

MILLCREEK TOWNSHIP SCHOOL DISTRICT

ERIE, PENNSYLVANIA

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED JUNE 30, 2025**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Of

MILLCREEK TOWNSHIP SCHOOL DISTRICT

Erie, Pennsylvania

Fiscal year ended

June 30, 2025

BOARD OF SCHOOL DIRECTORS

Calendar 2023

Gary Winschel, President

J. Michael Lindner, Vice President

Jason Dean

Janis Filbeck

Michael Kobylka

Kimberly Lupichuk

Janine McClintic, Esq.

Sallie Newsham

Shirley Winschel

Calendar 2024

Gary Winschel, President

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Wade Brink

Jason Dean

Janis Filbeck

Michael Kobylka

Sallie Newsham

Sue Ellen Pasquale

Shirley Winschel

Dr. John Cavanagh, Superintendent

Report Issued by the School District's Finance Office

Aaron M. O'Toole, Chief Financial Officer

COMPLIANCE STATEMENT

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

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

MILLCREEK TOWNSHIP SCHOOL DISTRICT
YEAR ENDED JUNE 30, 2025

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December 19, 2025

CITIZENS OF MILLCREEK TOWNSHIP:

Pennsylvania State law requires an annual audit of a school district's financial statements. This is to be presented in conformity with generally accepted accounting principles (GAAP) and performed by a firm of licensed certified public accountants. The Annual Comprehensive Financial Report for year ending June 30, 2025, is being submitted as of the date on this letter.

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

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

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

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

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

PROFILE OF MILLCREEK TOWNSHIP

Millcreek Township is a suburb covering 29.5 square miles surrounding the west and southern border of Erie, Pennsylvania. Located in the northwestern part of the PA, Millcreek Township resides on the shoreline of Lake Erie. As per the U.S. Census estimates dated July 1, 2023, Millcreek's population stands at 53,101. Similar to trends observed in Pennsylvania and Erie County, the demographic of residents under 65 years of age is experiencing a decline. Currently, the age distribution in Millcreek is as follows: 26% of the population is between 0-17 years, 52% is between 18-64 years, and 22% is over 65 years. The Township continues to serve as the retail hub for the region.

The Millcreek Mall and the retail areas along Peach Street play a significant role in strengthening the School District's tax base and overall economic vitality. The minimal regional competition, combined with the absence of sales tax on certain items, suggests a strong likelihood of stability within the retail sector for the foreseeable future, distinguishing it from many mall-anchored shopping districts across the United States. Additionally, Millcreek is home to several key recreational, commercial, and educational resources, including Presque Isle State Park, Waldameer Amusement Park, Asbury Woods Nature Center, Lake Erie College of Osteopathic Medicine, and Erie International Airport. These assets contribute positively to the local economy.

Millcreek Township remains a highly sought-after location for both residents and businesses. Property values are on the rise due to a combination of limited supply and high demand. Over the past ten years, the property tax base has shown stability, with an assessed value increase of 2.9%, primarily driven by appreciation in residential property values. Furthermore, the tax base demonstrates a healthy diversity, with the ten largest taxpayers representing approximately 10.53% of the total assessed value, indicating minimal expected volatility in the future.

It is noteworthy that while the county-wide population is experiencing a decline, Millcreek's home values are approximately 29% above the average for Erie County. Additionally, the median household income in Millcreek exceeds the averages for both Erie County and Pennsylvania, accompanied by a lower unemployment rate. Wage growth also remains a significant factor, as evidenced by a 26% increase in Earned Income Taxes over the past ten years.

However in 2024, it is important to acknowledge that despite these overall positive financial indicators, the lowest 60% of earners contribute only 22% of total wages.

BUDGETING

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

Legal budgetary control is maintained by the Chief Financial Officer at the functional object level. Transfers between functional objects, whether between funds or within a fund or revisions that alters the total revenues and expenditures of any fund, must be approved by the School Board. Any adjustments outside the Board approved level require Board action.

For the fiscal year ending June 30, 2025, the School Board has approved a budget that includes a millage increase of 2.0%, which is 4.4% below the full Act 1 index. The General Fund budget was initially set at \$119.1 million. This budget supports the School District's mission of delivering a world-class education that fosters lifelong learners among the 6,620 students served. This objective is achieved through

adequately funded instruction, effective operational management, and comprehensive support services for our students.

Key initiatives include adding sixteen student services positions to address a significant enrollment increase of 24% over the past decade within our special education programs and one facilities positions to assist with the rental of our extracurricular facilities. Additionally, four School Security Officer (SSO) positions have been added to allow for a single SSO at each instructional building and additional support at the high school. Furthermore, a districtwide camera project added additional coverage and security infrastructure. The budget also accounts for rising costs associated with the current inflationary environment, increased rates for substitute teachers, and investments in curricular resources.

On an annual basis, our budget includes typical K-12 instructional programs and student activities. Furthermore, the district provides programs in Advance Placement, Distinctive Scholar, Honors College, Dual Enrollment with local universities, a robust internship program, Project Search, and the McDowell Manufacturing Program. Given Erie County's economic dependence on manufacturing, the district developed one of the nation's only student-run enterprises allowing students to generate parts and sell the parts to local manufacturers. All operations of the McDowell Manufacturing Program are run by our students. The local Vocational School, where most districts in the county participate, provides additional programming opportunities to our students.

Governmental wide local resources comprise over 65.6% of our total budget, with real estate taxes representing 50.2% of that figure. To date, the Act 1 restriction has not impacted our district, although it may do so in the future.

Governmental wide state funding contributes 32.6% to our overall budget, of which 18.1% consists of reimbursable subsidies for direct expenses incurred by the School District. Federal funding makes up 1.8% of our total budget. There is uncertainty as it pertains to future federal funding in the K-12 educational environment with the new federal administration.

It is also important to highlight that Pennsylvania recently lost a fair funding lawsuit, which demonstrated that K-12 education entities in the state are not adequately funded according to the Pennsylvania Constitution. Given this outcome and the absence of an appeal, it is anticipated that all school districts will experience significant increases in state subsidies moving forward.

Over 70% of our annual General Fund budget is allocated to staff salaries and benefits, which is to be expected given that a school district is fundamentally a service-oriented organization focused on people. Within the overall budget, salaries, healthcare, and the state's retirement system (PSERS) represent the three largest expenses for the district. This fiscal year, PSERS has reduced its employer contribution rate from 34.0% to 33.9% of eligible salaries. While the state subsidizes half of the employer costs, PSERS projects an increase to 39.94% of eligible salaries by 2035. Additionally, Other Post-Employment Benefits continue to exert annual budgetary pressures, as indicated in the Management Discussion and Analysis (MD&A) and disclosures. The District also expects to face further budget challenges due to strong labor markets, a declining working demographic, exponential increase in special education enrollment, and the imminent expiration of existing compensation plans for teachers in 2027 and custodians in 2026.

Capital spending is ongoing as the district advances through its 10-year capital projects plan. This initiative encompasses the necessary updates to all 13 district buildings, addressing essential mechanical, electrical, plumbing, and roofing infrastructure requirements. Most of the buildings still contain original infrastructure, with ages ranging from 18 to 70 years. As a result of this outdated infrastructure, procuring parts has become increasingly challenging, as many components are no longer being manufactured.

The capital projects not only provide a reliable infrastructure, which requires less maintenance hours, but also provides a savings in energy consumption. Further information regarding construction dates or operating data for all 13 buildings is available within the statistical section of this report.

Financing for this initiative will primarily be achieved through the issuance of bonds in three phases, with the final issuance closing in February 2024 for an amount of \$33 million. Upon reviewing our debt metrics, we find that our outstanding debt is relatively low compared to market values and is moderate on a per capita basis. Both current and future debt is anticipated to follow slow amortization schedules. These amortization schedules are not expected to impact future budgets, as all buildings will undergo renovation upon the completion of the 10-year capital projects plan. All aesthetic requirements for the buildings will be addressed post-renovation and will be supported by our Capital Projects Fund, which is financed through transfers from the General Fund or the sale of capital assets.

In 2025, funding for Charter Schools constitutes 2.7% of our total General Fund expenditures, amounting to \$3.3 million. This figure remains consistent with the previous year. Looking ahead, we anticipate additional financial pressures related to Charter School costs, particularly with Montessori Regional Charter School's request to amend its charter with Millcreek to include 7th and 8th grade instruction.

FINANCIAL POLICIES OR FACTOR AFFECTING FINANCIAL CONDITION

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

COUNTY

Erie County supplies the District with assessment data necessary for budget formulation and is responsible for calculating all tax rolls, which are then reviewed by the local Tax Collector and the District. Real estate taxes are collected by an elected Tax Collector, who forwards any delinquent taxes to the County for collection in January of the current fiscal year. In addition to overseeing assessed values within Millcreek and collecting delinquent real estate taxes, the County manages the collection of real estate transfer taxes and interim taxes that arise from adjustments to assessed values. The most recent reassessment by the County was completed in 2013.

Without a comprehensive countywide reassessment, the District is likely to encounter challenges related to assessment appeals for commercial properties. In Pennsylvania, all properties utilize a common level ratio, which is applied to market values to determine their assessment values. This common level ratio serves as a benchmark for a properties assessment with current real estate market valuations. For the year 2024, this ratio is set at 54%. The situation is further complicated by the impact of online shopping on the income of local businesses, which in turn affects the market values of commercial properties. It is important to note that commercial properties represent 24.65% of the total assessed value within the District and remain an ongoing concern.

LONG TERM FINANCIAL PLANNING

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

On April 21, 2025, the School Board passed a resolution to earmark all revenue generated in extracurricular participation fees, event gate receipts, facility use fees, advertising, Coke contract rebates, and 25% of the investment income to maintaining extracurricular facilities. These are accounted for in the committed fund balance of the General Fund.

The School Board continues its practice of not issuing debt to balance a budget. This practice combined with the administration's annual process of evaluating all programs and departments for operational efficiency and success, allowed the District to improve its achievement and financial position. The District's overall fund balance in the General Fund is \$20.5M, or 16.7% of total recurring expenditures, and maintains a structured budget supporting further investment in the future. The structured budget includes transfers to a Capital Project Fund to maintain all facilities or upgrade security infrastructure. As a result, our credit rating was upgraded from Standard and Poors Global Ratings to A+/Stable in 2024.

With the improvement in our financial position, the District intends to utilize its fund balance and possible issue debt to invest in upgrades for the football stadium, security infrastructure, and potentially expand one of our elementary school facilities. While student enrollment in Erie County is on the decline, Millcreek's student enrollment is expected to remain relatively stable. In alignment with national trends, we anticipate an increase in special education enrollment, which has risen by 24% since 2015. This significant growth in special education requires us to consider additional space, as state-mandated student-to-teacher ratios of 14:1 or lower necessitate further accommodations.

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

Currently, the Commonwealth also provides a subsidy for certain capital projects of school districts. The rental and sinking fund reimbursement from the Commonwealth ("PlanCon Reimbursements") for such school projects is determined by the "Reimbursable Percentage" assigned to the school building project and by the school district's Market Value Aid Ratio ("MVAR") or Capital Account Reimbursable Fraction (the "CARF"), (or in some cases, a "Density Factor" of 50 percent) whichever is higher. The School District's CARF for fiscal year 2024-25 is 32.96% and the MVAR for fiscal year 2024-25 is 49.95%. Most school building projects in the Commonwealth are eligible for state reimbursement. Certain school building projects, such as school administration buildings, swimming pools and tracks, and deferred maintenance, are ineligible for reimbursement. A reimbursement percentage, based upon the rated pupil capacity of the new or renovated structure and certain other costs, is assigned to the building project. This reimbursement percentage multiplied by the school district MVAR or CARF, whichever is higher, determines the state share of the annual lease rental or debt service for that school year. The difference between the State share and 100% yields the local share of debt service or lease rental payments. As the school district's MVAR may change each year, so will the State share of such reimbursement. However, the Commonwealth's recent budgets have not appropriated funds for PlanCon Reimbursements to any school district.

In reviewing total 2024 expenditure compared to other districts in the Commonwealth, Millcreek's spend per student ranked 67 out of 500, meaning 433 districts spend more per student compared to Millcreek. Considering the Commonwealth's funding formula is based on a districts ability to generate revenue locally, we evaluate our tax rate on an annual basis. The 2024 tax rate of 16.2694 mills ranks 6th out of the 13 districts in Erie County. Over the past decade, Millcreek Township School District raised real estate taxes 3% lower compared to the Erie County school district average. Over the past three years, we have successfully secured \$4 million in competitive grants. Additional information related to our tax rate and comparable data is available in the statistical section of this report.

ACKNOWLEDGEMENTS

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

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

Respectfully,



Aaron M. O'Toole
Chief Financial Officer

MILLCREEK TOWNSHIP SCHOOL DISTRICT
LIST OF SCHOOL DISTRICT OFFICIALS

CENTRAL OFFICE ADMINISTRATORS

John Cavanagh..... Superintendent
Trevor MurnockAssistant Superintendent
Aaron O’Toole.....Chief Financial Officer
Mary TrianaDirector of Student Services
Michael Galleher.....Director of Engineering
Joseph Jablonski.....Director of Human Resources
Patrick ThiemDirector of Technology

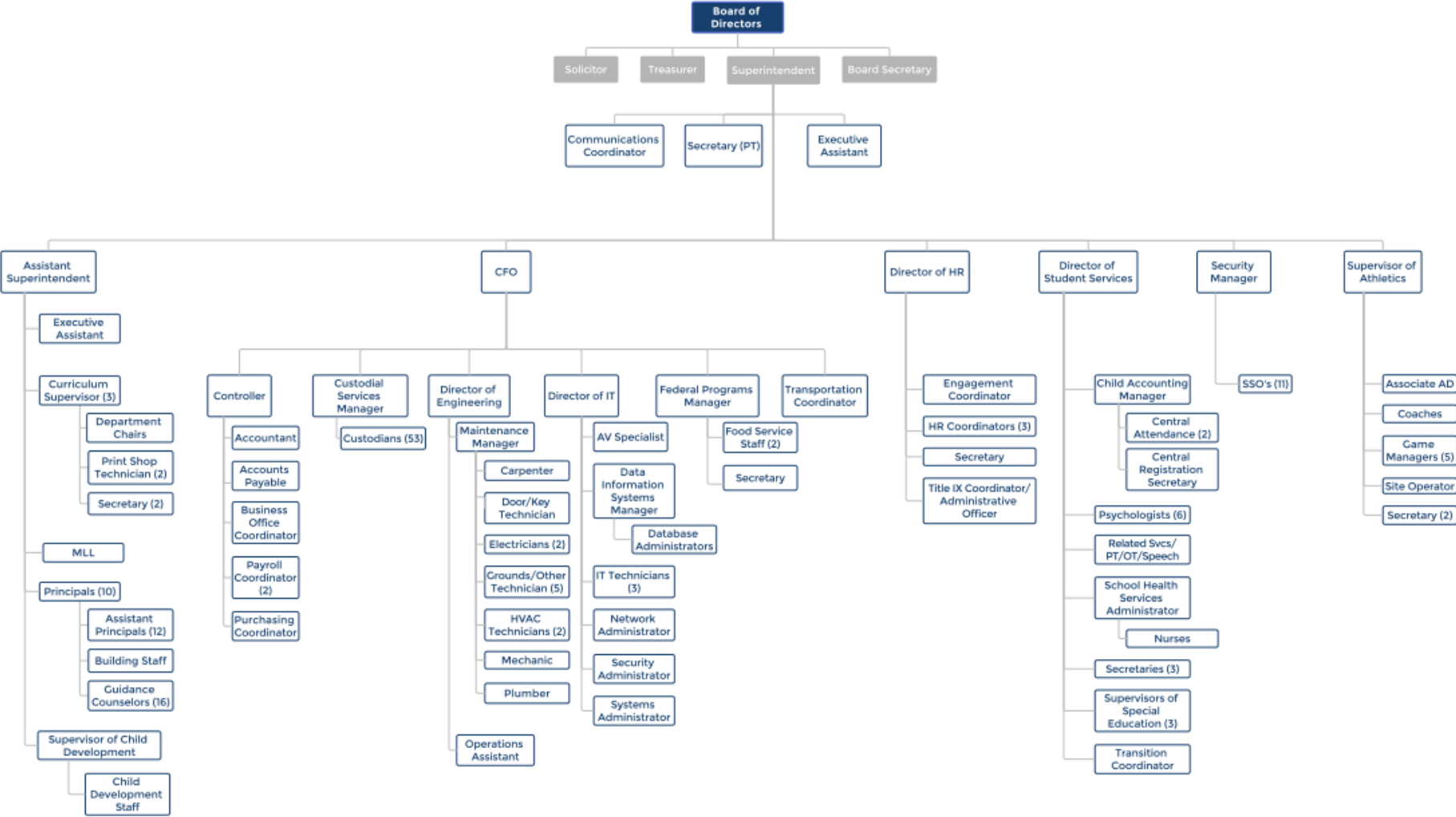
BOARD OF SCHOOL DIRECTORS

Gary Winschel.....President
J. Michael Lindner.....Vice President
Wade Brink.....Director
Jason Dean.....Director
Janis Filbeck.....Director
Michael Kobylka.....Director
Sallie Newsham.....Director
Sue Ellen Pasquale.....Director
Shirley Winschel.....Director

OTHER BOARD SERVICES

Mackenzie O’ Connor.....Board Secretary
Timothy Sennett.....Solicitor
Joseph Maloney.....Treasurer
Zelenkofske Axelrod LLC..... Independent Auditors
First National Insurance.....Insurance Agent

Organizational Chart





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

Millcreek Township School District
for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2024.

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



A handwritten signature in black ink, reading 'Ryan S. Stechschulte'.

Ryan S. Stechschulte
President

A handwritten signature in black ink, reading 'James M. Rowan'.

James M. Rowan, CAE, SFO
CEO/Executive Director



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Independent Auditor's Report

Members of the Board
Millcreek Township School District
Erie, Pennsylvania

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of MILLCREEK TOWNSHIP SCHOOL DISTRICT as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the MILLCREEK TOWNSHIP SCHOOL DISTRICT's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of MILLCREEK TOWNSHIP SCHOOL DISTRICT as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), 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 that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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



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and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS 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 GAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule – general fund, schedule of changes in the total OPEB liability and related ratios- retirees' health plans, schedule of the district's proportionate share of the net OPEB liability – PSERS plan, schedule of the district's OPEB contributions – PSERS plan, schedule of the district's proportionate share of the net pension liability – last 10 years, and schedule of the district's contributions – last 10 years information on pages 12 through 26 and 71 through 79 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



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Other Information Included in the Annual Comprehensive Financial Report

Management is responsible for the other information in the annual comprehensive financial report. The other information comprises the introductory and statistical sections (pages 1-5 and pages 81 – 111) but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 19, 2025, on our consideration of the MILLCREEK TOWNSHIP SCHOOL DISTRICT's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Zelenkofske Axlerod LLC

ZELENKOSFSKE AXELROD LLC

December 19, 2025
Pittsburgh, Pennsylvania

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025

MILLCREEK TOWNSHIP SCHOOL DISTRICT, hereafter referred to as the "SCHOOL DISTRICT", is pleased to present its financial statements developed in compliance with Statement of Governmental Accounting Standard No. 34, entitled "Basic Financial Statements – Management's Discussion and Analysis – For State and Local Governments (hereafter "GASB 34"), and related standards. GASB 34 enhances information provided to the users of its financial statements. This section of the financial reporting package presents our discussion and analysis of the SCHOOL DISTRICT's financial performance during the year that ended on June 30, 2025. Please read this Management Discussion and Analysis in conjunction with the SCHOOL DISTRICT's financial statements that follow this section.

FINANCIAL HIGHLIGHTS

Real Estate Tax serves as the primary source of funding for the SCHOOL DISTRICT, contributing to 50.09% of the district's total governmental wide governmental activities revenue. The revenue generated from real estate tax has increased by \$896,322, representing a growth of 1.4% compared to the previous year. This increase is attributed to a 2% tax rate adjustment and declining property values in commercial real estate. While the SCHOOL DISTRICT is compelled to regularly adjust taxes due to Pennsylvania's education funding formula, it is noteworthy that our real estate tax rate ranks as the sixth lowest among the seventeen districts within the Northwestern Intermediate Unit.

Additionally, the Earned Income Tax revenue saw a 1.38% increase, amounting to \$127,968 compared to the prior year. This growth is largely driven by low unemployment rates and rising wages.

Furthermore, Investment Income experienced a decrease of 14.04%, or \$619,877, compared to the previous year for governmental activities. This decrease aligns with rate reductions from the Federal Reserve and spending down bond funds. Although investment income constitutes 3.05% of the overall budget, 25% of these funds are earmarked for future allocations based on a Board-approved motion. Specifically, they will be utilized for maintaining extracurricular facilities.

Government Wide state revenue has increased by \$4,090,147, representing a 11.23% rise. This increase is largely attributable to enhanced state appropriations for subsidies and the reimbursement of Social Security/Medicare and Public School Employees' Retirement System (PSERS) contributions. The state funds 50% of the employer's share of PSERS contributions and the applicable Social Security/Medicare taxes on wages. Notably, the PSERS contribution rate has decreased from 34.0% in the 2023-2024 fiscal year to 33.9% in 2024-2025. However, future projections indicate that PSERS contribution rates may rise to 39.94% of eligible salaries. Additionally, the district received \$1.7 million in construction grants.

In total, 18.04% of the overall budget is derived from subsidies, which are based on reimbursable formulas. This indicates that the school district must incur spending in order to receive a portion of those expenditures in return.

Governmental Activities expenditures increased from \$110,059,100 in 2024 to \$118,376,541 in 2025. The primary reasons for this increase relate to additional staff, purchased curricular resources, spending down bond funds, increases in salaries, healthcare costs, and anticipated inflationary pressures on services and goods. Despite significant investments in renovations and other instructional resources over the past few years, the SCHOOL DISTRICT ranks 67 out of 500 Pennsylvania school districts in terms of expenditure per student, indicating that 66 districts spend less per student than the SCHOOL DISTRICT.

