

TYRONE AREA SCHOOL DISTRICT
FINANCIAL REPORT
JUNE 30, 2024

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INDEPENDENT AUDITOR'S REPORT

Board of School Directors
Tyrone Area School District
Tyrone, Pennsylvania

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Tyrone Area School District (District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows and budgetary comparison for the General Fund 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) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe 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

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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

TYRONE AREA SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the required supplementary information as listed in the Contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, in considering District's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "Boyer & Fitter". The signature is fluid and cursive, with a large loop at the end.

State College, Pennsylvania
January 20, 2025

TYRONE AREA SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS June 30, 2024

This management discussion and analysis of Tyrone Area School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2024. The intent of this discussion and analysis is to look at the District's financial performance overall. We encourage readers to consider the information presented here in conjunction with the additional information furnished in the basic financial statements and the notes to the financial statements.

The Management Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Government Accounting Standards Board (GASB) in its Statement No. 34 issued in June 1999.

Background:

The Management Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments issued June 1999. Certain comparative information between the current year and the prior year is required to be presented.

Previous standards (pre GASB 34) required modified accrual (no receivables/accruals beyond 60 days), no capital asset depreciation and no reports of combined net position. GASB 34 requires fixed asset accounting, properly combining of multiple funds and the realization of the depreciation expense as part of the Statement of Net Position and Statement of Activities.

Various statements required under GASB 34 are:

- ◆ Statement of Net Position
- ◆ Statement of Activities
- ◆ Balance Sheet of Governmental Funds
- ◆ Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position
- ◆ Statement of Revenues, Expenditures and Changes in Fund Balances
- ◆ Reconciliation of Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities
- ◆ Statement of Revenues, Expenditures and Changes in Fund Balance

Overview of the Financial Statements

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

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

The *statement of net position* presents information on all of the District's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Tyrone Area School District is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of Tyrone Area School District include most of the School District's basic services, such as regular and special education, administration, and transportation. Property taxes and formula-based state aid finance most of these activities. The Food Service Fund is the sole business-type activity for Tyrone Area School District.

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Proprietary funds. Tyrone Area School District maintains two proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Tyrone Area School District uses enterprise funds to account for its Food Service Fund and Day Care Fund. *Internal Service funds* (the other type of proprietary fund) are used to report activities that provide supplies and services for the government's other programs and activities. The District currently does not have any internal service funds.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Food Service Fund, which is considered to be a major fund of the District, and the Day Care Fund.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the operations of the Tyrone Area School District. The accounting used for fiduciary funds is much like that used for proprietary funds.

Tyrone Area School District maintains two fiduciary funds, a Consolidated Scholarship Trust Fund and a Student Activities Fund.

Notes to financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*.

Table A-1 summarizes the major features of the District’s financial statements, including the portion of the District they cover and the types of information they contain. The remainder of this overview section of MD&A explains the structure and contents of the statements.

Table A-1
Major Features of Tyrone Area School District’s
Government-Wide and Fund Financial Statements

	Government-Wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	Activities of the District that are not proprietary or fiduciary , such as education, administration and community services	Activities the District operates similar to private business - Food Service Day Care	Activities in which the District is the trustee or agent for another party’s resources - Scholarship Fund Student Activities Fund
Required Financial Information	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 Position Statement of Cash Flows	Statement of Fiduciary Net Position Statement of Changes in Fiduciary Net Position
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

Entity-Wide Statements

The entity-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The two entity-wide statements report the District's net position and how they have changed. Net position, the difference between the District's assets and liabilities, is one way to measure the District's overall financial position.

- Increases or decreases in the District's net position is one indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall financial condition of the District's additional non-financial factors, such as changes in the District's property tax base and the condition of school buildings and other facilities, should be considered.

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

- Governmental activities - Most of the District's basic services are included here, such as regular and special education, transportation, support services, community programs and administration. Property taxes and state formula aid finance most of these activities.
- Business-type activities - The District charges fees and received federal and state reimbursements to cover the costs of its food service operation. The financial activities of this program are reported as a business-type activity.

Financial Highlights - Entity-Wide Statements

The District's financial status, as reflected in total net position, increased by \$799,271 for the current fiscal period. Net position of governmental activities increased by \$953,775. Business-type activities decreased \$154,504 for the current fiscal period.

Business-type activities had a net increase in capital assets of \$73,430 and governmental activities had a net decrease of \$57,976 in capital assets as a result of depreciation outpacing acquisition of new equipment/capital assets.

On the Statement of Activities, the District had a total of \$32,266,511 of program revenues, general revenues, and charge for services and \$31,467,240 of expenses that resulted in the \$799,271 increase in net position. Operating grants and contributions and charge for services provided \$12,693,126 (39.34%), grants, subsidies and contributions \$10,266,481 (31.82%); property and other taxes \$8,549,511 (26.50%); investment earnings and miscellaneous income: \$757,393 (2.34%).

In governmental activities, general tax revenues are primarily comprised of property taxes that accounted for \$6,534,294 or 76.43% of tax revenue, while all other taxes accounted for \$2,015,217 or 23.57%. The District does not levy any per capita tax or realty transfer tax.

The food service program is one of the District's business-type activities, had a total of \$1,412,769 of expenses, of which \$356,218 was financed by charges for services and \$1,001,967 with federal and state subsidies. The overall net position of the food service program was \$704,227 as of June 30, 2024. The day care had a total of \$305,182 in expenses, of which \$165,862 was financed by charges for services and \$32,467 with federal and state subsidies. The overall net position of the day care program was (\$205,603) as of June 30, 2024.

Fund Financial Statements

The fund financial statements provide more detailed information about the district's funds, focusing on its most significant or "major" funds - not the district as a whole. Funds are accounting devices the district uses to keep track of sources of funding and spending on particular programs and to demonstrate compliance with various regulatory requirements.

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (like repaying its long-term debt) or to show that it is properly using certain revenues (like capital project funds).

The District has three kinds of funds:

- Governmental funds - Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for funding future basic services. Consequently, the government funds statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Governmental fund information does not report on long-term commitments as is reported on the District-wide statements. Therefore, an explanation of the differences between the governmental funds and the District-wide statements is included as a separate statement.
- Proprietary funds - The food service fund, and activity for which the District charges a fee and for which revenues are expected to cover all expenses is reported as a proprietary fund. Proprietary funds are reported in the same way as the District-wide statements.
- Fiduciary funds - The District serves as a trustee, or fiduciary, for student organizations. The assets of these organizations belong to the organization, and not the District. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and only by those to whom the assets belong. These activities are excluded from the District-wide financial statements because the District cannot use these assets to finance its operations.

Financial Highlights - Fund Financial Statements

The general fund ending unassigned fund balance of \$1,550,000 equates to 5.34% of the adjusted operating budget of \$29,049,982. This includes a \$750,000 transfer to the capital reserve fund. This in line with the goal stated in Board Policy 620 which directs the school District to strive to maintain an unassigned general fund balance of not less than six percent (2%) and not more than eight percent (8%) of the budgeted expenditures for the fiscal year.

- Total general fund revenues were \$2,618,847 or 9.38% more than budgeted, mainly due to APR ESSER Funds.
- Total general fund expenses were \$599,868 or 2.06% less than budgeted.

The net change in fund balance of all governmental funds was (\$101,465). This is comprised of the results from general operations of the General Fund Account \$322,946; Capital Reserve (#32) Account \$9,899 and Capital Project (#39) \$(434,312). The ending fund balance for Capital Projects was \$142,506.

The General Fund had an ending fund balance of \$10,754,447 of which \$1,550,002 is unassigned. This includes athletic activities.

A portion of the District's Fund Balance has been identified as restricted and assigned through board action as follows:

Assigned:

Retirement	\$ 1,000,000
Projected State and Federal Funding Shortfall	\$ 2,000,000
Future Technology Needs	\$ 2,000,000
Capital Projects	\$ 4,204,445
	<u>\$ 9,204,445</u>

The Capital Reserve fund had an ending fund balance of \$3,961,225. This entire amount is restricted to debt service payments and capital repairs, or improvements as defined in Municipal Code Section 1431.

Government-wide Financial Analysis

Net Position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Tyrone Area School District, assets exceeded liabilities by \$11,800,785 at the close of the most recent fiscal year.

By far the largest portion of the District's assets reflects its investment in capital assets (e.g., land, buildings, furniture and equipment, construction-in-progress). The Tyrone Area School District uses these capital assets to provide services to students; consequently, these assets are *not* available for future spending. The largest portion of the District's liabilities is its long-term liabilities related to pension and other post-employment benefits.

An additional portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* may be used to meet the government's ongoing obligations.

The Net Position as of June 30, 2024, and 2023, for Tyrone Area School District is summarized below in Table A-2. At the end of the current fiscal year, the District is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

Table A-2
Tyrone Area School District
Net Position
June 30,

	2024			2023		
	Governmental Activities	Business-Type Activities	Total School District	Governmental Activities	Business-Type Activities	Total School District
Assets						
Current and other assets	\$ 19,040,928	\$ 978,174	\$ 20,019,102	\$ 19,061,664	\$ 1,331,661	\$ 20,393,325
Capital assets	36,125,275	280,628	36,405,903	36,183,251	207,198	36,390,449
Total assets	\$ 55,166,203	\$ 1,258,802	\$ 56,425,005	\$ 55,244,915	\$ 1,538,859	\$ 56,783,774
Deferred Outflows of Resources	\$ 6,672,200	\$ 141,800	\$ 6,814,000	\$ 6,652,400	\$ 140,200	\$ 6,792,600
Liabilities						
Long-term liabilities outstanding	\$ 44,139,934	\$ 825,304	\$ 44,965,238	\$ 44,343,761	\$ 827,400	\$ 45,171,161
Other liabilities	3,706,908	38,074	3,744,982	3,646,868	139,931	3,786,799
Total liabilities	\$ 47,846,842	\$ 863,378	\$ 48,710,220	\$ 47,990,629	\$ 967,331	\$ 48,957,960
Deferred Inflows of Resources	\$ 2,689,400	\$ 38,600	\$ 2,728,000	\$ 3,558,300	\$ 58,600	\$ 3,616,900
Net Position						
Invested in capital assets, net of related debt	\$ 31,010,592	\$ 280,628	\$ 31,291,220	\$ 30,901,337	\$ 207,198	\$ 31,108,535
Restricted	4,103,730	-	4,103,730	4,528,142	-	4,528,142
Unrestricted	(23,812,161)	217,996	(23,594,165)	(25,081,093)	445,930	(24,635,163)
Total net position	\$ 11,302,161	\$ 498,624	\$ 11,800,785	\$ 10,348,386	\$ 653,128	\$ 11,001,514

Changes in Net Position. The results of this year's operations as a whole are reported in the Statement of Activities in the basic financial statements. Table A-3 takes the information from that Statement and rearranges it slightly so that you can see total revenues for the year. The two largest general revenues are the formula-based state aid received from the Commonwealth of Pennsylvania and the local taxes assessed to property owners.

Table A-3
Tyrone Area School District
Changes in Net Position
June 30,

	2024			2023		
	Governmental Activities	Business-Type Activities	Total School District	Governmental Activities	Business-Type Activities	Total School District
Revenues						
Program revenues						
Charges for services	\$ 213,454	\$ 522,080	\$ 735,534	\$ 226,797	\$ 676,033	\$ 902,830
Operating grants and contributions	10,923,158	1,034,434	11,957,592	11,623,307	1,057,467	12,680,774
General revenues						
Property taxes	6,534,294	-	6,534,294	6,176,087	-	6,176,087
Formula-based state aid	10,266,481	-	10,266,481	9,958,875	-	9,958,875
Other	2,765,677	6,933	2,772,610	2,404,395	6,571	2,410,966
Total revenues	30,703,064	1,563,447	32,266,511	30,389,461	1,740,071	32,129,532
Expenses						
Instruction	17,616,385	-	17,616,385	16,386,366	-	16,386,366
Instructional student support	3,738,489	-	3,738,489	3,263,437	-	3,263,437
Admin. and financial support	2,528,619	-	2,528,619	2,403,445	-	2,403,445
Operation and maint. of plant svcs.	3,736,536	-	3,736,536	3,833,393	-	3,833,393
Pupil transportation	1,392,023	-	1,392,023	1,366,765	-	1,366,765
Food service	-	1,412,769	1,412,769	-	1,318,426	1,318,426
Day care	-	305,182	305,182	-	285,260	285,260
Other	737,237	-	737,237	682,386	-	682,386
Total expenses	29,749,289	1,717,951	31,467,240	27,935,792	1,603,686	29,539,478
Changes in net position	\$ 953,775	\$ (154,504)	\$ 799,271	\$ 2,453,669	\$ 136,385	\$ 2,590,054

Capital Asset and Debt Administration

Capital assets. The District's investment in capital assets for its governmental and business-type activities as of June 30, 2024 and 2023, is summarized in Table A-4 below:

Table A-4
Tyrone Area School District
Capital Assets - Net of Depreciation
(in thousands of dollars)

	Governmental	Business-Type	Total
2024	Activities	Activities	School District
Construction-in-progress	\$ 5,908,741	\$ -	\$ 5,908,741
Land and improvements	2,187,716	-	2,187,716
Buildings and building improvements	27,234,547	-	27,234,547
Furniture and equipment	294,484	280,628	575,112
Right to use- subscription assets	499,787	-	499,787
Total capital assets - net of depreciation	\$ 36,125,275	\$ 280,628	\$ 36,405,903

	Governmental	Business-Type	Total
2023	Activities	Activities	School District
Construction-in-progress	\$ 4,755,860	\$ -	\$ 4,755,860
Land and improvements	2,301,011	-	2,301,011
Buildings and building improvements	28,174,020	-	28,174,020
Furniture and equipment	506,141	207,198	713,339
Right to use - subscription assets	446,219	-	446,219
Total capital assets - net of depreciation	\$ 36,183,251	\$ 207,198	\$ 36,390,449

Long-Term Debt

As of June 30, 2024, the District had total long-term liabilities of \$44,965,238.

