Continued)

**NOTE 7 - CHANGES in CAPITAL ASSETS**

Capital asset activity for governmental activities for the year ended June 30, 2021, is as follows:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
Historical Cost:				
Capital Assets not Being Depreciated:				
Land	997,842	-0-	-0-	997,842
Construction in Progress	<u>12,138,464</u>	<u>8,858,080</u>	<u>-0-</u>	<u>20,996,544</u>
<b>Total Cost</b>	<b>13,136,306</b>	<b>8,858,080</b>	<b>-0-</b>	<b>21,994,386</b>
Capital Assets Being Depreciated:				
Land Improvements	4,150,988	-0-	-0-	4,150,988
Building and Building Improvements	34,263,890	-0-	-0-	34,263,890
Furniture and Equipment	2,510,409	74,860	50,383	2,534,886
Library Books	868,652	-0-	-0-	868,652
Technology Equipment	<u>2,751,011</u>	<u>506,066</u>	<u>67,586</u>	<u>3,189,491</u>
<b>Total Cost</b>	<b>44,544,950</b>	<b>580,926</b>	<b>117,969</b>	<b>45,007,907</b>
Accumulated Depreciation:				
Land Improvements	2,059,321	204,189	-0-	2,263,510
Building and Building Improvements	13,436,086	816,982	-0-	14,253,068
Furniture and Equipment	1,659,323	77,745	48,258	1,688,810
Library Books	778,191	-0-	-0-	778,191
Technology Equipment	<u>2,078,992</u>	<u>215,668</u>	<u>64,207</u>	<u>2,230,453</u>
<b>Total Accumulated Depreciation</b>	<b><u>20,011,913</u></b>	<b><u>1,314,584</u></b>	<b><u>112,465</u></b>	<b><u>21,214,032</u></b>
<b>Net Capital Assets Being Depreciated</b>	<b><u>24,533,037</u></b>	<b><u>(733,658)</u></b>	<b><u>5,504</u></b>	<b><u>23,793,875</u></b>
<b>Net Capital Assets</b>	<b>37,669,343</b>	<b>8,124,422</b>	<b>5,504</b>	<b>45,788,261</b>

**Camp Hill School District**  
NOTES to FINANCIAL STATEMENTS  
(Continued)

**NOTE 7 - CHANGES in CAPITAL ASSETS (Continued)**

Capital asset activity for business-type activities for the year ended June 30, 2021, was as follows:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
Historical Cost:				
Capital Assets Being Depreciated:				
Equipment	160,005	-0-	-0-	160,005
Accumulated Depreciation:				
Equipment	<u>154,332</u>	<u>906</u>	<u>-0-</u>	<u>155,238</u>
<b>Net Capital Assets</b>	<b>5,673</b>	<b>(906)</b>	<b>-0-</b>	<b>4,767</b>

Depreciation expenses were charged to governmental functions as follows:

Instruction	956,350
Instructional Student Support	128,520
Administration and Financial Support Services	104,635
Operation and Maintenance of Plant Services	80,532
Student Activities	44,236
Community Service	<u>311</u>
	<b>1,314,584</b>

**NOTE 8 - ACCRUED SALARIES and BENEFITS**

At June 30, 2021, the School District was liable for \$1,023,586 of payroll, which is payable during July and August 2021, to those employees who have a ten-month contract but are paid over a twelve-month period, to non-salaried employees who performed services through June 30, 2021, and to retiring professional employees who are receiving a payout of their accumulated compensated absences and bonuses. The School District accrues benefits on payroll paid prior to or accrued as of June 30, 2021, as per the School District policy.

Accrued salaries and benefits as of June 30, 2021, are as follows:

Accrued Salaries	1,023,586
Accrued Benefits:	
Retirement	1,405,432
Social Security	75,067
Other	<u>359,401</u>
	<b>1,839,900</b>



**Camp Hill School District**  
NOTES to FINANCIAL STATEMENTS  
(Continued)

**NOTE 9 - UNEARNED REVENUES**

Unearned revenues consist of the following as of June 30, 2021:

	General Fund	Enterprise Fund	Total
Miscellaneous School Funds	36,424	-0-	36,424
Prepaid Student Lunches	<u>-0-</u>	<u>20,149</u>	<u>20,149</u>
	<b>36,424</b>	<b>20,149</b>	<b>56,573</b>

**NOTE 10 - LONG-TERM DEBT**

**General Obligation Debt**

The School District issues general obligation bonds to provide funds for major capital improvements. These bonds are direct obligations and pledge the full faith and credit of the School District. Currently, the School District has general obligation debt with interest rates and outstanding principal amounts at June 30, 2021, as follows:

Issue	Final Maturity Date	Interest Rates	Principal Amount Outstanding at June 30, 2021	Balance Due Within One Year
Series of 2019 Bonds	November 2041	2.00% - 4.00%	9,615,000	5,000
Series of 2020 Bonds	November 2031	2.00% - 5.00%	9,620,000	70,000
Series A of 2020 Bonds	November 2041	1.05% - 5.00%	9,185,000	80,000
Series of 2021 Note	November 2026	0.83%	<u>4,495,000</u>	<u>1,034,000</u>
			<b>32,915,000</b>	<b>1,189,000</b>

Long-term obligation activity can be summarized as follows:

	Balance June 30, 2020	Additions	Reductions	Balance June 30, 2021
<b>Governmental Activities</b>				
General Obligation Bonds	33,905,000	-0-	5,485,000	28,420,000
Note from Direct Borrowings and Direct Placements	-0-	4,540,000	45,000	4,495,000
Bond Premium	1,287,030	-0-	107,833	1,179,197
Bond Discount	(3,759)	-0-	(556)	(3,203)
Estimated Liability for Compensated Absences	<u>362,595</u>	<u>36,710</u>	<u>128,517</u>	<u>270,788</u>
<b>Total Governmental Activities</b>	<b>35,550,866</b>	<b>4,576,710</b>	<b>5,765,794</b>	<b>34,361,782</b>
<b>Business-Type Activities</b>				
Estimated Liability for Compensated Absences	<u>3,104</u>	<u>-0-</u>	<u>3,104</u>	<u>-0-</u>
<b>Total Government</b>	<b>35,553,970</b>	<b>4,576,710</b>	<b>5,768,898</b>	<b>34,361,782</b>

**Camp Hill School District**  
NOTES to FINANCIAL STATEMENTS  
(Continued)

**NOTE 10 - LONG-TERM DEBT (Continued)**

**General Obligation Debt (Continued)**

Annual debt service requirements to maturity for the above governmental bond obligations are as follows:

Year Ending June 30,	Bonds		Note from Direct Borrowing and Direct Placement	
	Principal	Interest	Principal	Interest
2022	155,000	853,225	1,034,000	33,017
2023	210,000	845,225	1,131,000	24,033
2024	215,000	836,775	1,141,000	14,604
2025	220,000	828,150	1,154,000	5,080
2026	1,345,000	798,100	35,000	145
2027-2031	7,420,000	3,482,213	-0-	-0-
2032-2036	7,790,000	2,571,800	-0-	-0-
2037-2041	9,055,000	1,176,175	-0-	-0-
2042	2,010,000	35,500	-0-	-0-
	<b>28,420,000</b>	<b>11,427,163</b>	<b>4,495,000</b>	<b>76,879</b>

The amount of interest cost incurred was \$925,337 for the year ended June 30, 2021, all of which was charged to expense.

During the year, the School District issued General Obligation Note, Series of 2021 to currently refund all of its outstanding General Obligation Bonds, Series of 2012 and to take advantage of favorable interest rates. The current refunding is expected to realize the School District a net savings of approximately \$78,400 over the life of the new debt.