Overall, the financial position of the SCHOOL DISTRICT's Governmental activities has improved compared to the previous year by \$6,632,547. Total assets have decreased by \$10,104,290 due to spending down bond funds. Total liabilities decreased by \$25,319,099, largely attributable to a reduction in OPEB and pension liabilities and an overall decrease in current liabilities. Furthermore, outflows of resources decreased by \$5,000,675, while deferred inflows of resources rose by \$3,581,587. Additional details regarding deferred outflows and inflows of resources are available in the accompanying notes.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2025

OVERVIEW OF THE FINANCIAL STATEMENTS

This report consists of the following three parts:

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

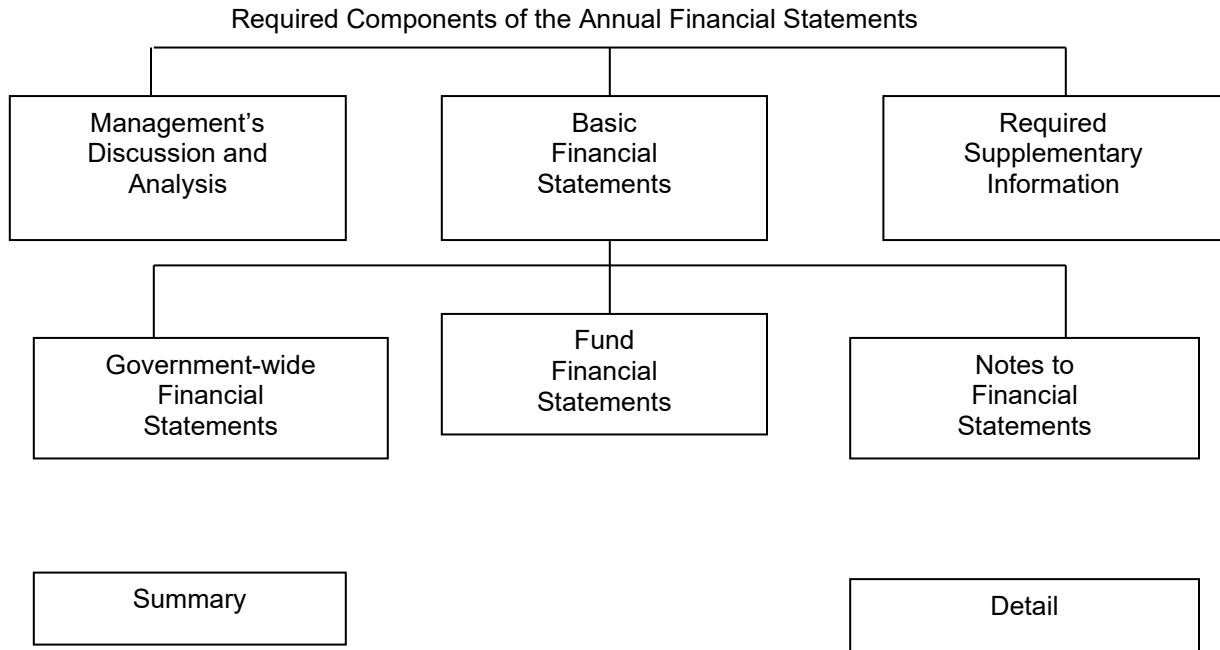
Management's discussion and analysis is a guide to reading the financial statements and provides related information to help the reader to better understand the SCHOOL DISTRICT's government and financial position for both the present and long-term view. The basic financial statements include notes that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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2025

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



MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2025

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2025

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

Government-wide financial statements

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

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

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

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

There are two categories of activities for the primary government:

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2025

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

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

Fund Financial Statements

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

The SCHOOL DISTRICT has three kinds of funds:

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

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2025

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Net Position

The SCHOOL DISTRICT's total assets for governmental activities were \$261,154,869 at June 30, 2025. Of this amount, \$179,463,522 was capital assets.

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

Condensed Statement of Net Position

	2025		2024		2025		2024		2025 Total	2024 Total
	Governmental	Governmental	Business-Type	Business-Type	Governmental	Governmental	Business-Type	Business-Type		
	Activities	Activities	Activities	Activities	Activities	Activities	Activities	Activities		
Current & Other Assets	\$ 81,691,347	\$ 105,606,209	\$ 3,099,482	\$ 2,630,077	\$ 84,790,829	\$ 108,236,286				
Capital Assets	179,463,522	165,652,950	1,244,274	861,482	180,707,796	166,514,432				
Total Assets	261,154,869	271,259,159	4,343,756	3,491,559	265,498,625	274,750,718				
Deferred Outflows of Resources	20,501,878	25,502,553	327,700	442,482	20,829,578	25,945,035				
Current & other liabilities	26,395,009	33,876,589	1,110,942	365,133	27,505,951	34,241,722				
Long-term liabilities	285,057,715	302,895,234	2,110,504	2,596,448	287,168,219	305,491,682				
Total Liabilities	311,452,724	336,771,823	3,221,446	2,961,581	314,674,170	339,733,404				
Deferred Inflows of Resources	11,881,009	8,299,422	185,498	116,254	12,066,507	8,415,676				
Net Position:										
Net Investment in Capital Assets	63,123,440	59,537,826	1,390,757	861,482	64,514,197	60,399,308				
Unrestricted	(104,800,426)	(107,847,359)	(126,245)	(5,276)	(104,926,671)	(107,852,635)				
Total Net Position	\$ (41,676,986)	\$ (48,309,533)	\$ 1,264,512	\$ 856,206	\$ (40,412,474)	\$ (47,453,327)				

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2025

Change in Net Position

The following Statement of Activities represents the Change in Net Position for the years ended June 30, 2025 and 2024. It shows revenues by source and expenses by function for governmental activities, business-type activities and the government as a whole.

Condensed Statement of Activities							
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>			
	<u>Governmental</u>	<u>Governmental</u>	<u>Business-Type</u>	<u>Business-Type</u>			
	<u>Activities</u>	<u>Activities</u>	<u>Activities</u>	<u>Activities</u>			
Revenues:					<u>2025 Total</u>	<u>2024 Total</u>	
Program Revenues:							
Charges for Services	\$ 1,929,902	\$ 1,870,978	\$ 1,411,607	\$ 1,508,222	\$ 3,341,509	\$ 3,379,200	
Grants and Contributions	42,861,177	43,013,078	3,887,392	4,057,468	46,748,569	47,070,546	
General Revenues:							
Property Taxes	62,626,475	61,730,153	-	-	62,626,475	61,730,153	
Earned Income Tax	9,394,041	9,266,073	-	-	9,394,041	9,266,073	
Real Estate Transfer Tax	1,123,508	1,066,268	-	-	1,123,508	1,066,268	
Other Taxes	937,363	796,647	-	-	937,363	796,647	
Investment Earnings	3,794,689	4,414,566	34,672	27,195	3,829,361	4,441,761	
Other Income	486,150	602,514	-	-	486,150	602,514	
State Property Tax Reduction	1,416,229	1,179,325	-	-	1,416,229	1,179,325	
Lease Proceeds	-	-	-	-	-	-	
Insurance Recoveries	54,654	4,731	-	-	54,654	4,731	
Sale of Capital Assets	168,293	53,142	-	-	168,293	53,142	
Total Revenues	124,792,481	123,997,475	5,333,671	5,592,885	130,126,152	129,590,360	
Expenses:							
Instructional Services	69,925,158	66,170,257	-	-	69,925,158	66,170,257	
Pupil Services	4,960,120	4,705,071	-	-	4,960,120	4,705,071	
Instructional Support Services	2,309,188	2,394,550	-	-	2,309,188	2,394,550	
Administration	7,204,406	7,341,427	-	-	7,204,406	7,341,427	
Pupil Health Services	1,650,328	1,494,966	-	-	1,650,328	1,494,966	
Financial Services	1,367,256	1,558,758	-	-	1,367,256	1,558,758	
Operation and Maintenance of Plant	11,911,353	10,582,369	-	-	11,911,353	10,582,369	
Student Transportation Services	5,482,759	4,768,518	-	-	5,482,759	4,768,518	
Other Support Services	4,230,359	4,802,691	-	-	4,230,359	4,802,691	
Student Activities	2,448,572	2,352,034	-	-	2,448,572	2,352,034	
Community Services	13,519	13,404	-	-	13,519	13,404	
Interest on Long-Term Debt	6,656,916	3,875,055	-	-	6,656,916	3,875,055	
Food Service	-	-	4,145,859	4,225,512	4,145,859	4,225,512	
Child Development	-	-	779,506	1,170,738	779,506	1,170,738	
Total Expenses	118,159,934	110,059,100	4,925,365	5,396,250	123,085,299	115,455,350	
Change in Net Position	6,632,547	13,938,375	408,306	196,635	7,040,853	14,135,010	
Net Position - July 1	(48,309,533)	(62,247,908)	856,206	659,571	(47,453,327)	(61,588,337)	
Net Position - June 30	\$ (41,676,986)	\$ (48,309,533)	\$ 1,264,512	\$ 856,206	\$ (40,412,474)	\$ (47,453,327)	

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2025

Net Program Expenses

Net program expenses indicate the amount of support required from taxes and other general revenues for a program of the government. In 2025, taxes brought in \$74,081,387.

Program:	<u>2025</u> <u>Total Cost</u> <u>of Services</u>	<u>2024</u> <u>Total Cost</u> <u>of Services</u>	<u>2025</u> <u>Net Cost</u> <u>of Services</u>	<u>2024</u> <u>Net Cost</u> <u>of Services</u>
Instructional Services	\$ 69,925,158	\$ 66,170,257	\$ 33,343,173	\$ 31,043,923
Pupil Services	4,960,120	4,705,071	4,472,191	4,237,318
Instructional Support Services	2,309,188	2,394,550	2,043,495	2,075,238
Administration	7,204,406	7,341,427	6,554,472	6,500,886
Pupil Health Services	1,650,328	1,494,966	1,238,940	1,107,326
Financial Services	1,367,256	1,558,758	1,243,911	1,413,547
Operation and Maintenance of Plant	11,911,353	10,582,369	8,951,035	6,510,012
Student Transportation Services	5,482,759	4,768,518	3,155,292	2,589,310
Other Support Services	4,230,359	4,802,691	3,741,973	4,062,758
Student Activities	2,448,572	2,352,034	1,998,580	1,907,025
Community Services	13,519	13,404	-	-
Interest on Long-Term Debt	6,656,916	3,875,055	6,625,793	3,727,701
Food Service	4,145,859	4,225,512	(319,553)	(346,132)
Child Development	779,506	1,170,738	(54,081)	176,692
Total Expenses	\$ 123,085,299	\$ 115,455,350	\$ 72,995,221	\$ 65,005,604

The SCHOOL DISTRICT relied on charges for services, operating grants and contributions to fund 39.92% of its governmental and business-type activities in 2025.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2025

Capital Assets

The SCHOOL DISTRICT's investment in capital assets in its Governmental Activities at June 30, 2025, net of accumulated depreciation, was \$179,463,522. Capital assets consist primarily of land, buildings, equipment, and books. The following is a summary of capital assets at June 30, 2025:

GOVERNMENTAL ACTIVITIES	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets, Not Being Depreciated:				
Land	\$ 549,708	\$ -	\$ (8,480)	\$ 541,228
Construction in Progress	50,472,698	17,538,422	(6,284,731)	61,726,389
Total Capital Assets, Not Being Depreciated	<u>51,022,406</u>	<u>17,538,422</u>	<u>(6,293,211)</u>	<u>62,267,617</u>
Capital Assets, Being Depreciated:				
Equipment and Vehicles	21,767,754	799,218	(548,170)	22,018,802
Right of Use Asset - Leases	-	216,608	(11,584)	205,024
Right of Use Asset - SBITAs	-	2,035,439	-	2,035,439
Building & LHI	219,124,646	7,637,468	-	226,762,114
Total Capital Assets, Being Depreciated	<u>240,892,400</u>	<u>10,688,733</u>	<u>(559,754)</u>	<u>251,021,379</u>
Less Accumulated Depreciation For:				
Buildings & Improvement	(110,984,050)	(6,317,609)	-	(117,301,659)
Right of Use Asset - Leases	-	(34,364)	11,584	(22,780)
Right of Use Asset - SBITAs	-	(405,087)	-	(405,087)
Equipment and Vehicles	(15,277,806)	(1,366,312)	548,170	(16,095,948)
Total Accumulated Depreciation	<u>(126,261,856)</u>	<u>(8,123,372)</u>	<u>559,754</u>	<u>(133,825,474)</u>
Total Capital Assets, Being Depreciated, Net	<u>114,630,544</u>	<u>2,565,361</u>	<u>-</u>	<u>117,195,905</u>
Governmental Activities Capital Assets, Net	<u>\$ 165,652,950</u>	<u>\$ 20,103,783</u>	<u>\$ (6,293,211)</u>	<u>\$ 179,463,522</u>

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

BUSINESS TYPE ACTIVITIES	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ -	\$ 146,483	\$ -	\$ 146,483
Total Capital Assets, Not Being Depreciated	<u>-</u>	<u>146,483</u>	<u>-</u>	<u>146,483</u>
Capital Assets, Being Depreciated:				
Food Service Equipment	2,313,142	480,820	-	2,793,962
Total Capital Assets, Being Depreciated	<u>2,313,142</u>	<u>480,820</u>	<u>-</u>	<u>2,793,962</u>
Less Accumulated Depreciation	(1,451,660)	(98,028)	-	(1,549,688)
Total Capital Assets, Being Depreciated, Net	<u>861,482</u>	<u>382,792</u>	<u>-</u>	<u>1,244,274</u>
Business Type Activities Capital Assets, Net	<u>\$ 861,482</u>	<u>\$ 529,275</u>	<u>\$ -</u>	<u>\$ 1,390,757</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2025

At June 30, 2025, the SCHOOL DISTRICT had \$291,897,575 of long-term liabilities outstanding. Long-term liabilities decreased 5.86% from the previous year. Additional information related to debt is found in Notes 6, 8 and 9 in the Financial Statements. The following is a summary of long-term liabilities for the 2025 year:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Payments</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities					
Bonds and Notes Payable					
General Obligation Bonds	\$ 143,810,000	\$ -	\$ (4,095,000)	\$ 139,715,000	\$ 4,680,000
Bond Premiums	11,218,196	-	(794,638)	10,423,558	-
Notes Payable	91,128	216,608	(111,483)	196,253	49,356
SBITA Liability	-	2,035,439	(2,035,439)	-	-
Total Bonds and Notes Payable	<u>155,119,324</u>	<u>2,252,047</u>	<u>(7,036,560)</u>	<u>150,334,811</u>	<u>4,729,356</u>
Other Liabilities					
Compensated Absences	3,145,648	833,017	(487,265)	3,491,400	-
Net Pension Liability	134,150,955	-	(11,497,805)	122,653,150	-
Other Postemployment Benefits	15,063,144	-	(1,755,434)	13,307,710	-
Total Other Liabilities	<u>152,359,747</u>	<u>833,017</u>	<u>(13,740,504)</u>	<u>139,452,260</u>	<u>-</u>
Governmental Activities					
Total Long-Term Liabilities	<u>\$ 307,479,071</u>	<u>\$ 3,085,064</u>	<u>\$ (20,777,064)</u>	<u>\$ 289,787,071</u>	<u>\$ 4,729,356</u>
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Payments</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Business Type Activities					
Net Pension Liability	\$ 2,466,718	\$ -	\$ (475,848)	\$ 1,990,870	\$ -
Other Postemployment Benefits	129,730	32,134	(42,230)	119,634	-
Total Other Liabilities	<u>\$ 2,596,448</u>	<u>\$ 32,134</u>	<u>\$ (518,078)</u>	<u>\$ 2,110,504</u>	<u>\$ -</u>

GOVERNMENTAL FUNDS

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2025

GOVERNMENTAL FUND REVENUES

Governmental fund revenues by source at June 30, 2025 and 2024 were as follows:

Revenues:	<u>2025</u>	<u>% of Total</u>	<u>2024</u>	<u>Increase/ (Decrease)</u>	<u>% Change from PY</u>
Local Sources					
Property Taxes	\$ 62,492,036	50.22%	\$ 61,629,428	\$ 862,608	1.40%
Earned Income Tax	9,394,041	7.55%	9,266,073	127,968	1.38%
Real Estate Transfer Tax	1,123,508	0.90%	1,066,268	57,240	5.37%
Other Taxes	937,363	0.75%	796,647	140,716	17.66%
Investment Earnings	3,794,689	3.05%	4,414,566	(619,877)	-14.04%
Tuition	1,394,883	1.12%	1,540,190	(145,307)	-9.43%
IDEA/Other Federal Sources	1,523,764	1.22%	1,701,756	(177,992)	-10.46%
Other Local Revenue	1,021,169	0.82%	1,003,303	17,866	1.78%
Total Local Revenue	81,681,453	65.64%	81,418,231	263,222	0.32%
State Sources					
Basic Education Subsidy	18,067,431	14.52%	17,574,291	493,140	2.81%
Social Security/Retirement Subsidies	10,057,842	8.08%	9,890,629	167,213	1.69%
Special Education Subsidy	4,802,114	3.86%	4,588,019	214,095	4.67%
Transportation Subsidy	1,832,849	1.47%	1,734,983	97,866	5.64%
State Property Tax Reduction	1,416,229	1.14%	1,179,325	236,904	20.09%
Other State Revenue	4,333,932	3.48%	1,453,003	2,880,929	198.27%
Total State Revenue	40,510,397	32.56%	36,420,250	4,090,147	11.23%
Federal/Other Revenue					
Title Funding	1,678,867	1.35%	1,884,868	(206,001)	-10.93%
COVID Stimulus Funding	-	0.00%	3,389,730	(3,389,730)	-100.00%
ACCESS Funding	564,377	0.45%	680,656	(116,279)	-17.08%
Other Federal Grant Funding	-	0.00%	45,142	(45,142)	0.00%
Total Federal Revenue	2,243,244	1.80%	6,000,396	(3,757,152)	-62.62%
Total Revenues	\$ 124,435,094	100.00%	\$ 123,838,877	\$ 596,217	0.48%

There are multiple factors contributing to the increase in revenues from 2024 to 2025. Local revenues rose by \$263,222, reflecting a growth of .32%. This increase was primarily driven by a 1.4% rise in real estate taxes, and strong wage growth among Millcreek Township residents, which resulted in a \$127,968 increase in earned income taxes. These increases were offset by a reduction in investment income and IDEA allocation.

State revenues increased by \$4,090,147, or 11.23%. During the 2024-2025 school year, state appropriations for Basic Education, Special Education and Construction Subsidies experienced significant increases as the state seeks to address the unfunded education gap in Pennsylvania compared to other states. This resulted in increases of \$493,140 for Basic Education Subsidy, \$214,095 for Special Education Subsidy and \$1,523,907 for construction subsidies.

Conversely, federal revenues decreased by \$3,757,152, or 62.62%, due to a reduction in available federal stimulus funds.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2025

GOVERNMENTAL FUND EXPENDITURES

Governmental fund expenditures by function at June 30, 2025 and 2024 were as follows:

	<u>2025</u>	<u>% of Total 2025</u>	<u>2024</u>	<u>Increase/ (Decrease)</u>	<u>% Change from PY</u>
Expenditures:					
Instructional Services	\$ 68,805,057	47.98%	\$ 66,351,698	\$ 2,453,359	3.70%
Pupil Services	4,883,592	3.41%	4,717,973	165,619	3.51%
Instructional Support Services	2,273,561	1.59%	2,401,115	(127,554)	-5.31%
Administration	7,093,251	4.95%	7,361,086	(267,835)	-3.64%
Pupil Health Services	1,624,866	1.13%	1,499,065	125,801	8.39%
Financial Services	1,346,161	0.94%	1,562,175	(216,014)	-13.83%
Operation and Maintenance of Plant	11,727,577	8.18%	10,611,387	1,116,190	10.52%
Student Transportation Services	5,398,166	3.76%	4,781,594	616,572	12.89%
Other Support Services	4,165,090	2.90%	4,815,860	(650,770)	-13.51%
Student Activities	2,448,572	1.71%	2,352,034	96,538	4.10%
Community Services	13,519	0.01%	13,404	115	0.86%
Debt:					
Interest	5,283,560	3.68%	3,973,669	1,309,891	32.96%
Principal	6,241,922	4.35%	5,306,628	935,294	17.63%
Other	41,900	0.03%	-	41,900	0.00%
Building Improvements	20,032,704	13.97%	38,658,353	(18,625,649)	-48.18%
SBITA	2,035,439	1.42%	-	2,035,439	0.00%
Total Expenditures	\$ 143,414,937	100.00%	\$ 154,406,041	\$ (10,991,104)	-7.12%

Total expenditures for the year decreased by \$13,026,543, representing an decrease of 8.44%. However, overall we experienced a decrease of \$18,625,649 in capital expenditures, where were offset by other expenditures. Expenditures for Instructional Services grew by \$4,488,798, or 6.77%, largely due to investments in new positions, substitute costs, mental health supports and curricular resources. Operation and Maintenance of Plant expenditures grew \$1,116,190 related to insurance premiums, purchase of new vehicles, utilities, new SSO positions and contracted services. Transportation increased by \$616,572 from a new transportation contract resulting in a 10% increase in costs.

An additional factor contributing to the overall decrease in expenditures was an increase of \$1.5 million in healthcare costs compared to the prior year.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2025

GOVERNMENTAL FUND BALANCES AND PROPRIETARY FUND NET POSITION

Ending fund balances for governmental funds and net position for proprietary funds at June 30, 2025 and 2024 were as follows:

Fund:	<u>Beginning</u>	<u>Net Change</u>	<u>Ending</u>
	<u>Fund Balance</u>		<u>Fund</u>
			<u>Balance</u>
Governmental Funds:			
General Fund	\$ 21,579,979	\$ (1,115,507)	\$ 20,464,472
Capital Reserve	48,573,799	(14,794,269)	33,779,530
Capital Projects	6,797,468	(595,073)	6,202,395
Proprietary Funds:			
Food Service	2,309,329	348,684	2,658,013
Day Care	(1,453,123)	59,622	(1,393,501)
Total	<u>\$ 77,807,452</u>	<u>\$ (16,096,543)</u>	<u>\$ 61,710,909</u>

Changes in the General Fund's net position are detailed in the Governmental Revenue and Expenditures sections on the previous pages. The Capital Reserve Fund balance decreased by \$14,794,269 from spending down bond funds on building renovations. The Capital Projects Fund balance experienced a decrease of \$595,073 due to the districtwide security infrastructure and auditorium project. The Food Service sector showed an improvement in net position of \$348,684 and the Child Development fund improved \$59,622, attributed to reduction in OPEB expenses.

BUDGETARY HIGHLIGHTS

The SCHOOL DISTRICT implements an annual appropriated budget for its general fund. Comprehensive details regarding the SCHOOL DISTRICT's 2025 budget can be found in the Required Supplemental Information or on the SCHOOL DISTRICT's website at <https://www.mtsd.org/who-we-are/district-offices/business-office>.