	Governmental Activities		Business-Type Activities	
	2024	2023	2024	2023
General Obligation Bonds	4,882,000	5,075,000	-	-
Leases & Other RTU Arrangements	232,683	205,914	-	-
Other Postemployment Benefits	3,942,000	4,029,000	32,000	32,000
Net Pension Liability	34,317,000	34,425,000	783,000	786,000
Compensated Absences	766,251	607,846	10,304	9,400
TOTAL	44,139,934	44,342,761	825,304	827,400

The District had total bonded debt outstanding of \$4,882,000 on June 30, 2024. This amount represents the outstanding principal due to these obligations. The District issued this new debt in May 2022 for capital improvements consisting of the high school auditorium renovation and soccer field renovation.

The District reports its allocated portion of its defined benefit unfunded benefit obligation related to its participation in PSERS. The District's allocated portion of the net pension liability is an actuarially determined estimate of the unfunded cost of the pension plan obligation which totaled \$34,317,000 as of June 30, 2024.

Other non-current liabilities consist of the District's liabilities for compensated absences, subscriptions payable, and its net obligation for post-employment benefits, which totaled \$4,940,934.

Strategic Plan

Tyrone Area School District is operating under the 2022-2025 Future Read Comprehensive Plan, as required by the PA Department of Education. The plan was developed through a collaborative process involving District and school administrators, teachers, parents, and community leaders. This new comprehensive plan was approved by the board during the month of July 2022. The District's mission statement, "We establish high standards of learning and expect all students to achieve. Our goal is to facilitate collaboration among staff, parents, and community to create an environment that supports, engages, and challenges students to achieve high levels of success," outlines the culture of high expectations and collaboration toward which the District strives.

Factors Bearing on the District's Future

Currently known circumstances that will impact the District's financial status in the future are:

- Covid-19 - Grant funds have been made available federally, and currently negate most of the overall impact that Covid has had on the district's financial status. The district received or is slated to receive the following Covid funding. However, with the uncertainty of the pandemic moving forward, this could change the financial impact on the district. Grant periods vary in range with the latest funds to be expensed by September 30, 2024.

PCCD - Covid Safety & Security	\$188,765
ESSER I (CARES Act)	\$395,816
PCCD - School Safety & Continuity of Education	\$54,622
Pre-K Counts CARES Covid Relief	\$18,590
Special Education Covid Impact Mitigation Grant	\$8,075
Governor' Emergency Education Relief Fund	\$55,521
Early Learning Resource Center CARES Funds	\$189,620
ESSER II (CRRES Covid Relief Funds)	\$1,848,203
American Rescue Plan - Homeless	\$18,964
American Rescue Plan - IDEA	\$28,093
American Rescue Plan 7% Set-Asides (Learning Loss)	\$290,556
American Rescue Plan (ESSER III)	\$3,738,381
American Rescue Plan – IDEA 611	\$64,597
American Rescue Plan – ELRC Daycare	\$174,798
American Rescue Plan - ELRC Daycare 2.0	\$23,655

- The labor agreement with the Tyrone Area Education Association was negotiated for the 2022-25 fiscal years. Negotiations for contract year starting July 1, 2025 commenced in January 2025. Contract negotiations resulted in the following outcomes:

<u>Fiscal Year</u>	<u>Average Increase Per Teacher</u>	<u>%</u>
2022-23	\$1,842	3.20
2023-24	\$1,901	3.20
2024-25	\$1,961	3.20

- The collective bargaining agreement for TAESPA support staff expired on June 30, 2023. The labor agreement with the association was negotiated for the 2023-27 fiscal years. The contract was extended for two years in 2020 with no changes to the current CBA. Negotiations resulting in the following outcomes:

<u>Fiscal Year</u>	<u>Increase Per Employee</u>
2023-24	\$1.50 per hour
2024-25	\$1.25 per hour
2025-26	\$1.00 per hour
2026-27	\$1.00 per hour

- The district is mandated to participate in the Pennsylvania Public School Employees Retirement System (PSERS). The Commonwealth reimburses the school entity for 50% of the Employer Contributions due amount for their existing employees (Initial PSERS Membership date is earlier than 07/01/1994). and Employer Contributions multiplied by the employer's income/aid ratio (or 50%, whichever is greater) for new employees (hired on or after 07/01/1994). All Aid Ratios are calculated by the Department of Education. The Market Value/Personal Income Aid Ratio for 2023-24 was .6572. The following reflects the rate and rate changes over the past ten years.

PSERS Historical Rates

	<u>Rate</u>	<u>% Change</u>
2015-2016	25.84%	20.8%
2016-2017	30.03%	16.2%
2017-2018	32.57%	8.46%
2018-2019	33.43%	2.60%
2019-2020	34.29%	2.57%
2020-2021	34.51%	0.64%
2021-2022	34.94%	1.25%
2022-2023	35.79%	0.92%
2023-2024	34.00%	-3.57%
2024-2025	33.90%	-0.29%

Act 5 of 2017 made the following changes to the pension plan:

1. Maintains the defined benefit plan for existing employees but implemented a choice of three options for new employees: two defined benefit/defined contribution plans and a defined contribution plan only option.
2. Implemented a shared risk/gain provision wherein member's rate can increase or decrease 3% below or 3% above member's basic contribution rate, in increments of 0.75%.
3. Affects new members as of July 1, 2019. Current members who were active on July 1, 2019 had a one-time, irrevocable right to elect into any of the three new plans within 90 days after notice.
4. Defines the actuarially required contribution as the normal cost plus the amount to fully amortize the unfunded liability in accordance with actuarial standards of practice.

- The District is a member of the Blair County Health Insurance Consortium for the purpose of providing health insurance to employees in accordance with labor agreements. The rate increase for 2024-25 was 3.00% for the consortium. Increases are set in the spring of each year and are dependent on claims, expenses and reserves. Renewal history for the consortium is as follows:

<u>Year</u>	<u>Increase</u>	<u>Year</u>	<u>Increase</u>
2011-12	7.25%	2018-19	4.00%
2012-13	4.00%	2019-20	3.00%
2013-14	4.00%	2020-21	5.00%
2014-15	5.75%	2021-22	3.00%
2015-16	5.25%	2022-23	2.00%
2016-17	4.00%	2023-24	3.00%
2017-18	4.00%		

- Enrollment Projections – Projected enrollments are a key factor in determining the District’s class size and staffing needs. These enrollment projections are included below. Tyrone Area School District enrollment levels have declined during the 2023-24 school year. Prior to this, enrollment had been declining slightly for the last ten years as indicated below:

	<u>Total Enrollment</u>
2013-14	1,723
2014-15	1,751
2015-16	1,737
2016-17	1,736
2017-18	1,745
2018-19	1,746
2019-20	1,775
2020-21	1,731
2021-22	1,712
2022-23	1,640
2023-24	1,563

The current enrollment for 2024-25 decreased to 1,557 students. The District initiated a pre-kindergarten 4-year-old program in 2004-2005. During the 2007-08 year, a pre-kindergarten 3-year-old program was established. The total enrollment for 2023-24 was 124 students. The pre-kindergarten students are not reflected in the totals above. The District operates a Licensed Day Care program for the community which serves up to 45 student with the current staffing levels. Parents are charged a fee for service in this program. The program operates under a separate Proprietary fund.

Request for Information

This financial report is designed to provide a general overview of the finances of Tyrone Area School District for all those with an interest in the government’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Faith Swanson, Business Administrator, 701 Clay Avenue, Tyrone, Pennsylvania 16686. Email-fmswanson@tyrone.k12.pa.us.

TYRONE AREA SCHOOL DISTRICT

STATEMENT OF NET POSITION

June 30, 2024

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 3,006,735	\$ 853,041	\$ 3,859,776
Investments	13,332,551	-	13,332,551
Receivables			
Taxes - net of allowance for uncollectible taxes of \$43,332	781,706	-	781,706
Other	14,561	225	14,786
Due from other governments	1,905,375	109,221	2,014,596
Inventories	-	15,687	15,687
Capital assets			
Construction-in-progress	5,908,741	-	5,908,741
Land and site improvements - net	2,187,716	-	2,187,716
Building and building improvements - net	27,234,547	-	27,234,547
Furniture and equipment - net	294,484	280,628	575,112
Right-to-use subscription assets - net	499,787	-	499,787
Total capital assets	36,125,275	280,628	36,405,903
Deferred Outflows of Resources			
Deferred amounts on pension liability	5,956,000	136,000	6,092,000
Deferred amounts on OPEB liabilities	716,200	5,800	722,000
Total deferred outflows of resources	6,672,200	141,800	6,814,000
Total assets and deferred outflows of resources	\$ 61,838,403	\$ 1,400,602	\$ 63,239,005

See Notes to Financial Statements.

	Governmental Activities	Business-Type Activities	Total
Liabilities			
Accounts payable	\$ 274,934	\$ 3,459	\$ 278,393
Accrued salaries and benefits	1,822,529	13,720	1,836,249
Payroll deductions and withholdings	1,562,731	3,096	1,565,827
Unearned revenues	1,962	6,001	7,963
Deposits	-	11,798	11,798
Accrued interest	44,752	-	44,752
Long-term obligations			
Due within one year	292,772	-	292,772
Due in more than one year	5,588,162	10,304	5,598,466
Net pension liability	34,317,000	783,000	35,100,000
OPEB obligations	3,942,000	32,000	3,974,000
Total liabilities	47,846,842	863,378	48,710,220
Deferred Inflows of Resources			
Deferred amounts on pension liability	1,356,000	31,000	1,387,000
Deferred amounts on OPEB liabilities	1,333,400	7,600	1,341,000
Total deferred inflows of resources	2,689,400	38,600	2,728,000
Net Position			
Invested in capital assets - net of related debt	31,010,592	280,628	31,291,220
Restricted for capital projects	4,103,730	-	4,103,730
Unrestricted	(23,812,161)	217,996	(23,594,165)
Total net position	11,302,161	498,624	11,800,785
Total liabilities, deferred inflows of resources and net position	\$ 61,838,403	\$ 1,400,602	\$ 63,239,005

TYRONE AREA SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction	\$ 17,616,385	\$ 122,229	\$ 7,221,369	\$ -	\$ (10,272,787)	\$ -	\$ (10,272,787)
Instructional student support	3,738,489	-	1,215,789	-	(2,522,700)	-	(2,522,700)
Administration and financial support	2,528,619	-	346,569	-	(2,182,050)	-	(2,182,050)
Operation and maintenance of plant services	3,736,536	7,500	1,166,759	-	(2,562,277)	-	(2,562,277)
Pupil transportation	1,392,023	-	878,192	-	(513,831)	-	(513,831)
Student activities	726,234	83,725	93,897	-	(548,612)	-	(548,612)
Community services	11,003	-	583	-	(10,420)	-	(10,420)
Total governmental activities	29,749,289	213,454	10,923,158	-	(18,612,677)	-	(18,612,677)
Business-type activities:							
Food Service	1,412,769	356,218	1,001,967	-	-	(54,584)	(54,584)
Daycare	305,182	165,862	32,467	-	-	(106,853)	(106,853)
Total business-type activities	1,717,951	522,080	1,034,434	-	-	(161,437)	(161,437)
Total School District	\$ 31,467,240	\$ 735,534	\$ 11,957,592	\$ -	\$ (18,612,677)	\$ (161,437)	\$ (18,774,114)
General Revenues:							
Property taxes, levied for general purposes, net					\$ 6,534,294	\$ -	\$ 6,534,294
Public Utility Realty, Transfer, Earned Income and Per Capita for General Purposes, Net					2,015,217	-	2,015,217
Grants subsidies and contributions not restricted					10,266,481	-	10,266,481
Investment earnings					704,475	6,933	711,408
Miscellaneous income					45,985	-	45,985
Total general revenues					19,566,452	6,933	19,573,385
Change in net position					953,775	(154,504)	799,271
Net Position - July 1, 2023					10,348,386	653,128	11,001,514
Net Position - June 30, 2024					\$ 11,302,161	\$ 498,624	\$ 11,800,785

See Notes to Financial Statements.

TYRONE AREA SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2024

	General Fund	Capital Projects Fund	Total Governmental Funds
Assets			
Cash	\$ 1,380,305	\$ 1,626,430	\$ 3,006,735
Investments	10,855,251	2,477,300	13,332,551
Receivables			
Taxes - net of allowance for uncollectible taxes of \$43,332	781,706	-	781,706
Other	14,561	-	14,561
Due from other governments	1,905,375	-	1,905,375
Total assets	\$ 14,937,198	\$ 4,103,730	\$ 19,040,928
Liabilities			
Accounts payable	\$ 274,934	\$ -	\$ 274,934
Accrued salaries and benefits	1,822,529	-	1,822,529
Payroll deductions and withholdings	1,562,731	-	1,562,731
Unearned revenue	1,962	-	1,962
Total liabilities	3,662,156	-	3,662,156
Deferred Inflows of Resources			
Delinquent tax revenue	520,595	-	520,595
Fund Balances			
Restricted for:			
Capital projects	-	4,103,730	4,103,730
Committed fund balance for:			
Future retirement	1,000,000	-	1,000,000
Assigned fund balance for:			
Projected state and federal funding shortfall	2,000,000	-	2,000,000
Future technology needs	2,000,000	-	2,000,000
Capital project needs	4,204,445	-	4,204,445
Unassigned	1,550,002	-	1,550,002
Total fund balances	10,754,447	4,103,730	14,858,177
Total liabilities, deferred inflows of resources and fund balances	\$ 14,937,198	\$ 4,103,730	\$ 19,040,928

See Notes to Financial Statements.