**NOTE 11 - RISK MANAGEMENT**

**Health Insurance**

The School District is a member of South-Central Trust (Trust) Risk-Sharing Pool (RSP), a risk-sharing public entity risk pool, through which it provides for certain health and welfare benefits of its covered employees. The Trust was organized in 1995 to formulate and administer insurance programs, obtain lower costs for coverage, and develop loss control programs for member school districts. The Trust's RSP is governed by a board of trustees, to which the School District may appoint a maximum of four trustees. The School District's required deposits to the Trust are determined annually based 75% on the RSP's experience and 25% on the School District's experience. Contributions are payable to the Trust monthly. The Trust purchases stop loss insurance to mitigate catastrophic losses.

The Trust's RSP has a policy to maintain reserves equal to four to six months of expected expenses. Reserve surpluses are resolved by reducing contributions rates over a three-year period; reserve deficits are resolved by increasing contribution rates based on a method approved by the trustees.

Upon withdrawal from the Trust, the School District is entitled to its proportionate share of any surplus, or obligated for its proportionate share of any deficit, subject to vesting provision, based upon a formula in the RSP bylaws. The School District has accounted for its estimated proportionate share of the RSP surplus as a capitalization contribution of \$2,033,193 at June 30, 2021, and included the amount in its nonspendable fund balance. At June 30, 2021, the School District is not aware of any additional assessments from the Trust's RSP.

**Camp Hill School District**  
NOTES to FINANCIAL STATEMENTS  
(Continued)

**NOTE 11 - RISK MANAGEMENT (Continued)**

**Other Insurance**

The School 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. The School District maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the School District. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

**Other Risks**

The School District is exposed to various risks of loss related to theft of, damage to, and destruction of assets, errors and omissions, and natural disasters. The School District has purchased various insurance policies to safeguard its assets from risk of loss. During the year ended June 30, 2021, and the two previous fiscal years, no settlements exceeded insurance coverage.

**NOTE 12 - DEFINED BENEFIT PENSION PLAN**

**General Information about the Pension Plan**

**Plan Description**

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

**Benefits Provided**

PSERS provides retirement, disability, and death benefits. Members are eligible for monthly retirement benefits upon reaching (a) age 62 with at least 1 year of credited service; (b) age 60 with 30 or more years of credited service; or (c) 35 or more years of service regardless of age. Act 120 of 2010 (Act 120) preserves the benefits of existing members and introduced benefit reductions for individuals who become new members on or after July 1, 2011. Act 120 created two new membership classes, Membership Class T-E (Class T-E) and Membership Class T-F (Class T-F). To qualify for normal retirement, Class T-E and Class T-F members must work until age 65 with a minimum of 3 years of service or attain a total combination of age and service that is equal to or greater than 92 with a minimum of 35 years of service. 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.

**Camp Hill School District**  
NOTES to FINANCIAL STATEMENTS  
(Continued)

**NOTE 12 - DEFINED BENEFIT PENSION PLAN (Continued)**

**Benefits Provided (Continued)**

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

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

**Contributions**

The contribution policy is set by the Code and requires contributions by active members, participating employers, and the Commonwealth of Pennsylvania. Plan members may belong to four membership classes. Class T-C, Class T-D, Class T-E, and Class T-F are available to plan members.

**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 7.5% (base rate) of the member's qualifying compensation. All new hires after June 30, 2011, who elect Class T-F membership, contribute at 10.3% (base rate) of the member's qualifying compensation. Membership Class T-E and Class T-F are affected by a "shared risk" provision in Act 120 of 2010 that in future fiscal years could cause the Membership Class T-E contribution rate to fluctuate between 7.5% and 9.5% and Membership Class T-F contribution rate to fluctuate between 10.3% and 12.3%.

**Employer Contributions**

The School Districts' contractually required contribution rate for the fiscal year ended June 30, 2021 was 33.69% 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 School District were \$3,521,000 for the year ended June 30, 2021.

**Camp Hill School District**  
NOTES to FINANCIAL STATEMENTS  
(Continued)

**NOTE 12 - DEFINED BENEFIT PENSION PLAN (Continued)**

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

At June 30, 2021, the School District reported a liability of \$36,092,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by rolling forward PSERS's total pension liability as of June 30, 2019 to June 30, 2020. The School District's proportion of the net pension liability was calculated utilizing the employer's one-year reported contributions as it relates to the total one-year reported contributions. At June 30, 2021, the School District's proportion was .0733 percent, which was an increase of .0009 percent from its proportion measured as of June 30, 2020.

For the year ended June 30, 2021, the School District recognized pension expense of \$4,327,000. At June 30, 2021, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	94,000	865,000
Net Difference Between Projected and Actual Investment Earnings	1,582,000	-0-
Changes in Proportion	813,000	-0-
Difference Between Employer Contributions and Proportionate Share of Total Contributions	95,000	4,000
Contributions Subsequent to the Measurement Date	<u>3,521,000</u>	<u>-0-</u>
	<b>6,105,000</b>	<b>869,000</b>

An amount of \$3,521,000 reported as deferred outflows of resources related to pensions resulting from the School District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as an increase or (decrease) in pension expense as follows:

**Year Ended June 30:**

2022	383,000
2023	267,000
2024	599,000
2025	466,000

**Camp Hill School District**  
NOTES to FINANCIAL STATEMENTS  
(Continued)

**NOTE 12 - DEFINED BENEFIT PENSION PLAN (Continued)**

**Actuarial Assumptions**

The total pension liability as of June 30, 2020, was determined by rolling forward the system's total pension liability as of June 30, 2019 to June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method: Entry age normal, level percent of pay.

Investment Return: 7.25%, includes inflation at 2.75%.

Salary Growth: Effective average of 5.00%, comprised of inflation of 2.75% and 2.25% for real wage growth and for merit or seniority increases.

Mortality Rates: RP-2014 mortality tables for males and females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 mortality improvement scale.

There were no changes in assumptions used in measurement of the total pension liability beginning June 30, 2020. The actuarial assumptions used in the June 30, 2020, valuation were based on the results of an actuarial experience study that was performed for the five-year period ending June 30, 2015.

The 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.

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Global Public Equity	15.0%	5.2%
Private Equity	15.0%	7.2%
Fixed Income	36.0%	1.1%
Commodities	8.0%	1.8%
Absolute Return	10.0%	2.5%
Infrastructure/MLPs	6.0%	5.7%
Real Estate	10.0%	5.5%
Risk Parity	8.0%	3.3%
Cash	6.0%	(1.0%)
Financing (LIBOR)	(14.0%)	(0.7%)
	<b>100.0%</b>	

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, 2020.

**Camp Hill School District**  
NOTES to FINANCIAL STATEMENTS  
(Continued)

**NOTE 12 - DEFINED BENEFIT PENSION PLAN (Continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the net pension liability, calculated using the discount rate of 7.25%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate.

	<b>1% Decrease 6.25%</b>	<b>Current Discount Rate 7.25%</b>	<b>1% Increase 8.25%</b>
School District's Proportionate Share of the Net Pension Liability	44,654,000	36,092,000	28,839,000

**Pension Plan Fiduciary Net Position**

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

**Payable to the Pension Plan**

At June 30, 2021, the School District reported a payable of \$1,052,825 for the outstanding amount of employer contributions to PSERS required for the year ended June 30, 2021. These amounts relate to the second quarter of 2021 and are payable to PSERS within five business days of the School District receiving its related retirement subsidy from the Commonwealth of Pennsylvania.

**Pension Reform**

Pursuant to Commonwealth Act 2017-5, members hired on or after July 1, 2019, are required to choose one of three new retirement plan design options for retirement benefits. The current defined benefit plan will no longer be available to new members hired on or after July 1, 2019. The new plan design options include two hybrid plans consisting of defined benefit and defined contribution components. The third option is a stand-alone defined contribution plan.

Membership Class T-G, one of the hybrid options, contains a "shared risk" provision whereby Membership Class T-G member contribution rates into the defined benefit plan can fluctuate between 2.5% and 8.5% (5.5% currently). In addition, employees electing this class contribute 2.75% into the defined contribution plan. The School District is required to contribute 2.25% into the defined contribution plan. This is the default option.