Overall, the SCHOOL DISTRICT operated at a negative \$2,426,696 in actual results compared to the budget. Several factors contributed to this outcome. Revenue generated a positive variance of \$2,113,673, driven primarily from additional state revenue. Expenditures reflected a negative variance of \$6,116,474 and other financing sources operated at a positive variance of \$1,576,105. The negative expenditure variance relates to \$1.5 million over budget in healthcare, \$1.5 in construction grants not anticipated and \$1.6 million in purchasing a new curricular resources for ELA.

ECONOMIC CONDITIONS AND NEXT YEAR'S BUDGET

Current difficult economic conditions have affected the SCHOOL DSITRICT's financial position due largely in part by increased salary and healthcare costs. In addition, economic uncertainty related to labor market places budget pressures on wages offered to minimize employee turnover. Although commercial property is roughly 10% of the SCHOOL DISTRICT's overall assessed value, reduction in assessed value related to the mall and other commercial properties offsets the strong gains from the residential properties. Without large increases in state appropriations related to K-12 funding or increases taxes to the index annually, the SCHOOL DISTRICT will struggle to add new programs or enhancements to existing programs. SCHOOL DISTRICT management continues to review ways to reduce expenditures which do not affect direct instruction and ways to improve revenues other than taxes. However, continued reductions to the support services will only increase the gap between the SCHOOL DISTRICT and high performing districts.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2025

General Fund Budget Comparison				
Revenues:	<u>2025-26</u>	<u>2024-25</u>	<u>Increase/ (Decrease)</u>	<u>% Change from PY</u>
Local	\$ 81,353,783	\$ 79,798,812	\$ 1,554,971	1.95%
State	39,753,951	37,751,817	2,002,134	5.30%
Federal/Other	2,655,908	2,903,856	(247,948)	-8.54%
Total Revenue	123,763,642	120,454,485	3,309,157	2.75%
Expenditures:				
Instruction	70,765,869	67,960,198	2,805,671	4.13%
Support Services	40,882,825	38,527,423	2,355,402	6.11%
Non-Instruction/Community	2,903,929	2,711,439	192,490	7.10%
Fund Transfers/Debt	10,329,700	9,944,236	385,464	3.88%
Total Expenditures	124,882,323	119,143,296	5,739,027	4.82%
Net Deficit/Surplus	\$ (1,118,681)	\$ 1,311,189	\$ (2,429,870)	-185.32%

The SCHOOL District's ability to raise millage rates above the inflationary index is limited by Act 1 of 2006. Options to raise millage rates above the Act 1 index are available through referendum approval of the Pennsylvania Department of Education or asking the community to approve a budget via a voting referendum. The 2025-2026 budget does not exceed the Index increase of 4.9%, with a 2.9% millage increase.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

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

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

MILLCREEEK TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Assets			
Cash and Cash Equivalents	\$ 70,413,060	\$ 2,913,896	\$ 73,326,956
Property Taxes Receivable, Net of Allowance for Uncollectible	1,214,562	-	1,214,562
Other Taxes Receivable	2,143,934	-	2,143,934
Intergovernmental Receivable	5,512,660	255,642	5,768,302
Other Receivables	1,957,342	17,228	1,974,570
Internal Balances	247,399	(247,399)	-
Inventory	177,251	13,632	190,883
Prepays	25,139	-	25,139
Capital Assets:			
Non-Depreciable	62,267,617	146,483	62,414,100
Depreciable (Net)	117,195,905	1,244,274	118,440,179
Total Assets	\$ 261,154,869	\$ 4,343,756	\$ 265,498,625
Deferred Outflows of Resources			
Deferred Outflows Related to Pensions	\$ 17,802,256	\$ 288,961	\$ 18,091,217
Deferred Outflows Related to OPEB - Retirees Health Plan	1,616,345	25,682	1,642,027
Deferred Outflows Related to OPEB - PSERS	868,078	13,057	881,135
Deferred Loss on Refunding Debt	215,199	-	215,199
Total Deferred Outflows of Resources	\$ 20,501,878	\$ 327,700	\$ 20,829,578
Liabilities			
Current Liabilities:			
Accounts Payable	\$ 6,105,426	\$ 1,053,255	\$ 7,158,681
Accrued Wages and Benefits	13,594,860	-	13,594,860
Accrued Interest Payable on Debt	1,451,209	-	1,451,209
Unearned Revenue	514,158	57,687	571,845
Current Portions of Long-Term Liabilities:			
Bonds Payable	4,680,000	-	4,680,000
Notes Payable	49,356	-	49,356
Non-Current Portion of Long-Term Liabilities:			
Bonds Payable	145,458,559	-	145,458,559
Notes Payable	146,896	-	146,896
Other Post Employment Benefits	13,307,710	119,634	13,427,344
Compensated Absences	3,491,400	-	3,491,400
Net Pension Liability	122,653,150	1,990,870	124,644,020
Total Liabilities	\$ 311,452,724	\$ 3,221,446	\$ 314,674,170
Deferred Inflows of Resources			
Deferred Inflows of Pensions	\$ 5,968,848	\$ 96,884	\$ 6,065,732
Deferred Inflows of OPEB - Retirees Health Plan	4,795,576	76,199	4,871,775
Deferred Inflows of OPEB - PSERS	1,116,585	12,415	1,129,000
Total Deferred Inflows of Resources	\$ 11,881,009	\$ 185,498	\$ 12,066,507
Net Position			
Net Investment in Capital Assets	\$ 63,123,440	\$ 1,390,757	\$ 64,514,197
Unrestricted	(104,800,426)	(126,245)	(104,926,671)
Total Net Position	\$ (41,676,986)	\$ 1,264,512	\$ (40,412,474)

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

**MILLCREEEK TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenues and Changes in Net Position		
		Charges	Operating Grants	Primary Government		
		For Services	and Contributions	Governmental	Business-Type	Total
				Activities	Activities	
Primary Government:						
Governmental Activities:						
Instructional Services	\$ 69,925,158	\$ 1,496,833	\$ 35,085,152	\$ (33,343,173)	\$ -	\$ (33,343,173)
Pupil Services	4,960,120	-	487,929	(4,472,191)	-	(4,472,191)
Instructional Support Services	2,309,188	-	265,693	(2,043,495)	-	(2,043,495)
Administration	7,204,406	-	649,934	(6,554,472)	-	(6,554,472)
Pupil Health Services	1,650,328	-	411,388	(1,238,940)	-	(1,238,940)
Financial Services	1,367,256	-	123,345	(1,243,911)	-	(1,243,911)
Operation and Maintenance of Plant	11,911,353	203,971	2,756,347	(8,951,035)	-	(8,951,035)
Student Transportation Services	5,482,759	-	2,327,467	(3,155,292)	-	(3,155,292)
Other Support Services	4,230,359	-	488,386	(3,741,973)	-	(3,741,973)
Student Activities	2,448,572	229,098	220,894	(1,998,580)	-	(1,998,580)
Community Services	13,519	-	13,519	-	-	-
Interest on Long-Term Debt	6,656,916	-	31,123	(6,625,793)	-	(6,625,793)
Total Governmental Activities:	118,159,934	1,929,902	42,861,177	(73,368,855)	-	(73,368,855)
Business-Type Activities:						
Food Service	4,145,859	1,237,323	3,228,089	-	319,553	319,553
Child Development	779,506	174,284	659,303	-	54,081	54,081
Total Business-Type Activities	4,925,365	1,411,607	3,887,392	-	373,634	373,634
Total Primary Government	\$ 123,085,299	\$ 3,341,509	\$ 46,748,569	(73,368,855)	373,634	(72,995,221)
General Revenues:						
Taxes:						
Property Taxes				62,626,475	-	62,626,475
Earned Income Tax				9,394,041	-	9,394,041
Real Estate Transfer Tax				1,123,508	-	1,123,508
Other Taxes				937,363	-	937,363
Investment Earnings				3,794,689	34,672	3,829,361
Other Income				486,150	-	486,150
State Property Tax Reduction				1,416,229	-	1,416,229
Insurance Recoveries				54,654	-	54,654
Sale of Capital Assets				168,293	-	168,293
Total General Revenues				80,001,402	34,672	80,036,074
Change in Net Position				6,632,547	408,306	7,040,853
Net Position - Beginning				(48,309,533)	856,206	(47,453,327)
Net Position - Ending				\$ (41,676,986)	\$ 1,264,512	\$ (40,412,474)

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

MILLCREEEK TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
JUNE 30, 2025

<u>Assets</u>	<u>General Fund</u>	<u>Capital Reserve</u>	<u>Capital Projects</u>	<u>Total Governmental</u>
Cash and Cash Equivalents	\$ 30,862,026	\$ 33,937,702	\$ 5,613,332	\$ 70,413,060
Receivables:				
Property Taxes Receivable, Net of Allowance for Uncollectible	1,214,562	-	-	1,214,562
Other Taxes Receivable	2,143,934	-	-	2,143,934
Intergovernmental	5,512,660	-	-	5,512,660
Due From Other Funds	352,386	1,377,547	1,308,889	3,038,822
Other Receivables	1,957,342	-	-	1,957,342
Prepaid Assets	25,139	-	-	25,139
Inventory	177,251	-	-	177,251
Total Assets	\$ 42,245,300	\$ 35,315,249	\$ 6,922,221	\$ 84,482,770
Liabilities				
Accounts Payable	\$ 3,859,924	\$ 1,525,676	\$ 719,826	\$ 6,105,426
Accrued Salaries & Benefits	13,594,860	-	-	13,594,860
Due To Other Funds	2,781,380	10,043	-	2,791,423
Unearned Revenues	514,158	-	-	514,158
Total Liabilities	20,750,322	1,535,719	719,826	23,005,867
Deferred Inflows of Resources				
Unavailable Revenue - Property Taxes	1,030,506	-	-	1,030,506
Total Deferred Inflows of Resources	1,030,506	-	-	1,030,506
Fund Balances				
Non-spendable	202,390	-	-	202,390
Restricted for Capital Projects	-	33,779,530	-	33,779,530
Committed:				
Extracurricular Activities	4,823,569	-	-	4,823,569
Capital Reserve	-	-	6,202,395	6,202,395
Assigned:				
PSERS	1,684,676	-	-	1,684,676
IT	3,953,217	-	-	3,953,217
Unassigned	9,800,620	-	-	9,800,620
Total Fund Balances	20,464,472	33,779,530	6,202,395	60,446,397
Total Liabilities and Fund Balances	\$ 42,245,300	\$ 35,315,249	\$ 6,922,221	\$ 84,482,770

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

MILLCREEEK TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2025

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

Total fund balances of governmental funds		\$ 60,446,397
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$313,288,996 and the accumulated depreciation is \$133,825,474.		179,463,522
Property taxes receivable will be collected, but are not available soon enough to pay for current year's expenditures, and therefore are deferred in the Governmental Funds.		1,030,506
Long-term liabilities and related deferrals such as Debt, Accrued Interest, and Compensated Absences are not due and payable in the current period and accordingly are not reported as fund liabilities. Both current and long-term liabilities are reported in the Statement of Net Position.		
Long-term Bonds and Notes Payable	\$ (139,715,000)	
Unamortized Loss on Debt Refundings	215,199	
Bond Premium	(10,423,559)	
Accrued interest	(1,451,209)	
Notes Payable	(196,252)	
Other Post Employment Benefits	(13,307,710)	
Deferred Outflows related to Pensions	17,802,256	
Deferred Outflows related to OPEB - Retirees Health Plan	1,616,345	
Deferred Outflows related to OPEB - PSERS	868,078	
Deferred Inflows related to Pensions	(5,968,848)	
Deferred Inflows related to OPEB - Retirees Health Plan	(4,795,576)	
Deferred Inflows related to OPEB - PSERS	(1,116,585)	
Net Pension Liability	(122,653,150)	
Compensated Absences	(3,491,400)	<u>(282,617,411)</u>
Total net position of governmental activities		\$ <u>(41,676,986)</u>

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

**MILLCREEEK TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025**

Revenues:	<u>General Fund</u>	<u>Capital Reserve</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
Local Revenue:				
Property Taxes	\$ 62,492,036	\$ -	\$ -	\$ 62,492,036
Earned Income Tax	9,394,041	-	-	9,394,041
Real Estate Transfer Tax	1,123,508	-	-	1,123,508
Other Taxes	937,363	-	-	937,363
Investment Earnings	1,937,753	1,768,330	88,606	3,794,689
Tuition	1,394,883	-	-	1,394,883
IDEA/Other Federal Sources	1,523,764	-	-	1,523,764
Other Local Revenue	921,169	100,000	-	1,021,169
Total Local Revenue	79,724,517	1,868,330	88,606	81,681,453
State Revenue:				
Basic Education Subsidy	18,067,431	-	-	18,067,431
Social Security/Retirement Subsidies	10,057,842	-	-	10,057,842
Special Education Subsidy	4,802,114	-	-	4,802,114
Transportation Subsidy	1,832,849	-	-	1,832,849
State Property Tax Reduction	1,416,229	-	-	1,416,229
Other State Revenue	4,333,932	-	-	4,333,932
Total State Revenue	40,510,397	-	-	40,510,397
Federal/Other Revenue:				
Title Funding	1,678,867	-	-	1,678,867
ACCESS Funding	564,377	-	-	564,377
Total Federal Revenue	2,243,244	-	-	2,243,244
Total Revenues	122,478,158	1,868,330	88,606	124,435,094
Expenditures:				
Current:				
Instructional Services	68,805,057	-	-	68,805,057
Pupil Services	4,883,592	-	-	4,883,592
Instructional Support Services	2,273,561	-	-	2,273,561
Administration	7,093,251	-	-	7,093,251
Pupil Health Services	1,624,866	-	-	1,624,866
Financial Services	1,346,161	-	-	1,346,161
Operation and Maintenance of Plant	11,727,577	-	-	11,727,577
Student Transportation Services	5,398,166	-	-	5,398,166
Other Support Services	4,165,090	-	-	4,165,090
Student Activities	2,448,572	-	-	2,448,572
Community Services	13,519	-	-	13,519
Other	41,890	10	-	41,900
Debt Service:				
Interest	5,283,560	-	-	5,283,560
Principal	6,241,922	-	-	6,241,922
Capital Outlay:				
Building Improvements	1,377,547	16,662,589	1,992,568	20,032,704
SBITA	2,035,439	-	-	2,035,439
Total Expenditures	124,759,770	16,662,599	1,992,568	143,414,937
Excess (Deficiency) of Revenues Over Expenditures	(2,281,612)	(14,794,269)	(1,903,962)	(18,979,843)
Other Financing Sources				
Transfers In	-	-	1,308,889	1,308,889
Issuance of SBITA Agreements	2,035,439	-	-	2,035,439
Lease Proceeds	216,608	-	-	216,608
Insurance Recoveries	54,654	-	-	54,654
Sale of Capital Assets	168,293	-	-	168,293
Transfers Out	(1,308,889)	-	-	(1,308,889)
Total Financing Sources	1,166,105	-	1,308,889	2,474,994
Net Change in Fund Balance	(1,115,507)	(14,794,269)	(595,073)	(16,504,849)
Fund Balance, Beginning of Year	21,579,979	48,573,799	6,797,468	76,951,246
Fund Balance, End of Year	\$ 20,464,472	\$ 33,779,530	\$ 6,202,395	\$ 60,446,397

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

MILLCREEEK TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

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

Net Change in fund balances - total governmental funds \$ (16,504,849)

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

Capital Outlays	21,933,944	
Depreciation Expense	<u>(8,123,372)</u>	13,810,572

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

Debt Principal Repayments	4,095,000	
Note Payable Additions	(216,608)	
SBITA Additions	(2,035,439)	
Amortization of Bond Premiums	794,638	
Amortization of Deferred Loss	(215,202)	
Change in Accrued Interest	82,647	
Note Payable Payments	111,483	
SBITA Payments	2,035,439	
Change in Compensated Absences	<u>(345,752)</u>	4,306,206

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

217,600

Governmental funds do not report the changes in the Pension expense:

4,668,579

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

Current year	1,030,506	
Prior year	<u>(896,067)</u>	<u>134,439</u>

Changes in net position of governmental activities

\$ 6,632,547

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

MILLCREEEK TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025

<u>Assets</u>	<u>Food Service</u>	<u>Day Care</u>	<u>Total Proprietary Funds</u>
Current Assets:			
Cash and Cash Equivalents	\$ 2,645,102	\$ 268,794	\$ 2,913,896
Subsidies Receivable	151,993	103,649	255,642
Due From Other Funds	73,932	16,673	90,605
Other Receivables	1,237	15,991	17,228
Inventories	13,632	-	13,632
Total Current Assets	2,885,896	405,107	3,291,003
Non-Current Assets:			
Non-Depreciable Capital Assets			
Capital Assets (Net of Accumulated Depreciation)	146,483	-	146,483
	1,244,274	-	1,244,274
Total Non-Current Assets	1,390,757	-	1,390,757
Total Assets	\$ 4,276,653	\$ 405,107	\$ 4,681,760
Deferred Outflows of Resources			
Deferred Outflows of Resources for OPEB	\$ 3,234	\$ 35,505	\$ 38,739
Deferred Outflows of Resources for Pension	43,557	245,404	288,961
Total Deferred Outflows of Resources	46,791	280,909	327,700
Liabilities			
Current Liabilities:			
Accounts Payable	\$ 934,476	\$ 118,779	\$ 1,053,255
Due To Other Funds	338,004	-	338,004
Unearned Revenues	57,672	15	57,687
Total Current Liabilities	1,330,152	118,794	1,448,946
Noncurrent Liabilities:			
OPEB	16,226	103,408	119,634
Pension	300,096	1,690,774	1,990,870
Total Noncurrent Liabilities	316,322	1,794,182	2,110,504
Total Liabilities	1,646,474	1,912,976	3,559,450
Deferred Inflows of Resources			
Deferred Inflows of Resources for OPEB	4,353	84,261	88,614
Deferred Inflows of Resources for Pension	14,604	82,280	96,884
Total Deferred Inflows of Resources	18,957	166,541	185,498
Net Position			
Net Investment in Capital Assets	1,390,757	-	1,390,757
Unrestricted	1,267,256	(1,393,501)	(126,245)
Total Net Position	2,658,013	(1,393,501)	1,264,512
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 4,323,444	\$ 686,016	\$ 5,009,460

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

MILLCREEEK TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES PROPRIETARY
FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Food Service</u>	<u>Day Care</u>	<u>Total Proprietary Funds</u>
Operating Revenues:			
Receipts from Providing Services	\$ 1,237,323	\$ 174,284	\$ 1,411,607
Total Operating Revenues	1,237,323	174,284	1,411,607
Operating Expenses			
Salaries and Wages	61,036	533,377	594,413
Employee Benefits	9,746	196,979	206,725
Operation	3,977,049	49,150	4,026,199
Depreciation	98,028	-	98,028
Total Operating Expenses	4,145,859	779,506	4,925,365
Operating Loss	(2,908,536)	(605,222)	(3,513,758)
Nonoperating Revenues (Expenses)			
Federal Programs:			
Federal Subsidies	2,412,562	-	2,412,562
Donated Commodities	213,797	-	213,797
State Subsidies	601,730	659,303	1,261,033
Investment Earnings	29,131	5,541	34,672
Total Nonoperating Revenues (Expenses)	3,257,220	664,844	3,922,064
Changes in Net Position	348,684	59,622	408,306
Net Position - Beginning of Year	2,309,329	(1,453,123)	856,206
Net Position - End of Year	\$ 2,658,013	\$ (1,393,501)	\$ 1,264,512

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

MILLCREEEK TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Food Service</u>	<u>Day Care</u>	<u>Total Proprietary Funds</u>
Cash Flows from Operating Activities			
Cash Received from Customers	\$ 1,256,800	\$ 176,434	\$ 1,433,234
Cash Paid to Employees	(62,739)	(533,377)	(596,116)
Cash Paid to Suppliers	(3,049,444)	(349,865)	(3,399,309)
Net Cash Used in Operating Activities	(1,855,383)	(706,808)	(2,562,191)
Cash Flows from Non-Capital Financing Activities			
Grants & Subsidies Received:			
State	582,103	653,098	1,235,201
Federal	2,340,756	-	2,340,756
Net Cash Provided by Non-Capital Financing Activities	2,922,859	653,098	3,575,957
Cash Flows from Capital and Related Financing Activities			
Purchase of Capital Assets	(627,303)	-	(627,303)
Investment Earnings	29,131	5,541	34,672
Net Cash Provided by (Used in) Capital and Related Financing Activities	(598,172)	5,541	(592,631)
Net Increase (Decrease) in Cash and Cash Equivalents	469,304	(48,169)	421,135
Beginning Cash and Cash Equivalents	2,175,798	316,963	2,492,761
Ending Cash and Cash Equivalents	\$ 2,645,102	\$ 268,794	\$ 2,913,896
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES			
Operating Loss	\$ (2,908,536)	\$ (605,222)	\$ (3,513,758)
Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities:			
Depreciation	98,028	-	98,028
Pension/OPEB Expense	(187,500)	(114,418)	(301,918)
Donated Commodities	213,797	-	213,797
(Increase) Decrease in Assets			
Interfund Receivables	(66,577)	16,252	(50,325)
Inventories	(12,767)	-	(12,767)
Other Assets	30,029	2,136	32,165
Increase (Decrease) in Liabilities			
Accounts Payable	754,279	25,478	779,757
Interfund Payable	236,119	(9,339)	226,780
Unearned Revenue	(10,552)	14	(10,538)
Accrued Expenses	(1,703)	(21,709)	(23,412)
Net Cash Used in Operating Activities	\$ (1,855,383)	\$ (706,808)	\$ (2,562,191)

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

MILLCREEEK TOWNSHIP SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2025

	<u>Custodial Funds</u>	<u>Total Fiduciary Funds</u>
Assets		
Cash and Cash Equivalents	\$ 228,320	\$ 228,320
Due From External Parties	4,339	4,339
Total Assets	\$ 232,659	\$ 232,659
Liabilities		
Due To External Parties	\$ 2,657	\$ 2,657
Total Liabilities	2,657	2,657
Net Position		
Restricted for Student Activities	230,002	230,002
Total Net Position	230,002	230,002
Total Liabilities and Net Position	\$ 232,659	\$ 232,659

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

MILLCREEEK TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Custodial Funds</u>	<u>Total</u> <u>Fiduciary Funds</u>
Additions		
Receipts from Providing Services	\$ 446,454	\$ 446,454
Investment Earnings	3,895	3,895
Total Additions	<u>450,349</u>	<u>450,349</u>
Deductions		
Disbursements	453,324	453,324
Total Deductions	<u>453,324</u>	<u>453,324</u>
Net Increase (Decrease)	<u>(2,975)</u>	<u>(2,975)</u>
Changes in Net Position	(2,975)	(2,975)
Net Position - Beginning of Year	<u>232,977</u>	<u>232,977</u>
Net Position - End of Year	<u>\$ 230,002</u>	<u>\$ 230,002</u>

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

MILLCREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

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

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

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

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

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

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

A.) Use of Estimates:

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

B.) Reporting Entity:

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

MILLCREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025

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

C.) Joint Venture:

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

Students of the School District, if they so elect, may receive vocational/technical training at Vo-Tech. The School District pays the tuition for the students enrolled at the vocational-technical school. The School District paid \$828,112 in tuition and alternative education for the year ended June 30, 2025.