TYRONE AREA SCHOOL DISTRICT

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION**

June 30, 2024

Total Fund Balances - Governmental Funds	\$	14,858,177
Capital Assets and right-to-use assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The cost of assets is \$65,859,026 and the accumulated depreciation is \$29,733,751.		36,125,275
Taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred revenues in the funds.		520,595
Deferred inflows and outflows or resources related to pensions are applicable to future periods and, therefore, are not reported within the funds. Deferred inflows and outflows related to pensions are as follows (see footnote for detail).		
Deferred inflows		(1,356,000)
Deferred outflows		5,956,000
Deferred inflows and outflows or resources related to OPEB are applicable to future periods and, therefore, are not reported within the funds. Deferred inflows and outflows related to OPEB are as follows (see footnote for detail).		
Deferred inflows		(1,333,400)
Deferred outflows		716,200
Long-term liabilities, including bonds payable and compensated absences, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:		
General obligation note	(4,882,000)	
Accrued Interest	(44,752)	
Subscriptions payable	(82,370)	
Right of use asset	(150,313)	
Other post-employment benefit obligations	(3,942,000)	
Net pension liability	(34,317,000)	
Compensated absences	(766,251)	
		<u>(44,184,686)</u>
Total net position - governmental activities	\$	11,302,161

See Notes to Financial Statements.

TYRONE AREA SCHOOL DISTRICT

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended June 30, 2024**

	General Fund	Capital Projects Fund	Total Governmental Funds
Revenues			
Local sources	\$ 9,717,732	\$ 147,745	\$ 9,865,477
State appropriations	18,247,664	-	18,247,664
Federal appropriations	2,571,003	-	2,571,003
Total revenues	30,536,399	147,745	30,684,144
Expenditures			
Instructional	17,350,239	-	17,350,239
Support services	10,187,891	-	10,187,891
Noninstructional services	714,601	-	714,601
Capital outlay	891,347	1,322,157	2,213,504
Debt service	505,772	-	505,772
Total expenditures	29,649,850	1,322,157	30,972,007
Excess (deficiency) of revenues over expenditures	886,549	(1,174,412)	(287,863)
Other Financing Sources			
Proceeds from leases and other right-to-use assets	186,398	-	186,398
Operating transfers in	-	750,000	750,000
Operating transfers out	(750,000)	-	(750,000)
Total other financing sources (uses) - net	(563,602)	750,000	186,398
Net changes in fund balances	322,947	(424,412)	(101,465)
Fund Balances - July 1, 2023	10,431,500	4,528,142	14,959,642
Fund Balances - June 30, 2024	\$ 10,754,447	\$ 4,103,730	\$ 14,858,177

See Notes to Financial Statements.

TYRONE AREA SCHOOL DISTRICT

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE
STATEMENT OF ACTIVITIES
Year Ended June 30, 2024**

Net changes in fund balances - all governmental funds	\$	(101,465)
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Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays are reported in governmental funds as expenditures. However in the Statement of Activities, the cost of those assets are allocated over their useful lives as depreciation/amortization expense. This is the amount by which capital outlays exceed depreciation/amortization expense in the period.

Capital outlays	1,738,269	
Less depreciation expense	<u>(1,796,245)</u>	(57,976)

Because some property taxes will not be collected for several months after the District's fiscal year-ends, they are not considered as "available" revenues in the governmental funds. Deferred tax revenues increased by this amount this year.	18,920
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Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, interest expenses is recognized as the interest accrues, regardless of when it is due. The additional interest accrued in the Statement of Activities over the amount due is shown here.	1,769
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Governmental funds report District pension and OPEB contributions as expenditures. However in the Statement of Activities, the cost of pension and OPEB benefits earned net of employee contributions is reported as pension and OPEB expense.

District pension and OPEB contributions (PSERS)	4,231,000	
Cost of benefits earned net of employee contributions (pension expense)		(3,116,300)

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

Change in compensated absences	(158,404)	
Change in other post-employment benefits (District's Plan)		(31,000)

The issuance of long-term debt provides current, financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current, financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Repayment of long-term debt	193,000	
Issuance of lease payable		(186,398)
Repayment of lease payable		36,085
Repayment of subscription payable		<u>124,544</u>

Changes in net position of governmental activities	\$	<u>953,775</u>
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See Notes to Financial Statements.

TYRONE AREA SCHOOL DISTRICT

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
Year Ended June 30, 2024**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Local sources	\$ 8,612,411	\$ 8,612,411	\$ 9,717,732	\$1,105,321
State appropriations	17,808,219	17,808,219	18,247,664	439,445
Federal appropriations	1,496,922	1,496,922	2,571,003	1,074,081
Total revenues	<u>27,917,552</u>	<u>27,917,552</u>	<u>30,536,399</u>	<u>2,618,847</u>
Expenditures				
Instructional	17,110,357	17,110,357	17,350,239	(239,882)
Support services	10,049,668	10,049,668	10,187,891	(138,223)
Noninstructional services	850,048	850,048	714,601	135,447
Capital outlay	160,000	160,000	891,347	(731,347)
Debt service	879,909	879,909	505,772	374,137
Total expenditures	<u>29,049,982</u>	<u>29,049,982</u>	<u>29,649,850</u>	<u>(599,868)</u>
Excess (deficiency) of revenues over expenditures	(1,132,430)	(1,132,430)	886,549	2,018,979
Other Financing Uses				
Proceeds from leases and other right to use arrangements	-	-	186,398	-
Operating transfers out	-	-	(750,000)	750,000
Total other financing uses	<u>-</u>	<u>-</u>	<u>(563,602)</u>	<u>750,000</u>
Net changes in fund balance	<u>\$ (1,132,430)</u>	<u>\$ (1,132,430)</u>	<u>322,947</u>	<u>\$2,768,979</u>
Fund Balance - July 1, 2023			10,431,500	
Fund Balance - June 30, 2024			<u>\$ 10,754,447</u>	

See Notes to Financial Statements.

TYRONE AREA SCHOOL DISTRICT

STATEMENT OF NET POSITION - ALL PROPRIETARY FUNDS

June 30, 2024

	Food Service	Day Care	Total
Assets			
Cash	\$ 413,285	\$ 439,756	\$ 853,041
Receivables - other	225	-	225
Due from other governments	109,221	-	109,221
Inventories	15,687	-	15,687
Other capital assets, net of depreciation	280,628	-	280,628
Total assets	\$ 819,046	\$ 439,756	\$ 1,258,802
Deferred Outflows of Resources			
Deferred amounts on pension liability	\$ 15,000	\$ 121,000	\$ 136,000
Deferred amounts on OPEB liability	600	5,200	5,800
Total deferred outflows of resources	\$ 15,600	\$ 126,200	\$ 141,800
Liabilities			
Accounts payable	\$ 3,459	\$ -	\$ 3,459
Accrued salaries and benefits	8,157	8,659	16,816
Deferred revenues	6,001	-	6,001
Deposits	11,798	-	11,798
Long-term liabilities			
Compensated absences	10,304	-	10,304
Net pension liability	84,000	699,000	783,000
OPEB obligations	3,000	29,000	32,000
Total liabilities	\$ 126,719	\$ 736,659	\$ 863,378
Deferred Inflows of Resources			
Deferred amounts on pension liability	\$ 3,000	\$ 28,000	\$ 31,000
Deferred amounts on OPEB liability	700	6,900	7,600
Total deferred inflows of resources	\$ 3,700	\$ 34,900	\$ 38,600
Net Position			
Net investment in capital assets	\$ 280,628	\$ -	\$ 280,628
Unrestricted	423,599	(205,603)	217,996
Total net position	\$ 704,227	\$ (205,603)	\$ 498,624

See Notes to Financial Statements.

TYRONE AREA SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - ALL PROPRIETARY FUNDS Year Ended June 30, 2024

	Food Service	Day Care	Total
Operating Revenues			
Sales	\$ 356,218	\$ 165,862	\$ 522,080
Operating Expenses			
Food and milk	1,291,872	-	1,291,872
Labor, taxes and benefits	73,583	297,966	371,549
Supplies	11,282	6,406	17,688
Depreciation	36,032	-	36,032
Other	-	810	810
Total operating expenses	1,412,769	305,182	1,717,951
Operating loss	(1,056,551)	(139,320)	(1,195,871)
Nonoperating Revenues			
Federal and state subsidies - net	1,001,967	32,467	1,034,434
Interest income	3,654	3,279	6,933
Total nonoperating revenues	1,005,621	35,746	1,041,367
Changes in net position	(50,930)	(103,574)	(154,504)
Net Position - July 1, 2023	755,157	(102,029)	653,128
Net Position - June 30, 2024	<u>\$ 704,227</u>	<u>\$ (205,603)</u>	<u>\$ 498,624</u>

See Notes to Financial Statements.

TYRONE AREA SCHOOL DISTRICT

STATEMENT OF CASH FLOWS - ALL PROPRIETARY FUNDS

Year Ended June 30, 2024

	Food Service	Day Care	Total
Cash Flows From Operating Activities			
Cash received from sales	\$ 353,067	\$ 165,862	\$ 518,929
Cash payments for goods and services	(1,308,737)	(7,536)	(1,316,273)
Cash payments to employees for services	(78,088)	(320,072)	(398,160)
Net cash used in operating activities	(1,033,758)	(161,746)	(1,195,504)
Cash Flows From Investing Activities			
Purchase of capital assets	(109,462)	-	(109,462)
Cash Flows From Noncapital Financing Activities			
Interest received	3,654	3,279	6,933
Federal and state subsidies	827,283	32,467	859,750
Net cash provided by noncapital financing activities	830,937	35,746	866,683
Net decrease in cash and cash equivalents	(312,283)	(126,000)	(438,283)
Cash and Cash Equivalents:			
July 1, 2023	725,568	565,756	1,291,324
June 30, 2024	<u>\$ 413,285</u>	<u>\$ 439,756</u>	<u>\$ 853,041</u>

(Continued)

TYRONE AREA SCHOOL DISTRICT

STATEMENT OF CASH FLOWS - ALL PROPRIETARY FUNDS (Continued)
Year Ended June 30, 2024

	Food Service	Day Care	Total
Reconciliation of Operating Loss to Net Cash Used			
in Operating Activities			
Operating loss	\$ (1,056,551)	\$ (139,320)	(1,195,871)
Adjustments to reconcile operating loss			
to net cash used in operating activities			
Depreciation	36,032	-	36,032
Value of donated commodities used	70,604	-	70,604
(Increase) decrease in assets:			
Receivables	(225)	-	(225)
Inventories	19,509	-	19,509
Deferred outflow resources	(800)	(800)	(1,600)
(Decrease) increase in liabilities:			
Payables	(95,696)	(320)	(96,016)
Accrued salaries and benefits	(1,409)	(1,506)	(2,915)
Deferred revenues	(12,769)	-	(12,769)
Deposits	9,843	-	9,843
Compensated absences	904	-	904
Net pension liability	(1,000)	(2,000)	(3,000)
Net OPEB liability	(2,200)	(17,800)	(20,000)
Net cash used in operating activities	\$ (1,033,758)	\$ (161,746)	\$ (1,195,504)

Supplemental Disclosure

Noncash noncapital financing activity:

USDA donated commodities	\$ 70,604	\$ -	\$ 70,604
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See Notes to Financial Statements.

TYRONE AREA SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION

June 30, 2024

	Consolidated Scholarship Trust Fund	Activities Fund
Assets		
Cash	\$ 277,780	\$ 139,453
Total assets	<u>\$ 277,780</u>	<u>\$ 139,453</u>
Net Position		
Restricted for		
Consolidated Scholarship Trust Fund	\$ 277,780	\$ -
Student Activities	-	139,453
Total liabilities and net position	<u>\$ 277,780</u>	<u>\$ 139,453</u>

See Notes to Financial Statements.

TYRONE AREA SCHOOL DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - CONSOLIDATED SCHOLARSHIP TRUST FUND Year Ended June 30, 2024

	Combined Scholarship Trust Funds	Activity Fund
Additions		
Contributions	\$ 27,149	\$ 170,400
Investment earnings	825	998
Total additions	<u>27,974</u>	<u>171,398</u>
Deductions		
Scholarships and awards	52,875	-
Student Group expenditures	-	167,581
Total deductions	<u>52,875</u>	<u>167,581</u>
Change in net position	(24,901)	3,817
Net Position - July 1, 2023	302,681	135,636
Net Position - June 30, 2024	<u>\$ 277,780</u>	<u>\$ 139,453</u>

See Notes to Financial Statements.

TYRONE AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

Tyrone Area School District operates one elementary school, one middle school, and one high school in Blair County, Pennsylvania. The District operates under current standards prescribed by the Pennsylvania Department of Education in accordance with the provisions of the School Laws of Pennsylvania. The District operates under a locally elected nine-member Board form of government.

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

A. Reporting Entity

Tyrone Area School District's financial statements include the operations of all entities for which the School Board exercises oversight responsibility. Oversight responsibility is demonstrated by financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters.

Tyrone Area School District is the lowest level of government which has oversight responsibility and control over all activities related to public-school education in the Commonwealth of Pennsylvania. The District receives funding from local, state and Federal government sources and must comply with the requirements of these source entities. However, the District is not included in any other governmental "reporting entity" since the School Board members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters. Additionally, the District does not exercise oversight responsibility over any other entities and, consequently, no other entities have been included in the accompanying financial statements.