**Camp Hill School District**  
NOTES to FINANCIAL STATEMENTS  
(Continued)

**NOTE 12 - DEFINED BENEFIT PENSION PLAN (Continued)**

**Pension Reform (Continued)**

Membership Class T-H, one of the hybrid options, contains a “shared risk” provision whereby Membership Class T-H member contribution rates into the defined benefit plan can fluctuate between 1.5% and 7.5% (4.5% currently). In addition, employees electing this class contribute 3.00% into the defined contribution plan. The School District is required to contribute 2.00% into the defined contribution plan.

Membership Class DC, the defined contribution option, requires that employees electing this class contribute 7.5% into the defined contribution plan and the School District will contribute 2.00%.

The School District will continue to contribute to the defined benefit portion of PSERS based on an actuarially determined contribution rate which will continue to be calculated as a percent of all compensation of PSERS eligible employees but now reduced by the amounts already remitted to the defined contribution plan portion.

The total School District contribution into the defined contribution plan portion of PSERS was approximately \$24,946 for the year ended June 30, 2021.

PSERS school employers will be charged interest at the assumed rate of return, currently 7.25%, for delinquent payments to PSERS rather than 6%.

**NOTE 13 - OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

**SINGLE-EMPLOYER DEFINED BENEFIT OPEB PLAN**

***General Information about the OPEB Plan***

**Plan Description**

The School District maintains a single employer defined benefit OPEB plan to provide postemployment health care benefits. The Board of School Directors is authorized to establish and amend the financing requirements and benefits, subject to collective bargaining for certain classes of employees. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The plan does not issue stand-alone financial statements.

**Benefits Provided**

Eligible retirees including teachers, administrators, and support staff, are permitted to continue health and prescription drug coverage for themselves and their dependents until the retiree attains the Medicare eligible age. The School District pays an annual contribution based upon the number of years of service and the employee must pay any remaining amount. If the period of School District contributions ends before the employee reaches Medicare eligibility age, the employee can continue coverage by paying the full premium until the employee reaches Medicare eligibility age.

If a member retired without meeting the School District subsidy years of service but is eligible for PSERS retirement, the employee and spouse may continue coverage by paying the full premium as determined for the purpose of COBRA.



**Camp Hill School District**  
NOTES to FINANCIAL STATEMENTS  
(Continued)

**NOTE 13 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)**

**SINGLE-EMPLOYER DEFINED BENEFIT OPEB PLAN (Continued)**

**Benefits Provided (Continued)**

If the member does not meet the requirements for the School District subsidy, but the requirements are met for PSERS retirement, the member and spouse may continue coverage by paying the full premium determined for the purpose of COBRA.

**Employees Covered by Benefit Terms**

At July 1, 2020, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	10
Inactive Employees Entitled to but not yet Receiving Benefits	0
Active Employees	<u>184</u>
	<b>194</b>

**Total OPEB Liability**

The School District's total OPEB liability of \$1,137,757 was measured as of July 1, 2020, and was determined by an actuarial valuation as of July 1, 2019.

**Actuarial Assumptions and Other Inputs**

The total OPEB liability at the July 1, 2020, measurement date was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate: 1.86%, Based on S&P municipal bond 20-year high grade rate index.  
Long Term Expected Rate of Return: N/A, the plan is unfunded.  
Actuarial Cost Method: Entry age normal, level percent of pay.  
Healthcare Cost Trend: 5.5% in 2019, 2020, and 2021. Rates gradually decrease from 5.4% in 2022 to 4.0% in 2075 and later based on the Society of Actuaries long-run medical cost trend model.  
Mortality Rates: RP-2014 mortality tables for males and females adjusted for mortality improvement using the Buck Modified 2016 projection scale.

**Changes in the Total OPEB Liability**

<b>Balance, July 1, 2020</b>	<b>956,000</b>
Changes for the Year:	
Service Cost	80,000
Interest	34,000
Change of Benefit Terms	-0-
Differences Between Expected and Actual Experience	-0-
Changes of Assumptions	120,000
Benefit Payments	<u>(53,000)</u>
<b>Net Changes</b>	<b><u>181,000</u></b>
<b>Balance, June 30, 2021</b>	<b>1,137,000</b>

**Camp Hill School District**  
NOTES to FINANCIAL STATEMENTS  
(Continued)

**NOTE 13 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)**

**SINGLE-EMPLOYER DEFINED BENEFIT OPEB PLAN (Continued)**

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

The following presents the total OPEB liability of the School District for the single-employer plan, as well as what the School District's total OPEB liability for the single-employer plan would be if it were calculated using a discount rate that is 1.0% lower or 1.0% higher than the current discount rate:

**Total OPEB Liability**

0.86% Discount Rate (1% Decrease)	1,219,000
1.86% Discount Rate (Current Rate)	1,137,000
2.86% Discount Rate (1% Increase)	1,060,000

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

The following presents the total OPEB liability of the School District's single-employer plan, as well as what the School District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1.0% lower or 1.0% higher than the current healthcare cost trend rates:

**Total OPEB Liability**

4.5% (1% Decrease)	1,000,000
5.5% (Current Rate)	1,137,000
6.5% (1% Increase)	1,302,000

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

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

**Health Insurance Premium Assistance Program**

The Pennsylvania Public School Employees' Retirement System (System) provides Premium Assistance, which is a governmental cost sharing, multiple-employer other postemployment benefit plan for all eligible retirees who qualify and elect to participate. Employer contribution rates for Premium Assistance are established to provide reserves in the Health Insurance Account that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Effective January 1, 2002 under the provisions of Act 9 of 2001, participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of \$100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS' Health Options Program (HOP). As of June 30, 2020, there were no assumed future benefit increases to participating eligible retirees.

**Premium Assistance Eligibility Criteria**

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

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

**Camp Hill School District**  
NOTES to FINANCIAL STATEMENTS  
(Continued)

**NOTE 13 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)**

**COST-SHARING MULTIPLE-EMPLOYER DEFINED BENEFIT OPEB PLAN (Continued)**

**Benefits Provided**

Participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of \$100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS' Health Options Program. As of June 30, 2020, there were no assumed future benefit increases to participating eligible retirees.

**Employer Contributions**

The School Districts' contractually required contribution rate for the fiscal year ended June 30, 2021, was 0.82% 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 School District were \$86,000 for the year ended June 30, 2021.

**OPEB Liabilities and OPEB Expense**

At June 30, 2021, the School District reported a liability of \$1,584,000 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by rolling forward the System's total OPEB liability as of June 30, 2019 to June 30, 2020. The School District's proportion of the net OPEB liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 31, 2020, the School District's proportion was 0.0733 percent, which was an increase of 0.0009 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the School District recognized OPEB expense of \$98,000 related to this plan.

**Actuarial Assumptions**

The total OPEB Liability as of June 30, 2020, was determined by rolling forward the System's Total OPEB Liability as of June 30, 2019 to June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method: Entry age normal, level percent of pay.

Investment Return: 2.79%, based on the 20-year S&P municipal bond rate.

Salary Growth: Effective average of 5.00%, comprised of inflation of 2.75% and 2.25% for real wage growth and for merit or seniority increases.

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

Assumed Healthcare Cost Trends: Applied to retirees with less than \$1,200 in Premium Assistance per year.

Mortality Rates: RP-2014 mortality tables for males and females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 mortality improvement scale.

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, 2019, valuation were based on the results of an actuarial experience study that was performed for the five-year period ending June 30, 2015.

**Camp Hill School District**  
NOTES to FINANCIAL STATEMENTS  
(Continued)

**NOTE 13 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)**

**COST-SHARING MULTIPLE-EMPLOYER DEFINED BENEFIT OPEB PLAN (Continued)**

**Actuarial Assumptions (Continued)**

The following assumptions were used to determine the contribution rate:

The results of the actuarial valuation as of June 30, 2018, determined the employer contribution rate for fiscal year 2020.

