

MILLCREEK TOWNSHIP SCHOOL DISTRICT

ERIE, PENNSYLVANIA

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED JUNE 30, 2023**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Of

MILLCREEK TOWNSHIP SCHOOL DISTRICT

Erie, Pennsylvania

Fiscal year ended

June 30, 2023

BOARD OF SCHOOL DIRECTORS

Calendar 2021

Gary Winschel, President

Chris Busko, Vice President

Lisa Cappabianca

Jason Dean

John DiPlacido

Dr. Rick Lansberry

J. Michael Lindner

Janine McClintic, Esq.

Shirley Winschel

Calendar 2022

Gary Winschel, President

J. Michael Lindner, Vice President

Jason Dean

Janis Filbeck

Michael Kobylka

Kimberly Lupichuk

Janine McClintic, Esq.

Sallie Newsham

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, 2023

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December 28, 2023

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, 2023, 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 because 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, 2022, Millcreek's population is 53,411. Millcreek's population follows the same trend as Pennsylvania and Erie County where the demographic of those under 65 years old is declining. Currently, Millcreek's age composition is 20% between 0-17 years, 59% between 18-64 years and 21% for those over 65 years. 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 35%. The property tax base experienced steady assessed value growth of 4.2% over the past ten years mainly from appreciation of existing residential property values. Additionally, the tax base is diverse with the 10 largest taxpayers accounting for approximately 10.35% 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 Erie County. The median household income in Millcreek 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 20.1% over the past two years.

BUDGETING

All Pennsylvania's school budgets are School Board approved at the major function and major object level and follow a strict timeline for adoption. In accordance with the Taxpayer Relief Act (Act 1) of 2006, school districts are limited in taxation of real property by an inflationary measure (Act 1 index) established by Pennsylvania annually. Within 110 days prior to the primary election, a school district must submit a Proposed Preliminary Budget for public inspection or adopt an Accelerated Budget Opt Out Resolution indicating the district will not raise real estate taxes above the Act 1 index. A Proposed Final Budget must be School Board approved 30 days prior to Final Budget adoption and displayed for public comment. All Final budgets must be adopted by June 30. Once approved locally, the budget is transmitted to the Pennsylvania Department of Education.

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 School Board. Any adjustments outside the Board approved level require Board action.

For fiscal year ending June 30, 2023, the School Board approved a budget with a millage increase of 4%, or the full Act 1 index, compared to the prior year. The General Fund budget was originally approved at \$114.9 million and included the continued use of federal relief funds. The budget maintained the School District's ability to achieve its mission of providing a world-class education by creating lifelong learners of the 6,624 students that it serves. This was accomplished through appropriately funded instruction, operational management, and through the support services offered to our students. Key spending initiatives involved addressing gaps in learning due to the instructional interruptions from mitigating the spread of COVID-19. The district spent over \$5.2 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, hired interventionist for each building and hired an additional virtual teacher.

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 the parts 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 64.4% of our total budget, where real estate taxes account for 49.26% of the total budget. To date, the Act 1 restriction has not affected our district, but may in the future.

State funding generates 28.9% of our total budget. Of this total, 13.0% of the subsidies are reimbursable of direct expenses incurred by the School District. Federal funding accounts for 6.7% of our total budget, while federal relief funds accounts for 4.3% of total revenue. We anticipate most of these funding sources to remain constant into the future, with exception of the federal relief funds. Significant reductions in federal relief funds will begin in 2023-24 adding future budget pressures to maintain services provided with these funds.

Over 73% of our annual budget is attributed to the salary and benefits of staff. This is expected as we are a people-centered organization 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 34.94% of eligible salaries to 35.26% in this fiscal year. Although the state does provide subsidy for half of the employer's costs, PSERS forecasts an increase to 37.3% of eligible salaries in 2029. Other Post-Employment Benefits continue to place budget pressures annually as shown in the MD&A and disclosures. The District anticipates additional budget pressure from strong labor markets resulting from a decline in the working population and increase in the number of overall jobs. In addition, the strong labor markets will impact negotiations of the support staff and administration labor agreements, which are set to expire in 2025.

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. The infrastructure within most of the buildings is original and the age of our buildings varies from 70 to 18 years old. Given much of the infrastructure in these buildings is original and out of date, procurement of parts has become difficult as many parts are no longer manufactured. The capital projects not only provide a reliable infrastructure, which requires less maintenance hours, but also provides a savings in energy consumption. Further information regarding construction dates or operating data for all 13 buildings is available within the statistical section of this report.

Financing for this work is primarily through issuing bonds in three phases, with the third bond issuance expected in January of 2024 in the amount of \$33 million. When evaluating our debt metrics, outstanding debt is low compared to market values and moderate on a per capita basis. Current and future debt is expected to utilize 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 aesthetic 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 capital assets.

Charter School funding is 3.11% of our total expenditures in 2023 with an expense of \$3.6 million. This is relatively flat compared to the prior year. 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.

Without a countywide reassessment, the District will struggle with assessment appeals from commercial properties. All properties in Pennsylvania use a common level ratio applied to market values to determine assessment values. The common level ratio measures how a county's base year assessments compare with current real estate market valuations. The common level ratio for 2023 is 68%. This is compounded when considering how online shopping affects income of local businesses, thus affecting commercial property market values. Although commercial properties are an on-going concern, commercial properties are 24.65% of the total assessed value in the District.

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 ten years, the District's financial position changed from a negative General Fund unassigned fund balance to \$19.9 million overall General Fund balance in 2023, or 17.2% 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 Poor's Global Ratings to A+/Stable in 2019.

With the increase in financial position and third phase of a bond issue planned, the District plans to use fund balance to upgrade its theater, football stadium, security infrastructure and possible expansion of an elementary building. Although Erie County student enrollment is declining, Millcreek's student enrollment is slightly growing. Specifically, the special education population increased 15.8% since 2014. With the large increase special education enrollment, additional space is required as the State mandated student to teacher ratios of 14:1, or less, create the need for additional space.

Pennsylvania school districts receive financial assistance from the Commonwealth in several forms, all subject to statutory provisions and annual appropriation by the Pennsylvania General Assembly. The largest subsidy, the basic instructional subsidy, is allocated to all school districts based on student-based factors, such as: (1) number of children in the school district who live in poverty; (2) number of children enrolled in charter schools; and (3) number of children who are English language learners, as well as school district based factors such as: (1) wealth of the school district; (2) the school district's current tax effort; and (3) the ability of the school district to raise revenue.

Currently, the Commonwealth also provides a subsidy for certain capital projects of school districts. The rental and sinking fund reimbursement from the Commonwealth ("PlanCon Reimbursements") for such school projects is determined by the "Reimbursable Percentage" assigned to the school building project and by the school district's Market Value Aid Ratio ("MVAR") or Capital Account Reimbursable Fraction (the "CARF"), (or in some cases, a "Density Factor" of 50 percent) whichever is higher. The School District's CARF for fiscal year 2021-22 is 32.96% and the MVAR for fiscal year 2021-22 is 47.56%. Most school building projects in the Commonwealth are eligible for state reimbursement. Certain school building projects, such as school administration buildings, swimming pools and tracks, and deferred maintenance, are ineligible for reimbursement. A reimbursement percentage, based upon the rated pupil capacity of the new or renovated structure and certain other costs, is assigned to the building project. This reimbursement percentage multiplied by the school district MVAR or CARF, whichever is higher, determines the state share of the annual lease rental or debt service for that school year. The difference between the State share and 100% yields the local share of debt service or lease rental payments. As the school district's MVAR may change each year, so will the State share of such reimbursement. However, the Commonwealth's recent budgets have not appropriated funds for PlanCon Reimbursements to any school district.

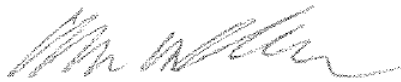
In reviewing total 2021 expenditure compared to other districts in the Commonwealth, Millcreek's spend per student ranked 58 out of 500, meaning 442 districts spend more per student compared to Millcreek. Considering the Commonwealth's funding formula is based on a districts ability to generate revenue locally, we evaluate our tax rate on an annual basis. The 2023 tax rate of 15.9504 mills ranks 6th out of the 13 districts in Erie County. Additional information related to our tax rate and comparable data is available in the statistical section of this report.

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
 Trevor MurnockAssistant Superintendent
 Aaron O'Toole.....Chief Financial Officer
 John Cavanugh.....Director of Secondary Education
 Joseph Orlando.....Director of Elementary Education
 Edward Nientimp..... ..Director of Student Services
 Timothy Stoops.....Director of Assessment
 Michael Galleher.....Director of Engineering
 Laura King.....Director of Personnel
 Patrick ThiemManager of Technology

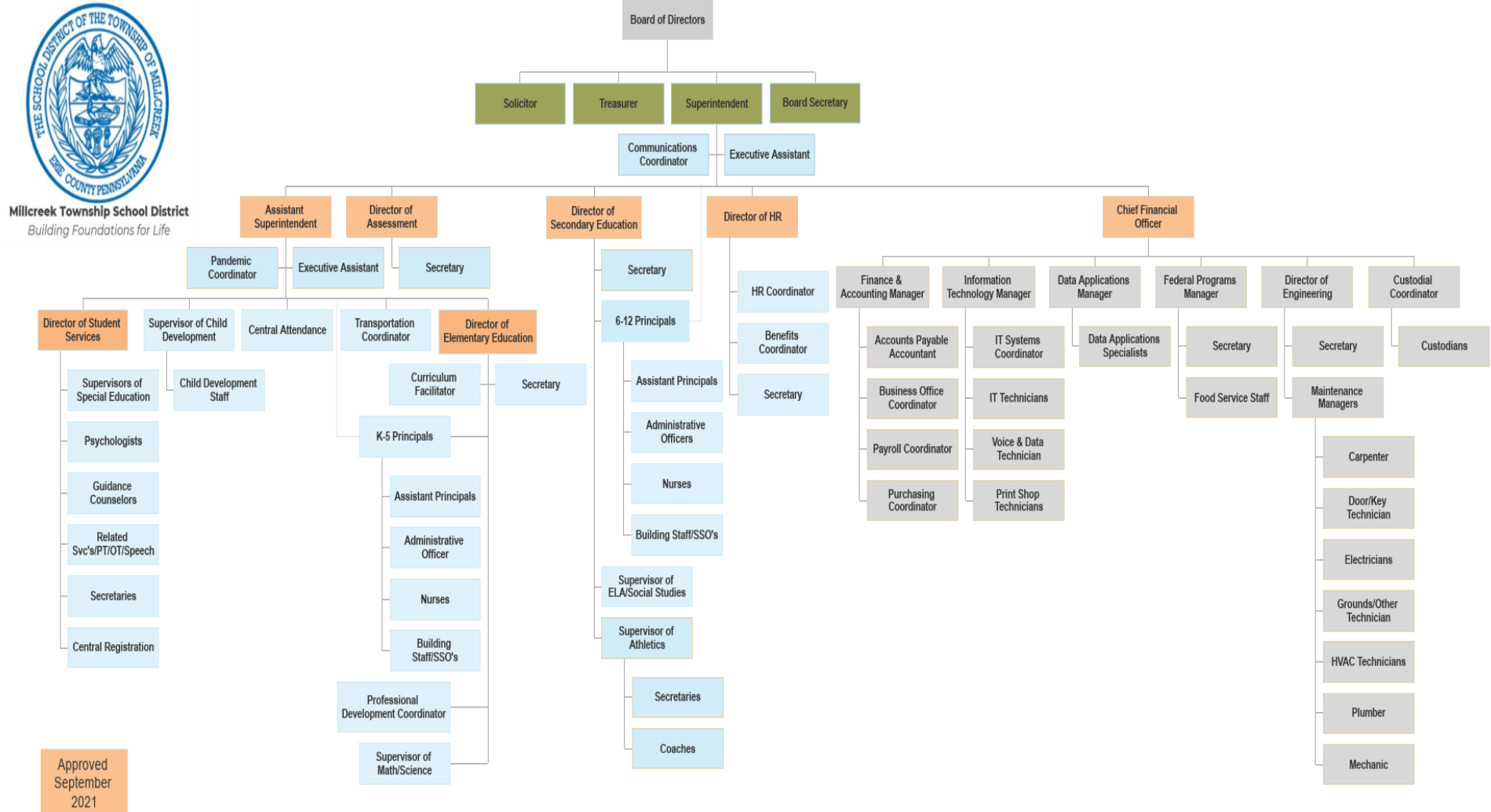
BOARD OF SCHOOL DIRECTORS

Gary Winschel.....President
 J. Michael Lindner.....Vice President
 Jason Dean.....Director
 Janis Filbeck.....Director
 Michael Kobylka.....Director
 Kimberly Lupichuk.....Director
 Janine McClintic, EsqDirector
 Sallie NewshamDirector
 Shirley Winschel.....Director

OTHER BOARD SERVICES

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

Organizational Chart





ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting
is presented to**

Millcreek Township School District

**for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2022.**

The district report meets the criteria established for
ASBO International's Certificate of Excellence in Financial Reporting.



A handwritten signature in black ink, reading 'John W. Hutchison'. The signature is written in a cursive style with a large, looped 'J'.

John W. Hutchison
President

A handwritten signature in black ink, reading 'Siobhán McMahon'. The signature is written in a cursive style with a large, looped 'S'.

Siobhán McMahon, CAE
**Chief Operations Officer/
Interim Executive Director**



Zelenkofske Axelrod LLC

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Independent Auditor's Report

Members of the Board
Millcreek Township School District
Erie, Pennsylvania

Report on the Audit of the Financial Statements

Opinion

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 MILLCREEK TOWNSHIP SCHOOL DISTRICT as of and for the year ended June 30, 2023, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of MILLCREEK TOWNSHIP SCHOOL DISTRICT as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists.



Zelenkofske Axlerod LLC

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Millcreek Township School District
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The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

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, schedule of changes in the total OPEB liability and related ratios- retirees' health plans, schedule of the district's proportionate share of the net OPEB liability – PSERS plan, schedule of the district's OPEB contributions – PSERS plan, schedule of the district's proportionate share of the net pension liability – last 10 years, and schedule of the district's contributions – last 10 years information on pages 12 through 26 and 70 through 78 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.



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Millcreek Township School District
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Other Information Included in the Annual Comprehensive Financial Report

Management is responsible for the other information in the annual comprehensive financial report. The other information comprises the introductory and statistical sections (pages 79 – 110) but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 28, 2023 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

ZELENKOFSCHE AXELROD LLC

December 28, 2023
Pittsburgh, Pennsylvania

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2023

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, 2023. 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 is the primary source of revenue the School Board controls annually and is 49.26% of the district's total revenue. The tax revenue from real estate tax increased by \$2,607,800, or 4.57%, compared to the prior year from a 4% tax increase and appreciation of property values. Although the SCHOOL DISTRICT is forced to increase taxes on a regular basis because of Pennsylvania's education funding formula, the SCHOOL DISTRICT's real estate tax rate is the sixth lowest in Northwestern Intermediate Unit's seventeen districts.

Earned Income Tax revenue experienced 4.4% growth, or \$377,336 compared to the prior year. Low unemployment and higher wages contributed the increase.

Investment Income increased 1,230.04%, or \$2,867,783, from the prior year following the economic trend set by the Federal Reserve with historic and unpredictable increase of rates. Although investment income is 2.56% of the overall budget, these funds are reserved for future use as per a Board approved motion to earmark investment income in maintaining extracurricular facilities, IT infrastructure, PSERS increases and for a Capital Projects Fund transfer.

State revenue reflects an increase of \$1,995,955 or 6.04%. An increase in state appropriations related to subsidies 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 (PSERS) contributions and Social Security/Medicare Tax applicable to wages. The PSERS rate increased from 34.94% in 2021-2022 to 35.26% of applicable wages in 2022-2023. PSERS contribution rates are expected to increase to 37.3% eligible salaries in future years.

Federal revenue was inflated by the federal stimulus money the SCHOOL DISTRICT received, which accounted for \$5,210,869, or 4.30% of the total budget in 2022-2023. Over the next year, all federal stimulus funding is required to be used. In preparation of this loss of revenue, the SCHOOL DISTRICT moved expenditures in mental health supports and ten interventionist positions from federal funding into local funding. Budgets for this federal funding is available on the district's website.

Governmental Activities expenditures increased from \$106,782,972 in 2022 to \$113,840,529 in 2023. Primary factors to this increase relate to spending of federal relief funds, PSERS contribution increase, and normal inflationary increases of salary or other operating expenditures. In order to compete with a strong labor market, the SCHOOL DISTRICT adjusted wages of support staff during the year leading to increase in expenditures. The continued spend of bond funds also contributes to the increase, where the summer of 2024 is scheduled to include the largest renovation spend to date. With the large investments into renovations, staff or other instructional resources over the past several years, the SCHOOL DISTRICT ranks 442 out of 500 Pennsylvania school districts in expenditure per student from 2021, or 58 school districts spend less per student compared to the SCHOOL DISTRICT.

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2023

Overall, the SCHOOL DISTRICT'S financial position improved compared to the prior year by \$7,979,017. Total Assets increased \$4,343,184 compared to prior year from capitalized renovation expenditures. Total Liabilities increased \$2,899,558 primarily from liabilities related to renovations, pension and OPEB. Deferred Outflows of Resources decreased by \$2,838,436 and Deferred Inflows of Resources decreased by \$9,373,827. Additional information related to Deferred Outflows or Inflows of Resources are described in the accompanying notes.