The District is affiliated with the Greater Altoona Career and Technical Center (the Center), along with seven other member School Districts through a joint-venture agreement. The member Districts participated in providing oversight responsibility to the Center through the following:

- Appointing of Board members who are also board members of the participating schools
- Approval and funding of operating budgets

The District has an ongoing financial responsibility to fund its proportionate share of the operating budgets of the Center. It has no equity interest in the Center. Separate financial statements are prepared for and available from the Center.

TYRONE AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

B. Government-wide and Fund Financial Statements

The 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 primary government. For the most part, the effect of interfund activity has been removed 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.

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 with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) 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 revenue.

Separate fund financial statements are provided in the report for all of the governmental funds, proprietary funds, and the fiduciary funds of the School District, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and the major enterprise fund are reported as separate columns in the fund financial statements. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The School District complies with accounting principles generally accepted in the United States of America (GAAP) and applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

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 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 revenues as soon as all eligibility requirements imposed by the provider have been met. Net position (total assets less total liabilities) are 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.

TYRONE AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

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 revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues from Federal, state and other grants designated for payment of specific school District expenditures are 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.

When both restricted and unrestricted (including committed, assigned, and unassigned) resources are available for use, it is the District's policy to use the resources with the most stringent restrictions first, followed by resources in decreasing order of restriction, as funds are needed.

Governmental funds are those through which most governmental functions of the School District are financed. The acquisition use and balances of the School District's expendable financial resources and the related liabilities (except those accounted for in Proprietary funds) are accounted for through governmental funds.

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources except those required to be in another fund. Revenues are primarily derived from local property, earned income tax and state and Federal distributions. Many of the more important activities of the School District, including instruction, administration of the School District and certain non-instructional services are accounted for in this fund.

The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

The District reports the following major enterprise fund:

The Food Service Fund accounts for the activities of the District's food service program.

The Day Care Fund accounts for the activities of the District's Day Care facilities.

TYRONE AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

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 School District's enterprise funds are food service charges and day care charges. Operating expenses for the School District's enterprise funds include food production costs, personnel, supplies, administrative costs, and depreciation on capital assets. All revenues or expenses not meeting this definition are reported as non-operating revenues and expenses.

The School District does not attempt to allocate "building-wide costs" to the Food Service Fund or Day Care Fund. Thus, General Fund expenditures which partially benefit the Food Service Fund (utilities, janitorial services, insurance, etc.) are not proportionately recognized within the Food Service Fund and Day Care Fund; similarly, the Food Service Fund and Day Care Fund does not recognize a cost for the building space it occupies (no rental-of-facilities expense).

The Consolidated Scholarship Fund accounts for assets held by the District in a trustee capacity in a private-purpose trust fund. This fund accounts for activities in the various scholarship and trust accounts, whose sole purpose is to provide annual scholarships and other private goodwill activities to particular students as prescribed by donor stipulations.

The Activity Fund accounts for the monies authorized by Section 511 of the Public School Code of 1949 for school publications and organizations. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Agency Funds are also accounted for using the modified accrual basis of accounting.

D. Budget and Budgetary Accounting

An operating budget is adopted prior to the beginning of each year for the General Fund on a modified accrual basis of accounting. The General Fund is the only fund for which a budget is legally required. The Pennsylvania School Code dictates specific procedures relative to adoption of the School District's budget and reporting of its financial statements, specifically:

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

The School District is required to publish notice by advertisement, at least once in two newspapers of general circulation in the municipality in which it is located, and within fifteen days of final action, that the proposed budget has been prepared and is available for public inspection at the administrative office of the School District.

Notice that public hearings will be held on the proposed operating budget must be included in the advertisement; such hearings are required to be scheduled at least ten days prior to when final action on adoption is taken by the Board.

TYRONE AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

D. Budget and Budgetary Accounting (Continued)

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

E. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or Equity

Cash and Cash Equivalents: For purposes of the Statement of Cash Flows presented for the proprietary funds and the nonexpendable trust fund, the District considers all highly-liquid investments with maturities of three months or less when purchased to be cash equivalents.

Investments: Investments are stated at fair value or at amortized costs, depending on the investment type, consistent with generally accepted accounting principles.

Allowances for Estimated Uncollectible Taxes and Deferred Revenues:

The allowance for estimated uncollectible taxes is based upon a historical estimate of delinquent taxes that will not be received within one year of the fiscal year-end. Deferred revenues are based upon a historical estimate of delinquent taxes expected to be received within one year of the fiscal year-end.

The portion of taxes receivable which is expected to be received within 60 days of June 30 is recorded as revenues in the current year. The remaining amount of taxes receivable which is expected to be received within one year from June 30 is recorded as deferred revenues. All other amounts in taxes receivable are written off as estimated uncollectible taxes.

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

A physical inventory of the Food Service Fund food and supplies was taken as of June 30, 2024. The inventory consisted of government donated commodities which were valued at estimated fair market value, using the first-in, first-out (FIFO) method.

TYRONE AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

E. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or Equity (Continued)

Capital Assets and Depreciation: Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are capitalized at the discretion of management, unless the assets are acquired by debt proceeds, in which case the asset is required to be capitalized. Management considers various factors in the capitalization of assets, including the asset's estimated useful life, cost and the extent to which the asset is part of a larger capital project. The District's policy capitalizes library books, classroom texts, computer equipment and classroom furniture by groups. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

Depreciation is provided for fixed assets on the straight-line basis over the estimated useful life of the asset or group of assets as determined by management.

Deferred Outflows of Resources - Deferred amounts on Refunding Debt: The District recognizes the difference between the re-acquisition price and the net carrying amount of the old debt as a deferred outflow, which is a component of interest expense over the remaining life of the old or new debt, whichever is shorter.

Deferred Outflows of Resources - Pensions and Other Post-Employment Benefits: The District recognizes deferred outflows of resources, which represent a consumption of net assets that is applicable to a future reporting period and so will not be recognized as an outflow of resources (expense) until that time. The District has identified these items in subsequent notes to the financial statements.

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 or business-type activity columns in the Statement of Net Position. Bond premium and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

TYRONE AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

E. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or Equity (Continued)

Lease and Subscription-Based Information Technology Arrangement (SBITA) Liabilities: The District enters into non-cancellable arrangements for the leasing of buildings and equipment and for subscription-based information technology. Lease and SBITAs that are significant, either individually or in the aggregate, are recognized as a liability and an intangible right-to-use asset in the government-wide financial statements.

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

Key estimates and judgments include how the District determines (1) the discount rate it uses to discount the expected payments to present value, (2) contract term, and (3) contract payments. The District uses the interest rate charged by the lessor as the discount rate for lease and SBITA liabilities, if provided. When the interest rate charged is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases and SBITA liabilities.

The term includes the non-cancellable period of the lease or SBITA. Payments included in the measurement of the liability are composed of fixed payments and the purchase option price that the District is reasonably certain to exercise.

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

Right-to-use assets are reported with other capital assets and leases, and SBITA liabilities are reported with long-term debt on the Statement of Net Position.

Compensated Absences: Under the system of financial accounting and reporting for Pennsylvania School Systems, the School District accrues for certain accumulated employee benefits, such as unpaid vacation and sick pay. Calculation of this amount is determined by the appropriate vacation, sick and retirement lump-sum payments which would be available to employees if they would leave or retire from the School District and is adjusted for expected turnover rates of employees. Accrued-benefit days, multiplied by appropriate salary amounts, are reflected as a long-term liability unless retirements are likely within the upcoming fiscal year. Those costs determined to be current year costs are reflected as a liability of the General Fund.

TYRONE AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

E. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or Equity (Continued)

Post-Employment Benefits: In the government-wide financial statements, the District recognizes the costs and liabilities associated with post-employment benefits other than pension compensation, which is funded through the District's contribution to the statewide Public School Employees' Retirement System, a governmental, cost-sharing, multiple-employer, defined-benefit pension plan. The District provides retiree-health, vision, dental and prescription-drug coverage to eligible, retired employees and qualified spouses/beneficiaries. The District has estimated the cost of providing these benefits through an actuarial valuation.

The District also participates in a governmental cost sharing, multiple-employer other postemployment benefit plan (OPEB) with PSERS for all eligible retirees who qualify and elect to participate. For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Public School Employees' Retirement System (PSERS) and additions to/deductions from PSERS's fiduciary net position have been determined on the same basis as they are reported by PSERS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The balances of the District's OPEB obligations and deferred outflow/inflow of resources at June 30, 2024, are as follows:

	Governmental Activities	Business- Type Activities	Total
OPEB Obligations			
PSERS Cost-Sharing Plan - OPEB Obligation	\$ 1,394,000	\$ 32,000	\$1,426,000
District Plan - OPEB Obligation	2,548,000	-	2,548,000
Total	<u>\$ 3,942,000</u>	<u>\$ 32,000</u>	<u>\$3,974,000</u>
Deferred Outflows of Resources			
PSERS Cost-Sharing Plan obligation	\$ 248,200	\$ 5,800	\$ 254,000
District OPEB Plan obligation	468,000	-	468,000
Total	<u>\$ 716,200</u>	<u>\$ 5,800</u>	<u>\$ 722,000</u>
Deferred Inflows of Resources			
PSERS Cost-Sharing Plan obligation	\$ 338,400	\$ 7,600	\$ 346,000
District OPEB Plan obligation	995,000	-	995,000
Total	<u>\$ 1,333,400</u>	<u>\$ 7,600</u>	<u>\$1,341,000</u>

Additional disclosures related to other post-employment benefits of the District's Single Employer Plan and PSERS Cost-Sharing Plan are in Notes 9 and 10, respectively.

TYRONE AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

E. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or Equity (Continued)

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 the fiduciary net position of the Public School Employees' Retirement System (PSERS) and additions to/deductions from PSERS's fiduciary net position have been determined on the same basis as they are reported by PSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms investments are reported at fair value.

Interfund Transfers: Advances between funds that are not expected to be repaid are accounted for as transfers. In those cases when repayment is expected, the advances are accounted for through the various due from and due to accounts.

Internal and Interfund Balances and Activities: In the process of aggregating the financial information for the government-wide Statement of Net Position and Statement of Activities, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Deferred Inflows of Resources - Unearned Revenues: The District recognizes property tax revenues when they become available. Available includes those property taxes expected to be collected within 60 days after year-end. Those property taxes expected to be collected beyond 60 days after year-end are shown as deferred revenue in the fund financial statements. Governmental funds also defer revenues in connection with resources that have been received, but not yet earned.

Deferred Inflows of Resources - Pensions and Other Post-Employment Benefits: The District recognizes deferred inflows of resources, which represent an acquisition of net assets that is applicable to a future reporting period and so will not be recognized as an inflow of resources (revenue) until that time. The District has identified these items in subsequent notes to the financial statements.

Fund Financial Statements - Interfund activity, if any, within and among the governmental and proprietary fund categories is reported as follows in the fund financial statements:

1. Interfund loans - Amounts provided with a requirement for repayment are reported as interfund receivables and payables.
2. Interfund services - Sales or purchases of goods and services between funds are reported as revenues and expenditures/expenses.
3. Interfund reimbursements - Repayments from funds responsible for certain expenditures/expenses to the funds that initially paid for them are not reported as reimbursements, but as adjustments to expenditures/expenses in the respective funds.
4. Interfund transfers - Flow of assets from one fund to another where repayment is not expected are reported as transfers in and out.

TYRONE AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

E. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or Equity (Continued)

Government-wide Financial Statements - Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

1. Internal balances - Amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the governmental and business-type activities columns of the Statement of Net Position, except for the net residual amounts due between governmental and business-type activities, which are reported as Internal Balances.
2. Internal activities - Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statements of Activities except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers - Internal Activities. The effects of interfund services between funds, if any, are not eliminated in the Statements of Activities.

Equity Classifications:

Government-Wide Statements - Equity is classified as net position and displayed in three components:

- a. Invested in capital assets, net of related debt - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- b. Restricted net position - consists of net position with constraints placed on the use of either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - all other net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

It is the District’s policy to first use restricted balances prior to the use of unrestricted balances when an expense is incurred for purposes for which both restricted and unrestricted balances are available.

TYRONE AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

E. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or Equity (Continued)

Fund Balance:

Fund Financial Statements - Governmental fund equity is classified as fund balance. Proprietary fund equity and fiduciary fund equity is classified the same as in the government-wide statements.

The School District's fund balance classifications are defined and described as follows:

Non-spendable: Represents fund balance amounts that cannot be spent because they are not in a spendable form or are contractually required to be maintained intact.

Restricted: Represents fund balance amounts that are constrained for a specific purpose through restrictions of external parties, through constitutional provisions, or by enabling legislation.

Committed: Represents fund balance amounts that can only be used for specific purposes pursuant to the constraints imposed by formal action of the Board of School Directors, the District's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the Board removes the constraints or changes the specified purpose through the same action it used to commit the funds.

Assigned: Represents fund balance amounts that are constrained by the government's intent to be used for specific purposes but are neither restricted nor committed. Through Board Policy, the Board has delegated the authority to express intent to the District's Business Manager.

Unassigned: Represents fund balance amounts that have not been restricted, committed, or assigned to the specific purpose within the general fund.

The District has a board policy which prescribes fund balance guidelines. The District will strive to maintain an assigned and unassigned general fund balance of not less than 5 percent and not more than 10 percent of the budgeted expenditures for the year.

F. New Accounting Pronouncements

The following list reflects only those pronouncements initially effective in the current or upcoming reporting periods which, based on our review, may be applicable to the District's reporting requirements.