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 rates and retirement ages were based on the RP-2000 Combined Healthy Annuitant Tables with age set back three years for both males and females for healthy annuitants and for dependent beneficiaries. For disabled annuitants, the RP-2000 Combined Disabled Tables with age set back seven years for males and three years for females for disabled annuitants. (A unisex table based on the RP-2000 Combined Healthy Annuitant Tables with age set back three years for both genders assuming the population consists of 25% males and 75% females is used to determine actuarial equivalent benefits).

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

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

<b>OPEB - Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Cash	50.30%	(1.00%)
US Core Fixed Income	46.50%	(0.10%)
Non-US Developed Fixed	<u>3.20%</u>	(0.10%)
	<b>100.00%</b>	

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, 2020.

**Camp Hill School District**  
NOTES to FINANCIAL STATEMENTS  
(Continued)

**NOTE 13 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)**

**COST-SHARING MULTIPLE-EMPLOYER DEFINED BENEFIT OPEB PLAN (Continued)**

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

The following presents the School District's proportionate share of the net OPEB liability, as well as what the School District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1.0% lower or 1.0% higher than the current discount rate:

**Net OPEB Liability**

1.66% Discount Rate (1% Decrease)	1,806,000
2.66% Discount Rate (Current Rate)	1,584,000
3.66% Discount Rate (1% Increase)	1,400,000

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

Healthcare cost trends were applied to retirees receiving less than \$1,200 in annual Premium Assistance. As of June 30, 2020, retirees Premium Assistance benefits are not subject to future healthcare cost increases. The annual Premium Assistance reimbursement for qualifying retirees is capped as a maximum of \$1,200. As of June 30, 2020, 93,693 retirees were receiving the maximum amount allowed of \$1,200 per year. As of June 30, 2020, 688 members were receiving less than the maximum amount allowed of \$1,200 per year. The actual number of retirees receiving less than the \$1,200 per year cap is a small percentage of the total population and has minimal impact on the following healthcare cost trends.

The following presents the School District's proportionate share of the net OPEB liability, as well as what the School District's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1.0% lower or 1.0% higher than the current healthcare cost trend rates:

**Net OPEB Liability**

1% Decrease	1,584,000
Current Rate	1,584,000
1% Increase	1,584,000

**OPEB Plan Fiduciary Net Position**

Detailed information about the PSERS OPEB plan's fiduciary net position is available in the separately issued PSERS comprehensive annual financial report which is available on the System's website at [www.psers.pa.gov](http://www.psers.pa.gov).

**Camp Hill School District**  
NOTES to FINANCIAL STATEMENTS  
(Continued)

**NOTE 13 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)**

**AGGREGATE OPEB INFORMATION**

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

For the year ended June 30, 2021, the School District recognized OPEB expense of \$220,000. At June 30, 2021, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Contributions and Benefit Payments After the Measurement Date	135,000	-0-
Differences Between Expected and Actual Experience	48,000	-0-
Changes of Assumptions	195,000	58,000
Difference Between Projected and Actual Investment Earnings	3,000	-0-
Changes in Proportion	<u>62,000</u>	<u>-0-</u>
	<b>443,000</b>	<b>58,000</b>

An amount of \$135,000 reported as deferred outflows of resources related to OPEB resulting from the School District's benefit payments after the measurement date of the single-employer plan and contributions after the measurement date of the cost-sharing multiple-employer plan will be recognized as a reduction in the total or net OPEB liability, respectively, in the year ended June 30, 2022. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as an increase (decrease) in OPEB expense as follows:

<b>Year Ended June 30:</b>	
2022	34,300
2023	33,300
2024	33,300
2025	35,300
2026	27,300
Thereafter	86,500

**Camp Hill School District**  
NOTES to FINANCIAL STATEMENTS  
(Continued)

**NOTE 14 - FUND BALANCE CLASSIFICATIONS**

Nonspendable fund balance consists of amounts that cannot be spent, either because they are not in a spendable form or because they are legally or contractually required to be maintained intact. At June 30, 2021, the School District has included the following as nonspendable fund balances:

General Fund - Risk-Sharing Pool Deposit	2,033,193
--	-----------

Restricted fund balance represents fund balances that can only be used for specific purposes stipulated by external resource providers, constitutionally, or through enabling legislation. Restrictions may be changed only with the consent of the resource providers.

General Fund - Restricted for Lion Foundation	86,497
Special Revenue Fund - Restricted for Scholarships	65,231
Bond Construction Fund - Restricted for Construction Costs	9

Committed fund balances represent fund balances that can only be used for the specific purposes determined by a formal action of the government's highest level of decision-making authority. At June 30, 2021, the School District has included the following as committed fund balances:

General Fund - Committed to Offset Future Retirement Contributions	1,000,000
General Fund - Committed for Curriculum and Technology	1,000,000
General Fund - Committed for Band Uniforms	17,010
General Fund - Committed for Athletics	<u>18,311</u>
	<b>2,035,321</b>
 Capital Reserve Fund - Committed for Capital Projects	 <b>3,539,892</b>

Assigned fund balance comprises amounts intended to be used by the government for specific purposes determined by the governing body or by an official body to which the governing body delegates authority:

General Fund - Healthcare	800,000
General Fund - Instruction	500,000
General Fund - Maintenance, Infrastructure, and Construction	<u>3,446,343</u>
	<b>4,746,343</b>

**Camp Hill School District**  
NOTES to FINANCIAL STATEMENTS  
(Continued)

**NOTE 15 - CONTINGENCIES and COMMITMENTS**

**General**

On March 11, 2020, the World Health Organization declared the coronavirus (COVID-19) a pandemic. The School District has continued operations within rigid guidelines aimed at halting the spread of the virus. At this point, the future impact of COVID-19 on the School District's operations and financial condition cannot be estimated. The School District's management is monitoring the evolving situation and adapting operations and decision making, as necessary.

The School District is involved in various claims and legal actions arising in the ordinary course of business. The outcome of these matters cannot be determined at this time.

**Grant Programs**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the School District expects such amounts, if any, to be immaterial.

**Capital Projects**

The School District has entered into various contracts for building improvement projects. The amount remaining on the outstanding contracts is approximately \$2,682,942.

**Collective Bargaining Agreement**

The School District has entered into a collective bargaining agreement with the Camp Hill Education Association. The agreement in effect is for the period of July 1, 2020 through June 30, 2024. The agreement stipulates the overall working conditions as well as the provisions for wages and employee benefits for the School District's professional staff for the term of the contract.

**NOTE 16 - CHANGE in ACCOUNTING PRINCIPLE**

Effective for the year ending June 30, 2021, the School District adopted GASB Statement No. 84, *Fiduciary Activities*, as described in Note 1. As a result, the School District created a special revenue fund for scholarship monies that are not deemed fiduciary under the new standard. Additionally, the agency fund which accounted for student activities at June 30, 2020, is now classified as a custodial fund within the fiduciary fund financial statements. The implementation of GASB Statement No. 84 had the following effects on fund balances and net position:

	<b>Governmental Activities</b>	<b>Special Revenue Fund</b>	<b>Custodial Fund</b>
Fund Balance or Net Position, as Previously Reported on June 30, 2020	(6,359,882)	-0-	-0-
Prior Period Adjustment - GASB No. 84	<u>67,937</u>	<u>67,937</u>	<u>109,916</u>
<b>Fund Balance or Net Position, as Restated July 1, 2020</b>	<b>(6,291,945)</b>	<b>67,937</b>	<b>109,916</b>