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

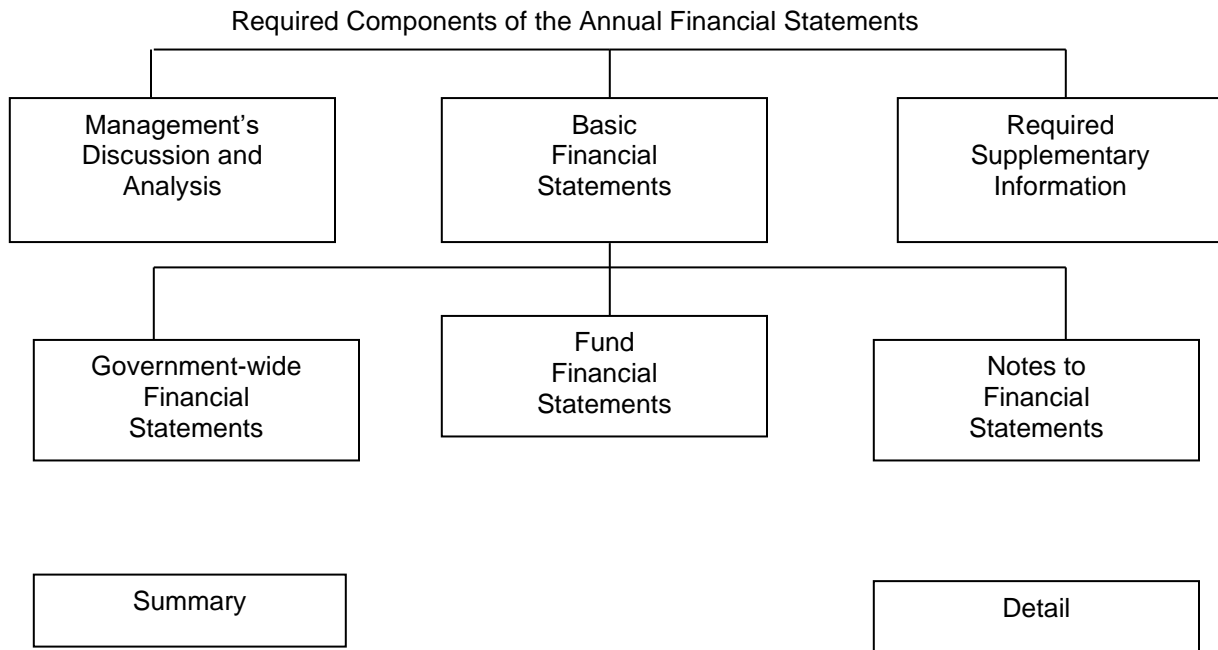
Management's discussion and analysis is a guide to reading the financial statements and provides related information to help the reader to better understand the SCHOOL DISTRICT's government and financial position for both the present and long-term view. The basic financial statements include notes that 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, 2023

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



MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023

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		
		<u>Governmental</u>	<u>Proprietary</u>	<u>Fiduciary</u>
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, 2023

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, 2023

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, 2023

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Net Position

The SCHOOL DISTRICT's total assets for governmental activities were \$226,523,780 at June 30, 2023. Of this amount, \$131,074,205 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>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>		
	<u>Governmental</u>	<u>Governmental</u>	<u>Business-Type</u>	<u>Business-Type</u>	<u>2023 Total</u>	<u>2022 Total</u>
	<u>Activities</u>	<u>Activities</u>	<u>Activities</u>	<u>Activities</u>		
Current & Other Assets	\$ 95,449,575	\$ 114,050,641	\$ 2,324,206	\$ 1,722,577	\$ 97,773,781	\$ 115,773,218
Capital Assets	131,074,205	108,129,955	984,711	1,122,467	132,058,916	109,252,422
Total Assets	<u>226,523,780</u>	<u>222,180,596</u>	<u>3,308,917</u>	<u>2,845,044</u>	<u>229,832,697</u>	<u>225,025,640</u>
Deferred Outflows of Resources	<u>22,208,813</u>	<u>25,047,249</u>	<u>377,491</u>	<u>424,144</u>	<u>22,586,304</u>	<u>25,471,393</u>
Current & other liabilities	27,153,812	23,632,805	300,070	373,168	27,453,882	24,005,973
Long-term liabilities	276,050,663	276,672,112	2,624,221	2,492,799	278,674,884	279,164,911
Total Liabilities	<u>303,204,475</u>	<u>300,304,917</u>	<u>2,924,291</u>	<u>2,865,967</u>	<u>306,128,766</u>	<u>303,170,884</u>
Deferred Inflows of Resources	<u>7,776,026</u>	<u>17,149,853</u>	<u>102,546</u>	<u>300,539</u>	<u>7,878,572</u>	<u>17,450,392</u>
Net Position:						
Net Investment in Capital Assets	51,233,137	40,718,342	984,711	1,122,467	52,217,848	41,840,809
Restricted	6,964,365	7,613,749	-	-	6,964,365	7,613,749
Unrestricted	(120,445,410)	(118,559,016)	(325,140)	(1,019,785)	(120,770,550)	(119,578,801)
Total Net Position	<u>\$ (62,247,908)</u>	<u>\$ (70,226,925)</u>	<u>\$ 659,571</u>	<u>\$ 102,682</u>	<u>\$ (61,588,337)</u>	<u>\$ (70,124,243)</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023

Change in Net Position

The following Statement of Activities represents the Change in Net Position for the years ended June 30, 2023 and 2022. 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>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>		
	<u>Governmental</u>	<u>Governmental</u>	<u>Business-Type</u>	<u>Business-Type</u>	<u>2023 Total</u>	<u>2022 Total</u>
Revenues:	<u>Activities</u>	<u>Activities</u>	<u>Activities</u>	<u>Activities</u>		
Program Revenues:						
Charges for Services	\$ 1,927,838	\$ 1,899,979	\$ 1,759,540	\$ 936,935	\$ 3,687,378	\$ 2,836,914
Grants and Contributions	43,876,138	41,662,870	3,887,398	4,801,527	47,763,536	46,464,397
General Revenues:						
Property Taxes	59,529,251	56,955,508	-	-	59,529,251	56,955,508
Earned Income Tax	8,960,864	8,583,528	-	-	8,960,864	8,583,528
Real Estate Transfer Tax	1,214,953	1,312,049	-	-	1,214,953	1,312,049
Other Taxes	942,287	758,494	-	-	942,287	758,494
Investment Earnings	3,100,929	233,146	24,172	2,391	3,125,101	235,537
Other Income	309,840	494,571	-	-	309,840	494,571
State Property Tax Reduction	1,177,809	937,737	-	-	1,177,809	937,737
Insurance Recoveries	202,279	-	-	-	202,279	-
Sale of Capital Assets	577,358	91,310	-	-	577,358	91,310
Total Revenues	121,819,546	112,929,192	5,671,110	5,740,853	127,490,656	118,670,045
Expenses:						
Instructional Services	67,710,571	69,235,969	-	-	67,710,571	69,235,969
Pupil Services	4,655,554	4,275,039	-	-	4,655,554	4,275,039
Instructional Support Services	4,423,075	2,999,025	-	-	4,423,075	2,999,025
Administration	7,132,135	6,642,457	-	-	7,132,135	6,642,457
Pupil Health Services	1,459,960	1,387,657	-	-	1,459,960	1,387,657
Financial Services	1,224,791	1,097,062	-	-	1,224,791	1,097,062
Operation and Maintenance of Plant	11,467,236	9,613,213	-	-	11,467,236	9,613,213
Student Transportation Services	5,097,735	4,834,874	-	-	5,097,735	4,834,874
Other Support Services	4,298,086	2,164,126	-	-	4,298,086	2,164,126
Student Activities	2,077,065	1,792,579	-	-	2,077,065	1,792,579
Community Services	11,250	15,843	-	-	11,250	15,843
Interest on Long-Term Debt	4,283,071	2,725,147	-	-	4,283,071	2,725,147
Food Service	-	-	3,918,363	3,244,501	3,918,363	3,244,501
Child Development	-	-	1,195,858	1,057,128	1,195,858	1,057,128
Total Expenses	113,840,529	106,782,991	5,114,221	4,301,629	118,954,750	111,084,620
Change in Net Position	7,979,017	6,146,201	556,889	1,439,224	8,535,906	7,585,425
Net Position - July 1	(70,226,925)	(76,373,126)	102,682	(1,336,542)	(70,124,243)	(77,709,668)
Net Position - June 30	\$ (62,247,908)	\$ (70,226,925)	\$ 659,571	\$ 102,682	\$ (61,588,337)	\$ (70,124,243)

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023

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 2023, taxes brought in \$70,647,355.

Net Cost of Governmental and Business-Type Activities

	<u>2023</u> <u>Total Cost</u> <u>of Services</u>		<u>2022</u> <u>Total Cost</u> <u>of Services</u>		<u>2023</u> <u>Net Cost</u> <u>of Services</u>		<u>2022</u> <u>Net Cost</u> <u>of Services</u>
Program:							
Instructional Services	\$ 67,710,571	\$	69,235,969	\$	30,980,468	\$	34,445,078
Pupil Services	4,655,554		4,275,039		4,241,417		3,874,540
Instructional Support Services	4,423,075		2,999,025		4,029,619		1,668,705
Administration	7,132,135		6,642,457		5,817,940		5,928,541
Pupil Health Services	1,459,960		1,387,657		1,187,008		999,277
Financial Services	1,224,791		1,097,062		1,115,839		997,332
Operation and Maintenance of Plant	11,467,236		9,613,213		7,958,729		8,090,114
Student Transportation Services	5,097,735		4,834,874		3,063,528		2,608,575
Other Support Services	4,298,086		2,164,126		3,785,063		1,803,017
Student Activities	2,077,065		1,792,579		1,704,943		1,477,063
Community Services	11,250		15,843		11,250		-
Interest on Long-Term Debt	4,283,071		2,725,147		4,140,749		1,327,900
Food Service	3,918,363		3,244,501		(433,848)		(1,091,182)
Child Development	1,195,858		1,057,128		(98,869)		(345,651)
Total Expenses	\$ 118,954,750	\$	111,084,620	\$	67,503,836	\$	61,783,309

The SCHOOL DISTRICT relied on charges for services, operating grants and contributions to fund 56.75% of its governmental and business-type activities in 2023.

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023

Capital Assets

The SCHOOL DISTRICT's investment in capital assets in its Governmental Activities at June 30, 2023, net of accumulated depreciation, was \$131,074,205. Capital assets consist primarily of land, buildings, equipment, and books. The following is a summary of capital assets at June 30, 2023:

GOVERNMENTAL ACTIVITIES	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets, Not Being Depreciated:				
Land	\$ 549,708	\$ -	\$ -	\$ 549,708
Construction in Progress	21,537,707	25,555,563	(11,204,793)	35,888,477
Total Capital Assets, Not Being Depreciated	<u>22,087,415</u>	<u>25,555,563</u>	<u>(11,204,793)</u>	<u>36,438,185</u>
Capital Assets, Being Depreciated:				
Equipment	16,772,860	357,631	-	17,130,491
Transportation Equipment	1,493,001	93,602	-	1,586,603
Building & LHI	180,616,683	14,495,038	(645,155)	194,466,566
Total Capital Assets, Being Depreciated	<u>198,882,544</u>	<u>14,946,271</u>	<u>(645,155)</u>	<u>213,183,660</u>
Less Accumulated Depreciation For:				
Buildings & Improvement	(100,005,799)	(5,362,153)	645,155	(104,722,797)
Equipment and Vehicles	(12,834,205)	(990,638)	-	(13,824,843)
Total Accumulated Depreciation	<u>(112,840,004)</u>	<u>(6,352,791)</u>	<u>645,155</u>	<u>(118,547,640)</u>
Total Capital Assets, Being Depreciated, Net	<u>86,042,540</u>	<u>8,593,480</u>	<u>-</u>	<u>94,636,020</u>
Governmental Activities Capital Assets, Net	<u>\$ 108,129,955</u>	<u>\$ 34,149,043</u>	<u>\$ (11,204,793)</u>	<u>\$ 131,074,205</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.

BUSINESS TYPE ACTIVITIES	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets, Being Depreciated:				
Food Service Equipment	\$ 2,313,142	\$ -	\$ -	\$ 2,313,142
Total Capital Assets, Being Depreciated	<u>2,313,142</u>	<u>-</u>	<u>-</u>	<u>2,313,142</u>
Less Accumulated Depreciation	(1,190,675)	(137,756)	-	(1,328,431)
Total Capital Assets, Being Depreciated, Net	<u>1,122,467</u>	<u>(137,756)</u>	<u>-</u>	<u>984,711</u>
Business Type Activities Capital Assets, Net	<u>\$ 1,122,467</u>	<u>\$ (137,756)</u>	<u>\$ -</u>	<u>\$ 984,711</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023

At June 30, 2023, the SCHOOL DISTRICT had \$283,979,400 of long-term liabilities outstanding. Long-term liabilities decreased 0.01% 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 2023 year:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Payments</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities					
Bonds and Notes Payable					
General Obligation Bonds	\$ 122,195,000	\$ -	\$ (4,725,000)	\$ 117,470,000	\$ 4,905,000
Bond Premiums	10,346,349	-	(691,081)	9,655,268	-
Notes Payable	302,717	581,180	(391,141)	492,756	404,516
Total Bonds and Notes Payable	<u>132,844,066</u>	<u>581,180</u>	<u>(5,807,222)</u>	<u>127,618,024</u>	<u>5,309,516</u>
Other Liabilities					
Compensated Absences	3,619,755	224,370	(619,962)	3,224,163	-
Net Pension Liability	126,227,595	9,498,884	-	135,726,479	-
Other Postemployment Benefits	18,818,166	-	(4,031,653)	14,786,513	-
Total Other Liabilities	<u>148,665,516</u>	<u>9,723,254</u>	<u>(4,651,615)</u>	<u>153,737,155</u>	<u>-</u>
Governmental Activities					
Total Long-Term Liabilities	<u>\$ 281,509,582</u>	<u>\$ 10,304,434</u>	<u>\$ (10,458,837)</u>	<u>\$ 281,355,179</u>	<u>\$ 5,309,516</u>
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Payments</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Business Type Activities					
Other Liabilities					
Net Pension Liability	\$ 2,321,026	\$ 174,662	\$ -	\$ 2,495,688	\$ -
Other Postemployment Benefits	171,773	-	(43,240)	128,533	-
Total Other Liabilities	<u>\$ 2,492,799</u>	<u>\$ 174,662</u>	<u>\$ (43,240)</u>	<u>\$ 2,624,221</u>	<u>\$ -</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, 2023

GOVERNMENTAL FUND REVENUES

Governmental fund revenues by source at June 30, 2023 and 2022 were as follows:

	<u>2023</u>	<u>% of Total</u>	<u>2022</u>	<u>Increase/ (Decrease)</u>	<u>% Change from PY</u>
Revenues:					
Local Sources					
Property Taxes	\$ 59,711,627	49.26%	\$ 57,103,827	\$ 2,607,800	4.57%
Earned Income Tax	8,960,864	7.39%	8,583,528	377,336	4.40%
Real Estate Transfer Tax	1,214,953	1.00%	1,312,049	(97,096)	-7.40%
Other Taxes	942,287	0.78%	758,494	183,793	24.23%
Investment Earnings	3,100,929	2.56%	233,146	2,867,783	1230.04%
Tuition	1,433,889	1.18%	1,448,158	(14,269)	-0.99%
IDEA/Other Federal Sources	1,650,035	1.36%	1,592,477	57,558	3.61%
Other Local Revenue	1,053,790	0.87%	946,390	107,400	11.35%
Total Local Revenue	78,068,374	64.40%	71,978,069	6,090,305	8.46%
State Sources					
Basic Education Subsidy	16,415,143	13.54%	15,273,361	1,141,782	7.48%
Social Security/Retirement Subsidies	9,744,727	8.04%	9,458,084	286,643	3.03%
Special Education Subsidy	4,404,552	3.63%	4,096,747	307,805	7.51%
Transportation Subsidy	1,580,736	1.30%	1,786,778	(206,042)	-11.53%
State Property Tax Reduction	1,177,809	0.97%	937,737	240,072	25.60%
Other State Revenue	1,715,930	1.42%	1,490,235	225,695	15.14%
Total State Revenue	35,038,897	28.90%	33,042,942	1,995,955	6.04%
Federal/Other Revenue					
Title Funding	1,689,648	1.39%	1,589,079	100,569	6.33%
COVID Stimulus Funding	5,210,869	4.30%	5,681,101	(470,232)	-8.28%
ACCESS Funding	759,640	0.63%	695,009	64,631	9.30%
Other Federal Grant Funding	454,857	0.38%	-	454,857	0.00%
Total Federal Revenue	8,115,014	6.69%	7,965,189	149,825	1.88%
Total Revenues	\$ 121,222,285	100.00%	\$ 112,986,200	\$ 8,236,085	7.29%

There are several factors relating to increases in revenues from 2022 to 2023. Local revenues increased \$6,090,305 or 8.46%. This increase was largely due to an increase in real estate taxes of 4%, strong growth in wages among Millcreek Township residents contributed a \$377,336 increase in earned income taxes and a \$2,867,738 increase from prior year related to investment earnings. State revenues increased \$1,995,955 or 6.04%. In the 2022-2023 school year, the state appropriations related to Basic Education and Special Education Subsidies experienced historic increases as the state attempts to reduce the unfunded education gap between Pennsylvania and other states. This increase resulted in increases of \$1,141,782 and \$307,805 in Basic Education Subsidy and Special Education Subsidy respectively. Federal revenues increased \$149,825 or 1.88% from the receipt of a federal safety grant of \$454,857 to improve safety infrastructure with school buildings, which was offset by the reduction of federal relief funding in the amount of \$470,232 related to the Pandemic.

