MIFFLINBURG AREA SCHOOL DISTRICT

Mifflinburg, Pennsylvania

Financial and Single Audit Reports

For the Year Ended June 30, 2024

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Klacik & Associates, P.C.
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Independent Auditor's Report

Board of School Directors
Mifflinburg Area School District
Mifflinburg, Pennsylvania

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the District, as of June 30, 2024, and the respective changes in financial position and 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, 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 one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue and auditor's report that includes

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

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

Supplementary Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Klacik & Associates PC
Shamokin, Pennsylvania
March 28, 2025

The Management, Discussion and Analysis (MD&A) of the Mifflinburg Area School District (District) financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2024. The purpose of the MD&A is to provide the reader with friendly insight into management's analysis of the financial statements. This MD&A looks at the District's financial performance as a whole, although readers should review the notes to the financial statements to augment their understanding of the District's financial performance.

Financial Highlights

- General fund federal revenues were $1,089,273, 2.69% of the District's revenue, of which was approximately 40% was COVID related funding.
- At June 30, 2024, the District's governmental funds reported combined fund balances of $21,222,488, an increase of $3,536,078 in comparison with the prior year.
- In fiscal year 2024 Expenses increased $588,363 over the prior fiscal year.
- The general fund is the chief operating fund of the District. At the end of the current fiscal year, the unassigned fund balance of the general fund was $2,916,485, while total fund balance increased to $18,056,487. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to general fund expenditures. Unassigned fund balance represents 8.0% of total general fund expenditures, while total fund balance represents 49.2% of that same amount.
- The fund balance of the District's general fund increased by $2,204,447 during the current fiscal year. A vast majority of this increase is attributed to the 4.5% milage increase, basic education subsidy, and interest on investments.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes supplemental information intended to furnish additional detail to support the basic financial statements themselves.

Government-Wide Financial Statements

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

The *statement of net position* presents information on all the District's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

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

Both governmental-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type*

activities). The governmental activities of the District include instruction and instruction student support programs, administrative and financial support services, operation and maintenance of plant services, pupil transportation, student activities, community services, capital acquisition and interest on long-term debt. The business-type activities of the District include food service operations.

The government-wide financial statements can be found on pages 13 and 14 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and proprietary funds. The focus of fund financial statements short-term. Fund financial statements are prepared using the modified accrual basis of accounting. The District uses several different types of funds, but the two most significant types are the governmental and proprietary fund types.

Governmental Funds

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

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

The District maintains one general fund, one student activity fund and one capital reserve fund all of which are categorized as governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, which is a major fund.

The District adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 15-18 of this report.

Proprietary Funds

The District maintains one type of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The District used enterprise funds to account for its food service operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the food service operation, of which is a major fund of the District.

The basic proprietary fund financial statements can be found on pages 19-21 of this report.

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

The notes to the financial statements can be found on pages 22-55 of this report.

Other Information
In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the District's progress in funding its obligations to provide pension and OPEB benefits to its employees, and budget to actual schedules.

Required supplementary information can be found immediately after the notes to the financial statements on pages 56-59.

Mifflinburg Area School District Net Position

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Assets:						
Current and other assets	$ 25,665,256	$ 21,872,126	$ 55,160	$ 247,518	$ 25,720,416	$ 22,119,644
Capital assets	31,454,672	33,108,725	17,086	25,241	31,471,758	33,133,966
Total Assets	$ 57,119,928	$ 54,980,851	$ 72,246	$ 272,759	$ 57,192,174	$ 55,253,610
Total deferred outflows of resources	$ 7,402,000	$ 7,203,173	$ -	$ -	$ 7,402,000	$ 7,203,173
Liabilities:						
Current Liabilities	$ 5,536,912	$ 5,323,170	$ 37,411	$ 41,793	$ 5,574,323	$ 5,364,963
Long-Term Liabilities	76,618,969	77,602,014	5,793	7,168	76,624,762	77,609,182
Total Liabilities	$ 82,155,881	$ 82,925,184	$ 43,204	$ 48,961	$ 82,199,085	$ 82,974,145
Total Deferred Inflows of Resources	$ 2,944,223	$ 3,915,019	$ -	$ -	$ 2,944,223	$ 3,915,019
Net Position:						
Net investment in capital assets	$ 2,129,672	$ 2,448,725	$ 17,086	$ 25,241	$ 2,146,758	$ 2,473,966
Retricted	-	-	-	-	-	-
Unrestricted	(22,707,848)	(27,104,904)	11,956	198,557	(22,695,892)	(26,906,347)
Total Net Position	$ (20,578,176)	$ (24,656,179)	$ 29,042	$ 223,798	$ (20,549,134)	$ (24,432,381)

