

MILLCREEK TOWNSHIP SCHOOL DISTRICT

ERIE, PENNSYLVANIA

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED JUNE 30, 2021**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Of

MILLCREEK TOWNSHIP SCHOOL DISTRICT

Erie, Pennsylvania

Fiscal year ended

June 30, 2021

BOARD OF SCHOOL DIRECTORS

Calendar 2019

John DiPlacido, President

Gary Winschel, Vice President

Chris Busko

Lisa Cappabianca

Jason Dean

J. Michael Lindner

Janine McClintic, Esq.

Tom Murabito

Shirley Winschel

Calendar 2020

Gary Winschel, President

Chris Busko, Vice President

Lisa Cappabianca

Jason Dean

John DiPlacido

Dr. Rick Lansberry

J. Michael Lindner

Janine McClintic, Esq.

Shirley Winschel

Dr. Ian Roberts, Superintendent

Report Issued by the School District's Finance Office

Aaron M. O'Toole, Chief Financial Officer

COMPLIANCE STATEMENT

The Millcreek Township School District continues its policy of non-discrimination on the basis of race, age, sex, religion, color, national origin, handicap or disability, as applicable in its educational programs, activities, or employment policies as required by Title IX of the 1972 Educational Amendments, Title VI of the Civil Rights Act of 1964, Section 504 Regulations of the Rehabilitation Act of 1973, the Americans with Disabilities Act and all other applicable state, federal and local law and ordinances.

For information regarding Title IX compliance or Americans with Disabilities Act, contact the Director of Personnel, Millcreek Education Center, 3740 West 26th Street, Erie, PA 16506, (814)835-5300. For information on section 504 compliance, contact the Director of Pupil Services, Millcreek Education Center, 3740 West 26th Street, Erie, PA 16506, (814)835-5300.

MILLCREEK TOWNSHIP SCHOOL DISTRICT
YEAR ENDED JUNE 30, 2021

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December 29, 2021

CITIZENS OF MILLCREEK TOWNSHIP:

Pennsylvania State law requires an annual audit of a school district's financial statements. This is to be presented in conformity with generally accepted accounting principles (GAAP) and performed by a firm of licensed certified public accountants. The Annual Comprehensive Financial Report for year ending June 30, 2021, is being submitted as of the date on this letter.

This report was prepared by the School District's Business Office. The Management of the School District assumes full responsibility for the accuracy, completeness, and reliability of the data presented here within. We believe, to the best of our knowledge and belief, the data is accurately presented in all material respects. The report is presented in a manner designed to provide stakeholders information regarding the School District's financial position as a result of its operation. The disclosures included in the report provide additional details regarding the School District's financial affairs allowing readers to fully understand its financial position and operations.

To protect the School District's assets from loss, theft, or misuse, internal controls are refined each year. The cost of internal controls should not exceed the benefits of implementing the control; therefore, all internal controls provide reasonable, but not absolute, assurance regarding both the safeguarding of assets against loss and reliability of financial records. Cost and benefits are discussed with the independent auditors as changes become desirable. We believe that the School District's internal controls adequately safeguard the School District's assets and provide reasonable assurance to its financial reporting.

The independent audit was performed by Zelenkofske Axelrod LLC. The independent auditors provide reasonable assurances the financial statements are free from material misstatement by performing audit procedures in conformance to the Government Auditing Standards. These procedures are designed to assess risk, internal controls, accounting principles used, estimates made by management, and evaluating the overall financial statement presentation. An unmodified opinion was issued by the independent auditor related to the report included here within. The unmodified opinion is the highest opinion an independent auditor can provide, confirming the report is fairly presented in conformity with GAAP.

Additional testing is required for federal funds received and mandates a "Single Audit". The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards.

Governmental Accounting Standards Board Statement No. 34 requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

PROFILE OF MILLCREEK TOWNSHIP

Millcreek Township is a suburb covering 29.5 square miles surrounding the west and southern border of Erie, Pennsylvania. Located in the northwestern part of the PA, Millcreek Township resides on the shoreline of Lake Erie. According to the U.S. Census estimates for July 1, 2019, Millcreek's population is at a historical high of 54,073. The Township continues to remain the retail hub for the region.

The Millcreek Mall and retail areas along Peach Street contribute to the School District's strong tax base and economy. Lack of regional competition coupled with no sales tax on certain items, leads the assumption that the retail sector has a high probability to remain stable for the foreseeable future unlike most mall-anchored shopping districts in the U.S. In addition to the mall, Millcreek is home to many of the region's important recreational, commercial, and educational assets including; Presque Isle State Park, Waldameer Amusement Park, Asbury Woods Nature Center, Lake Erie College of Osteopathic Medicine, and the Erie International Airport.

Millcreek Township continues to be a desired place to live and operate a business. Property values are increasing with low supply and high demand demonstrated by an increase in real estate transfer taxes of 34% over eight years. The property tax base experienced steady growth of 3.3% over the past eight years from appreciation of property values. Additionally, the tax base is diverse with the 10 largest taxpayers accounting for approximately 9.6% of assessed value, providing little volatility expected for the future. These data points are compounded considering the county-wide population is in decline and Millcreek's home values are roughly double the average of the county's. The median household income is higher than and unemployment is lower compared to Erie County and Pennsylvania averages. Furthermore, wage growth remains a constant factor within Millcreek Township as Earned Income Taxes increased 7% over the past eight years.

BUDGETING

For fiscal year ending June 30, 2021, the School Board approved a budget with no millage increase providing relief to residents because of the COVID-19 pandemic. The General Fund budget was originally approved at \$103.7 million but was amended to \$106.4 million, accounting for spending of federal relief funds. All Pennsylvania's school budgets are Board approved at the major function and major object level. Once approved locally, the budget is transmitted to the Pennsylvania Department of Education.

The budget maintained the School District's ability to achieve its mission of providing a world-class education by creating lifelong learners of the 6,353 students that it serves. This was accomplished through appropriately funded instruction, operational management, and through the support services offered to our students. Attendance procedures were streamlined in the 2021 budget by centralizing responsibilities and leveraging technology to reduce expense. This allowed for further spending on direct instruction, while simultaneously providing a superior experience for our families. Another key spending initiative involved addressing gaps in learning due to the instructional interruptions from mitigating the spread of COVID-19. The district spent over \$2.4 million in providing professional development to staff, hiring additional custodial support to sanitize buildings, acquiring the necessary resources for a safe learning environment, purchasing IT hardware and software to assist with virtual or in-person learning, and hiring additional virtual teachers.

On an annual basis, our budget includes typical K-12 instructional programs and student activities. Additionally, the district provides programs in Advance Placement, Distinctive Scholar, Honors College, Dual Enrollment with local universities, a robust internship program, Project Search, and the McDowell

Manufacturing Program. Given Erie County's economic dependence on manufacturing, the district developed one of the nation's only student-run enterprises allowing students to generate parts and sell them to local manufacturers. All operations of the McDowell Manufacturing Program are run by our students. The local Vocational School, where most districts in the county participate, provides additional programming opportunities to our students.

Local resources contribute over 65.3% of our total budget, where real estate taxes account for 52.3% of the total budget. In June of 2006, the Pennsylvania Legislature passed Special Session Act 1 limiting the ability of school districts to raise taxes beyond an Index which is an inflationary factor. To date, the restriction has not affected our district, but may in the future.

State funding generates 30.4% of our total budget. Of this total, 16.5% of the subsidies are reimbursable of direct expenses incurred by the School District. Federal funding accounts for 2% of our total budget, while federal relief funds contributed an additional 2.3%. We anticipate these funding sources to remain constant into the future.

Over 73% of our annual budget is attributed to the salary and benefits of staff. This is expected as we are a people-centered business providing a service. Within the overall budget, salaries, healthcare, and the state's retirement system (PSERS) rank as the top three costs to the district. PSERS increased its employer share from 34.29% of eligible salaries to 34.51% in this fiscal year. Although the state does provide subsidy for half of the employer's costs, PSERS forecasts an increase to 38.42% of eligible salaries in 2029. Other Post Employment Benefits continue to place budget pressures annually as shown in the MD&A and disclosures.

Capital spending continues to occur as the district progresses through its 10-year capital projects plan. This includes updating all 13 district buildings with the necessary mechanical, electrical, plumbing, and roofing infrastructure needs. Much of the infrastructure in these buildings is original and is out of date to the point where procurement of parts can no longer occur. The capital projects not only provide a reliable infrastructure, which requires less maintenance hours, but also provides a savings in energy consumption. Financing for this work is primarily through issuing bonds in three phases. We expect the second phase of bond issuance to occur in January of 2021. Although debt metrics are low compared to market values and moderate on a per capita basis, current and future debt is expected at slow amortization schedules. The slow amortization schedules will not affect future budgets considering all buildings will be renovated at the completion of the 10-year capital projects plan. All cosmetic needs of the buildings are addressed after the renovations and are supported through our Capital Projects Fund, which is funded through transfers from the General Fund or sales of fixed assets.

Charter School funding is 3.3% of our total budget in 2021 with an expense of \$3.5 million. This is an increase of 14.3% compared to the prior year. This unsustainable increase relates to families moving to charter schools due to COVID-19. After speaking with many of these families, we believe they will return to Millcreek once they feel it is safe. Additional pressures from Charter School costs remain in the future with Montessori Regional Charter School requesting to adjust its charter with Millcreek to add 7th and 8th grade instruction.

FINANCIAL POLICIES OR FACTOR AFFECTING FINANCIAL CONDITION

The information presented in the financial statements and disclosures within this report are best to understand the scope of the financial policies or factors affecting the financial condition of the District as a whole picture.

COUNTY

Erie County provides the District with assessment information for the generation of the budget and calculates all tax rolls for review by the local Tax Collector and District. Real Estate taxes are collected by an elected Tax Collector, who transfers all delinquent taxes to the County for collection in January of the current fiscal year. In addition to managing assessed values within Millcreek and collecting delinquent real estate taxes, the County manages all real estate transfer tax collection and interim taxes resulting from adjustments to assessed values. The last County reassessment was conducted in 2013.

LONG TERM FINANCIAL PLANNING

In April of 2015, the School Board adopted a fund balance policy to maintain the General Fund unassigned fund balance of 8%, which is the legal limit in accordance with the Public School Code of 1949. This policy assures continued financial stability for the future.

On February 26, 2018, the School Board passed a resolution to earmark all revenue generated in extracurricular participation fees, event gate receipts, facility use fees, advertising, coke rebates, and 25% of the investment income to maintaining extracurricular facilities. The remaining 75% of investment income shall be earmarked as 25% for future technology replacement, 25% to be transferred to the capital projects fund, and 25% for future PSERS payments.

The School Board continues its practice of not issuing debt to balance a budget. This practice combined with the administration's annual process of evaluating all programs and departments for operational efficiency and success, allowed the District to improve its achievement and financial position. Over the past eight years, the District's financial position changed from a negative General Fund unassigned fund balance to \$20.3 million, or 19.6% of its expenses, and maintains a structured budget supporting further investment in the future. The structured budget includes transfers to a Capital Project Fund to maintain all facilities or upgrade security infrastructure. As a result, our credit rating was upgraded from Standard and Poors Global Ratings to A+/Stable in 2019.

ACKNOWLEDGEMENTS

The preparation of the Annual Comprehensive Financial Report would not be possible without the dedication of the Business Office. Each member has our appreciation for their support and contributions to this report.

With the leadership and support of the School Board, this report is available as we recognize the importance of providing financial transparency to all our stakeholders.

Respectfully,



Aaron M. O'Toole
Chief Financial Officer

MILLCREEK TOWNSHIP SCHOOL DISTRICT
LIST OF SCHOOL DISTRICT OFFICIALS

CENTRAL OFFICE ADMINISTRATORS

Ian Roberts..... Superintendent
Darcie Moseley.....Assistant Superintendent
Aaron O'Toole.....Chief Financial Officer
Timothy Stoops.....Director of Secondary Education
Joseph Orlando.....Director of Elementary Education
Edward Nientimp.....Director of Student Services
Michael Galleher.....Director of Engineering
Mackenzie O'Connor.....Supervisor of Personnel
Timothy Moseley.....Manager of Technology

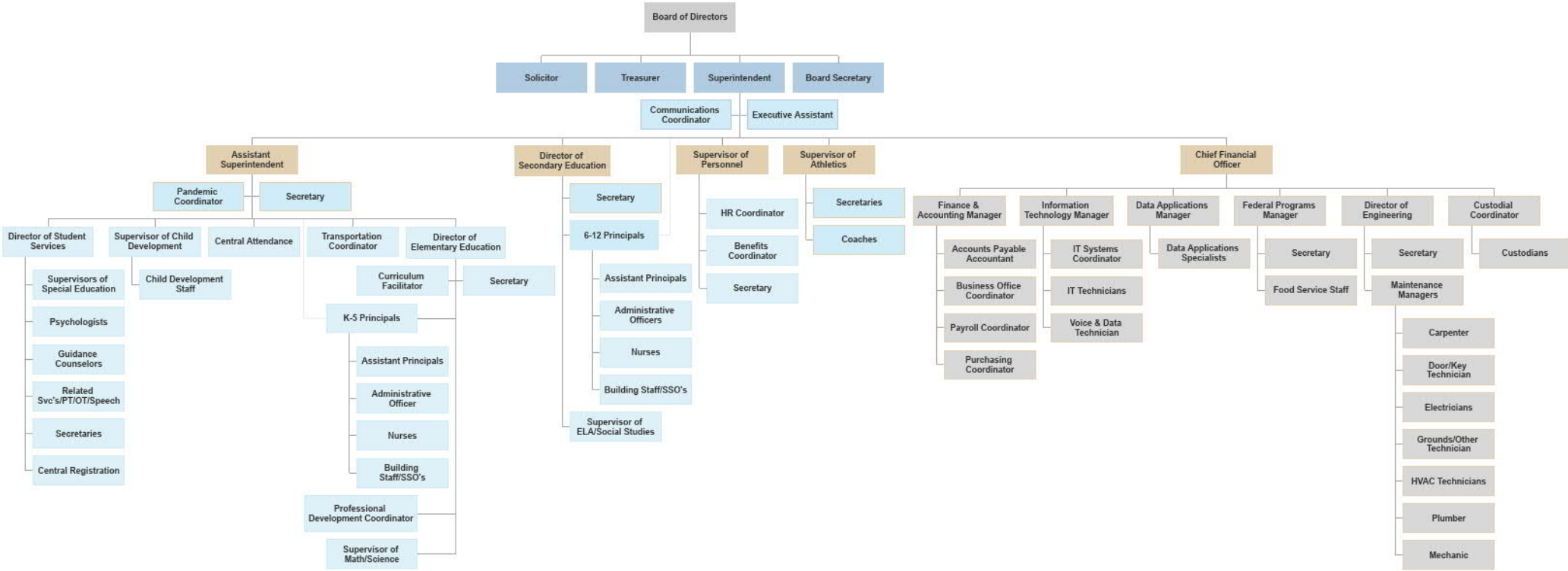
BOARD OF SCHOOL DIRECTORS

Gary Winschel.....President
Chris Busko..... Vice President
Lisa Cappabianca.....Director
Jason Dean.....Director
John DiPlacido.....Director
Rick Lansberry.....Director
J. Michael Lindner.....Director
Janine McClintic.....Director
Shirley Winschel.....Director

OTHER BOARD SERVICES

Linda Sitter.....Board Secretary
Timothy Sennett.....Solicitor
Joseph Maloney.....Treasurer
Zelenkoske Axelrod LLC.....Independent Auditors
First National Insurance.....Insurance Agent

Organizational Chart





Zelenkofske Axlerod LLC

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Independent Auditor's Report

Members of the Board
Millcreek Township School District
Erie, 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 the MILLCREEK TOWNSHIP SCHOOL DISTRICT as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the MILLCREEK TOWNSHIP 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.

Auditor's 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 of 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 auditor's 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 for the MILLCREEK TOWNSHIP SCHOOL DISTRICT as of June 30, 2021, and the respective changes in the financial position, and cash flows, where applicable, thereof for the year ended in conformity with the accounting principles generally accepted in the United States of America.



Zelenkofske Axerrod LLC

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Members of the Board
Millcreek Township School District
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Adoption of GASB Statements

As described in Note 1 to the financial statements, in 2021 the District adopted the provisions of Governmental Accounting Standards Board's Statement No. 84 "Fiduciary Activities" and Statement No. 90 "Majority Equity Interests (an Amendment of GASB Statements No. 14 and No. 61)", certain provisions of Statement No. 97, "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – and amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32" and Statement No. 98 "The Annual Comprehensive Financial Report". Our opinion is not modified in respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedule – General Fund, Budget Development, Schedule of Changes in the Total OPEB Liability and Related Ratios - Retirees Health Plan, Schedule of District's Proportionate Share of the Net OPEB Liability - PSERS Plan Schedule of District's OPEB Contributions - PSERS Plan, Schedule of the District's Proportionate Share of the Net Pension Liability – Last 10 Years, Schedule of the District's Contributions – Last 10 Years on pages 10 through 24 and 68 through 76 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

The Statistical Information Section of this report (pages 75-110) is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.



Zelenkofske Axlerod LLC

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Millcreek Township School District
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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2021 on our consideration of the MILLCREEK TOWNSHIP 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Zelenkofske Axlerod LLC

ZELENKOFSKE AXELROD LLC

December 28, 2021
Pittsburgh, Pennsylvania

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

MILLCREEK TOWNSHIP SCHOOL DISTRICT, hereafter referred to as the "SCHOOL DISTRICT", is pleased to present its financial statements developed in compliance with Statement of Governmental Accounting Standard No. 34, entitled "Basic Financial Statements – Management's Discussion and Analysis – For State and Local Governments (hereafter "GASB 34"), and related standards. GASB 34 enhances information provided to the users of its financial statements. This section of the financial reporting package presents our discussion and analysis of the SCHOOL DISTRICT's financial performance during the year that ended on June 30, 2021. Please read this Management Discussion and Analysis in conjunction with the SCHOOL DISTRICT's financial statements that follow this section.

FINANCIAL HIGHLIGHTS

Real Estate Tax is the main source of funding for the School District. This revenue source is the only revenue the School Board has control over and comprises of 52.33% of the district's total revenue. The tax revenue from real estate tax increased by \$520,052, or 0.94%, compared to the prior year. Considering the district did not raise taxes, the increase was a result of high collection rate and an increase in assessed values.

Real Estate Transfer Tax, which is assessed at 0.5%, increased by \$368,333 or 39.29% compared to the prior year. The unforeseen exponential increase in home prices caused by limited housing inventory were driving factors behind this increase.

Other taxes increased by \$135,491 or 18.52% compared to the prior year. This increase primarily relates to interim taxes as a result of assessment appeals and construction improving property values to a housing complex.

State revenue reflects an increase of \$1,136,846 or 3.62%. An increase in State Appropriations Subsidy, receiving a state grant for \$170,286 and reimbursement of Social Security/Medicare and PSERS contributions account for the increase. The State funds half the employer share of Public School Employees' Retirement System and social security and Medicare tax applicable to wages. The PSERS rate increased from 34.29% in 2019-2020 to 34.51% in 2020-2021. PSERS contribution rates are expected to increase to 36.3% in future years.

Federal revenue was inflated by the federal stimulus money the district received. Overall, federal stimulus funds recognized in 2020-2021 was \$2,402,764. Over the next 3 years, the district is allocated to receive an additional \$14.3 million in federal stimulus funding. Budgets for this federal funding is available on the district's website.

Governmental Funds expenditures increased from \$103,788,818 in 2020 to \$120,368,942 in 2021. Primary factors to this increase relate to additional \$11,733,106 in spending related to capital outlay investments from the bond issue of 2020, debt payments on the bond issue of 2020, federal spending, PSERS increase and normal inflationary increases of salary or other operating expenditures.

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

OVERVIEW OF THE FINANCIAL STATEMENTS

This report consists of the following three parts:

- Management's discussion and analysis (this section)
- Basic financial statements (including notes)
- Required supplementary information

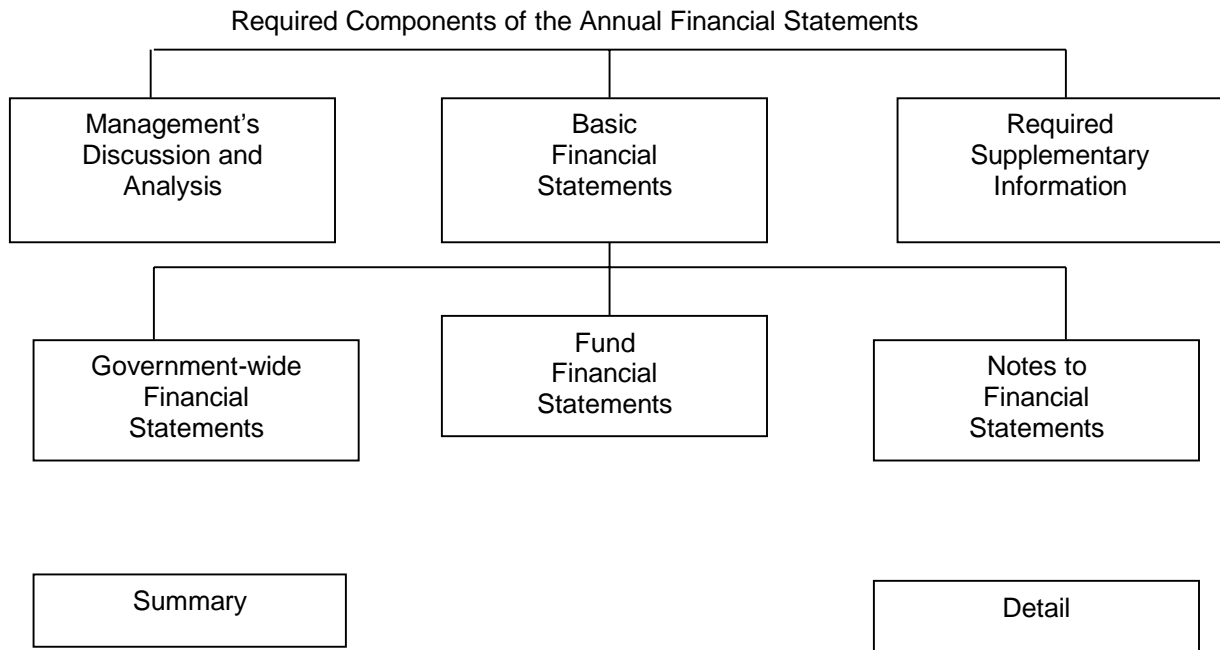
Management's discussion and analysis is a guide to reading the financial statements and provides related information to help the reader to better understand the SCHOOL DISTRICT's government and financial position for both the present and long-term view. The basic financial statements include notes that provide additional information essential to a full understanding of the financial data provided in the government-wide and fund financial statements. Fund financial statements provide details of how services were financed and what remains for future spending. Required supplementary information is provided on the SCHOOL DISTRICT's budget to actual figures for the general fund as well as certain pension and other postretirement benefit schedules.

The basic financial statements present two different views of the SCHOOL DISTRICT.

- *Government-wide financial statements*, the first two statements, provide information about the SCHOOL DISTRICT's overall financial status
- *Fund financial statements*, the remaining statements, focus on individual parts of the SCHOOL DISTRICT's government. They provide more detail on operations than the government-wide statements. There are three types of fund financial statements:
 - *Governmental funds statements* show how services such as instruction, support services, and non-instructional services are financed in the short term, as well as what remains for future spending.
 - *Proprietary fund statements* offer short-term and long-term financial information about the activities the SCHOOL DISTRICT operates like a business, like the Food Service Fund.
 - *Fiduciary funds statements* reflect activities involving resources that are held by the SCHOOL DISTRICT as a trustee or agent for the benefit of others. Fiduciary funds are not reflected in the government-wide statements because the resources cannot be used to support the SCHOOL DISTRICT's programs.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

Table A-1: Organization of the School District's annual financial report



MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

Table A-2 summarizes the major features of the SCHOOL DISTRICT's financial statements, including the area of the SCHOOL DISTRICT's activities they cover and the types of information they contain.

Table A-2: Major features of the government-wide and fund financial statements

	Government-wide Statements	Fund Financial Statements		
		Governmental	Proprietary	Fiduciary
Scope	Entire entity (except fiduciary funds)	The day-to-day operating activities of the SCHOOL DISTRICT, such as instruction and support services.	The activities of the SCHOOL DISTRICT, such as the Food Service Fund	Instances in which the SCHOOL DISTRICT administers resources on behalf of others
Required Financial Statements	-Statement of Net Position -Statement of activities	-Balance Sheet -Statement of revenues, expenditures and changes in fund balances	-Statement of Net Position -Statement of revenues, expenses and changes in Net Position -Statement of cash flows	-Statement of fiduciary Net Position -Statement of changes in fiduciary Net Position
Accounting basis and measurement focus	Accrual	Modified Accrual	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset and liability information	All assets and liabilities, short-term and long-term	Current assets and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, short-term and long-term	All assets and liabilities, short-term and long-term
Type of inflow and outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenue for which cash is received during the year or soon thereafter; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2021

The remainder of the overview explains the structure and contents of the government-wide and fund financial statements.

Government-wide financial statements

Government-wide financial statements report information about the SCHOOL DISTRICT as a whole using accounting methods similar to those used by private-sector companies.

- The Statement of Net Position includes all the SCHOOL DISTRICT's assets, deferred outflows of resources, deferred inflows of resources and liabilities, except fiduciary funds, with the difference reported as Net Position. This statement serves a purpose similar to that of the balance sheet of a private-sector business.
- The Statement of Activities focuses on how the SCHOOL DISTRICT's Net Position changed during the year. Because it separates program revenue (revenue generated by specific programs through charges for services, grants and contributions) from general revenue (revenue provided by taxes and other sources not tied to a particular program), it shows to what extent each program has to rely on local taxes for funding. All current year revenue and expense are accounted for in the Statement of Activities regardless of when cash is received or paid.

All changes to Net Position are reported using the economic resources measurement focus and the accrual basis of accounting, which requires that revenues be reported when they are earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flow.