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

Financial information relating to the Erie County Area Vocational-Technical School is included in a separate audit report for the year ended June 30, 2025. The report can be obtained at the administrative offices of the school, 8500 Oliver Road, Erie, Pennsylvania.

D.) Jointly Governed Organizations

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

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

E.) Fund Accounting:

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts, which are comprised of each fund's assets, liabilities, fund balance, revenues and expenditures or expenses as appropriate. Resources are allocated to and accounted for in the individual funds based on the purpose for which they are to be spent.

The District uses the following funds:

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

MILLCREEK TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2025

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

E.) Fund Accounting (Continued)

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

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

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

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

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

F.) Basis of Presentation:

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

MILLCREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025

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

F.) Basis of Presentation (Continued):

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

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

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

G.) Measurement Focus and Basis of Accounting:

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

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

MILLCREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025

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

H.) Budgetary Data:

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

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

Legal budgetary control is maintained by the Chief Financial Officer at the functional object level. Transfers between functional objects, whether between funds or within a fund, or revisions that alters the total revenues and expenditures of any fund, must be approved by the SCHOOL BOARD.

MILLCREEK TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2025

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

H.) Budgetary Data (Continued):

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

I.) Cash and Cash Equivalents:

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

J.) Investments:

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

K.) Receivables/Payables:

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

L.) Accounts Receivable:

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

M.) Inventories and Prepaid Items:

Inventories of the Food Service Fund consisting of food and paper supplies are carried at cost, using the first-in, first-out method. Federal donated commodities are valued at their fair market value as determined by the U.S. Department of Agriculture at the date of donation. The inventories on hand at June 30, 2025, consist of the following:

Donated Commodities	<u>\$ 13,631</u>
Total Inventory	<u>\$ 13,631</u>

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

N.) Capital Assets:

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

MILLCREEK TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2025

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

N.) Capital Assets: (continued)

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

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

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

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

During the year the District had Subscription-Based IT Arrangements (SBITAs), that range from 2 to 7 year agreements. The total amount of multi-year software for the district was \$2,035,439, and related amortization for the year ended June 30, 2025, was \$405,087. See Note 4 Capital Assets related to the SBITAs.

O.) Long-Term Obligations:

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type statement of Net Position. Bond premiums are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium.

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

P.) PSERS Net OPEB Liability:

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

MILLCREEK TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2025

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

Q.) Net Position/Fund Balance:

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

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

Net investment in Capital Assets for Governmental Activities at June 30, 2025 is calculated as follows:

Capital Assets - Net	\$	179,463,522
Unspent Bond Proceeds		33,779,530
Loss on Refunding Debt		215,199
Less: Outstanding Bonds and Notes Payable		(139,911,253)
Less Bond Premium		(10,423,558)
		(10,423,558)
Net Investment in Capital Assets	\$	63,123,440

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

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

- **Non-spendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The School District has \$202,390 in non-spendable fund balance in the General Fund as of June 30, 2025.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The School District had \$33,779,530 of restricted fund balance as of June 30, 2025.

MILLCREEK TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2025

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

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

- *Committed:* This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School District had \$11,025,964 of committed resources as of June 30, 2025.
- *Assigned:* This classification includes amounts that are constrained by the School District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Directors or through the Board of Directors delegating this responsibility to the District's management. The School District had \$5,637,893 of assigned resources as of June 30, 2025.
- *Unassigned:* This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts. School District policy 620 states the School district will strive to maintain an unassigned general fund balance of not less than the maximum amount permitted by the Commonwealth of Pennsylvania. The School District had \$9,800,620 of unassigned fund balance as of June 30, 2025, which complies with policy 620.

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

R.) Deferred Outflows /Inflows of Resources

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

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

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

MILLCREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025

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

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

OPEB Plan's change in assumption and differences between expected and actual experience is 7 years.

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

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

S.) Leases /SBITA Payable

The District is a lessee for noncancellable leases of equipment. The District recognizes a lease liability (note payable) and intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The District recognizes lease liabilities for leases that management determine to be material.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease asset is initially measured at the initial amount of the lease liability, adjusted for lease payments made at or before the commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Key estimates and judgements related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

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

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position. SBITA Liabilities were paid in full in the amount of \$2,035,439.

MILLCREEK TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2025

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

T.) Adoption of Governmental Accounting Standards Board Statements

The District adopted the provisions of GASB Statement No. 101, "Compensated Absences". The adoption of this statement required the District to re-evaluate their compensated absences calculation. The resulting change was not material to the financial statements.

The District adopted the provisions of GASB Statement No. 102 "Certain Risk Disclosures". The adoption of this statement had no effect on the District's financial statements.

U.) Pending Changes in Accounting Principles

In April of 2024, the GASB issued Statement No. 103 "Financial Reporting Model Improvements". The District is required to adopt Statement No. 103 for its 2026 financial statements.

In September 2024, the GASB issued Statement No. 104 "Disclosure of Certain Capital Assets". The District is required to adopt Statement No. 104 for its 2026 financial statements.

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

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

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

MILLCREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025

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

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

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

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

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

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

As of June 30, 2025, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.

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

Credit Risk – The School District's investment policy for its operating and Fiduciary funds maintains that preservation of principal shall be the highest priority. Preservation of principal shall be ensured by diversification and other means of means of minimizing credit risk. As of June 30, 2025, the School District's operating investments were all invested in Pennsylvania School District Liquid Asset Fund (PSDLAF), and money market accounts with First National Bank. No certificates of deposit were outstanding at June 30, 2025.

MILLCREEK TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2025

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

Custodial Credit Risk – For deposits and investments, custodial credit risk is the risk that in the event of the failure of the counterparty, the School District will be able to recover the value of its investment or collateral securities that are in the possession of an outside party. As of June 30, 2025, the School District's cash balances for its governmental activities, business-type activities and custodial fund were \$73,555,276 and its bank balances and cash equivalents were \$76,126,082. Of these bank balances, \$507,768 was covered by Federal Depository Insurance Company (FDIC) insurance. The remaining \$75,618,314 was collateralized with securities held by the pledging financial institutions, or by their trust departments or agents, but not in the School District's name, and therefore was subject to custodial credit risk.

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

NOTE 3: REAL ESTATE TAXES RECEIVABLE

The District has independently elected tax collectors who are responsible for the collection of taxes. Assessed values are established by the Erie County Board of Assessment. The District tax rate for the year ended June 30, 2025 was 16.2694 mills (\$16.2694 per \$1,000 of assessed valuation) as levied by the Board of School Directors.

The schedule for real estate taxes levied for each fiscal year is as follows:

July 1	Levy Date
July 1 – August 31	2% Discount period
September 1 – October 31	Face payment period
November 1 – December 31	10% Penalty period
January 1	Turnover to delinquent collector

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

The SCHOOL DISTRICT's 2025 real estate taxes are based on assessed values established by the County of Erie's Bureau of Assessments. Assessed values of real property are generally fair market value multiplied by the Common Level Ratio for Erie County. The total 2025 real estate taxes levied was \$64,861,355 based on a total SCHOOL DISTRICT assessed valuation of \$3,986,708,461.

MILLCREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025

NOTE 4: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025 was as follows:

GOVERNMENTAL ACTIVITIES	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets, Not Being Depreciated:				
Land	\$ 549,708	\$ -	\$ (8,480)	\$ 541,228
Construction in Progress	50,472,698	17,538,422	(6,284,731)	61,726,389
Total Capital Assets, Not Being Depreciated	<u>51,022,406</u>	<u>17,538,422</u>	<u>(6,293,211)</u>	<u>62,267,617</u>
Capital Assets, Being Depreciated:				
Equipment and Vehicles	21,767,754	799,218	(548,170)	22,018,802
Right of Use Asset - Leases	-	216,608	(11,584)	205,024
Right of Use Asset - SBITAs	-	2,035,439	-	2,035,439
Building & LHI	219,124,646	7,637,468	-	226,762,114
Total Capital Assets, Being Depreciated	<u>240,892,400</u>	<u>10,688,733</u>	<u>(559,754)</u>	<u>251,021,379</u>
Less Accumulated Depreciation For:				
Buildings & Improvement	(110,984,050)	(6,317,609)	-	(117,301,659)
Right of Use Asset - Leases	-	(34,364)	11,584	(22,780)
Right of Use Asset - SBITAs	-	(405,087)	-	(405,087)
Equipment and Vehicles	(15,277,806)	(1,366,312)	548,170	(16,095,948)
Total Accumulated Depreciation	<u>(126,261,856)</u>	<u>(8,123,372)</u>	<u>559,754</u>	<u>(133,825,474)</u>
Total Capital Assets, Being Depreciated, Net	<u>114,630,544</u>	<u>2,565,361</u>	<u>-</u>	<u>117,195,905</u>
Governmental Activities Capital Assets, Net	<u>\$ 165,652,950</u>	<u>\$ 20,103,783</u>	<u>\$ (6,293,211)</u>	<u>\$ 179,463,522</u>
BUSINESS TYPE ACTIVITIES	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ -	\$ 146,483	\$ -	\$ 146,483
Total Capital Assets, Not Being Depreciated	<u>-</u>	<u>146,483</u>	<u>-</u>	<u>146,483</u>
Capital Assets, Being Depreciated:				
Food Service Equipment	2,313,142	480,820	-	2,793,962
Total Capital Assets, Being Depreciated	<u>2,313,142</u>	<u>480,820</u>	<u>-</u>	<u>2,793,962</u>
Less Accumulated Depreciation	(1,451,660)	(98,028)	-	(1,549,688)
Total Capital Assets, Being Depreciated, Net	<u>861,482</u>	<u>382,792</u>	<u>-</u>	<u>1,244,274</u>
Business Type Activities Capital Assets, Net	<u>\$ 861,482</u>	<u>\$ 529,275</u>	<u>\$ -</u>	<u>\$ 1,390,757</u>

MILLCREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025

NOTE 4: CAPITAL ASSETS (CONTINUED)

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

Governmental Activities:

Instruction	\$ 5,208,191
Pupil Services	369,663
Instructional Support Services	172,097
Administration	536,923
Pupil Health Services	122,994
Financial Services	101,896
Operation and Maintenance of the Plan	887,718
Student Transportation Services	408,614
Other Support Services	<u>315,276</u>

Total Depreciation Expense - Governmental Activities	<u><u>\$ 8,123,372</u></u>
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Business Type Activities:

Food Services	<u>\$ 98,028</u>
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Total Depreciation Expense - Business Type Activities	<u><u>\$ 98,028</u></u>
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NOTE 5: LONG-TERM LIABILITIES OBLIGATIONS

On August 1, 2019, the District entered into a note payable agreement for copiers. The note requires monthly payments totaling \$2,896 beginning August 1, 2019 through July 1, 2024, but was extended to October 2024. On September 1, 2020, the District entered into a note payable agreement for copiers. The note requires monthly payments totaling \$5,864 beginning September 27, 2020 through August 28, 2025. On August 1, 2021, the District entered into a note payable agreement for copiers. The note requires monthly payments totaling \$613 beginning August 1, 2021 through July 1, 2025. On November 12, 2024, the District entered into a note payable agreement for copiers. The note requires monthly payments totaling \$3,550 beginning December 12, 2024 through February 12, 2030.

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

<u>Asset Detail</u>	<u>Governmental Activities</u>
Machinery and Equipment	\$ 1,393,923
Add Addition	216,608
Less Disposal	(1,042,448)
Less: Accumulated Depreciation	<u>(403,453)</u>
	<u>\$ 164,630</u>

MILLCREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025

NOTE 5: LONG-TERM LIABILITIES OBLIGATIONS (CONTINUED)

The future minimum obligations under notes payable as of June 30, 2025 are as follows:

Governmental Activities Notes Payable	Principal Requirements	Interest Requirements	Total Debt Service Requirements
Year Ended June 30:			
2026	\$ 49,356	\$ 5,584	\$ 54,940
2027	38,312	4,288	42,600
2028	39,601	2,999	42,600
2029	40,933	1,667	42,600
2030	28,051	350	28,401
Total	<u>\$ 196,253</u>	<u>\$ 14,888</u>	<u>\$ 211,141</u>

Bonds Payable:

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

On November 27, 2012, the School District issued \$3,080,000 General Obligation Bonds, Refunding Series of 2012. The bonds mature July 15 of each year beginning July 15, 2014 and ending in 2026. The bonds pay interest ranging from .7% to 2.75% on a semi-annual basis. The bonds were used to refund the General Obligation Bonds, Series 2007. The outstanding balance as of June 30, 2025 is \$545,000.

On September 30, 2013, the School District issued \$26,695,000 General Obligation Bonds, Refunding Series of 2013A, 2013B and 2013C. Series A was used to refund a portion of the 2002 General Obligation Bonds. Series B was used to refund a portion of General Obligation Bonds, Series 2005. Series C was used to refund a portion of General Obligation Bonds, Series 2010. The bonds pay interest ranging from 2.5% to 5.0% on a semi-annual basis. As a result of the refunding, debt service payments have decreased by \$8,357,170 and resulted in a net economic loss of \$2,448,016. The outstanding balance as of June 30, 2025 is \$0 for Series A, \$0 for Series B and \$7,285,000 for Series C.

On January 16, 2020, the School District issued \$43,350,000 General Obligation Bonds Series of 2020. The bonds mature March 15 and September 15 of each year beginning March 15, 2020 and ending in 2034. The bonds pay interest ranging from 2.125% to 5.00% on a semi-annual basis. The bonds will be used to fund various capital projects of the School District and pay the costs of issuing the bonds. The outstanding balance as of June 30, 2025 is \$42,175,000.

On February 16, 2022, the School District issued \$58,475,000 General Obligation Bonds Series of 2022. The bonds mature September 15 and March 15 of each year beginning September 15, 2022 and ending in 2044. The bonds pay interest at a rate of 3.00% on a semi-annual basis. The bonds will be used to fund various capital projects of the School District and pay the costs of issuing the bonds. The outstanding balance as of June 30, 2025 is \$58,465,000.

MILLCREEK TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2025

NOTE 5: LONG-TERM LIABILITIES OBLIGATIONS (CONTINUED)

On February 27, 2024, the School District issued \$31,245,000 General Obligation Bonds Series of 2024. The bonds mature March 15 and September 15 of each year beginning March 15, 2024 and ending in 2045. The bonds pay interest ranging from 4.00% to 6.00% on a semi-annual basis. The bonds will be used to fund various capital projects of the School District and pay the costs of issuing the bonds. The outstanding balance as of June 30, 2025 is \$31,245,000.

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

Governmental Activities	Principal Requirements	Interest Requirements	Total Debt Service Requirements
Year Ended June 30:			
2026	\$ 4,680,000	\$ 5,019,700	\$ 9,699,700
2027	4,895,000	4,805,181	9,700,181
2028	5,085,000	4,577,500	9,662,500
2029	5,345,000	4,316,850	9,661,850
2030	5,620,000	4,039,000	9,659,000
2031-2035	31,930,000	16,379,050	48,309,050
2036-2040	37,620,000	10,685,375	48,305,375
2041-2045	44,540,000	3,767,750	48,307,750
Total	<u>\$ 139,715,000</u>	<u>\$ 53,590,406</u>	<u>\$ 193,305,406</u>

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

Compensated Absences:

Compensated absences are comprised of accumulated unused sick days and are funded annually through the School District's Budget. The aggregate liability is \$3,491,400 as of June 30, 2025.

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

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

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

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

MILLCREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025

NOTE 5: LONG-TERM LIABILITIES OBLIGATIONS (CONTINUED)

A summary of changes in long-term debt obligations for 2025 is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Payments</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities					
Bonds and Notes Payable					
General Obligation Bonds	\$ 143,810,000	\$ -	\$ (4,095,000)	\$ 139,715,000	\$ 4,680,000
Bond Premiums	11,218,196	-	(794,638)	10,423,558	-
Notes Payable	91,128	216,608	(111,483)	196,253	49,356
SBITA Liability	-	2,035,439	(2,035,439)	-	-
Total Bonds and Notes Payable	<u>155,119,324</u>	<u>2,252,047</u>	<u>(7,036,560)</u>	<u>150,334,811</u>	<u>4,729,356</u>
Other Liabilities					
Compensated Absences	3,145,648	833,017	(487,265)	3,491,400	-
Net Pension Liability	134,150,955	-	(11,497,805)	122,653,150	-
Other Postemployment Benefits	15,063,144	-	(1,755,434)	13,307,710	-
Total Other Liabilities	<u>152,359,747</u>	<u>833,017</u>	<u>(13,740,504)</u>	<u>139,452,260</u>	<u>-</u>
Governmental Activities					
Total Long-Term Liabilities	<u>\$ 307,479,071</u>	<u>\$ 3,085,064</u>	<u>\$ (20,777,064)</u>	<u>\$ 289,787,071</u>	<u>\$ 4,729,356</u>
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Payments</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Business Type Activities					
Net Pension Liability	\$ 2,466,718	\$ -	\$ (475,848)	\$ 1,990,870	\$ -
Other Postemployment Benefits	129,730	32,134	(42,230)	119,634	-
Total Other Liabilities	<u>\$ 2,596,448</u>	<u>\$ 32,134</u>	<u>\$ (518,078)</u>	<u>\$ 2,110,504</u>	<u>\$ -</u>

General obligation bonds will be liquidated by the General Fund. Compensated absences, Pension Liability, OPEB and Leases payable will be liquidated by the appropriate fund based on the funds share of applicable debt. Total interest paid during the year ended June 30, 2025 was \$5,195,349.

NOTE 6: RISK MANAGEMENT

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

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

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

MILLCREEK TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2025

NOTE 7: OTHER POST-EMPLOYMENT BENEFITS

Plan Description:

The District administers a single-employer defined benefit healthcare plan (the "Retiree Health Plan"). The plan provides healthcare, prescription drug, dental and/or vision insurance, at various costs to the member and the District, for the life of the member or until the member is eligible for Medicare, depending on the terms of the contract when they retire, for eligible retirees and their spouses through the District's health insurance plan. The Retiree Health Plan covers active and retired members. Benefit provisions are established and may be amended through negotiation with the District and the unions representing the District's employees. The Retiree Health Plan does not issue a publicly available financial report.

Employees covered by benefit terms. At June 30, 2025, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	82
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	849
	931

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

Total OPEB Liability. The District's total OPEB liability of \$8,130,344 was measured as of July 1, 2024, and was determined by an actuarial valuation as of that date.

MILLCREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025

NOTE 7: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Actuarial assumptions and other inputs. The total OPEB liability in the July 1, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5 percent
Salary Increases	Composed of 1.5 percent real wage growth and merit increase which vary by age from 2.75 - 0.0 percent.
Discount Rate	4.29 percent
Healthcare cost trend rates	7.0 % in 2024 with 0.5% decrease per year until 5.5 % in 2027. Rates gradually decrease from 5.4% in 2028 to 4.0% in 2075 and later based on the Society of Actuaries Long-Run Medical Cost Trend Model. Retiree contributions are assumed to increase at the same rate as the Healthcare cost trend rate.

The discount rate was based on the S & P Municipal Bond 20 Year High Grade Rate Index at July 1, 2024.

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

Changes in the total OPEB Liability.

The District's total OPEB liability has been measured as of July 1, 2024. The total OPEB liability was determined by an actuarial valuation as of July 1, 2024, and by rolling forward the liabilities from the July 1, 2024 actuarial valuation through the measurement date. No significant events or changes in assumptions occurred between the valuation date and the fiscal year end. The net OPEB liability is \$8,130,344, all of which is unfunded.

The District's change in its total OPEB liability for the year ended June 30, 2025 was as follows:

	<u>Governmental Activities</u>	<u>Food Service</u>	<u>Daycare</u>	<u>Total</u>
Service Costs	\$ 459,512	\$ 513	\$ 3,314	\$ 463,339
Interest	403,756	640	1,403	405,799
Changes of benefit terms	1,368	373	102	1,843
Change in Proportional Share	(17,261)	(3,551)	20,812	-
Differences between Expected and Actual Experience	(784,604)	(4,335)	22,759	(766,180)
Changes of assumptions or other inputs	(1,103,798)	113	(8,405)	(1,112,090)
Benefit payments	<u>(488,637)</u>	<u>(1,604)</u>	<u>-</u>	<u>(490,241)</u>
Net change in Total OPEB liability	(1,529,664)	(7,851)	39,985	(1,497,530)
Net OPEB obligation - June 30, 2024	9,598,624	19,395	9,855	9,627,874
Net OPEB obligation - June 30, 2025	<u>\$ 8,068,960</u>	<u>\$ 11,544</u>	<u>\$ 49,840</u>	<u>\$ 8,130,344</u>

MILLCREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025

NOTE 7: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

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

For the year ended June 30, 2025, the District recognized OPEB expense of \$464,226 for the Governmental Activities, \$325 for Food Services and \$7,051 for Daycare for a total of \$471,602. At June 30, 2025, 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	\$ 258,462	\$ 1,254,533
Changes of Assumptions	895,040	3,617,242
Contributions subsequent to the measurement date	488,525	-
Total	<u>\$ 1,642,027</u>	<u>\$ 4,871,775</u>

Split of Deferred Outflows of Resources and Deferred Inflows of Resources

Governmental Activities	\$ 1,616,345	\$ 4,795,576
Food Service	1,130	3,355
Daycare	24,552	72,844
Total	<u>\$ 1,642,027</u>	<u>\$ 4,871,775</u>

\$488,525 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2026. The amount reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:

2026	\$ (399,379)
2027	(399,379)
2028	(399,379)
2029	(399,376)
2030	(414,441)
Thereafter	(1,706,319)
	<u>\$ (3,718,273)</u>

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

MILLCREEK TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2025

NOTE 7: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

	<u>1% Decrease (3.29%)</u>	<u>Discount Rate (4.29%)</u>	<u>1% Increase (5.29%)</u>
District's total OPEB liability	\$ 8,776,861	\$ 8,130,344	\$ 7,542,955

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

	<u>1% Decrease Between 4.5% to 6.0%</u>	<u>Current Trend Rate Between 5.5% to 7.0%</u>	<u>1% Increase Between 6.5% to 8.0%</u>
District's total OPEB liability	\$ 7,601,440	\$ 8,130,344	\$ 8,743,439

Health Insurance Premium Assistance Plan

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

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

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

Premium Assistance Eligibility Criteria

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

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

Benefits Provided

Participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of \$100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS' Health Options Program. As of June 30, 2024 there were no assumed future benefit increases to participating eligible retirees.

MILLCREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025

NOTE 7: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Employer Contributions. The school districts' contractually required contribution rate for fiscal year ended June 30, 2025 was 0.63% of covered payroll, an actuarially determined amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the PSERS Plan from the District were \$477,135 for the year ended June 30, 2025.

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

At June 30, 2025, the District reported a liability of \$5,297,000 for its proportionate share of the net OPEB liability. As of June 30, 2025, \$5,238,750 is related to governmental activities and \$53,568 is related to Daycare and \$4,682 is related to Food Services. The net OPEB liability was measured as of June 30, 2024, 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, 2023 to June 30, 2024. The District's proportion of the net OPEB liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll of all School Districts in the PSERS Plan. At June 30, 2025, the District's proportion was 0.2982 percent, which was an decrease of 0.0094% of its proportion measured as of June 30, 2024.

For the year ended June 30, 2025, the District recognized OPEB expense of \$468,499 for the Governmental Activities, \$1,765 for Food Services and \$6,871 for Daycare for a total of \$477,135. At June 30, 2025, 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	\$ 20,000	\$ 80,000
Changes of assumptions	323,000	809,000
Net difference between projected and actual investment earnings	6,000	-
Changes in proportion	55,000	240,000
District contributions subsequent to the measurement date	477,135	-
Total	\$ 881,135	\$ 1,129,000

Split of Deferred Outflows of Resources and Deferred Inflows of Resources

Governmental Activities	\$ 868,078	\$ 1,116,585
Food Services	2,104	998
Daycare	10,953	11,417
	\$ 881,135	\$ 1,129,000

MILLCREEK TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2025

NOTE 7: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

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

\$477,135 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30	
2026	\$ (179,457)
2027	(200,697)
2028	(224,816)
2029	(71,977)
2030	(48,053)
	\$ (725,000)

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

- Actuarial cost method – Entry Age Normal – level % of pay.
- Investment return – 4.21% - S&P 20 Year Municipal Bond Rate.
- Salary growth – Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit and seniority increases.
- Premium assistance reimbursement capped at \$1,200 per year.
- Assumed Healthcare cost trends were applied to retirees with less than \$1,200 in premium assistance per year.
- Mortality rates were based on 50% of PubT-2010 and 50% of PubG-2010 Retiree Tables for Males and Females adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Mortality Improvement Scale.
- Participation rate:
 - Eligible retirees will elect to participate pre age 65 at 50%.
 - Eligible retirees will elect to participate post age 65 at 70%.

The following assumptions were used to determine the contribution rate:

- The results of the actuarial valuation as of June 30, 2022 determined the employer contribution rate for fiscal year 2024.
- Cost Method: Amount necessary to assure solvency of Premium Assistance through the third fiscal year after the valuation date.
- Asset valuation method: Market Value.
- Participation rate: Actual data for retirees benefiting under the Plan as of June 30, 2021 was used in lieu of 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-2020 Mortality Improvement Scale.

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

MILLCREEK TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2025

NOTE 7: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

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

The OPEB plan’s policy in regard to the allocation of invested plan assets is established and may be amended by the Board. Under the Program, as defined in the retirement code employer contribution rates for Premium Assistance are established to provide reserves in the Health Insurance Account that are sufficient for the payment of Premium Assistance benefits for each succeeding year. The Board’s adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2024 were:

OPEB-Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	100%	1.7%
	100%	

Discount rate: The discount rate used to measure the total OPEB liability was 4.21%. 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 4.21% which represents the S&P 20 year Municipal Bond Rate at June 30, 2024, was applied to all projected benefit payments to measure the total OPEB liability.

Sensitivity of the District’s proportionate share of the net OPEB liability to changes in the healthcare cost trend rates

Healthcare cost trends were applied to retirees receiving less than \$1,200 in annual Premium Assistance. As of June 30, 2024, retirees Premium Assistance benefits are not subject to future healthcare cost increases. The annual Premium Assistance reimbursement for qualifying retirees is capped at a maximum of \$1,200. The actual number of retirees receiving less than the \$1,200 per year cap is a small percentage of the total population and has a minimal impact on Healthcare Cost Trends as depicted below.

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

	1% Decrease	Current Trend Rate	1% Increase
District’s proportionate share of the net OPEB liability	\$ 5,467,034	\$ 5,297,000	\$ 5,021,026

MILLCREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025

NOTE 7: OTHER POST-EMPLOYMENT BENEFITS (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, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.13 percent) or higher (5.13 percent) than the current discount rate:

	1% Decrease (3.21%)	Discount Rate (4.21%)	1% Increase (5.21%)
District's proportionate share of the net OPEB liability	\$ 5,467,034	\$ 5,297,000	\$ 5,021,026

OPEB plan fiduciary net position.

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

NOTE 8: EMPLOYEE RETIREMENT PLAN

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

General Information about the Pension Plan:

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

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

MILLCREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025

NOTE 8: EMPLOYEE RETIREMENT PLAN (CONTINUED)

General Information about the Pension Plan (CONTINUED):

For members whose membership started prior to July 1, 2011, after completion of five years of service, a member's right to the defined benefits is vested and early retirement benefits may be elected. For Class T-E and T-F members, the right to benefits is vested after ten years of service.

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

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

Contributions: The contribution policy is established in the Public School Employee's Retirement Code and requires contributions by active members, employers and the Commonwealth. Member contributions are as follows:

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	Prior to 7/1/21: 7.50% After 7/1/21: 8.00%
T-F	On or after July 1, 2011	10.30% base rate with shared risk provision	N/A	Prior to 7/1/21: 10.30% After 7/1/21: 10.8%
T-G	On or after July 1, 2019	5.50% base rate with shared risk provision	2.75%	Prior to 7/1/21: 8.25% After 7/1/21: 9.00%
T-H	On or after July 1, 2019	4.50% base rate with shared risk provision	3.00%	Prior to 7/1/21: 7.50% After 7/1/21: 8.25%
DC	On or after July 1, 2019	N/A	7.50%	7.50%

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 school districts' contractually required contribution rate for fiscal year ended June 30, 2025 was 33.27% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The 33.27% is comprised of a pension contribution rate of 32.92% for pension benefits and a 0.35% act 5 employer contribution. Contributions to the pension plan from the District were \$16,027,844 for the year ended June 30, 2025.

MILLCREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025

NOTE 8: EMPLOYEE RETIREMENT PLAN (CONTINUED)

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

At June 30, 2025, the District reported a liability of \$124,644,020 for its proportionate share of the net pension liability. As of June 30, 2025, \$122,653,150 is related to governmental activities and \$300,096 is related to Food Services and \$1,690,774 is related to Daycare for a total of \$124,644,020. The net pension liability was measured as of June 30, 2024, 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 proportion was 0.2978 percent, which represents a decrease of .0093 from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the District recognized pension expense of \$11,487,492 for the Governmental Activities, \$28,107 for Food Service and \$158,355 Daycare for a total of \$11,673,954.

At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,959,732
Net differences between projected and actual investment earnings	2,063,373	-
Changes in proportion	-	-
Changes in assumptions	-	4,106,000
District contributions subsequent to the measurement date	16,027,844	-
Total	\$ 18,091,217	\$ 6,065,732

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

Governmental Activities	\$ 17,802,256	\$ 5,968,848
Food Services	43,557	14,604
Daycare	245,404	82,280
Total	\$ 18,091,217	\$ 6,065,732

\$16,027,844 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

MILLCREEK TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2025

NOTE 8: EMPLOYEE RETIREMENT PLAN (CONTINUED)

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

Year Ended June 30:	
2025	\$ (4,984,470)
2026	1,854,704
2027	(454,512)
2028	(418,081)
	\$ (4,002,359)

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

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

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

The actuarial assumptions used in the June 30, 2024 valuation were based on June 30, 2023.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

MILLCREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025

NOTE 8: EMPLOYEE RETIREMENT PLAN (CONTINUED)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global public equity	30.0%	4.8%
Private equity	12.0%	6.7%
Fixed income	33.5%	3.9%
Commodities	5.0%	2.5%
Infrastructure	10.0%	6.4%
Real estate	9.5%	5.9%
	<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.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate: The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.00 percent) or 1-percentage point higher (8.00 percent) than the current rate:

	1% Decrease 6.00%	Current Rate 7.00%	1% Increase 8.00%
District's proportionate share of the net pension liability	\$ 164,194,174	\$ 124,644,020	\$ 91,246,715

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

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

MILLCREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025

NOTE 9: INTERFUND RECEIVABLES AND PAYABLES

The following is a summary of Interfund Receivables and Payables at June 30, 2025:

<u>Governmental Fund Types</u>	<u>Due From</u>	<u>Due to</u>
General Fund	\$ 352,386	\$ 2,781,380
Capital Reserve Fund	1,377,547	10,043
Capital Projects Fund	1,308,889	-
Total Governmental Fund Type	<u>3,038,822</u>	<u>2,791,423</u>
<u>Enterprise Fund</u>		
Food Services	73,932	338,004
Daycare	16,673	-
Total Enterprise Fund	<u>90,605</u>	<u>338,004</u>
Total Internal Balances	<u>\$ 3,129,427</u>	<u>\$ 3,129,427</u>

Interfund balances between the General Fund and the Enterprise Funds represent subsidy payments deposited in the General Fund or payments the General Fund paid to the Enterprise Funds for upcoming subsidy receivables during 2025 which have not been remitted to the Enterprise Funds by June 30, 2025.

NOTE 10: TRANSFERS

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 1,308,889
Capital Projects	1,308,889	-
Total Transfers	<u>\$ 1,308,889</u>	<u>\$ 1,308,889</u>

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

NOTE 11: COMMITMENTS AND CONTINGENCIES

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

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

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

MILLCREEK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2025

NOTE 12: TAX ABATEMENTS

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

Local Economic Revitalization Tax Assistance (LERTA)

The LERTA program is a tool to encourage private investment and rehabilitation of deteriorated properties within Erie County. The LERTA program exists pursuant to the Commonwealth of Pennsylvania Local Economic Revitalization Tax Assistance Act 76 of 1977 (72 P.S. §4722, et seq.). Authorization of a LERTA can be driven by either a developer for a specific project or a municipality seeking to redevelop a deteriorated area or facilitate a new economic development project. The Erie County LERTA Program Guidelines created by Erie County Council (ECC) provide an understanding of the County's policy and requirements for using LERTA. Evaluation requirements considered for a LERTA include economic and fiscal impact of the new development, demonstration of the need for LERTA, value added to local economy, private investment leverage, type and location of development. The LERTA Project Review Form is evaluated by ECC to determine eligibility under requirements set forth by the Commonwealth and County. ECC facilitates a meeting for community engagement in the Project. Prior to the County ordinance authorizing the LERTA exemption, the local municipal government must affix the boundaries of the deteriorated area during a public hearing. The determination of deteriorated areas takes into account criteria set forth in the Urban Redevelopment Law of Pennsylvania of May 24, 1945 (35 P.S. 1701, et seq.). LERTA allows for an exemption of real estate property tax for the assessed valuation of new construction or improvements to certain industrial, commercial or other business property in deteriorated areas. An exemption is provided on the assessment attributable to a portion of the actual cost of new construction or improvements. Each agreement has a proposed development, termination date and maximum tax exemption and/or yearly maximum tax exemptions. The LERTA exemption schedule is 5 years at 100% declining each year by 20%. The Erie County Office of Property Assessment (OPA) assesses the property to determine the valuation attributable to the actual costs of the improvements to the deteriorated property in conjunction with the project. There is no provision or conditions for recapturing. During 2024, zero (0) properties received an exemption from County's real estate property tax.

REQUIRED SUPPLEMENTAL INFORMATION

MILLCREEK TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

Revenues:	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Local Revenue:				
Property Taxes	\$ 62,650,226	\$ 62,650,226	\$ 62,492,036	\$ (158,190)
Earned Income Tax	9,100,000	9,100,000	9,394,041	294,041
Real Estate Transfer Tax	1,250,000	1,250,000	1,123,508	(126,492)
Other Taxes	871,216	871,216	937,363	66,147
Investment Earnings	2,100,000	2,100,000	1,937,753	(162,247)
Tuition	1,621,970	1,621,970	1,394,883	(227,087)
IDEA/Other Federal Sources	1,455,904	1,455,904	1,523,764	67,860
Other Local Revenue	749,496	749,496	921,169	171,673
Total Local Revenue	79,798,812	79,798,812	79,724,517	(74,295)
State Revenue:				
Basic Education Subsidy	17,574,858	17,574,858	18,067,431	492,573
Social Security/Retirement Subsidies	10,306,990	10,306,990	10,057,842	(249,148)
Special Education Subsidy	4,595,752	4,595,752	4,802,114	206,362
Transportation Subsidy	1,797,513	1,797,513	1,832,849	35,336
State Property Tax Reduction	1,416,229	1,416,229	1,416,229	-
Other State Revenue	2,060,475	2,060,475	4,333,932	2,273,457
Total State Revenue	37,751,817	37,751,817	40,510,397	2,758,580
Federal/Other Revenue:				
Title Funding	1,868,856	1,868,856	1,678,867	(189,989)
ACCESS Funding	945,000	945,000	564,377	(380,623)
Total Federal Revenue	2,813,856	2,813,856	2,243,244	(570,612)
Total Revenues	120,364,485	120,364,485	122,478,158	2,113,673
Expenditures:				
Instructional Services	68,094,364	67,960,198	68,805,057	(844,859)
Pupil Services	4,613,182	4,616,132	4,883,592	(267,460)
Instructional Support Services	2,324,090	2,369,584	2,273,561	96,023
Administration	7,057,533	7,057,516	7,093,251	(35,735)
Pupil Health Services	1,535,953	1,546,659	1,624,866	(78,207)
Financial Services	1,306,725	1,315,881	1,346,161	(30,280)
Operation and Maintenance of Plant	11,312,965	11,340,105	11,727,577	(387,472)
Student Transportation Services	5,045,946	5,046,812	5,398,166	(351,354)
Other Support Services	5,192,235	5,234,734	4,165,090	1,069,644
Student Activities	2,702,102	2,697,474	2,448,572	248,902
Community Services	13,965	13,965	13,519	446
Other	-	-	41,890	(41,890)
Capital Expenditures	-	-	3,412,986	(3,412,986)
Debt:				
Interest	5,279,503	5,279,503	5,283,560	(4,057)
Principal	4,164,733	4,164,733	6,241,922	(2,077,189)
Total Expenditures	118,643,296	118,643,296	124,759,770	(6,116,474)
Excess (Deficiency) of Revenues				
Over Expenditures	1,721,189	1,721,189	(2,281,612)	(4,002,801)
Other Financing Sources				
Lease Proceeds	-	-	216,608	216,608
Issuance of SBITA Agreements	-	-	2,035,439	2,035,439
Sale of Capital Assets	90,000	90,000	168,293	78,293
Insurance Recoveries	-	-	54,654	54,654
Transfers Out	(500,000)	(500,000)	(1,308,889)	(808,889)
Total Financing Sources	(410,000)	(410,000)	1,166,105	1,576,105
Excess of Revenues and Other Financing				
Sources Over (Under) Expenditures and	\$ 1,311,189	\$ 1,311,189	\$ (1,115,507)	\$ (2,426,696)

MILLCREEK TOWNSHIP SCHOOL DISTRICT
2024- 2025 BUDGET
POLICIES AND PRACTICES

GAAP serves as the basis of budgeting for all funds.

BUDGET DEVELOPMENT – GENERAL FUND

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

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

In November, the School Board approved the accelerated budget opt-out resolution which restricts the School Board from exceeding the Act 1 Index regarding millage rates. The School Board elected to increase its millage rates by 3.9% in the 2023-2024 school year to account for typical inflationary expectations.

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

BUDGET DEVELOPMENT – CAPITAL PROJECT FUND

In 2018, the district contracted StanTech to perform a district-wide facility assessment study. Once the study was received, a long-range committee comprised of administration, staff and community members was created to develop a plan in addressing the district's aging infrastructure within the buildings. In 2019, the long-range plan was presented to the School Board and public for comments, which focused on mechanical, electrical, plumbing and roofing upgrades to all buildings. The plan included extensive renovations to all buildings and included multiple phases over 8 years. Beginning January of 2020, the district issued \$50 million in debt to start the renovations and phase I of the plan. In January of 2022 and 2024, the district issued an additional \$62 million and \$33 million respectfully to fund the ongoing renovations.

On an annual basis, the plan is discussed during budget presentations. Financial and cash flow reports are reviewed monthly with the Board and public. All presentations and plans are available on the district's website.

BUDGET DEVELOPMENT – CAPITAL RESERVE FUND

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

MILLCREEK TOWNSHIP SCHOOL DISTRICT
2024- 2025 BUDGET
POLICIES AND PRACTICES (CONTINUED)

BUDGET DEVELOPMENT – FOOD SERVICE FUND

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

BUDGET DEVELOPMENT – CHILD DEVELOPMENT FUND

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

BUDGET MANAGEMENT

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

COMMUNITY INPUT

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

LEGAL REQUIREMENTS

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

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

MILLCREEK TOWNSHIP SCHOOL DISTRICT
2024- 2025 BUDGET
POLICIES AND PRACTICES (CONTINUED)

6. The budget for the General Fund is adopted on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America.
7. There were supplemental budgetary appropriations or amendments proposed or approved during the year.

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

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

LONG-TERM FINANCIAL POLICIES

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

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

MILLCREEK TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS – RETIREES HEALTH PLAN
 JUNE 30, 2025

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Total OPEB Liability								
Service Cost	\$ 577,189	\$ 597,463	\$ 515,986	\$ 508,975	\$ 733,516	\$ 724,805	\$ 435,809	\$ 463,339
Interest	251,818	331,644	285,767	322,902	221,645	274,306	380,404	405,799
Changes of benefit terms	-	-	-	(33,913)	-	-	-	1,843
Differences between expected and actual experience	-	(665,400)	-	443,077	-	(366,601)	-	(766,180)
Changes of assumptions or other inputs	180,771	(678,454)	(279,526)	1,311,440	(385,432)	(2,557,894)	83,732	(1,112,090)
Benefit payments	(566,944)	(531,208)	(491,910)	(496,770)	(448,803)	(444,509)	(449,117)	(490,241)
Other Changes	-	-	-	-	-	-	-	-
Net change in total OPEB liability	442,834	(945,955)	30,317	2,055,711	120,926	(2,369,893)	450,828	(1,497,530)
Total OPEB liability - Beginning	9,843,106	10,285,940	9,339,985	9,370,302	11,426,013	11,546,939	9,177,046	9,627,874
Total OPEB liability - Ending	\$ 10,285,940	\$ 9,339,985	\$ 9,370,302	\$ 11,426,013	\$ 11,546,939	\$ 9,177,046	\$ 9,627,874	\$ 8,130,344
Covered Payroll	\$ 38,590,212	\$ 35,827,502	\$ 35,827,502	\$ 42,902,663	\$ 42,902,633	\$ 46,205,106	\$ 46,205,106	\$ 47,072,564
District's total OPEB liability as a percentage of covered payroll	26.65%	26.07%	26.15%	26.63%	26.91%	19.86%	20.84%	17.27%

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

MILLCREEK TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY – PSERS PLAN
 JUNE 30, 2025

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
District's proportion of the net OPEB liability	0.3044%	0.3085%	0.3076%	0.3084%	0.3140%	0.3117%	0.3076%	0.2982%
District's proportionate share of the net OPEB liability	\$ 6,201,882	\$ 6,432,068	\$ 6,542,166	\$ 6,663,590	\$ 7,442,061	\$ 5,737,683	\$ 5,565,000	\$ 5,297,000
District's covered payroll	\$ 41,541,609	\$ 42,430,658	\$ 43,262,483	\$ 42,928,608	\$ 44,518,858	\$ 45,828,447	\$ 47,129,871	\$ 47,339,318
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	15%	15%	15%	16%	17%	13%	12%	11%
Plan fiduciary net position as a percentage of the total OPEB liability	6%	6%	6%	6%	5%	7%	7%	7%

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

MILLCREEK TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF DISTRICT'S OPEB CONTRIBUTIONS – PSERS PLAN
 JUNE 30, 2025

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Contractually determined contribution	\$ 344,795	\$ 346,789	\$ 352,174	\$ 363,188	\$ 354,019	\$ 380,838	\$ 444,669	\$ 441,306	\$ 477,135
Contributions in relation to the actuarially determined contribution	331,906	344,669	352,174	363,188	354,019	380,838	363,981	441,306	477,135
Contribution deficiency	\$ 12,889	\$ 2,120	\$ -	\$ -	\$ -	\$ -	\$ 80,688	\$ -	\$ -
Covered payroll	\$ 41,541,609	\$ 42,430,658	\$ 43,262,483	\$ 42,928,608	\$ 43,280,781	\$ 44,518,585	\$ 45,828,447	\$ 47,129,871	\$ 47,339,318
Contributions as a percentage of covered payroll	0.80%	0.81%	0.81%	0.85%	0.82%	0.86%	0.79%	0.94%	1.01%

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

MILLCREEK TOWNSHIP SCHOOL DISTRICT
 SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE
 NET PENSION LIABILITY
 TEACHERS PENSION PLAN
 LAST 10 FISCAL YEARS*
 (DOLLAR AMOUNTS IN THOUSANDS)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Districts proportion of the net pension liability	0.3176%	0.3153%	0.3044%	0.3085%	0.3076%	0.3084%	0.3131%	0.3109%	0.3071%	0.2978%
District's proportionate share of the net pension liability	\$ 137,569	\$ 156,253	\$ 150,338	\$ 148,095	\$ 143,903	\$ 148,725	\$ 128,549	\$ 138,222	\$ 136,618	\$ 124,644
District's covered payroll	\$ 40,862	\$ 40,524	\$ 41,542	\$ 42,431	\$ 43,262	\$ 42,929	\$ 43,281	\$ 44,519	\$ 45,828	\$ 47,130
District's proportionate share of the net pension liability as a percentage of its covered payroll	336.67%	385.58%	361.90%	349.03%	332.63%	346.45%	297.01%	310.48%	298.11%	264.47%
Plan fiduciary net position as a percentage of the total pension liability	54%	50%	52%	54%	56%	54%	64%	61%	62%	65%