Current and other assets increased in governmental activities by $3,793,130 from the prior year. This was due to an increase of both state and local receivables, specifically the basic education subsidy, current real estate taxes and interest on investments.

Current liabilities in governmental increased by $213,742.

Long-term liabilities, which consist of bonds, compensated absences, and postemployment benefit obligations, decreased by $983,045 from the previous year for governmental activities. The decrease is due to primarily related to The District's debt service payments.

The District's net position, ($20,578,176), reflects its investment in capital assets (e.g. construction in progress, land, buildings, machinery, and equipment), net of accumulated depreciation and less any related

outstanding debt that was used to acquire those assets. The District used these capital assets to provide a variety of services to our students. Accordingly, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

As of the end of the current year, the District's unrestricted net position was a deficit balance of $22,707,848. The deficit is caused primarily by the approximately $41.4 million in postemployment liabilities for the District's pension plan and other postemployment benefits.

Mifflinburg Area School District Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	$ -	$ -	$ 58,399	$ 190,271	$ 58,399	$ 190,271
Operating grants and contributions	7,627,126	8,385,246	1,096,340	890,391	8,723,466	9,275,637
General revenues:						
Property Tax	13,356,597	12,354,309	-	-	13,356,597	12,354,309
Other taxes	7,295,399	6,912,683	-	-	7,295,399	6,912,683
Unrestricted Grants, Subsides and Contributions	9,682,844	9,580,402	-	-	9,682,844	9,580,402
Investment Earnings	1,338,360	879,872	36	78	1,338,396	879,950
Miscellaneous Income	1,556,613	1,738,624	-	-	1,556,613	1,738,624
Disposal of Capital Assets/Transfers	(100,000)	-	100,000	-	-	-
Total Revenues	40,756,939	39,851,136	1,254,775	1,080,740	42,011,714	40,931,876
Expenses:						
Instruction	22,207,511	21,149,632	-	-	22,207,511	21,149,632
Instruction student support	2,514,894	2,474,469	-	-	2,514,894	2,474,469
Administrative and financial support servi	4,199,354	4,755,005	-	-	4,199,354	4,755,005
Operation and maintenance of plant servi	3,355,317	3,070,732	-	-	3,355,317	3,070,732
Pupil transportation	2,049,537	2,045,350	-	-	2,049,537	2,045,350
Student Activities	1,061,040	828,538	-	-	1,061,040	828,538
Community Services	50,297	29,846	-	-	50,297	29,846
Capital Acquisition	342,636	493,918	-	-	342,636	493,918
Interest on Long-Term Debt	898,350	1,243,083	-	-	898,350	1,243,083
Food Service	-	-	1,449,531	1,155,357	1,449,531	1,155,357
Total Expenses	36,678,936	36,090,573	1,449,531	1,155,357	38,128,467	37,245,930
Increase (decrease) in net position	4,078,003	3,760,563	(194,756)	(74,617)	3,883,247	3,685,946
Net position - beginning	(24,656,179)	(28,416,742)	223,798	298,415	(24,432,381)	(28,118,327)
Net position - ending	$ (20,578,176)	$ (24,656,179)	$ 29,042	$ 223,798	$ (20,549,134)	$ (24,432,381)

Governmental Activities

During the current fiscal year, net position for governmental activities increased $4,078,003 for an ending deficit balance of $20,578,176. The increase in net position during the current year is primarily due to various state and local related funding, along with the final COVID relief funding.