Net Position is one way to measure the SCHOOL DISTRICT's financial position. Over time, increases or decreases in the SCHOOL DISTRICT's Net Position are one indicator of whether the SCHOOL DISTRICT's financial position is improving or deteriorating. However, other non-financial factors such as changes in the SCHOOL DISTRICT's property tax base and general economic conditions must be considered to assess the overall position of the SCHOOL DISTRICT.

There are two categories of activities for the primary government:

- *Governmental activities* include the SCHOOL DISTRICT's basic services such as instruction, support services, and non-instructional services.
- *Business-type activities* such as the Food Service Fund charge a fee to customers to help cover the costs of services.

Net Position of the governmental activities differ from the governmental fund balances because governmental fund level statements only report transactions using or providing current financial resources. Also, capital assets in the fund level statements are reported as expenditures when financial resources (money) are expended to purchase or build assets. Likewise, the financial resources that may have been borrowed are considered revenue when they are received. The principal and interest payments are both considered revenue when they are received. The principal and interest payments are both considered expenditures when paid. Depreciation is not calculated as it does not provide or reduce current financial resources. Finally, capital assets and long-term debt do not affect fund balances.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

Government wide statements are reported on the accrual basis of accounting that involves the following steps to format the Statement of Net Position:

- Capitalize current outlays for capital assets
- Report long-term debt as a liability
- Depreciate capital assets and allocate the depreciation to the proper program/activities
- Allocate net position balances as follows:
 - Net Investment in Capital Assets
 - Restricted Net Position are those with constraints placed on the use by external sources (creditors, grantors, contributors, or laws or regulations of governments) or imposed by law through constitutional provisions or enabling legislation
 - Unrestricted Net Position is Net Position that does not meet any of the above restrictions

Fund Financial Statements

Fund financial statements provide more detailed information on the SCHOOL DISTRICT's most significant funds, not the SCHOOL DISTRICT as a whole. Funds are accounting devices, i.e., a group of related accounts, the SCHOOL DISTRICT uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required by state law. Other funds are established to control and manage resources designated for specific purposes. Fund financial statements are reported using the modified accrual basis of accounting.

The SCHOOL DISTRICT has three kinds of funds:

- *Governmental funds* include most of the SCHOOL DISTRICT's basic services and focus on: (1) the flow in and out of cash and other financial assets that can readily be converted into cash, and: (2) the balances left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting and provide a detailed short-term view of operations and what resources are available in the near future.

The relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that follows the governmental fund financial statements.

The SCHOOL DISTRICT adopts an annual budget for the general fund, as required by state law. A budgetary comparison of the SCHOOL DISTRICT's general fund is presented as required supplementary information.

- *Proprietary Funds* report business-type programs and activities that charge fees designed to recover the cost of providing services. The proprietary funds report using the accrual basis of accounting.
- *Fiduciary Funds* are for which the SCHOOL DISTRICT is the trustee or fiduciary. These include certain custodial funds, or clearing accounts for assets held by the SCHOOL DISTRICT in its role as custodian until the funds are allocated to the private parties, organizations or government agencies to which they belong. The SCHOOL DISTRICT is responsible to ensure the assets reported in these funds are used for their intended purposes. This fiduciary activity is reported in a separate statement of fiduciary Net Position. These funds are excluded from the SCHOOL DISTRICT's government-wide financial statements because the SCHOOL DISTRICT cannot use these assets to finance its operations. The fiduciary funds are reported using the accrual basis of accounting.

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Net Position

The SCHOOL DISTRICT's total assets for governmental activities were \$167,194,918 at June 30, 2021. Of this amount, \$90,311,143 was capital assets.

GASB No. 34 required that all capital assets, including infrastructure, be valued and reported within the governmental activities column of the government-wide financial statements, but allowed infrastructure to be added over several years. The SCHOOL DISTRICT adopted the provisions of GASB 34 related to infrastructure on the retroactive basis.

Condensed Statement of Net Position

	<u>2021</u> <u>Governmental</u> <u>Activities</u>	<u>2020</u> <u>Governmental</u> <u>Activities</u>	<u>2021</u> <u>Business-</u> <u>Type</u> <u>Activities</u>	<u>2020</u> <u>Business-</u> <u>Type</u> <u>Activities</u>	<u>2021 Total</u>	<u>2020 Total</u>
Current & Other Assets	\$ 76,883,775	\$ 89,872,423	\$ 884,737	\$ 1,019,961	\$ 77,768,512	\$ 90,892,384
Capital Assets	90,311,143	76,344,813	504,149	287,410	90,815,292	76,632,223
Total Assets	<u>\$ 167,194,918</u>	<u>\$ 166,217,236</u>	<u>\$ 1,388,886</u>	<u>\$ 1,307,371</u>	<u>\$ 168,583,804</u>	<u>\$ 167,524,607</u>
Deferred Outflows of Resources	<u>\$ 24,502,978</u>	<u>\$ 17,886,603</u>	<u>\$ 408,593</u>	<u>\$ -</u>	<u>\$ 24,911,571</u>	<u>\$ 17,886,603</u>
Current & other liabilities	\$ 24,037,619	\$ 22,954,902	\$ 194,049	\$ 198,154	\$ 24,231,668	\$ 23,153,056
Long-term liabilities	240,848,992	239,839,632	2,894,015	-	243,743,007	239,839,632
Total Liabilities	<u>264,886,611</u>	<u>262,794,534</u>	<u>3,088,064</u>	<u>198,154</u>	<u>267,974,675</u>	<u>262,992,688</u>
Deferred Inflows of Resources	<u>\$ 3,184,411</u>	<u>\$ 6,937,357</u>	<u>\$ 45,957</u>	<u>\$ -</u>	<u>\$ 3,230,368</u>	<u>\$ 6,937,357</u>
Net Position:						
Net Investment in Capital Assets	50,680,877	43,620,257	504,149	287,410	51,185,026	43,907,667
Restricted	7,570,384	-	-	-	7,570,384	-
Unrestricted	(134,624,387)	(129,245,309)	(1,840,691)	821,807	(136,465,078)	(128,423,502)
Total Net Position	<u>\$ (76,373,126)</u>	<u>\$ (85,625,052)</u>	<u>\$ (1,336,542)</u>	<u>\$ 1,109,217</u>	<u>\$ (77,709,668)</u>	<u>\$ (84,515,835)</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

Change in Net Position

The following Statement of Activities represents the Change in Net Position for the years ended June 30, 2021 and 2020. It shows revenues by source and expenses by function for governmental activities, business-type activities and the government as a whole.

Condensed Statement of Activities

	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>		
	<u>Governmental</u>	<u>Governmental</u>	<u>Business-Type</u>	<u>Business-Type</u>	<u>2021 Total</u>	<u>2020 Total</u>
	<u>Activities</u>	<u>Activities</u>	<u>Activities</u>	<u>Activities</u>		
Revenues:						
Program Revenues:						
Charges for Services	\$ 1,627,072	\$ 1,850,103	\$ 341,616	\$ 1,644,054	\$ 1,968,688	\$ 3,494,157
Grants and Contributions	37,862,672	34,258,188	2,466,454	2,213,747	40,329,126	36,471,935
General Revenues:						
Property Taxes	55,752,100	55,466,204	-	-	55,752,100	55,466,204
Earned Income Tax	7,461,468	7,688,775	-	-	7,461,468	7,688,775
Real Estate Transfer Tax	1,305,762	937,429	-	-	1,305,762	937,429
Other Taxes	867,172	731,681	-	-	867,172	731,681
Investment Earnings	349,137	706,117	1,329	5,483	350,466	711,600
Other Income	583,668	698,474	-	-	583,668	698,474
State Property Tax Reduction	935,753	936,949	-	-	935,753	936,949
Sale of Fixed Assets	67,113	50	-	-	67,113	50
Total Revenues	\$ 106,811,917	\$ 103,273,970	\$ 2,809,399	\$ 3,863,284	\$ 109,621,316	\$ 107,137,254
Expenses:						
Instructional Services	\$ 63,439,889	\$ 59,158,561	\$ -	\$ -	\$ 63,439,889	\$ 59,158,561
Pupil Services	4,542,036	4,406,221	-	-	4,542,036	4,406,221
Instructional Support Services	2,670,057	3,509,963	-	-	2,670,057	3,509,963
Administration	6,316,953	6,033,895	-	-	6,316,953	6,033,895
Pupil Health Services	1,479,389	1,405,502	-	-	1,479,389	1,405,502
Financial Services	1,025,566	1,057,404	-	-	1,025,566	1,057,404
Operation and Maintenance of Plant	10,413,532	9,464,585	-	-	10,413,532	9,464,585
Student Transportation Services	4,725,598	5,320,201	-	-	4,725,598	5,320,201
Other Support Services	1,921,378	1,993,305	-	-	1,921,378	1,993,305
Student Activities	1,602,748	1,714,668	-	-	1,602,748	1,714,668
Community Services	12,920	5,514	-	-	12,920	5,514
Interest on Long-Term Debt	2,289,659	2,364,187	-	-	2,289,659	2,364,187
Food Service	-	-	1,536,480	2,661,244	1,536,480	2,661,244
Child Development	-	-	838,944	1,165,852	838,944	1,165,852
Total Expenses	100,439,725	96,434,006	2,375,424	3,827,096	102,815,149	100,261,102
Change in Net Position	6,372,192	6,839,964	433,975	36,188	6,806,167	6,876,152
Net Position - July 1, As Restated (Note 14)	(82,745,318)	(92,465,016)	(1,770,517)	1,109,217	(84,515,835)	(91,355,799)
Net Position - June 30	\$ (76,373,126)	\$ (85,625,052)	\$ (1,336,542)	\$ 1,145,405	\$ (77,709,668)	\$ (84,479,647)

**MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

Net Program Expenses

Net program expenses indicate the amount of support required from taxes and other general revenues for a program of the government. In 2021, taxes brought in \$65,386,502.

Net Cost of Governmental and Business-Type Activities

Program:	<u>2021</u> <u>Total Cost</u> <u>of Services</u>	<u>2020</u> <u>Total Cost</u> <u>of Services</u>	<u>2021</u> <u>Net Cost</u> <u>of Services</u>	<u>2020</u> <u>Net Cost</u> <u>of Services</u>
Instructional Services	\$ 63,439,889	\$ 59,158,561	\$ 31,616,924	\$ 28,229,195
Pupil Services	4,542,036	4,406,221	4,119,523	3,994,452
Instructional Support Services	2,670,057	3,509,963	1,821,971	3,181,951
Administration	6,316,953	6,033,895	5,729,537	5,470,018
Pupil Health Services	1,479,389	1,405,502	1,066,880	1,104,912
Financial Services	1,025,566	1,057,404	930,198	958,588
Operation and Maintenance of Plant	10,413,532	9,464,585	8,316,226	8,145,737
Student Transportation Services	4,725,598	5,320,201	2,412,847	2,928,579
Other Support Services	1,921,378	1,993,305	1,706,423	1,703,369
Student Activities	1,602,748	1,714,668	1,389,329	1,388,564
Community Services	12,920	5,514	-	-
Interest on Long-Term Debt	2,289,659	2,364,187	1,840,123	2,283,401
Food Service	1,536,480	2,661,244	(86,303)	(35,911)
Child Development	838,944	1,165,852	(346,343)	5,206
Total Expenses	\$ 102,815,149	\$ 100,261,102	\$ 60,517,335	\$ 59,358,061

The SCHOOL DISTRICT relied on property taxes and other general revenues to fund 58.86% of its governmental and business-type activities in 2021.

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

Capital Assets

The SCHOOL DISTRICT's investment in capital assets in its Governmental Activities at June 30, 2021, net of accumulated depreciation, was \$90,311,143. Capital assets consist primarily of land, buildings, equipment, and books. The following is a summary of capital assets at June 30, 2021:

GOVERNMENTAL ACTIVITIES	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Not Being Depreciated:				
Land	\$ 549,708	\$ -	\$ -	\$ 549,708
Construction in Progress	4,629,638	9,918,931	(4,525,319)	10,023,250
Total Capital Assets, Not Being Depreciated	<u>5,179,346</u>	<u>9,918,931</u>	<u>(4,525,319)</u>	<u>10,572,958</u>
Capital Assets, Being Depreciated:				
Buildings and Improvements	156,246,588	11,805,513	-	168,052,101
Equipment and Vehicles	16,184,746	2,030,613	(154,722)	18,060,637
Total Capital Assets, Being Depreciated	<u>172,431,334</u>	<u>13,836,126</u>	<u>(154,722)</u>	<u>186,112,738</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	(90,516,517)	(4,298,272)		(94,814,789)
Equipment and Vehicles	(10,749,350)	(957,648)	147,234	(11,559,764)
Total Accumulated Depreciation	<u>(101,265,867)</u>	<u>(5,255,920)</u>	<u>147,234</u>	<u>(106,374,553)</u>
Total Capital Assets, Being Depreciated, Net	<u>71,165,467</u>	<u>8,580,206</u>	<u>(7,488)</u>	<u>79,738,185</u>
Governmental Activities Capital Assets, Net	<u>\$ 76,344,813</u>	<u>\$ 18,499,137</u>	<u>\$ (4,532,807)</u>	<u>\$ 90,311,143</u>
BUSINESS TYPE ACTIVITIES	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Being Depreciated:				
Food Service Equipment	\$ 1,240,723	\$ 313,531	\$ -	\$ 1,554,254
Total Capital Assets, Being Depreciated	<u>1,240,723</u>	<u>313,531</u>	<u>-</u>	<u>1,554,254</u>
Less Accumulated Depreciation	(953,313)	(96,792)	-	(1,050,105)
Total Capital Assets, Being Depreciated, Net	<u>287,410</u>	<u>216,739</u>	<u>-</u>	<u>504,149</u>
Business Type Activities Capital Assets, Net	<u>\$ 287,410</u>	<u>\$ 216,739</u>	<u>\$ -</u>	<u>\$ 504,149</u>

The significant increase from Construction in Progress and Buildings/Improvement categories are due from renovations to buildings. Detailed information about the SCHOOL DISTRICT's capital assets can be found in Note 4, Notes to the Financial Statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

At June 30, 2021, the SCHOOL DISTRICT had \$246,207,735 of long-term liabilities outstanding. Long-term liabilities increased 0.7% from the previous year. Additional information related to debt is found in Notes 6, 8 and 9 in the Financial Statements. The following is a summary of long-term liabilities for the 2021 year:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities					
Bonds and Notes payable:					
General obligation bonds	\$ 73,055,000	\$ -	\$ (4,380,000)	\$ 68,675,000	\$ 4,955,000
Bond Premiums	7,518,174	-	(862,233)	6,655,941	-
Total bonds and notes payable	<u>80,573,174</u>	<u>-</u>	<u>(5,242,233)</u>	<u>75,330,941</u>	<u>4,955,000</u>
Other Liabilities					
Compensated absences	3,462,263	93,685	-	3,555,948	-
Net Pension Liability	143,903,302	4,821,219	-	148,724,521	-
Other Postemployment Benefits	15,912,468	2,017,812	-	17,930,280	-
Lease Payable	711,193	323,975	(369,123)	666,045	403,743
Total Other Liabilities	<u>163,989,226</u>	<u>7,256,691</u>	<u>(369,123)</u>	<u>170,876,794</u>	<u>403,743</u>
Governmental Activities					
Long-Term Liabilities	<u>\$ 244,562,400</u>	<u>\$ 7,256,691</u>	<u>\$ (5,611,356)</u>	<u>\$ 246,207,735</u>	<u>\$ 5,358,743</u>

GOVERNMENTAL FUNDS

The SCHOOL DISTRICT uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of governmental funds is to provide information on inflows, outflows, and balances of spendable resources. Such information is useful in assessing the SCHOOL DISTRICT's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the SCHOOL DISTRICT's net resources available for spending at the end of the year.

The SCHOOL DISTRICT's governmental funds include the general fund, capital reserve fund and capital projects fund. The general fund is the chief operating fund for the SCHOOL DISTRICT. Capital reserve fund and capital projects funds are restricted to specific legislated use.

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

GOVERNMENTAL FUND REVENUES

Governmental fund revenues by source at June 30, 2021 and 2020 were as follows:

	<u>2021</u>	<u>% of Total</u>	<u>2020</u>	<u>Increase/ (Decrease)</u>	<u>% Change from PY</u>
Revenues:					
Local Sources					
Property Taxes	\$ 55,986,257	52.33%	\$ 55,466,204	\$ 520,053	0.94%
Earned Income Tax	7,461,468	6.97%	7,688,775	(227,307)	-2.96%
Real Estate Transfer Tax	1,305,762	1.22%	937,429	368,333	39.29%
Other Taxes	867,172	0.81%	731,681	135,491	18.52%
Investment Earnings	349,137	0.33%	988,670	(639,533)	-64.69%
Tuition	1,304,226	1.22%	1,258,393	45,833	3.64%
IDEA/Other Federal Sources	1,681,456	1.57%	1,412,541	268,915	19.04%
Other Local Revenue	923,190	0.86%	959,425	(36,235)	-3.78%
Total Local Revenue	69,878,668	65.32%	69,443,118	435,550	0.63%
State Sources					
Basic Education Subsidy	14,897,010	13.93%	14,897,028	(18)	0.00%
Social Security/Retirement Subsidies	9,125,812	8.53%	8,790,467	335,345	3.81%
Special Education Subsidy	3,930,028	3.67%	3,746,977	183,051	4.89%
Transportation Subsidy	1,873,316	1.75%	1,894,440	(21,124)	-1.12%
State Property Tax Reduction	935,753	0.87%	936,949	(1,196)	-0.13%
Other State Revenue	1,805,794	1.69%	1,165,008	640,786	55.00%
Total State Revenue	32,567,713	30.44%	31,430,869	1,136,844	3.62%
Federal/Other Revenue					
Title Funding	1,610,341	1.51%	1,566,145	44,196	2.82%
COVID Stimulus Funding	2,402,764	2.25%	38,635	2,364,129	6119.21%
ACCESS Funding	519,475	0.49%	675,265	(155,790)	-23.07%
Total Federal Revenue	4,532,580	4.24%	2,280,045	2,252,535	98.79%
Total Revenues	\$ 106,978,961		\$ 103,154,033	\$ 3,824,928	3.71%

There are several factors relating to increases in revenues from 2021 to 2020. Local revenues increased \$435,550 or .63%. This increase was due to an increase in collections of real estate taxes, real estate transfer taxes and interim taxes. The increase was offset by decreases in earned income taxes and investment earnings as a result of COVID. State revenues increased \$1,136,844 or 3.62% during 2021 due to a slight increase in the state budget for education, reimbursement for PSERS of Social Security contributions and receiving a state grant for the McDowell Manufacturing Lab. Federal revenues increased \$2,252,535 or 98.79% during 2021 due to the receipt of ESSER funds.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

GOVERNMENTAL FUND EXPENDITURES

Governmental fund expenditures by function at June 30, 2021 and 2020 were as follows:

	<u>2021</u>	<u>% of Total</u> <u>2021</u>	<u>2020</u>	<u>Increase/</u> <u>(Decrease)</u>	<u>% Change</u> <u>from PY</u>
Expenses:					
Instructional Services	\$ 61,761,625	51.31%	\$ 58,181,145	\$ 3,580,480	3.45%
Pupil Services	4,425,701	3.68%	4,327,378	98,323	0.09%
Instructional Support Services	2,601,669	2.16%	3,447,158	(845,489)	-0.81%
Administration	6,155,157	5.11%	5,925,928	229,229	0.22%
Pupil Health Services	1,441,498	1.20%	1,380,353	61,145	0.06%
Financial Services	999,298	0.83%	1,038,484	(39,186)	-0.04%
Operation and Maintenance of Plant	10,146,810	8.43%	9,295,231	851,579	0.82%
Student Transportation Services	4,604,562	3.83%	5,225,004	(620,442)	-0.60%
Other Support Services	1,872,165	1.56%	1,957,638	(85,473)	-0.08%
Student Activities	1,602,748	1.33%	1,714,668	(111,920)	-0.11%
Community Services	12,920	0.01%	5,514	7,406	0.01%
Debt:					
Interest	2,824,875	2.35%	1,511,972	1,312,903	1.26%
Principal	4,655,598	3.87%	4,165,700	489,898	0.47%
Other	54,784	0.05%	136,220	(81,436)	-0.08%
Building Improvements	17,209,532	14.30%	5,476,426	11,733,106	11.30%
Total Expenses	<u>\$ 120,368,942</u>	<u>100.00%</u>	<u>\$ 103,788,819</u>	<u>\$ 16,580,123</u>	<u>15.97%</u>

Total expenditures for the year increased \$16,580,123 or 15.97%. Instruction expenditures increased \$3,580,480 or 3.45%. This increase can be primarily attributed to increases in pupil expenditures funded by federal sources related to COVID and typical inflationary margins. Support services decreased \$350,314 or 0.34%. The decrease is a result of the district electing to lease IT equipment compared to purchasing outright and negotiating variable costs with its transportation carrier as a result of COVID and not conducting in-person learning for 180 days offset by additional charter school tuition expenses and safety mitigation efforts from COVID. Student Activities and Community Service decreased by \$104,514 or 0.07% as a result of COVID and limited schedules. Facilities acquisition, construction, and improvements increased \$11,733,106 or 11.3%. The increase was related to the commencement of the district's long-range capital improvement plan funded by a debt issuance. Debt Service increased \$1,802,801 or 1.74% from issuing additional debt in 2020. See Note 6 Long Term Liabilities for further information on the Debt Service requirements.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

GOVERNMENTAL FUND BALANCES AND PROPRIETARY FUND NET POSITION

Ending fund balances for governmental funds and net position for proprietary funds at June 30, 2021 and 2020 were as follows:

Fund:	<u>Beginning</u> <u>Fund Balance/Net</u> <u>Position (As Restated)</u>	<u>Net Change</u>	<u>Ending</u> <u>Fund</u> <u>Balance/Net Position</u>
Governmental Funds:			
General Fund	\$ 17,441,058	\$ 2,806,130	\$ 20,247,188
Capital Reserve	46,483,058	(16,444,511)	30,038,547
Capital Projects	7,254,871	315,513	7,570,384
Proprietary Funds:			
Food Service	305,408	87,129	392,537
Day Care	(2,075,925)	346,846	(1,729,079)
2021 Total	<u>\$ 69,408,470</u>	<u>\$ (12,888,893)</u>	<u>\$ 56,519,577</u>

The reasons for the changes in governmental fund balances are explained above in the governmental funds revenues and expenditures sections.

BUDGETARY HIGHLIGHTS

The SCHOOL DISTRICT adopts an annual appropriated budget for its general fund. Detailed information about the SCHOOL DISTRICT's 2021 general fund budget can be found in Required Supplemental Information.

Overall the SCHOOL DISTRICT had a positive variance of \$4,286,853 for actual results in comparison to budget. Numerous factors went in to these results. Revenue had a positive variance of \$2,010,386 which resulted from COVID not impacting revenue as anticipated for local revenue. Expenditures had a positive variance of \$3,210,356 for actual results in comparison to budget, largely resulting from Instructional Support Services not purchasing IT equipment outright but leased the equipment, Operation and Maintenance of Plant spending less in utilities from upgrades in renovations and contracted services, Student Transportation from negotiating a reduced contract for the year and student activities receiving shortened schedule. Most expenditures were effected by COVID. The Pupil Service function overspent the budget by \$376,871 from attendance positions appropriately allocated in this function compared to the Administration function. These two functions should be viewed together for a true variance. The negative variance when these two functions are netted together, is a result of overspending of legal fee accounts, fees assessed for higher collection of taxes compared to what was expected and hiring a short term Principal position. The Other Support Services function overspent the budget by \$107,929 from Personnel Department overtime, professional development and increasing our bandwidth. The Other function overspent the budget by \$11,196 for prior year tuition to outside LEA's. The SCHOOL DISTRICT also did not sell a building as anticipated. Other Financing Sources and Uses had a negative variance of \$933,887 netting to overall positive variance noted above.