Following are descriptions of significant pronouncements that were considered or initially selected during the year ended June 30, 2024:

TYRONE AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

F. New Accounting Pronouncements (Continued)

GASB Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*, will be effective for fiscal years beginning after June 15, 2023. This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This statement also prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections in previously issued financial statements.

The following are descriptions of accounting pronouncements which will be considered for implementation during subsequent fiscal years, with modified effective dates as established by GASB Statement No. 95:

GASB Statement No. 101, *Compensated Absences*, will be effective for the District beginning with its year ending June 30, 2025, (fiscal years beginning after December 15, 2023). This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements.

GASB Statement No. 102, *Certain Risk Disclosures*, will be effective for the District beginning with its year ending June 30, 2025 (fiscal year beginning after June 15, 2024). This Statement establishes financial reporting requirements to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

GASB Statement No. 103, *Financial Reporting Model Improvements*, will be effective for the District beginning with its year ending June 30, 2026 (fiscal years beginning after June 15, 2025). This Statement improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This statement addresses requirements relating to management's discussion and analysis, unusual or infrequent items, presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position, major component unit information and budgetary comparison information.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, will be effective for the District beginning with its year ending June 30, 2026 (fiscal years beginning after June 15, 2025). This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures. Lease assets, subscription assets, intangible right-to-use assets and intangible assets should be disclosed separately by major class of underlying asset within the note disclosures. This Statement also requires additional disclosures for capital assets held for sale.

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

TYRONE AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

G. Other

Use of Estimates: Management uses estimates and assumptions in preparing financial statements. These estimates and assumptions affect the reported amounts of assets and liabilities and the reported revenues and expenditures.

Subsequent Events: In preparing these financial statements, the District has evaluated events and transactions for potential recognition or disclosure through January 20, 2025, the date the financial statements were available to be issued.

Note 2. Deposits and Investments

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

- U.S. Treasury Bills
- Short-term obligations of the U.S. Government or its agencies or instrumentalities
- Deposits in savings accounts or time deposits or share accounts of institutions insured by:
 1. The Federal Deposit Insurance Corporation (FDIC), or
 2. The Federal Savings and Loan Insurance Corporation (FSLIC), or
 3. The National Credit Union Share Insurance Fund (NCUSIF) to the extent that such accounts are so insured, and for any amounts above maximum insurable limits, provided that approved collateral as provided by law shall be pledged by the depository to the extent that such accounts are so insured, and for any amounts above maximum, provided that approved collateral as provided by law is pledged by the depository.
- Obligations of (a) the United States of America or its agencies or instrumentalities backed by full-faith and credit of the United States of America, (b) the Commonwealth of Pennsylvania or instrumentalities backed by the full-faith and credit of the political subdivision.
- Shares of investment companies whose investments are restricted to the above categories.

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

TYRONE AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 2. Deposits and Investments (Continued)

Deposits: Custodial-Credit Risk

Custodial-credit risk is the risk that in the event of a bank failure, the District's investments may not be returned to it. A summary of the District's deposits as of June 30, 2024, is shown below:

	Carrying Amount	Bank Balance	Financial Institution
Insured (FDIC)	\$ 250,000	\$ 250,000	First National Bank
Uninsured, collateralized in accordance with Act 72	4,024,918	4,618,204	First National Bank
	<u>\$ 4,274,918</u>	<u>\$ 4,868,204</u>	

Act 72 of 1971, as amended, is an act standardizing the procedures for pledges of assets to secure deposits of public funds with banking institutions pursuant to other laws; establishing a standard rule for the types, amounts and valuations of assets eligible to be used as collateral for deposits of public funds; permitting assets to be pledged against deposits on a pooled basis and authorizing the appointment of custodians to act as the pledgor of the assets.

The District invests in Certificates of Deposit at a number of banks through a PSDLAF program. These investments are individually covered by FDIC as they are under the FDIC insurance threshold of \$250,000. The certificates are invested at the various banks and are held in the name of the District.

TYRONE AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 2. Deposits and Investments (Continued)

Investments

As of June 30, 2024, the District had the following investments:

Investment	Credit Rating	Weighted Average Maturities in days	Fair Values
Pennsylvania School District Liquid Asset Fund (PSDLAF)			
PSDMAX	AAAm	52 days	\$ 96,140
Pennsylvania Local Government Investment Trust (PLGIT)			
PLGIT - Prime	AAAm	99 days	13,236,411
			<u>\$ 13,332,551</u>

Certain external pool investments held by the District, based on portfolio maturity, quality, diversification and liquidity measures, qualify for measurement at amortized cost at both the pool and the participating government levels consistent with GASB Statement No. 79. The District measures those investments, which include PSDMAX, at amortized cost.

The PSDMAX fund invests in U.S. treasury securities, U.S. government securities, its agencies and instrumentalities, and repurchase agreements, collateralized by such securities and contracted with highly-rated counterparties. Weighted-average portfolio maturity for the fund is expected to be kept at or below 60 days. PSDMAX does not have limitations or restrictions on withdrawals.

PLGIT - This fund invests primarily in U.S. Treasury and Federal-agency securities and repurchase agreements, secured by such obligations, as well as certain municipal obligations and collateralized or insured certificates of deposit. The fund manager intends to comply with guidelines similar to those mandated for money-market funds as contained in Rule 2a-7 of the Investment Company Act of 1940. The fund maintains a weighted average maturity to reset of 60 days or less.

TYRONE AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 2. Deposits and Investments (Continued)

Portfolio Assets

PLGIT-Class shares are a flexible option, within the PLGIT fund, which requires no minimum balance, no minimum initial investment requirement and has a minimum investment period of one day. Dividends are paid monthly.

PLGIT/Plus-Class shares are an option within the PLGIT fund which requires a minimum investment of \$50,000, a minimum investment period of thirty (30) days and has a premature withdrawal penalty. Dividends are paid quarterly.

The District categorizes its fair value measurements within the fair value hierarchy established by U.S. GAAP. The hierarchy is based on the valuation inputs used to measure the fair values of assets. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant, other observable inputs; Level 3 inputs are significant, unobservable inputs. Presently, the investments held by the District are valued at amortized cost and are not subject to the fair value level disclosures.

Weighted Average Maturity

The weighted average maturity (WAM) method expresses investment time horizons, the time when investments become due and payable, in years or months, weighted to reflect the dollar size of individual investments within an investment type. In this illustration, WAMs are computed for each investment type. The portfolio's WAM is derived by dollar-weighting the WAM for each investment type.

Interest-Rate Risk

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

Credit Risk

As indicated above, Section 440.1 of the Public School Code of 1949, as amended, limits the composition of the District's investments, and the District has no investment policy that would further limit its investment choices.

Concentrations of Credit Risk

The District places no limit on the amounts invested in any one issuer. The District's investment in PSDLAF represents 2% of the District's total investments. The District's investment in PLGIT represents 98% of the District's total investments.

TYRONE AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 3. Property Taxes

Based upon assessed valuations provided by the Counties, the tax collector bills and collects property taxes on behalf of the School District. The schedule for property taxes levied for 2023-2024 was as follows:

July 1, 2023	tax levy date
Through August 31, 2023	2% discount
Through October 31, 2023	face payment period
November 1, 2023	10% penalty period
4th Monday, 2024	lien filing date
January 1, 2024	interim tax levy date

The District's tax rate for all purposes in 2023-2024 was 7.5213 mills, 27.0550 mills, and 52.1199 mills (\$7.52, \$27.06, \$52.12 per \$1,000 assessed valuation) for Blair, Centre and Huntingdon Counties respectively. Refunds on payments of prior year taxes are classified as Other Debt Service items under the Commonwealth of Pennsylvania accounting system.

The District entered into an agreement to participate in the Keystone Opportunity Zone, a development strategy that eliminates specific state and local taxes within specific, underdeveloped and under-utilized acres in Pennsylvania through 2027. As part of the agreement, the District agreed to provide benefits to parcels totaling 31.18 acres of land. The amount of tax abated totaled \$3,361.

TYRONE AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 4. Taxes Receivable, Deferred Revenues and Estimated Uncollectible Taxes

A summary of the taxes receivable and related accounts at June 30, 2024, follows:

	Amount
Uncollected taxes	\$ 825,038
Estimated uncollectible taxes	<u>43,332</u>
Taxes Receivable - Net	<u>\$ 781,706</u>
Taxes to be collected within 60 days	\$ 261,111
Deferred revenues - delinquent taxes	<u>520,595</u>
Taxes Receivable - Net	<u>\$ 781,706</u>
Deferred Inflows of Resources - General Fund	
Governmental Activities	
Delinquent taxes	<u>\$ 520,595</u>
Unearned Revenue - General Fund	
Federal subsidies	<u>\$ 1,962</u>
Business-Type Activities	
Unearned Revenue - Food Service Fund	
Federal subsidies	<u>\$ 6,001</u>

TYRONE AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 5. Interfund Accounts

There were no individual fund receivable and payable balances at June 30, 2024.

Interfund balances result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made.

Interfund transfer activity for the year ended June 30, 2024, is as follows:

	Transfers In	Transfers Out
Governmental Activities		
Major governmental funds		
General Fund	\$ -	\$ 750,000
Capital Projects	750,000	-
Total governmental activities	<u>\$ 750,000</u>	<u>\$ 750,000</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to fund the statute or budget requires to expend them or (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

TYRONE AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 6. General Fixed Assets

Capital asset activity for the year ended June 30, 2024, was as follows:

	July 1, 2023	Increases	Decreases	June 30, 2024
Governmental Activities				
Capital assets, not being depreciated/amortized				
Construction-in-progress	\$ 4,755,860	\$ 1,279,712	\$ (126,831)	\$ 5,908,741
Capital assets being depreciated				
Land and site improvements	4,328,864	27,376	-	4,356,240
Buildings and building improvements	50,525,416	126,831	-	50,652,247
Furniture and equipment	3,998,187	69,751	(17,800)	4,050,138
Right-to-use lease assets	-	190,858	-	190,858
Right-to-use subscription assets	636,366	170,572	(63,290)	743,648
Total capital and right-to-use assets being depreciated/amortized	59,488,833	585,388	(81,090)	59,993,131
Less accumulated depreciation				
Land and site improvements	2,027,853	140,671	-	2,168,524
Buildings and building improvements	22,351,396	1,066,304	-	23,417,700
Furniture and equipment	3,492,046	281,408	(17,800)	3,755,654
Less accumulated amortization for				
Right-to-use lease assets	-	42,846	-	42,846
Right-to-use subscription assets	190,147	265,016	(63,290)	391,873
Total accumulated depreciation and amortization	28,061,442	1,796,245	(81,090)	29,776,597
Total capital assets being depreciated/amortized, net	31,427,391	(1,210,857)	-	30,216,534
Governmental Activities, Capital Assets - Net	\$ 36,183,251	\$ 68,855	\$ (126,831)	\$ 36,125,275
Business-Type Activities				
Capital assets being depreciated				
Furniture and equipment	\$ 785,466	\$ 109,462	\$ -	\$ 894,928
Less accumulated depreciation				
Furniture and equipment	578,268	36,032	-	614,300
Business-Type Activities, Capital Assets - Net	\$ 207,198	\$ 73,430	\$ -	\$ 280,628

TYRONE AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 6. General Fixed Assets (Continued)

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

Depreciation Allocation	Amount
Governmental Activities	
Instruction	\$ 1,053,459
Instructional student support	439,335
Administration and financial support	139,386
Operation and maintenance of plant services	121,257
Pupil transportation	2,372
Student activities	40,179
Community Services	257
Total governmental activities	1,796,245
Business-Type Activities:	
Food Service	36,032
Total School District	<u>\$ 1,832,277</u>

Note 7. Long-Term Obligations

During the fiscal year ended June 30, 2024, general long-term debt changed as follows:

	Balances July 1, 2023 (Restated)	Increases	Decreases	Balances June 30, 2024	Due within one year
Governmental Activities					
General Obligation Note Series 2022	\$ 5,075,000	\$ -	\$ 193,000	\$ 4,882,000	\$ 199,000
Other Long-Term Obligations					
Subscriptions payable	206,914	-	124,544	82,370	48,026
Lease payable	-	186,398	36,085	150,313	45,746
Compensated absences	607,847	158,404	-	766,251	-
Total Governmental Activities	<u>\$ 5,889,761</u>	<u>\$ 344,802</u>	<u>\$ 353,629</u>	<u>\$ 5,880,934</u>	<u>\$ 292,772</u>
Business-Type Activities					
Compensated absences					
Food Service	\$ 9,400	\$ 904	\$ -	\$ 10,304	\$ -
Total Business-Type Activities	<u>\$ 9,400</u>	<u>\$ 904</u>	<u>\$ -</u>	<u>\$ 10,304</u>	<u>\$ -</u>

TYRONE AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 7. Long-Term Obligations (Continued)

General Obligation Note - Series of 2022 - On May 18, 2022, the District issued a General Obligation Note - Series 2022 in the principal amount of \$5,075,000. The note was issued pursuant to a resolution of the District, duly adopted by the board. The proceeds were used to pay for project costs throughout the District including renovation of high school auditorium and to pay costs of issuance. Interest is payable at a fixed rate of 2.75%. Interest is payable semi-annually on March 1 and September 1 and the note matures serially in amounts ranging from \$193,000 to \$326,000 through September 1, 2042.

The District is currently in compliance with all debt covenants relative to the foregoing obligations. Those covenants include inclusion of annual debt service in the District's fiscal year budget; appropriation of said debt service from District's general revenues; and punctual payments of principal and interest of each obligation.