During the current fiscal year, total revenues increased $905,803 for governmental activities from the prior fiscal year for a total balance of $40,756,939. Local revenues, primarily property taxes, remain the largest single source of revenue for the District. Total local revenues were $22,427,004 or 55.4%. The District increased property taxes by 4.5% for the current fiscal year, which was essential to sustain operations. State funding in the current fiscal year amounted to $16,939,575 or 41.9% of the District's revenue. Federal revenues were $1,089,273, 2.7% of the District's revenue, of which 40% was COVID related funding.

Expenses increased $588,363 over the prior fiscal year.

Revenues generated by the District's programs are not sufficient to cover the costs. The District relies on

property taxes, earned income taxes and other general revenues to cover the costs associated with the various programs.

Business-type Activities
For the District's business-type activities, the result for the current fiscal year reflects a decrease in overall net position with an ending balance of $29,042. The total decrease in net position for business-type activities (food service operations) was $194,756. In 2023-2024 The District implemented the Community Eligibility Provision (CEP) for all schools, which offered free meals for those students for both breakfast and lunch. Additionally, the state continued the universal free breakfast initiative. This resulted in a increase in student participation, which further affected the state and federal reimbursements for the National School Lunch Program.

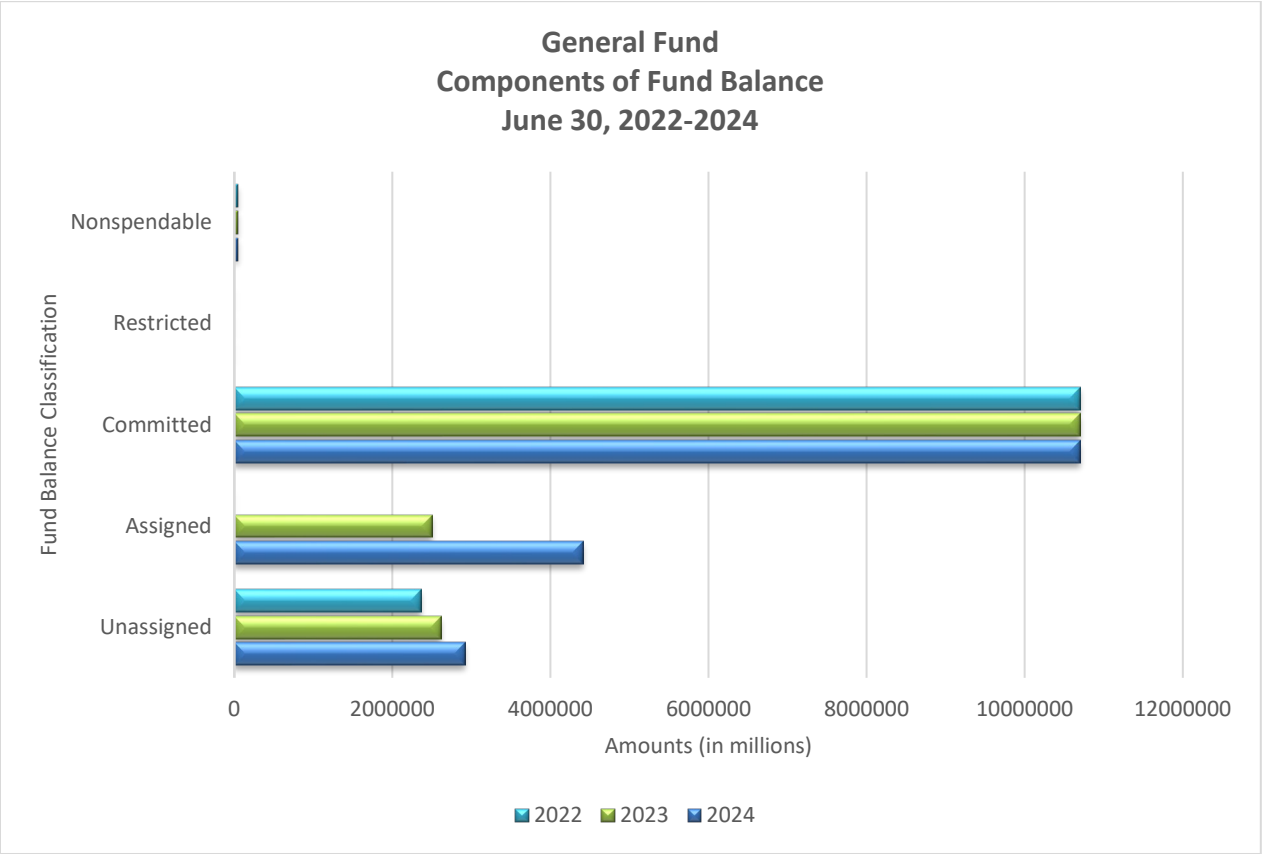
Financial Analysis of Governmental Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds
The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the District itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the District's Board of Directors.