ECONOMIC CONDITIONS AND NEXT YEAR'S BUDGET

Current difficult economic conditions have affected the SCHOOL DISTRICT's financial position due largely in part by increased pension and healthcare costs. SCHOOL DISTRICT management has worked on lowering expenses and increasing revenues other than taxes.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

General Fund Budget Comparison

	<u>2021-2022</u>	<u>2020-2021</u>	<u>Increase/ (Decrease)</u>	<u>% Change from PY</u>
Revenues:				
Local	\$ 69,364,571	\$ 67,246,459	\$ 2,118,112	3.15%
State	32,895,366	32,684,650	210,716	0.64%
Federal/Other	4,881,327	5,857,932	(976,605)	-16.67%
Total Revenue	107,141,264	105,789,041	1,352,223	1.28%
Expenditures:				
Instruction	63,735,225	62,070,127	1,665,098	2.68%
Support Services	33,221,601	34,795,285	(1,573,684)	-4.52%
Non-Instruction/Community	1,941,366	1,980,856	(39,490)	-1.99%
Fund Transfers/Debt	8,342,757	8,423,497	(80,740)	-0.96%
Total Expenditures	107,240,949	107,269,765	(28,816)	-0.03%
Net Deficit/Surplus	\$ (99,685)	\$ (1,480,724)	\$ 1,381,039	-93.27%

The SCHOOL DISTRICT's ability to raise millage rates above an inflationary index is limited by Act 1 of 2006. Options to raise millage rates above the Act 1 index are available through referendum approval of the Pennsylvania Department of Education or asking the community to approve a budget via a voting referendum. The current budget does not exceed the Index increase of 3.6%, with a 1.8% millage increase, as use of fund balance, an increase to EIT and Real Estate Transfer Taxes from COVID and no increase to healthcare costs contributed to keeping millage rates within the index limitation.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the SCHOOL DISTRICT's finances and to demonstrate the SCHOOL DISTRICT's accountability. Questions concerning this financial information or requests for additional information should be directed to:

Millcreek Township School District
Central Administration Office
3740 West 26th Street
Erie, PA 16506
Phone: 814-835-5300

MILLCREEEK TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2021

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Assets			
Cash and Cash Equivalents	\$ 66,056,501	\$ 896,675	\$ 66,953,176
Property Taxes Receivable, Net of Allowance for Uncollectible	1,791,150	-	1,791,150
Other Taxes Receivable	1,401,003	-	1,401,003
Intergovernmental Receivable	4,955,919	319,270	5,275,189
Other Receivables	1,521,174	36,501	1,557,675
Internal Balances	378,417	(378,417)	-
Inventory	192,705	10,708	203,413
Prepays	586,906	-	586,906
Capital Assets:			
Non-Depreciable	10,572,958	-	10,572,958
Depreciable (Net)	79,738,185	504,149	80,242,334
Total Assets	\$ 167,194,918	\$ 1,388,886	\$ 168,583,804
Deferred Outflows of Resources			
Deferred Outflows Related to Pensions	\$ 20,605,153	\$ 378,880	\$ 20,984,033
Deferred Outflows Related to OPEB - Retiree's Health Plan	2,160,013	17,614	2,177,627
Deferred Outflows Related to OPEB - PSERS	661,805	12,099	673,904
Deferred Loss on Refunding Debt	1,076,007	-	1,076,007
Total Deferred Outflows of Resources	\$ 24,502,978	\$ 408,593	\$ 24,911,571
Liabilities			
Current Liabilities:			
Accounts Payable	5,403,736	92,488	5,496,224
Accrued Wages and Benefits	12,453,617	-	12,453,617
Accrued Interest Payable on Debt	777,257	-	777,257
Unearned Revenue	44,266	101,561	145,827
Current Portions of Long-Term Liabilities:			
Bonds and Notes Payable	4,955,000	-	4,955,000
Capital Lease Payable	403,743	-	403,743
Non-Current Portion of Long-Term Liabilities:			
Bonds and Notes Payable	70,375,941	-	70,375,941
Capital Lease Payable	262,302	-	262,302
Other Post Employment Benefits	17,930,280	159,323	18,089,603
Compensated Absences	3,555,948	-	3,555,948
Net Pension Liability	148,724,521	2,734,692	151,459,213
Total Liabilities	\$ 264,886,611	\$ 3,088,064	\$ 267,974,675
Deferred Inflows of Resources			
Deferred Inflows of Pensions	\$ 1,733,567	\$ 31,876	\$ 1,765,443
Deferred Inflows of OPEB - Retiree's Health Plan	1,230,794	10,036	1,240,830
Deferred Inflows of OPEB - PSERS	220,050	4,045	224,095
Total Deferred Inflows of Resources	\$ 3,184,411	\$ 45,957	\$ 3,230,368
Net Position			
Net Investment in Capital Assets	\$ 50,680,877	\$ 504,149	\$ 51,185,026
Restricted	7,570,384	-	7,570,384
Unrestricted	(134,624,387)	(1,840,691)	(136,465,078)
Total Net Position	\$ (76,373,126)	\$ (1,336,542)	\$ (77,709,668)

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

MILLCREEK TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

Functions/Programs	Expenses	Program Revenues		Primary Government		
		Charges	Operating Grants	Governmental	Business-Type	Total
		For Services	and Contributions	Activities	Activities	
Primary Government:						
Governmental Activities:						
Instructional Services	\$ 63,439,889	\$ 1,400,740	\$ 30,422,225	\$ (31,616,924)	\$ -	\$ (31,616,924)
Pupil Services	4,542,036	-	422,513	(4,119,523)	-	(4,119,523)
Instructional Support Services	2,670,057	-	848,086	(1,821,971)	-	(1,821,971)
Administration	6,316,953	-	587,416	(5,729,537)	-	(5,729,537)
Pupil Health Services	1,479,389	-	412,509	(1,066,880)	-	(1,066,880)
Fiancial Services	1,025,566	-	95,368	(930,198)	-	(930,198)
Operation and Maintenance of Plant	10,413,532	161,953	1,935,353	(8,316,226)	-	(8,316,226)
Student Transportation Services	4,725,598	-	2,312,751	(2,412,847)	-	(2,412,847)
Other Support Services	1,921,378	-	214,955	(1,706,423)	-	(1,706,423)
Student Activities	1,602,748	64,379	149,040	(1,389,329)	-	(1,389,329)
Community Services	12,920	-	12,920	-	-	-
Interest on Long-Term Debt	2,289,659	-	449,536	(1,840,123)	-	(1,840,123)
Total Governmental Activities:	<u>100,439,725</u>	<u>1,627,072</u>	<u>37,862,672</u>	<u>(60,949,981)</u>	<u>-</u>	<u>(60,949,981)</u>
Business-Type Activities:						
Food Service	1,536,480	82,428	1,540,355	-	86,303	86,303
Child Development	838,944	259,188	926,099	-	346,343	346,343
Total Business-Type Activities	<u>2,375,424</u>	<u>341,616</u>	<u>2,466,454</u>	<u>-</u>	<u>432,646</u>	<u>432,646</u>
Total Primary Government	<u>\$ 102,815,149</u>	<u>\$ 1,968,688</u>	<u>\$ 40,329,126</u>	<u>\$ (60,949,981)</u>	<u>\$ 432,646</u>	<u>\$ (60,517,335)</u>
General Revenues:						
Taxes:						
Property Taxes				55,752,100	-	55,752,100
Earned Income Tax				7,461,468	-	7,461,468
Real Estate Transfer Tax				1,305,762	-	1,305,762
Other Taxes				867,172	-	867,172
Investment Earnings				349,137	1,329	350,466
Other Income				583,668	-	583,668
State Property Tax Reduction				935,753	-	935,753
Sale of Fixed Assets				67,113	-	67,113
Total General Revenues				<u>67,322,173</u>	<u>1,329</u>	<u>67,323,502</u>
Change in Net Position				6,372,192	433,975	6,806,167
Net Position - Beginning, As Restated (Note 14)				(82,745,318)	(1,770,517)	(84,515,835)
Net Position - Ending				<u>\$ (76,373,126)</u>	<u>\$ (1,336,542)</u>	<u>\$ (77,709,668)</u>

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

MILLCREEEK TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
JUNE 30, 2021

<u>Assets</u>	<u>General Fund</u>	<u>Capital Reserve</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
Cash and Cash Equivalents	\$ 26,036,093	\$ 32,358,632	\$ 7,661,776	\$ 66,056,501
Receivables:				
Property Taxes Receivable, Net of Allowance for Uncollectible	1,791,150	-	-	1,791,150
Other Taxes Receivable	1,401,003	-	-	1,401,003
Intergovernmental	4,955,919	-	-	4,955,919
Due From Other Funds	391,758	258	-	392,016
Other Receivables	1,521,174	-	-	1,521,174
Prepaid Assets	586,906	-	-	586,906
Inventory	192,705	-	-	192,705
Total Assets	\$ 36,876,708	\$ 32,358,890	\$ 7,661,776	\$ 76,897,374
<u>Liabilities</u>				
Accounts Payable	\$ 2,993,906	\$ 2,318,438	\$ 91,392	\$ 5,403,736
Accrued Salaries & Benefits	12,453,617	-	-	12,453,617
Due To Other Funds	11,694	1,905	-	13,599
Unearned Revenues	44,266	-	-	44,266
Total Liabilities	15,503,483	2,320,343	91,392	17,915,218
<u>Deferred Inflows of Resources</u>				
Unavailable Revenue - Property Taxes	1,126,037	-	-	1,126,037
Total Deferred Inflows of Resources	1,126,037	-	-	1,126,037
<u>Fund Balances</u>				
Non-spendable	779,611	-	-	779,611
Restricted for Capital Projects	-	30,038,547	7,570,384	37,608,931
Committed:				
Extracurricular Activities	1,586,597	-	-	1,586,597
Assigned:				
PSERS	1,036,974	-	-	1,036,974
IT	3,115,994	-	-	3,115,994
Salaries	2,197,929	-	-	2,197,929
Vo-Tech	3,277,329	-	-	3,277,329
Unassigned	8,252,754	-	-	8,252,754
Total Fund Balances	20,247,188	30,038,547	7,570,384	57,856,119
Total Liabilities and Fund Balances	\$ 36,876,708	\$ 32,358,890	\$ 7,661,776	\$ 76,897,374

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

MILLCREEEK TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2021

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total fund balances of governmental funds		\$ 57,856,119
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$196,685,696 and the accumulated depreciation is \$106,374,553.		90,311,143
Property taxes receivable will be collected, but are not available soon enough to pay for current year's expenditures, and therefore are deferred in the Governmental Funds.		1,126,037
Long-term liabilities and related deferrals such as Debt, Accrued Interest, and Compensated Absences are not due and payable in the current period and accordingly are not reported as fund liabilities. Both current and long-term liabilities are reported in the Statement of Net Position.		
Long-term Bonds and Notes Payable	\$ (68,675,000)	
Unamortized Loss on Debt Refundings	1,076,007	
Bond Premium	(6,655,941)	
Accrued interest	(777,257)	
Capital Lease Payable	(666,045)	
Other Post Employment Benefits	(17,930,280)	
Deferred Outflows related to Pensions	20,605,153	
Deferred Outflows related to OPEB - Retirees Health Plan	2,160,013	
Deferred Outflows related to OPEB - PSERS	661,805	
Deferred Inflows related to Pensions	(1,733,567)	
Deferred Inflows related to OPEB - Retirees Health Plan	(1,230,794)	
Deferred Inflows related to OPEB - PSERS	(220,050)	
Net Pension Liability	(148,724,521)	
Compensated Absences	(3,555,948)	(225,666,425)
Total net position of governmental activities		\$ (76,373,126)

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

MILLCREEEK TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>General Fund</u>	<u>Capital Reserve</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
Revenues:				
Local Revenue:				
Property Taxes	\$ 55,986,257	\$ -	\$ -	\$ 55,986,257
Earned Income Tax	7,461,468	-	-	7,461,468
Real Estate Transfer Tax	1,305,762	-	-	1,305,762
Other Taxes	867,172	-	-	867,172
Investment Earnings	175,440	159,705	13,992	349,137
Tuition	1,304,226	-	-	1,304,226
IDEA/Other Federal Sources	1,681,456	-	-	1,681,456
Other Local Revenue	921,713	1,477	-	923,190
Total Local Revenue	69,703,494	161,182	13,992	69,878,668
State Revenue:				
Basic Education Subsidy	14,897,010	-	-	14,897,010
Social Security/Retirement Subsidies	9,120,452	5,360	-	9,125,812
Special Education Subsidy	3,930,028	-	-	3,930,028
Transportation Subsidy	1,873,316	-	-	1,873,316
State Property Tax Reduction	935,753	-	-	935,753
Other State Revenue	1,805,794	-	-	1,805,794
Total State Revenue	32,562,353	5,360	-	32,567,713
Federal/Other Revenue:				
Title Funding	1,610,341	-	-	1,610,341
COVID Stimulus Funding	2,402,764	-	-	2,402,764
ACCESS Funding	519,475	-	-	519,475
Total Federal Revenue	4,532,580	-	-	4,532,580
Total Revenues	106,798,427	166,542	13,992	106,978,961
Expenditures:				
Instructional Services	61,761,625	-	-	61,761,625
Pupil Services	4,425,701	-	-	4,425,701
Instructional Support Services	2,601,669	-	-	2,601,669
Administration	6,155,157	-	-	6,155,157
Pupil Health Services	1,441,498	-	-	1,441,498
Financial Services	999,298	-	-	999,298
Operation and Maintenance of Plant	10,146,810	-	-	10,146,810
Student Transportation Services	4,604,562	-	-	4,604,562
Other Support Services	1,872,165	-	-	1,872,165
Student Activities	1,602,748	-	-	1,602,748
Community Services	12,920	-	-	12,920
Debt:				
Interest	2,824,875	-	-	2,824,875
Principal	4,655,598	-	-	4,655,598
Other	54,784	-	-	54,784
Building Improvements	-	16,611,053	598,479	17,209,532
Total Expenditures	103,159,410	16,611,053	598,479	120,368,942
Excess (Deficiency) of Revenues Over Expenditures	<u>3,639,017</u>	<u>(16,444,511)</u>	<u>(584,487)</u>	<u>(13,389,981)</u>
Other Financing Sources				
Transfers In	-	-	900,000	900,000
Sale of Fixed Assets	67,113	-	-	67,113
Transfers Out	(900,000)	-	-	(900,000)
Total Financing Sources	(832,887)	-	900,000	67,113
Net Change in Fund Balance	2,806,130	(16,444,511)	315,513	(13,322,868)
Fund Balance, Beginning of Year	17,441,058	46,483,058	7,254,871	71,178,987
Fund Balance, End of Year	\$ 20,247,188	\$ 30,038,547	\$ 7,570,384	\$ 57,856,119

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

MILLCREEEK TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

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

Net Change in fund balances - total governmental funds \$ (13,322,868)

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

Capital Outlays	19,229,738	
Net Effect of Fixed Asset Disposals	(7,488)	
Depreciation Expense	<u>(5,255,920)</u>	13,966,330

Payments of long-term debt and certain expenditures of debt issuance are expensed when paid in the Governmental Funds, but are amortized or recorded as a reduction of long term liabilities in the Statement of Net Position

Debt Principal Repayments	4,380,000	
Capital Lease Additions	(323,975)	
Amortization of Bond Premiums	862,233	
Amortization of Deferred Interest	(215,202)	
Change in Accrued Interest	118,634	
Capital Lease Payments	369,123	
Change in Compensated Absences	<u>(99,355)</u>	5,091,458

Governmental funds do not report the changes in the Other Post Employment Benefit liability: 326,786

Governmental funds do not report the changes in the Pension expense: 544,643

Real estate taxes reported in the funds include receipt of prior year delinquent taxes and do not include revenue attributable to the current year's delinquent tax receivable. This amount is the net effect of these differences.

Current year	1,126,037	
Prior year	<u>(1,360,194)</u>	<u>(234,157)</u>

Changes in net position of governmental activities \$ 6,372,192

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

MILLCREEEK TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

Assets	Food Service	Day Care	Total Proprietary Funds
Current Assets:			
Cash and Cash Equivalents	\$ 636,226	\$ 260,449	\$ 896,675
Subsidies Receivable	297,395	21,875	319,270
Due From Other Funds	3,291	2,475	5,766
Other Receivables	7,061	29,440	36,501
Inventories	10,708	-	10,708
Total Current Assets	954,681	314,239	1,268,920
Non-Current Assets:			
Capital Assets (Net of Accumulated Depreciation \$1,050,105)	504,149	-	504,149
Total Non-Current Assets	504,149	-	504,149
Total Assets	\$ 1,458,830	\$ 314,239	\$ 1,773,069
Deferred Outflows of Resources			
Deferred Outflows of Resources for OPEB	\$ 7,859	\$ 21,854	\$ 29,713
Deferred Outflows of Resources for Pension	76,847	302,033	378,880
Total Deferred Outflows of Resources	\$ 84,706	\$ 323,887	\$ 408,593
Liabilities			
Current Liabilities:			
Accounts Payable	\$ 86,214	\$ 6,274	\$ 92,488
Due To Other Funds	347,039	37,144	384,183
Unearned Revenues	100,146	1,415	101,561
Total Current Liabilities	533,399	44,833	578,232
Noncurrent Liabilities:			
OPEB	52,574	106,749	159,323
Pension	554,670	2,180,022	2,734,692
Total Noncurrent Liabilities	607,244	2,286,771	2,894,015
Total Liabilities	1,140,643	2,331,604	3,472,247
Deferred Inflows of Resources			
Deferred Outflows of Resources for OPEB	3,891	10,190	14,081
Deferred Outflows of Resources for Pension	6,465	25,411	31,876
Total Deferred Inflows of Resources	10,356	35,601	45,957
Net Position			
Net Investment in Capital Assets	504,149	-	504,149
Unrestricted	(111,612)	(1,729,079)	(1,840,691)
Total Net Position	392,537	(1,729,079)	(1,336,542)
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 1,543,536	\$ 638,126	\$ 2,181,662

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

MILLCREEEK TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Food Service</u>	<u>Day Care</u>	<u>Total Proprietary Funds</u>
Operating Revenues:			
Receipts from Providing Services	\$ 82,428	\$ 259,188	\$ 341,616
Total Operating Revenues	<u>82,428</u>	<u>259,188</u>	<u>341,616</u>
Operating Expenses			
Salaries and Wages	164,060	669,481	833,541
Employee Benefits	70,010	103,185	173,195
Operations	1,205,618	66,278	1,271,896
Depreciation	96,792	-	96,792
Total Operating Expenses	<u>1,536,480</u>	<u>838,944</u>	<u>2,375,424</u>
Operating Loss	(1,454,052)	(579,756)	(2,033,808)
Nonoperating Revenues (Expenses)			
Federal Programs:			
Federal Subsidies	1,340,490	526,880	1,867,370
Donated Commodities	115,399	-	115,399
State Subsidies	84,466	399,219	483,685
Investment Earnings	826	503	1,329
Total Nonoperating Revenues (Expenses)	<u>1,541,181</u>	<u>926,602</u>	<u>2,467,783</u>
Changes in Net Position	87,129	346,846	433,975
Net Position - Beginning of Year, As Restated (Note 14)	<u>305,408</u>	<u>(2,075,925)</u>	<u>(1,770,517)</u>
Net Position - End of Year	<u>\$ 392,537</u>	<u>\$ (1,729,079)</u>	<u>\$ (1,336,542)</u>

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

MILLCREEEK TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Food Service</u>	<u>Day Care</u>	<u>Total Proprietary Funds</u>
Cash Flows from Operating Activities			
Cash Received from Customers	\$ 76,076	\$ 278,076	\$ 354,152
Cash Paid to Employees	(164,060)	(669,481)	(833,541)
Cash Paid to Suppliers	(892,784)	(552,254)	(1,445,039)
Net Cash Used in Operating Activities	<u>(980,769)</u>	<u>(943,659)</u>	<u>(1,924,427)</u>
Cash Flows from Non-Capital Financing Activities			
Grants & Subsidies Received:			
State	78,786	399,572	478,358
Federal	1,179,917	526,880	1,706,797
Net Cash Provided by/(Used in) Non-Capital Financing Activities	<u>1,258,703</u>	<u>926,452</u>	<u>2,185,155</u>
Cash Flows from Capital and Related Financing Activities			
Purchase of Capital Assets	(313,531)	-	(313,531)
Investment Earnings	826	503	1,329
Net Cash Provided by/(Used in) Capital and Related Financing Activities	<u>(312,705)</u>	<u>503</u>	<u>(312,203)</u>
Net Decrease in Cash and Cash Equivalents	(34,771)	(16,704)	(51,474)
Beginning Cash and Cash Equivalents	<u>670,997</u>	<u>277,153</u>	<u>948,151</u>
Ending Cash and Cash Equivalents	\$ 636,226	\$ 260,449	\$ 896,675
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES			
Operating Loss	\$ (1,454,052)	\$ (579,756)	\$ (2,033,808)
Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities:			
Depreciation	96,792	-	96,792
Pension Expense	(60,052)	(288,303)	(348,355)
Donated Commodities	115,399	-	115,399
(Increase) Decrease in Assets			
Interfund Receivables	47,308	49,169	96,477
Inventories	1,054	-	1,054
Other Assets	(6,813)	22,104	15,291
Increase (Decrease) in Liabilities			
Accounts Payable	51,765	(3,025)	48,740
Interfund Payable	228,290	(91,462)	136,828
Unearned Revenue	(461)	(52,385)	(52,845)
Net Cash Used in Operating Activities	<u>\$ (980,769)</u>	<u>\$ (943,659)</u>	<u>\$ (1,924,427)</u>

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

MILLCREEEK TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Custodial Funds</u>	<u>Total Fiduciary Funds</u>
Assets		
Cash and Cash Equivalents	\$ 189,863	\$ 189,863
Other Receivables	<u>5,670</u>	<u>5,670</u>
Total Assets	\$ 195,533	\$ 195,533
Liabilities		
Accounts Payable	\$ -	\$ -
Total Liabilities	-	-
Net Position		
Unrestricted	<u>195,533</u>	<u>195,533</u>
Total Net Position	195,533	195,533
Total Liabilities and Net Position	<u>\$ 195,533</u>	<u>\$ 195,533</u>

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

MILLCREEEK TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Custodial Funds</u>	<u>Total Fiduciary Funds</u>
Operating Revenues:		
Receipts from Providing Services	\$ 148,805	\$ 148,805
Total Operating Revenues	<u>148,805</u>	<u>148,805</u>
Operating Expenses		
Disbursements	158,265	158,265
Total Operating Expenses	<u>158,265</u>	<u>158,265</u>
Changes in Net Position	(9,460)	(9,460)
Net Position - Beginning of Year, As Restated (Note 14)	<u>204,993</u>	<u>204,993</u>
Not Position - End of Year	<u>\$ 195,533</u>	<u>\$ 195,533</u>

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

MILLCREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Millcreek Township School District (the "District") is located in Erie County, Pennsylvania. The District's tax base consists of Millcreek Township.

The District is governed by a board of nine school board members who are residents of the District and who are elected every two years, on a staggered basis, for a four-year term.

The Board of Directors (the "Board") has the power and duty to establish, equip, furnish and maintain a sufficient number of elementary, secondary and other schools necessary to educate every person residing in such district between the ages of five and twenty-one years, who may attend.

In order to establish, enlarge, equip, furnish, operate and maintain any school herein provided, or to pay any school indebtedness, which the District is required to pay, or to pay an indebtedness that may at any time hereafter be created by the District; the Board is vested with all the necessary authority and power annually to levy and collect the necessary taxes required and granted by the legislature, in addition to the annual State appropriation, and are vested with all necessary power and authority to comply with and carry out any or all of the provisions of the Public School Code of 1949.

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

A.) Use of Estimates:

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

B.) Reporting Entity:

The District is the basic level of government, which has financial accountability and control over all activities related to the public school education in the District. The District receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities. However, the District, is not included in any other governmental "reporting entity" as defined by the GASB pronouncements, since Board members are elected from the public and have decision making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters. In addition, there are no component units as defined in GASB Statement No. 61, which are included in the District's reporting entity.

MILLCREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C.) Joint Venture:

The Millcreek Township School District, along with other school districts located in the County of Erie, Pennsylvania, own and operate a joint venture, namely the Erie County Area Vocational-Technical School (Vo-Tech).

Students of the School District, if they so elect, may receive vocational/technical training at Vo-Tech. The School District pays the tuition for the students enrolled at the vocational-technical school. The School District paid \$805,652 in tuition and alternative education for the year ended June 30, 2021.

Each School District elects one member to the operating committee of Vo-Tech. The operating committee acts as the school's governing body.

Financial information relating to the Erie County Area Vocational-Technical School is included in a separate audit report for the year ended June 30, 2021. The report can be obtained at the administrative offices of the school, 8500 Oliver Road, Erie, Pennsylvania.

D.) Jointly Governed Organizations

The District is a participating member of the Northwest Tri-County Intermediate Unit ("IU"). Operations of the IU are directed by a board of directors consisting of members from each participating district. No participating district appoints a majority of the board of directors. The board of directors of each participating district must approve IU's annual operating budget.

The IU is a self-sustaining organization that provides services for fees to participating districts. As such, the District has no ongoing financial interest or responsibility in the IU. The IU contracts with participating districts to supply special education services, computer services and to act as a conduit for certain federal programs.

E.) Fund Accounting:

The accounts of the 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, which are comprised of each fund's assets, liabilities, fund balance, revenues and expenditures or expenses as appropriate. Resources are allocated to and accounted for in the individual funds based on the purpose for which they are to be spent.

The District uses the following funds:

GOVERNMENTAL FUNDS – These funds are used to account for most of the District's finances. The measurement focus is on determination of the financial position and changes in financial position (current financial resources) rather than on income determination.

MILLCREEK TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2021

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E.) Fund Accounting (Continued)

1. General Fund – This is the general operating fund of the District. All activities of the District are accounted for through this major fund except for those required to be accounted for in another fund.
2. Capital Projects Fund - This major fund is used to account for financial resources to be used in acquisition, construction, or improvement of capital facilities other than those financed by proprietary funds.
3. Capital Reserve Fund - This fund accounts for financial resources used for the acquisition of capital assets, as deemed necessary by the Board of Directors, other than those financed through the District's Capital Project Fund.

PROPRIETARY FUNDS – These funds account for District activities that are similar to business operations in the private sector or where the reporting focus is on determining net income, financial position and changes in financial position (economic resources measurement focus).

1. Food Service Fund – This major fund is used to account for the District's food service operations that are financed and operated in a manner similar to private business enterprises. The Fund accounts for all revenues, food purchases, costs and expenses for the Food Service Program.
2. Day Care Fund – This major fund is used to account for the District's day care operations that are financed and operated in a manner similar to private business enterprises. The Fund accounts for all revenues, costs and expenses for the Child Development Program.

FIDUCIARY FUNDS – These funds are used to account for assets held by the District as trustee or agent.

1. Custodial Fund – This fund accounts for the receipts and disbursements of monies from student activity organizations. These organizations exist with the explicit approval and are subject to revocation by the District's governing body. This accounting reflects the District's custodial relationship with the student activity organizations.

F.) Basis of Presentation:

Government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the District. As a general rule, the effect of interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely, to a significant extent, on fees and charges for support.

MILLCREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F.) Basis of Presentation (Continued):

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

Fund financial statements are also provided in the report for all of the governmental funds, proprietary funds and the fiduciary funds of the District. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Fiduciary funds are reported by fund type.