Annual maturities of long-term debt are as follows:

Years ending June 30,	Direct Financing Notes		
	Principal	Interest	Total
2025	\$ 199,000	\$ 131,519	\$ 330,519
2026	204,000	125,978	329,978
2027	210,000	120,285	330,285
2028	215,000	114,441	329,441
2029	221,000	108,446	329,446
2030-2034	1,202,000	446,242	1,648,243
2035-2039	1,379,000	269,019	1,648,019
2040-2043	1,252,000	70,043	1,322,043
	<u>\$ 4,882,000</u>	<u>\$ 1,385,973</u>	<u>\$ 6,267,973</u>

Compensated Absences

Under the terms of the School District's various employment agreements and employment contract's unused accumulated sick days will be paid at a fixed, per day amount to employees meeting certain criterion as described below.

Vacation

School District employees who are required to work on a twelve-month schedule are credited with vacation at rates which vary with length of service or job-classification. Vacation, for most employee categories, may be taken or paid within certain limits.

TYRONE AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 7. Long-Term Obligations (Continued)

Accumulated Sick Days

Professional employees with five or more years of service with Tyrone Area School District shall be compensated for unused sick leave days at a rate of \$30.00 per day for all unused days. If the employee gives notice at least one semester prior to retirement, the employee shall receive \$50.00 per day.

Non-professionals with five or more years of service with Tyrone Area School District shall receive payment at a rate of one-half of their daily rate per day for any accumulated sick-leave, up to 150 days.

Other Post-Employment Benefits

As described in Notes 9 and 10, the District provides access to retiree health, and dental care benefits to eligible retired employees and qualified spouses/beneficiaries. The District has estimated the cost of providing these benefits through an actuarial valuation.

Leases

The District leases equipment for certain District offices and buildings. These terms range from three to five years.

The District's equipment leases contain scheduled monthly payments with expiration dates extending through September 2028. Lease and finance purchase obligations are primarily funded 100% by the general fund.

The following is a schedule of future minimum lease payments for leases with initial or remaining terms in excess of four years as of June 30, 2024:

Years ending June 30,	Principal	Interest	Total Payments
2025	\$ 47,746	\$ 7,774	\$ 55,520
2026	48,567	4,953	53,520
2027	51,563	1,957	53,520
2028	4,438	22	4,460
	<u>\$ 152,314</u>	<u>\$ 14,706</u>	<u>\$ 167,020</u>

Lease and finance purchase obligations are primarily funded 100% by the general fund.

Subscription Based Information Technology Arrangements

The District enters into various arrangements for administrative and educational software. Many of the software and subscription arrangements are one year or less, however, the District enters into longer term arrangements that required right-to-use subscription asset and liability accounting. These terms range from two to four years.

TYRONE AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 7. Long-Term Obligations (Continued)

Subscription Based Information Technology Arrangements (Continued)

The District's subscription based information technology arrangements contain scheduled monthly or annual payments with expiration dates extending through 2026. Subscription liability obligations are primarily funded by the general fund.

The following is a schedule of future minimum subscription liability payments for agreements with initial or remaining terms in excess of one year as of June 30, 2024:

Years ending June 30,	Principal	Interest	Total Payments
2025	\$ 48,026	\$ 2,675	\$ 50,701
2026	34,344	1,115	35,459
Total Future Payments	<u>\$ 82,370</u>	<u>\$ 3,790</u>	<u>\$ 86,160</u>

TYRONE AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 8. Defined-Benefit Pension Plan

Plan Description

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

Benefits Provided

PSERS provides retirement, disability, and death benefits. Members are eligible for monthly retirement benefits upon reaching (a) age 62 with at least 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.

Act 5 of 2017 (Act 5) introduced a hybrid benefit with two membership classes and a separate defined contribution plan for individuals who become new members on or after July 1, 2019. Act 5 created two new hybrid membership classes, Membership Class T-G (Class T-G) and Membership Class T-H (Class T-H) and the separate defined contribution membership class, Membership Class DC (Class DC). To qualify for normal retirement, Class T-G and Class T-H members must work until age 67 with a minimum of 3 years of credited service. Class T-G may also qualify for normal retirement by attaining a total combination of age and service that is equal to or greater than 97 with a minimum of 35 years of credited service.

Benefits are generally between 1% and 2.5%, depending upon membership class, of the member's final average salary (as defined in the Code) multiplied by the number of years of credited service. For members whose membership started prior to July 1, 2011, after completion of five years of service, a member's right to the defined benefits is vested and early retirement benefits may be elected. For Class T-E and Class T-F members, the right to benefits is vested after ten years of service.

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

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

TYRONE AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 8. Defined-Benefit Pension Plan (Continued)

Contributions

Member Contributions:

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

Member Contribution Rates				
Membership Class	Continuous Employment Since	Defined Benefit (DB) Contribution Rate	DC Contribution Rate	Total Contribution Rate
T- C	Prior to July 22, 1983	5.25%	N/A	5.25%
				6.25%
T- C	On or after July 22, 1983	6.25%	N/A	6.25%
T- D	Prior to July 22, 1983	6.50%	N/A	6.50%
T- D	On or after July 22, 1983	7.50%	N/A	7.50%
T- E	On or after July 1, 2011	7.50% base rate with shared risk provision	N/A	7.50%
T- F	On or after July 1, 2011	10.30% base rate with shared risk provision	N/A	10.30%
T- G	On or after July 1, 2019	5.50% base rate with shared risk provision	2.75%	8.25%
T- H	On or after July 1, 2019	4.50% base rate with shared risk provision	3.00%	7.50%
DC	On or after July 1, 2019	N/A	7.50%	7.50%
Shared Risk Program Summary				
Membership Class	Defined Benefit (DB) Base Rate	Shared Risk Increment	Minimum	Maximum
T- E	7.50%	+ / - 0.50%	5.50%	9.50%
T- F	10.30%	+ / - 0.50%	8.30%	12.30%
T- G	5.50%	+ / - 0.75%	2.50%	8.50%
T- H	4.50%	+ / - 0.75%	1.50%	7.50%

Employer Contributions

The District's contractually required contribution rate for the fiscal year ended June 30, 2024, was 33.36% 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. Included in the District's contractually required contribution rate is the Act 5 contribution rate totaling an estimated 0.20%.

The District is required to pay the entire contribution and will be reimbursed by the Commonwealth in an amount equal to the Commonwealth's share as determined by the income aid ratio (as defined in Act 29 of 1994), which is at least one-half of the total District's rate. The District's contributions to the Plan, relating to pension benefits, for the year ended June 30, 2024, was \$4,230,000, and is equal to the required contribution for the year. For the year ended June 30, 2024, the District recognized gross retirement subsidy revenue from the Commonwealth in the amount of \$2,810,126.

TYRONE AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 8. Defined-Benefit Pension Plan (Continued)

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

At June 30, 2024, the District reported a liability of \$35,100,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by rolling forward the System's total pension liability as of June 30, 2023 to June 30, 2024. The District's proportion of the net pension liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2024, the District's reported proportion was 0.0789%, which was a decrease of 0.0003% from its proportion reported as of June 30, 2023.

For the year ended June 30, 2024, the District recognized pension expense of \$3,144,000. At June 30, 2024, 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	\$ 8,000	\$ 481,000
Changes in assumptions	524,000	-
Net difference between projected and actual investment earnings	993,000	-
Changes in proportions	337,000	906,000
Contributions subsequent to the measurement date	4,230,000	-
	<u>\$ 6,092,000</u>	<u>\$ 1,387,000</u>

TYRONE AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 8. Defined-Benefit Pension Plan (Continued)

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

\$4,230,000 is 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 ending June 30, 2024. 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 Ending June 30:	Total
2025	\$ 249,000
2026	(1,127,000)
2027	1,021,000
2028	332,000
Thereafter	-
	<u>\$ 475,000</u>

Actuarial Assumptions

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

- Valuation Date - June 30, 2022
- Actuarial cost method - Entry Age Normal - level % of pay.
- Investment return - 7.00%, includes inflation at 2.75%.
- Salary growth - Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.
- The discount rate used to measure the Total Pension Liability was 7.00% as of June 30, 2022 and as of June 30, 2023.

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

TYRONE AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 8. Defined-Benefit Pension Plan (Continued)

Investments

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 weighing 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.

For the year ended June 30, 2024, the annual money weighted rate of return on pension plan investments, net of pension plan investment expense, was 2.40%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global public equity	30.0%	5.2%
Private equity	12.0%	7.9%
Fixed income	33.0%	3.2%
Commodities	7.5%	2.7%
Infrastructure/MLPs	10.0%	5.4%
Real estate	11.0%	5.7%
Absolute return	4.0%	4.1%
Cash	3.0%	1.2%
Leverage	-(10.5%)	1.2%
	<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, 2024.

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.

TYRONE AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 8. Defined-Benefit Pension Plan (Continued)

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%, 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%) or 1- percentage-point higher (8.00%) than the current discount rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
District's proportionate share of the net pension liability	\$ 45,499,000	\$ 35,100,000	\$ 26,326,000

Pension Plan Fiduciary Net Position

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

Plan Payables

At June 30, 2024, the District reported a payable to PSERS of \$1,576,786, which represents the employer contributions owed to the pension plan.

TYRONE AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 9. Other Post-Employment Benefits - Single Employer District Plan

Plan Description - The District provides retiree health, vision and dental care benefits, including prescription drug coverage, to eligible retired employees and qualified spouses/beneficiaries. This is a single employer defined-benefit plan administered by the District. Benefits are provided to all faculty, academic staff, and support staff upon retirement under PSERS superannuation or early-retirement provisions. Currently, the plan has 183 active participants and 7 retired participants. The plan does not issue a separate stand-alone financial statement.

Funding Policy - The District's medical plans are self-funded and each plan's premiums are updated annually based on actual claims. The District funds OPEB on a pay-as-you-go basis, and there is no obligation to make contributions in advance of when the insurance premiums or claims are due for payment. The District does not maintain or accumulate any assets within a trust in accordance with paragraph 4 of GASB No. 75.

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

At June 30, 2024, the District reported a liability of \$2,548,000 for the total OPEB liability. The total OPEB liability was measured as of July 1, 2022, and was determined by an actuarial valuation as of July 1, 2023. The OPEB liability is composed of the following:

	Amount
OPEB liability at July 1, 2023	\$ 2,605,000
Service Cost	124,000
Interest	94,000
Effect of Liability Gains and Losses	45,000
Effect of Assumption Changes or Inputs	(246,000)
Benefit Payments	(74,000)
Net Changes	(57,000)
OPEB liability at July 1, 2024	<u><u>\$ 2,548,000</u></u>

For the year ended June 30, 2024, the District recognized OPEB expense of \$112,000. At June 30, 2024, the District reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 164,000	\$ 21,000
Changes of assumptions	230,000	974,000
Benefit payments subsequent to the measurement date	74,000	-
	<u><u>\$ 468,000</u></u>	<u><u>\$ 995,000</u></u>

TYRONE AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 9. Other Post-Employment Benefits - Single Employer District Plan (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources Related to OPEB (Continued)

Of the total amount reported as deferred outflows of resources related to OPEB, \$74,000 resulting from District benefit payments subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the District's OPEB expense as follows:

Year	Total
2025	\$ (106,000)
2026	(102,000)
2027	(6,000)
2028	(4,000)
2029	(91,000)
Thereafter	(292,000)
	<u>\$ (601,000)</u>

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2023, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

- Inflation - 2.3%
- Salary Increases - 2.5% cost of living adjustment, 1% real wage growth and for teachers and administrators a merit increase which varies by age from 2.75 to 8.65%.
- Investment rate of return - 3.93%. Based on Bond Buyer 20 year Bond GO Index.
- Health care cost trend rate - 5.4% in 2024, and 6.7% in 2025. Rates gradually decrease from 6.7% in 2025 to 3.7% in 2074 and later based on the Society of Actuaries Long-Run Medical Cost Trend Model.
- Retirees' Share of Benefit Related Costs - Retiree contributions are assumed to increase at the same rate as Health Care Cost Trend Rate.
- Mortality rates are separate and assumed pre-retirement and post-retirement using the rates assumed in the PSERS defined benefit pension plan actuarial valuation. Incorporated into the table are rates projected generationally by PubT-H2010 Mortality Tables adjusted to reflect Mortality Improvement Scale MP-2021 from 2010 base year.

TYRONE AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 9. Other Post-Employment Benefits - Single Employer District Plan (Continued)

Sensitivity of the District's Total OPEB liability to Changes in Discount Rate and Health Care Trend Rate

The following presents the total OPEB liability of the District calculated using the discount rate of 3.93%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.93%) or one percentage higher (4.93%) than the current rate:

	1% Decrease 2.93%	Current Discount Rate 3.93%	1% Increase 4.93%
District's proportionate share of the total OPEB liability	\$ 2,792,000	\$ 2,548,000	\$ 2,321,000

The discount rate used to measure the Total OPEB liability increased to 3.93% as of June 30, 2024, based on the Bond Buyer 20 Year Bond GO Index.

The following presents the total OPEB liability of the District calculated using the health care cost trend rate of (6.7% decreasing to 3.7%), as well as what the total OPEB liability would be if it were calculated using a health care cost trend rate that is one percentage point lower or one percentage higher than the current rate:

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the total OPEB liability	\$ 2,208,000	\$ 2,548,000	\$ 2,957,000

TYRONE AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 10. Other Post-Employment Benefits - PSERS Cost-Sharing Plan

Plan Description

PSERS administers a defined benefit pension plan, and two post-employment healthcare programs, the Health Insurance Premium Assistance Program (Premium Assistance) and the Health Options Program (HOP) for its retirees. The HOP is a PSERS sponsored voluntary health insurance program for the sole benefit of PSERS retirees, spouses of retirees, and survivor annuitants and their dependents who participate in HOP. The HOP is funded exclusively by the premiums paid by its participants for the benefit coverage they elect.