# Camp Hill School District

## SCHEDULE of REVENUES, EXPENDITURES, and CHANGES in FUND BALANCES - BUDGET and ACTUAL - GENERAL FUND Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Budgetary</u>	<u>Variance with Final</u>
	<u>Original</u>	<u>Final</u>	<u>Basis</u>	<u>Budget - Favorable</u>
				<u>(Unfavorable)</u>
<b>REVENUES</b>				
Local Sources:				
Real Estate Taxes	\$ 14,087,030	\$ 14,087,030	\$ 14,574,134	\$ 487,104
Other Taxes	4,126,587	4,126,587	4,702,021	575,434
Investment Earnings	46,250	46,250	139,288	93,038
Other Revenue	755,356	755,356	753,323	(2,033)
Total Local Sources	19,015,223	19,015,223	20,168,766	1,153,543
State Sources	5,135,699	5,135,699	4,893,451	(242,248)
Federal Sources	393,418	393,418	465,832	72,414
<b>Total Revenues</b>	<b>24,544,340</b>	<b>24,544,340</b>	<b>25,528,049</b>	<b>983,709</b>
<b>EXPENDITURES</b>				
Instructional Services:				
Regular Programs	10,764,582	10,764,582	10,805,736	(41,154)
Special Programs	3,712,924	3,712,924	3,591,357	121,567
Vocational Programs	66,523	66,523	66,523	-0-
Other Instructional Programs	5,687	5,687	-0-	5,687
Other Nonpublic School Programs	-0-	-0-	460	(460)
Adult Programs	60,930	60,930	59,328	1,602
Support Services:				
Pupil Personnel Services	1,452,777	1,452,777	1,259,242	193,535
Instructional Staff Services	980,328	980,328	869,043	111,285
Administrative Services	1,774,287	1,774,287	1,701,727	72,560
Pupil Health	242,451	242,451	230,468	11,983
Business Services	410,149	410,149	392,877	17,272
Operation of Plant and Maintenance Services	2,126,244	2,126,244	1,929,071	197,173
Student Transportation Services	138,500	138,500	138,933	(433)
Central and Other Business Services	13,700	13,700	58,193	(44,493)
Noninstructional Services:				
Student Activities	882,040	882,040	725,060	156,980
Community Service	29,619	29,619	26,114	3,505
Debt Service:				
Principal	1,035,000	1,035,000	1,080,000	(45,000)
Interest and Other Charges	1,011,057	1,011,057	967,483	43,574
<b>Total Expenditures</b>	<b>24,706,798</b>	<b>24,706,798</b>	<b>23,901,615</b>	<b>805,183</b>
<b>EXCESS of REVENUES</b>				
<b>over EXPENDITURES</b>	<b>(162,458)</b>	<b>(162,458)</b>	<b>1,626,434</b>	<b>1,788,892</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Interfund Transfers Out	(241,000)	(241,000)	(291,025)	(50,025)
Payment to Bond Escrow Agent	-0-	-0-	(4,490,317)	(4,490,317)
Sale of Fixed Assets	-0-	-0-	5,932	5,932
Bond Proceeds	-0-	-0-	4,540,000	4,540,000
Other Sources	3,500	-0-	3,500	3,500
<b>Net Other Financing Sources Uses</b>	<b>(237,500)</b>	<b>(241,000)</b>	<b>(231,910)</b>	<b>9,090</b>
<b>NET CHANGES in FUND BALANCES</b>	<b>\$ (399,958)</b>	<b>\$ (403,458)</b>	<b>1,394,524</b>	<b>\$ 1,797,982</b>
<b>FUND BALANCES</b>				
Beginning			9,564,033	
Ending			<u><u>\$ 10,958,557</u></u>	

See independent auditors' report.

**Camp Hill School District**  
NOTES to REQUIRED SUPPLEMENTARY INFORMATION

**Camp Hill School District** follows the following procedures on establishing the budgetary data reflected in the supplementary information:

1. The Pennsylvania Department of Education (PDE) issues a schedule of actions for school districts for the development of the annual budget under Act 1. One deadline is the action to resolve to keep any tax increase in the real estate tax millage rate below the index announced by PDE. Prior to that deadline, management submits to the School Board, for consideration, a draft operating budget projection or other information to review, for the fiscal year commencing the following July 1. The School Board determines if it will approve a resolution to keep any tax increase below the index.
2. If the School Board adopts the resolution, prior to May 31, management submits to the School Board a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them for the general fund.
3. A public hearing is conducted to obtain taxpayer comments.
4. If the School Board does not adopt the resolution, management prepares and submits a proposed operating budget for the fiscal year commencing the following July 1 in accordance to the deadlines established by PDE under Act 1. These deadlines will vary with the setting of the spring municipal election date each year.
5. Prior to June 30, the budget is legally enacted through passage of a resolution.
6. Legal budgetary control is maintained by the School Board at the departmental level. Transfers between departments, whether between funds or within a fund, or revisions that alter the total revenues and expenditures of any fund, must be approved by the School Board. Budgetary information in the combined operating statements is presented at or below the legal level of budgetary control. It also includes the effects of approved budget amendments.
7. Budgetary data is included in the School District's management information system and is employed as a management control device during the year.
8. Unused appropriations lapse at the end of each fiscal year; however, the School District increases the subsequent year's appropriation by an amount equal to outstanding encumbrances and reserves a portion of the fund balance in a like amount. There were no outstanding encumbrances for the year ended June 30, 2021.
9. The budget for the general fund is adopted on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America.
10. Where applicable, unbudgeted federal and state revenue and expenditures have been added to the original budgeted revenue and expenditures.

See independent auditors' report.

**Camp Hill School District**  
SCHEDULE of CHANGES in NET OTHER POSTEMPLOYMENT BENEFITS (OPEB)  
LIABILITY and RELATED RATIOS -  
SINGLE-EMPLOYER DEFINED BENEFIT OPEB PLAN  
Last 10 Fiscal Years

	2021	2020	2019	2018
<b>Total OPEB Liability</b>				
Service Cost	\$ 80,000	\$ 82,000	\$ 75,000	\$ 71,000
Interest	34,000	28,000	26,000	19,000
Change of Benefit Terms	-0-	-0-	-0-	-0-
Differences Between Expected and Actual Experience	-0-	38,000	-0-	-0-
Changes of Assumptions	120,000	(26,000)	1,000	27,000
Benefit Payments	<u>(53,000)</u>	<u>(27,000)</u>	<u>(24,000)</u>	<u>(23,000)</u>
<b>Net Change in Total OPEB Liability</b>	<b>181,000</b>	<b>95,000</b>	<b>78,000</b>	<b>94,000</b>
Total OPEB Liability - Beginning	<u>956,000</u>	<u>861,000</u>	<u>783,000</u>	<u>689,000</u>
<b>Total OPEB Liability - Ending</b>	<b><u>\$ 1,137,000</u></b>	<b><u>\$ 956,000</u></b>	<b><u>\$ 861,000</u></b>	<b><u>\$ 783,000</u></b>
<b>Covered Payroll</b>	9,897,095	9,897,095	9,057,042	9,057,042
<b>Net OPEB Liability as a Percentage of Covered Payroll</b>	11.5%	9.7%	9.5%	8.6%

Note: Information is not available prior to 2018.

See independent auditors' report.

**Camp Hill School District**  
NOTES to REQUIRED SUPPLEMENTARY INFORMATION  
Last 10 Fiscal Years

**Funding**

No assets are accumulated in a trust that meet the criteria included in GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, to pay related benefits.

**Changes of Assumptions**

The measurement date is the first day of the School District's fiscal year.

Measurement period July 1, 2020:

Discount rate was decreased from 3.36% to 1.86%.

Measurement period July 1, 2019:

Discount rate was increased from 2.98% to 3.36%.

Measurement period July 1, 2018:

Discount rate was reduced from 3.13% to 2.98%.

The marriage assumption was lowered from 70% to 50%.

Measurement period July 1, 2017:

Discount rate was increased from 2.49% to 3.13%.

Assumptions for salary, mortality, withdrawal, and retirement were updated based on new PSERS assumptions.

See independent auditors' report.