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

MILLCREEK TOWNSHIP SCHOOL DISTRICT
 SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF DISTRICT'S CONTRIBUTIONS
 TEACHERS PENSION PLAN
 LAST 10 FISCAL YEARS*

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Contractually determined contribution	\$ 10,854,415	\$ 11,925,355	\$ 13,261,530	\$ 13,832,395	\$ 14,462,648	\$ 15,107,760	\$ 15,646,885	\$ 16,059,563	\$ 16,047,048	\$ 16,027,844
Contributions in relation to the actuarially determined contribution	10,854,415	12,008,596	13,261,530	13,832,395	14,462,648	15,107,760	15,646,885	15,498,710	16,047,048	16,027,844
Contribution deficiency (excess)	\$ -	\$ (83,241)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 560,853	\$ -	\$ -
Covered payroll	\$ 40,523,782	\$ 41,541,609	\$ 42,430,658	\$ 43,262,483	\$ 42,928,608	\$ 43,280,781	\$ 44,518,585	\$ 45,828,447	\$ 47,129,871	\$ 47,339,318
Contributions as a percentage of covered payroll	26.79%	28.91%	31.25%	31.97%	33.69%	34.91%	35.15%	33.82%	34.05%	33.27%

MILLCREEK TOWNSHIP SCHOOL DISTRICT

DESCRIPTION OF STATISTICAL SECTION

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

<u>CONTENTS</u>	<u>PAGES</u>
FINANCIAL TRENDS	
These schedules contain trend information showing how the School District's financial performance and position have changed over time.	81-89
REVENUE CAPACITY	
These schedules contain information regarding the School District's most significant local revenue sources allowing readers to assess viability of future funding.	90-95
DEBT CAPACITY	
These schedules present information regarding the School District's current levels of outstanding debt and the ability to issue additional debt.	96-101
DEMOGRAPHIC AND ECONOMIC INFORMATION	
These schedules present demographic and economic indicators for which help explain outside factors affecting the School District's operations, while providing insight to the operating environment for the future.	102-106
OPERATING INFORMATION	
These schedules contain additional operating information displaying how the School District's financial activities relates to service provided or how operations affect the School District's financial position.	107-111

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

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

	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Expenses										
Instructional Services	\$ 52,200,294	\$ 58,697,869	\$ 59,041,711	\$ 60,247,989	\$ 59,158,561	\$ 63,439,889	\$ 69,235,969	\$ 67,710,571	\$ 66,170,257	\$ 69,925,158
Pupil Services	4,334,822	4,688,034	4,995,795	4,596,697	4,406,221	4,542,036	4,275,039	4,655,554	4,705,071	4,960,120
Instructional Support Services	1,601,424	3,931,265	2,970,595	3,320,058	3,509,963	2,670,057	2,999,025	4,423,075	2,394,550	2,309,188
Administration	5,277,493	5,796,229	6,329,786	6,200,949	6,033,895	6,316,953	6,642,457	7,132,135	7,341,427	7,204,406
Pupil Health Services	1,232,217	1,447,093	1,427,652	1,445,559	1,405,502	1,479,389	1,387,657	1,459,960	1,494,966	1,650,328
Fiancial Services	1,116,095	1,127,608	1,055,507	1,122,160	1,057,404	1,025,566	1,097,062	1,224,791	1,558,758	1,367,256
Operation and Maintenance of Plar	8,650,721	9,687,996	9,135,807	9,535,189	9,464,585	10,413,532	9,613,213	11,467,236	10,582,369	11,911,353
Student Transportation Services	4,578,311	5,190,808	5,219,744	5,162,399	5,320,201	4,725,598	4,834,874	5,097,734	4,768,518	5,482,759
Other Support Services	1,317,662	1,866,520	1,816,086	1,872,004	1,993,305	1,921,378	2,164,126	4,298,086	4,802,691	4,230,359
Student Activities	1,433,280	1,483,144	1,781,641	1,741,400	1,714,668	1,602,748	1,792,579	2,077,065	2,352,034	2,448,572
Community Services	19,196	20,456	13,446	11,270	5,514	12,920	15,843	11,250	13,404	13,519
Interest on Long-Term Debt	2,304,949	1,880,263	1,639,302	932,155	2,364,187	2,289,659	2,725,147	4,283,071	3,875,055	6,656,916
Total Government Activities	84,066,465	95,817,286	95,427,073	96,187,831	96,434,006	100,439,725	106,782,991	113,840,529	110,059,100	118,159,934
Business-type Activities										
Food Services	2,961,163	2,894,787	2,916,701	3,087,238	2,661,244	1,536,480	3,244,501	3,918,363	4,225,512	4,145,859
Child Development	1,098,436	1,095,815	1,241,271	1,204,701	1,165,852	838,944	1,057,128	1,195,858	1,170,738	779,506
Total primary government expenses	\$ 88,126,064	\$ 99,807,888	\$ 99,585,045	\$ 100,479,770	\$ 100,261,102	\$ 102,815,149	\$ 111,084,620	\$ 118,954,750	\$ 115,455,350	\$ 123,085,299
Program revenues										
Governmental Activities										
Charges for Services	\$ 2,216,496	\$ 1,830,493	\$ 1,652,638	\$ 1,846,183	\$ 1,850,103	\$ 1,627,071	\$ 1,899,979	\$ 1,927,838	\$ 1,870,978	\$ 1,929,902
Operating Grants and Contributions	31,376,106	32,421,461	32,992,611	33,245,403	34,258,188	37,862,372	41,662,870	43,876,138	43,013,078	42,861,177
Total governmental program revenues	33,592,602	34,251,954	34,645,249	35,091,586	36,108,291	39,489,744	43,562,849	45,803,976	44,884,056	44,791,079
Business-type activities										
Charges for Services	1,967,257	1,796,674	1,913,080	2,064,776	1,644,054	341,615	936,935	1,759,540	1,508,222	1,411,607
Operating Grants and Contributions	2,173,747	2,232,517	2,329,785	2,437,457	2,213,747	2,466,454	4,801,527	3,887,398	4,057,468	3,887,392
Total business-type program revenues	4,141,004	4,029,191	4,242,865	4,502,233	3,857,801	2,808,069	5,738,462	5,646,938	5,565,690	5,298,999
Total primary government program revenues	\$ 37,733,606	\$ 38,281,145	\$ 38,888,114	\$ 39,593,819	\$ 39,966,092	\$ 42,297,813	\$ 49,301,311	\$ 51,450,914	\$ 50,449,746	\$ 50,090,078

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

	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Net revenues (expenses)										
Governmental activities	\$ (50,473,863)	\$ (61,565,332)	\$ (60,781,824)	\$ (61,096,245)	\$ (60,325,715)	\$ (60,949,981)	\$ (63,220,142)	\$ (68,036,553)	\$ (65,175,044)	\$ (73,368,855)
Business-type activities	81,405	38,589	84,893	210,294	30,705	432,645	1,436,833	532,717	169,440	373,634
Total primary governmental expense	<u>(50,392,458)</u>	<u>(61,526,744)</u>	<u>(60,696,931)</u>	<u>(60,885,950)</u>	<u>(60,295,010)</u>	<u>(60,517,336)</u>	<u>(61,783,309)</u>	<u>(67,503,836)</u>	<u>(65,005,604)</u>	<u>(72,995,221)</u>
General Revenues										
Governmental activities										
Taxes:										
Property Taxes	51,501,477	52,450,947	53,514,504	53,787,412	55,346,316	55,752,100	56,955,508	59,529,251	61,730,153	62,626,475
Earned Income Tax	7,457,911	7,263,586	7,489,758	7,403,752	7,688,775	7,461,468	8,583,528	8,960,864	9,266,073	9,394,041
Real Estate Transfer Tax	741,724	792,111	864,858	1,284,997	937,429	1,305,762	1,312,049	1,214,953	1,066,268	1,123,508
Other Taxes	578,826	681,384	692,320	697,944	731,681	867,172	758,494	942,287	796,647	937,363
Investment earnings	1,602	25,821	127,157	661,577	988,670	349,137	233,146	3,100,929	4,414,566	3,794,689
Other Income	10,713	98,786	314,405	1,422,225	535,809	583,670	494,571	309,840	602,514	486,150
State Property Tax Reduction	933,827	933,759	934,615	935,258	936,949	935,753	937,737	1,177,809	1,179,325	1,416,229
Insurance Recoveries	-	-	-	-	-	-	-	202,279	4,731	54,654
Sale of Capital Assets/Other Misc.	1,521,232	941,670	-	1,850	50	67,113	91,310	577,358	53,142	168,293
Total governmental activities	<u>62,747,312</u>	<u>63,188,064</u>	<u>63,937,617</u>	<u>66,195,015</u>	<u>67,165,679</u>	<u>67,322,174</u>	<u>69,366,343</u>	<u>76,015,570</u>	<u>79,113,419</u>	<u>80,001,402</u>
Business-type activities										
Investment earnings	-	-	-	-	5,483	1,329	2,391	24,172	27,195	34,672
Total business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,483</u>	<u>1,329</u>	<u>2,391</u>	<u>24,172</u>	<u>27,195</u>	<u>34,672</u>
Total primary government	<u>62,747,312</u>	<u>63,188,064</u>	<u>63,937,617</u>	<u>66,195,015</u>	<u>67,171,162</u>	<u>67,323,503</u>	<u>69,368,734</u>	<u>76,039,742</u>	<u>79,140,614</u>	<u>80,036,074</u>
Changes in net position										
Governmental activities	12,273,449	1,622,732	3,155,793	5,098,770	6,839,964	6,372,193	6,146,201	7,979,017	13,938,375	6,632,547
Business-type activities	81,405	38,589	84,893	210,294	36,188	433,974	1,439,224	556,889	196,635	408,306
Total primary government	<u>\$ 12,354,854</u>	<u>\$ 1,661,320</u>	<u>\$ 3,240,686</u>	<u>\$ 5,309,064</u>	<u>\$ 6,876,152</u>	<u>\$ 6,806,167</u>	<u>\$ 7,585,425</u>	<u>\$ 8,535,906</u>	<u>\$ 14,135,010</u>	<u>\$ 7,040,853</u>

Source: District Audited Financial Statements

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

Fiscal Year	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Governmental Activities										
Net Investment in capital assets	\$ 42,630,547	\$ 40,134,072	\$ 39,769,744	\$ 41,327,782	\$ 43,620,257	\$ 50,680,877	\$ 40,718,342	\$ 51,233,137	\$ 59,537,826	\$ 63,123,440
Unrestricted	(125,224,752)	(126,807,387)	(137,333,530)	(133,792,798)	(129,245,309)	(127,054,003)	(110,945,267)	(113,481,045)	(107,847,359)	(104,800,426)
Total governmental activities net position	<u>(82,594,205)</u>	<u>(86,673,315)</u>	<u>(97,563,786)</u>	<u>(92,465,016)</u>	<u>(85,625,052)</u>	<u>(76,373,126)</u>	<u>(70,226,925)</u>	<u>(62,247,908)</u>	<u>(48,309,533)</u>	<u>(41,676,986)</u>
Business-type Activities										
Net Investment in capital assets	308,234	290,392	264,341	368,343	287,410	504,149	1,122,467	984,711	861,482	1,390,757
Unrestricted	431,019	487,450	598,394	704,686	821,807	(1,840,692)	(1,019,785)	(325,140)	(5,276)	(126,245)
Total business-type activities net position	<u>739,253</u>	<u>777,842</u>	<u>862,735</u>	<u>1,073,029</u>	<u>1,109,217</u>	<u>(1,336,543)</u>	<u>102,682</u>	<u>659,571</u>	<u>856,206</u>	<u>1,264,512</u>
Primary government										
Net Investment in capital assets	42,938,781	40,424,464	40,034,085	41,696,125	43,907,667	51,185,026	41,840,809	52,217,848	60,399,308	64,514,197
Unrestricted	(124,793,733)	(126,319,937)	(136,735,136)	(133,088,112)	(128,423,502)	(128,894,695)	(111,965,052)	(113,806,185)	(107,852,635)	(104,926,671)
Total primary government net position	<u>\$ (81,854,952)</u>	<u>\$ (85,895,473)</u>	<u>\$ (96,701,051)</u>	<u>\$ (91,391,987)</u>	<u>\$ (84,515,835)</u>	<u>\$ (77,709,669)</u>	<u>\$ (70,124,243)</u>	<u>\$ (61,588,337)</u>	<u>\$ (47,453,327)</u>	<u>\$ (40,412,474)</u>

Source: District Audited Financial Statements

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

Fiscal Year	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Governmental Activities										
Net Position:										
Beginning of Year	\$ (103,044,519)	\$ (82,594,205)	\$ (86,673,315)	\$ (97,563,786)	\$ (92,465,016)	\$ (85,625,052)	\$ (76,373,126)	\$ (70,226,925)	\$ (62,247,908)	\$ (48,309,533)
Restatement	8,176,866	(5,701,841)	(14,046,263)	-	-	2,879,733	-	-	-	-
End of Year	(82,594,205)	(86,673,315)	(97,563,786)	(92,465,016)	(85,625,052)	(76,373,125)	(70,226,925)	(62,247,908)	(48,309,533)	(41,676,986)
Change in Net Position	12,273,448	1,622,731	3,155,792	5,098,770	6,839,964	6,372,194	6,146,201	7,979,017	13,938,375	6,632,547
Business Type Activities										
Net Position:										
Beginning of Year	657,848	739,253	777,842	862,735	1,073,029	1,109,217	(1,336,542)	102,682	659,571	856,206
Restatement	-	-	-	-	-	(2,879,733)	-	-	-	-
End of Year	739,253	777,842	862,735	1,073,029	1,109,217	(1,336,543)	102,682	659,571	856,206	1,264,512
Change in Net Position	81,405	38,589	84,893	210,294	36,188	433,973	1,439,224	556,889	196,635	408,306
Total-All Activities										
Net Position:										
Beginning of Year	(94,209,805)	(87,556,793)	(99,941,736)	(96,701,051)	(91,391,987)	(84,515,835)	(77,709,668)	(77,709,668)	(61,588,337)	(47,453,327)
End of Year	(81,854,952)	(85,895,473)	(96,701,051)	(91,391,987)	(84,515,835)	(77,709,668)	(70,124,243)	(61,588,337)	(47,453,327)	(40,412,474)
Change in Net Position	\$ 12,354,853	\$ 1,661,320	\$ 3,240,685	\$ 5,309,064	\$ 6,876,152	\$ 6,806,167	\$ 7,585,425	\$ 16,121,331	\$ 14,135,010	\$ 7,040,853

Source: District Audited Financial Statements

Notes:

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

MILLCREEK TOWNSHIP SCHOOL DISTRICT
 GOVERNMENTAL FUNDS REVENUES
 LAST TEN FISCAL YEARS

	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Federal Sources:										
Title Funding	\$ 1,345,303	\$ 1,364,283	\$ 1,643,550	\$ 1,651,549	\$ 1,566,145	\$ 1,610,341	\$ 1,589,079	\$ 1,689,648	\$ 1,884,868	\$ 1,678,867
Access Funding	530,421	590,776	761,859	459,779	675,265	519,475	695,009	759,640	680,656	564,377
IDEA	-	-	-	-	-	-	-	-	-	-
COVID Stimulus Funding	-	-	-	-	38,635	2,402,764	5,681,101	5,210,869	3,389,730	-
Other Federal Grant Funding	-	-	-	-	-	-	-	454,857	45,142	-
Total Federal Sources	1,875,724	1,955,059	2,405,409	2,111,328	2,280,045	4,532,580	7,965,189	8,115,014	6,000,396	2,243,244
State Sources:										
Basic Education Subsidies	13,680,146	14,173,819	14,393,762	14,559,754	14,897,027	14,897,010	15,273,361	16,415,143	17,574,291	18,067,431
Social Security/Retirement Subsidies	6,750,756	7,301,763	8,035,779	8,440,656	8,790,467	9,125,813	9,458,084	9,744,727	9,890,629	10,057,842
Special Education Subsidies	3,488,451	3,611,357	3,660,748	3,714,873	3,746,977	3,930,028	4,096,747	4,404,552	4,588,019	4,802,114
Construction Subsidies	630,552	657,703	84,097	83,090	80,786	449,536	548,452	142,322	147,354	1,671,261
Transportation Subsidies	2,815,544	1,959,645	1,987,449	1,802,294	1,894,440	1,873,316	1,786,778	1,580,736	1,734,983	1,832,849
Property Tax Reduction Allocation	933,827	933,759	934,615	935,258	936,949	935,753	937,737	1,177,809	1,179,325	1,416,229
Nurse Care Subsidies	171,076	166,902	150,171	154,896	152,294	146,538	143,454	143,081	139,945	148,552
State Grants and Other	694,483	983,232	831,212	1,059,396	931,929	1,209,720	798,329	1,430,527	1,165,704	2,514,119
Total State Sources	29,164,835	29,788,180	30,077,833	30,750,217	31,430,869	32,567,714	33,042,942	35,038,897	36,420,250	40,510,397
Local Sources:										
Real Estate Taxes	51,389,515	52,442,282	53,495,033	53,827,512	55,466,204	55,986,257	57,103,827	59,711,627	61,629,428	62,492,036
Interim Taxes	208,850	302,994	144,640	84,202	79,019	232,454	128,515	166,013	11,869	113,601
PILOT Taxes	154,076	173,964	328,822	404,596	458,579	428,209	435,916	568,844	584,197	610,960
Earned Income Taxes	7,457,911	7,263,586	7,489,758	7,403,752	7,688,775	7,461,468	8,583,528	8,960,864	9,266,073	9,394,041
Realty Transfer Taxes	741,724	792,111	864,858	1,284,997	937,429	1,305,762	1,312,049	1,214,953	1,066,268	1,123,508
Public Utility Taxes	64,152	64,440	61,277	61,847	56,804	61,084	63,735	62,981	59,893	66,989
Local Service Tax	151,748	139,986	157,581	147,299	137,279	145,426	130,328	144,449	140,688	145,813
Investment Earnings	1,602	25,821	127,157	661,577	988,670	349,137	233,146	3,100,929	4,414,566	3,794,689
IDEA/Federal Pass Through	1,445,416	1,542,932	1,443,983	1,360,771	1,412,541	1,698,132	1,592,477	1,650,035	1,701,756	1,523,764
Tuition from Patrons	1,673,085	1,175,767	1,223,867	1,325,287	1,258,393	1,305,996	1,448,158	1,433,889	1,540,190	1,394,883
Other Revenues	602,006	839,890	616,838	1,821,268	959,425	904,746	946,390	1,053,790	1,003,303	1,021,169
Total Local Sources	63,890,085	64,763,773	65,953,814	68,383,108	69,443,118	69,878,671	71,978,069	78,068,374	81,418,231	81,681,453
Total Revenues	\$ 94,930,644	\$ 96,507,012	\$ 98,437,056	\$ 101,244,653	\$ 103,154,032	\$ 106,978,965	\$ 112,986,200	\$ 121,222,285	\$ 123,838,877	\$ 124,435,094

Source: District Audited Financial Statements

MILLCREEK TOWNSHIP SCHOOL DISTRICT
 EXPENDITURES BY FUNCTION
 LAST TEN FISCAL YEARS

Function	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Current Expenditures:										
Instructional Services	\$ 53,075,627	\$ 54,199,322	\$ 56,197,566	\$ 56,649,550	\$ 58,100,011	\$ 61,760,320	\$ 70,595,241	\$ 65,274,584	\$ 66,351,698	\$ 68,805,057
Pupil Services	4,407,511	4,328,748	4,755,139	4,322,150	4,327,378	4,427,007	4,363,257	4,500,532	4,717,973	4,883,592
Instructional Support Services	1,628,278	3,629,977	2,827,496	3,121,761	3,447,158	2,601,669	3,060,913	4,275,795	2,401,115	2,273,561
Administration	5,365,990	5,352,012	6,024,869	5,830,584	5,925,928	6,155,157	6,779,529	6,894,648	7,361,086	7,093,251
Pupil Health	1,252,880	1,336,189	1,358,879	1,359,220	1,380,353	1,441,498	1,416,293	1,411,346	1,499,065	1,624,866
Financial Services	1,134,811	1,041,189	1,004,661	1,055,137	1,038,484	999,298	1,119,700	1,184,007	1,562,175	1,346,161
Operation and Maintenance of Plant	8,795,783	8,945,518	8,695,719	8,965,680	9,295,231	10,146,810	9,811,590	11,085,397	10,611,387	11,727,577
Student Transportation Services	4,655,083	4,792,990	4,968,300	4,854,064	5,225,004	4,604,562	4,934,645	4,927,989	4,781,594	5,398,166
Other Support Services	1,339,758	1,723,472	1,728,602	1,760,195	1,957,638	1,872,165	2,208,784	4,154,967	4,815,860	4,165,090
Student Activities	1,433,280	1,483,144	1,781,641	1,741,400	1,714,668	1,602,748	1,792,579	2,077,065	2,352,034	2,448,572
Community Services	19,196	20,456	13,446	11,270	5,514	12,920	15,843	11,250	13,404	13,519
Other	-	-	165,279	129,215	132,201	51,196	40,453	187,595	-	41,900
Subtotal Noncapital Expenditures	83,108,197	86,853,017	89,521,597	89,800,226	92,549,568	95,675,350	106,138,827	105,985,175	106,467,391	109,821,312
Capital Outlay:										
Building Improvements	6,234,816	650,179	2,979,530	1,296,495	4,936,864	17,209,532	24,077,093	28,195,487	38,658,353	20,032,704
SBITA	-	-	-	-	-	-	-	-	-	2,035,439
Subtotal Capital Outlay	6,234,816	650,179	2,979,530	1,296,495	4,936,864	17,209,532	24,077,093	28,195,487	38,658,353	22,068,143
Debt Service:										
Principal	4,343,677	4,594,553	3,826,187	4,082,932	4,165,700	4,655,598	5,345,827	5,116,141	5,306,628	6,241,922
Interest	1,970,511	1,779,499	1,682,165	1,511,543	1,511,972	2,824,875	2,600,620	4,301,630	3,973,669	5,283,560
Paying Agent/Issuance Costs	11,910	4,090	3,730	4,019	624,717	3,588	2,672	3,373	-	-
Subtotal Debt Services	6,326,098	6,378,142	5,512,082	5,598,494	6,302,389	7,484,061	7,949,119	9,421,144	9,280,297	11,525,482
Total Expenditures	\$ 95,669,111	\$ 93,881,338	\$ 98,013,209	\$ 96,695,215	\$ 103,788,821	\$ 120,368,943	\$ 138,165,039	\$ 143,601,806	\$ 154,406,041	\$ 143,414,937
Debt as a Percentage of Noncapital Expenditures	7.61%	7.34%	6.16%	6.23%	6.81%	7.82%	7.49%	8.89%	8.72%	10.49%