The System provides Premium Assistance which, is a governmental cost sharing, multiple-employer other post-employment benefit plan (OPEB) for all eligible retirees who qualify and elect to participate. Employer contribution rates for Premium Assistance are established to provide reserves in the Health Insurance Account that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Effective January 1, 2002, under the provisions of Act 9 of 2001 participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of \$100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS' Health Options Program. As of June 30, 2024, there were no assumed future benefit increases to participating eligible retirees.

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

- Have 24 ½ or more years of service, or
- Are a disability retiree, or
- Have 15 or more years of service and retired after reaching superannuation age, and

For Class DC members to become eligible for premium assistance, they must satisfy the following criteria:

- Attain Medicare eligibility with 24 ½ or more eligibility points, or
- Have 15 or more eligibility points and terminated after age 67, and
- Have received all or part of their distributions.

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.

TYRONE AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 10. Other Post-Employment Benefits - PSERS Cost-Sharing Plan (Continued)

Employer Contributions

The Districts' contractually required contribution rate for the fiscal year ended June 30, 2024, was 0.64% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the OPEB plan from the District were \$81,142 for the year ended June 30, 2024.

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

At June 30, 2024, the District reported a liability of \$1,426,000 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, 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, 2022 to June 30, 2023. The District's proportion of the net OPEB liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2024, the District's reported proportion was 0.0788%, which was a decrease of 0.0003% from its proportion reported as of June 30, 2023.

For the year ended June 30, 2024, the District recognized OPEB expense of \$27,700. On June 30, 2024, 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	\$ 9,000	\$ 14,000
Changes in assumptions	123,000	270,000
Net difference between projected and actual investment earnings	3,000	-
Changes in proportions	38,000	62,000
Contributions subsequent to the measurement date	81,000	-
	<u>\$ 254,000</u>	<u>\$ 346,000</u>

TYRONE AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 10. Other Post-Employment Benefits - PSERS Cost-Sharing Plan (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Related to OPEB (Continued)

\$81,000 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 ending June 30, 2024. 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 Ending June 30:	Total
2025	\$ (31,000)
2026	(38,000)
2027	(48,000)
2028	(51,000)
2029	(5,000)
Thereafter	-
	<u>\$ (173,000)</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 June 30, 2021 to June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

- Valuation Date # June 30, 2023
- Actuarial cost method - Entry Age Normal - level % of pay.
- Investment return - 4.13% - S&P 20 Year Municipal Bond Rate.
- Salary growth - Effective average of 4.5%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.
- Premium Assistance reimbursement is capped at \$1,200 per year.
- Assumed Healthcare cost trends were applied to retirees with less than \$1,200 in premium assistance per year.
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.
- Participation rate:
 - Eligible retirees will elect to participate Pre age 65 at 50%
 - Eligible retirees will elect to participate Post age 65 at 70%
- The discount rate used to measure the total OPEB liability increased from 4.09% as of June 30, 2022, to 4.13%, as of June 30, 2023.

The actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study that was performed for the five-year period ending June 30, 2020.

TYRONE AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 10. Other Post-Employment Benefits - PSERS Cost-Sharing Plan (Continued)

Actuarial Assumptions (Continued)

The following assumptions were used to determine the contribution rate:

- The results of the actuarial valuation as of June 30, 2023, determined the employer contribution rate for fiscal year 2023.
- 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: The actual data for retirees benefiting under the Plan as of June 30, 2023, was used in lieu of the 63% utilization assumption for eligible retirees
- Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale.

Investments

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

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

Asset Class	Target	Long-Term
	Allocation	Expected Real Rate of Return
Cash	100.0%	1.2%
	<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 of June 30, 2024.

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, 2023, was applied to all projected benefit payments to measure the total OPEB liability.

TYRONE AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 10. Other Post-Employment Benefits - PSERS Cost-Sharing Plan (Continued)

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, calculated using the discount rate of 4.09%, 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 one percentage point lower (3.09%) or one percentage point higher (5.09%) than the current discount rate:

	1% Decrease 3.09%	Current Discount Rate 4.09%	1% Increase 5.09%
District's proportionate share of the net OPEB liability	\$ 1,612,000	\$ 1,426,000	\$ 1,270,000

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

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 healthcare cost trend rates (between 5.0% to 7.0%) that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Current Trend Rate	1% Increase
System net OPEB liability	\$ 1,426,000	\$ 1,426,000	\$ 1,426,000

OPEB Plan Fiduciary Net Position

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

Plan Payables

At June 30, 2024, the District reported a payable to PSERS of \$30,250, which represents the employer contributions owed to the OPEB plan.

TYRONE AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 11. Self-Insurance

Effective July 1, 1998, the Tyrone Area School District joined the Blair County Schools Health Insurance Consortium, which is a consortium of school Districts located in Blair County. The Consortium was organized and created in accordance with the Public School Code of 1949, as amended. The Consortium elected to finance health care benefits for eligible school District personnel using a self-insured approach known as an Administrative Service Contract (ASC) arrangement. The ASC funding method is a self-funding rating option, which has the Consortium pay actual claims of its groups with an administrative charge paid for claims processing, plus stop loss insurance premiums. The ASC funding arrangement is on a “paid” basis for claims incurred within a twelve-month period and paid within a fifteen-month contract period. The Consortium establishes a reserve, as required by PA State Insurance Law, equal to 30 days of average paid claims; this reserve is recalculated and adjusted annually. During the contract period ended June 30, 2024, the Tyrone Area School District made contributions to the Consortium for its share of paid claims, administrative expenses, stop loss insurance costs and required reserves of \$2,737,731, which was charged as an expenditure for health care benefits. As of the date of these financial statements, the annual reserve calculation for the period ended June 30, 2024, has not been completed.

Tyrone Area School District self-insures the cost of dental insurance. During the 2023-2024 fiscal year, \$95,934 in dental claims were paid.

Note 12. Affiliates

The District is affiliated with the Appalachia Intermediate Unit #8 (AIU#08) and the Greater Altoona Career and Technical Center (GACTC). The member school Districts participate in providing oversight responsibility to the IU#08 and the GACTC through appointment of Board members, who are also Board members of the participating school Districts and, approval and funding of operating budgets.

Tyrone Area School District is a member of the Appalachia Intermediate Unit #08. The Appalachia Intermediate Unit #08 Board members consist of 14 members from the 42 member Districts, CTC's and Charter schools in the region serving on a rotational basis. The members are appointed to the IU #08 Board by the member Districts' Board of School Directors. Through this membership, the District is able to secure various special services, including special education, curriculum development, and certain internal-service functions. The District's share of general operational expense of Appalachia Intermediate Unit #08 for the year 2023-2024 was \$6,417.

Tyrone Area School District is served by the Greater Altoona Career and Technical Center (the Center). The District is one of eight-member school Districts participating in the operation of the Center. The Center is operated, administered, and managed by a joint-operating committee consisting of board members from each of the eight-member school Districts. Students of the District are offered courses and curriculums at the Vo-Tech that are related to various technical-training fields. Costs of the Vo-Tech are shared with other local Districts. The GACTC general operating expense is \$11,108,586. The Tyrone Area School District pays for 4.01% of that, based upon student enrollment in the Vo-Tech for the year 2023-2024. Total costs paid to the GACTC for 2022-2023 was \$445,832 which included \$14,888 in lease payments for an Act 77 Energy Savings Project debt.

TYRONE AREA SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 12. Affiliates (Continued)

The Tyrone Area School District is served by the Blair County Tax Collection Bureau (BCTCB) and along with the municipalities within the District border have representation on the Board of Directors. The bureau exists to expedite and to consolidate the collection of Earned Income Taxes (.5% on earnings) on behalf of the District. Representation on the BCTCB Board is fulfilled by the District Business Manager, Board Chairman. The District currently surrenders 3.0% of collections as a fee for services.

The District is a founding member of the Blair County School Health Consortium (BCSHC) with the objective of cooperatively purchasing healthcare insurance services. The Consortium functions as a self-funded insurer and purchases claims payment, adjustment and negotiated reimbursement services through Highmark of Western PA. The consortium brokerage firm is The Reschini Agency of Indiana, PA. The seven member Districts are represented by their respective Business Managers according to the bylaws of the consortium. The Williamsburg Community School District Business Manager is serving as the current Fiscal Agent for the consortium. District fees are based upon plan design and participant count. The consortium and the Districts rate of increase in coverage has averaged 4.54% over the past 19 years.

Note 13. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets, errors, or omissions. Significant losses are covered by commercial insurance for all major programs. For insured programs, there have been no significant reductions in settlement coverage. Settlement amounts have not exceeded insurance coverage for the current or the three prior years.

Recent developments arising from the coronavirus pandemic and efforts to mitigate the disease's domestic and global impacts have impacted the operations and finances of School Districts. Changes in service approach, labor and personnel changes, facility closings, contracted service disruptions, personal protective equipment purchases and technological equipment acquisitions have affected all School Districts. Unstable conditions enhance School District's risk factors as they have significant reliance on revenues from taxpayers and governmental agencies to fund their operations. These factors impact revenue recognition, cash flows and liquidity, and contingencies. Presently, the ultimate effects of this crisis on financial position, results of operations and cash flows are indeterminable because the duration of the crisis is also indeterminable; however, management continues to monitor developments.

REQUIRED SUPPLEMENTARY INFORMATION

TYRONE AREA SCHOOL DISTRICT

**REQUIRED SUPPLEMENTARY INFORMATION -
SCHEDULES OF CHANGES IN OPEB LIABILITY AND RELATED RATIOS -
DISTRICT'S SINGLE EMPLOYER PLAN
For the Fiscal Year Ended June 30, 2024**

	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability							
Service cost	\$ 124,000	\$ 120,000	\$ 193,000	\$ 186,000	\$ 119,000	\$ 115,000	\$ 189,000
Interest	94,000	86,000	66,000	64,000	73,000	76,000	97,000
Changes of benefit terms		-	-	-	-	-	-
Effect of liability gains and losses	45,000	-	-	-	-	-	-
Differences between expected and actual experience	-	-	(30,000)	-	274,000	-	-
Effect of Assumption Changes or Inputs	(246,000)	-	(765,000)	18,000	453,000	53,000	(905,000)
Benefit payments	(74,000)	(67,000)	(97,000)	(93,000)	(135,000)	(122,000)	(121,000)
Other Changes	-	-	-	-	-	-	-
Net change in total OPEB liability	(57,000)	139,000	(633,000)	175,000	784,000	122,000	(740,000)
Total OPEB Liability - beginning	2,605,000	2,466,000	3,099,000	2,924,000	2,140,000	2,018,000	2,758,000
Total OPEB Liability - ending	\$ 2,548,000	\$ 2,605,000	\$ 2,466,000	\$ 3,099,000	\$ 2,924,000	\$ 2,140,000	\$ 2,018,000
Covered payroll	\$ 12,077,861	\$ 11,634,687	\$ 11,701,846	\$ 11,708,344	\$ 11,213,452	\$ 11,154,773	\$ 10,751,652
Net OPEB liability as a percentage of covered payroll	21.10%	22.39%	21.07%	26.47%	26.08%	19.18%	18.77%

Notes to Schedule:

For the fiscal year ended June 30, 2024:

Changes in assumptions: The discount rate changed from 3.65% to 3.93%. The trend assumption was updated. Assumptions for salary, mortality, withdrawal and retirement were updated based on new PERS assumptions.

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, only information for those years for which information is available is shown.

TYRONE AREA SCHOOL DISTRICT

**REQUIRED SUPPLEMENTARY INFORMATION -
SCHEDULES OF DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY -
PENNSYLVANIA PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM**

For the Fiscal Year Ended June 30	District's Proportion of the Net OPEB Liability	District's Proportionate Share of the Net OPEB Liability	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2024	0.7880%	\$ 1,426,000	\$ 12,077,861	11.81%	7.22%
2023	0.7910%	\$ 1,456,000	\$ 11,634,687	12.51%	6.86%
2022	0.8250%	\$ 1,956,000	\$ 11,701,846	16.72%	5.30%
2021	0.0799%	\$ 1,726,000	\$ 11,213,452	15.39%	5.69%
2020	0.0809%	\$ 1,721,000	\$ 11,154,773	15.43%	5.56%
2019	0.0798%	\$ 1,664,000	\$ 10,751,652	15.48%	5.56%
2018	7.9600%	\$ 1,622,000	\$ 10,592,534	15.31%	5.73%

The amounts presented for each fiscal year were determined as of the measurement date, which is one year prior to the fiscal year end.

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, only information for those years for which information is available is shown.

TYRONE AREA SCHOOL DISTRICT

**REQUIRED SUPPLEMENTARY INFORMATION -
SCHEDULES OF DISTRICT'S OPEB CONTRIBUTIONS -
PENNSYLVANIA PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM**

For the Fiscal Year Ended June 30	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ 81,142	\$ (81,142)	\$ -	\$ 12,077,861	0.67%
2023	\$ 91,019	\$ (91,019)	\$ -	\$ 11,634,687	0.78%
2022	\$ 93,229	\$ (93,229)	\$ -	\$ 11,701,846	0.80%
2021	\$ 95,947	\$ (95,947)	\$ -	\$ 11,708,344	0.82%
2020	\$ 94,752	\$ (94,752)	\$ -	\$ 11,213,452	0.84%
2019	\$ 92,987	\$ (92,987)	\$ -	\$ 11,154,773	0.83%
2018	\$ 89,443	\$ (89,443)	\$ -	\$ 10,751,652	0.83%

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, only information for those years for which information is available is shown.