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

G.) Measurement Focus and Basis of Accounting:

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

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

MILLCREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H.) Budgetary Data:

In accordance with Act 1, the District elected not to increase the real estate tax rate above the index established by the Pennsylvania Department of Education and, therefore, follows the procedures outlined below in establishing the budgetary data reflected in the basic financial statements:

1. Prior to May 31, the Board submits 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.
2. A public hearing is conducted to obtain taxpayer comments.
3. Prior to June 30, the budget is legally enacted through passage of a resolution.
4. The budget of the District is the approved spending plan of the District for the year and the Board is prohibited from obligating funds in excess of these amounts. The Board may, during any fiscal year, amend the budget by making additional appropriations or increase existing appropriations to meet emergencies. The funds shall be provided from unexpended balances in existing appropriations, from unappropriated revenues or from temporary loans. Legal budgetary control is maintained by the Board at the department level. Transfers between departments, whether between funds or within a fund or revisions that alters the total revenues and expenditures of any fund, must be approved by the Board. Budget information in the Budgetary Comparison Schedule is presented at or below the legal level of budgetary control.
5. Budgetary data is included in the District's management information system and is employed as a management control device during the year.
6. 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.
7. There were supplemental budgetary appropriations or amendments proposed or approved during the year.

Legal budgetary control is maintained by the Chief Financial Officer at the functional object level. Transfer between functional objects, whether between funds or within a fund or revisions that alters the total revenues and expenditures of any fund, must be approved by the District Board. The Pupil Service function overspent the budget by \$376,871 from attendance positions appropriately allocated in this function compared to the Administration function. These two functions should be viewed together for a true variance. The negative variance when these two functions are netted together, is a result of overspending of legal fee accounts, fees assessed for higher collection of taxes compared to what was expected and hiring a short term Principal position. The Other Support Services function overspent the budget by \$107,929 from Personnel Department overtime, professional development and increasing our bandwidth. The Other function overspent the budget by \$11,196 for prior year tuition to outside LEA's.

MILLCREEK TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2021

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I.) Budgetary Data (Continued):

Included in the General Fund budget are program budgets as prescribed by the state and federal agencies funding the program. These budgets are approved on a program basis by the state or federal funding agency.

I.) Cash and Cash Equivalents:

Cash and cash equivalents in the basic financial statements include all highly liquid investments with an original maturity of three months or less.

J.) Investments:

Investments are carried at market value based on quoted market prices.

K.) Receivables/Payables:

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

L.) Accounts Receivable:

Accounts receivable are recorded at the invoiced amount. The District determines the allowance for doubtful accounts based on historical write-off experience. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. Accounts Receivable balances are anticipated to be collected within a year.

M.) Inventories and Prepaid Items:

Inventories of the Food Service Fund consisting of food and paper supplies are carried at cost, using the first-in, first-out method. Federal donated commodities are valued at their fair market value as determined by the U.S. Department of Agriculture at the date of donation. The inventories on hand at June 30, 2021, consist of the following:

Donated Commodities	<u>\$ 10,708</u>
Total Inventory	<u>\$ 10,708</u>

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

N.) Capital Assets:

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$1,500 and an estimated useful life in excess of one year. Management has elected to include certain homogeneous asset categories with individual assets less than \$1,500 as composite groups for financial reporting purposes. In addition, capital assets purchased with long-term debt may be capitalized regardless of the thresholds established.

MILLCREEK TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2021

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N.) Capital Assets: (continued)

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

All reported capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	15 – 40
Equipment and vehicles	7 – 15
Food service equipment	5 – 15

O.) 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 are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium.

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 financial uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

P.) PSERS Net OPEB Liability:

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 fiduciary net position of the Public School Employees' Retirement System (PSERS) and additions to/deductions from PSERS' 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.

Q.) Net/Position/Fund Balance:

The government-wide financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

- Net Investment in Capital Assets – This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

MILLCREEK TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2021

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q.) Net Position/Fund Balance: (Continued)

- Restricted Net Position – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations and restrictions imposed by law through constitutional provisions or enabling legislation.
- Unrestricted Net Position – This category represents net position of the District, not restricted for any project or other purpose.

Fund Balance Classification: The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- *Non-spendable:* This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The School District has \$779,611 in non-spendable fund balance in the General Fund as of June 30, 2021.
- *Restricted:* This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The School District had \$37,608,931 of restricted fund balance as of June 30, 2021.
- *Committed:* This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School District had \$1,586,597 of committed resources as of June 30, 2021.
- *Assigned:* This classification includes amounts that are constrained by the School District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Directors or through the Board of Directors delegating this responsibility to the District's management. The School District had \$9,628,226 of assigned resources as of June 30, 2021.
- *Unassigned:* This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts. School District policy 620 states the School district will strive to maintain an unassigned general fund balance of not less than the maximum amount permitted by the Commonwealth of Pennsylvania. The School District had \$8,252,753 of unassigned fund balance as of June 30, 2021, which complies with policy 620.

MILLCREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q.) Net Position/Fund Balance: (Continued)

The School District uses Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

R.) Deferred Outflows /Inflows of Resources

The Statement of Net Position reports separate sections for deferred outflows and deferred inflows of resources. These separate financial statement elements represent a consumption or acquisition of net position that applies to a future period(s) and so will not be recognized as an outflow or inflow of resources (expense/revenue) until then. The District has three items that qualify for reporting in these categories: deferred outflows on refunding bonds, deferred outflows related to OPEB, deferred outflows and inflows related to pensions, and unavailable tax revenue.

In accordance with applicable guidance, the excess of the reacquisition price over the net carrying amount of refunded debt is recorded as a deferred outflow of resources on the statement of net position and amortized as a component of interest expense over the shorter of the term of the refunding issue or refunded bonds.

Deferred outflows of resources related to OPEB is described further in Note 8. Deferred outflows of resources should be recognized in OPEB expense, beginning in the current reporting period, using a systematic and rational method over a closed period equal to the average of the expected remaining services lives of all employees that are provided with OPEB through the OPEB plan (active employees and inactive employees) determined as of the beginning of the measurement period. The recognition period for the OPEB Plan's change in assumption and differences between expected and actual experience is 11 years.

Deferred outflows and inflows of resources related to pensions are described further in Note 9. Annual changes to the net pension liability resulting from differences between expected and actual experience with regard to economic and demographic factors and from changes of assumptions about future economic or demographic factors or other inputs are deferred and amortized over a closed period equal to the average of the expected service lives of all employees that are provided with pension benefits determined for the period during which the changes occurred. Differences between projected and actual earnings on pension plan investments are amortized over a closed five-year period.

In the governmental funds balance sheet, the District only has one type of item, which arises under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable tax revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

S.) Adoption of Governmental Accounting Standards Board Statements

The District adopted the requirements of GASB Statement No. 84, "Fiduciary Activities". The adoption of this statement resulted in the inclusion of a statement of revenues, expenditures and changes in net position for the District's custodial funds.

MILLCREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S.) Adoption of Governmental Accounting Standards Board Statements (Continued)

The District adopted the requirements of GASB Statement No. 90 "Majority Equity Interests (an Amendment of GASB Statements No. 14 and No. 61)". The adoption of this statement had no effect on the District's financial statements.

The District adopted certain requirements of GASB 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 adoption of the certain requirements of this statement had no effect on previously reported amounts.

The District adopted the requirements of GASB Statement No. 98 "The Annual Comprehensive Financial Report". The adoption of this statement had no effect on the District's financial statements.

T.) Pending Changes in Accounting Principles

In June 2018, the GASB issued Statement No. 87, "Leases". The District is required to adopt Statement No. 87 for its fiscal year 2022 financial statements.

In April 2018, the GASB issued Statement No. 88, "Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements". The District is required to adopt Statement No. 88 for its fiscal year 2022 financial statements.

In June of 2019, The GASB issued Statement No. 89 "Accounting for Interest Cost Incurred before the End of a Construction Period". The District is required to adopt statement No. 89 for its fiscal year 2022 financial statements.

In May of 2020, The GASB issued Statement No. 91 "Conduit Debt Obligations". The District is required to adopt statement No. 91 for its fiscal year 2023 financial statements.

In January of 2020, the GASB issued Statement No. 92, "Omnibus 2020". The District is required to adopt the requirements related to Statement 92 immediately and the rest of the requirement for its fiscal year 2022 financial statements.

In March of 2020, the GASB issued statement No. 93, "Replacement of Interbank Offered Rates". The District is required to adopt Statement No. 93, except for paragraphs 13 and 14, for its fiscal year 2021 financial statements. The District is required to adopt the requirements in paragraph 13 and 14 for its fiscal year 2022 financial statements.

In March of 2020, the GASB issued statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements". The District is required to adopt Statement No. 94 for its 2023 financial statements.

In May of 2020, the GASB issued statement No. 96 "Subscription-Based Information Technology Arrangements". The District is required to adopt Statement No. 96 for its fiscal year 2023 financial statements.

In June of 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 District is required to adopt paragraphs 4

MILLCREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

T.) Pending Changes in Accounting Principles (Continued)

and 5 of this Statement immediately. The District is required to adopt all other paragraphs for its fiscal year 2022 financial statements.

The School District has not yet completed the various analysis required to estimate the financial statement impact of these new pronouncements.

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

Under Section 440.1 of the Public School Code of 1949, as amended, the District is permitted to invest funds in the following types of investments:

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 and (d) shares of an investment company registered under the Investment Company Act of 1940, provided that the instruments are those types of investments listed above, and the investment company is managed so as to maintain its shares at a constant net asset value and the investment company is rated in the highest category by a nationally recognized rating agency. Pursuant to Act 72 of the Pennsylvania State Legislature, a depository must pledge assets to secure state and municipal deposits. The pledged assets must at least be equal to the total amount of such assets required to secure all of the public deposits at the depository and may be on a pooled basis. Additionally, all such pledged assets must be delivered to a legal custodian.

Act 10 of 2016 broadened the scope of investment options for the District with safeguard measures to protect those investments. The Act added high quality money market instruments including repurchase agreements, commercial paper, negotiable certificates of deposit and bankers' acceptances to the authorized list of investments.

The deposit and investment policy of the District adheres to State statutes and prudent business practice. There were no deposits or investment transactions during the year that were in violation of either the State statutes or the policy of the District.

A portion of the District's cash and investments are in the Pennsylvania School District Liquid Asset Fund ("PSDLAF"), which is a fund very similar to mutual funds. PSDLAF operates in accordance with appropriate State laws and regulations and under State oversight. The reported value of the pool is the same as the fair value of the pool shares.

In accordance with the Government Accounting Standards Board, investments in PSDLAF are valued at amortized cost, which approximates market value. The amortized cost method involves valuing a security at its cost on the date of purchase and recording a constant amortization or accretion to maturity of any discount or premium, regardless of the impact of fluctuating interest rates on the market value of the investment. The net asset value per share for the purpose of calculating the price at which shares are issued and redeemed is determined by the Administrator each banking day. Such determination is made by subtracting the liabilities from the value of the assets and dividing the remainder by the number of shares outstanding.

MILLCREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Although such requirement has been waived since 2005, all investments in PSDLAF's MAX Series by Settlers must be deposited for a minimum of 14 calendar days. No investment made in the MAX Series may be withdrawn by the Settlor making it during the first 14 calendar days after it is made without the incurrence of a penalty for such premature withdrawal. However, the 14 day minimum investment period does not apply to direct deposits of state aid payments into the MAX Series. In the event that a Settlor withdraws a deposit within such initial 14 calendar day period, it will be subject to a penalty equal to the loss of 14 days interest on the amount so withdrawn. Such 14 day interest penalty shall be calculated on the basis of the dividend rates in effect for the MAX Series for the 14 day period immediately preceding the withdrawal date.

Accordingly, the penalty will be equal to the dividend that would have been paid during the 14 days preceding the withdrawal date on the amount prematurely withdrawn. Such penalty will be payable even though the amount withdrawn has not been invested in the MAX Series for the full 14 day period preceding the withdrawal. However, as noted above, the 14 day minimum investment period has been waived since 2005 and would not be reinstated without notice to the Fund's Settlers.

As of June 30, 2021, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.

Interest Rate Risk – The School District's investment policy seeks to have its investments remain sufficiently liquid to meet all operating requirements that are reasonably anticipated. Investments shall be made with the objective of attaining a market-average rate of return throughout the budgetary and economic cycles, taking into account investment risk constraints and liquidity needs as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – The School District's investment policy for its operating and Fiduciary funds maintains that preservation of principal shall be the highest priority. Preservation of principal shall be ensured by diversification and other means of means of minimizing credit risk. As of June 30, 2021, the School District's operating investments were all maintained in Money Market funds with the Pennsylvania School District Liquid Asset Fund (PSDLAF).

Custodial Credit Risk – For deposits and investments, custodial credit risk is the risk that in the event of the failure of the counterparty, the School District will be able to recover the value of its investment or collateral securities that are in the possession of an outside party. As of June 30, 2021, the School District's cash balances for its governmental activities, business-type activities and custodial fund were \$67,143,039 and its bank balances and cash equivalents were \$68,142,458. Of these bank balances, \$506,792 was covered by Federal Depository Insurance Company (FDIC) insurance. The remaining \$67,635,666 was collateralized with securities held by the pledging financial institutions, or by their trust departments or agents, but not in the School District's name, and therefore was subject to custodial credit risk.

Concentration of Credit Risk – The School District's formal investment policy for operating investments seeks to avoid concentration of credit risk by diversification and other means of minimizing credit risk. All of the School District's investments were in the PSDLAF.

MILLCREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

NOTE 3: REAL ESTATE TAXES RECEIVABLE

The District has independently elected tax collectors who are responsible for the collection of taxes. Assessed values are established by the Erie County Board of Assessment. The District tax rate for the year ended June 30, 2021 was 14.5003 mills (\$14.5003) per \$1,000 of assessed valuation) as levied by the Board of School Directors.

The schedule for real estate taxes levied for each fiscal year is as 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	Turnover to delinquent collector

The District, in accordance with U.S. generally accepted accounting principles, recognizes the delinquent and unpaid taxes receivable, reduced by an allowance for uncollectible taxes, as determined by management. A portion of the net amount estimated to be collectible, which was measurable and available within sixty days, was recognized as revenue and the balance deferred in the fund financial statements.

The SCHOOL DISTRICT's 2021 real estate taxes are based on assessed values established by the County of Erie's Bureau of Assessments. Assessed values of real property are generally fair market value multiplied by the Common Level Ratio for Erie County. The total 2021 real estate taxes levied was \$57,408,002 based on a total SCHOOL DISTRICT assessed valuation of \$3,959,090,672.

NOTE 4: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021 was as follows:

GOVERNMENTAL ACTIVITIES	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Not Being Depreciated:				
Land	\$ 549,708	\$ -	\$ -	\$ 549,708
Construction in Progress	4,629,638	9,918,931	(4,525,319)	10,023,250
Total Capital Assets, Not Being Depreciated	<u>5,179,346</u>	<u>9,918,931</u>	<u>(4,525,319)</u>	<u>10,572,958</u>
Capital Assets, Being Depreciated:				
Buildings and Improvements	156,246,588	11,805,513	-	168,052,101
Equipment and Vehicles	16,184,746	2,030,613	(154,722)	18,060,637
Total Capital Assets, Being Depreciated	<u>172,431,334</u>	<u>13,836,126</u>	<u>(154,722)</u>	<u>186,112,738</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	(90,516,517)	(4,298,272)		(94,814,789)
Equipment and Vehicles	(10,749,350)	(957,648)	147,234	(11,559,764)
Total Accumulated Depreciation	<u>(101,265,867)</u>	<u>(5,255,920)</u>	<u>147,234</u>	<u>(106,374,553)</u>
Total Capital Assets, Being Depreciated, Net	<u>71,165,467</u>	<u>8,580,206</u>	<u>(7,488)</u>	<u>79,738,185</u>
Governmental Activities Capital Assets, Net	<u>\$ 76,344,813</u>	<u>\$ 18,499,137</u>	<u>\$ (4,532,807)</u>	<u>\$ 90,311,143</u>

MILLCREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

NOTE 4: CAPITAL ASSETS (CONTINUED)

BUSINESS TYPE ACTIVITIES	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Being Depreciated:				
Food Service Equipment	\$ 1,240,723	\$ 313,531	\$ -	\$ 1,554,254
Total Capital Assets, Being Depreciated	<u>1,240,723</u>	<u>313,531</u>	<u>-</u>	<u>1,554,254</u>
Less Accumulated Depreciation	(953,313)	(96,792)	-	(1,050,105)
Total Capital Assets, Being Depreciated, Net	<u>287,410</u>	<u>216,739</u>	<u>-</u>	<u>504,149</u>
Business Type Activities Capital Assets, Net	<u>\$ 287,410</u>	<u>\$ 216,739</u>	<u>\$ -</u>	<u>\$ 504,149</u>

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

Governmental Activities:

Instruction	\$3,453,030
Pupil Services	247,436
Instructional Support Services	145,457
Administration	344,129
Pupil Health Services	80,593
Financial Services	55,870
Operation and Maintenance of the Plan	567,298
Student Transportation Services	257,436
Other Support Services	<u>104,671</u>

Total Depreciation Expense - Governmental Activities \$5,255,920

Business Type Activities:

Food Service	<u>\$ 96,792</u>
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Total Depreciation Expense - Business Type Activities \$ 96,792

NOTE 5: CAPITAL LEASES

On September 14, 2006, the District entered into a lease purchase agreement for the Energy Management Project. The lease requires quarterly payments which range from \$51,248 to \$74,656 beginning July 1, 2007 through April 1, 2022. In September 2015, the District entered into a lease purchase agreement for copiers. The lease requires monthly payments totaling \$7,839 beginning September 1, 2015 through August 1, 2020. In September 2016, the District entered into a lease purchase agreement for copiers. The lease requires monthly payments totaling \$818 beginning September 1, 2016 through August 1, 2020. On August 1, 2019, the District entered into a lease purchase agreement for copiers. The lease requires monthly payments totaling \$2,896 beginning August 1, 2019 through July 1, 2024. On September 1, 2020, the District entered into a lease purchase agreement for copiers. The lease requires monthly payments totaling \$5,864 beginning September 27, 2020 through August 28, 2025.

MILLCREEK TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2021

NOTE 5: CAPITAL LEASES (CONTINUED)

The assets acquired through capital leases are as follows:

<u>Asset Detail</u>	<u>Governmental Activities</u>
Machinery and Equipment	\$ 4,640,054
Less: Accumulated Depreciation	<u>(3,864,366)</u>
	<u>\$ 775,688</u>

The future minimum lease obligation and the net present value of these minimum lease payments as of June 30, 2021 are as follows:

<u>Governmental Activities</u> Year Ended June 30:	<u>Governmental Activities</u>
2022	\$ 403,743
2023	105,120
2024	105,120
2025	73,264
2026	<u>11,728</u>
Total Minimum Lease Payments	698,975
Less: Interest	<u>(32,930)</u>
Total	<u>\$ 666,045</u>

NOTE 6: LONG-TERM LIABILITIES OBLIGATIONS

Bonds Payable:

The government issues general obligation bonds/notes to provide funds for the acquisition and construction of major capital facilities. General obligation bonds/notes have been issued for government activities. General obligation bond/notes are direct general obligations of the School District. Principal and interest payments are backed by the full faith, credit, and taxing authority of the School District.

On November 27, 2012, the School District issued \$3,080,000 General Obligation Bonds, Refunding Series of 2012. The bonds mature July 15 of each year beginning July 15, 2014 and ending in 2026. The bonds pay interest ranging from .7% to 2.75% on a semi-annual basis. The bonds were used to refund the General Obligation Bonds, Series 2007. The outstanding balance as of June 30, 2021 is \$1,550,000.

On September 30, 2013, the School District issued \$26,695,000 General Obligation Bonds, Refunding Series of 2013A, 2013B and 2013C. Series A was used to refund a portion of the 2002 General Obligation Bonds. Series B was used to refund a portion of General Obligation Bonds, Series 2005. Series C was used to refund a portion of General Obligation Bonds, Series 2010. The bonds pay interest ranging from 2.5% to 5.0% on a semi-annual basis. As a result of the refunding, debt service payments have decreased by \$8,357,170 and resulted in a net economic loss of \$2,448,016. The outstanding balance as of June 30, 2021 is \$0 for Series A, \$6,620,000 for Series B and \$17,155,000 for Series C.

MILLCREEK TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2021

NOTE 6: LONG-TERM OBLIGATIONS (CONTINUED)

On January 16, 2020, the School District issued \$43,350,000 General Obligation Bonds Series of 2020. The bonds mature March 15 and September 15 of each year beginning March 15, 2020 and ending in 2034. The bonds pay interest ranging from 2.125% to 5.00% on a semi-annual basis. The bonds will be used to fund various capital projects of the School District and pay the costs of issuing the bonds. The outstanding balance as of June 30, 2021 is \$43,350,000.

An analysis of debt service requirements to maturity for the governmental activities on these obligations follows (with the exception of the compensated absences, capital lease and postemployment benefit liability):

Governmental Activities	Principal Requirements	Interest Requirements	Total Debt Service Requirements
Year Ended June 30:			
2022	\$ 4,955,000	\$ 2,584,134	\$ 7,539,134
2023	4,725,000	2,383,469	7,108,469
2024	4,900,000	2,207,384	7,107,384
2025	4,090,000	2,038,063	6,128,063
2026	4,265,000	1,860,925	6,125,925
2027-2031	23,415,000	6,142,281	29,557,281
2032-2035	22,325,000	1,112,900	23,437,900
Total	<u>\$ 68,675,000</u>	<u>\$ 18,329,156</u>	<u>\$ 87,004,156</u>

Compensated Absences:

Compensated absences are comprised of accumulated unused sick days and are funded annually through the School District's Budget. The aggregate liability is \$3,555,948 as of June 30, 2021.

Under the current plan, the following is a summary of the items covered:

Teachers and Administrators – Rate ranges from \$45 to \$190 per day.
 Non-Professionals – Rate ranges from \$25 to \$125 per day.

In addition to the above sick day policy, administrators and non-professionals can accumulate and receive compensation for unused vacation pay. The policy describes that upon retirement, any unused vacation days will be paid at a daily rate commensurate to the administrator's or non-professionals current salary.

MILLCREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

NOTE 6: LONG-TERM OBLIGATIONS (CONTINUED)

A summary of changes in long-term debt obligations for 2020 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes payable:					
General obligation bonds	\$ 73,055,000	\$ -	\$ (4,380,000)	\$ 68,675,000	\$ 4,955,000
Bond Premiums	7,518,174	-	(862,233)	6,655,941	-
Total bonds and notes payable	80,573,174	-	(5,242,233)	75,330,941	4,955,000
Other Liabilities					
Compensated absences	3,462,263	93,685	-	3,555,948	-
Net Pension Liability	143,903,302	4,821,219	-	148,724,521	-
Other Postemployment Benefits	15,912,468	2,017,812	-	17,930,280	-
Lease Payable	711,193	323,975	(369,123)	666,045	403,743
Total Other Liabilities	163,989,226	7,256,691	(369,123)	170,876,794	403,743
Governmental Activities					
Long-Term Liabilities	\$ 244,562,400	\$ 7,256,691	\$ (5,611,356)	\$ 246,207,735	\$ 5,358,743

General obligation bonds will be liquidated by the General Fund. Compensated absences, Pension Liability, OPEB and Leases payable will be liquidated by the appropriate fund based on the funds share of applicable debt. Total interest paid during the year ended June 30, 2021 was \$2,824,875.

NOTE 7: RISK MANAGEMENT

The School District's self-insurance program pays accident and health insurance coverage for School District employees on a cost-reimbursement basis. Retired employees are also covered by the program, provided they pay a monthly premium to the School District. Under the program, the School District is obligated for claim payments.

A stop-loss insurance contract executed with and insurance carrier covers individual claims in excess of \$300,000, with no maximum.

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. Significant losses are covered by commercial insurance for all major programs. The District monitors their insured programs and increases insurance coverage as needed. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years. The District has no unfunded liability.

NOTE 8: OTHER POST-EMPLOYMENT BENEFITS

Plan Description:

The District administers a single-employer defined benefit healthcare plan (the "Retiree Health Plan"). The plan provides healthcare, prescription drug, dental and/or vision insurance, at various costs to the member and the District, for the life of the member or until the member is eligible for Medicare, depending on the terms of the contract when they retire, for eligible retirees and their spouses through the District's health insurance plan. The Retiree Health Plan covers active and retired members. Benefit provisions are

MILLCREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

NOTE 8: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

established and may be amended through negotiation with the District and the unions representing the District's employees. The Retiree Health Plan does not issue a publicly available financial report.

Employees covered by benefit terms. At June 30, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	94
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	806
	900

Funding Policy. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement No. 75. The benefits are expensed when incurred and are financed on a pay-as-you-go basis. Retirees currently pay a portion of the monthly premium. The School District covers the balance of the premium not paid by the retiree. Retiree and dependent coverage, group plans, and costs to the retiree are subject to change. A spouse may be covered as a dependent until the death of the retiree; thereafter, they are eligible to continue coverage by paying 100% of the monthly insurance premium.

Total OPEB Liability. The District's total OPEB liability of \$11,426,013 was measured as of July 1, 2020, and was determined by an actuarial valuation as of that date.

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

Inflation	2.5 percent
Salary Increases	Composed of 1.0 percent real wage growth and merit increases which vary by age from 2.75 - 0.0 percent.
Discount rate	1.86 percent
Healthcare cost trend rates	5.5 percent for 2020 through 2023. Rates gradually decrease from 5.4% in 2024 to 4.0% percent in 2075 and later based on the Society of Actuaries Long-Run Medical Cost Trend Model. Retiree contributions are assumed to increase at the same rate as the Healthcare cost trend rate.

The discount rate was based on the S & P Municipal Bond 20 Year High Grade Rate Index at July 1, 2020.

Separate mortality rates are assumed preretirement and postretirement using the rates assumed in the PSERS defined benefit pension plan actuarial valuation. Incorporated into the table are rates projected generationally by the Buck Modified 2016 projection scale to reflect mortality improvement. A recent actuarial experience study was not performed.

MILLCREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

NOTE 8: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Changes in the total OPEB Liability.

The District's total OPEB liability has been measured as of July 1, 2020. The total OPEB liability was determined by an actuarial valuation as of July 1, 2020, and by rolling forward the liabilities from the July 1, 2020 actuarial valuation through the measurement date. No significant events or changes in assumptions occurred between the valuation date and the fiscal year end. The net OPEB liability is \$11,426,013, all of which is unfunded.