**Camp Hill School District**  
 SCHEDULE of EMPLOYER CONTRIBUTIONS -  
 PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
 (PSERS) HEALTH INSURANCE PREMIUM ASSISTANCE PLAN  
 LAST 10 FISCAL YEARS\*

<b>Fiscal Year Ended June 30</b>	<b>Contractually Required Contributions</b>	<b>Contributions from Employer</b>	<b>Contributions Deficiency (Excess)</b>	<b>Covered- Employee Payroll</b>	<b>Contributions as a Percentage of Covered- Employee Payroll</b>
2018	80,448	80,448	-0-	9,692,543	.83%
2019	83,517	83,517	-0-	10,062,199	.83%
2020	86,000	86,000	-0-	10,270,349	.84%
2021	86,000	86,000	-0-	10,458,223	.82%

\* The amounts presented for each fiscal year were determined as of the measurement date of June 30 of the year prior to the fiscal year presented. This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB 75 was implemented in fiscal year ending June 30, 2018, and, until a full 10-year trend is compiled, the School District has only presented information for the years in which information is available.

See independent auditors' report.

**Camp Hill School District**  
NOTES to REQUIRED SUPPLEMENTARY INFORMATION  
Last 10 Fiscal Years

**Changes of Assumptions**

Measurement period ending June 30, 2020:

Discount rate was decreased from 2.79% to 2.66%.

Measurement period ending June 30, 2019:

Discount rate was decreased from 2.98% to 2.79%.

Measurement period ending June 30, 2018:

Discount rate was decreased from 3.13% to 2.98%.

Measurement period ending June 30, 2017:

Discount rate was increased from 2.71% to 3.13%.

Salary growth changes from an effective average of 5.50% to 5.00%.

Mortality rates were modified from the RP-2000 Combined Healthy Annuitant Tables (male and female) with age set back 3 years for both males and females to the RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale.

See independent auditors' report.

# Camp Hill School District

## SCHEDULE of the SCHOOL DISTRICT'S PROPORTIONATE SHARE of the NET OTHER POSTEMPLOYMENT BENEFITS (OPEB) LIABILITY - PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM HEALTH INSURANCE PREMIUM ASSISTANCE PLAN LAST 10 FISCAL YEARS\*

Fiscal Year Ended June 30	School District's Proportion of the Net OPEB Liability	School District's Proportionate Share of the Net OPEB Liability	School District's Covered-Employee Payroll	School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2018	.0712%	1,450,637	9,477,674		5.73%
2019	.0719%	1,499,079	9,680,279		5.56%
2020	.0724%	1,540,000	10,270,349		5.56%
2021	.0733%	1,584,000	10,458,223		5.69%

\* The amounts presented for each fiscal year were determined as of the measurement date of June 30 of the year prior to the fiscal year presented. This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB 75 was implemented in fiscal year ending June 30, 2018, and, until a full 10-year trend is compiled, the School District has only presented information for the years in which information is available.

See independent auditors' report.

**Camp Hill School District**  
 SCHEDULE of EMPLOYER CONTRIBUTIONS -  
 PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
 LAST 10 FISCAL YEARS\*

<b>Fiscal Year Ended</b>	<b>Contractually Required Contribution</b>	<b>Contributions from Employer</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Contributions as a Percentage of Covered- Employee Payroll</b>
2015	1,800,309	1,800,309	-0-	8,781,995	20.50%
2016	2,230,109	2,230,109	-0-	8,920,436	25.00%
2017	2,702,824	2,702,824	-0-	9,256,247	29.20%
2018	3,076,413	3,076,413	-0-	9,692,543	31.74%
2019	3,280,277	3,280,277	-0-	10,062,199	32.60%
2020	3,516,000	3,516,000	-0-	10,270,349	34.23%
2021	3,593,576	3,521,000	-0-	10,458,223	33.69%

\* The amounts presented for each fiscal year were determined as of the measurement date of June 30 of the year prior to the fiscal year presented. This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB 68 was implemented in fiscal year ending June 30, 2015, and, until a full 10-year trend is compiled, the School District has only presented information for the years in which information is available.

See independent auditors' report.



# Camp Hill School District

## SCHEDULE of SCHOOL DISTRICT'S PROPORTIONATE SHARE of the NET PENSION LIABILITY - PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM LAST 10 FISCAL YEARS\*

For the Fiscal Year Ended June 30	School District's Proportion of the Net Pension Liability (Asset)	School District's Proportionate Share of the Net Pension Liability (Asset)	School District's Covered Payroll	School District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.0700%	26,400,653	8,517,113	309.97%	57.24%
2016	0.0675%	29,237,973	8,686,616	336.59%	54.36%
2017	0.0680%	33,699,272	8,807,770	382.61%	50.14%
2018	0.0712%	35,165,000	9,477,674	371.03%	51.84%
2019	0.0719%	34,515,084	10,062,199	343.02%	54.00%
2020	0.0724%	33,871,000	10,270,349	329.79%	55.66%
2021	0.0733%	36,092,000	10,458,223	345.11%	54.32%

\* The amounts presented for each fiscal year were determined as of the measurement date of June 30 of the year prior to the fiscal year presented. This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB 68 was implemented in fiscal year ending June 30, 2015, and, until a full 10-year trend is compiled, the School District has only presented information for the years in which information is available.

See independent auditors' report.

**Camp Hill School District**  
NOTES to REQUIRED SUPPLEMENTARY INFORMATION  
Last 10 Fiscal Years

**Changes of Benefit Terms**

Measurement period ending June 30, 2017:

Beginning June 12, 2017, with the passage of Act 5 class T-E & T-F members are now permitted to elect a lump sum payment of member contributions upon retirement.

**Changes of Assumptions**

Measurement period ending June 30, 2016:

Investment Rate of Return was adjusted from 7.50% to 7.25%.

Inflation assumption was decreased from 3.00% to 2.75%.

Salary growth changed from an effective average of 5.50% to 5.00%.

Mortality rates were modified from the RP-2000 Combined Healthy Annuitant Tables (male and female) with age set back 3 years for both males and females to the RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale.

See independent auditors' report.

**Camp Hill School District**  
**SCHEDULE of EXPENDITURES of FEDERAL AWARDS**  
**Year Ended June 30, 2021**

Federal Grantor	Pass-Through Agency	Federal Program	Source Code	Federal AL Number	Pass-Through Grantor's Number	Grant Period Beginning/ Ending Date	Grant Amount	Accrued (Deferred) Revenue at July 1, 2020	Total Received for the Year	Expenditures	Accrued (Deferred) Revenue at June 30, 2021	Passed Through to Subrecipients
<b>Child Nutrition Cluster</b>												
U.S. Department of Agriculture	Pennsylvania Department of Education	National School Lunch Program	I	10.555	N/A	07/01/20-06/30/21	N/A	\$ -0-	\$ 4,785	\$ 4,785	\$ -0-	\$ -0-
U.S. Department of Agriculture	Pennsylvania Department of Education	COVID-19 - National School Lunch Program (Note 3)	I	10.555	N/A	07/01/20-06/30/21	N/A	-0-	57,437	85,927	28,490	-0-
U.S. Department of Agriculture	Pennsylvania Department of Agriculture	National School Lunch Program (Note 2)	I	10.555	N/A	07/01/20-06/30/21	N/A	-0-	33,762	33,762	-0-	-0-
<b>Total Child Nutrition Cluster</b>								<b>-0-</b>	<b>95,984</b>	<b>124,474</b>	<b>28,490</b>	<b>-0-</b>
U.S. Department of Treasury	Pennsylvania Commission on Crime and Delinquency	COVID-19 - Coronavirus Relief Fund	I	21.019	2020-CS-001-33563	03/01/20-10/30/20	169,050	-0-	169,050	169,050	-0-	-0-
<b>Special Education Cluster (IDEA)</b>												
U.S. Department of Education	Capital Area Intermediate Unit	Special Education Grants to States	I	84.027	062-210015	07/01/20-09/30/21	194,930	-0-	116,218	194,930	78,712	-0-
U.S. Department of Education	Pennsylvania Department of Education	COVID-19 - Special Education Grants to States	I	84.027	252-200059	07/01/20-09/30/21	5,000	-0-	3,333	5,000	1,667	-0-
<b>Total</b>				<b>84.027</b>				<b>-0-</b>	<b>119,551</b>	<b>199,930</b>	<b>80,379</b>	<b>-0-</b>
U.S. Department of Education	Capital Area Intermediate Unit	Special Education Preschool Grants	I	84.173	131-200015	07/01/20-06/30/21	672	-0-	672	672	-0-	-0-
<b>Total Special Education Cluster (IDEA)</b>								<b>-0-</b>	<b>120,223</b>	<b>200,602</b>	<b>80,379</b>	<b>-0-</b>
U.S. Department of Education	Pennsylvania Department of Education	Title I Grants to Local Educational Agencies	I	84.010	013-210059	09/01/20-09/30/21	163,092	-0-	104,610	163,092	58,482	-0-
U.S. Department of Education	Pennsylvania Department of Education	Title I Grants to Local Educational Agencies	I	84.010	013-200059	09/01/19-09/30/20	99,660	15,325	15,325	-0-	-0-	-0-
<b>Total</b>								<b>\$ 15,325</b>	<b>\$ 119,935</b>	<b>\$ 163,092</b>	<b>\$ 58,482</b>	<b>\$ -0-</b>