TYRONE AREA SCHOOL DISTRICT

**REQUIRED SUPPLEMENTARY INFORMATION -
SCHEDULES OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY -
PENNSYLVANIA PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM**

For the Fiscal Year Ended June 30	District's Proportion of the Net Pension Liability	District's Share of the Net Proportionate Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2024	0.7890%	\$ 35,100,000	\$ 12,077,861	290.61%	61.85%
2023	0.7920%	\$ 35,211,000	\$ 11,634,687	302.64%	61.34%
2022	0.8270%	\$ 33,954,000	\$ 11,701,846	290.16%	63.67%
2021	0.0799%	\$ 39,342,000	\$ 11,213,452	350.85%	54.32%
2020	0.0809%	\$ 37,847,000	\$ 11,154,773	339.29%	55.16%
2019	0.0798%	\$ 38,308,000	\$ 10,751,652	356.30%	54.00%
2018	0.0796%	\$ 39,313,000	\$ 10,592,537	371.14%	51.84%
2017	0.0830%	\$ 41,132,000	\$ 10,752,032	382.55%	50.14%
2016	0.0816%	\$ 35,345,000	\$ 10,503,515	336.51%	54.36%
2015	0.0794%	\$ 31,427,000	\$ 10,128,874	310.27%	57.24%

The amounts presented for each fiscal year were determined as of the measurement date, which is one year prior to the fiscal year end.

TYRONE AREA SCHOOL DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION -

SCHEDULES OF DISTRICT'S PENSION CONTRIBUTIONS -

PENNSYLVANIA PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM

For the Fiscal Year Ended June 30	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ 4,229,553	\$ (4,229,553)	\$ -	\$ 12,077,861	35.02%
2023	\$ 4,188,082	\$ (4,188,082)	\$ -	\$ 11,634,687	36.00%
2022	\$ 3,978,494	\$ (3,978,494)	\$ -	\$ 11,701,846	34.00%
2021	\$ 3,942,015	\$ (3,942,015)	\$ -	\$ 11,213,452	35.15%
2020	\$ 3,763,010	\$ (3,763,010)	\$ -	\$ 11,213,452	33.56%
2019	\$ 3,652,237	\$ (3,652,237)	\$ -	\$ 11,154,773	32.74%
2018	\$ 3,420,802	\$ (3,420,802)	\$ -	\$ 10,751,653	31.82%
2017	\$ 3,106,412	\$ (3,106,412)	\$ -	\$ 10,591,298	29.33%
2016	\$ 2,636,292	\$ (2,636,292)	\$ -	\$ 10,752,512	24.52%
2015	\$ 2,095,425	\$ (2,095,425)	\$ -	\$ 10,128,874	20.69%

SUPPLEMENTARY INFORMATION

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of School Directors
Tyrone Area School District
Tyrone, Pennsylvania

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Tyrone Area School District (District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 20, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink, reading "Boyer & Fitter". The signature is written in a cursive, flowing style with a large loop at the end.

State College, Pennsylvania
January 20, 2025

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

Board of School Directors
Tyrone Area School District
Tyrone, Pennsylvania

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Tyrone Area School District's (District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2024. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

A handwritten signature in black ink, reading "Boyer & Ritten". The signature is written in a cursive, flowing style with a large loop at the end of the last name.

State College, Pennsylvania
January 20, 2025

TYRONE AREA SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024

Section I -- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness identified: ___ Yes X No
- Significant deficiencies identified that are not considered to be material weaknesses? ___ Yes X None Reported

Noncompliance material to financial statements noted?

___ Yes X No

Federal Awards

Internal control over the major programs:

- Material weakness identified? ___ Yes X No
- Significant deficiencies identified that are not considered to be material weaknesses? ___ Yes X None Reported

Type of auditor's report issued on compliance for the major programs: Unmodified

- Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)3? ___ Yes X No

TYRONE AREA SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024

Federal Awards (Continued)

Identification of the major programs:

CFDA Number(s)	Name of Federal Programs/Cluster
10.553, 10.555, 10.559	Child Nutrition Cluster

Dollar threshold used to distinguish between
type A and type B programs \$750,000

Auditee qualified as low-risk auditee? X Yes No

Section II -- Financial Statement Findings

A. Significant Deficiency (ies) in Internal Control

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

B. Compliance Findings

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

Section III -- Federal Award Findings and Questioned Costs

A. Compliance Findings

There were no findings relating to the Federal awards as required to be reported in accordance with section 2 CFR 200.516(a) of the Uniform Guidance.

B. Significant Deficiency(ies) in Internal Control

There were no findings relating to the Federal awards as required to be reported in accordance with section 2 CFR 200.516(a) of the Uniform Guidance.

TYRONE AREA SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2024

	Source	Assistance Listing Code Number	Pass Through Grantor's Number	Grant Period	Program or Annual Award	Total Received (Refunded) in Fiscal Year	Accrued (Deferred) Revenue at 7/1/2023	Revenue Recognized	Expenditures	Accrued (Deferred) Revenue at 6/30/2024	Provided to Subrecipients
U.S. Department of Education											
Passed through the Pennsylvania Department of Education:											
Title I - Improving Basic Programs	I	84.010	013-230440	22-23	\$ 534,567	\$ 107,935	\$ 102,146	\$ 4,575	\$ 4,575	\$ (1,214)	\$ -
Title I - Improving Basic Programs	I	84.010	013-240440	23-24	\$ 530,201	424,150	-	516,162	516,162	92,012	-
						532,085	102,146	520,737	520,737	90,798	-
Improving Teacher Quality	I	84.367	020-180440	17-18	\$ 80,099	-	(411)	-	-	(411)	-
Improving Teacher Quality	I	84.367	020-230440	22-23	\$ 65,107	22,086	21,793	293	293	-	-
Improving Teacher Quality	I	84.367	020-240440	23-24	\$ 66,755	53,633	-	66,371	66,371	12,738	-
						75,719	21,382	66,664	66,664	12,327	-
Title IV - Student Support and Academic Enrichment Grant	I	84.424	144-230440	22-23	\$ 44,593	10,081	13,428	13	13	3,360	-
	I	84.424	144-240440	23-24	\$ 41,849	39,059	-	39,849	39,849	790	-
						49,140	13,428	39,862	39,862	4,150	-
Secondary Allocation	I	84.048	380-230064	22-23	\$ 19,297	1,608	1,578	30	30	-	-
Secondary Allocation	I	84.048	380-240064	23-24	\$ 18,570	18,570	-	18,570	18,570	-	-
						20,178	1,578	18,600	18,600		
COVID 19 American Rescue Plan Elementary & Secondary School Emergency Relief Fund III	I	84.425U	223-210440	20-24	\$ 3,738,381	1,563,323	207,466	1,466,648	1,466,648	110,791	-

(Continued)

TYRONE AREA SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

Year Ended June 30, 2024

	Source Code	Federal C.F.D.A. Number	Pass Through Grantor's Number	Grant Period	Program or Annual Award	Total Received (Refunded) in Fiscal Year	Accrued (Deferred) Revenue at 7/1/2023	Revenue Recognized	Expenditures	Accrued (Deferred) Revenue at 6/30/2024	Provided to Subrecipients
U.S. Department of Education (Continued)											
Passed through the Pennsylvania Department of Education (Continued)											
COVID 19 American Rescue Plan Elementary & Secondary School Emergency Relief 7% Set-aside Learning Loss Program	I	84.425U	225-210440	21-24	\$ 207,540	75,469	18,901	128,264	128,264	71,696	-
COVID 19 American Rescue Plan Elementary & Secondary School Emergency Relief 7% Set-aside Summer School Program	I	84.425U	225-210440	21-24	\$ 41,508	15,094	2,908	26,525	26,525	14,339	-
COVID 19 American Rescue Plan Elementary & Secondary School Emergency Relief 7% Set-aside After School Program	I	84.425U	225-210440	21-24	\$ 41,508	15,094	5,475	9,453	9,453	(166)	-
COVID 19 American Rescue Plan Elementary & Secondary School Emergency Relief Homeless Children & Youth	I	84.425W	181-212441	21-24	\$ 20,335	8,343	1,789	6,382	6,382	(172)	-
Total Passed through the Pennsylvania Department of Education						<u>\$ 2,354,445</u>	<u>\$ 375,073</u>	<u>\$ 2,283,135</u>	<u>\$ 2,283,135</u>	<u>\$ 303,763</u>	<u>\$ -</u>

(Continued)

TYRONE AREA SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

Year Ended June 30, 2024

	Source	Federal	Pass	Grant	Program	Total	Accrued			Accrued	Provided
	Code	C.F.D.A.	Through	Period	or Annual	Received	(Deferred)	Revenue	Expenditures	Revenue at	to
		Number	Grantor's		Award	(Refunded) in	Revenue at	Recognized		6/30/2024	Subrecipients
			Number			Fiscal Year	7/1/2023				
U.S. Department of Education (Continued)											
Passed Through Appalachia Intermediate Unit #8											
Special Education - Grants to States	I	84.027	062-23-0008	22-23	\$	335,328	335,328	-	-	-	-
Special Education - Grants to States	I	84.027	062-24-0008	23-24	\$	337,352	177,757	-	337,352	337,352	159,595
Special Education - Preschool Grants	I	84.173A	131-22-0008	22-23	\$	24,172	24,172	-	-	-	-
Special Education - Preschool Grants	I	84.173A	131-24-0008	23-24	\$	22,186	-	22,186	22,186	22,186	-
Special Education - Grants to States	I	84.027A	131-22-0008	22-23	\$	36,296	36,296	-	-	-	-
Special Education - Grants to States	I	84.027A	131-24-0008	23-24	\$	41,408	-	41,408	41,408	41,408	-
Special Education - Preschool Grants	I	84.173A	131-22-0008	22-23	\$	4,632	4,632	-	-	-	-
Special Education - Preschool Grants	I	84.173A	131-24-0008	23-24	\$	3,090	-	3,090	3,090	3,090	-
Total passed through the Appalachia Intermediate Unit #8						578,185	400,428	404,036	404,036	226,279	-
Total U.S. Department of Education						2,932,630	775,501	2,687,171	2,687,171	530,042	-
U.S. Department of Health and Human Services											
Passed through Early Learning Resource Center											
CCDF Cluster											
COVID 19 Coronavirus Relief Fund	I	93.575	N/A	22-23	\$	23,655	23,655	-	-	-	-
Passed through the Pennsylvania											
Department of Human Services											
Medicaid Cluster											
Medical Assistance Program	I	93.778	N/A	23-24	N/A	3,743	-	3,743	3,743	-	-
Total Medicaid Cluster											
Total U.S. Department of Health and Human Services						27,398	23,655	3,743	3,743	-	-

(Continued)

TYRONE AREA SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
Year Ended June 30, 2024

	Source	Federal	Pass	Grant	Program	Total	Accrued			Accrued	Provided
	Code	C.F.D.A.	Through	Period	or Annual	Received	(Deferred)	Revenue	Expenditures	Revenue at	to
		Number	Grantor's		Award	(Refunded) in	Revenue at	Recognized		6/30/2024	Subrecipients
			Number			Fiscal Year	7/1/2023				
U.S. Department of Agriculture											
Passed through the Pennsylvania											
Department of Education:											
Summer Food Service Program for Children	I	10.559	N/A	22-23	N/A	5,141	5,141	-	-	-	-
Summer Food Service Program for Children	I	10.559	N/A	23-24	N/A	9,860	-	13,445	13,445	3,585	-
COVID-19 National School Lunch Program -											
Supply Chain Assistance	I	10.555	N/A	23-24	N/A	46,304	-	46,304	46,304	-	-
National School Lunch Program	I	10.555	N/A	23-24	N/A	486,037	-	550,477	550,477	64,440	-
National School Lunch Program	I	10.555	N/A	23-24	N/A	165,210	-	190,017	190,017	24,807	-
COVID-19 Pandemic EBT Administrative Costs	I	10.649	N/A	23-24	N/A	653	-	653	653	-	-
						713,205	5,141	800,896	800,896	92,832	-
Passed through the Pennsylvania											
Department of Agriculture:											
Food Donation (a)	I	10.555	2-05-07-100	22-23	N/A	-	(18,770)	18,770	18,770	-	-
Food Donation (a)	I	10.555	2-05-07-100	23-24	N/A	57,835	-	51,834	51,834	(6,001)	-
						57,835	(18,770)	70,604	70,604	(6,001)	-
						771,040	(13,629)	871,500	871,500	86,831	-
Total U.S. Department of Agriculture											
Total Expenditures of Federal Awards						\$ 3,731,068	\$ 785,527	\$ 3,562,414	\$ 3,562,414	\$ 616,873	\$ -
Special Education Cluster (Assistance Listing Numbers (84.027 and 84.073)						\$ 578,185	\$ 400,428	\$ 404,036	\$ 404,036	\$ 226,279	\$ -
Education Stabilization Fund (Assistance Listing Number 84.425)						\$ 1,677,323	\$ 236,539	\$ 1,637,272	\$ 1,637,272	\$ 196,488	\$ -
Child Nutrition Cluster (10.553, 10.555 and 10.559)						\$ 770,387	\$ (13,629)	\$ 870,847	\$ 870,847	\$ 86,831	\$ -

Source Codes:

D - Direct Funding

I - Indirect Funding

See Notes to Schedule of Expenditures of Federal Awards.

TYRONE AREA SCHOOL DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the District's Federal award programs for year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

Note 2. Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3. Indirect Cost Rate

Tyrone Area School District has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 4. Subrecipients

With respect to Federal expenditures presented in the Schedule, Tyrone Area School District did not provide any Federal awards to subrecipients.

TYRONE AREA SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR YEAR'S AUDIT FINDINGS
Year Ended June 30, 2024

There were no prior year's audit findings.