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023

GOVERNMENTAL FUND EXPENDITURES

Governmental fund expenditures by function at June 30, 2023 and 2022 were as follows:

	<u>2023</u>	<u>% of Total 2023</u>	<u>2022</u>	<u>Increase/ (Decrease)</u>	<u>% Change from PY</u>
Expenditures:					
Instructional Services	\$ 65,274,584	45.46%	\$ 70,595,241	\$ (5,320,657)	-3.85%
Pupil Services	4,500,532	3.13%	4,363,257	137,275	0.10%
Instructional Support Services	4,275,795	2.98%	3,060,913	1,214,882	0.88%
Administration	6,894,648	4.80%	6,779,529	115,119	0.08%
Pupil Health Services	1,411,346	0.98%	1,416,293	(4,947)	0.00%
Financial Services	1,184,007	0.82%	1,119,700	64,307	0.05%
Operation and Maintenance of Plant	11,085,397	7.72%	9,811,590	1,273,807	0.92%
Student Transportation Services	4,927,989	3.43%	4,934,645	(6,656)	0.00%
Other Support Services	4,154,967	2.89%	2,208,784	1,946,183	1.41%
Student Activities	2,077,065	1.45%	1,792,579	284,486	0.21%
Community Services	11,250	0.01%	15,843	(4,593)	0.00%
Debt:					
Interest	4,301,630	3.00%	2,600,620	1,701,010	1.23%
Principal	5,116,141	3.56%	5,345,827	(229,686)	-0.17%
Paying Agent	3,373	0.00%	2,672	701	0.00%
Other	187,595	0.13%	40,453	147,142	0.11%
Building Improvements	28,195,487	19.63%	24,077,093	4,118,394	2.98%
Total Expenses	\$ 143,601,806	100.00%	\$ 138,165,039	\$ 5,436,767	3.93%

Total expenditures for the year increased \$5,436,767 or 3.93%. Instructional Support Services increased \$1,214,882 or .88% from the purchase of a new math resource for grades kindergarten through 8th grade. Operation and Maintenance of Plant increased by \$1,273,807 from purchasing new custodial equipment, adding four additional School Security Officers and upgrades to building security infrastructure funded by a COPS grant. Other Support Services increased \$1,946,183 from the purchase of new Chromebooks and iPads for grades K, 3, 6 and 9 according to a replacement schedule, where purchases of equipment were outright compared to a lease option. Interest in debt increased \$1,701,010 as a result of the debt issuance of 2022, while principal was reduced by \$229,686 as prior debt is paid to expiration. Building Improvements increased by \$4,118,394 as the SCHOOL DISTRICT continues to spend debt issued in 2020 and 2022. The overall increase of \$5,436,767 includes a reduction in Instructional Services of \$5,320,657. The reduction from prior year is driven from the prior year one-time payment of \$6,333,179 to Erie County Vocational School related to renovations.

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023

GOVERNMENTAL FUND BALANCES AND PROPRIETARY FUND NET POSITION

Ending fund balances for governmental funds and net position for proprietary funds at June 30, 2023 and 2022 were as follows:

Fund:	<u>Beginning</u> <u>Fund Balance</u>	<u>Net Change</u>	<u>Ending</u> <u>Fund</u> <u>Balance</u>
Governmental Funds:			
General Fund	\$ 17,728,706	\$ 2,141,438	\$ 19,870,144
Capital Reserve	70,223,291	(23,091,938)	47,131,353
Capital Projects	7,613,749	(649,384)	6,964,365
Proprietary Funds:			
Food Service	1,485,271	454,045	1,939,316
Day Care	(1,382,589)	102,844	(1,279,745)
Total	<u>\$ 95,668,428</u>	<u>\$ (21,042,995)</u>	<u>\$ 74,625,433</u>

Changes in General Fund Net position are outlined within the Governmental Revenue and Expenditures in the previous pages. In addition, the SCHOOL DISTRICT is experiencing high turnover related to the strong labor market, which is contributing to the surplus. The Capital Reserve Fund balance decreased by \$23,091,938 as the district continues the renovation projects planned related to prior debt issuances. The Capital Projects Fund balance decreased \$649,384 as a result of the districtwide security infrastructure project. Food Service improved net position of \$454,045 from operations returning to normal trends in meal purchasing and Pennsylvania now operates a free breakfast program. Child Development net position increased \$102,844 from an increase in Pre-K Counts funding.

BUDGETARY HIGHLIGHTS

The SCHOOL DISTRICT adopts an annual appropriated budget for its general fund. Detailed information about the SCHOOL DISTRICT'S 2023 can be found in Required Supplemental Information or on the SCHOOL DISTRICT's website at <https://www.mtsd.org/who-we-are/district-offices/business-office>.

Overall, the SCHOOL DISTRICT operated at a positive variance \$4,312,836 for actual results in comparison to budget. Numerous factors contributed to these results. Revenue contributed a positive variance of \$3,283,086 from increase is assessed values related to rising housing market, increase to Earned Income Taxes from a strong labor market, increase in investment earnings utilizing the rising interest rate environment and increase use of federal relief funding compared to expectation. Expenditures operated as a \$290,113 positive variance from high turnover among support staff and bus drivers. The SCHOOL DISTRICT also sold a building and recovered insurance proceeds contributing to the overall positive variance.

ECONOMIC CONDITIONS AND NEXT YEAR'S BUDGET

Current difficult economic conditions have affected the SCHOOL DSITRICT's financial position due largely in part by increased pension and healthcare costs. In addition, economic uncertainty related to labor market places budget pressures on wages offered to minimize employee turnover. Maintaining staffing or resources utilizing federal relief funding may not be sustainable once funding ends. Although commercial property is roughly 10% of the SCHOOL DISTRICT's overall assessed value, reduction in assessed value related to the mall and other commercial properties offsets the strong gains from the residential properties. Without large increases in state appropriations related to K-12 funding or increases taxes to the index annually, the SCHOOL DISTRICT will struggle to add new programs or enhancements to existing programs. SCHOOL DISTRICT management continues to review ways to

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023

reduce expenditures which do not affect direct instruction and ways to improve revenues other than taxes. However, continued reductions to the support services will only increase the gap between the SCHOOL DISTRICT and high performing districts.

General Fund Budget Comparison				
	<u>2023-24</u>	<u>2022-23</u>	<u>Increase/ (Decrease)</u>	<u>% Change from PY</u>
Revenues:				
Local	\$ 77,108,731	\$ 73,527,743	\$ 3,580,988	4.87%
State	35,132,913	34,777,146	355,767	1.02%
Federal/Other	3,289,995	6,295,145	(3,005,150)	-47.74%
Total Revenue	115,531,639	114,600,034	931,605	0.81%
Expenditures:				
Instruction	64,887,854	65,455,580	(567,726)	-0.87%
Support Services	36,478,750	38,491,200	(2,012,450)	-5.23%
Non-Instruction/Community	2,594,032	2,328,433	265,599	11.41%
Fund Transfers/Debt	10,724,283	10,496,219	228,064	2.17%
Total Expenditures	114,684,919	116,771,432	(2,086,513)	-1.79%
Net Deficit/Surplus	\$ 846,720	\$ (2,171,398)	\$ 3,018,118	-138.99%

The SCHOOL District's ability to raise millage rates above the 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 4.9%, with a 3.9% millage increase, as use of fund balance, an increase to EIT, investment earnings, no increase in pension rate, changing prescription drug carrier, reduction of administrative positions and reductions of bus drivers contributed to keeping millage rates within the index limitation. In addition, the current budget adds 28 positions, where most were funded through federal relief funds.

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

MILLCREEK TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2023

	Primary Government		
	Governmental	Business-Type	Total
	Activities	Activities	
Assets			
Cash and Cash Equivalents	\$ 84,000,843	\$ 2,272,012	\$ 86,272,855
Property Taxes Receivable, Net of Allowance for Uncollectible	1,250,413	-	1,250,413
Other Taxes Receivable	2,022,499	-	2,022,499
Intergovernmental Receivable	5,839,398	190,036	6,029,434
Other Receivables	1,763,404	22,052	1,785,456
Internal Balances	159,899	(159,899)	-
Due from Custodial Fund	2,181	-	2,181
Inventory	162,286	5	162,291
Prepays	248,652	-	248,652
Capital Assets:			
Non-Depreciable	36,438,185	-	36,438,185
Depreciable (Net)	94,636,020	984,711	95,620,731
Total Assets	\$ 226,523,780	\$ 3,308,917	\$ 229,832,697
Deferred Outflows of Resources			
Deferred Outflows Related to Pensions	\$ 18,476,893	\$ 339,747	\$ 18,816,640
Deferred Outflows Related to OPEB - Retirees Health Plan	1,840,384	15,008	1,855,392
Deferred Outflows Related to OPEB - PSERS	1,245,933	22,736	1,268,669
Deferred Loss on Refunding Debt	645,603	-	645,603
Total Deferred Outflows of Resources	\$ 22,208,813	\$ 377,491	\$ 22,586,304
Liabilities			
Current Liabilities:			
Accounts Payable	8,464,907	237,518	8,702,425
Accrued Wages and Benefits	12,164,296	-	12,164,296
Accrued Interest Payable on Debt	1,160,925	-	1,160,925
Unearned Revenue	59,168	62,552	121,720
Current Portions of Long-Term Liabilities:			
Bonds Payable	4,900,000	-	4,900,000
Notes Payable	404,516	-	404,516
Non-Current Portion of Long-Term Liabilities:			
Bonds Payable	122,225,268	-	122,225,268
Notes Payable	88,240	-	88,240
Other Post Employment Benefits	14,786,513	128,533	14,915,046
Compensated Absences	3,224,163	-	3,224,163
Net Pension Liability	135,726,479	2,495,688	138,222,167
Total Liabilities	\$ 303,204,475	\$ 2,924,291	\$ 306,128,766
Deferred Inflows of Resources			
Deferred Inflows of Pensions	\$ 2,394,301	\$ 44,026	\$ 2,438,327
Deferred Inflows of OPEB - Retirees Health Plan	3,940,116	32,129	3,972,245
Deferred Inflows of OPEB - PSERS	1,441,609	26,391	1,468,000
Total Deferred Inflows of Resources	\$ 7,776,026	\$ 102,546	\$ 7,878,572
Net Position			
Net Investment in Capital Assets	\$ 51,233,137	\$ 984,711	\$ 52,217,848
Restricted	6,964,365	-	6,964,365
Unrestricted	(120,445,410)	(325,140)	(120,770,550)
Total Net Position	\$ (62,247,908)	\$ 659,571	\$ (61,588,337)

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

**MILLCREEK TOWNSHIP SCHOOL DISTRICT
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenues and Changes in Net Position		
		Charges For Services	Operating Grants and Contributions	Primary Government		Total
				Governmental Activities	Business-Type Activities	
Primary Government:						
Governmental Activities:						
Instructional Services	\$ 67,710,571	\$ 1,523,469	\$ 35,206,634	\$ (30,980,468)	\$ -	\$ (30,980,468)
Pupil Services	4,655,554	-	414,137	(4,241,417)	-	(4,241,417)
Instructional Support Services	4,423,075	-	393,456	(4,029,619)	-	(4,029,619)
Administration	7,132,135	-	1,314,195	(5,817,940)	-	(5,817,940)
Pupil Health Services	1,459,960	-	272,952	(1,187,008)	-	(1,187,008)
Financial Services	1,224,791	-	108,952	(1,115,839)	-	(1,115,839)
Operation and Maintenance of Plant	11,467,236	217,013	3,291,494	(7,958,729)	-	(7,958,729)
Student Transportation Services	5,097,735	-	2,034,207	(3,063,528)	-	(3,063,528)
Other Support Services	4,298,086	-	513,023	(3,785,063)	-	(3,785,063)
Student Activities	2,077,065	187,356	184,766	(1,704,943)	-	(1,704,943)
Community Services	11,250	-	-	(11,250)	-	(11,250)
Interest on Long-Term Debt	4,283,071	-	142,322	(4,140,749)	-	(4,140,749)
Total Governmental Activities:	113,840,529	1,927,838	43,876,138	(68,036,553)	-	(68,036,553)
Business-Type Activities:						
Food Service	3,918,363	1,170,122	3,182,089	-	433,848	433,848
Child Development	1,195,858	589,418	705,309	-	98,869	98,869
Total Business-Type Activities	5,114,221	1,759,540	3,887,398	-	532,717	532,717
Total Primary Government	\$ 118,954,750	\$ 3,687,378	\$ 47,763,536	\$ (68,036,553)	\$ 532,717	\$ (67,503,836)
General Revenues:						
Taxes:						
Property Taxes				59,529,251	-	59,529,251
Earned Income Tax				8,960,864	-	8,960,864
Real Estate Transfer Tax				1,214,953	-	1,214,953
Other Taxes				942,287	-	942,287
Investment Earnings				3,100,929	24,172	3,125,101
Other Income				309,840	-	309,840
State Property Tax Reduction				1,177,809	-	1,177,809
Insurance Recoveries				202,279	-	202,279
Sale of Capital Assets				577,358	-	577,358
Total General Revenues				76,015,570	24,172	76,039,742
Change in Net Position				7,979,017	556,889	8,535,906
Net Position - Beginning				(70,226,925)	102,682	(70,124,243)
Net Position - Ending				\$ (62,247,908)	\$ 659,571	\$ (61,588,337)

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

MILLCREEEK TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
JUNE 30, 2023

	<u>General Fund</u>	<u>Capital Reserve</u>	<u>Capital Projects</u>	<u>Total Governmental</u>
Assets				
Cash and Cash Equivalents	\$ 27,010,149	\$ 49,742,206	\$ 7,248,488	\$ 84,000,843
Receivables:				
Property Taxes Receivable, Net of Allowance for Uncollectible	1,250,413	-	-	1,250,413
Other Taxes Receivable	2,022,499	-	-	2,022,499
Intergovernmental	5,790,899	48,499	-	5,839,398
Due From Other Funds	163,656	1,149,200	650,320	1,963,176
Other Receivables	1,763,404	-	-	1,763,404
Prepaid Assets	248,652	-	-	248,652
Inventory	162,286	-	-	162,286
Total Assets	\$ 38,411,958	\$ 50,939,905	\$ 7,898,808	\$ 97,250,671
Liabilities				
Accounts Payable	\$ 3,723,401	\$ 3,808,552	\$ 932,954	\$ 8,464,907
Accrued Salaries & Benefits	12,164,296	-	-	12,164,296
Due To Other Funds	1,799,607	-	1,489	1,801,096
Unearned Revenues	59,168	-	-	59,168
Total Liabilities	17,746,472	3,808,552	934,443	22,489,467
Deferred Inflows of Resources				
Unavailable Revenue - Property Taxes	795,342	-	-	795,342
Total Deferred Inflows of Resources	795,342	-	-	795,342
Fund Balances				
Non-spendable	410,938	-	-	410,938
Restricted for Capital Projects	-	47,131,353	-	47,131,353
Committed:				
Extracurricular Activities	3,254,642	-	-	3,254,642
Capital Reserve	-	-	6,964,365	6,964,365
Assigned:				
PSERS	1,347,825	-	-	1,347,825
IT	3,426,844	-	-	3,426,844
Salaries	2,197,929	-	-	2,197,929
Unassigned	9,231,966	-	-	9,231,966
Total Fund Balances	19,870,144	47,131,353	6,964,365	73,965,862
Total Liabilities and Fund Balances	\$ 38,411,958	\$ 50,939,905	\$ 7,898,808	\$ 97,250,671

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

MILLCREEEK TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2023

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

Total fund balances of governmental funds	\$ 73,965,862
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$249,621,845 and the accumulated depreciation is \$118,547,640.	131,074,205
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.	795,342
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	\$ (117,470,000)
Unamortized Loss on Debt Refundings	645,603
Bond Premium	(9,655,268)
Accrued interest	(1,160,925)
Notes Payable	(492,756)
Other Post Employment Benefits	(14,786,513)
Deferred Outflows related to Pensions	18,476,893
Deferred Outflows related to OPEB - Retirees Health Plan	1,840,384
Deferred Outflows related to OPEB - PSERS	1,245,933
Deferred Inflows related to Pensions	(2,394,301)
Deferred Inflows related to OPEB - Retirees Health Plan	(3,940,116)
Deferred Inflows related to OPEB - PSERS	(1,441,609)
Net Pension Liability	(135,726,479)
Compensated Absences	(3,224,163)
	<u>(268,083,317)</u>
Total net position of governmental activities	\$ <u>(62,247,908)</u>

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

**MILLCREEEK TOWNSHIP SCHOOL DISTRICT
STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>General Fund</u>	<u>Capital Reserve</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
Revenues:				
Local Revenue:				
Property Taxes	\$ 59,711,627	\$ -	\$ -	\$ 59,711,627
Earned Income Tax	8,960,864	-	-	8,960,864
Real Estate Transfer Tax	1,214,953	-	-	1,214,953
Other Taxes	942,287	-	-	942,287
Investment Earnings	1,169,463	1,826,269	105,197	3,100,929
Tuition	1,433,889	-	-	1,433,889
IDEA/Other Federal Sources	1,650,035	-	-	1,650,035
Other Local Revenue	803,790	250,000	-	1,053,790
Total Local Revenue	75,886,908	2,076,269	105,197	78,068,374
State Revenue:				
Basic Education Subsidy	16,415,143	-	-	16,415,143
Social Security/Retirement Subsidies	9,744,727	-	-	9,744,727
Special Education Subsidy	4,404,552	-	-	4,404,552
Transportation Subsidy	1,580,736	-	-	1,580,736
State Property Tax Reduction	1,177,809	-	-	1,177,809
Other State Revenue	1,715,930	-	-	1,715,930
Total State Revenue	35,038,897	-	-	35,038,897
Federal/Other Revenue:				
Title Funding	1,689,648	-	-	1,689,648
COVID Stimulus Funding	4,013,170	1,197,699	-	5,210,869
ACCESS Funding	759,640	-	-	759,640
Other Federal Grant Funding	454,857	-	-	454,857
Total Federal Revenue	6,917,315	1,197,699	-	8,115,014
Total Revenues	117,843,120	3,273,968	105,197	121,222,285
Expenditures:				
Current:				
Instructional Services	65,274,584	-	-	65,274,584
Pupil Services	4,500,532	-	-	4,500,532
Instructional Support Services	4,275,795	-	-	4,275,795
Administration	6,894,648	-	-	6,894,648
Pupil Health Services	1,411,346	-	-	1,411,346
Financial Services	1,184,007	-	-	1,184,007
Operation and Maintenance of Plant	11,085,397	-	-	11,085,397
Student Transportation Services	4,927,989	-	-	4,927,989
Other Support Services	4,154,967	-	-	4,154,967
Student Activities	2,077,065	-	-	2,077,065
Community Services	11,250	-	-	11,250
Other	187,595	-	-	187,595
Debt Service:				
Interest	4,301,630	-	-	4,301,630
Principal	5,116,141	-	-	5,116,141
Paying Agent	3,373	-	-	3,373
Capital Outlay:				
Building Improvements	-	26,365,906	1,829,581	28,195,487
Total Expenditures	115,406,319	26,365,906	1,829,581	143,601,806
Excess (Deficiency) of Revenues Over Expenditures	2,436,801	(23,091,938)	(1,724,384)	(22,379,521)
Other Financing Sources				
Transfers In	-	-	1,075,000	1,075,000
Bond Proceeds	-	-	-	-
Bond Premiums	-	-	-	-
Insurance Recoveries	202,279	-	-	202,279
Sale of Capital Assets	577,358	-	-	577,358
Transfers Out	(1,075,000)	-	-	(1,075,000)
Total Financing Sources	(295,363)	-	1,075,000	779,637
Net Change in Fund Balance	2,141,438	(23,091,938)	(649,384)	(21,599,884)
Fund Balance, Beginning of Year	17,728,706	70,223,291	7,613,749	95,565,746
Fund Balance, End of Year	\$ 19,870,144	\$ 47,131,353	\$ 6,964,365	\$ 73,965,862