See independent auditors' report.

**Camp Hill School District**  
**SCHEDULE of EXPENDITURES of FEDERAL AWARDS**  
(Continued)  
Year Ended June 30, 2021

Federal Grantor	Pass-Through Agency	Federal Program	Source Code	Federal AL Number	Pass-Through Grantor's Number	Grant Period Beginning/ Ending Date	Grant Amount	Accrued (Deferred) Revenue at July 1, 2020	Total Received for the Year	Expenditures	Accrued (Deferred) Revenue at June 30, 2021	Passed Through to Subrecipients
U.S. Department of Education	Pennsylvania Department of Education	Supporting Effective Instruction State Grants	I	84.367	020-210059	09/01/20-09/30/21	32,640	\$ -0-	\$ 33,750	\$ 32,640	\$ (1,110)	\$ -0-
U.S. Department of Education	Pennsylvania Department of Education	Supporting Effective Instruction State Grants	I	84.367	020-200059	09/01/19-09/30/20	31,515	<u>141</u>	<u>141</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<b>Total</b>				<b>84.367</b>				<b>141</b>	<b>33,891</b>	<b>32,640</b>	<b>(1,110)</b>	<b>-0-</b>
U.S. Department of Education	Pennsylvania Department of Education	Student Support and Academic Enrichment Program	I	84.424	144-200059	09/01/20-09/30/21	10,000	-0-	10,000	10,000	-0-	-0-
U.S. Department of Education	Pennsylvania Department of Education	COVID-19 - Education Stabilization Fund	I	84.425D	200-200059	03/13/20-09/30/21	81,855	<u>-0-</u>	<u>81,855</u>	<u>81,855</u>	<u>-0-</u>	<u>-0-</u>
<b>TOTAL EXPENDITURES of FEDERAL AWARDS</b>								<u><b>\$ 15,466</b></u>	<u><b>\$ 630,938</b></u>	<u><b>\$ 781,713</b></u>	<u><b>\$ 166,241</b></u>	<u><b>\$ -0-</b></u>

Legend

I = Indirect Funding

AL = Assistance Listing

See independent auditors' report.

**Camp Hill School District**  
SCHEDULE of EXPENDITURES of FEDERAL AWARDS  
(Continued)  
Year Ended June 30, 2021

**NOTES to SCHEDULE of EXPENDITURES of FEDERAL AWARDS**

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying schedule of expenditures of federal awards is prepared on the accrual basis of accounting.

**NOTE 2 - FOOD COMMODITIES - PASSED THROUGH the PENNSYLVANIA DEPARTMENT of AGRICULTURE**

Nonmonetary assistance is reported in the schedule of expenditures of federal awards at the fair market value of the commodities received.

**NOTE 3 - SEAMLESS SUMMER PROGRAM**

This portion represents the Seamless Summer portion of the National School Lunch Program.

**NOTE 4 - DE MINIMIS INDIRECT COST RATE**

The School District did not elect to use the 10% de minimis indirect cost rate.

**NOTE 5 - COVID-19**

Federal funding provided by Congress to address the COVID-19 pandemic is identified by "COVID-19" in the federal program column of the schedule of expenditures of federal awards. This includes new grants created by pandemic-related legislation, as well as incremental funding for existing federal programs.

See independent auditors' report.



**INDEPENDENT AUDITORS' REPORT on INTERNAL CONTROL over FINANCIAL REPORTING and on  
COMPLIANCE and OTHER MATTERS BASED on an AUDIT of FINANCIAL STATEMENTS  
PERFORMED in ACCORDANCE with GOVERNMENT AUDITING STANDARDS**

To the Board Officers and Members  
**Camp Hill School District**  
Camp Hill, 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 *Governmental 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 **Camp Hill School District**, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise **Camp Hill School District's** basic financial statements, and have issued our report thereon dated March 8, 2022.

**Internal Control Over Financial Reporting**

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses, or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies that we consider to be a material weakness and a significant deficiency.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item # 2021-001 to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item #2021-002 to be a significant deficiency.

#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether **Camp Hill 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*.

#### **Camp Hill School District's Response to Findings**

**Camp Hill School District's** response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. **Camp Hill School District's** response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

#### **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.



March 8, 2022  
Lancaster, Pennsylvania

**INDEPENDENT AUDITORS' REPORT on COMPLIANCE for Each MAJOR PROGRAM and on  
INTERNAL CONTROL over COMPLIANCE REQUIRED by the UNIFORM GUIDANCE**

To the Board Officers and Members  
**Camp Hill School District**  
Camp Hill, Pennsylvania

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

We have audited **Camp Hill School District's** compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of **Camp Hill School District's** major federal programs for the year ended June 30, 2021. **Camp Hill School District's** major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of **Camp Hill School District's** major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about **Camp Hill School District's** compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of **Camp Hill School District's** compliance.

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

In our opinion, **Camp Hill 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, 2021.



### **Other Matters**

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item #2021-003. Our opinion on each major federal program is not modified with respect to this matter.

**Camp Hill School District's** response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. **Camp Hill School District's** response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control Over Compliance**

Management of **Camp Hill School District** is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered **Camp Hill School District's** internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of **Camp Hill School District's** internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a certain deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item #2021-003, that we consider to be a significant deficiency.

**Camp Hill School District's** response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. **Camp Hill School District's** response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.



March 8, 2022  
Lancaster, Pennsylvania

**Camp Hill School District**  
SCHEDULE of FINDINGS and QUESTIONED COSTS  
Year Ended June 30, 2021

A. Summary of Auditors' Results

1. The auditors' report expresses unmodified opinions on the financial statements of **Camp Hill School District**.
2. One material weakness and one significant deficiency relating to the audit of the financial statements are reported in the Independent Auditors' 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 **Camp Hill School District** were disclosed during the audit.
4. One significant deficiency relating to the audit of the major federal programs is reported in the Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.
5. The auditors' report on compliance for the major federal programs for **Camp Hill School District** expresses an unmodified opinion.
6. Audit findings relative to the major federal programs for **Camp Hill School District** are reported in part C of this schedule.
7. The programs tested as a major federal program are: COVID-19 - Coronavirus Relief Fund - AL #21.019, Special Education Grants to States - AL #84.027, COVID-19 - Special Education - Grants to States - AL #84.027, and Special Education Preschool Grants - AL #84.173.
8. The threshold for distinguishing type A and B programs was \$750,000.
9. **Camp Hill School District** was not determined to be a low-risk auditee.