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

	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Excess of Revenues Over/ Under Expenditures	\$ (738,467)	\$ 2,625,673	\$ 423,847	\$ 4,549,438	\$ (634,789)	\$ (120,368,943)	\$ (25,178,839)	\$ (22,379,521)	\$ (30,567,164)	\$ (18,979,843)
Other Financing Sources(Uses)										
General Long-Term Debt Issued	-	-	-	-	43,350,000	-	58,475,000	-	31,245,000	-
Issuance of SBITA Agreements	-	-	-	-	-	-	-	-	-	2,035,439
Lease Proceeds	-	-	-	-	-	-	-	-	-	216,608
Sale of Capital Assets/Other	1,514,030	941,670	-	1,850	50	67,113	91,310	577,358	53,142	168,293
Insurance Recoveries	-	-	-	-	-	-	-	202,279	4,731	54,654
Refund from Prior Period Revenues	1,002	-	-	-	-	-	-	-	-	-
Change in Inventory	6,200	-	-	-	-	-	-	-	-	-
Payments to Refund Bond Escrow Agent	-	-	-	-	-	-	-	-	-	-
Premium on Issuance of Bonds	-	-	-	-	7,294,002	-	4,322,156	-	2,249,675	-
Transfers In - Capital Projects	1,560,000	2,800,000	2,143,302	3,850,000	2,300,000	900,000	500,000	1,075,000	1,826,610	1,308,889
Transfers Out - General Fund	(1,560,000)	(2,800,000)	(2,143,302)	(3,850,000)	(2,300,000)	(900,000)	(500,000)	(1,075,000)	(1,826,610)	(1,308,889)
Total Other Financing Sources (Uses)	1,521,232	941,670	-	1,850	50,644,052	67,113	62,888,466	779,637	33,552,548	2,474,994
Net Change in Fund Balances	\$ 782,765	\$ 3,567,343	\$ 423,847	\$ 4,551,288	\$ 50,009,263	\$ (120,301,830)	\$ 37,709,627	\$ (21,599,884)	\$ 2,985,384	\$ (16,504,849)

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

	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021**	2021-2022	2022-2023	2023-2024	2024-2025
Salaries	\$ 40,830,585	\$ 40,226,198	\$ 40,840,764	\$ 41,737,527	\$ 42,681,775	\$ 43,949,711	\$ 45,201,299	\$ 46,426,426	\$ 47,966,052	\$ 49,514,650
Fringe Benefits	24,614,364	26,740,379	28,663,345	27,834,777	28,517,636	30,186,053	31,226,671	32,154,948	32,618,792	33,921,711
Contracted Services****	3,168,754	3,170,913	3,378,776	2,854,008	2,622,968	3,206,309	5,069,626	5,081,585	4,795,048	5,075,406
Property Services	808,085	1,001,846	973,309	922,625	704,671	842,397	785,365	733,480	702,912	826,339
Other Services	954,828	1,046,580	1,018,715	868,892	852,731	875,143	944,059	974,357	973,657	954,102
Transportation/Field Trips/Travel**	4,756,161	4,832,105	4,955,132	4,981,596	5,300,511	4,487,947	5,045,033	5,106,940	4,923,921	5,617,067
Tuition Paid***	3,215,196	3,522,866	4,602,497	4,904,427	5,106,613	5,562,350	12,337,139	5,678,023	5,510,418	5,718,821
Supplies/Books/Software	2,601,699	2,599,562	2,149,339	2,187,395	2,311,829	2,887,210	2,885,314	3,859,263	3,244,275	3,093,969
Utilities	1,775,531	1,762,539	1,734,435	1,689,183	1,530,088	1,433,202	1,703,577	1,954,517	2,027,124	2,027,026
Equipment	298,661	1,694,225	787,132	1,412,682	2,540,781	2,030,613	668,022	3,693,582	3,059,178	2,697,819
Dues and Fees	84,332	255,805	252,876	277,899	247,765	163,218	234,941	299,460	646,014	332,502
Debt Services	6,326,098	6,378,142	5,512,082	5,598,494	6,302,389	7,484,061	7,946,447	9,417,771	9,280,297	11,525,482
Other			165,279	129,215	132,201	51,196	40,453	25,966	-	41,900
Building Improvements	6,234,816	650,179	2,979,530	1,296,495	4,936,864	17,209,532	24,077,093	28,195,488	38,658,353	20,032,704
SBITA	-	-	-	-	-	-	-	-	-	2,035,439
Total Expenditures	\$ 95,669,110	\$ 93,881,339	\$ 98,013,210	\$ 96,695,215	\$ 103,788,822	\$ 120,368,942	\$ 138,165,039	\$ 143,601,806	\$ 154,406,041	\$ 143,414,937
Percentage Change in Expenditures	-3.4%	-1.9%	4.4%	-1.3%	7.3%	16.0%	14.8%	19.3%	7.5%	-7.1%
Percentage Change in Expenditures W/O Building Improvements and SBITA	1.5%	4.2%	1.9%	0.4%	3.6%	4.4%	10.6%	11.9%	0.3%	4.8%

Source: District Audited Financial Statements

Notes:

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

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

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

Fiscal Year	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
General Fund										
Nonspendable	\$ 4,927,491	\$ 339,795	\$ 223,768	\$ 268,554	\$ 465,557	\$ 779,611	\$ 857,452	\$ 410,938	\$ 323,029	\$ 202,390
Committed/Restricted	-	388,531	663,381	1,044,106	1,452,626	1,586,597	1,863,595	3,254,642	4,068,389	4,823,569
Designated/Assigned	175,352	3,801,560	4,690,812	6,164,987	7,663,176	9,628,226	6,387,868	6,972,598	7,967,993	5,637,893
Undesignated/Unassigned	5,458,639	7,448,600	7,615,293	7,707,366	7,859,699	8,252,753	8,619,791	9,231,966	9,220,568	9,800,620
Total general fund	<u>10,561,482</u>	<u>11,978,486</u>	<u>13,193,254</u>	<u>15,185,013</u>	<u>17,441,058</u>	<u>20,247,187</u>	<u>17,728,706</u>	<u>19,870,144</u>	<u>21,579,979</u>	<u>20,464,472</u>
All other governmental funds										
Committed										
Capital Purposes	2,065,763	4,216,103	3,425,182	5,984,710	53,737,929	37,608,931	77,837,040	54,095,718	55,371,267	39,981,925
Total all other governmental funds	<u>2,065,763</u>	<u>4,216,103</u>	<u>3,425,182</u>	<u>5,984,710</u>	<u>53,737,929</u>	<u>37,608,931</u>	<u>77,837,040</u>	<u>54,095,718</u>	<u>55,371,267</u>	<u>39,981,925</u>
Total Fund Balance	<u>\$ 12,627,245</u>	<u>\$ 16,194,589</u>	<u>\$ 16,618,436</u>	<u>\$ 21,169,723</u>	<u>\$ 71,178,987</u>	<u>\$ 57,856,118</u>	<u>\$ 95,565,746</u>	<u>\$ 73,965,862</u>	<u>\$ 76,951,246</u>	<u>\$ 60,446,397</u>

Source: District Audited Financial Statements

MILLCREEK TOWNSHIP SCHOOL DISTRICT
 GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
 LAST TEN FISCAL YEARS

Fiscal Year	Real Estate Tax	Real Estate Transfer Tax	Earned Income Tax	Public Utility Realty Tax	Local Service Tax	Total
2015-2016	\$ 51,752,441	\$ 741,724	\$ 7,457,911	\$ 64,152	\$ 151,748	\$ 60,167,976
2016-2017	52,919,240	792,111	7,263,586	64,440	139,986	61,179,363
2017-2018	53,968,495	864,858	7,489,758	61,277	157,581	62,541,969
2018-2019	54,316,310	1,284,997	7,403,752	61,847	147,299	63,214,205
2019-2020	56,003,802	937,429	7,688,775	56,804	137,279	64,824,089
2020-2021	56,646,920	1,305,762	7,461,468	61,084	145,426	65,620,660
2021-2022	57,668,258	1,312,049	8,583,528	63,735	130,329	67,757,899
2022-2023	60,446,484	1,214,953	8,960,864	62,981	144,449	70,829,731
2023-2024	62,225,494	1,066,268	9,266,073	59,893	140,688	72,758,416
2024-2025	\$ 63,216,597	\$ 1,123,508	\$ 9,394,041	\$ 66,989	\$ 145,813	\$ 73,946,948

Source: District Audited Financial Statements

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

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

<u>Fiscal Year</u>	<u>Municipal</u>	<u>School</u>	<u>County</u>	<u>Total</u>	<u>Assessed Valuation</u>
2015-2016	3.5537	13.5819	4.9300	22.0656000	\$ 3,875,691,367
2016-2017	3.5537	13.7788	5.1600	22.4925000	3,924,248,138
2017-2018	3.5537	13.8288	5.4100	22.7925000	3,921,625,770
2018-2019	1.0700	14.1054	5.4100	20.5854000	3,932,511,749
2019-2020	3.5537	14.5003	5.7100	23.7640000	3,947,051,777
2020-2021	3.5537	14.5003	5.7100	23.7640000	3,959,090,672
2021-2022	3.5537	14.7613	5.9600	24.2750000	3,974,178,214
2022-2023	3.5540	15.3517	5.9600	24.8657000	3,993,293,479
2023-2024	3.9540	15.9504	5.9600	25.8644000	4,000,306,547
2024-2025	4.2037	16.2694	6.6100	27.0831000	\$ 3,986,708,461

Source: Erie County Annual Financial Report & District Financial Office
[Millage Rates Link](#)

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

Year	Levy (Original)	Adjustments	Total Adjusted Levy	Homestead	Collections	Face Value of		Discount	Net Collection	Outstanding Delinquent Taxes	Delinquent Taxes as		Collections to Date	Percentage Collected to Date	Payment In Lieu of Taxes (2)
						Current Tax Collections (1)	Percentage Collected				Percent of Levy	Delinquent Collected			
2015-2016	\$ 52,639,253	\$ (10,563)	\$ 52,628,690	\$ 931,619	\$ 49,928,975	\$ 50,860,594	96.62%	\$ (890,236)	\$ 49,970,358	\$ 2,668,895	5.07%	\$ 1,898,094	\$ 52,758,688	100.25%	\$ 154,076
2016-2017	54,071,430	302,150	54,373,580	931,767	51,300,805	52,232,572	96.60%	(906,849)	51,325,723	2,745,707	5.05%	1,606,071	53,838,643	99.02%	173,964
2017-2018	54,231,378	(304,381)	53,926,997	932,678	52,412,119	53,344,797	98.37%	(934,732)	52,410,065	1,821,313	3.38%	1,621,122	54,965,919	101.93%	328,822
2018-2019	55,469,651	(35,018)	55,434,633	933,630	52,907,688	53,841,318	97.06%	(955,856)	52,885,462	2,584,189	4.66%	1,490,031	55,331,349	99.81%	404,596
2019-2020	57,233,435	(103,261)	57,130,174	935,201	54,536,370	55,471,571	96.92%	(953,402)	54,518,169	2,715,266	4.75%	1,449,418	56,920,989	99.63%	458,579
2020-2021	57,408,002	(13,296)	57,394,706	933,985	54,776,488	55,710,473	97.04%	(975,656)	54,734,817	2,673,185	4.66%	1,845,403	57,555,876	100.28%	428,209
2021-2022	58,665,238	(12,728)	58,652,510	937,737	56,233,281	57,171,018	97.45%	(1,044,311)	56,126,707	2,538,531	4.33%	1,612,873	58,783,891	100.22%	435,916
2022-2023	61,303,844	(4,796)	61,299,048	1,177,809	58,690,499	59,868,308	97.66%	(1,062,376)	58,805,932	2,497,912	4.07%	1,656,159	61,524,467	100.37%	568,844
2023-2024	63,810,398	(47,762)	63,762,636	1,179,325	61,188,942	62,368,267	97.74%	(1,107,295)	61,260,972	2,549,426	4.00%	1,350,081	63,718,348	99.93%	584,195
2024-2025	\$ 64,861,355	\$ (5,423)	\$ 64,855,932	\$ 1,416,229	\$ 62,050,720	\$ 63,466,949	97.85%	\$ (1,129,571)	\$ 62,337,378	\$ 2,523,977	3.89%	\$ 1,198,090	\$ 64,665,039	99.71%	\$ 610,960

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

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

Source: Millcreek Tax Office

MILLCREEK TOWNSHIP SCHOOL DISTRICT
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXIBLE PROPERTY
 LAST TEN FISCAL YEARS

Fiscal Year	Taxable Assessed Value	Exempt Real Property	Total	Estimate Actual Value (1)	Mileage Rate
2015-2016	\$ 3,875,691,367	\$ 410,221,631	\$ 4,285,912,998	\$ 3,500,672,667	13.5819
2016-2017	3,924,248,138	414,461,261	4,338,709,399	3,588,081,599	13.7788
2017-2018	3,921,625,770	440,455,555	4,362,081,325	3,656,701,658	13.8288
2018-2019	3,932,511,749	440,668,244	4,373,179,993	3,722,068,430	14.1054
2019-2020	3,947,051,777	434,911,588	4,381,963,365	3,712,482,805	14.5003
2020-2021	3,959,090,672	437,220,714	4,396,311,386	3,787,813,863	14.5003
2021-2022	3,974,178,214	441,449,198	4,415,627,412	3,846,491,143	14.7613
2022-2023	3,993,293,479	445,243,420	4,438,536,899	4,049,166,886	15.3517
2023-2024	4,000,306,547	455,853,879	4,456,160,426	4,076,133,593	15.9504
2024-2025	\$ 3,986,708,461	\$ 456,503,713	\$ 4,443,212,174	\$ 4,390,531,337	16.2694

(1) Data provided by State Tax Equalization Board

Source: Erie County Assessment Department

MILLCREEK TOWNSHIP SCHOOL DISTRICT
 TEN LARGEST TAXPAYERS
 LAST TEN FISCAL YEARS

Taxpayer	7/1/2024			7/1/2014		
	Assessed Value	Rank	Percentage of Total Assessed Valuation	Assessed Value	Rank	Percentage of Total Assessed Valuation
Millcreek Mall Corp	\$ 107,028,500	1	2.68%	\$ 107,385,100	1	2.79%
Riedman Properties EP I LLC	68,826,020	2	1.73%	-	-	-
Baldwin Brothers	56,204,895	3	1.41%	50,839,740	2	1.32%
Harvest Niagara Village Retirement LLC	42,517,700	4	1.07%			
Millcreek Community Hospital	35,141,034	5	0.88%	38,127,285	4	0.99%
Maleno LLC	31,301,200	6	0.79%	32,301,680	5	0.84%
Erie Reserve	27,823,541	7	0.70%			
Wegamans Food Markets Inc.	19,559,676	8	0.49%	13,121,000	10	0.34%
Yorktown Station LLC	19,351,825	9	0.49%	20,608,200	6	0.54%
Walmart	11,883,300	10	0.30%			
Palermo	-	-	-	14,579,028	9	0.38%
Pastore LLC	-	-	-	49,187,400	3	1.28%
Granada Apartment Holdings LLC	-	-	-	17,465,900	8	0.45%
Plastek	-	-	-	18,147,000	7	0.47%
Total	\$ 419,637,691		10.53%	\$ 361,762,333		9.40%
Total Taxable Assessed Valuation	\$ 3,986,708,461			\$ 3,848,821,808		

Source: Millcreek Tax Office

MILLCREEK TOWNSHIP SCHOOL DISTRICT
 PRINCIPAL EMPLOYERS
 AS OF JUNE 30, 2025

Employer	7/1/2024			7/1/2014		
	Employees	Rank	Percentage of Total Municipal Employment	Employees	Rank	Percentage of Total Municipal Employment
Career Concepts Staffing Services	2,041	1	4.60%	339	4	0.78%
Millcreek Township School District	1,026	2	2.31%	696	1	1.61%
Plastek Industries Inc	990	3	2.23%	505	2	1.17%
Wegmans Food Markets	879	4	1.98%	394	3	0.91%
Millcreek Community Hospital	829	5	1.87%	293	5	0.68%
Amazon	770	6	1.74%	-	-	0.00%
Waldameer Park	651	7	1.47%	-	-	-
Bayada Home Health Care Inc	628	8	1.42%	-	-	-
Walmart	616	9	1.39%	229	9	0.53%
VFI Community Services	592	10	1.33%	-	-	-
Eriez Manufacturing Co	-	-	-	270	6	0.62%
Voices for Independence Erie	-	-	-	259	7	0.60%
Erie Indemnity Company	-	-	-	258	8	-
United Parcel Service Inc	-	-	-	224	10	0.52%
Total	9,022		20.34%	3,467		8.01%
Total Employees	44,363			43,307		

Source: Berhiemer Associates Inc.

MILLCREEK TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF DIRECT AND OVERLAPPING DEBT AND DEBT RATIOS
 AS OF JUNE 30, 2025

	<u>Gross</u>	<u>MVAR</u>	<u>Project Reimburs.</u>	<u>Percentage of Applicable Debt</u>	<u>Local Share</u>
General Obligation Debt					
General Obligation Bonds of 2012	\$ 545,000	0.4808	0.2783	100.00%	\$ 472,075
General Obligation Bonds Series C of 2013	7,285,000	NA	0	100.00%	7,285,000
General Obligation Bonds of 2020	42,175,000	NA	0	100.00%	42,175,000
General Obligation Bonds of 2022	58,465,000	NA	0	100.00%	58,465,000
General Obligation Bonds of 2024	31,245,000	NA	0	100.00%	31,245,000
Lease Agreement 2537955 2020-21	11,680	NA	0	100.00%	11,680
Lease Agreement 2537955 2021-22	611	NA	0	100.00%	611
Lease Agreement 2024-25	183,962				183,962
TOTAL DIRECT DEBT	\$ 139,911,253				\$ 139,838,328
Overlapping Debt					
Erie County *	\$ 17,836,674			27.23%	\$ 4,857,035
Millcreek Township	435,531			100.00%	435,531
TOTAL OVERLAPPING DEBT	\$ 18,272,205				\$ 5,292,566
TOTAL NET DIRECT & OVERLAPPING DEBT	\$ 158,183,458				\$ 145,130,894

*Source: Erie County CAFR for the year ended 12/31/2024. As of December 31, 2024, Erie County had outstanding debt of \$17,836,674. The School District's share is calculated by dividing the assessed value of the School District by the assessed value of the County, and multiplying the ratio by the outstanding debt of the County.

Debt Ratio Calculations (including the issuance of the Bonds)

	<u>Direct Debt To:</u>	<u>Direct and Overlapping Debt To:</u>
Assessed Value	3.51%	3.64%
Market Value	3.18%	3.31%
Per Capita	\$ 2,618	\$ 2,717
Assessed Value	\$ 3,986,708,461	
Market Value	\$ 4,390,531,337	
Population	53,101	

MILLCREEK TOWNSHIP SCHOOL DISTRICT
 COMPUTATION OF NONELECTORAL DEBT MARGIN
 AS OF JUNE 30, 2025

Formula for Debt Limit	Fiscal Year Ended June 30		
	2023	2024	2025
Total General Fund Revenues	\$118,622,757	\$118,800,016	\$122,478,158
Less: Required Deductions Included in Total Revenues			
a. Construction Subsidies	142,322	147,354	1,671,261
b. Receipts Pledged to self-Liquidating Debt or Payments under Leases or Guaranties	-	-	-
c. Interest Earned on Sinking Fund	-	-	-
d. Grant Payments for Special Projects	4,468,027	647,213	-
e. Nonrecurring Receipts	779,637	57,873	222,947
Net Revenues	\$113,232,771	\$117,947,576	\$120,583,950
Total Net Revenues for Three Years	351,764,297		
Borrowing Base -	117,254,766		
Average Net Revenues for Three-Year Period			
Multiplier	2		
Total Nonelectoral Debt Limit	263,823,223		
Less: Amount of Debt Applicable to Debt Limit	139,838,327		
	<u>\$123,984,896</u>		

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

MILLCREEK TOWNSHIP SCHOOL DISTRICT
 LEGAL DEBT MARGIN INFORMATION
 LAST NINE FISCAL YEARS

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt Limit	\$203,092,316	\$209,686,533	\$216,374,909	\$221,517,689	\$226,692,819	\$230,887,973	\$234,969,365	\$242,832,222	\$253,333,307	\$263,823,223
Total Net Debt Applicable to Limit	43,950,370	39,591,227	36,016,781	32,203,334	71,676,584	67,796,535	121,829,789	117,718,504	143,793,413	139,838,327
Legal Debt Margin	\$159,141,946	\$170,095,306	\$180,358,128	\$189,314,355	\$155,016,235	\$163,091,438	\$113,139,576	\$125,113,718	\$109,539,894	\$123,984,896
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	21.64%	18.88%	16.65%	14.54%	31.62%	29.36%	51.85%	48.48%	56.76%	53.00%

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

Fiscal Year	Principal (2)	Interest	Total Debt Service	Total General Governmental Expenditures	Ratio of Debt Service to General Governmental Expenditures
2015-2016	4,343,677	1,970,511	6,314,188	95,669,111	6.60%
2016-2017	4,594,553	1,779,499	6,374,052	93,881,338	6.79%
2017-2018	3,826,187	1,682,165	5,508,352	98,013,209	5.62%
2018-2019	4,082,932	1,511,543	5,594,475	96,695,215	5.79%
2019-2020	4,165,700	1,511,972	5,677,672	103,788,821	5.47%
2020-2021	4,655,598	2,824,875	7,480,473	120,368,943	6.21%
2021-2022	5,345,827	2,600,620	7,946,447	138,165,039	5.75%
2022-2023	5,116,141	4,301,630	9,417,771	143,601,806	6.56%
2023-2024	5,306,628	3,973,669	9,280,297	154,406,041	6.01%
2024-2025	\$ 4,206,483	\$ 5,283,560	\$ 9,490,043	143,414,937	6.62%