The District's change in its total OPEB liability for the year ended June 30, 2021 was as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Service Cost	\$ 503,336	\$ 5,639	\$ 508,975
Interest	319,598	3,304	322,902
Changes of benefit terms	(33,913)	-	(33,913)
Differences between expected and actual experience	494,148	(51,071)	443,077
Change of Assumptions	1,305,459	5,981	1,311,440
Benefit payments	(496,136)	(634)	(496,770)
	<hr/>	<hr/>	<hr/>
Net change in total OPEB liability	2,092,492	(36,781)	2,055,711
	<hr/>	<hr/>	<hr/>
Total OPEB liability - June 30, 2020 (As Restated)	9,294,513	75,789	9,370,302
Total OPEB liability - June 30, 2021	<u>\$ 11,387,005</u>	<u>\$ 39,008</u>	<u>\$ 11,426,013</u>

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

For the year ended June 30, 2021, the District recognized OPEB expense of \$817,292 for the Governmental Activities and \$6,664 for the Business-Type Activities for a total of \$823,956. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 526,667	\$ 499,050
Changes of assumptions	1,202,157	741,780
Contributions subsequent to the measurement date	448,803	-
	<hr/>	<hr/>
Total	<u>\$ 2,177,627</u>	<u>\$ 1,240,830</u>

Split of Deferred Outflows of Resources and Deferred Inflows of Resources

Governmental Activities	\$ 2,160,013	\$ 1,230,794
Business-Type Activities	17,614	10,036
	<hr/>	<hr/>
Total	<u>\$ 2,177,627</u>	<u>\$ 1,240,830</u>

MILLCREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

NOTE 8: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

\$448,803 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2021. The amount reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2022	\$ 25,992
2023	25,992
2024	25,992
2025	25,992
2026	25,992
Thereafter	358,034
	\$ 487,994

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (0.86 percent) or 1 percentage point higher (2.86 percent) than the current discount rate:

	<u>1% Decrease</u> <u>(0.86%)</u>	<u>Discount Rate</u> <u>(1.86%)</u>	<u>1% Increase</u> <u>(2.86%)</u>
District's total OPEB liability	\$ 12,386,516	\$ 11,426,013	\$ 10,556,681

Sensitivity of the total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare trend rates that are 1 percentage point higher or 1 percentage point lower than the current healthcare cost trend rates:

	<u>1% Decrease</u> <u>Between 3.0% to 4.5%</u>	<u>Current</u> <u>Trend Rate</u> <u>Between 4.0% to 5.5%</u>	<u>1% Increase</u> <u>Between 5.0% to 6.5%</u>
District's total OPEB liability	\$ 10,518,073	\$ 11,426,013	\$ 12,500,387

Health Insurance Premium Assistance Plan

In addition, the Pennsylvania Public School Employees' Retirement System ("PSERS") provides a Health Insurance Premium Assistance Plan ("PSERS Plan"). The PSERS Plan is a governmental cost-sharing multi-employer postretirement benefits plan that provides premium assistance to eligible public school employees of the Commonwealth of Pennsylvania. Under the PSERS Plan, employer contribution rates for Premium Assistance are established to provide reserves in the Health Insurance Account that are sufficient for the payment of premium assistance benefits for each succeeding year.

The administrative staff of PSERS administers the PSERS Plan. The control and management of PSERS, including the investment of its assets, is vested in the 15 member Board of Trustees (Board). The Commonwealth General Assembly has the authority to amend the benefit terms of the PSERS Plan by passing a bill in the Senate

MILLCREEK TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2021

NOTE 8 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

and House of Representatives and sending the bills to the Governor for approval. PSERS issues a publicly available financial report that can be obtained at www.psers.state.pa.us.

Premium Assistance Eligibility Criteria

Retirees of the System can participate in the PSERS Plan if they satisfy the following criteria:

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

Benefits Provided

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

Employer Contributions. The school districts' contractually required contribution rate for fiscal year ended June 30, 2021 was 0.82% of covered payroll, an actuarially determined 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 PSERS Plan from the District were \$354,019 for the year ended June 30, 2021.

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

At June 30, 2021, the District reported a liability of \$6,663,590 for its proportionate share of the net OPEB liability. As of June 30, 2021, \$6,543,275 is related to governmental activities and \$120,315 is related to Business-Type Activities for a total of \$6,663,590. 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 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 of all School Districts in the PSERS Plan. At June 30, 2021, the District's proportion was 0.3084 percent, which was an increase of 0.0006% of its proportion measured as of June 30, 2020.

For the year ended June 30, 2021, the District recognized OPEB expense of \$337,439 for the Governmental Activities and \$2,751 for the Business-Type Activities for a total of \$340,190. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

MILLCREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

NOTE 8: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 48,794	\$ -
Changes of assumptions	216,750	146,200
Net difference between projected and actual investment earnings	6,440	-
Changes in proportion	47,901	77,895
District contributions subsequent to the measurement date	354,019	-
Total	<u>\$ 673,904</u>	<u>\$ 224,095</u>

Split of Deferred Outflows of Resources and Deferred Inflows of Resources

Governmental Activities	\$ 661,805	\$ 220,050
Business-Type Activities	12,099	4,045
Total	<u>\$ 673,904</u>	<u>\$ 224,095</u>

\$354,019 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:

2022	\$ 441
2023	(1,024)
2024	79,854
2025	43,264
2026	(26,744)
	<u>\$ 95,791</u>

Actuarial Assumptions. The total OPEB liability as of June 30, 2020 was determined by rolling forward the System's total OPEB liability as of the June 30, 2019 actuarial valuation to June 30, 2020 measurement date using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method – Entry Age Normal – level % of pay.
- Investment return – 2.66% - S&P 20 Year 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 and seniority increases.
- Premium assistance reimbursement capped at \$1,200 per year.
- Assumed Healthcare cost trends were applied to retirees with less than \$1,200 in premium assistance per year.
- Mortality rates were based on the RP-2014 Mortality Tables for Males and Females adjusted to reflect PSERS' experience and projected using a modified version of the RP-2015 Mortality Improvement Scale.

MILLCREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

NOTE 8: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

- Participation rate:
 - Eligible retirees will elect to participate pre age 65 at 50%.
 - Eligible retirees will elect to participate post age 65 at 70%.

The following assumptions were used to determine the contribution rate:

- The results of the actuarial valuation as of June 30, 2019 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 3 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 7 years for males and 3 years for females for disabled annuitants. (A unisex table based on the RP-2000 Combined Healthy Annuitant Tables with age set back 3 years for both genders assuming the population consists of 25% males and 75% females is used to determine actuarial equivalent benefits). The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study that was performed for the five year period ending June 30, 2015.

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	50.3%	1.0%
US Core Fixed Income	46.5%	0.1%
Non-US Developed Fixed	3.2%	0.1%
Total	<u>100.0%</u>	

Discount rate. The discount rate used to measure the total OPEB liability was 2.66%. Under the plan's funding policy, contributions are structured for short term funding of Premium Assistance. The funding policy sets contribution rates necessary to assure solvency of Premium Assistance through the third fiscal year after the actuarial valuation date. The Premium Assistance account is funded to establish reserves that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Due to the short term funding policy, the OPEB plan's fiduciary net position was not projected to be sufficient to meet projected future benefit payments, therefore the plan is considered a "pay-as-you-go" plan. A discount rate of 2.66% which represents the S&P 20 year Municipal Bond Rate at June 30, 2020, was applied to all projected benefit payments to measure the total OPEB liability.

MILLCREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

NOTE 8: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Sensitivity of the 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 at a maximum of \$1,200. The actual number of retirees receiving less than the \$1,200 per year cap is a small percentage of the total population and has a minimal impact on Healthcare Cost Trends as depicted below.

The following presents the District's Proportionate Share of the net OPEB liability as well as what the District's Proportionate Share of the net OPEB liability would be if it was calculated using health cost trends that are 1-percentage point lower or 1-percentage higher than the current rate:

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
District's proportionate share of the net OPEB liability	\$ 6,663,000	\$ 6,663,590	\$ 6,664,000

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

The following presents the District's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.66 percent) or higher (3.66 percent) than the current discount rate:

	<u>1% Decrease (1.66%)</u>	<u>Discount Rate (2.66%)</u>	<u>1% Increase (3.66%)</u>
District's proportionate share of net OPEB liability	\$ 7,598,000	\$ 6,663,590	\$ 5,890,000

OPEB plan fiduciary net position.

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

NOTE 9: EMPLOYEE RETIREMENT PLAN

Pensions. 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 fiduciary net position of the Public School Employees' Retirement System (PSERS) and additions to/deductions from PSERS' 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.

MILLCREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

NOTE 9: EMPLOYEE RETIREMENT PLAN (CONTINUED)

General Information about the Pension Plan:

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

Benefits provided. PSERS provides retirement, disability, and death benefits. Members are eligible for monthly retirement benefits upon reaching (a) age 62 with at least one year of credited service; (b) age 60 with 30 or more years of credited service; or (c) 35 or more years of service regardless of age. Act 120 of 2010 (Act 120) preserves the benefits of existing members and introduced benefit reductions for individuals who 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 three 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 T-F members, the right to benefits is vested after ten years of service.

Participants are eligible for disability retirement benefits after completion of five years of credited service. Such benefits are generally equal to 2% or 2.5%, depending upon membership class, of the 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 established in the Public School Employee's Retirement Code and requires contributions by active members, employers and the Commonwealth. Active members who joined the System prior to July 22, 1983, contribute at 5.25% (Membership Class TC) or at 6.5% (Membership Class TD) 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 6.25% (Membership Class TC) or at 7.5% (Membership Class TD) of the members qualifying compensation. Members who joined the System after June 30, 2001 and before June 1, 2011, contribute at 7.5% (automatic Membership Class TD).

MILLCREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

NOTE 9: EMPLOYEE RETIREMENT PLAN (CONTINUED)

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 10.30% (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 years could cause the Membership Class T-E contribution rate to fluctuate between 7.50% and 9.50% and Membership Class T-F contribution rate to fluctuate between 10.3% and 12.30%.

Employer Contributions. The school districts' contractually required contribution rate for fiscal year ended June 30, 2021 was 33.69% of covered payroll, actuarially determined as an amount that, when combines 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. The 33.69% is comprised of a pension contribution rate of 33.51% for pension benefits and a 0.18% act 5 employer contribution. Contributions to the pension plan from the District were \$15,107,760 for the year ended June 30, 2021.

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

At June 30, 2021, the District reported a liability of \$151,459,213 for its proportionate share of the net pension liability. As of June 30, 2021, \$148,724,521 is related to governmental activities and \$2,734,692 is related to Business-Type Activities for a total of \$151,459,213. 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 the System's total pension liability as of June 30, 2019 to June 30, 2020. The District's proportion of the net pension liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2020, the District's proportion was 0.3076 percent, which is equal to its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized pension expense of \$15,224,331 for the Governmental Activities and \$279,939 for the Business-Type Activities for a total of \$15,504,270. At June 30, 2021, the 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
Differences between expected and actual experience	\$ -	\$ 1,659,193
Net difference between projected and actual investment earnings	5,876,273	-
Changes in proportion	-	106,250
District contributions subsequent to the measurement date	15,107,760	-
Total	<u>\$ 20,984,033</u>	<u>\$ 1,765,443</u>

Split of Deferred Outflows of Resources and Deferred Inflows of Resources

Governmental Activities	\$ 20,605,153	\$ 1,733,567
Business-Type Activities	378,880	31,876
Total	<u>\$ 20,984,033</u>	<u>\$ 1,765,443</u>

MILLCREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

NOTE 9: EMPLOYEE RETIREMENT PLAN (CONTINUED)

\$15,107,760 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2021	\$	163,326
2022		1,970,022
2023		1,977,482
	<u>\$</u>	<u>4,110,830</u>

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

Actuarial cost method	Entry Age Normal – level % of pay
Salary increases	5.00 percent, average, including inflation of 2.75 percent, and real wage growth and merit or seniority increases of 2.25%
Investment rate of return	7.25 percent, net of pension plan investment expense, includes inflation of 2.75%

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. For disabled annuitants the RP-2000 Combined Disabled Tables (male and female) with age set back 7 years for males and 3 years for 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.

The actuarial assumptions used in the June 30, 2020 valuation were based on the experience study that was performed for the five-year period ending June 30, 2015. The recommended assumption changes based on this experience study were adopted by the Board at its June 10, 2016 Board meeting, and were effective beginning with the June 30, 2016 actuarial valuation.

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.

MILLCREEK TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2021

NOTE 9: EMPLOYEE RETIREMENT PLAN (CONTINUED)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global public equity	15.0%	5.2%
Fixed Income	36.0%	1.1%
Commodities	8.0%	1.8%
Absolute return	10.0%	2.5%
Risk parity	8.0%	3.3%
Infrastructure/MLP's	6.0%	5.7%
Real estate	10.0%	5.5%
Private Equity	15.0%	7.2%
Cash	6.0%	1.0%
Financing (LIBOR)	-14.0%	0.7%
Total	<u>100.0%</u>	

The above was the Board's adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2020.

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 District's proportionate share of the net pension liability to changes in the discount rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.25 percent) or 1-percentage point higher (8.25 percent) than the current rate:

	Amounts X \$1,000		
	<u>1% Decrease 6.25%</u>	<u>Current Rate 7.25%</u>	<u>1% Increase 8.25%</u>
District's proportionate share of the net pension liability	\$ 187,387,000	\$ 151,459,213	\$ 121,023,000

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

Act 5 of 2017. On June 12, 2017, the Commonwealth of Pennsylvania Act 5 of 2017 was signed into law. This legislation established a new hybrid defined benefit/defined contribution retirement benefit plan applicable to all school employees who become new members of PSERS on July 1, 2019 and thereafter. The three new plan options under Act 5 include two hybrid plans consisting of defined benefit and defined contribution components and a stand-alone defined contribution plan. The current stand-alone defined benefit plan is no longer available to new members after June 30, 2020.

MILLCREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2021

NOTE 10: INTERFUND RECEIVABLES AND PAYABLES

The following is a summary of Interfund Receivables and Payables at June 30, 2021:

	<u>Due from</u>	<u>Due to</u>
<u>Governmental Fund Types</u>		
General Fund	\$ 391,758	\$ 11,694
Capital Reserve Fund	258	1,905
Total Governmental Fund Type	<u>392,016</u>	<u>13,599</u>
<u>Enterprise Fund</u>		
Food Service	3,291	347,039
Daycare	2,475	37,144
Total Enterprise Fund	<u>5,766</u>	<u>384,183</u>
 Total Internal Balances	 <u>\$ 397,782</u>	 <u>\$ 397,782</u>

Interfund balances between the General Fund and the Enterprise Fund represent subsidy payments deposited in the General Fund or payments the General Fund paid to the Enterprise Fund for upcoming subsidy receivables during 2021 which have not been remitted to the Enterprise Fund by June 30, 2021.

NOTE 11: TRANSFERS

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 900,000
Capital Projects	900,000	-
Total Transfers	<u>\$ 900,000</u>	<u>\$ 900,000</u>

Certain funds are required to fund a portion or all of the expenses of other funds or cover deficits in those funds. The District records operating transfers to account for these transactions. Transfers to the Capital Projects Fund allow the District to provide funding for upcoming renovations or required cosmetic upkeep of buildings.

NOTE 12: COMMITMENTS AND CONTINGENCIES

The School District is a defendant in various lawsuits. Management does not believe the settlement of these matters will have a material effect upon the District's financial condition.

The District receives a number of state and federal grants. The grants may be subject to audit by the granting agency to determine if activities undertaken by the District comply with the conditions of the grant. Management believes no material liability would arise from any such audit.

NOTE 13: TAX ABATEMENTS

Tax Abatements are the result of agreements that are entered into by the District to forgo real estate tax revenues for the promise by an individual or entity to take specific action that contributes to economic development in the District. Currently, there are no tax abatements entered into by other governments that reduce the District's tax revenues. The District has one real estate tax abatement program: Local Economic Revitalization Tax Assistance (LERTA).

MILLCREEK TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2021

NOTE 13: TAX ABATEMENTS (CONTINUED)

Local Economic Revitalization Tax Assistance (LERTA)

The LERTA program is a tool to encourage private investment and rehabilitation of deteriorated properties within Erie County. The LERTA program exists pursuant to the Commonwealth of Pennsylvania Local Economic Revitalization Tax Assistance Act 76 of 1977 (72 P.S. §4722, et seq.). Authorization of a LERTA can be driven by either a developer for a specific project or a municipality seeking to redevelop a deteriorated area or facilitate a new economic development project. The Erie County LERTA Program Guidelines created by Erie County Council (ECC) provide an understanding of the County's policy and requirements for using LERTA. Evaluation requirements considered for a LERTA include economic and fiscal impact of the new development, demonstration of the need for LERTA, value added to local economy, private investment leverage, type and location of development. The LERTA Project Review Form is evaluated by ECC to determine eligibility under requirements set forth by the Commonwealth and County. ECC facilitates a meeting for community engagement in the Project. Prior to the County ordinance authorizing the LERTA exemption, the local municipal government must affix the boundaries of the deteriorated area during a public hearing. The determination of deteriorated areas takes into account criteria set forth in the Urban Redevelopment Law of Pennsylvania of May 24, 1945 (35 P.S. 1701, et seq.). LERTA allows for an exemption of real estate property tax for the assessed valuation of new construction or improvements to certain industrial, commercial or other business property in deteriorated areas. An exemption is provided on the assessment attributable to a portion of the actual cost of new construction or improvements. Each agreement has a proposed development, termination date and maximum tax exemption and/or yearly maximum tax exemptions. The LERTA exemption schedule is 5 years at 100% declining each year by 20%. The Erie County Office of Property Assessment (OPA) assesses the property to determine the valuation attributable to the actual costs of the improvements to the deteriorated property in conjunction with the project. There is no provision or conditions for recapturing. During 2021, one (1) properties received an exemption from County's real estate property tax. The total County tax abated during 2021 was \$16,658 related to various projects throughout the County.

NOTE 14: RESTATEMENT OF NET POSITION

During the year ended June 30, 2021 the District adopted new accounting guidance by implementing the provisions of GASB Statement No. 84, Fiduciary Activities, which establishes criteria for identifying and reporting fiduciary activities. The implementation of this statement has resulted in changing the presentation of the financial statements by including accruals and ending net position to custodial funds that were not previously required. Beginning net position has been restated to reflect this change.

	<u>Custodial Funds</u>
Net Position, July 1, 2020 as previously reported	\$ -
Change in Accounting Principle - adoption of GASB Statement No. 84 Custodial Funds	<u>204,993</u>
Net Position, July 1, 2020 as restated	<u>\$ 204,993</u>

MILLCREEK TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2021

NOTE 14: RESTATEMENT OF NET POSITION (CONTINUED)

In order to improve financial reporting, the following restatement of the District's net position was necessary to restate the prior year's Net Pension and OPEB liabilities. The proprietary funds will report their proportionate share of the liabilities.

	Governmental Activities	Food Service Fund	Child Care Fund	Total Business- Type Activities
7/1/2020 Beginning Balance, as previously reported	\$ (85,625,052)	\$ 898,353	\$ 210,864	\$ 1,109,217
Allocate Proportionate Share of Net Pension and OPEB Liabilities and related Deferrals	2,879,734	(592,945)	(2,286,789)	(2,879,734)
	\$ (82,745,318)	\$ 305,408	\$ (2,075,925)	\$ (1,770,517)

NOTE 15: RISK AND UNCERTAINTIES

As the effects of the Coronavirus pandemic continue to evolve and are dependent upon future developments, the impact of the Coronavirus on the District's operations and financial results are uncertain at this time.

REQUIRED
SUPPLEMENTAL
INFORMATION

MILLCREEK TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Local Revenue:				
Property Taxes	\$ 55,167,880	\$ 55,167,880	\$ 55,986,257	\$ 818,377
Earned Income Tax	7,200,000	7,200,000	7,461,468	261,468
Real Estate Transfer Tax	700,000	700,000	1,305,762	605,762
Other Taxes	733,579	733,579	867,172	133,593
Investment Earnings	75,000	75,000	175,440	100,440
Tuition	1,412,000	1,412,000	1,304,226	(107,774)
IDEA/Other Federal Sources	1,310,000	1,310,000	1,681,456	371,456
Other Local Revenue	648,000	648,000	921,713	273,713
Total Local Revenue	67,246,459	67,246,459	69,703,494	2,457,035
State Revenue:				
Basic Education Subsidy	14,897,059	14,897,059	14,897,010	(49)
Social Security/Retirement Subsidies	9,223,903	9,223,903	9,120,452	(103,451)
Special Education Subsidy	3,765,000	3,765,000	3,930,028	165,028
Transportation Subsidy	1,941,658	1,941,658	1,873,316	(68,342)
State Property Tax Reduction	935,753	935,753	935,753	-
Other State Revenue	1,921,278	1,921,278	1,805,794	(115,484)
Total State Revenue	32,684,651	32,684,650	32,562,353	(122,297)
Federal/Other Revenue:				
Title Funding	1,613,299	1,613,299	1,610,341	(2,958)
COVID Stimulus Funding	-	2,663,633	2,402,764	(260,869)
ACCESS Funding	580,000	580,000	519,475	(60,525)
Total Federal Revenue	2,193,299	4,856,932	4,532,580	(324,352)
Total Revenues	102,124,409	104,788,041	106,798,427	2,010,386
Expenditures:				
Instructional Services	60,904,618	62,070,127	61,761,625	308,502
Pupil Services	4,032,558	4,048,830	4,425,701	(376,871)
Instructional Support Services	3,317,179	3,981,172	2,601,669	1,379,503
Administration	6,437,934	6,455,747	6,155,157	300,590
Pupil Health Services	1,506,671	1,537,992	1,441,498	96,494
Fiancial Services	1,089,427	1,080,806	999,298	81,508
Operation and Maintenance of Plant	9,788,081	10,599,753	10,146,810	452,943
Student Transportation Services	5,340,893	5,326,750	4,604,562	722,188
Other Support Services	1,701,906	1,764,236	1,872,165	(107,929)
Student Activities	1,991,854	1,946,714	1,602,748	343,966
Commnity Services	10,934	34,142	12,920	21,222
Debt:				-
Interest	2,827,819	2,827,819	2,824,875	2,944
Principal	4,650,678	4,650,678	4,655,598	(4,920)
Other	126,134	45,000	54,784	(9,784)
Total Expenditures	103,726,686	106,369,766	103,159,410	3,210,356
Excess (Deficiency) of Revenues Over Expenditures	(1,602,276)	(1,581,723)	3,639,019	(1,199,966)
Other Financing Sources				
Sale of Fixed Assets	1,001,000	1,001,000	67,113	(933,887)
Transfers Out	(900,000)	(900,000)	(900,000)	-
Total Financing Sources	101,000	101,000	(832,887)	(933,887)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ (1,501,276)	\$ (1,480,723)	\$ 2,806,132	\$ (2,133,853)

**Millcreek Township School District
2020-2021 Budget**

POLICIES AND PRACTICES

GAAP serves as the basis of budgeting for all funds.

BUDGET DEVELOPMENT – GENERAL FUND

On an annual basis, budget development starts with goal setting for the upcoming year. All goals are formulated to follow the district's comprehensive plan or new initiatives presented to enhance the district's services provided. Once goals are established, the goals are translated into forecasts to review impact on enrollment, staffing, facilities, or finance. These quantified goals become the guidelines for the development of the budget.

Budget development is a decentralized process involving all stakeholders. Each department or program head creates their proposed budget, developed according to the guidelines established for the current budget, and presents the budget to the Chief Financial Officer. The proposed budget is reviewed by the Chief Financial Officer, Superintendent and Assistant Superintendent to ensure requests are aligned with guidelines for the upcoming year. All salary costs are determined by union or meet and discuss contracts. Supplies and equipment was based on program needs.

In November, the School Board approved the accelerated budget opt-out resolution which restricts the School Board from exceeding the Act 1 Index regarding millage rates. Considering the unknowns revolving around COVID, the School Board elected not to increase its millage rates providing Millcreek constituents tax relief.

After a proposed budget is constructed, it's presented to the Board and public for input and adjustments. All presentations to the Board and public are recorded and available on the district's website. A preliminary budget was approved in April, while the final budget was adopted by the Board in May.

BUDGET DEVELOPMENT – CAPITAL PROJECT FUND

In 2018, the district contracted StanTech to perform a district-wide facility assessment study. Once the study was received, a long-range committee comprised of administration, staff and community members was created to develop a plan in addressing the district's aging infrastructure within the buildings. In 2019, the long-range plan was presented to the School Board and public for comments, which focused on mechanical, electrical, plumbing, roofing upgrades to all buildings. The plan included extensive renovations to all buildings and included multiple phases over 8 years. Beginning January of 2020, the district issued \$50 million in debt to start the renovations and phase I of the plan.

On an annual basis, the plan is discussed during budget presentations. Financial and cash flow reports are reviewed monthly with the Board and public. An additional \$62 million is expected to be issued in January of 2022 to maintain course with the long-range facility plan. All presentations and the plan are available on the district's website.

BUDGET DEVELOPMENT – CAPITAL RESERVE FUND

Every October, Directors or Principals submit their requests to the Chief Financial Officer regarding building or program needs or upgrades. These requests are reviewed to ensure alignment with budget goals and sustainability. All approved projects are reviewed with the Director of Engineering and final approved projects are bid in November with Board approval in January/February. The timeline is fairly rigid to maintain competition with all bids and provide project amounts to include in all final forecasts. This budget is not legally required and is revised during the year based on instructional needs.

**Millcreek Township School District
2020-2021 Budget**

POLICIES AND PRACTICES

BUDGET DEVELOPMENT – FOOD SERVICE FUND

Since the food service operation must be self-supporting, prices of student lunches, a-la-caret costs and adult meals must cover all anticipated costs of operations. Considering the food service preparation is outsourced and is most of the cost for the fund, a contract with a food service management company is first bid and approved by the Board before a budget is designed. While evaluating the best food service management company, quality of food, food options, customer service and financial forecasts are evaluated for the best option available. Over the last 15 years, Aramark has won the food service contract. After a food service contract has been awarded, a budget is created with recommend price increases in June.