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

MILLCREEEK TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

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

Net Change in fund balances - total governmental funds \$ (21,599,884)

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	29,297,041	
Depreciation Expense	(6,352,791)	22,944,250

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	4,725,000	
Note Payable Additions	(581,180)	
Amortization of Bond Premiums	691,081	
Amortization of Deferred Loss	(215,202)	
Change in Accrued Interest	127,233	
Note Payable Payments	391,141	
Change in Compensated Absences	395,592	5,533,665

Governmental funds do not report the changes in the Other Post Employment Benefit liability: (21,257)

Governmental funds do not report the changes in the Pension expense: 1,304,619

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	795,342	
Prior year	(977,718)	(182,376)

Changes in net position of governmental activities \$ 7,979,017

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

MILLCREEK TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023

	<u>Food Service</u>		<u>Day Care</u>		<u>Total</u> <u>Proprietary Funds</u>	
<u>Assets</u>						
Current Assets:						
Cash and Cash Equivalents	\$	1,750,440	\$	521,572	\$	2,272,012
Subsidies Receivable		92,715		97,321		190,036
Other Receivables		1,790		20,262		22,052
Inventories		5		-		5
Total Current Assets		1,844,950		639,155		2,484,105
Non-Current Assets:						
Capital Assets (Net of Accumulated Depreciation \$1,328,431)		984,711		-		984,711
Total Non-Current Assets		984,711		-		984,711
Total Assets	\$	2,829,661	\$	639,155	\$	3,468,816
Deferred Outflows of Resources						
Deferred Outflows of Resources for OPEB		9,240		28,504		37,744
Deferred Outflows of Resources for Pension		68,910		270,837		339,747
Total Deferred Outflows of Resources		78,150		299,341		377,491
Liabilities						
Current Liabilities:						
Accounts Payable	\$	218,635	\$	18,883	\$	237,518
Due To Other Funds		116,568		43,331		159,899
Unearned Revenues		62,545		7		62,552
Total Current Liabilities		397,748		62,221		459,969
Noncurrent Liabilities:						
OPEB		40,083		88,450		128,533
Pension		506,193		1,989,495		2,495,688
Total Noncurrent Liabilities		546,276		2,077,945		2,624,221
Total Liabilities		944,024		2,140,166		3,084,190
Deferred Inflows of Resources						
Deferred Inflows of Resources for OPEB		15,541		42,979		58,520
Deferred Inflows of Resources for Pension		8,930		35,096		44,026
Total Deferred Inflows of Resources		24,471		78,075		102,546
Net Position						
Net Investment in Capital Assets		984,711		-		984,711
Unrestricted		954,605		(1,279,745)		(325,140)
Total Net Position		1,939,316		(1,279,745)		659,571
Total Liabilities, Deferred Inflows of Resources and Net Position	\$	2,907,811	\$	938,496	\$	3,846,307

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

MILLCREEEK TOWNSHIP SCHOOL DISTRICT
 STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2023

	<u>Food Service</u>	<u>Day Care</u>	<u>Total Proprietary Funds</u>
Operating Revenues:			
Receipts from Providing Services	\$ 1,170,122	\$ 589,418	\$ 1,759,540
Total Operating Revenues	1,170,122	589,418	1,759,540
Operating Expenses			
Salaries and Wages	112,676	748,453	861,129
Employee Benefits	92,937	350,640	443,577
Operation	3,574,994	96,765	3,671,759
Depreciation	137,756	-	137,756
Total Operating Expenses	3,918,363	1,195,858	5,114,221
Operating Loss	(2,748,241)	(606,440)	(3,354,681)
Nonoperating Revenues (Expenses)			
Federal Programs:			
Federal Subsidies	2,626,082	-	2,626,082
Donated Commodities	130,964	-	130,964
State Subsidies	425,043	705,309	1,130,352
Investment Earnings	20,197	3,975	24,172
Total Nonoperating Revenues (Expenses)	3,202,286	709,284	3,911,570
Changes in Net Position	454,045	102,844	556,889
Net Position - Beginning of Year	1,485,271	(1,382,589)	102,682
Net Position - End of Year	\$ 1,939,316	\$ (1,279,745)	\$ 659,571

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

MILLCREEEK TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Food Service</u>	<u>Day Care</u>	<u>Total Proprietary Funds</u>
Cash Flows from Operating Activities			
Cash Received from Customers	\$ 1,145,511	\$ 611,240	\$ 1,756,751
Cash Paid to Employees	(112,676)	(748,453)	(861,129)
Cash Paid to Suppliers	(4,856,400)	(565,189)	(5,421,589)
Net Cash Used in Operating Activities	(3,823,565)	(702,402)	(4,525,967)
Cash Flows from Non-Capital Financing Activities			
Grants & Subsidies Received:			
State	430,289	651,738	1,082,027
Federal	3,064,819	-	3,064,819
Net Cash Provided by Non-Capital Financing Activities	3,495,108	651,738	4,146,846
Cash Flows from Capital and Related Financing Activities			
Purchase of Capital Assets	-	-	-
Investment Earnings	20,197	3,975	24,172
Net Cash Provided by Capital and Related Financing Activities	20,197	3,975	24,172
Net Increase in Cash and Cash Equivalents	(308,260)	(46,689)	(354,949)
Beginning Cash and Cash Equivalents	2,058,700	568,261	2,626,961
Ending Cash and Cash Equivalents	\$ 1,750,440	\$ 521,572	\$ 2,272,012
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES			
Operating Loss	\$ (2,748,241)	\$ (606,440)	\$ (3,354,681)
Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities:			
Depreciation	137,756	-	137,756
Pension/OPEB Expense	(4,424)	(15,494)	(19,918)
Donated Commodities	130,964	-	130,964
(Increase) Decrease in Assets			
Interfund Receivables	4,338	3,134	7,472
Inventories	859	-	859
Other Assets	8,925	21,988	30,913
Increase (Decrease) in Liabilities			
Accounts Payable	53,135	2,836	55,971
Interfund Payable	(1,380,133)	(108,260)	(1,488,393)
Unearned Revenue	(26,744)	(166)	(26,910)
Net Cash Used in Operating Activities	\$ (3,823,565)	\$ (702,402)	\$ (4,525,967)

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

MILLCREEEK TOWNSHIP SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2023

	<u>Total</u>	
	<u>Custodial Funds</u>	<u>Fiduciary Funds</u>
Assets		
Cash and Cash Equivalents	\$ 223,085	\$ 223,085
Due From Other Funds	87	87
Total Assets	223,172	223,172
Liabilities		
Due To Other Funds	\$ 2,268	\$ 2,268
Total Liabilities	2,268	2,268
Net Position		
Restricted for Student Activities	220,904	220,904
Total Net Position	220,904	220,904
Total Liabilities and Net Position	\$ 223,172	\$ 223,172

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

MILLCREEEK TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Custodial Funds</u>	<u>Total</u> <u>Fiduciary Funds</u>
Additions		
Receipts from Providing Services	\$ 388,008	\$ 388,008
Total Additions	<u>388,008</u>	<u>388,008</u>
Deductions		
Disbursements	378,700	378,700
Total Deductions	<u>378,700</u>	<u>378,700</u>
Net Increase (Decrease)	<u>9,308</u>	<u>9,308</u>
Changes in Net Position	9,308	9,308
Net Position - Beginning of Year	<u>211,596</u>	<u>211,596</u>
Net Position - End of Year	<u>\$ 220,904</u>	<u>\$ 220,904</u>

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

MILLCREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

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, 2023

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 \$848,086 in tuition and alternative education for the year ended June 30, 2023.

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, 2023. 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, 2023

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. This fund primarily accounts for expenditures used with debt proceeds.

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, 2023

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, 2023

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. Transfers 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 SCHOOL BOARD. Instructional services underspent budget allocation by \$180,996. The remaining departments underspent by \$109,117.

MILLCREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

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

H.) 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, 2023, consist of the following:

Donated Commodities	<u>\$ 5</u>
Total Inventory	<u>\$ 5</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, 2023

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, 2023

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

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

Net investment in Capital Assets for Governmental Activities at June 30, 2023 is calculated as follows:

Capital Assets - Net	\$ 131,074,205
Unspent Bond Proceeds	47,131,353
Loss on Refunding Debt	645,603
Less: Outstanding Bonds and Notes Payable	(117,962,756)
Less Bond Premium	(9,655,268)
	<hr/>
Net Investment in Capital Assets	\$ 51,233,137

- **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 \$410,938 in non-spendable fund balance in the General Fund as of June 30, 2023.
- *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 \$47,131,353 of restricted fund balance as of June 30, 2023.
- *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 \$10,219,007 of committed resources as of June 30, 2023.
- *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 \$6,972,598 of assigned resources as of June 30, 2023.

MILLCREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

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

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

- *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 \$9,231,966 of unassigned fund balance as of June 30, 2023, which complies with policy 620.

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 7 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.

MILLCREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

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

R.) Deferred Outflows /Inflows of Resources (Continued)

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 provisions of GASB Statement No. 91 "Conduit Debt Obligations". The adoption of this statement had no effect on the District's financial statements.

The District adopted the provisions of GASB Statement No. 94 "Public-Private and Public-Public Partnerships and Availability Payment Arrangements". The adoption of this statement had no effect on the District's financial statements.

The District adopted the provisions of GASB Statement No. 96 "Subscription-Based Information Technology Arrangements". The adoption of this statement had no effect on the District's financial statements.

The District adopted certain provisions of GASB Statement No. 99, "Omnibus 2022" related to leases, PPP's and SBITA's. The adoption of these requirements had no effect on the District's financial statements.

T.) Pending Changes in Accounting Principles

The GASB has issued GASB Statement No. 99 "*Omnibus 2022*". The provisions relating to financial guarantees and the classification and reporting of derivative instruments are required to be adopted by the District for its 2024 financial statements.

In June 2022, the GASB issued Statement No. 100, "Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62". The District is required to adopt Statement No. 100 for its 2024 financial statements.

In June 2022, the GASB issued Statement No. 101, "Compensated Absences". The District is required to adopt Statement No. 101 for its 2024 financial statements.

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

MILLCREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

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, 2023

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 reinstituted without notice to the Fund's Settlers.

As of June 30, 2023, 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, 2023, the School District's operating investments were all maintained in Money Market funds with the Pennsylvania School District Liquid Asset Fund (PSDLAF) and certificates of deposit.

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, 2023, the School District's cash balances for its governmental activities, business-type activities and custodial fund were \$86,495,940 and its bank balances and cash equivalents were \$87,609,915. Of these bank balances, \$507,031 was covered by Federal Depository Insurance Company (FDIC) insurance. The remaining \$87,102,884 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 and accounts at First National Bank.

MILLCREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

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, 2023 was 15.3517 mills (\$15.3517 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 2023 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 2023 real estate taxes levied was \$61,303,844 based on a total SCHOOL DISTRICT assessed valuation of \$3,993,293,479.

NOTE 4: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 was as follows:

GOVERNMENTAL ACTIVITIES	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets, Not Being Depreciated:				
Land	\$ 549,708	\$ -	\$ -	\$ 549,708
Construction in Progress	21,537,707	25,555,563	(11,204,793)	35,888,477
Total Capital Assets, Not Being Depreciated	<u>22,087,415</u>	<u>25,555,563</u>	<u>(11,204,793)</u>	<u>36,438,185</u>
Capital Assets, Being Depreciated:				
Equipment	16,772,860	357,631	-	17,130,491
Transportation Equipment	1,493,001	93,602	-	1,586,603
Building & LHI	180,616,683	14,495,038	(645,155)	194,466,566
Total Capital Assets, Being Depreciated	<u>198,882,544</u>	<u>14,946,271</u>	<u>(645,155)</u>	<u>213,183,660</u>
Less Accumulated Depreciation For:				
Buildings & Improvement	(100,005,799)	(5,362,153)	645,155	(104,722,797)
Equipment and Vehicles	(12,834,205)	(990,638)	-	(13,824,843)
Total Accumulated Depreciation	<u>(112,840,004)</u>	<u>(6,352,791)</u>	<u>645,155</u>	<u>(118,547,640)</u>
Total Capital Assets, Being Depreciated, Net	<u>86,042,540</u>	<u>8,593,480</u>	<u>-</u>	<u>94,636,020</u>
Governmental Activities Capital Assets, Net	<u>\$ 108,129,955</u>	<u>\$ 34,149,043</u>	<u>\$ (11,204,793)</u>	<u>\$ 131,074,205</u>

MILLCREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 4: CAPITAL ASSETS (CONTINUED)

BUSINESS TYPE ACTIVITIES	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets, Being Depreciated:				
Food Service Equipment	\$ 2,313,142	\$ -	\$ -	\$ 2,313,142
Total Capital Assets, Being Depreciated	<u>2,313,142</u>	<u>-</u>	<u>-</u>	<u>2,313,142</u>
Less Accumulated Depreciation	(1,190,675)	(137,756)	-	(1,328,431)
Total Capital Assets, Being Depreciated, Net	<u>1,122,467</u>	<u>(137,756)</u>	<u>-</u>	<u>984,711</u>
Business Type Activities Capital Assets, Net	<u>\$ 1,122,467</u>	<u>\$ (137,756)</u>	<u>\$ -</u>	<u>\$ 984,711</u>

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

Governmental Activities:

Instruction	\$ 3,998,444
Pupil Services	275,684
Instructional Support Services	261,917
Administration	422,337
Pupil Health Services	86,453
Financial Services	72,527
Operation and Maintenance of the Plan	679,045
Student Transportation Services	301,868
Other Support Services	<u>254,516</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 6,352,791</u>

Business Type Activities:

Food Services	<u>\$ 137,756</u>
Total Depreciation Expense - Business Type Activities	<u>\$ 137,756</u>

NOTE 5: LONG-TERM LIABILITIES OBLIGATIONS

On August 1, 2019, the District entered into a note payable agreement for copiers. The note requires monthly payments totaling \$2,896 beginning August 1, 2019 through July 1, 2024. On September 1, 2020, the District entered into a note payable agreement for copiers. The note requires monthly payments totaling \$5,864 beginning September 27, 2020 through August 28, 2025. On August 1, 2021, the District entered into a note payable agreement for copiers. The note requires monthly payments totaling \$613 beginning August 1, 2021 through July 1, 2025. In 2021, the District entered into a note payable for IT devices, which requires annual principal and interest payments of \$301,268 in July of each year from 2021 to 2023.

MILLCREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 5: LONG-TERM LIABILITIES OBLIGATIONS (CONTINUED)

The assets acquired through issuance of notes payable are as follows:

<u>Asset Detail</u>	<u>Governmental Activities</u>
Machinery and Equipment	\$ 4,069,971
Less: Accumulated Depreciation	<u>(3,803,823)</u>
	<u>\$ 266,148</u>

The future minimum obligations under notes payable and the net present value of these minimum payments as of June 30, 2023 are as follows:

<u>Governmental Activities</u>	
Year Ended June 30:	
2024	\$ 413,738
2025	80,614
2026	<u>12,341</u>
Total	506,693
Less Interest	<u>(13,937)</u>
Total	<u><u>\$ 492,756</u></u>

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, 2023 is \$1,060,000.

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, 2023 is \$0 for Series A, \$970,000 for Series B and \$13,985,000 for Series C.

MILLCREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 5: LONG-TERM LIABILITIES 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, 2023 is \$42,980,000.

On February 16, 2022, the School District issued \$58,475,000 General Obligation Bonds Series of 2022. The bonds mature September 15 and March 15 of each year beginning September 15, 2022 and ending in 2044. The bonds pay interest at a rate of 3.00% 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, 2023 is \$58,475,000.

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):

<u>Governmental Activities</u>	<u>Principal Requirements</u>	<u>Interest Requirements</u>	<u>Total Debt Service Requirements</u>
Year Ended June 30:			
2024	\$ 4,905,000	\$ 3,961,559	\$ 8,866,559
2025	4,095,000	3,792,088	7,887,088
2026	4,270,000	3,614,800	7,884,800
2027	4,465,000	3,421,281	7,886,281
2028	4,395,000	3,221,600	7,616,600
2029-2033	25,450,000	12,629,400	38,079,400
2034-2038	27,200,000	8,320,200	35,520,200
2039-2045	42,690,000	4,635,900	47,325,900
Total	<u>\$ 117,470,000</u>	<u>\$ 43,596,828</u>	<u>\$ 161,066,828</u>

All district debt issued through bonds or notes comply with the district's debt policy, which highlights budgets can not be balanced through debt instruments, debt length must match the life of the assets the proceeds purchased or a maximum of 25 years, debt limit may not exceed 20% of operating revenues as well as other statutory limitations.

MILLCREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 5: LONG-TERM LIABILITIES OBLIGATIONS (CONTINUED)

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 \$3,224,163 as of June 30, 2023.

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

Teachers and Administrators – Rate ranges from \$45 to \$190 per day and are capped at 300 days.

Non-Professionals – Rate ranges from \$25 to \$125 per day and are capped at between 150 and 250 days.

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. However, only five days of unused vacation may carryover on an annual basis.