Source: District Audited Financial Statements

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

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

Fiscal Year	Population (1)	Assessed Value	Estimated Actual Value	Gross Bonded Debt	Less Debt Service Debt	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita	Ratio of Net Bonded Debt to Estimated Actual Value
2015-2016	53,515	\$ 3,875,691,367	\$ 3,500,672,667	\$ 47,509,318	-	\$ 47,509,318	1.2%	888	1.4%
2016-2017	53,515	3,924,248,138	3,588,081,599	42,688,739	-	42,688,739	1.1%	798	1.2%
2017-2018	53,515	3,921,625,770	3,656,701,658	38,697,261	-	38,697,261	1.0%	723	1.1%
2018-2019	53,515	3,932,511,749	3,722,068,430	34,466,783	-	34,466,783	0.9%	644	0.9%
2019-2020	53,515	3,947,051,777	3,712,482,805	80,573,174	-	80,573,174	2.0%	1,506	2.2%
2020-2021	54,073	3,959,090,672	3,787,813,863	75,330,940	-	75,330,940	1.9%	1,393	2.0%
2021-2022	54,073	3,974,178,214	3,846,491,143	132,541,349	-	132,541,349	3.3%	2,451	3.4%
2022-2023	53,411	3,993,293,479	4,049,166,886	127,125,268	-	127,125,268	3.2%	2,209	3.1%
2023-2024	53,101	4,000,306,547	4,076,133,593	155,028,196	-	155,028,196	3.9%	2,710	3.8%
2024-2025	54,073	\$ 3,986,708,461	\$ 4,390,531,337	\$ 150,138,558	-	\$ 150,138,558	3.5%	2,587	3.2%

(1) U.S. Census Quick facts

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

	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
2005 General Obligation Bonds	\$ 4,005,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2010 General Obligation Bonds	11,675,000	11,675,000	8,455,000	4,920,000	1,250,000	-	-	-	-	-
2012 General Obligation Bonds	2,710,000	2,485,000	2,255,000	2,025,000	1,790,000	1,550,000	1,305,000	1,060,000	805,000	545,000
2013 Series A General Obligation Bonds	2,365,000	2,365,000	2,365,000	2,365,000	2,365,000	-	-	-	-	-
2013 Series B General Obligation Bonds	7,165,000	7,160,000	7,155,000	7,150,000	7,145,000	6,620,000	1,915,000	970,000	-	-
2013 Series C General Obligation Bonds	17,155,000	17,155,000	17,155,000	17,155,000	17,155,000	17,155,000	17,155,000	13,985,000	10,700,000	7,285,000
2020 General Obligation Bonds	-	-	-	-	43,350,000	43,350,000	43,345,000	42,980,000	42,590,000	42,175,000
2022 General Obligation Bonds	-	-	-	-	-	-	58,475,000	58,475,000	58,470,000	58,465,000
2024 General Obligation Bonds	-	-	-	-	-	-	-	-	31,245,000	31,245,000
2004 General Obligation Notes	384,000	228,000	76,000	-	-	-	-	-	-	-
2005 General Obligation Notes	-	-	-	-	-	-	-	-	-	-
Bond Premiums	2,050,318	1,620,739	1,236,261	851,783	7,518,174	6,655,940	10,346,349	9,655,268	11,218,196	10,423,558
Total Debt	\$ 47,509,318	\$ 42,688,739	\$ 38,697,261	\$ 34,466,783	\$ 80,573,174	\$ 75,330,940	\$ 132,541,349	\$ 127,125,268	\$ 155,028,196	\$ 150,138,558
Ratio of Debt to Personal Income*	2.5%	2.2%	2.0%	1.8%	4.0%	3.8%	6.5%	5.4%	6.9%	6.6%
Debt Per Capita	849	767	700	628	1,365	1,283	2,477	2,380	2,919	2,827

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

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

Fiscal Year	Governmental Expenditures	Enrollment	Cost Per Pupil	General Fund Expenditures	Cost Per Pupil General Fund	Percent Increase/(Decrease) General Fund
2015-2016	\$ 95,669,111	6,962	\$ 13,742	\$ 89,434,293	\$ 12,846	5.0%
2016-2017	93,881,338	6,820	13,766	93,231,160	13,670	6.4%
2017-2018	98,013,209	6,626	14,792	95,171,919	14,363	5.1%
2018-2019	96,695,215	6,525	14,819	95,269,504	14,601	1.7%
2019-2020	103,788,821	6,614	15,692	98,312,394	14,864	1.8%
2020-2021	120,368,943	6,353	18,947	103,159,410	16,238	9.2%
2021-2022	138,165,039	6,338	21,799	114,087,946	18,001	10.9%
2022-2023	143,601,806	6,411	22,399	115,406,318	18,001	0.0%
2023-2024	154,406,041	6,395	24,145	115,263,571	18,024	0.1%
2024-2025	\$ 141,379,498	6,341	\$ 22,296	\$ 122,724,331	\$ 19,320	7.2%

Source: District Financial Audits

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

MILLCREEK TOWNSHIP SCHOOL DISTRICT
PUPIL TEACHER RATIOS
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>K-12 Enrollment</u>	<u>Teaching Staff</u>	<u>Pupil Teacher Ratio</u>	<u>Student Attendance Percentage</u>	<u>Number of Free & Reduced</u>	<u>Percentage of Free & Reduced</u>
2015-2016	6,962	456.0	15.26754	95.7%	2,738	39.3%
2016-2017	6,820	449.0	15.18931	95.6%	2,769	40.6%
2017-2018	6,626	448.0	14.79018	95.5%	2,759	41.6%
2018-2019	6,525	446.0	14.63004	95.5%	2,826	43.3%
2019-2020	6,614	445.0	14.86292	95.3%	2,807	42.4%
2020-2021	6,353	465.0	13.66237	96.5%	2,627	41.4%
2021-2022	6,338	461.0	13.74837	94.1%	2,557	40.3%
2022-2023	6,411	464.0	13.81681	92.9%	3,152	49.2%
2023-2024	6,395	466.0	13.72318	93.4%	3,245	50.7%
2024-2025	6,341	474.0	13.37764	94.1%	2,774	43.7%

Source: District Finance Department

Note: Free & Reduced as of Oct 1.

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

	<u>15/16</u>	<u>16/17</u>	<u>17/18</u>	<u>18/19</u>	<u>19/20</u>	<u>20/21</u>	<u>21/22</u>	<u>22/23</u>	<u>23/24</u>	<u>24/25</u>
<u>Administration</u>										
Central Administration	7.0	7.0	8.0	8.0	8.0	8.0	9.0	9.0	7.0	7.0
Supervisors of Instruction/Pupil Svcs	3.0	3.0	4.0	4.0	4.0	4.0	6.0	5.0	5.0	6.0
Principals	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Assistant Principals/Athletic Supervisor	8.0	8.0	11.0	11.0	11.0	11.0	13.0	13.0	13.0	13.0
Administrative Officer							3.0	3.0	2.0	1.0
Child Development Supervisor	0.0	0.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Total	28.0	28.0	34.0	34.0	34.0	34.0	42.0	41.0	38.0	38.0
<u>Instruction</u>										
Teachers	369.0	364.0	360.0	358.0	356.0	377.0	372.0	371.0	371.0	374.0
Special Ed. Teachers	87.0	85.0	88.0	88.0	89.0	88.0	89.0	93.0	95.0	100.0
Nurses/OT/PT	8.0	9.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Guidance Counselors	14.0	14.0	14.0	14.0	14.0	14.0	15.0	15.0	16.0	16.0
Psychologists	5.0	5.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
**Special Ed. Assistant	63.0	75.0	76.0	80.0	82.0	82.0	83.0	91.0	91.0	99.0
Instructional Assistants	83.0	65.0	59.0	58.0	58.0	49.0	55.0	53.0	53.0	53.0
Total	629.0	617.0	613.0	614.0	615.0	626.0	630.0	639.0	642.0	658.0
<u>Support and Administration</u>										
Technical Support (IT)	11.0	9.0	10.0	10.0	9.0	9.0	10.0	10.0	10.0	10.0
Maintenance	19.0	18.0	18.0	16.0	16.0	15.0	15.0	17.0	17.0	17.0
Custodians	52.5	52.5	52.5	52.5	52.5	52.5	52.5	53.0	53.0	54.0
Print Shop	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Executive Assistants	2.0	2.0	2.0	2.0	2.0	1.0	2.0	2.0	2.0	2.0
Other Support - Classified	16.0	16.0	16.0	18.0	18.0	19.0	19.0	20.0	22.0	20.0
Security						2.0	4.0	8.0	8.0	12.0
Secretaries	34.0	34.0	34.0	34.0	34.0	35.0	35.0	35.5	33.5	33.5
Total	136.5	133.5	134.5	134.5	133.5	135.5	139.5	147.5	147.5	150.5
<u>Propreitary Funds</u>										
*Food Service	18.0	13.0	12.0	11.0	11.0	8.0	5.0	3.0	3.0	2.0
Child Development	33.0	34.0	33.0	32.0	31.0	29.0	29.0	29.0	29.0	16.0
Total	51.0	47.0	45.0	43.0	42.0	37.0	34.0	32.0	32.0	18.0
Total Number of Employees* (excludes Substitute Employees)	844.5	825.5	826.5	825.5	824.5	832.5	845.5	859.5	859.5	864.5
* Outsourced staff below 20 years of service in 2015-2016										
**Includes staff nurses										

Source: Millcreek Township School District Personnel Office

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

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

Fiscal Year	Assessed Valuation	Mileage Rate	Earned Income Tax Rate	Realty Transfer Tax Rate	School Buildings In Use	Enrollment
2010	\$ 3,136,254,552	14.1400	0.5%	0.5%	13	7,237
2011	\$ 3,149,083,718	14.6300	0.5%	0.5%	13	7,257
2012	\$ 3,168,705,609	14.8800	0.5%	0.5%	13	7,314
2013	\$ 3,793,842,518	14.8800	0.5%	0.5%	13	7,346
2014	\$ 3,831,873,087	12.6700	0.5%	0.5%	11	7,210
2015	\$ 3,848,821,808	13.2766	0.5%	0.5%	11	7,205
2016	\$ 3,875,691,367	13.2766	0.5%	0.5%	10	6,962
2017	\$ 3,924,248,138	13.7788	0.5%	0.5%	10	6,820
2018	\$ 3,921,625,770	13.8288	0.5%	0.5%	10	6,626
2019	\$ 3,932,511,749	14.1054	0.5%	0.5%	10	6,525
2020	\$ 3,947,051,777	14.5003	0.5%	0.5%	10	6,614
2021	\$ 3,959,090,672	14.5003	0.5%	0.5%	10	6,353
2022	\$ 3,974,178,214	14.7613	0.5%	0.5%	10	6,338
2023	\$ 3,993,293,479	15.3517	0.5%	0.5%	10	6,411
2024	\$ 4,000,306,547	15.9504	0.5%	0.5%	10	6,395
2025	\$ 3,986,708,461	16.2694	0.5%	0.5%	10	6,341

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

<u>Fiscal Year</u>	<u>Population</u>	<u>Total Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Median Household Income</u>	<u>Persons in Poverty, Percent</u>
2015-2016	53,515	\$ 1,830,587,605	\$ 34,207	\$ 58,479	9.7%
2016-2017	53,515	1,830,587,605	34,207	58,479	9.7%
2017-2018	53,515	1,830,587,605	34,207	58,479	9.7%
2018-2019	53,515	1,830,587,605	34,207	58,479	9.7%
2019-2020	53,515	1,830,587,605	34,207	58,479	9.7%
2020-2021*	54,073	1,972,312,675	36,475	64,003	7.4%
2021-2022*	54,073	1,972,312,675	36,475	64,003	7.4%
2022-2023**	53,411	2,169,394,587	40,617	71,762	8.3%
2023-2024**	53,101	2,263,005,317	42,617	77,400	8.3%
2024-2025	54,073	\$ 2,350,931,821	\$ 43,477	\$ 76,910	8.3%
Erie County			\$ 34,285	\$ 63,322	14.9%
**Pennsylvania			\$ 43,104	\$ 73,824	11.8%

Source: U.S. Census Bureau

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

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

***Source: U.S. Census Quick Facts estimates July 1, 2023

AGE COMPOSITION

	<u>0-17 Years</u>	<u>18-64 Years</u>	<u>65+ Years</u>
Millcreek Township	25.60%	52.30%	22.10%
Erie County	25.60%	54.10%	20.30%
Pennsylvania	25.90%	54.10%	20.00%

Source: U.S. Census Quick Facts estimates July 1, 2023

HOUSING UNITS

	<u>Owner Occupied Median Value</u>	<u>Homeownership Rate</u>	<u>Persons Per Household</u>
Millcreek Township	\$ 207,200	71.6%	2.31
Erie County	160,200	68.0%	2.35
Pennsylvania	226,200	69.2%	2.42

Source: U.S. Census Quick Facts estimates July 1, 2023

Recent Trends in Unemployment Rates

<u>Year</u>	<u>Erie County</u>	<u>Pennsylvania</u>
2014	5.5%	5.4%
2015	5.6%	5.2%
2016	6.4%	5.3%
2017	5.5%	4.7%
2018	4.7%	4.2%
2019	4.1%	3.9%
2020	8.2%	7.1%
2021	6.3%	6.0%
2022	5.0%	4.3%
2023	4.1%	4.3%
2024	3.9%	3.6%

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

MILLCREEK TOWNSHIP SCHOOL DISTRICT
 BUILDING INFORMATION
 YEAR ENDED JUNE 30, 2025

	<u>Original</u>	<u>Additional</u>				<u>Building</u>	<u>Rated Pupil</u>	<u>Functional</u>	<u>2024-2025</u>
	<u>Construction</u>	<u>Renovation</u>	<u>Grades</u>	<u>Classrooms</u>	<u>Acres</u>	<u>Square</u>	<u>Capacity</u>	<u>Capacity</u>	<u>ADM</u>
	<u>Date</u>	<u>Date</u>				<u>Footage</u>			
<u>Elementary:</u>									
Asbury	2004		K-5	29		73,750	600	620	555
Belle Valley	1990	2021	K-5	40	23	93,500	1,100	875	591
Chestnut Hill	1965	2021	K-5	21	21	46,355	625	600	399
Grandview	1971	2020	K-5	42	22	85,378	1,050	800	687
Tracy	1998	2023	K-5	30	10	65,800	650	550	513
<u>Middle</u>									
JS Wilson	1971	2008	6-8	39	28.4	136,385	883	688	545
Walnut Creek	1993	2023	6-8	36	55	123,300	810	750	396
Westlake	1958	2021	6-8	387	19	124,912	931	826	467
<u>High School</u>									
MIHS	1972	2022	9&10	74	14	345,521	1,566	1,402	1,047
McDowell	1953	2024	11&12	64	22	203,734	1,539	1,315	1,033
<u>Other</u>									
District Administrative Center	1969	2020			6.7	87,906			
Ridgfield	1952	2021	Alternative Ed.	14	8.3	33,171	375	350	48
Caughey House				Purchased in 2019					
Bundy House	1900				1.5	1,823			

Source: School District Officials

Historical Enrollment Trends (Actual and Projected)

	Actual Enrollment					Charter	Special
	School Year Ending June 30,	K-6	7-12	Total	*Total	School	Education
	2014-2015	3,734	3,471	7,205		180	1,197
	2015-2016	3,534	3,428	6,962		223	1,206
	2016-2017	3,468	3,352	6,820	6,822	240	1,220
	2017-2018	3,368	3,258	6,626	6,695	296	1,322
	2018-2019	3,299	3,226	6,525	6,681	276	1,316
	2019-2020	3,314	3,300	6,614	6,742	296	1,319
	2020-2021	3,041	3,312	6,353	6,570	334	1,290
	2021-2022	3,070	3,268	6,338	6,568	364	1,345
	2022-2023	3,225	3,186	6,411	6,624	268	1,386
	2023-2024	3,277	3,118	6,395	6,601	227	1,472
	2024-2025	3,224	3,117	6,341	6,620	231	1,497
	Projected Enrollment						
	2023-2024	3,198	3,274	6,472			
	2024-2025	3,239	3,228	6,467			
	2025-2026	3,308	3,063	6,371			
	2026-2027	3,369	3,031	6,400			
	2027-2028	3,444	3,022	6,466			
	2028-2029	3,390	3,104	6,494			

Source: Pennsylvania Department of Education (projected)

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

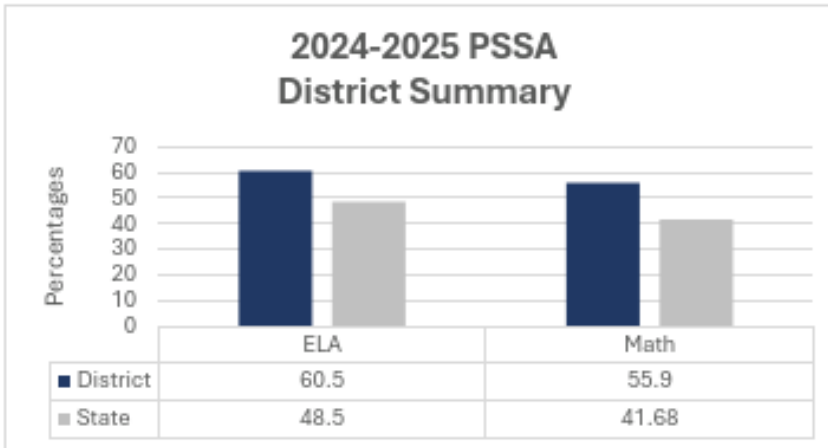
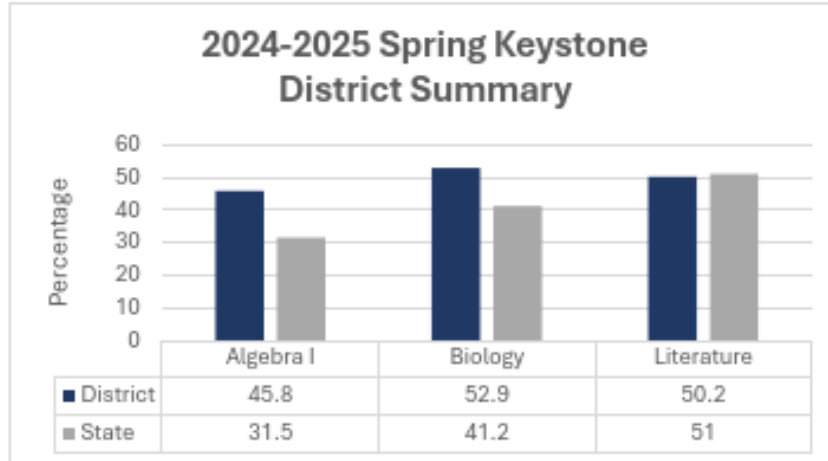
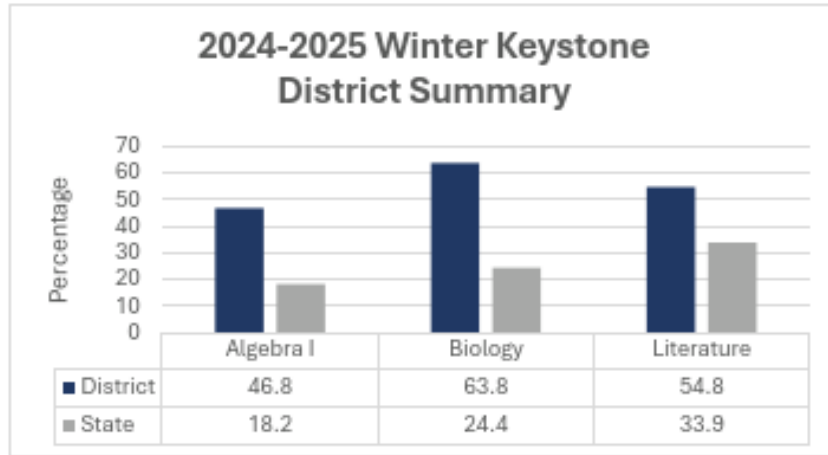
MILLCREEK TOWNSHIP SCHOOL DISTRICT

A DATA-DRIVEN SCHOOL CULTURE

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

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

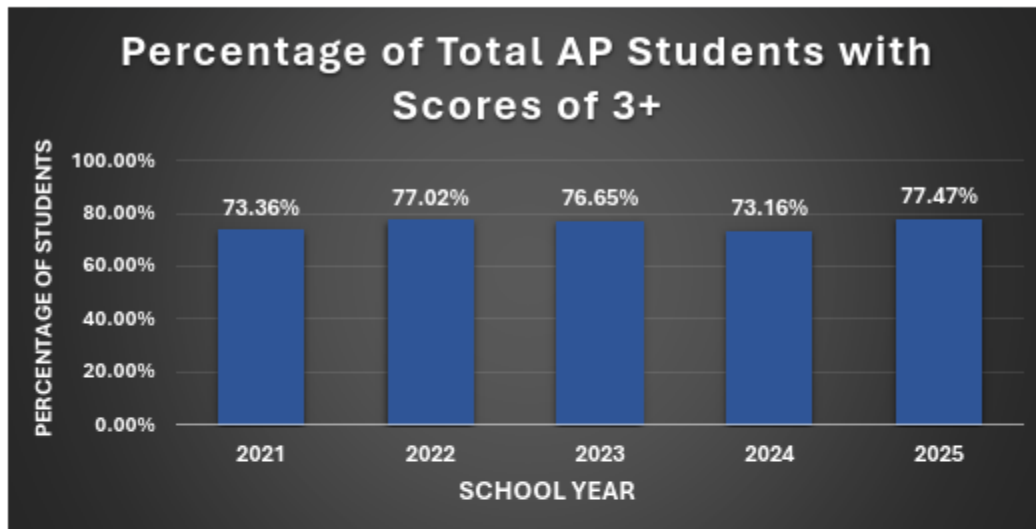
Millcreek Township School District Student Test Scores



*PSSA Science Data: Due to field test, no reported data available for 2025

Data compiled from e-METRICS

Five-Year AP Score Summary 2025
McDowell High School



School Summary

	2021	2022	2023	2024	2025
Total AP Students	304	309	364	380	364
Number of Exam	549	516	664	727	692
AP Students with Scores 3+	223	238	279	278	282
% of Total AP Students with Scores 3+	73.36%	77.02%	76.65%	73.16%	77.47%

Millcreek Township School District Pennsylvania

Subject	← Year	← Grade	Growth Color Indicator
PSSA Math - Predictive	2025	4	⬆ Well Above
		5	⬆ Well Above
		6	⬆ Well Above
		7	⬆ Well Above
		8	⬆ Well Above
PSSA English Language Arts - Predictive	2025	4	⬆ Well Above
		5	⬆ Well Above
		6	⬆ Well Above
		7	⬆ Well Above
		8	⬆ Well Above
Keystone Algebra I - Predictive	2025	N/A	⬆ Well Above
Keystone Biology - Predictive	2025	N/A	⬆ Above
Keystone Literature - Predictive	2025	N/A	⬆ Well Above

Data compiled from PVAAS