At June 30, 2024, the District's governmental funds reported combined fund balances of $21,222,488, an increase of $3,536,078 in comparison with the prior year. Of this amount, $2,916,485 constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance is either *nonspendable, restricted, committed or assigned* to indicate that it is (1) not in spendable form; 40,000; (2) not spendable because it is legally required to be maintained intact, $0; (3) restricted for particular purposes, $0; (4) committed for particular purposes, $12,893,331; or (5) assigned for particular purposes, $5,372,671.

Analysis of Individual Funds
The general fund is the chief operating fund of the District. At the end of the current fiscal year, the unassigned fund balance of the general fund was $2,916,485, while total fund balance increased to $18,056,487. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to general fund expenditures. Unassigned fund balance represents 8.0% of total general fund expenditures, while total fund balance represents 49.2% of that same amount.



The fund balance of the District's general fund increased by $2,204,447 during the current fiscal year. A vast majority of this increase is attributed to the 4.5% milage increase, basic education subsidy, and interest on investments.

Proprietary Funds
The District's proprietary funds provide the same type of information found in the business-type activities portion of the government-wide financial statements, but in more detail.

The total net position of the food service fund at the end of the year was $29,042. The total decrease in net position was $194,756.

Capital Assets and Debt Administration

Capital Assets
The District's investment in capital assets for its governmental and business-type activities as of June 30, 2024, amount to $31,471,758 (net of accumulated depreciation/amortization). This investment in capital assets includes construction in progress, land, buildings, machinery, and equipment.

Mifflinburg Area School District Capital Assets
(Net of depreciation/amortization)

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Construction in Progress	$ 115,332	$ -	$ -	$ -	$ 115,332	$ -
Land	851,949	900,262	-	-	851,949	900,262
Buildings and Building Improvements	30,102,044	31,890,741	-	-	30,102,044	31,890,741
Furniture and Equipment	385,347	317,722	17,086	25,241	402,433	342,963
Total	$ 31,454,672	$ 33,108,725	$ 17,086	$ 25,241	$ 31,471,758	$ 33,133,966

Additional information on the District's capital assets can be found in Note 6 of this report.

Long-term Debt

As of June 30, 2024, the District had total bonded debt outstanding of $29,325,000, which includes bond premiums and current portion of long-term debt. The District's long-term obligations are comprised of net pension liability, net OPEB liability and compensated absences.