BUDGET DEVELOPMENT – CHILD DEVELOPMENT FUND

Since the child development operation must be self-supporting, all prices must cover all anticipated costs of operations. In developing the budget, enrollment trends are considered in addition to projected costs. All staffing costs are determined in accordance with the Child Development Meet & Discuss Agreement. Knowing expected costs and forecasted enrollment, recommended prices to cover expenses are presented to the Board and public. Once final prices are approved, a final budget is approved in June.

BUDGET MANAGEMENT

All budgets are managed through a decentralized accounting system by each building administrator or department supervisor. Monthly reports are available in the accounting system to assist in managing their budget. It is their decision as to which items merit purchase and inclusion in budget requests. All reductions are managed first by these staff and followed by central office administrative staff. Effective control over the District's financial position is performed by structuring the accounting system to not allow overspending of accounts and is evidenced based on the growing fund balance of the General Fund.

COMMUNITY INPUT

The community has opportunities to provide input regarding the budget during recurring Board Meetings or Community Townhalls dedicated to the budget. This allows the Board and administration to understand the community values and needs.

LEGAL REQUIREMENTS

In accordance with Act 1, the District elected not to increase the real estate tax rate above the index established by the Pennsylvania Department of Education and, therefore, follows the procedures outlined below in establishing the budgetary data reflected in the basic financial statements:

1. Prior to May 31, the Board submits 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.
2. A public hearing is conducted to obtain taxpayer comments.
3. Prior to June 30, the budget is legally enacted through passage of a resolution.
4. The budget of the district is the approved spending plan of the District for the year and the Board is prohibited from obligating funds in excess of these amounts. The Board may, during any fiscal year, amend the budget by making additional appropriations or increase existing appropriations to meet emergencies. The funds shall be provided from unexpended balances in existing appropriations, from unappropriated revenues or from temporary loans. Legal budgetary control is maintained by the Board at the department level. Transfers between departments, whether between funds or within a fund or revisions that alters the total revenues and expenditures of any fund, must be approved by the Board. Budget information in the Budgetary Comparison Schedule is presented at or below the legal level of budgetary control.

**Millcreek Township School District
2020-2021 Budget**

POLICIES AND PRACTICES

5. Budgetary data is included in the district's management information system and is employed as a management control device during the year.
6. 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.
7. There were supplemental budgetary appropriations or amendments proposed or approved during the year.

Legal budgetary control is maintained by the Director of Finance and Operations at the functional object level. Transfer between functional objects, whether between funds or within a fund or revisions that alters the total revenues and expenditures of any fund, must be approved by the District Board. Budget information in the Budgetary Comparison Schedule for the General Fund is presented at or below the legal level of budgetary control.

Included in the General Fund budget are program budgets as prescribed by the state and federal agencies funding the program. These budgets are approved on a program basis by the state or federal funding agency.

LONG-TERM FINANCIAL POLICIES

The district carefully maintains its financial position by following practices and policies to protect itself financially. Budgets are drafted by ensuring adequate funding is available to cover all contracts, labor and benefits and debt service payments. A focus on efficient and safe operations is a priority as displayed by the district's low cost per student with high student achievement. These measures are achieved by utilizing technology to streamline operations, evaluating utilization rates, consistently reviewing data elements and monitoring energy consumption.

Additionally, the Board does not borrow to fund operating deficits. An unassigned fund balance of 8% must be maintained by Board Policy. All these policies and procedures proved successful to providing a quality and sustainable service to the community with a credit rating improvement to A+ Stable from S&P Global.

MILLCREEK TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS - RETIREES HEALTH PLAN
 JUNE 30, 2021

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Total OPEB liability				
Service cost	\$ 577,189	\$ 597,463	\$ 515,986	\$ 508,975
Interest	251,818	331,644	285,767	322,902
Changes of benefit terms	-	-	-	(33,913)
Differences between expected and actual experience	-	(665,400)	-	443,077
Changes of assumptions or other inputs	180,771	(678,454)	(279,526)	1,311,440
Benefit payments	(566,994)	(531,208)	(491,910)	(496,770)
Net change in total OPEB liability	442,784	(945,955)	30,317	2,055,711
Total OPEB liability - beginning	9,843,106	10,285,940	9,339,985	9,370,302
SUPPLEMENTAL				
Total OPEB liability - ending	\$ 10,285,890	\$ 9,339,985	\$ 9,370,302	\$ 11,426,013
Covered payroll	\$ 38,590,212	\$ 35,827,502	\$ 35,827,503	\$ 42,902,633
District's total OPEB liability as a percentage of covered payroll	26.65%	26.07%	26.15%	26.63%

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

MILLCREEK TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY - PSERS PLAN
 JUNE 30, 2021

	<u>2018</u>		<u>2019</u>		<u>2020</u>		<u>2021</u>
District's proportion of the net OPEB liability	0.3044%		0.3085%		0.3076%		0.3084%
District's proportionate share of the net OPEB liability	\$ 6,201,882	\$	6,432,068	\$	6,542,166	\$	6,663,590
District's covered payroll	\$ 42,430,658	\$	43,262,483	\$	42,928,608	\$	43,280,781
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	15%		15%		15%		15%
Plan fiduciary net position as a percentage of the total OPEB liability	6%		6%		6%		6%

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

This schedule is present to illustrate the requirement to present information for 10 years. However, until a full 10-year trend is compiled, information for those years for which information is available is shown.

MILLCREEK TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF DISTRICT'S OPEB CONTRIBUTIONS - PSERS PLAN
 JUNE 30, 2021

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Contractually determined contribution	\$ 344,795	\$ 346,789	\$ 352,174	\$ 363,188	\$ 354,019
Contributions in relation to the actuarially determined contribution	<u>331,906</u>	<u>344,669</u>	<u>352,174</u>	<u>363,188</u>	<u>354,019</u>
Contribution deficiency	<u>\$ 12,889</u>	<u>\$ 2,120</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 41,541,609	\$ 42,430,658	\$ 43,262,483	\$ 42,928,608	\$ 43,280,781
Contributions as a percentage of covered payroll	0.80%	0.81%	0.81%	0.85%	0.82%

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

Millcreek Township School District
Schedules of Required Supplementary Information
SCHEDULE OF THE DISTRICT'S PRPORTIONATE SHARE OF THE
NET PENSION LIABILITY
Teachers Pension Plan
Last 10 Fiscal Years*
(Dollar amounts in thousands)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Districts proportion of the net pension liability	0.3304%	0.3176%	0.3153%	0.3044%	0.3085%	0.3076%	0.3084%
District's proportionate share of the net pension liability	\$ 130,775	\$ 137,569	\$ 156,253	\$ 150,338	\$ 148,095	\$ 143,903	\$ 148,725
District's covered payroll	\$ 43,582	\$ 42,160	\$ 40,862	\$ 40,523	\$ 41,542	\$ 42,431	\$ 42,929
District's proportionate share of the net pension liability as a percentage of its covered payroll	300.07%	326.30%	382.39%	370.99%	356.49%	339.15%	346.44%
Plan fiduciary net position as a percentage of the total pension liability	57%	54%	50%	52%	52%	56%	56%

* The amounts presented for each fiscal year were determined as of 06/30

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available

Millcreek Township School District
 Schedules of Required Supplementary Information
 SCHEDULE OF DISTRICT CONTRIBUTIONS
 Teachers Pension Plan
 Last 10 Fiscal Years*

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Contractually required contribution	\$ 8,176,866	\$ 10,854,415	\$ 11,925,355	\$ 13,261,530	\$ 13,832,395	\$ 14,462,648	\$ 15,107,760
Contributions in relation to the contractually required contribution	8,176,866	10,854,415	12,008,596	13,261,530	13,832,395	14,462,648	15,107,760
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (83,241)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 40,861,981	\$ 40,523,782	\$ 41,541,609	\$ 42,430,658	\$ 43,262,483	\$ 42,928,608	\$ 43,280,781
Contributions as a percentage of covered payroll	20.01%	26.79%	28.91%	31.25%	31.97%	33.69%	34.91%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

MILLCREEK TOWNSHIP SCHOOL DISTRICT
DESCRIPTION OF STATISTICAL SECTION

This section of Millcreek Township School District's annual comprehensive financial report provides additional detailed information to support the financial statements, note disclosures, and required supplementary information in understanding the School District's financial position and operating components.

<u>CONTENTS</u>	<u>PAGES</u>
FINANCIAL TRENDS	
These schedules contain trend information showing how the School District's financial performance and position have changed over time.	78-86
REVENUE CAPACITY	
These schedules contain information regarding the School District's most significant local revenue sources allowing readers to assess viability of future funding.	87-92
DEBT CAPACITY	
These schedules present information regarding the School District's current levels of outstanding debt and the ability to issue additional debt.	93-98
DEMOGRAPHIC AND ECONOMIC INFORMATION	
These schedules present demographic and economic indicators for which help explain outside factors affecting the School District's operations, while providing insight to the operating environment for the future.	99-103
OPERATING INFORMATION	
These schedules contain additional operating information displaying how the School District's financial activities relates to service provided or how operations affect the School District's financial position.	104-108

Sources: Unless otherwise noted, the information in these schedules is derived from the audit reports for the relevant year.

**MILLCREEK TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST EIGHT FISCAL YEARS**

	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
Expenses								
Instructional Services	\$ 53,745,884	\$ 53,997,077	\$ 52,200,294	\$ 58,697,868	\$ 59,041,711	\$ 60,247,989	\$ 59,158,561	\$ 63,439,889
Pupil Services	3,374,844	3,751,559	4,334,821	4,688,035	4,995,795	4,596,697	4,406,221	4,542,036
Instructional Support Services	2,160,338	3,195,445	1,601,424	3,931,266	2,970,595	3,320,058	3,509,963	2,670,057
Administration	5,938,824	5,269,190	5,277,493	5,796,229	6,329,786	6,200,949	6,033,895	6,316,953
Pupil Health Services	1,307,245	1,380,913	1,232,217	1,447,092	1,427,652	1,445,559	1,405,502	1,479,389
Financial Services	1,045,555	1,279,931	1,116,095	1,127,608	1,055,507	1,122,161	1,057,404	1,025,566
Operation and Maintenance of Plant	8,845,170	9,632,216	8,650,721	9,687,997	9,135,807	9,535,189	9,464,585	10,413,532
Student Transportation Services	5,108,273	4,961,460	4,578,311	5,190,808	5,219,745	5,162,399	5,320,201	4,725,598
Other Support Services	1,731,486	1,321,397	1,317,662	1,866,520	1,816,086	1,872,004	1,993,305	1,921,378
Student Activities	1,179,802	1,262,305	1,433,280	1,483,144	1,781,641	1,741,400	1,714,668	1,602,748
Community Services	21,511	20,319	19,196	20,456	13,446	11,270	5,514	12,920
Interest on Long-Term Debt	3,032,365	2,513,933	2,304,949	1,880,263	1,639,302	932,155	2,364,187	2,289,659
Total Government Activities	87,491,296	88,585,743	84,066,464	95,817,287	95,427,074	96,187,831	96,434,006	100,439,725
Business-type Activities								
Food Services	3,267,315	3,076,747	2,961,163	2,894,787	2,916,701	3,087,238	2,661,244	1,536,480
Child Development	1,680,948	1,192,575	1,098,436	1,095,815	1,241,271	1,204,701	1,165,852	838,944
Total primary government expenses	\$ 92,439,559	\$ 92,855,065	\$ 88,126,063	\$ 99,807,889	\$ 99,585,046	\$ 100,479,770	100,261,102	102,815,149
Program revenues								
Governmental Activities								
Charges for Services	\$ 3,532,121	\$ 2,508,393	\$ 2,216,496	\$ 1,830,493	\$ 1,652,638	\$ 1,846,183	1,850,103	1,627,072
Operating Grants and Contributions	27,096,979	28,563,429	31,376,106	32,421,461	32,992,611	33,245,403	34,258,188	37,862,672
Total governmental program revenues	30,629,100	31,071,822	33,592,602	34,251,954	34,645,249	35,091,586	36,108,291	39,489,744
Business-type activities								
Charges for Services	2,522,813	2,200,863	1,967,257	1,796,674	1,913,080	2,064,776	1,644,054	341,616
Operating Grants and Contributions	2,095,937	2,124,810	2,173,747	2,232,517	2,329,785	2,437,457	2,213,747	2,466,454
Total business-type program revenues	4,618,750	4,325,673	4,141,004	4,029,191	4,242,865	4,502,233	3,857,801	2,808,070
Total primary government program revenues	\$ 35,247,850	\$ 35,397,495	\$ 37,733,606	\$ 38,281,145	\$ 38,888,114	\$ 39,593,820	\$ 39,966,092	\$ 42,297,814

**MILLCREEK TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST EIGHT FISCAL YEARS**

	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
Net revenues (expenses)								
Governmental activities	(56,862,196)	(57,513,922)	(50,473,862)	(61,565,332)	(60,781,825)	(61,096,245)	(60,325,715)	(60,949,981)
Business-type activities	(329,513)	56,351	81,405	38,589	84,893	210,294	30,705	432,646
Total primary governmental expense	<u>(57,191,709)</u>	<u>(57,457,571)</u>	<u>(50,392,457)</u>	<u>(61,526,744)</u>	<u>(60,696,932)</u>	<u>(60,885,950)</u>	<u>(60,295,010)</u>	<u>(60,517,335)</u>
General Revenues								
Governmental activities								
Taxes:								
Property Taxes	46,920,499	49,519,755	51,501,477	52,450,947	53,514,504	53,787,412	55,346,317	55,752,100
Earned Income Tax	7,194,519	7,138,329	7,457,911	7,263,586	7,489,758	7,403,752	7,688,775	7,461,468
Real Estate Transfer Tax	974,640	921,188	741,724	792,111	864,858	1,284,997	937,429	1,305,762
Other Taxes	568,277	496,484	578,825	681,384	692,319	697,944	731,681	867,172
Investment earnings	18,663	4,946	1,602	25,821	127,157	661,577	988,670	349,137
Other Income	437,045	(56,367)	10,713	98,786	314,405	1,422,225	535,809	583,668
State Property Tax Reduction	933,950	934,701	933,827	933,759	934,615	935,258	936,949	935,753
Sale of Fixed Assets/Other Misc.	650,606	725,220	1,521,232	941,670		1,850	50	67,113
Total governmental activities	<u>57,698,199</u>	<u>59,684,257</u>	<u>62,747,310</u>	<u>63,188,063</u>	<u>63,937,617</u>	<u>66,195,015</u>	<u>67,165,679</u>	<u>67,322,173</u>
Business-type activities								
Investment earnings	-	-	-	-	-	-	5,483	1,329
Total business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,483</u>	<u>1,329</u>
Total primary government	<u>57,698,199</u>	<u>59,684,257</u>	<u>62,747,310</u>	<u>63,188,063</u>	<u>63,937,617</u>	<u>66,195,015</u>	<u>67,171,162</u>	<u>67,323,502</u>
Changes in net position								
Governmental activities	836,003	2,170,335	12,273,448	1,622,731	3,155,792	5,098,770	6,839,964	6,372,192
Business-type activities	(329,513)	56,351	81,405	38,589	84,893	210,294	36,188	433,975
Total primary government	<u>\$ 506,490</u>	<u>\$ 2,226,686</u>	<u>\$ 12,354,853</u>	<u>\$ 1,661,320</u>	<u>\$ 3,240,685</u>	<u>\$ 5,309,064</u>	<u>\$ 6,876,152</u>	<u>\$ 6,806,167</u>

Source: District Audited Financial Statements

**MILLCREEK TOWNSHIP SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST EIGHT FISCAL YEARS**

Fiscal Year	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-21
Governmental Activities								
Net Investment in capital assets	\$ 38,639,047	\$ 31,868,784	\$ 42,630,547	\$ 40,134,072	\$ 39,769,744	\$ 41,327,782	\$ 43,620,257	\$ 50,680,877
Restricted	-	-	-	-	-	-	-	7,570,384
Unrestricted	(4,834,379)	(134,913,303)	(125,224,752)	(126,807,387)	(137,333,530)	(133,792,798)	(129,245,309)	(134,624,387)
Total governmental activities net position	<u>33,804,668</u>	<u>(103,044,519)</u>	<u>(82,594,205)</u>	<u>(86,673,315)</u>	<u>(97,563,786)</u>	<u>(92,465,016)</u>	<u>(85,625,052)</u>	<u>(76,373,126)</u>
Business-type Activities								
Net Investment in capital assets	303,741	335,103	308,234	290,392	264,341	368,343	287,410	504,149
Unrestricted	297,756	322,745	431,019	487,450	598,394	704,686	821,807	(1,840,691)
Total business-type activities net position	<u>601,497</u>	<u>657,848</u>	<u>739,253</u>	<u>777,842</u>	<u>862,735</u>	<u>1,073,029</u>	<u>1,109,217</u>	<u>(1,336,542)</u>
Primary government								
Net Investment in capital assets	38,942,788	32,203,887	42,938,781	40,424,464	40,034,085	41,696,125	43,907,667	51,185,026
Restricted	-	-	-	-	-	-	-	7,570,384
Unrestricted	(4,536,623)	(134,590,558)	(124,793,733)	(126,319,937)	(136,735,136)	(133,088,112)	(128,423,502)	(136,465,078)
Total primary government net position	<u>\$ 34,406,165</u>	<u>\$ (102,386,671)</u>	<u>\$ (81,854,952)</u>	<u>\$ (85,895,473)</u>	<u>\$ (96,701,051)</u>	<u>\$ (91,391,987)</u>	<u>\$ (84,515,835)</u>	<u>\$ (77,709,668)</u>

Source: District Audited Financial Statements

This schedule will accumulate each year until sufficient information to present a ten-year trend is available.
During the 2013-2014 fiscal year, administration changed within the School District.

Starting in 2020-2021, Fund Balance related to Capital Projects was classified to Restricted to comply with PDE requirements.

**MILLCREEK TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST EIGHT FISCAL YEARS**

Fiscal Year	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
Governmental Activities								
Net Position:								
Beginning of Year	\$ 32,968,665	\$ 33,804,668	\$ (103,044,519)	\$ (82,594,205)	\$ (86,673,315)	\$ (97,563,786)	\$ (92,465,016)	\$ (85,625,052)
Restatement	-	(139,019,522)	8,176,866	(5,701,841)	(14,046,263)	-	-	2,879,734
End of Year	33,804,668	(103,044,519)	(82,594,205)	(86,673,315)	(97,563,786)	(92,465,016)	(85,625,052)	(76,373,126)
Change in Net Position	836,003	2,170,335	12,273,448	1,622,731	3,155,792	5,098,770	6,839,964	6,372,192
Business Type Activities								
Net Position:								
Beginning of Year	931,010	601,497	657,848	739,253	777,842	862,735	1,073,029	1,109,217
Restatement	-	-	-	-	-	-	-	(2,879,734)
End of Year	601,497	657,848	739,253	777,842	862,735	1,073,029	1,109,217	(1,336,542)
Change in Net Position	(329,513)	56,351	81,405	38,589	84,893	210,294	36,188	433,975
Total-All Activities								
Net Position:								
Beginning of Year	33,899,675	(104,613,357)	(94,209,805)	(87,556,793)	(99,941,736)	(96,701,051)	(91,391,987)	(84,515,835)
End of Year	34,406,165	(102,386,671)	(81,854,952)	(85,895,473)	(96,701,051)	(91,391,987)	(84,515,835)	(77,709,668)
Change in Net Position	506,490	2,226,686	12,354,853	1,661,320	3,240,685	5,309,064	6,876,152	6,806,167

Source: District Audited Financial Statements

Notes:

- Restatement in 2014-2015 relates to the adoption of GASB Statement No. 68
- Restatement in 2015-2016 relates to deferral of contributions subsequent to PSERS measurement for the adoption of GASB 71
- Restatement in 2016-2017 relates to the capital asset adjustments from inventory
- Restatement in 2017-2018 relates to the understatement of OPEB Liability due to GASB 75 adoption
- Restatement in 2020-2021 relates to allocating pension and OPEB amounts from the general fund to the proprietary funds

This schedule will accumulate each year until sufficient information to present a ten-year trend is available.
During the 2013-2014 fiscal year, administration changed within the School District.

**MILLCREEK TOWNSHIP SCHOOL DISTRICT
GOVERNMENTAL FUNDS REVENUES
LAST EIGHT FISCAL YEARS**

	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
Federal Sources:								
Title Funding	\$ 1,101,919	\$ 1,168,076	\$ 1,345,303	\$ 1,364,283	\$ 1,643,550	\$ 1,651,549	\$ 1,566,145	\$ 1,610,341
Access Funding	398,205	308,783	530,421	590,776	761,859	459,779	675,265	519,475
IDEA	1,111,779	-	-	-	-	-	-	-
COVID Stimulus Funding	-	-	-	-	-	-	38,635	2,402,764
Total Federal Sources	2,611,903	1,476,859	1,875,724	1,955,059	2,405,409	2,111,328	2,280,045	4,532,580
State Sources:								
Basic Education Subsidies	13,257,624	13,304,131	13,680,146	14,173,819	14,393,762	14,559,754	14,897,027	14,897,010
Social Security/Retirement Subsidies	4,782,966	5,509,394	6,750,756	7,301,763	8,035,779	8,440,656	8,790,467	9,125,812
Special Education Subsidies	3,361,570	3,416,621	3,488,451	3,611,357	3,660,748	3,714,873	3,746,977	3,930,028
Construction Subsidies	423,790	646,571	630,552	657,703	84,097	83,090	80,786	449,536
Transportation Subsidies	2,143,534	2,095,974	2,815,544	1,959,645	1,987,449	1,802,294	1,894,440	1,873,316
Property Tax Reduction Allocation	933,950	934,701	933,827	933,759	934,615	935,258	936,949	935,753
Nurse Care Subsidies	174,406	175,161	171,076	166,902	150,171	154,896	152,294	146,538
State Grants and Other	341,185	694,466	694,483	983,232	831,212	1,059,396	931,929	1,209,720
Total State Sources	25,419,026	26,777,019	29,164,835	29,788,182	30,077,834	30,750,216	31,430,868	32,567,713
Local Sources:								
Real Estate Taxes	47,098,322	49,491,566	51,389,515	52,442,282	53,495,033	53,827,512	55,466,204	55,986,257
Interim Taxes	222,704	145,927	208,850	302,994	144,640	84,202	79,019	232,454
PILOT Taxes	143,731	150,612	154,076	173,964	328,822	404,596	458,579	428,208
Earned Income Taxes	7,194,519	7,138,329	7,457,911	7,263,586	7,489,758	7,403,752	7,688,775	7,461,468
Realty Transfer Taxes	974,640	921,188	741,724	792,111	864,858	1,284,997	937,429	1,305,762
Public Utility Taxes	68,434	67,325	64,152	64,440	61,277	61,847	56,804	61,084
Local Service Tax	133,408	132,620	151,748	139,986	157,581	147,299	137,279	145,426
Investment Earnings	18,663	4,946	1,602	25,821	127,157	661,577	988,670	349,137
IDEA/Federal Pass Through	-	1,312,357	1,445,416	1,542,932	1,443,983	1,360,771	1,412,541	1,681,456
Tuition from Patrons	2,526,175	1,981,582	1,673,085	1,175,767	1,223,867	1,325,287	1,258,393	1,304,226
Other Revenues	1,087,345	458,715	602,006	839,890	616,838	1,821,268	959,425	923,190
Total Local Sources	59,467,941	61,805,168	63,890,083	64,763,773	65,953,814	68,383,108	69,443,118	69,878,668
Total Revenues	\$ 87,498,870	\$ 90,059,046	\$ 94,930,642	\$ 96,507,013	\$ 98,437,057	\$ 101,244,652	\$ 103,154,032	\$ 106,978,961

Source: District Audited Financial Statements

This schedule will accumulate each year until sufficient information to present a ten-year trend is available. During the 2013-2014 fiscal year, administration changed within the School District.

**MILLCREEK TOWNSHIP SCHOOL DISTRICT
EXPENDITURES BY FUNCTION
LAST EIGHT FISCAL YEARS**

Function	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
Current Expenditures:								
Instructional Services	\$ 51,671,373	\$ 51,235,490	\$ 53,075,627	\$ 54,199,322	\$ 56,197,566	\$ 56,649,550	\$ 58,100,011	\$ 61,761,625
Pupil Services	3,244,580	3,559,692	4,407,511	4,328,748	4,755,139	4,322,150	4,327,378	4,425,701
Instructional Support Services	2,076,952	3,032,019	1,628,278	3,629,977	2,827,496	3,121,761	3,447,158	2,601,669
Administration	5,709,594	4,999,706	5,365,990	5,352,012	6,024,869	5,830,584	5,925,928	6,155,157
Pupil Health	1,256,787	1,310,288	1,252,880	1,336,189	1,358,879	1,359,220	1,380,353	1,441,498
Financial Services	1,005,199	1,214,471	1,134,811	1,041,189	1,004,661	1,055,137	1,038,484	999,298
Operation and Maintenance of Plant	8,503,759	9,139,593	8,795,783	8,945,518	8,695,719	8,965,680	9,295,231	10,146,810
Student Transportation Services	4,911,102	4,707,715	4,655,083	4,792,990	4,968,300	4,854,064	5,225,004	4,604,562
Other Support Services	1,664,653	1,253,816	1,339,758	1,723,472	1,728,602	1,760,195	1,957,638	1,872,165
Student Activities	1,179,802	1,262,305	1,433,280	1,483,144	1,781,641	1,741,400	1,714,668	1,602,748
Community Services	21,511	20,319	19,196	20,456	13,446	11,270	5,514	12,920
Other	-	-	-	-	165,279	129,215	132,201	51,196
Subtotal Noncapital Expenditures	81,245,312	81,735,414	83,108,196	86,853,017	89,521,598	89,800,226	92,549,568	95,675,349
Capital Outlay:								
Building Improvements	8,914,232	10,865,994	6,234,816	650,179	2,979,530	1,296,495	4,936,864	17,209,532
Subtotal Capital Outlay	8,914,232	10,865,994	6,234,816	650,179	2,979,530	1,296,495	4,936,864	17,209,532
Debt Service:								
Principal	3,509,478	4,231,212	4,343,677	4,594,553	3,826,187	4,082,932	4,165,700	4,655,598
Interest	2,494,997	2,143,997	1,970,511	1,779,499	1,682,165	1,511,543	1,511,972	2,824,875
Paying Agent/Issuance Costs	24,127	19,470	11,910	4,090	3,730	4,019	624,717	3,588
Subtotal Debt Services	6,028,601	6,394,679	6,326,098	6,378,143	5,512,082	5,598,494	6,302,389	7,484,060
Total Expenditures	\$ 96,188,145	\$ 98,996,087	\$ 95,669,109	\$ 93,881,339	\$ 98,013,210	\$ 96,695,215	\$ 103,788,820	\$ 120,368,942
Debt as a Percentage of Noncapital Expenditures	7.42%	7.82%	7.61%	7.34%	6.16%	6.23%	6.81%	7.82%

Source: District Audited Financial Statements

Notes: real estate taxes include penalty & interest on real estate taxes, delinquent real estate taxes, discount on real estate taxes, interim real estate taxes and PILOT Program

This schedule will accumulate each year until sufficient information to present a ten-year trend is available.
During the 2013-2014 fiscal year, administration changed within the School District.