A summary of changes in long-term debt obligations for 2023 is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Payments</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities					
Bonds and Notes Payable					
General Obligation Bonds	\$ 122,195,000	\$ -	\$ (4,725,000)	\$ 117,470,000	\$ 4,905,000
Bond Premiums	10,346,349	-	(691,081)	9,655,268	-
Notes Payable	302,717	581,180	(391,141)	492,756	404,516
Total Bonds and Notes Payable	<u>132,844,066</u>	<u>581,180</u>	<u>(5,807,222)</u>	<u>127,618,024</u>	<u>5,309,516</u>
Other Liabilities					
Compensated Absences	3,619,755	224,370	(619,962)	3,224,163	-
Net Pension Liability	126,227,595	9,498,884	-	135,726,479	-
Other Postemployment Benefits	18,818,166	-	(4,031,653)	14,786,513	-
Total Other Liabilities	<u>148,665,516</u>	<u>9,723,254</u>	<u>(4,651,615)</u>	<u>153,737,155</u>	<u>-</u>
Governmental Activities					
Total Long-Term Liabilities	<u>\$ 281,509,582</u>	<u>\$ 10,304,434</u>	<u>\$ (10,458,837)</u>	<u>\$ 281,355,179</u>	<u>\$ 5,309,516</u>
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Payments</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Business Type Activities					
Other Liabilities					
Net Pension Liability	\$ 2,321,026	\$ 174,662	\$ -	\$ 2,495,688	\$ -
Other Postemployment Benefits	171,773	-	(43,240)	128,533	-
Total Other Liabilities	<u>\$ 2,492,799</u>	<u>\$ 174,662</u>	<u>\$ (43,240)</u>	<u>\$ 2,624,221</u>	<u>\$ -</u>

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, 2023 was \$4,301,630.

MILLCREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 6: 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 an 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 7: 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 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, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	79
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	824
	<u>903</u>

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 they reach Medicare age or the death of the retiree; thereafter, they would be eligible under the provisions of COBRA.

Total OPEB Liability. The District's total OPEB liability of \$9,177,046 was measured as of July 1, 2022, and was determined by an actuarial valuation as of that date.

MILLCREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 7: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Actuarial assumptions and other inputs. The total OPEB liability in the July 1, 2022 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 1.5 percent real wage growth and merit increase which vary by age from 2.75 - 0.0 percent.
Discount Rate	4.06 percent
Healthcare cost trend rates	6.5 % in 2022, 6.0 % in 2023 and 5.5 % in 2024 - 2025. Rates gradually decrease from 5.4% in 2026 to 3.9% 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, 2022.

Mortality: The PubT-2010 headcount-weighted mortality table including rates for contingent survivors for teachers and the PubG-2010 headcount-weighted mortality table including rates for contingent survivors for all other employees were used. Incorporated into the table are rates projected generationally using Scale MP-2021 to reflect mortality improvement. A recent actuarial experience study was not performed.

Changes in the total OPEB Liability.

The District's total OPEB liability has been measured as of July 1, 2022. The total OPEB liability was determined by an actuarial valuation as of July 1, 2022, and by rolling forward the liabilities from the July 1, 2022 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 \$9,177,046, all of which is unfunded.

The District's change in its total OPEB liability for the year ended June 30, 2023 was as follows:

	Business-Type Activities			
	Governmental Activities	Food Service	Daycare	Total
Service Costs	\$ 721,071	\$ 724	\$ 3,010	\$ 724,805
Interest	273,056	422	828	274,306
Differences between Expected and Actual Experience	(370,884)	3,109	1,174	(366,601)
Changes of assumptions or other inputs	(2,542,763)	(3,756)	(11,375)	(2,557,894)
Benefit payments	(437,917)	(5,990)	(602)	(444,509)
Net change in Total OPEB liability	(2,357,437)	(5,491)	(6,965)	(2,369,893)
Net OPEB obligation - June 30, 2022	11,509,554	24,560	12,825	11,546,939
Net OPEB obligation - June 30, 2023	<u>\$ 9,152,117</u>	<u>\$ 19,069</u>	<u>\$ 5,860</u>	<u>\$ 9,177,046</u>

MILLCREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 7: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

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

For the year ended June 30, 2023, the District recognized OPEB expense of \$743,216 for the Governmental Activities, \$1,855 for Food Services and \$4,206 for Daycare for a total of \$749,276. At June 30, 2023, 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	\$ 332,309	\$ 724,201
Changes of Assumptions	1,073,966	3,248,044
Contributions subsequent to the measurement date	449,117	-
Total	<u>\$ 1,855,392</u>	<u>\$ 3,972,245</u>

Split of Deferred Outflows of Resources and Deferred Inflows of Resources

Governmental Activities	\$ 1,840,384	\$ 3,940,116
Food Service	4,594	9,833
Daycare	10,414	22,296
Total	<u>\$ 1,855,392</u>	<u>\$ 3,972,245</u>

\$449,117 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, 2023. The amount reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:

2024	(249,835)
2025	(249,835)
2026	(249,835)
2027	(249,835)
2028	(249,835)
Thereafter	(1,316,795)
	<u>\$ (2,565,970)</u>

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 (3.06 percent) or 1 percentage point higher (5.06 percent) than the current discount rate:

MILLCREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 7: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

	1% Decrease (3.06%)	Discount Rate (4.06%)	1% Increase (5.06%)
District's total OPEB liability	\$ 9,930,716	\$ 9,177,046	\$ 8,488,159

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:

	1% Decrease Between 4.5% to 6.0%	Current Trend Rate Between 5.5% to 7.0%	1% Increase Between 6.5% to 8.0%
District's total OPEB liability	\$ 8,506,179	\$ 9,177,046	\$ 9,960,168

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

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, 2022 there were no assumed future benefit increases to participating eligible retirees.

MILLCREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 7: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Employer Contributions. The school districts' contractually required contribution rate for fiscal year ended June 30, 2023 was 0.75% 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 \$444,669 for the year ended June 30, 2023.

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

At June 30, 2023, the District reported a liability of \$5,738,000 for its proportionate share of the net OPEB liability. As of June 30, 2023, \$5,634,396 is related to governmental activities and \$82,590 is related to Daycare and \$21,014 is related to Food Services. The net OPEB liability was measured as of June 30, 2022, 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, 2021 to June 30, 2022. 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, 2023, the District's proportion was 0.3117 percent, which was an decrease of 0.0023% of its proportion measured as of June 30, 2022.

For the year ended June 30, 2023, the District recognized OPEB expense of \$436,640 for the Governmental Activities, \$1,628 for Food Services and \$6,400 for Daycare for a total of \$444,669. At June 30, 2023, 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	\$ 53,000	\$ 31,000
Changes of assumptions	637,000	1,355,000
Net difference between projected and actual investment earnings	16,000	
Changes in proportion	118,000	82,000
District contributions subsequent to the measurement date	444,669	-
Total	<u>\$ 1,268,669</u>	<u>\$ 1,468,000</u>

Split of Deferred Outflows of Resources and Deferred Inflows of Resources

Governmental Activities	\$ 1,245,933	\$ 1,441,609
Food Services	4,646	5,708
Daycare	18,090	20,683
	<u>\$ 1,268,669</u>	<u>\$ 1,468,000</u>

MILLCREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 7: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

\$444,669 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, 2023. 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	
2024	\$ (159,202)
2025	(77,171)
2026	(113,773)
2027	(135,796)
2028	(158,058)
	<u>\$ (644,000)</u>

Actuarial Assumptions: The total OPEB liability as of June 30, 2022 was determined by rolling forward the System's total OPEB liability as of the June 30, 2021 actuarial valuation to June 30, 2022 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 – 4.09% - S&P 20 Year Municipal Bond Rate.
- Salary growth – Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit 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 50% of PubT-2010 and 50% of PubG-2010 Retiree Tables for Males and Females adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Mortality Improvement Scale.
- Participation rate:
 - Eligible retirees will elect to participate pre age 65 at 50%.
 - Eligible retirees will elect to participate post age 65 at 70%.

The following assumptions were used to determine the contribution rate:

- The results of the actuarial valuation as of June 30, 2020 determined the employer contribution rate for fiscal year 2022.
- 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: Actual data for retirees benefiting under the Plan as of June 30, 2021.
- Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Mortality Improvement Scale.

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

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

MILLCREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 7: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

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, 2022 were:

OPEB-Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	100%	0.5%
	100%	

Discount rate: The discount rate used to measure the total OPEB liability was 4.09%. Under the plan's funding policy, contributions are structured for short term funding of Premium Assistance. The funding policy sets contribution rates necessary to assure solvency of Premium Assistance through the third fiscal year after the actuarial valuation date. The Premium Assistance account is funded to establish reserves that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Due to the short term funding policy, the OPEB plan's fiduciary net position was not projected to be sufficient to meet projected future benefit payments, therefore the plan is considered a "pay-as-you-go" plan. A discount rate of 4.09% which represents the S&P 20 year Municipal Bond Rate at June 30, 2022, was applied to all projected benefit payments to measure the total OPEB liability.

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, 2022, 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:

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 5,737,000	\$ 5,738,000	\$ 5,739,000

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 (3.09 percent) or higher (5.09 percent) than the current discount rate:

MILLCREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 7: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

	<u>1% Decrease</u> <u>(3.09%)</u>	<u>Discount Rate</u> <u>(4.09%)</u>	<u>1% Increase</u> <u>(5.09%)</u>
District's proportionate share of the net OPEB liability	\$ 5,915,304	\$ 5,738,000	\$ 5,445,936

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 8: 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.

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.

MILLCREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 8: EMPLOYEE RETIREMENT PLAN (CONTINUED)

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. Member contributions are as follows:

Member Contribution Rates				
Membership Class	Continuous Employment Since	Defined Benefit Contribution Rate	Defined Contribution Rate	Total Contribution Rate
T-C	Prior to July 22, 1983	5.25%	N/A	5.25%
T-C	On or after July 22, 1983	6.25%	N/A	6.25%
T-D	Prior to July 22, 1983	6.50%	N/A	6.50%
T-D	On or after July 22, 1983	7.50%	N/A	7.50%
T-E	On or after July 1, 2011	7.50%*	N/A	Prior to 7/1/21: 7.50% After 7/1/21: 8.00%
T-F	On or after July 1, 2011	10.30%*	N/A	Prior to 7/1/21: 10.30% After 7/1/21: 10.80%
T-G	On or after July 1, 2019	5.50%*	N/A	Prior to 7/1/21: 8.25% After 7/1/21: 9.00%
T-H	On or after July 1, 2019	4.50%*	N/A	Prior to 7/1/21: 7.50% After 7/1/21: 8.25%
DC	On or after July 1, 2019	N/A	7.50%	7.50%

*This contribution rate is subject to a shared risk provision below.

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

Employer Contributions. The school districts' contractually required contribution rate for fiscal year ended June 30, 2023 was 34.51% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The 34.51% is comprised of a pension contribution rate of 34.31% for pension benefits and a 0.20% act 5 employer contribution. Contributions to the pension plan from the District were \$16,059,563 for the year ended June 30, 2023.

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

At June 30, 2023, the District reported a liability of \$138,222,167 for its proportionate share of the net pension liability. As of June 30, 2023, \$135,726,479 is related to governmental activities and \$506,193 is related to Food Services and \$1,989,495 is related to Daycare for a total of \$138,222,167. The net pension liability was measured as of June 30, 2022, 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, 2021 to June 30, 2022. The District's proportion of the net pension liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2022, the District's proportion was 0.3109 percent, which represents a decrease of .0022 from its proportion measured as of June 30, 2021.

MILLCREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 8: EMPLOYEE RETIREMENT PLAN (CONTINUED)

For the year ended June 30, 2023, the District recognized pension expense of \$9,579,338 for the Governmental Activities, \$35,726 for Food Service and \$140,415 Daycare for a total of \$9,755,479.

At June 30, 2023, 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	\$ 31,338	\$ 620,845
Net differences between projected and actual investment earnings		1,309,482
Changes in proportion	662,000	
Changes in assumptions	2,063,739	508,000
District contributions subsequent to the measurement date	16,059,563	
Total	<u>\$ 18,816,640</u>	<u>\$ 2,438,327</u>

Split of Deferred Outflows of Resources and Deferred Inflows of Resources:

Governmental Activities	\$ 18,476,893	\$ 2,394,301
Food Services	68,910	8,930
Daycare	270,837	35,096
Total	<u>\$ 18,816,640</u>	<u>\$ 2,438,327</u>

\$16,059,563 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:

2024	\$ 900,486
2025	(3,855,290)
2026	3,273,554
	<u>\$ 318,750</u>

MILLCREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 8: EMPLOYEE RETIREMENT PLAN (CONTINUED)

Actuarial Assumptions: The total pension liability as of June 30, 2022 was determined by rolling forward the System's total pension liability as of the June 30, 2021 actuarial valuation to June 30, 2022 using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry Age Normal – level % of pay
Salary increases	4.5 percent, average, including inflation of 2.50 percent, and real wage growth and merit or seniority increases of 2.00%
Investment rate of return	7.00 percent, net of pension plan investment expense, includes inflation of 2.75%

Mortality rates were based on a blend of 50% of PubT-2010 and 50% of PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.

The actuarial assumptions used in the June 30, 2022 valuation were based on the experience study that was performed for the five-year period ending June 30, 2020.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment 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.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global public equity	28.0%	5.3%
Private equity	12.0%	8.0%
Fixed income	33.0%	2.3%
Commodities	9.0%	2.3%
Absolute return	6.0%	3.5%
Infrastructure/MLPs	9.0%	5.4%
Real estate	11.0%	4.6%
Cash	3.0%	0.5%
Leverage	-11.0%	0.5%
	<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, 2022.

MILLCREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 8: EMPLOYEE RETIREMENT PLAN (CONTINUED)

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

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 7.00 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 (6.00 percent) or 1-percentage point higher (8.00 percent) than the current rate:

	1% Decrease 6.00%	Current Rate 7.00%	1% Increase 8.00%
District's proportionate share of the net pension liability	\$ 178,780,919	\$ 138,222,167	\$ 104,026,229

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.

NOTE 9: INTERFUND RECEIVABLES AND PAYABLES

The following is a summary of Interfund Receivables and Payables at June 30, 2023:

Governmental Fund Types	Due From	Due to
General Fund	\$ 163,656	\$ 1,799,607
Capital Reserve Fund	1,149,200	-
Capital Projects Fund	650,320	1,489
Total Governmental Fund Type	1,963,176	1,801,096
 Enterprise Fund		
Food Services	-	116,568
Daycare	-	43,331
Total Enterprise Fund	-	159,899
 Fiduciary Fund		
Custodial Fund	87	2,268
Total Fiduciary Fund	87	2,268
 Total Internal Balances	\$ 1,963,263	\$ 1,963,263

MILLCREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 9: INTERFUND RECEIVABLES AND PAYABLES (CONTINUED)

Interfund balances between the General Fund and the Enterprise Funds represent subsidy payments deposited in the General Fund or payments the General Fund paid to the Enterprise Funds for upcoming subsidy receivables during 2023 which have not been remitted to the Enterprise Funds by June 30, 2023.

NOTE 10: TRANSFERS

	Transfers In	Transfers Out
General Fund	\$ -	\$ 1,075,000
Capital Projects	1,075,000	-
Total Transfers	<u>\$ 1,075,000</u>	<u>\$ 1,075,000</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 11: 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.

The District entered into a contracted transportation service agreement with an external party who provides busing service to students. This agreement does not meet the criteria of a lease under GASB 87 as the terms and conditions for payment specify a rate of reimbursement per mile calculated by the Commonwealth. Since the payments are variable based on the usage of the underlying asset, the District has not recorded a liability in the financial statements for this agreement in accordance with GASB 87.

NOTE 12: 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, 2023

NOTE 12: 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 2022 was \$4,726 related to various projects throughout the County.

REQUIRED SUPPLEMENTAL INFORMATION

MILLCREEK TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

Revenues:	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Local Revenue:				
Property Taxes	\$ 58,907,209	\$ 59,132,209	\$ 59,711,627	\$ 579,418
Earned Income Tax	7,700,000	8,000,000	8,960,864	960,864
Real Estate Transfer Tax	1,200,000	1,200,000	1,214,953	14,953
Other Taxes	748,554	748,554	942,287	193,733
Investment Earnings	430,000	735,000	1,169,463	434,463
Tuition	1,600,000	1,600,000	1,433,889	(166,111)
IDEA/Other Federal Sources	1,500,000	1,500,000	1,650,035	150,035
Other Local Revenue	611,980	611,980	803,790	191,810
Total Local Revenue	72,697,743	73,527,743	75,886,908	2,359,165
State Revenue:				
Basic Education Subsidy	15,349,734	16,415,143	16,415,143	-
Social Security/Retirement Subsidies	10,199,847	10,199,847	9,744,727	(455,120)
Special Education Subsidy	3,973,425	3,973,425	4,404,552	431,127
Transportation Subsidy	1,957,180	1,957,180	1,580,736	(376,444)
State Property Tax Reduction	1,177,809	1,177,809	1,177,809	-
Other State Revenue	1,053,742	1,053,742	1,715,930	662,188
Total State Revenue	33,711,737	34,777,146	35,038,897	261,751
Federal/Other Revenue:				
Title Funding	1,613,299	1,613,299	1,689,648	76,349
COVID Stimulus Funding	3,455,346	3,455,346	4,013,170	557,824
ACCESS Funding	686,500	686,500	759,640	73,140
Other Grant Funding	500,000	500,000	454,857	(45,143)
Total Federal Revenue	6,255,145	6,255,145	6,917,315	662,170
Total Revenues	112,664,625	114,560,034	117,843,120	3,283,086
Expenditures:				
Instructional Services	66,268,142	65,455,580	65,274,584	180,996
Pupil Services	4,369,906	4,528,149	4,500,532	27,617
Instructional Support Services	4,364,374	4,289,621	4,275,795	13,826
Administration	6,879,235	6,932,598	6,894,648	37,950
Pupil Health Services	1,531,426	1,427,800	1,411,346	16,454
Financial Services	1,107,495	1,191,510	1,184,007	7,503
Operation and Maintenance of Plant	11,001,866	11,161,427	11,085,397	76,030
Student Transportation Services	5,326,331	4,791,078	4,927,989	(136,911)
Other Support Services	2,228,088	4,169,017	4,154,967	14,050
Student Activities	2,258,371	2,128,032	2,077,065	50,967
Community Services	11,458	11,514	11,250	264
Other	20,000	188,887	187,595	1,292
Debt:				
Interest	-	4,301,635	4,301,630	5
Principal	4,725,000	5,116,211	5,116,141	70
Paying Agent	5,000	3,373	3,373	-
Total Expenditures	110,096,692	115,696,432	115,406,319	290,113
Excess (Deficiency) of Revenues Over Expenditures	2,567,933	(1,136,398)	2,436,801	2,992,973
Other Financing Sources				
Sale of Fixed Assets	40,000	40,000	577,358	537,358
Insurance Recoveries	-	-	202,279	202,279
Transfers Out	(500,000)	(1,075,000)	(1,075,000)	-
Total Financing Sources	(460,000)	(1,035,000)	(295,363)	739,637
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ 2,107,933	\$ (2,171,398)	\$ 2,141,438	\$ 4,312,836

MILLCREEK TOWNSHIP SCHOOL DISTRICT
2022- 2023 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 are 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. The School Board elected to increase its millage rates by 4.0% in the 2022-2023 school year to account for typical inflationary expectations.