**Camp Hill School District**  
SCHEDULE of FINDINGS and QUESTIONED COSTS  
(Continued)  
Year Ended June 30, 2021

**B. Findings - Financial Statements Audit**

**Material Weakness**

**#2021-001 Retainage Payable Accrual**

Criteria: The financial closing process should include a consideration of open construction contract for retainage payable accruals.

Statement of Condition: During our audit, we proposed a material adjustment to the capital project fund because the School District did not record retainage payable on a construction contract in the amount of approximately \$98,000.

Cause and Effect: When the financial close process does not include a review of open construction contracts for retainage payable, retainage payable and construction costs for the capital project fund (or construction in progress for the government wide financial statements) can be understated.

Identification of Repeat Finding: No

Recommendations: The School District should revise its year-end closing procedures to ensure that the business manager and director of building and grounds review ongoing construction activity in the School District at year-end to determine if retainage payable accruals are necessary. A review of the most recent construction payment applications would be a good source of this information.

View of Responsible Officials and Planned Corrective Action: The School District agrees with this finding. There was significant turnover in the business office in the middle of the audit. This item was not properly recorded. Going forward, the Director of Business and Operation will review any outstanding retainage with the Director of Buildings and Grounds as part of the year end closing procedures and make necessary adjustment, prior to closing the books on the fiscal year.

**Significant Deficiency**

**#2021-002 Segregation of Duties**

Criteria: A management team comprised of multiple individuals contributes to an organization maintaining an internal control system to ensure that errors or irregularities are detected in a timely manner and to ensure accurate financial reporting.

Statement of Condition: The small number of members in the School District's business office team has direct control over day-to-day operations, accounting controls and financial reporting and has not provided for proper segregation.

Cause and Effect: The condition is not uncommon for similar size school districts. There is the potential for errors or irregularities that would not be detected by employees in the normal course of performing their assigned functions.

Identification of Repeat Finding: Yes

**Camp Hill School District**  
SCHEDULE of FINDINGS and QUESTIONED COSTS  
(Continued)  
Year Ended June 30, 2021

**B. Findings - Financial Statements Audit (Continued)**

Recommendation: We recommend the Board of School Directors and management evaluate the “cost versus the benefit” of expanding the business office team to obtain a more complete segregation of duties and to minimize management opportunity to override controls. We also recommend that management and the Board of School Directors continue to monitor the operations and comply with the current internal control procedures in effect.

View of Responsible Officials and Planned Corrective Action: The School District agrees that there are some issues caused by having a small business office staff. It is unlikely that additional staff will be added to address this problem. A review of current duties of each member of the business office staff will take place, and if it will strengthen internal control procedures, some duties will be reassigned.

**C. Findings and Questioned Costs - Major Federal Programs Audit**

**Significant Deficiency and Compliance Finding**

**DEPARTMENT of EDUCATION**

**#2021-003 Special Education - Grants to States AL #84.027**

Criteria: School Districts are required to have appropriate controls over time and effort records for employees that work on federal programs. In accordance with Uniform Guidance, salaries and wages must be based on records that accurately reflect the work performed. These records must be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated.

Statement of Condition: We noted that while the School District does not have written procedures for time and effort, the School District does have a process involving the completion of certification forms for employees working on Federal programs. These certification forms were not completed; however, to support the employees’ time charged to the IDEA federal award program.

Cause and Effect: Although the certifications were not completed, the School District provided additional documentation to support compliance with the time and effort requirement of the program. Therefore, we determined that salaries and benefits charged to the federal program are allowable activities.

Identification of Repeat Finding: No

Questioned Costs: None

Recommendation: We recommend that the School District implement written procedures over time and effort records for employees who work on federal programs. We recommend that these procedures are enforced to ensure that consistent records are maintained for all employees who work on federal programs to support the time allocated to those programs.

**Camp Hill School District**  
SCHEDULE of FINDINGS and QUESTIONED COSTS  
(Continued)  
Year Ended June 30, 2021

View of Responsible Officials and Planned Corrective Action: The School District agrees with the finding regarding time and effort procedures and recording. The School District will develop procedures for time and effort tracking for Federal grants and share them with their supervisors, ensuring that time sheets or certification forms are completed and approved on a timely basis. As more Federal money comes into the School District in various different Federal grants, this will take on more importance.

**Camp Hill School District**  
SUMMARY SCHEDULE of PRIOR AUDIT FINDINGS  
Year Ended June 30, 2021

A single audit was not required and therefore, not performed for the year ended June 30, 2020. Thus, there are no prior audit findings.



# CAMP HILL SCHOOL DISTRICT

418 S 24th Street Camp Hill, PA 17011 717-901-2400 [www.camphill.k12.pa.us](http://www.camphill.k12.pa.us)

---

## CORRECTIVE ACTION PLAN

MARCH 8, 2022

Camp Hill School District respectfully submits the following corrective action plan for the year ended June 30, 2021.

Oversight Agency for Audit: U.S. Department of Education

Name and address of public accounting firm:

Trout CPA

930 Century Drive, Suite 104

Mechanicsburg, PA 17055

Audit Period: July 1, 2020 to June 30, 2021

The findings from the June 30, 2021 schedule of findings and questioned costs are discussed below.

The findings are numbered consistently with the numbers assigned in the schedule.

## FINDINGS – FINANCIAL STATEMENT AUDIT

### Material Weaknesses

#### #2021-001 Retainage Payable Accrual

Statement of Condition: During our audit, we proposed a material adjustment to the capital project fund because the School District did not record retainage payable on a construction contract in the amount of approximately \$98,000.

Recommendation: The School District should revise its year-end closing procedures to ensure that the business manager and director of building and grounds review ongoing construction activity in the School District at year-end to determine if retainage payable accruals are necessary. A review of the most recent construction payment applications would be a good source of this information.

District's Corrective Action Plan: The District agrees with this finding. There was significant turnover in the Business Office in the middle of the audit. This item was not properly recorded. Going forward, the Director of Business and Operation will review any outstanding retainage with the Director of Buildings and Grounds as part of year end closing procedures and make necessary adjustments, prior to closing the books on the fiscal year.

### Significant Deficiency

#### #2021-002 Segregation of Duties

Statement of Condition: The small number of members in the School District's business office team has direct control over day-to-day operations, accounting controls and financial reporting and has not provided for proper segregation.



# CAMP HILL SCHOOL DISTRICT

418 S 24th Street Camp Hill, PA 17011 717-901-2400 [www.camphillsd.k12.pa.us](http://www.camphillsd.k12.pa.us)

**Recommendation:** We recommend the Board of School Directors and management evaluate the "cost versus the benefit" of expanding the business office team to obtain a more complete segregation of duties and to minimize management opportunity to override controls. We also recommend that management and the Board of School Directors continue to monitor the operations and comply with the current internal control procedures in effect.

**District's Corrective Action Plan:** The District agrees that there are some issues caused by having a small business office staff. It is unlikely that additional staff will be added to address this problem. A review of current duties of each member of the business office staff will take place, and if it will strengthen internal control procedures, some duties will be reassigned.

## FINDINGS - MAJOR FEDERAL PROGRAMS AUDIT

#2021-003 Special Education - Grants to States AL #84.027

**Statement of Condition:** We noted that while the School District does not have written procedures for time and effort, the School District does have a process involving the completion of certification forms for employees working on Federal programs. These certification forms were not completed; however, to support the employees' time charged to the IDEA federal award program.

**Recommendation:** We recommend that the School District implement written procedures over time and effort records for employees who work on federal programs. We recommend that these procedures are enforced to ensure that consistent records are maintained for all employees who work on federal programs to support the time allocated to those programs.

**District's Corrective Action Plan:** The District agrees with the finding regarding time and effort procedures and recording. The District will develop written procedures for time and effort tracking for Federal grants and share them with their supervisors, ensuring that time sheets or certification forms are completed and approved on a timely basis. As more Federal money comes into the District in various different Federal grants, this will take on additional importance.

Jeffrey Ammerman  
Director of Business and Operations