**MILLCREEK TOWNSHIP SCHOOL DISTRICT
OTHER FINANCING SOURCES AND USES AND NET CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST EIGHT FISCAL YEARS**

	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
Excess of Revenues Over/ Under Expenditures	\$ (8,689,275)	\$ (8,937,041)	\$ (738,467)	\$ 2,625,674	\$ 423,847	\$ 4,549,438	\$ (634,788)	\$ (13,389,981)
Other Financing Sources(Uses)								
General Long-Term Debt Issued	26,695,000	-	-	-	-	-	43,350,000	-
Sale of Fixed Assets/Other	-	17,351	1,514,030	941,670	-	1,850	50	67,113
Refund from Prior Period Revenues	650,606	707,869	1,002	-	-	-	-	-
Change in Inventory	-	-	6,200	-	-	-	-	-
Payments to Refund Bond Escrow Agent	(24,939,925)	-	-	-	-	-	-	-
Premium on Issuance of Bonds	874,135	-	-	-	-	-	7,294,002	-
Transfers In - Capital Projects	-	-	1,560,000	2,800,000	2,143,302	3,850,000	2,300,000	900,000
Transfers Out - General Fund	-	-	(1,560,000)	(2,800,000)	(2,143,302)	(3,850,000)	(2,300,000)	(900,000)
Total Other Financing Sources (Uses)	<u>3,279,816</u>	<u>725,220</u>	<u>1,521,232</u>	<u>941,670</u>	<u>-</u>	<u>1,850</u>	<u>50,644,052</u>	<u>67,113</u>
Net Change in Fund Balances	<u>\$ (5,409,459)</u>	<u>\$ (8,211,821)</u>	<u>\$ 782,765</u>	<u>\$ 3,567,344</u>	<u>\$ 423,847</u>	<u>\$ 4,551,288</u>	<u>\$ 50,009,264</u>	<u>\$ (13,322,868)</u>

Source: District Audited Financial Statements

This schedule will accumulate each year until sufficient information to present a ten-year trend is available.
During the 2013-2014 fiscal year, administration changed within the School District.

**MILLCREEK TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES BY OBJECT
LAST EIGHT FISCAL YEARS**

	2013-2014*	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021**
Salaries*	\$ 42,852,069	\$ 39,983,822	\$ 40,830,585	\$ 40,226,198	\$ 40,840,764	\$ 41,737,527	\$ 42,681,775	\$ 43,949,711
Fringe Benefits	20,536,870	23,973,517	24,614,364	26,740,379	28,663,345	27,834,777	28,517,636	30,186,054
Contracted Services	4,224,222	3,290,743	3,168,754	3,170,913	3,378,776	2,854,008	2,622,968	3,206,309
Property Services	807,098	782,437	808,085	1,001,846	973,309	922,625	704,671	842,397
Other Services	858,744	884,589	954,828	1,046,580	1,018,715	868,892	852,731	875,143
Transportation/Field Trips/Travel**	4,954,814	4,620,020	4,756,161	4,832,105	4,955,132	4,981,596	5,300,511	4,487,947
Tuition Paid	2,638,990	2,787,990	3,215,196	3,522,866	4,602,497	4,904,427	5,106,613	5,562,350
Supplies/Books/Software	2,004,795	3,179,860	2,601,699	2,599,562	2,149,339	2,187,395	2,311,829	2,887,210
Utilities	1,686,081	1,763,019	1,775,531	1,762,539	1,734,435	1,689,183	1,530,088	1,433,202
Equipment	151,022	296,305	298,661	1,694,225	787,132	1,412,682	2,540,781	2,030,613
Dues and Fees	530,607	173,112	84,332	255,805	252,876	277,899	247,765	163,218
Debt Services	6,028,601	6,394,679	6,326,098	6,378,143	5,512,082	5,598,494	6,302,389	7,484,060
Other	-	-	-	-	165,279	129,215	132,201	51,196
Building Improvements	8,914,232	10,865,994	6,234,816	650,179	2,979,530	1,296,495	4,936,864	17,209,532
Total Expenditures	\$ 96,188,145	\$ 98,996,087	\$ 95,669,109	\$ 93,881,339	\$ 98,013,210	\$ 96,695,215	\$ 103,788,821	\$ 120,368,942

Source: District Audited Financial Statements

Notes:

* Salaries in 2013-14 included early retirement incentive to save positions through attrition in 2014-15.

**Savings a result of negotiating variable transportation rates because school was virtual only for a portion of the year.

This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

During the 2013-2014 fiscal year, administration changed within the School District.

**MILLCREEK TOWNSHIP SCHOOL DISTRICT
GOVERNMENTAL FUNDS- FUND BALANCES
LAST EIGHT FISCAL YEARS**

Fiscal Year	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
General Fund								
Nonspendable	\$ 159,508	\$ 341,524	\$ 4,927,491	\$ 339,795	\$ 223,768	\$ 268,554	\$ 465,557	\$ 779,611
Committed/Restricted	-	-	-	388,531	663,381	1,044,106	1,452,626	1,586,597
Designated/Assigned	-	38,180	175,352	3,801,560	4,690,812	6,164,987	7,663,176	9,628,226
Undesignated/Unassigned	2,295,667	4,725,790	5,458,639	7,448,600	7,615,293	7,707,366	7,859,699	8,252,754
Total general fund	<u>2,455,175</u>	<u>5,105,494</u>	<u>10,561,482</u>	<u>11,978,486</u>	<u>13,193,254</u>	<u>15,185,013</u>	<u>17,441,058</u>	<u>20,247,188</u>
All other governmental funds								
Committed/Restricted								
Capital Purposes	17,601,126	6,738,986	2,065,763	4,216,103	3,425,182	5,984,710	53,737,929	37,608,931
Total all other governmental funds	<u>17,601,126</u>	<u>6,738,986</u>	<u>2,065,763</u>	<u>4,216,103</u>	<u>3,425,182</u>	<u>5,984,710</u>	<u>53,737,929</u>	<u>37,608,931</u>
Total Fund Balance	<u>\$ 20,056,301</u>	<u>\$ 11,844,480</u>	<u>\$ 12,627,245</u>	<u>\$ 16,194,589</u>	<u>\$ 16,618,436</u>	<u>\$ 21,169,723</u>	<u>\$ 71,178,987</u>	<u>\$ 57,856,119</u>

Source: District Audited Financial Statements

This schedule will accumulate each year until sufficient information to present a ten-year trend is available. During the 2013-2014 fiscal year, administration changed within the School District.

**MILLCREEK TOWNSHIP SCHOOL DISTRICT
GENERAL GOVERNMENT TAX REVENUES BY SOURCE
LAST EIGHT FISCAL YEARS**

Fiscal Year	Real Estate Tax	Real Estate Transfer Tax	Earned Income Tax	Public Utility Realty Tax	Local Service Tax	Total
2013-2014	\$ 47,464,756	\$ 974,640	\$ 7,194,519	\$ 68,434	\$ 133,408	\$ 55,835,757
2014-2015	49,788,105	921,188	7,138,329	67,325	132,620	58,047,567
2015-2016	51,752,440	741,724	7,457,911	64,152	151,748	60,167,974
2016-2017	52,919,239	792,111	7,263,586	64,440	139,986	61,179,362
2017-2018	53,968,495	864,858	7,489,758	61,277	157,581	62,541,969
2018-2019	54,316,310	1,284,997	7,403,752	61,847	147,299	63,214,205
2019-2020	56,003,802	937,429	7,688,775	56,804	137,279	64,824,089
2020-2021	56,646,919	1,305,762	7,461,468	61,084	145,426	65,620,659

Source: District Audited Financial Statements

Notes: real estate taxes include penalty & interest on real estate taxes, delinquent real estate taxes, discount on real estate taxes, interim real estate taxes and PILOT Program

This schedule will accumulate each year until sufficient information to present a ten-year trend is available. During the 2013-2014 fiscal year, administration changed within the School District.

**MILLCREEK TOWNSHIP SCHOOL DISTRICT
 ASSESSED VALUE AND PROPERTY TAX RATES
 DIRECT AND OVERLAPPING GOVERNMENTS
 LAST EIGHT FISCAL YEARS**

Tax Rates (per \$1,000 of Assessed Value)

<u>Fiscal Year</u>	<u>Municipal</u>	<u>School</u>	<u>County</u>	<u>Total</u>	<u>Assessed Valuation</u>
2013-2014	2.5537	12.6700	4.9300	20.1537000	\$ 3,831,873,087
2014-2015	3.5537	13.2766	4.9300	21.7603000	3,848,821,808
2015-2016	3.5537	13.5819	4.9300	22.0656000	3,875,691,367
2016-2017	3.5537	13.7788	5.1600	22.4925000	3,924,248,138
2017-2018	3.5537	13.8288	5.4100	22.7925000	3,921,625,770
2018-2019	1.0700	14.1054	5.4100	20.5854000	3,932,511,749
2019-2020	3.5537	14.5003	5.7100	23.7640000	3,947,051,777
2020-2021	3.5550	14.5003	5.7100	23.7653000	3,959,090,672

Source: Erie County Annual Financial Report & District Financial Office

This schedule will accumulate each year until sufficient information to present a ten-year trend is available. During the 2013-2014 fiscal year, administration changed within the School District.

**MILLCREEK TOWNSHIP SCHOOL DISTRICT
PROPERTY TAX LEVIES BY GOVERNMENTAL UNIT
LAST EIGHT FISCAL YEARS**

<u>Year</u>	<u>Levy (Original)</u>	<u>Adjustments</u>	<u>Total Adjusted Levy</u>	<u>Homestead</u>	<u>Collections</u>	<u>Face Value of Current Tax Collections (1)</u>	<u>Percentage Collected</u>	<u>Discount</u>	<u>Net Collection</u>	<u>Outstanding Delinquent Taxes</u>	<u>Delinquent Taxes as Percent of Levy</u>	<u>Delinquent Collected</u>	<u>Collections to Date</u>	<u>Percentage Collected to Date</u>	<u>Payment In Lieu of Taxes (2)</u>
2013-2014	\$ 48,549,832	\$ (9,055)	\$ 48,540,777	\$ 933,950	\$ 45,707,712	\$ 46,641,662	96.07%	\$(833,610)	\$ 45,808,052	\$ 2,741,780	5.65%	\$ 1,733,182	\$ 48,374,844	99.66%	\$ 143,731
2014-2015	51,099,268	(19,666)	51,079,601	932,332	48,133,145	49,065,477	96.02%	(877,874)	48,187,602	2,911,665	5.70%	1,780,002	50,845,479	99.54%	150,612
2015-2016	52,639,253	(10,563)	52,628,689	931,619	49,928,975	50,860,595	96.62%	(890,236)	49,970,359	2,668,894	5.07%	1,898,094	63,439,889	120.54%	154,076
2016-2017	54,071,430	302,150	54,373,581	931,767	51,300,805	52,232,572	96.60%	(906,849)	51,325,723	2,745,707	5.05%	1,606,071	4,542,036	8.35%	173,964
2017-2018	54,231,378	(304,381)	53,926,998	932,678	52,412,119	53,344,797	98.37%	(934,732)	52,410,065	1,821,313	3.38%	1,621,122	2,670,057	4.95%	328,822
2018-2019	55,469,651	(35,018)	55,434,633	933,630	52,907,688	53,841,319	97.06%	(955,856)	52,885,463	2,584,188	4.66%	1,490,031	6,316,953	11.40%	404,596
2019-2020	57,233,435	(103,261)	57,130,174	935,201	54,536,370	55,471,571	96.92%	(953,402)	54,518,169	2,715,266	4.75%	1,449,418	1,479,390	2.59%	458,579
2020-2021	57,408,002	(13,296)	57,394,706	933,985	54,776,488	55,710,473	97.04%	(975,656)	54,734,817	2,673,186	4.66%	1,845,403	1,025,566	1.79%	428,209

(1) Includes tax reduction of Homestead/Farmstead Credits and refunds

(2) Payment in Lieu of Taxes reflects funds paid by St. Mary's, Springhill and Millcreek Manor Nursing Homes, a hospital (Millcreek Community Hospital) and a medical college (LECOM)

Source: Millcreek Tax Office

This schedule will accumulate each year until sufficient information to present a ten-year trend is available.
During the 2013-2014 fiscal year, administration changed within the School District.

**MILLCREEK TOWNSHIP SCHOOL DISTRICT
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST EIGHT FISCAL YEARS**

Fiscal Year	Taxable Assessed Value	Exempt Real Property	Total	Estimate Actual Value (1)	Mileage Rate
2013-2014	\$ 3,831,873,087	\$ 411,589,951	\$ 4,243,463,038	\$ 3,376,394,288	12.6700
2014-2015	3,848,821,808	411,355,430	4,260,177,238	3,466,671,909	13.2766
2015-2016	3,875,691,367	410,221,631	4,285,912,998	3,500,672,667	13.5819
2016-2017	3,924,248,138	414,461,261	4,338,709,399	3,588,081,599	13.7788
2017-2018	3,921,625,770	440,455,555	4,362,081,325	3,656,701,658	13.8288
2018-2019	3,932,511,749	440,668,244	4,373,179,993	3,722,068,430	14.1054
2019-2020	3,947,051,777	434,911,588	4,381,963,365	3,712,482,805	14.5003
2020-2021	3,959,090,672	437,220,714	4,396,311,386	3,787,813,863	14.5003

(1) Data provided by State Tax Equalization Board

Source: Erie County Assessment Department

This schedule will accumulate each year until sufficient information to present a ten-year trend is available. During the 2013-2014 fiscal year, administration changed within the School District.

**MILLCREEK TOWNSHIP SCHOOL DISTRICT
TEN LARGEST TAXPAYERS
LAST TEN FISCAL YEARS**

Taxpayer	7/1/2020			7/1/2010		
	Assessed Value	Rank	Percentage of Total Assessed Valuation	Assessed Value	Rank	Percentage of Total Assessed Valuation
Millcreek Mall Corp	\$ 115,469,000	1	2.92%	\$ 104,953,800	1	3.32%
Riedman Properties EP I LLC	51,770,720	2	1.31%	-	-	-
Millcreek Community Hospital	27,048,400	3	0.68%	27,193,098	3	0.86%
Wegamans Food Markets Inc.	19,605,676	4	0.50%	12,533,200	7	0.40%
Yorktown Station LLC	17,174,775	5	0.43%	-	-	-
Millcreek Marketplace LLC	15,031,200	6	0.38%	-	-	-
Shadow Pines Apartments LLC	14,751,100	7	0.37%	-	-	-
Granada Apartment Holdings LLC	13,000,000	8	0.33%	18,117,100	5	0.57%
Walmart Real Estate Business Trust	11,883,300	9	0.30%	-	-	-
Harvest Niagara Village Retirement	10,889,100	10	0.28%	-	-	-
Pastore LLC	-	-	-	36,321,600	2	1.15%
Maleno LLC	-	-	-	23,489,020	4	0.74%
Plastek	-	-	-	13,994,180	6	0.44%
79 Realty Corp	-	-	-	12,525,300	8	0.40%
Beverly Erie Acquisition LLC	-	-	-	9,974,700	9	0.32%
Lowes Home Centers Inc	-	-	-	9,380,709	10	0.30%
Total	\$ 296,623,271		7.49%	\$ 268,482,707		8.49%
Total Taxable Assessed Valuation	\$ 3,959,090,672			\$ 3,162,165,863		

Source: Millcreek Tax Office

**MILLCREEK TOWNSHIP SCHOOL DISTRICT
GOB CONTINUING DISCLOSURE INFORMATION**

**MILLCREEK TOWNSHIP SCHOOL DISTRICT
Principal Employers
LAST EIGHT FISCAL YEARS**

Employer	7/1/2020			7/1/2012		Percentage of Total Municipal Employment
	Employees	Rank	Percentage of Total Municipal Employment	Employees	Rank	
Career Concepts Staffing Services	2,251	1	9.09%	243	8	1.22%
Erie Indemnity Company	993	2	4.01%	-	-	-
Wegmans Food Markets	966	3	3.90%	391	3	1.96%
Millcreek Township School District	948	4	3.83%	744	1	3.72%
Plastek Industries Inc	801	5	3.23%	483	2	-
Millcreek Community Hospital	763	6	3.08%	279	5	-
VFI Community Services	717	7	2.90%	-	-	-
Walmart	604	8	2.44%	-	-	0.00%
Waldameer Park	482	9	1.95%	-	-	-
Millcreek Manor	342	10	1.38%	-	-	-
Voices for Independence Erie	-	-	-	343	4	1.72%
Blair Corporation Inc.	-	-	-	264	6	1.32%
Eriez Manufacturing Co	-	-	-	264	7	1.32%
United Parcel Service Inc	-	-	-	207	9	1.04%
Millcreek Township	-	-	-	183	10	0.92%
Total	8,867		35.81%	3,401		17.02%
Total Employees	24,762			19,985		

Source: Berhiemer Associates Inc.

This schedule will accumulate each year until sufficient information to present a ten-year trend is available.
During the 2013-2014 fiscal year, administration changed within the School District.

MILLCREEK TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF DIRECT AND OVERLAPPING DEBT AND DEBT RATIOS:
 YEAR ENDED JUNE 30, 2021

	<u>Gross</u>	<u>MVAR</u>	<u>Project Reimburs.</u>	<u>Percentage of Applicable Debt</u>	<u>Local Share</u>
General Obligation Debt					
General Obligation Bonds of 2012	\$ 1,550,000	0.466	0.2783	100.00%	\$ 1,348,984
General Obligation Bonds Series B of 2013	6,620,000	0.466	0.2196	100.00%	5,942,552
General Obligation Bonds Series C of 2013	17,155,000	NA	0	100.00%	17,155,000
General Obligation Bonds of 2020	43,350,000	NA	0	100.00%	43,350,000
TOTAL DIRECT DEBT	\$ 68,675,000				\$ 67,796,536
Overlapping Debt					
Erie County *	42,152,138			27.50%	11,592,276
Millcreek Township	-				-
TOTAL OVERLAPPING DEBT	\$ 42,152,138				\$ 11,592,276
TOTAL NET DIRECT & OVERLAPPING DEBT	\$ 110,827,138				\$ 79,388,812

*Source: Erie County CAFR for the year ended 12/31/2020. As of December 31, 2020, Erie County had outstanding debt of \$42,152,138. The School District's share is calculated by dividing the assessed value of the School District by the assessed value of the County, and multiplying the ratio by the outstanding debt of the County.

Debt Ratio Calculations (including the issuance of the Bonds)

	<u>Direct Debt To:</u>	<u>Direct and Overlapping Debt To:</u>
Assessed Value	1.71%	2.01%
Market Value	1.79%	2.10%
Per Capita	\$1,253.80	\$1,468.18
Assessed Value	\$3,959,090,671.92	
Market Value	\$3,787,813,863.00	
Population	54,073	

**MILLCREEK TOWNSHIP SCHOOL DISTRICT
COMPUTATION OF NONELECTORAL DEBT MARGIN
AS OF JUNE 30, 2021**

Formula for Debt Limit	Fiscal Year Ended June 30		
	2019	2020	2021
Total General Fund Revenues	\$101,240,478	\$102,868,435	\$106,865,542
Less: Required Deductions Included in Total Revenues			
a. Construction Subsidies	83,090	80,786	449,536
b. Receipts Pledged to self-Liquidating Debt or Payments under Leases or Guaranties	-	-	-
c. Interest Earned on Sinking Fund	-	-	-
d. Grant Payments for Special Projects	-	38,635	2,402,764
e. Nonrecurring Receipts	1,850	50	67,113
Net Revenues	\$101,155,538	\$102,748,964	\$103,946,129
Total Net Revenues for Three Years	\$307,850,631		
Borrowing Base -	\$102,616,877		
Average Net Revenues for Three-Year Period			
Multiplier	225%		
Total Nonelectoral Debt Limit	\$230,887,973		
Less: Amount of Debt Applicable to Debt Limit	\$67,796,536		
	\$163,091,437		

Note: Act 50 of 1998 amended Section 8022 of the Local Government Unit Debt Act to set the Nonelectoral Debt Limit at 225% of the district's borrowing base as calculated above.

**MILLCREEK TOWNSHIP SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST SIX FISCAL YEARS**

	2016	2017	2018	2019	2020	2021
Debt Limit	\$203,092,316	\$209,686,533	\$216,374,909	\$221,517,689	\$226,692,819	\$230,887,973
Total Net Debt Applicable to Limit	43,950,370	39,591,227	36,016,781	32,203,334	71,676,584	67,796,536
Legal Debt Margin	<u>\$159,141,946</u>	<u>\$170,095,305</u>	<u>\$180,358,128</u>	<u>\$189,314,355</u>	<u>\$155,016,235</u>	<u>\$163,091,437</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	21.64%	18.88%	16.65%	14.54%	31.62%	29.36%

This schedule will accumulate each year until sufficient information to present a ten-year trend is available.
During the 2013-2014 fiscal year, administration changed within the School District.

**MILLCREEK TOWNSHIP SCHOOL DISTRICT
RATIOS OF ANNUAL DEBT SERVICE EXPENDITURES
TOTAL GENERAL GOVERNMENTAL EXPENDITURES
LAST EIGHT FISCAL YEARS**

Fiscal Year	Principal (1)	Interest	Total Debt Service	Total General Governmental Expenditures	Ratio of Debt Service to General Governmental Expenditures
2013-2014	\$ 3,509,478	\$ 2,494,997	\$ 6,004,475	\$ 96,188,145	6.24%
2014-2015	4,231,212	2,143,997	6,375,209	98,996,087	6.44%
2015-2016	4,343,677	1,970,511	6,314,188	95,669,109	6.60%
2016-2017	4,594,553	1,779,499	6,374,052	93,881,339	6.79%
2017-2018	3,826,187	1,682,165	5,508,352	98,013,210	5.62%
2018-2019	4,082,932	1,511,543	5,594,475	96,695,215	5.79%
2019-2020	4,165,700	1,511,972	5,677,672	103,788,820	5.47%
2020-2021	4,655,598	2,824,875	7,480,473	120,368,942	6.21%

Source: District Audited Financial Statements

(1) Includes lease payments related to buildings energy efficient upgrades

This schedule will accumulate each year until sufficient information to present a ten-year trend is available. During the 2013-2014 fiscal year, administration changed within the School District.

**MILLCREEK TOWNSHIP SCHOOL DISTRICT
RATIO OF NET BONDED TO ASSESSED VALUE
AND NET BONDED DEBT PER CAPITA
LAST EIGHT FISCAL YEARS**

Fiscal Year	Population (1)	Assessed Value	Estimated Actual Value	Gross Bonded Debt	Less Debt Service Debt	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita	Ratio of Net Bonded Debt to Estimated Actual Value
2013-2014	53,515	\$ 3,831,873,087	\$ 3,376,394,288	\$ 52,850,000	-	\$ 52,850,000	1.4%	\$ 988	1.6%
2014-2015	53,515	3,848,821,808	3,466,671,909	49,075,000	-	49,075,000	1.3%	917	1.4%
2015-2016	53,515	3,875,691,367	3,500,672,667	45,075,000	-	45,075,000	1.2%	842	1.3%
2016-2017	53,515	3,924,248,138	3,588,081,599	40,840,000	-	40,840,000	1.0%	763	1.1%
2017-2018	53,515	3,921,625,770	3,656,701,658	37,385,000	-	37,385,000	1.0%	699	1.0%
2018-2019	53,515	3,932,511,749	3,722,068,430	33,615,000	-	33,615,000	0.9%	628	0.9%
2019-2020	53,515	3,947,051,777	3,712,482,805	73,055,000	-	73,055,000	1.9%	1,365	2.0%
2020-2021	54,073	3,959,090,672	3,787,813,863	68,675,000	-	68,675,000	1.7%	1,270	1.8%

This schedule will accumulate each year until sufficient information to present a ten-year trend is available. During the 2013-2014 fiscal year, administration changed within the School District.