After a proposed budget is constructed, it's presented to the School Board and public for input and adjustments. All presentations to the School 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 School 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 and 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. In January of 2022, the district issued an additional \$62 million to fund the ongoing renovations. It's expected an additional \$30 million of debt will need issued in January 2024 to finish the projects.

On an annual basis, the plan is discussed during budget presentations. Financial and cash flow reports are reviewed monthly with the Board and public. All presentations and plans 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 to their buildings. 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 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
2022- 2023 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 School 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.
5. Budgetary data is included in the district's management information system and is employed as a management control device during the year.

MILLCREEK TOWNSHIP SCHOOL DISTRICT
2022- 2023 BUDGET
POLICIES AND PRACTICES

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. 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, 2023

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Total OPEB Liability						
Service Cost	\$ 577,189	\$ 597,463	\$ 515,986	\$ 508,975	\$ 733,516	\$ 724,805
Interest	251,818	331,644	285,767	322,902	221,645	274,306
Changes of benefit terms	-	-	-	(33,913)	-	-
Differences between expected and actual experience	-	(665,400)	-	443,077	-	(366,601)
Changes of assumptions or other inputs	180,771	(678,454)	(279,526)	1,311,440	(385,432)	(2,557,894)
Benefit payments	(566,944)	(531,208)	(491,910)	(496,770)	(448,803)	(444,509)
Other Changes	-	-	-	-	-	-
Net change in total OPEB liability	442,834	(945,955)	30,317	2,055,711	120,926	(2,369,893)
Total OPEB liability - Beginning	9,843,106	10,285,940	9,339,985	9,370,302	11,426,013	11,546,939
Total OPEB liability - Ending	<u>10,285,940</u>	<u>9,339,985</u>	<u>9,370,302</u>	<u>11,426,013</u>	<u>11,546,939</u>	<u>9,177,046</u>
Covered Payroll	\$ 38,590,212	\$ 35,827,502	\$ 35,827,502	\$ 42,902,663	\$ 42,902,633	\$ 46,205,106
District's total OPEB liability as a percentage of covered payroll	26.65%	26.07%	26.15%	26.63%	26.91%	19.86%

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, 2023

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
District's proportion of the net OPEB liability	0.3044%	0.3085%	0.3076%	0.3084%	0.3140%	0.3117%
District's proportionate share of the net OPEB liability	\$ 6,201,882	\$ 6,432,068	\$ 6,542,166	\$ 6,663,590	\$ 7,442,061	\$ 5,737,683
District's covered payroll	\$ 41,541,609	\$ 42,430,658	\$ 41,541,609	\$ 42,421,887	\$ 43,280,781	\$ 44,518,858
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	15%	15%	16%	16%	17%	13%
Plan fiduciary net position as a percentage of the total OPEB liability	6%	6%	6%	6%	3%	4%

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 OPEB CONTRIBUTIONS – PSERS PLAN
JUNE 30, 2023

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Contractually determined contribution	\$ 344,795	\$ 346,789	\$ 352,174	\$ 363,188	\$ 354,019	\$ 380,838	\$ 444,669
Contributions in relation to the actuarially determined contribution	331,906	344,669	352,174	363,188	354,019	380,838	444,669
Contribution deficiency	<u>\$ 12,889</u>	<u>\$ 2,120</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 41,541,609	\$ 42,430,658	\$ 41,541,609	\$ 42,421,887	\$ 43,280,781	\$ 44,518,858	\$ 45,828,447
Contributions as a percentage of covered payroll	0.80%	0.81%	0.85%	0.86%	0.82%	0.86%	0.97%

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 DISTRICT'S PROPORTIONATE 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>	<u>2021</u>	<u>2022</u>
Districts proportion of the net pension liability	0.3304%	0.3176%	0.3153%	0.3044%	0.3085%	0.3076%	0.3084%	0.3131%	0.3109%
District's proportionate share of the net pension liability	\$ 130,775	\$ 137,569	\$ 156,253	\$ 150,338	\$ 148,095	\$ 143,903	\$ 148,725	\$ 128,549	\$ 138,222
District's covered payroll	\$ 43,582	\$ 40,862	\$ 40,524	\$ 41,542	\$ 42,431	\$ 43,262	\$ 42,929	\$ 43,281	\$ 44,519
District's proportionate share of the net pension liability as a percentage of its covered payroll	300.07%	336.67%	385.58%	361.90%	349.03%	332.63%	346.45%	297.01%	310.48%
Plan fiduciary net position as a percentage of the total pension liability	57%	54%	50%	52%	52%	56%	56%	61%	63%

*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'S 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>	<u>2022</u>	<u>2023</u>
Contractually determined contribution	\$ 8,176,866	\$ 10,854,415	\$ 11,925,355	\$ 13,261,530	\$ 13,832,395	\$ 14,462,648	\$ 15,107,760	\$ 15,646,885	\$ 16,059,563
Contributions in relation to the actuarially determined contribution	8,176,866	10,854,415	12,008,596	13,261,530	13,832,395	14,462,648	15,107,760	15,646,885	16,059,563
Contribution deficiency (excess)	\$ -	\$ -	\$ (83,241)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 40,861,981	\$ 40,523,782	\$ 41,541,609	\$ 42,430,658	\$ 43,262,483	\$ 42,928,608	\$ 43,280,781	\$ 44,518,858	\$ 45,828,447
Contributions as a percentage of covered payroll	20.01%	26.79%	28.91%	31.25%	31.97%	33.69%	34.91%	35.15%	35.04%

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.

CONTENTSPAGES**FINANCIAL TRENDS**

These schedules contain trend information showing how the School District's financial performance and position have changed over time.

80-88

REVENUE CAPACITY

These schedules contain information regarding the School District's most significant local revenue sources allowing readers to assess viability of future funding.

89-94

DEBT CAPACITY

These schedules present information regarding the School District's current levels of outstanding debt and the ability to issue additional debt.

95-100

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.

101-105

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.

106-110

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 TEN FISCAL YEARS**

	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
Expenses										
Instructional Services	\$ 53,745,883	\$ 53,997,077	\$ 52,200,294	\$ 58,697,869	\$ 59,041,711	\$ 60,247,989	\$ 59,158,561	\$ 63,439,889	\$ 69,235,969	\$ 67,710,571
Pupil Services	3,374,844	3,751,559	4,334,822	4,688,034	4,995,795	4,596,697	4,406,221	4,542,036	4,275,039	4,655,554
Instructional Support Services	2,160,338	3,195,444	1,601,424	3,931,265	2,970,595	3,320,058	3,509,963	2,670,057	2,999,025	4,423,075
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	6,642,457	7,132,135
Pupil Health Services	1,307,245	1,380,912	1,232,217	1,447,093	1,427,652	1,445,559	1,405,502	1,479,389	1,387,657	1,459,960
Fiancial Services	1,045,556	1,279,931	1,116,095	1,127,608	1,055,507	1,122,160	1,057,404	1,025,566	1,097,062	1,224,791
Operation and Maintenance of Plar	8,845,169	9,632,216	8,650,721	9,687,996	9,135,807	9,535,189	9,464,585	10,413,532	9,613,213	11,467,236
Student Transportation Services	5,108,274	4,961,460	4,578,311	5,190,808	5,219,744	5,162,399	5,320,201	4,725,598	4,834,874	5,097,735
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	2,164,126	4,298,086
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	1,792,579	2,077,065
Community Services	21,511	20,319	19,196	20,456	13,446	11,270	5,514	12,920	15,843	11,250
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	2,725,147	4,283,071
Total Government Activities	87,491,296	88,585,743	84,066,465	95,817,286	95,427,073	96,187,831	96,434,006	100,439,725	106,782,991	113,840,529
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	3,244,501	3,918,363
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	1,057,128	1,195,858
Total primary government expenses	\$ 92,439,559	\$ 92,855,065	\$ 88,126,064	\$ 99,807,888	\$ 99,585,045	\$ 100,479,770	\$ 100,261,102	\$ 102,815,149	\$ 111,084,620	\$ 118,954,750
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	\$ 1,627,071	\$ 1,899,979	\$ 1,927,838
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	37,862,372	41,662,870	43,876,138
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	43,562,849	45,803,976
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	341,615	936,935	1,759,540
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	4,801,527	3,887,398
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	2,808,069	5,738,462	5,646,938
Total primary government program revenues	\$ 35,247,850	\$ 35,397,495	\$ 37,733,606	\$ 38,281,145	\$ 38,888,114	\$ 39,593,819	\$ 39,966,092	\$ 42,297,813	\$ 49,301,311	\$ 51,450,914

**MILLCREEK TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS**

	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
Net revenues (expenses)										
Governmental activities	\$ (56,862,196)	\$ (57,513,921)	\$ (50,473,863)	\$ (61,565,332)	\$ (60,781,824)	\$ (61,096,245)	\$ (60,325,715)	\$ (60,949,981)	\$ (63,220,142)	\$ (68,036,553)
Business-type activities	(329,513)	56,351	81,405	38,589	84,893	210,294	30,705	432,645	1,436,833	532,717
Total primary governmental expense	(57,191,709)	(57,457,570)	(50,392,458)	(61,526,744)	(60,696,931)	(60,885,950)	(60,295,010)	(60,517,336)	(61,783,309)	(67,503,836)
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	55,346,316	55,752,100	56,955,508	59,529,251
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	8,583,528	8,960,864
Real Estate Transfer Tax	974,640	921,188	741,724	792,111	864,858	1,284,997	937,429	1,305,762	1,312,049	1,214,953
Other Taxes	568,277	496,484	578,826	681,384	692,320	697,944	731,681	867,172	758,494	942,287
Investment earnings	18,663	4,946	1,602	25,821	127,157	661,577	988,670	349,137	233,146	3,100,929
Other Income	437,045	(56,368)	10,713	98,786	314,405	1,422,225	535,809	583,670	494,571	309,840
State Property Tax Reduction	933,950	934,701	933,827	933,759	934,615	935,258	936,949	935,753	937,737	1,177,809
Insurance Recoveries										202,279
Sale of Fixed Assets/Other Misc.	650,606	725,220	1,521,232	941,670		1,850	50	67,113	91,310	577,358
Total governmental activities	57,698,199	59,684,256	62,747,312	63,188,064	63,937,617	66,195,015	67,165,679	67,322,174	69,366,343	76,015,570
Business-type activities										
Investment earnings	-	-	-	-	-	-	5,483	1,329	2,391	24,172
Total business-type activities	-	-	-	-	-	-	5,483	1,329	2,391	24,172
Total primary government	57,698,199	59,684,256	62,747,312	63,188,064	63,937,617	66,195,015	67,171,162	67,323,503	69,368,734	76,039,742
Changes in net position										
Governmental activities	836,003	2,170,335	12,273,449	1,622,732	3,155,793	5,098,770	6,839,964	6,372,193	6,146,201	7,979,017
Business-type activities	(329,513)	56,351	81,405	38,589	84,893	210,294	36,188	433,974	1,439,224	556,889
Total primary government	\$ 506,490	\$ 2,226,686	\$ 12,354,854	\$ 1,661,320	\$ 3,240,686	\$ 5,309,064	\$ 6,876,152	\$ 6,806,167	\$ 7,585,425	\$ 8,535,906

Source: District Audited Financial Statements

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

Fiscal Year	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
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	\$ 40,718,342	\$ 51,233,137
Restricted	-	-	-	-	-	-	-	7,570,384	7,613,749	6,964,365
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)	(118,559,016)	(120,445,410)
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>	<u>(70,226,925)</u>	<u>(62,247,908)</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	1,122,467	984,711
Unrestricted	297,756	322,745	431,019	487,450	598,394	704,686	821,807	(1,840,692)	(1,019,785)	(325,140)
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>(1,336,543)</u>	<u>102,682</u>	<u>659,571</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	41,840,809	52,217,848
Restricted	-	-	-	-	-	-	-	7,570,384	7,613,749	6,964,365
Unrestricted	(4,536,623)	(134,590,558)	(124,793,733)	(126,319,937)	(136,735,136)	(133,088,112)	(128,423,502)	(136,465,079)	(119,578,801)	(120,770,550)
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>\$ (77,709,669)</u>	<u>\$ (70,124,243)</u>	<u>\$ (61,588,337)</u>

Source: District Audited Financial Statements

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

Fiscal Year	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
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)	(76,373,126)	(70,226,925)
Restatement		(139,019,522)	8,176,866	(5,701,841)	(14,046,263)			2,879,733	-	-
End of Year	33,804,668	(103,044,519)	(82,594,205)	(86,673,315)	(97,563,786)	(92,465,016)	(85,625,052)	(76,373,125)	(70,226,925)	(62,247,908)
Change in Net Position	836,003	2,170,335	12,273,448	1,622,731	3,155,792	5,098,770	6,839,964	6,372,194	6,146,201	7,979,017
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	(1,336,542)	102,682
Restatement								(2,879,733)	-	-
End of Year	601,497	657,848	739,253	777,842	862,735	1,073,029	1,109,217	(1,336,543)	102,682	659,571
Change in Net Position	(329,513)	56,351	81,405	38,589	84,893	210,294	36,188	433,973	1,439,224	556,889
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)	(77,709,668)	(70,124,243)
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)	(70,124,243)	(61,588,337)
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	7,585,425	8,535,906

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

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

	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
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	\$ 1,589,079	\$ 1,689,648
Access Funding	398,205	308,783	530,421	590,776	761,859	459,779	675,265	519,475	695,009	759,640
IDEA	1,111,779	-	-	-	-	-	-	-	-	-
COVID Stimulus Funding	-	-	-	-	-	-	38,635	2,402,764	5,681,101	5,210,869
Other Federal Grant Funding	-	-	-	-	-	-	-	-	-	454,857
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	7,965,189	8,115,014
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	15,273,361	16,415,143
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	9,125,813	9,458,084	9,744,727
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	4,096,747	4,404,552
Construction Subsidies	423,790	646,571	630,552	657,703	84,097	83,090	80,786	449,536	548,452	142,322
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	1,786,778	1,580,736
Property Tax Reduction Allocation	933,950	934,701	933,827	933,759	934,615	935,258	936,949	935,753	937,737	1,177,809
Nurse Care Subsidies	174,406	175,161	171,076	166,902	150,171	154,896	152,294	146,538	143,454	143,081
State Grants and Other	341,185	694,466	694,483	983,232	831,212	1,059,396	931,929	1,209,720	798,329	1,430,527
Total State Sources	25,419,025	26,777,019	29,164,835	29,788,180	30,077,833	30,750,217	31,430,869	32,567,714	33,042,942	35,038,897
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	57,103,827	59,711,627
Interim Taxes	222,704	145,927	208,850	302,994	144,640	84,202	79,019	232,454	128,515	166,013
PILOT Taxes	143,731	150,612	154,076	173,964	328,822	404,596	458,579	428,209	435,916	568,844
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	8,583,528	8,960,864
Realty Transfer Taxes	974,640	921,188	741,724	792,111	864,858	1,284,997	937,429	1,305,762	1,312,049	1,214,953
Public Utility Taxes	68,434	67,325	64,152	64,440	61,277	61,847	56,804	61,084	63,735	62,981
Local Service Tax	133,408	132,620	151,748	139,986	157,581	147,299	137,279	145,426	130,328	144,449
Investment Earnings	18,663	4,946	1,602	25,821	127,157	661,577	988,670	349,137	233,146	3,100,929
IDEA/Federal Pass Through	-	1,312,357	1,445,416	1,542,932	1,443,983	1,360,771	1,412,541	1,698,132	1,592,477	1,650,035
Tuition from Patrons	2,526,175	1,981,582	1,673,085	1,175,767	1,223,867	1,325,287	1,258,393	1,305,996	1,448,158	1,433,889
Other Revenues	1,087,345	458,715	602,006	839,890	616,838	1,821,268	959,425	904,746	946,390	1,053,790
Total Local Sources	59,467,941	61,805,167	63,890,085	64,763,773	65,953,814	68,383,108	69,443,118	69,878,671	71,978,069	78,068,374
Total Revenues	\$ 87,498,869	\$ 90,059,045	\$ 94,930,644	\$ 96,507,012	\$ 98,437,056	\$ 101,244,653	\$ 103,154,032	\$ 106,978,965	\$ 112,986,200	\$ 121,222,285