**MILLCREEK TOWNSHIP SCHOOL DISTRICT
OUTSTANDING DEBT BY TYPE
LAST EIGHT FISCAL YEARS**

	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
2005 General Obligation Bonds	\$ 11,185,000	\$ 7,660,000	\$ 4,005,000	\$ -	\$ -	\$ -	\$ -	\$ -
2010 General Obligation Bonds	11,890,000	11,795,000	11,675,000	11,675,000	8,455,000	4,920,000	1,250,000	-
2012 General Obligation Bonds	3,080,000	2,930,000	2,710,000	2,485,000	2,255,000	2,025,000	1,790,000	1,550,000
2013 Series A General Obligation Bonds	2,365,000	2,365,000	2,365,000	2,365,000	2,365,000	2,365,000	2,365,000	-
2013 Series B General Obligation Bonds	7,175,000	7,170,000	7,165,000	7,160,000	7,155,000	7,150,000	7,145,000	6,620,000
2013 Series C General Obligation Bonds	17,155,000	17,155,000	17,155,000	17,155,000	17,155,000	17,155,000	17,155,000	17,155,000
2020 General Obligation Bonds	-	-	-	-	-	-	43,350,000	43,350,000
2004 General Obligation Notes	696,000	540,000	384,000	228,000	76,000	-	-	-
2005 General Obligation Notes	75,330	-	-	-	-	-	-	-
Total Debt	\$ 53,621,330	\$ 49,615,000	\$ 45,459,000	\$ 41,068,000	\$ 37,461,000	\$ 33,615,000	\$ 73,055,000	\$ 68,675,000
Ratio of Debt to Personal Income*	2.9%	2.7%	2.5%	2.2%	2.0%	1.8%	4.0%	3.8%
Debt Per Capita	1,002	927	849	767	700	628	1,365	1,283

* computation of per capita personal income from 2010 U.S. Census multiplied by population

This schedule will accumulate each year until sufficient information to present a ten-year trend is available.
During the 2013-2014 fiscal year, administration changed within the School District.

**MILLCREEK TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF TOTAL EXPENDITURES PER PUPIL
LAST EIGHT FISCAL YEARS**

Fiscal Year	Governmental Expenditures	Enrollment	Cost Per Pupil	General Fund Expenditures	Cost Per Pupil General Fund	Percent Increase/(Decrease) General Fund
2013-2014	\$ 96,188,145	7,210	13,341	\$ 87,273,913	12,105	
2014-2015	98,996,087	7,205	13,740	88,130,093	12,232	1.1%
2015-2016	95,669,109	6,962	13,742	89,434,293	12,846	5.0%
2016-2017	93,881,339	6,820	13,766	93,231,160	13,670	6.4%
2017-2018	98,013,210	6,626	14,792	95,171,919	14,363	5.1%
2018-2019	96,695,215	6,525	14,819	95,269,504	14,601	1.7%
2019-2020	103,788,820	6,614	15,692	98,312,394	14,864	1.8%
2020-2021	120,368,942	6,353	18,947	103,159,410	16,238	9.2%

Source: District Financial Audits

K-12 Enrollment as of October 1 of each year

This schedule will accumulate each year until sufficient information to present a ten-year trend is available. During the 2013-2014 fiscal year, administration changed within the School District.

**MILLCREEK TOWNSHIP SCHOOL DISTRICT
PUPIL TEACHER RATIOS
LAST EIGHT FISCAL YEARS**

<u>Fiscal Year</u>	<u>K-12 Enrollment</u>	<u>Teaching Staff</u>	<u>Pupil Teacher Ratio</u>	<u>Student Attendance Percentage</u>	<u>Number of Free & Reduced</u>	<u>Percentage of Free & Reduced</u>
2013-2014	7,210	457.0	15.776805	95.6%	2,574	35.7%
2014-2015	7,205	457.0	15.765864	95.1%	2,706	37.6%
2015-2016	6,962	456.0	15.267544	95.7%	2,738	39.3%
2016-2017	6,820	449.0	15.18931	95.6%	2,769	40.6%
2017-2018	6,626	448.0	14.790179	95.5%	2,759	41.6%
2018-2019	6,525	446.0	14.630045	95.5%	2,826	43.3%
2019-2020	6,614	445.0	14.862921	95.3%	2,807	42.4%
2020-2021	6,353	466.0	13.633047	96.5%	2,627	41.4%

Source: Human Resources Department

This schedule will accumulate each year until sufficient information to present a ten-year trend is available. During the 2013-2014 fiscal year, administration changed within the School District.

MILLCREEK TOWNSHIP SCHOOL DISTRICT
TOTAL NUMBER OF EMPLOYEES
LAST EIGHT FISCAL YEARS
Unaudited

	<u>13/14</u>	<u>14/15</u>	<u>15/16</u>	<u>16/17</u>	<u>17/18</u>	<u>18/19</u>	<u>19/20</u>	<u>20/21</u>
<u>Administration</u>								
Central Administration	7.0	7.0	7.0	7.0	8.0	8.0	8.0	8.0
Supervisors of Instruction/Pupil Svcs	3.0	3.0	3.0	3.0	4.0	4.0	4.0	4.0
Principals	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Assistant Principals/Athletic Supervisor	8.0	8.0	8.0	8.0	11.0	11.0	11.0	11.0
Child Development Supervisor	0.0	0.0	0.0	0.0	1.0	1.0	1.0	1.0
Total	28.0	28.0	28.0	28.0	34.0	34.0	34.0	34.0
<u>Instruction</u>								
Teachers	370.0	370.0	369.0	364.0	360.0	358.0	356.0	377.0
Special Ed. Teachers	87.0	87.0	87.0	85.0	88.0	88.0	89.0	89.0
Nurses/OT/PT	8.0	8.0	8.0	9.0	10.0	10.0	10.0	10.0
Guidance Counselors	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0
Psychologists	5.0	5.0	5.0	5.0	6.0	6.0	6.0	6.0
Special Ed. Assistant	62.0	62.0	63.0	75.0	76.0	80.0	82.0	82.0
Instructional Assistants	84.0	84.0	83.0	65.0	59.0	58.0	58.0	49.0
Total	630.0	630.0	629.0	617.0	613.0	614.0	615.0	627.0
<u>Support and Administration</u>								
Technical Support (IT/Maintenance)	11.0	11.0	11.0	9.0	10.0	10.0	9.0	9.0
Maintenance	19.0	19.0	19.0	18.0	18.0	16.0	16.0	15.0
Custodians	52.5	52.5	52.5	52.5	52.5	52.5	52.5	52.5
Print Shop	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Executive Assistants	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.0
Other Support - Classified	16.0	16.0	16.0	16.0	16.0	18.0	18.0	21.0
Building Secretaries	35.0	35.0	34.0	34.0	34.0	34.0	34.0	35.0
Total	137.5	137.5	136.5	133.5	134.5	134.5	133.5	135.5
<u>Propreitary Funds</u>								
*Food Service	72.0	72.0	18.0	13.0	12.0	11.0	11.0	8.0
Child Development	42.0	42.0	33.0	34.0	33.0	32.0	31.0	29.0
Total	114.0	114.0	51.0	47.0	45.0	43.0	42.0	37.0
Total Number of Employees*	909.5	909.5	844.5	825.5	826.5	825.5	824.5	833.5
(excludes Substitute Employees)								
* Outsourced staff below 20 years of service in 2015-2016								

Source: Millcreek Township School District Personnel Office

This schedule will accumulate each year until sufficient information to present a ten-year trend is available. During the 2013-2014 fiscal year, administration changed within the School District.

**MILLCREEK TOWNSHIP SCHOOL DISTRICT
HISTORICAL SCHEDULE OF TAX RATES AND STATISTICS
LAST ELEVEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Assessed Valuation</u>	<u>Mileage Rate</u>	<u>Earned Income Tax Rate</u>	<u>Realty Transfer Tax Rate</u>	<u>School Buildings In Use</u>	<u>Enrollment</u>
2010	\$ 3,136,254,552	14.1400	0.5%	0.5%	13	7,237
2011	\$ 3,149,083,718	14.6300	0.5%	0.5%	13	7,257
2012	\$ 3,168,705,609	14.8800	0.5%	0.5%	13	7,314
2013	\$ 3,793,842,518	14.8800	0.5%	0.5%	13	7,346
2014	\$ 3,831,873,087	12.6700	0.5%	0.5%	11	7,210
2015	\$ 3,848,821,808	13.2766	0.5%	0.5%	11	7,205
2016	\$ 3,875,691,367	13.2766	0.5%	0.5%	10	6,962
2017	\$ 3,924,248,138	13.7788	0.5%	0.5%	10	6,820
2018	\$ 3,921,625,770	13.8288	0.5%	0.5%	10	6,626
2019	\$ 3,932,511,749	14.1054	0.5%	0.5%	10	6,525
2020	\$ 3,947,051,777	14.5003	0.5%	0.5%	10	6,614
2021	\$ 3,959,090,672	14.5003	0.5%	0.5%	10	6,353

**MILLCREEK TOWNSHIP SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Population</u>	<u>Total Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Median Household Income</u>	<u>Persons in Poverty, Percent</u>
2010-2011	53,515	\$ 1,830,587,605	\$ 34,207	\$ 58,479	9.7%
2011-2012	53,515	1,830,587,605	34,207	58,479	9.7%
2012-2013	53,515	1,830,587,605	34,207	58,479	9.7%
2013-2014	53,515	1,830,587,605	34,207	58,479	9.7%
2014-2015	53,515	1,830,587,605	34,207	58,479	9.7%
2015-2016	53,515	1,830,587,605	34,207	58,479	9.7%
2016-2017	53,515	1,830,587,605	34,207	58,479	9.7%
2017-2018	53,515	1,830,587,605	34,207	58,479	9.7%
2018-2019	53,515	1,830,587,605	34,207	58,479	9.7%
2019-2020	53,515	1,830,587,605	34,207	58,479	9.7%
2020-2021*	54,073	1,972,312,675	36,475	64,003	7.4%
*Erie County			\$ 21,599	\$ 37,894	26.2%
*Pennsylvania			\$ 34,352	\$ 61,744	12.0%

Source: U.S. Censuses Bureau

*Source: U.S. Census Quick Facts estimates July 1, 2019

AGE COMPOSITION

	<u>0-17 Years</u>	<u>18-64 Years</u>	<u>65+ Years</u>
Millcreek Township	20.50%	59.60%	19.90%
Erie County	23.00%	62.70%	14.30%
Pennsylvania	20.60%	60.70%	18.70%

Source: U.S. Census Quick Facts estimates July 1, 2019

HOUSING UNITS

	<u>Owner Occupied Median Value</u>	<u>Homeownership Rate</u>	<u>Persons Per Household</u>
Millcreek Township	\$ 170,800	69.3%	2.28
Erie County	89,100	50.9%	2.3
Pennsylvania	180,200	68.9%	2.45

Source: U.S. Census Quick Facts estimates July 1, 2019

Recent Trends in Unemployment Rates

<u>Year</u>	<u>Erie County</u>	<u>Pennsylvania</u>
2014	5.5%	5.4%
2015	5.6%	5.2%
2016	6.4%	5.3%
2017	5.5%	4.7%
2018	4.7%	4.2%
2019	4.1%	3.9%
2020	8.2%	7.1%

Source: Pennsylvania Department of Labor & Industry for December of each year

**MILLCREEK TOWNSHIP SCHOOL DISTRICT
BUILDING INFORMATION
YEAR ENDED JUNE 30, 2021**

	Original <u>Construction</u> <u>Date</u>	Additional <u>Renovation</u> <u>Date</u>	<u>Grades</u>	<u>Classrooms</u>	<u>Acres</u>	<u>Building</u> <u>Square</u> <u>Footage</u>	<u>Rated</u> <u>Pupil</u> <u>Capacity</u>	<u>Functional</u> <u>Capacity</u>	<u>2020-2021</u> <u>Enrollment</u>
<u>Elementary:</u>									
Asbury	2004		K-5	29		73750	600	620	523
Belle Valley	1990	2021	K-5	40	23	93500	1,100	875	567
Chestnut Hill	1965	2021	K-5	21	21	46355	625	600	339
Grandview	1971	2020	K-5	42	22	85378	1,050	800	592
Tracy	1998		K-5	30	10	65800	650	550	462
<u>Middle</u>									
JS Wilson	1971	2008	6-8	39	28.4	136385	883	688	563
Walnut Creek	1993		6-8	36	55	123300	810	750	512
Westlake	1958	2021	6-8	387	19	124912	931	826	532
<u>High School</u>									
MIHS	1972	1989	9&10	74	14	345521	1,566	1,402	1,174
McDowell	1953	2014	11&12	64	22	203734	1,539	1,315	1,089
<u>Other</u>									
District Administrative Center	1969	2020			6.7	87906			
Ridgfield	1952	2021	Alternative Ed.	14	8.3	33171	375	350	
Millcreek Learning Center	1956		Leased	20	13.4	34030	500	475	
Caughy House									
Bundy House	1900				1.5	1823			

Source: School District Officials

Historical Enrollment Trends (Actual and Projected)

	<u>Actual Enrollment</u>			
	<u>School Year Ending June 30,</u>	<u>K-6</u>	<u>7-12</u>	<u>Total</u>
2014-2015		3,734	3,471	7,205
2015-2016		3,534	3,428	6,962
2016-2017		3,468	3,352	6,820
2017-2018		3,368	3,258	6,626
2018-2019		3,299	3,226	6,525
2019-2020		3,314	3,300	6,614
2020-2021		3,041	3,312	6,353
	<u>Projected Enrollment⁽³⁾</u>			
	<u>School Year Ending June 30,</u>	<u>K-6</u>	<u>7-12</u>	<u>Total</u>
2021-22		3,313	3,386	6,699
2022-23		3,318	3,393	6,711
2023-24		3,323	3,399	6,722
2024-25		3,325	3,403	6,728
2025-26				

Source: Pennsylvania Department of Education (projected) plus 100.

Millcreek Township School District

A Data-Driven School Culture

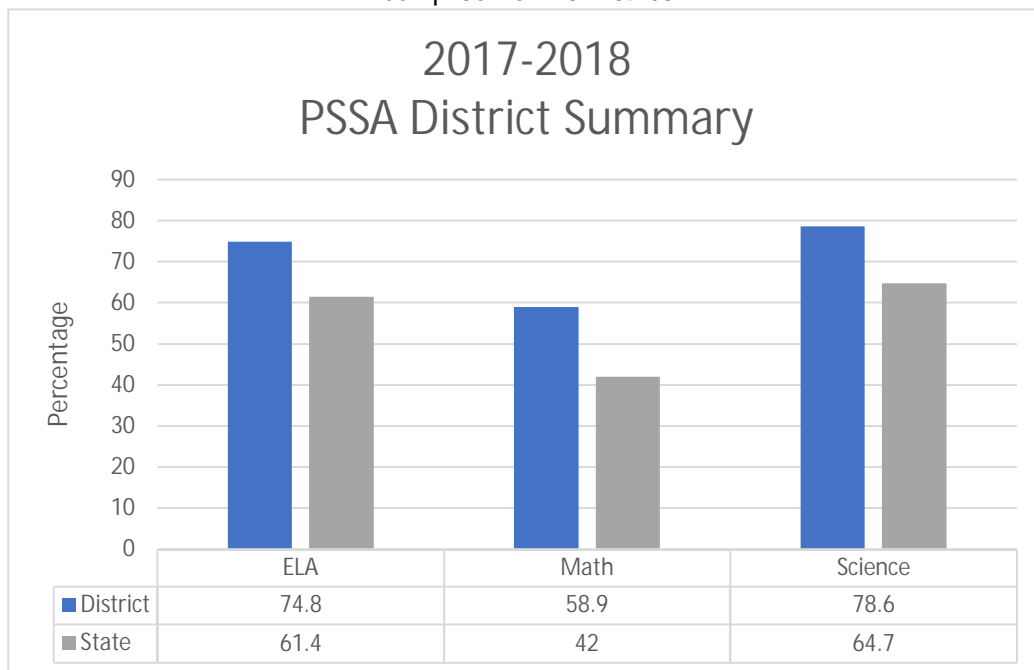
Background: The Millcreek Township School District (MTSD) has long embraced the challenges of meeting the needs of our students in an ever-changing, increasingly complex 21st century. In order to best prepare our student for a global society that is rapidly evolving, our district has built and continues to sustain, a data-driven culture that uses facts and information to benefit our students and stakeholders. Relying on evidence-based practices allows us to better meet the needs of our diverse learners and recognizes the importance of each individual student. Our reliance on data eliminates opinions, assumptions, and biases that may exist. Such a culture of data allows us to systemically improve outcomes for the educators, our community, and most importantly, our students.

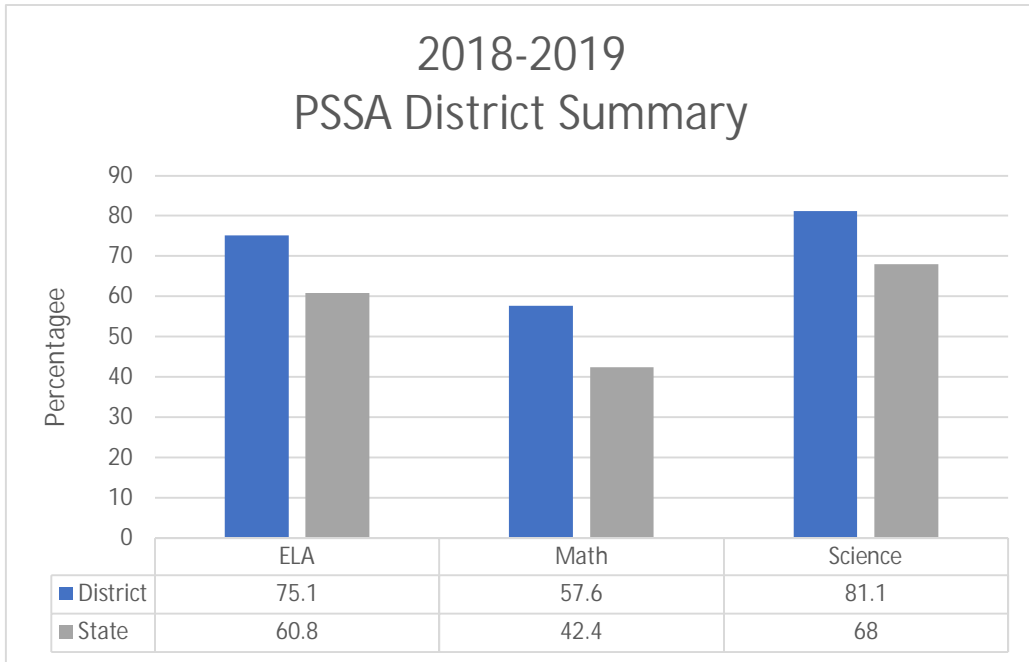
Results: Student achievement is one of the best indicators of our successes. We continually review key benchmarks to ensure that we are performing at an optimum level. The data listed below is a sample of our commitment to looking at our achievement. Our district’s performance on the Pennsylvania System of School Assessment (PSSA) grades 3-8 for the 2017-18 and 2018-19 school year indicates much higher results than the state averages. Furthermore, our performance on the PA Keystone exams also shows our results are more favorable than state averages. Finally, the MTSD average scores for our College Board AP exams show higher performance than the global averages.

Millcreek Township School District

PSSA Summary

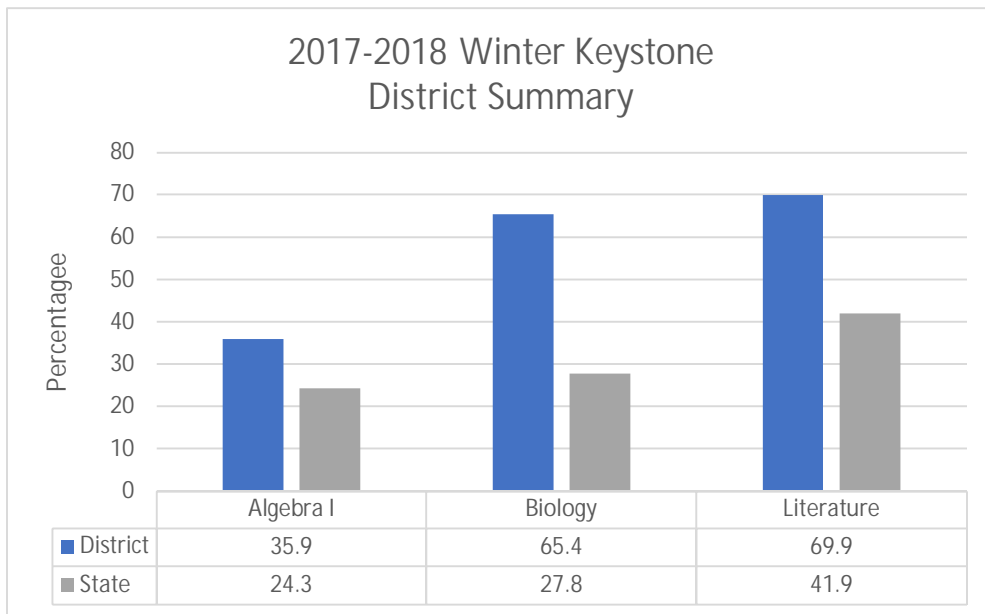
compiled from: e-Metrics

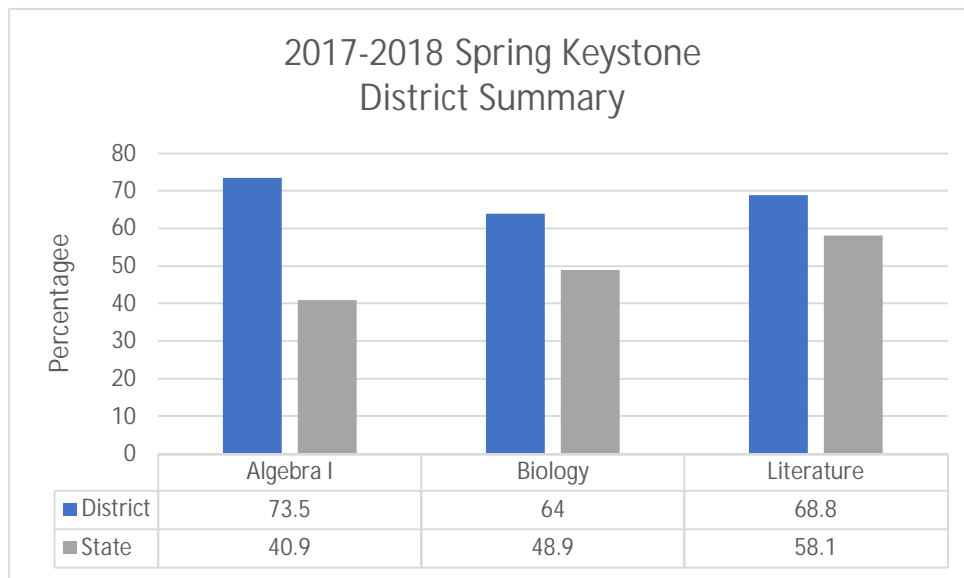
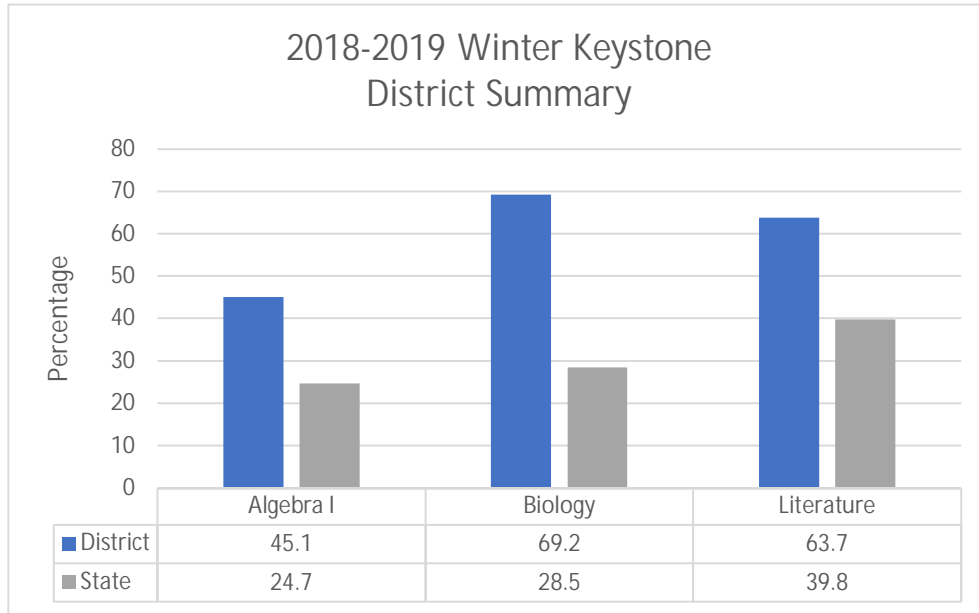


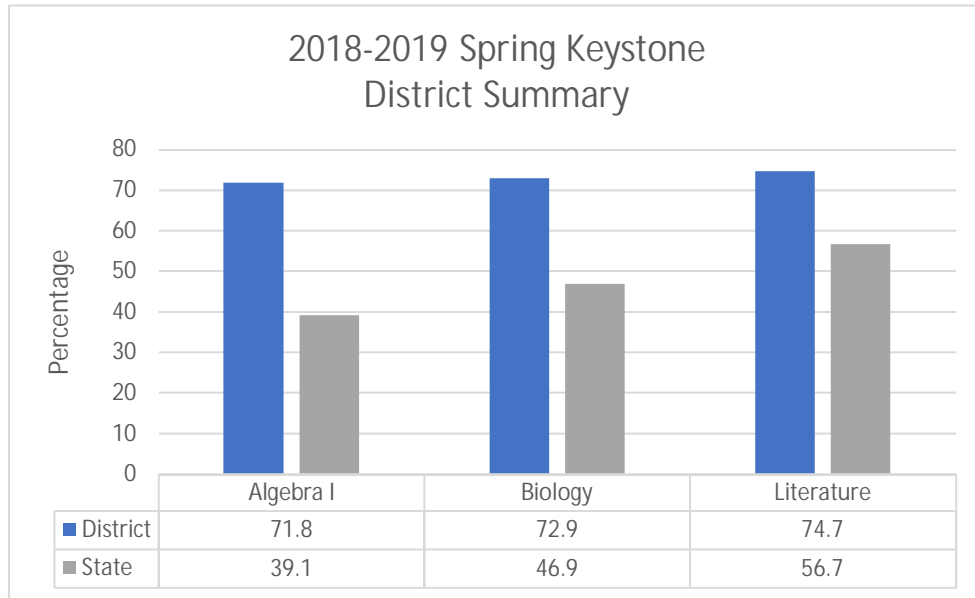


Millcreek Township School District

Keystone Summaries







Data compiled from: eMetrics