Source: District Audited Financial Statements

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

Function	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
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	\$ 61,760,320	\$ 70,595,241	\$ 65,274,584
Pupil Services	3,244,580	3,559,692	4,407,511	4,328,748	4,755,139	4,322,150	4,327,378	4,427,007	4,363,257	4,500,532
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	3,060,913	4,275,795
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	6,779,529	6,894,648
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	1,416,293	1,411,346
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	1,119,700	1,184,007
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	9,811,590	11,085,397
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	4,934,645	4,927,989
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	2,208,784	4,154,967
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	1,792,579	2,077,065
Community Services	21,511	20,319	19,196	20,456	13,446	11,270	5,514	12,920	15,843	11,250
Other	-	-	-	-	165,279	129,215	132,201	51,196	40,453	187,595
Subtotal Noncapital Expenditures	81,245,312	81,735,414	83,108,197	86,853,017	89,521,597	89,800,226	92,549,568	95,675,350	106,138,827	105,985,175
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	24,077,093	28,195,487
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	24,077,093	28,195,487
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	5,345,827	5,116,141
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	2,600,620	4,301,630
Paying Agent/Issuance Costs	24,127	19,470	11,910	4,090	3,730	4,019	624,717	3,588	2,672	3,373
Subtotal Debt Services	6,028,602	6,394,679	6,326,098	6,378,142	5,512,082	5,598,494	6,302,389	7,484,061	7,949,119	9,421,144
Total Expenditures	\$ 96,188,146	\$ 98,996,087	\$ 95,669,111	\$ 93,881,338	\$ 98,013,209	\$ 96,695,215	\$ 103,788,821	\$ 120,368,943	\$ 138,165,039	\$ 143,601,806
Debt as a Percentage of Noncapital Expenditures	7.42%	7.82%	7.61%	7.34%	6.16%	6.23%	6.81%	7.82%	7.49%	8.89%

Source: District Audited Financial Statements

MILLCREEK TOWNSHIP SCHOOL DISTRICT
OTHER FINANCING SOURCES AND USES AND NET CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
Excess of Revenues Over/ Under Expenditures	\$ (8,689,277)	\$ (8,937,042)	\$ (738,467)	\$ 2,625,673	\$ 423,847	\$ 4,549,438	\$ (634,789)	\$ (120,368,943)	\$ (25,178,839)	\$ (22,379,521)
Other Financing Sources(Uses)										
General Long-Term Debt Issued	26,695,000			-	-	-	43,350,000		58,475,000	-
Sale of Fixed Assets/Other		17,351	1,514,030	941,670	-	1,850	50	67,113	91,310	577,358
Insurance Recoveries										202,279
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		4,322,156	-
Transfers In - Capital Projects	-	-	1,560,000	2,800,000	2,143,302	3,850,000	2,300,000	900,000	500,000	1,075,000
Transfers Out - General Fund	-	-	(1,560,000)	(2,800,000)	(2,143,302)	(3,850,000)	(2,300,000)	(900,000)	(500,000)	(1,075,000)
Total Other Financing Sources (Uses)	3,279,816	725,220	1,521,232	941,670	-	1,850	50,644,052	67,113	62,888,466	779,637
Net Change in Fund Balances	\$ (5,409,461)	\$ (8,211,822)	\$ 782,765	\$ 3,567,343	\$ 423,847	\$ 4,551,288	\$ 50,009,263	\$ (120,301,830)	\$ 37,709,627	\$ (21,599,884)

Source: District Audited Financial Statements

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

	2013-2014*	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021**	2021-2022	2022-2023
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	\$ 45,201,299	\$ 46,426,426
Fringe Benefits	20,536,870	23,973,517	24,614,364	26,740,379	28,663,345	27,834,777	28,517,636	30,186,053	31,226,671	32,154,948
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	5,069,626	5,081,585
Property Services	807,098	782,437	808,085	1,001,846	973,309	922,625	704,671	842,397	785,365	733,480
Other Services	858,744	884,589	954,828	1,046,580	1,018,715	868,892	852,731	875,143	944,059	974,357
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	5,045,033	5,106,940
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	12,337,139	5,678,023
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	2,885,314	3,859,263
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	1,703,577	1,954,517
Equipment	151,022	296,305	298,661	1,694,225	787,132	1,412,682	2,540,781	2,030,613	668,022	3,693,582
Dues and Fees	530,607	173,112	84,332	255,805	252,876	277,899	247,765	163,218	234,941	299,460
Debt Services	6,028,602	6,394,679	6,326,098	6,378,142	5,512,082	5,598,494	6,302,389	7,484,061	7,946,447	9,417,771
Other				165,279	129,215	129,215	132,201	51,196	40,453	25,966
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	24,077,093	28,195,488
Total Expenditures	\$ 96,188,146	\$ 98,996,087	\$ 95,669,110	\$ 93,881,339	\$ 98,013,210	\$ 96,695,215	\$ 103,788,822	\$ 120,368,942	\$ 138,165,039	\$ 143,601,806
Percentage Change in Expenditures		2.9%	-3.4%	-1.9%	4.4%	-1.3%	7.3%	16.0%	14.8%	3.9%
Percentage Change in Expenditures W/O Building Improvements		1.0%	1.5%	4.2%	1.9%	0.4%	3.6%	4.4%	10.6%	1.2%

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.

***In 2021-2022, a payment of \$6.3M made for Erie County Technical School renovation.

****In 2021-2022, doubled teacher substitute rate.

MILLCREEK TOWNSHIP SCHOOL DISTRICT
GOVERNMENTAL FUNDS – FUND BALANCES
LAST TEN FISCAL YEARS

Fiscal Year	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
General Fund										
Nonspendable	\$ 159,508	\$ 341,524	\$ 4,927,491	\$ 339,795	\$ 223,768	\$ 268,554	\$ 465,557	\$ 779,611	\$ 857,452	\$ 410,938
Committed/Restricted	-	-	-	388,531	663,381	1,044,106	1,452,626	1,586,597	1,863,595	3,254,642
Designated/Assigned	-	38,180	175,352	3,801,560	4,690,812	6,164,987	7,663,176	9,628,226	6,387,868	6,972,598
Undesignated/Unassigned	2,295,667	4,725,790	5,458,639	7,448,600	7,615,293	7,707,366	7,859,699	8,252,753	8,619,791	9,231,966
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>20,247,187</u>	<u>17,728,706</u>	<u>19,870,144</u>
All other governmental funds										
Committed										
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	77,837,040	54,095,718
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>	<u>77,837,040</u>	<u>54,095,718</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>\$ 57,856,118</u>	<u>\$ 95,565,746</u>	<u>\$ 73,965,862</u>

Source: District Audited Financial Statements

MILLCREEK TOWNSHIP SCHOOL DISTRICT
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
LAST TEN 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	60,167,975
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
2021-2022		57,103,827	1,312,049	8,583,528	63,735	130,329	67,193,468
2022-2023	\$	59,711,627	\$ 1,214,953	\$ 8,960,864	\$ 62,981	\$ 144,449	\$ 70,094,874

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.

MILLCREEK TOWNSHIP SCHOOL DISTRICT
 ASSESSED VALUE AND PROPERTY TAX RATES
 DIRECT AND OVERLAPPING GOVERNMENTS
 LAST TEN 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	3.5537	14.5003	5.7100	23.7640000	3,959,090,672
2021-2022	3.5537	14.7613	5.9600	24.2750000	3,974,178,214
2022-2023	3.5540	15.3517	5.9600	24.8657000	3,993,293,479

Source: Erie County Annual Financial Report & District Financial Office

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

<u>Year</u>	<u>Levy</u> <u>(Original)</u>	<u>Adjustments</u>	<u>Total</u> <u>Adjusted</u> <u>Levy</u>	<u>Homestead</u>	<u>Collections</u>	<u>Face Value of</u> <u>Current Tax</u> <u>Collections (1)</u>	<u>Percentage</u> <u>Collected</u>	<u>Discount</u>	<u>Net</u> <u>Collection</u>	<u>Outstanding</u> <u>Delinquent</u> <u>Taxes</u>	<u>Delinquent</u> <u>Taxes as</u> <u>Percent</u> <u>of Levy</u>	<u>Delinquent</u> <u>Collected</u>	<u>Collections</u> <u>to Date</u>	<u>Percentage</u> <u>Collected</u> <u>to Date</u>	<u>Payment In</u> <u>Lieu of</u> <u>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)	51,079,602	932,332	48,133,145	49,065,477	96.02%	(877,874)	48,187,603	2,911,665	5.70%	1,780,002	50,845,479	99.54%	150,612
2015-2016	52,639,253	(10,563)	52,628,690	931,619	49,928,975	50,860,594	96.62%	(890,236)	49,970,358	2,668,895	5.07%	1,898,094	52,758,688	100.25%	154,076
2016-2017	54,071,430	302,150	54,373,580	931,767	51,300,805	52,232,572	96.60%	(906,849)	51,325,723	2,745,707	5.05%	1,606,071	53,838,643	99.02%	173,964
2017-2018	54,231,378	(304,381)	53,926,997	932,678	52,412,119	53,344,797	98.37%	(934,732)	52,410,065	1,821,313	3.38%	1,621,122	54,965,919	101.93%	328,822
2018-2019	55,469,651	(35,018)	55,434,633	933,630	52,907,688	53,841,318	97.06%	(955,856)	52,885,462	2,584,189	4.66%	1,490,031	55,331,349	99.81%	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	56,920,989	99.63%	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	2,673,185	4.66%	1,845,403	57,555,876	100.28%	428,209
2021-2022	58,665,238	(12,728)	58,652,510	937,737	56,233,281	57,171,018	97.45%	(1,044,311)	56,126,707	2,538,531	4.33%	1,612,873	58,783,891	100.22%	435,916
2022-2023	\$ 61,303,844	\$ (4,796)	\$ 61,299,048	\$ 1,177,809	\$ 58,690,499	\$ 59,868,308	97.66%	\$ (1,062,376)	\$ 58,805,932	\$ 2,497,912	4.07%	\$ 1,656,159	\$ 61,524,467	100.37%	\$ 568,844

(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

MILLCREEK TOWNSHIP SCHOOL DISTRICT
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXIBLE PROPERTY
 LAST TEN 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
2021-2022	3,974,178,214	441,449,198	4,415,627,412	3,846,491,143	14.7613
2022-2023	3,993,293,479	445,243,420	4,438,536,899	4,049,166,886	15.3517

(1) Data provided by State Tax Equalization Board

Source: Erie County Assessment Department

MILLCREEK TOWNSHIP SCHOOL DISTRICT
TEN LARGEST TAXPAYERS
LAST TEN FISCAL YEARS

Taxpayer	7/1/2022			7/1/2012		
	Assessed Value	Rank	Percentage of Total Assessed Valuation	Assessed Value	Rank	Percentage of Total Assessed Valuation
Millcreek Mall Corp	\$ 106,236,700	1	2.66%	\$ 104,953,800	1	3.19%
Riedman Properties EP I LLC	64,416,620	2	1.61%	-	-	-
Baldwin Brothers	54,269,109	3	1.36%			
Millcreek Community Hospital	37,195,490	4	0.93%	27,193,098	3	0.83%
PA Eastway INC	35,443,400	5	0.89%	-	-	-
Maleno LLC	31,618,000	6	0.79%	23,489,020	4	0.71%
Erie Reserve	27,269,000	7	0.68%			
Wegamans Food Markets Inc.	19,605,676	8	0.49%	12,533,200	7	0.38%
Yorktown Station LLC	19,297,500	9	0.48%	-	-	-
Palermo	18,030,288	10	0.45%			
Granada Apartment Holdings LLC	-	-	0.00%	18,117,100	5	0.55%
Pastore LLC	-	-	-	36,321,600	2	1.10%
Plastek	-	-	-	13,994,180	6	0.43%
79 Realty Corp	-	-	-	12,525,300	8	0.38%
Beverly Erie Acquisition LLC	-	-	-	9,974,700	9	0.30%
Lowes Home Centers Inc	-	-	-	9,380,709	10	0.29%
Total	\$ 413,381,783		10.35%	\$ 268,482,707		8.16%
Total Taxable Assessed Valuation	\$ 3,993,293,479			\$ 3,289,917,364		

Source: Millcreek Tax Office

MILLCREEK TOWNSHIP SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
LAST TEN FISCAL YEARS

Employer	7/1/2022			7/1/2012		
	Employees	Rank	Percentage of Total Municipal Employment	Employees	Rank	Percentage of Total Municipal Employment
Career Concepts Staffing Services	1,965	1	7.72%	243	8	1.22%
Millcreek Township School District	1,000	2	3.93%	744	1	3.72%
Plastek Industries Inc	890	3	3.49%	483	2	2.42%
Wegmans Food Markets	865	4	3.40%	391	3	1.96%
Millcreek Community Hospital	779	5	3.06%	279	5	1.40%
Waldameer Park	593	6	2.33%	-	-	-
VFI Community Services	585	7	2.30%	-	-	-
Walmart	518	8	2.03%	-	-	0.00%
Amazon Com. Services LLC	487	9	1.91%	-	-	-
Millcreek Manor	454	10	1.78%			
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	8,136		31.95%	3,401		17.02%
Total Employees	25,468			19,985		

Source: Berhiemer Associates Inc.

MILLCREEK TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF DIRECT AND OVERLAPPING DEBT AND DEBT RATIOS
YEAR ENDED JUNE 30, 2023

	<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	\$ 1,060,000	0.4808	0.2783	100.00%	\$ 918,165
General Obligation Bonds Series B of 2013	970,000	0.4808	0.2196	100.00%	867,584
General Obligation Bonds Series C of 2013	13,985,000	NA	0	100.00%	13,985,000
General Obligation Bonds of 2020	42,980,000	NA	0	100.00%	42,980,000
General Obligation Bonds of 2022	58,475,000	NA	0	100.00%	58,475,000
Lease Agreement 2537955 2019-20	36,934	NA	0	100.00%	36,934
Lease Agreement 2537955 2020-21	146,953	NA	0	100.00%	146,953
Lease Agreement 2537955 2021-22	14,776	NA	0	100.00%	14,776
FNB Lease	294,093	NA	0	100.00%	294,093
TOTAL DIRECT DEBT	\$ 117,962,756				\$ 117,718,504
Overlapping Debt					
Erie County *	27,628,823			27.27%	7,534,863
Millcreek Township	1,136,194			100.00%	1,136,194
TOTAL OVERLAPPING DEBT	\$ 28,765,017				\$ 8,671,057
TOTAL NET DIRECT & OVERLAPPING DEBT	\$ 146,727,773				\$ 126,389,561

*Source: Erie County CAFR for the year ended 12/31/2022. As of December 31, 2022, Erie County had outstanding debt of \$27,628,823. 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	2.95%	3.17%
Market Value	2.91%	3.12%
Per Capita	\$2,204.01	\$2,366.36
Assessed Value	\$3,993,293,479	
Market Value	\$4,049,166,886	
Population	53,411	

MILLCREEK TOWNSHIP SCHOOL DISTRICT
COMPUTATION OF NONELECTORAL DEBT MARGIN
AS OF JUNE 30, 2023

Formula for Debt Limit	Fiscal Year Ended June 30		
	2021	2022	2023
Total General Fund Revenues	\$106,865,542	\$112,069,464	\$118,622,757
Less: Required Deductions Included in Total Revenues			
a. Construction Subsidies	449,536	548,452	142,322
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	2,402,764	4,832,306	4,468,027
e. Nonrecurring Receipts	67,113	91,310	779,637
Net Revenues	\$103,946,129	\$106,597,396	\$113,232,771
Total Net Revenues for Three Years	\$323,776,296		
Borrowing Base -	\$107,925,432		
Average Net Revenues for Three-Year Period			
Multiplier	225%		
Total Nonelectoral Debt Limit	\$242,832,222		
Less: Amount of Debt Applicable to Debt Limit	\$117,718,504		
	<u>\$125,113,718</u>		

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 EIGHT FISCAL YEARS

	2016	2017	2018	2019	2020	2021	2022	2023
Debt Limit	\$203,092,316	\$209,686,533	\$216,374,909	\$221,517,689	\$226,692,819	\$230,887,973	\$234,969,365	\$242,832,222
Total Net Debt Applicable to Limit	43,950,370	39,591,227	36,016,781	32,203,334	71,676,584	67,796,535	121,829,789	117,718,504
Legal Debt Margin	\$159,141,946	\$170,095,306	\$180,358,128	\$189,314,355	\$155,016,235	\$163,091,438	\$113,139,576	\$125,113,718
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%	51.85%	48.48%

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

MILLCREEK TOWNSHIP SCHOOL DISTRICT
 RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
 TOTAL GENERALGOVERNMENTAL EXPENDITURES
 LAST TEN FISCAL YEARS

Fiscal Year	<u>Principal (2)</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total General Governmental Expenditures</u>	<u>Ratio of Debt Service to General Governmental Expenditures</u>
2013-2014	\$ 3,509,478	\$ 2,494,997	\$ 6,004,475	\$ 96,188,146	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	95,669,111	6.60%
2016-2017	4,594,553	1,779,499	6,374,052	93,881,338	6.79%
2017-2018	3,826,187	1,682,165	5,508,352	98,013,209	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	103,788,821	5.47%
2020-2021	4,655,598	2,824,875	7,480,473	120,368,943	6.21%
2021-2022	5,345,827	2,600,620	7,946,447	138,165,039	5.75%
2022-2023	5,116,141	4,301,630	9,417,771	143,601,806	6.56%

Source: District Audited Financial Statements

(2) Includes lease payments related to buildings energy efficient upgrades
 In 2021-2022, GASB 87 implemented the inclusion of leases

MILLCREEK TOWNSHIP SCHOOL DISTRICT
RATIO OF NET BONDED TO ASSESSED VALUE
AND NET BONDED DEBT PER CAPITA
LAST TEN 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%
2021-2022	54,073	3,974,178,214	3,846,491,143	122,195,000	-	122,195,000	3.1%	2,260	3.2%
2022-2023	53,411	3,993,293,479	4,049,166,886	117,962,756	-	117,962,756	3.0%	2,209	2.9%

(1) U.S. Census Quick facts

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

	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
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	1,305,000	1,060,000
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	1,915,000	970,000
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	17,155,000	13,985,000
2020 General Obligation Bonds	-	-	-	-	-	-	43,350,000	43,350,000	43,345,000	42,980,000
2022 General Obligation Bonds	-	-	-	-	-	-	-	-	58,475,000	58,475,000
2004 General Obligation Notes	696,000	540,000	384,000	228,000	76,000	-	-	-	-	-
2005 General Obligation Notes	75,330	-	-	-	-	-	-	-	-	-
Lease Agreement 2537955 2019-20									69,878	36,934
Lease Agreement 2537955 2020-21									211,324	146,953
Lease Agreement 2537955 2021-22									21,515	14,776
FNB Lease										294,093
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	\$ 122,497,717	\$ 117,962,756
Ratio of Debt to Personal Income*	2.9%	2.7%	2.5%	2.2%	2.0%	1.8%	4.0%	3.8%	6.0%	5.4%
Debt Per Capita	1,002	927	849	767	700	628	1,365	1,283	2,289	2,209

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

In 2021-2022, implementation of GASB 87.

MILLCREEK TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF TOTAL EXPENDITURES PER PUPIL
LAST TEN 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	\$ 96,188,146	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	95,669,111	6,962	13,742	89,434,293	12,846	5.0%
2016-2017	93,881,338	6,820	13,766	93,231,160	13,670	6.4%
2017-2018	98,013,209	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	103,788,821	6,614	15,692	98,312,394	14,864	1.8%
2020-2021	120,368,943	6,353	18,947	103,159,410	16,238	9.2%
2021-2022	138,165,039	6,338	21,799	114,087,946	18,001	10.9%
2022-2023	143,601,806	6,411	22,399	115,406,318	18,001	0.0%

Source: District Financial Audits

K-12 Enrollment as of October 1 of each year from Pennsylvania Department of Education

MILLCREEK TOWNSHIP SCHOOL DISTRICT
PUPIL TEACHER RATIOS
LAST TEN FISCAL YEARS

Fiscal Year	K-12 Enrollment	Teaching Staff	Pupil Teacher Ratio	Student Attendance Percentage	Number of Free & Reduced	Percentage of Free & Reduced
2013-2014	7,210	457.0	15.77681	95.6%	2,574	35.7%
2014-2015	7,205	457.0	15.76586	95.1%	2,706	37.6%
2015-2016	6,962	456.0	15.26754	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	14.79018	95.5%	2,759	41.6%
2018-2019	6,525	446.0	14.63004	95.5%	2,826	43.3%
2019-2020	6,614	445.0	14.86292	95.3%	2,807	42.4%
2020-2021	6,353	465.0	13.66237	96.5%	2,627	41.4%
2021-2022	6,338	461.0	13.74837	94.1%	2,557	40.3%
2022-2023	6,411	464.0	13.81681	92.9%	3,152	49.2%

Source: District Finance Department

Note: Free & Reduced as of Oct 1.

MILLCREEK TOWNSHIP SCHOOL DISTRICT
TOTAL NUMBER OF EMPLOYEES
LAST TEN 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>21/22</u>	<u>22/23</u>
<u>Administration</u>										
Central Administration	7.0	7.0	7.0	7.0	8.0	8.0	8.0	8.0	9.0	9.0
Supervisors of Instruction/Pupil Svcs	3.0	3.0	3.0	3.0	4.0	4.0	4.0	4.0	6.0	5.0
Principals	10.0	10.0	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	12.0	12.0
Administrative Officer									3.0	3.0
Child Development Supervisor	0.0	0.0	0.0	0.0	1.0	1.0	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	41.0	40.0
<u>Instruction</u>										
Teachers	370.0	370.0	369.0	364.0	360.0	358.0	356.0	377.0	372.0	371.0
Special Ed. Teachers	87.0	87.0	87.0	85.0	88.0	88.0	89.0	88.0	89.0	93.0
Nurses/OT/PT	8.0	8.0	8.0	9.0	10.0	10.0	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	15.0	15.0
Psychologists	5.0	5.0	5.0	5.0	6.0	6.0	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	83.0	91.0
Instructional Assistants	84.0	84.0	83.0	65.0	59.0	58.0	58.0	49.0	55.0	53.0
Total	630.0	630.0	629.0	617.0	613.0	614.0	615.0	626.0	630.0	639.0
<u>Support and Administration</u>										
Technical Support (IT)	11.0	11.0	11.0	9.0	10.0	10.0	9.0	9.0	10.0	10.0
Maintenance	19.0	19.0	19.0	18.0	18.0	16.0	16.0	15.0	15.0	17.0
Custodians	52.5	52.5	52.5	52.5	52.5	52.5	52.5	52.5	52.5	53.0
Print Shop	2.0	2.0	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	2.0	2.0
Other Support - Classified	16.0	16.0	16.0	16.0	16.0	18.0	18.0	19.0	19.0	20.0
Security								2.0	4.0	8.0
Secretaries	35.0	35.0	34.0	34.0	34.0	34.0	34.0	35.0	35.0	35.5
Total	137.5	137.5	136.5	133.5	134.5	134.5	133.5	135.5	139.5	147.5
<u>Propreitary Funds</u>										
*Food Service	72.0	72.0	18.0	13.0	12.0	11.0	11.0	8.0	5.0	3.0
Child Development	42.0	42.0	33.0	34.0	33.0	32.0	31.0	29.0	29.0	29.0
Total	114.0	114.0	51.0	47.0	45.0	43.0	42.0	37.0	34.0	32.0
Total Number of Employees* (excludes Substitute Employees)	909.5	909.5	844.5	825.5	826.5	825.5	824.5	832.5	844.5	858.5
* Outsourced staff below 20 years of service in 2015-2016										
**Includes staff nurses										

Source: Millcreek Township School District Personnel Office

Note: movement in teachers from 20/21 relates to virtual teachers temporarily hired

MILLCREEK TOWNSHIP SCHOOL DISTRICT
HISTORICAL SCHEDULE OF TAX RATES AND STATISTICS
LAST FIFTEEN 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>
2009	\$ 3,123,702,837	14.1400	0.5%	0.5%	13	
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
2022	\$ 3,974,178,214	14.7613	0.5%	0.5%	10	6,338
2023	\$ 3,993,293,479	15.3517	0.5%	0.5%	10	6,411

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

Fiscal Year	Population	Total Personal Income	Per Capita Personal Income	Median Household Income	Persons in Poverty, Percent
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%
2021-2022*	54,073	\$ 1,972,312,675	\$ 36,475	\$ 64,003	7.4%
2022-2023**	53,411	\$ 2,169,394,587	\$ 40,617	\$ 71,762	8.3%
**Erie County			\$ 30,715	\$ 55,949	15.8%
**Pennsylvania			\$ 37,725	\$ 67,587	11.8%

Source: U.S. Censes Bureau

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

**Source: U.S. Census Quick Facts estimates July 1, 2022

AGE COMPOSITION

	0-17 Years	18-64 Years	65+ Years
Millcreek Township	20.00%	59.00%	21.00%
Erie County	20.60%	59.60%	19.80%
Pennsylvania	20.20%	60.20%	19.60%

Source: U.S. Census Quick Facts estimates July 1, 2022

HOUSING UNITS

	Owner Occupied Median Value	Homeownership Rate	Persons Per Household
Millcreek Township	\$ 181,400	71.2%	2.3
Erie County	144,100	67.4%	2.38
Pennsylvania	197,300	69.2%	2.44

Source: U.S. Census Quick Facts estimates July 1, 2022

Recent Trends in Unemployment Rates

Year	Erie County	Pennsylvania
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%
2021	6.3%	6.0%
2022	5.0%	4.3%

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

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

**MILLCREEK TOWNSHIP SCHOOL DISTRICT
BUILDING INFORMATION
YEAR ENDED JUNE 30, 2023**

	<u>Original Construction Date</u>	<u>Additional Renovation Date</u>	<u>Grades</u>	<u>Classrooms</u>	<u>Acres</u>	<u>Building Square Footage</u>	<u>Rated Pupil Capacity</u>	<u>Functional Capacity</u>	<u>2022-2023 Enrollment</u>
<u>Elementary:</u>									
Asbury	2004		K-5	29		73,750	600	620	517
Belle Valley	1990	2021	K-5	40	23	93,500	1,100	875	577
Chestnut Hill	1965	2021	K-5	21	21	46,355	625	600	364
Grandview	1971	2020	K-5	42	22	85,378	1,050	800	662
Tracy	1998	2023	K-5	30	10	65,800	650	550	493
<u>Middle</u>									
JS Wilson	1971	2008	6-8	39	28.4	136,385	883	688	550
Walnut Creek	1993	2023	6-8	36	55	123,300	810	750	427
Westlake	1958	2021	6-8	387	19	124,912	931	826	451
<u>High School</u>									
MIHS	1972	2022	9&10	74	14	345,521	1,566	1,402	1,254
McDowell	1953	2014	11&12	64	22	203,734	1,539	1,315	1,329
<u>Other</u>									
District Administrative Center	1969	2020			6.7	87,906			
Ridgfield	1952	2021	Alternative Ed.	14	8.3	33,171	375	350	
Caughey House				Purchased in 2019					
Bundy House	1900				1.5	1,823			

Source: School District Officials

Historical Enrollment Trends (Actual and Projected)

Actual Enrollment						
<u>School Year Ending June 30,</u>	<u>K-6</u>	<u>7-12</u>	<u>Total</u>	<u>*Total</u>	<u>Charter School</u>	<u>Special Education</u>
2014-2015	3,734	3,471	7,205		180	1,197
2015-2016	3,534	3,428	6,962		223	1,206
2016-2017	3,468	3,352	6,820	6,822	240	1,220
2017-2018	3,368	3,258	6,626	6,695	296	1,322
2018-2019	3,299	3,226	6,525	6,681	276	1,316
2019-2020	3,314	3,300	6,614	6,742	296	1,319
2020-2021	3,041	3,312	6,353	6,570	334	1,290
2021-2022	3,070	3,268	6,338	6,568	364	1,345
2022-2023	3,225	3,186	6,411	6,624	268	1,386
Projected Enrollment⁽³⁾						
<u>School Year Ending June 30,</u>	<u>K-6</u>	<u>7-12</u>	<u>Total</u>			
2023-2024	3,198	3,274	6,472			
2024-2025	3,239	3,228	6,467			
2025-2026	3,298	3,174	6,472			
2026-2027	3,315	3,153	6,468			
2027-2028	3,308	3,160	6,468			

Source: Pennsylvania Department of Education (projected) adjusted to reflect a slight growing enrollment as expected.

*Source: District Business Office on June 30, which includes charter and outside placement enrollment

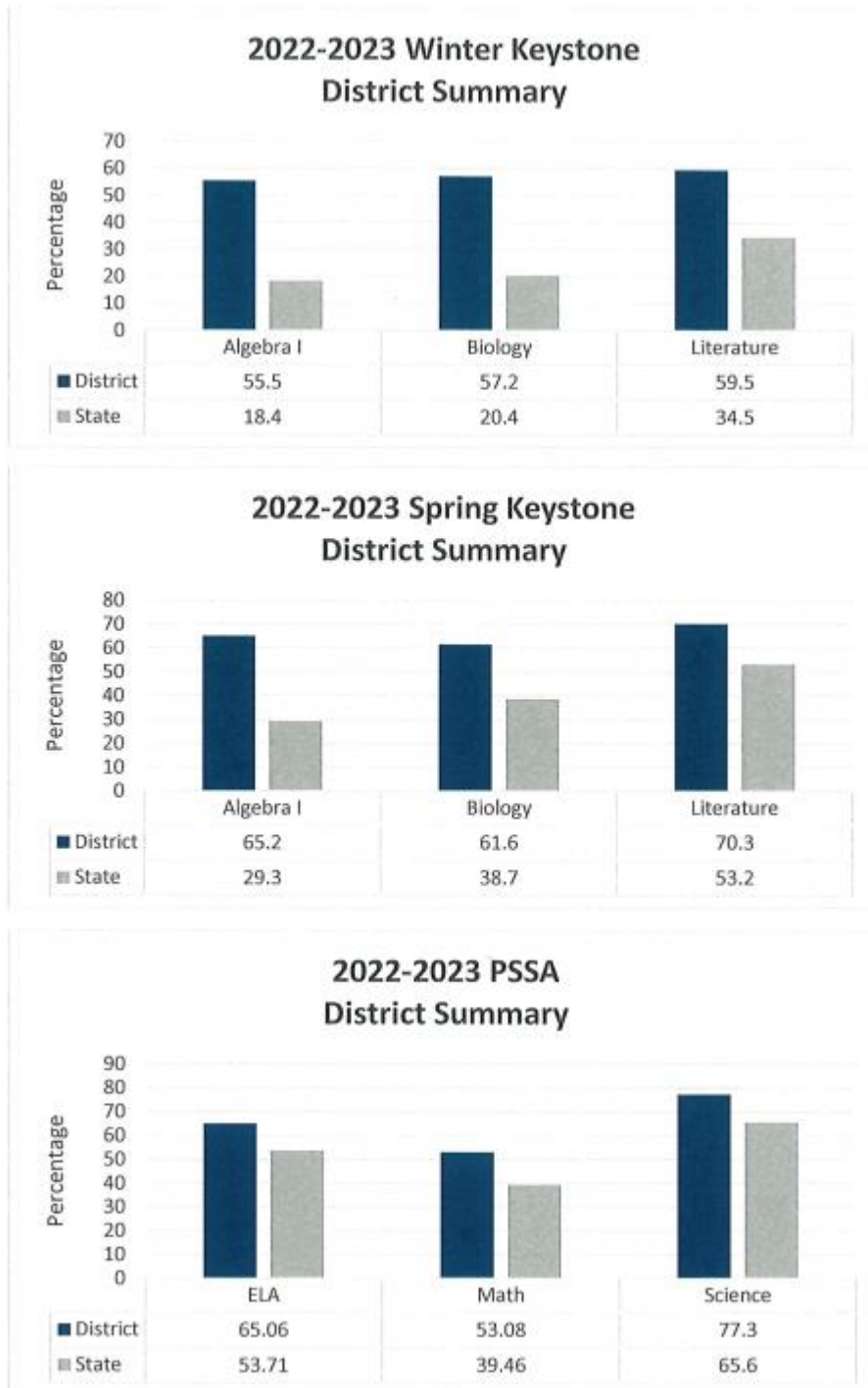
MILLCREEK TOWNSHIP SCHOOL DISTRICT

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. 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 allow 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.

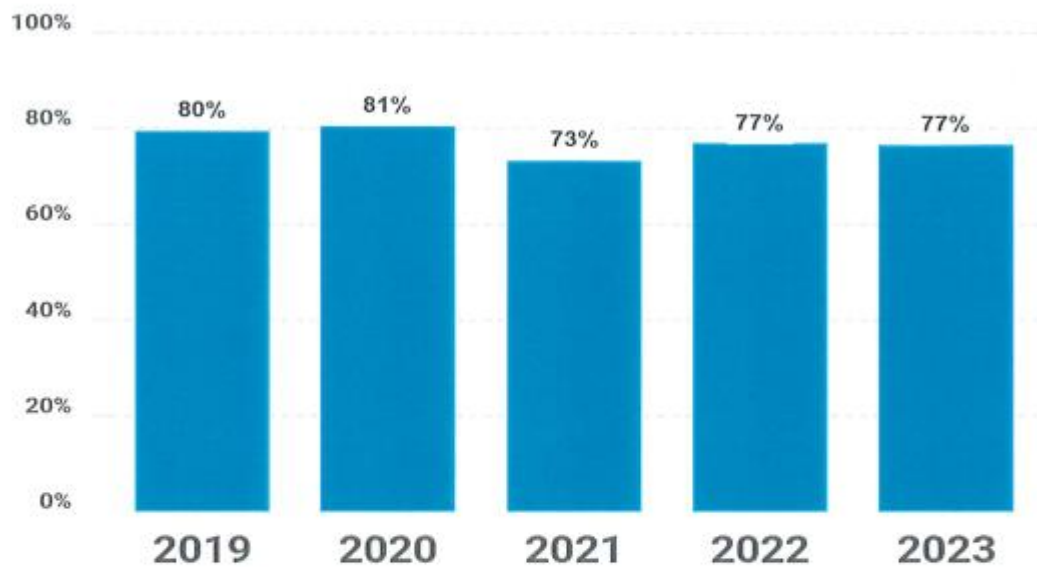
Results: Student achievement and growth are two of the best indicators of our successes. MTSD utilizes formalized summative data to benchmark how we are performing compared to other districts in the Commonwealth and across the United States. Our student achievement results, measured below using PSSA and Keystone state testing, indicate that we significantly outperformed state averages. Our growth models, the Pennsylvania Value Added Assessment System, shows that we are meeting or exceeding our learning targets in most areas. Finally, the MTSD average scores for our College Board AP exams show higher performance of percentage of students who achieve a score of 3 or higher on the College Board exams. Our participation has expanded as has the number of course offerings.

Millcreek Township School District Student Test Scores



Five-Year AP Score Summary 2023

McDowell High School

Percentage of Total AP Students with Scores of 3+

	2018	2019	2020	2021	2022	2023
Total AP Students	306	278	293	304	309	364
Number of Exams	514	466	550	549	515	664
AP Students with Scores of 3+	232	221	236	223	238	279
Percent of AP Students with Scores of 3+	75.82	79.50	80.55	73.36	77.02	76.65

Millcreek Township School District Pennsylvania

Subject	← Year	← Grade	Growth Color Indicator
PSSA Math - 4-8	2023	4	<div> <div>Below</div> </div>
		5	<div> <div>Well Above</div> </div>
		6	<div> <div>Well Below</div> </div>
		7	<div> <div>Meets</div> </div>
		8	<div> <div>Well Above</div> </div>
		Across Grades	<div> <div>Above</div> </div>
PSSA English Language Arts - 4-8	2023	4	<div> <div>Meets</div> </div>
		5	<div> <div>Meets</div> </div>
		6	<div> <div>Well Below</div> </div>
		7	<div> <div>Well Below</div> </div>
		8	<div> <div>Meets</div> </div>
		Across Grades	<div> <div>Well Below</div> </div>
PSSA Science - 4,8	2023	4	<div> <div>Below</div> </div>
		8	<div> <div>Well Above</div> </div>
Keystone Algebra I	2023	N/A	<div> <div>Well Above</div> </div>
Keystone Biology	2023	N/A	<div> <div>Above</div> </div>
Keystone Literature	2023	N/A	<div> <div>Meets</div> </div>