Mifflinburg Area School District Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Series A of 2020	$17,365,000	$18,135,000	-	-	17,365,000	18,135,000
Series B of 2020	$11,960,000	$12,525,000	-	-	11,960,000	12,525,000
Bond Premium/(Discount)	$2,660,241	$2,827,029	-	-	$2,660,241	$2,827,029
Compensated Absences	$661,985	$685,968	5,793	7,168	667,778	693,136
Net Pension Liability	$41,417,000	$40,858,000	-	-	41,417,000	40,858,000
Net OPEB Liability	$3,944,742	$3,906,017	-	-	3,944,742	3,906,017
Total	$78,008,968	78,937,014	5,793	7,168	78,014,761	78,944,182

The District's governmental activities debt decreased by $928,046 during the current fiscal year. During the current year the District net pension liability increased by $559,000 due to the increase in the District's proportionate share of collective net pension liability. The District's net OPEB liability increased by $38,725 and its compensated absences decreased by $23,983.

Additional information on the District's long-term debt can be found in Note 7 of this report.

Summary

March 11, 2020, the World Health Organization characterized the Coronavirus (COVID-19) as a pandemic. Subsequently, March 13, 2020, the Governor of Pennsylvania announced K-12 Pennsylvania Schools would be closed for ten business days, effective March 16, 2020. Pennsylvania Schools did not return to in-person instruction in the fiscal year. By order of the Governor, stay at home orders were issued in March and continued through mid-May 2020, restrictions were lifted gradually. The District has been fortunate enough to receive increased federal funding through ESSERs and state funding through PCCD, during the pandemic. This school year marks the final year of utilizing the federal COVID relief funds that have supported various district initiatives over the past few years. As The District navigates away from the temporary funds careful planning is underway to maintain essential programs and services within the constraints of the regular budget. While some adjustments may be necessary, The District remains committed to providing high-quality education and insuring a smooth shift toward long-term financial sustainability.

The passage of Act 1, The Taxpayer Relief Act limits a school districts ability to raise taxes to generate the revenue to fund its educational programs. Any increases in Real Estate taxes the administration sees necessary will be based upon an index that is provided by the Dept of Education.

The Funding of the Commonwealth Retirement system (PSERS) has demonstrated a steep incline in the funding percentage that school districts are mandated to contribute. The funding percentage is set by the legislature and mandates school districts to contribute to the plan based on actual annual salaries and wages paid to employees who are eligible to participate. The funding level is currently at 34.00%.

The Commonwealth of Pennsylvania provides a “Basic Education Subsidy” that is distributed to school districts. The Mifflinburg Area School District relies on state-aide funding to provide approximately 42% of its total revenue. Any type of reduction in this funding could result in a financial burden on the school district local taxpayers.

Not only was the District able to operate without utilizing fund balance reserves for this year, it increased fund balances however is probable that it will need to utilize fund balance reserves in the future for capital improvements and other necessities.

Requests for Information

This financial report is designed to provide a general overview of the District finances for all those with an interest in the government’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Business Administrator, Mifflinburg Area School District, 178 Maple Street, Mifflinburg, PA 17844.

Mifflinburg Area School District
Statement of Net Position
June 30, 2024

Assets and Deferred Outflows of Resources	Governmental Activities	Business-Type Activities	Total
Current Assets:			
Cash and Cash Equivalents	$ 22,892,135	$ 2,094	$ 22,894,229
Investments	337,779	-	337,779
Taxes Receivables, Net of Allowance	586,745	-	586,745
Due from Other Funds	8,448	-	8,448
Intergovernmental Receivables	1,541,997	-	1,541,997
Inventories	40,000	52,929	92,929
Accounts Receivable	258,152	137	258,289
Total Current Assets	25,665,256	55,160	25,720,416
Noncurrent Assets:			
Land and Site Improvements, Net	851,949	-	851,949
Buildings and Building Improvements, Net	30,102,044	-	30,102,044
Furniture, Equipment, and Vehicles, Net	385,347	17,086	402,433
Construction in Progress, Net	115,332	-	115,332
Total Noncurrent Assets	31,454,672	17,086	31,471,758
TOTAL ASSETS	57,119,928	72,246	57,192,174
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows OPEB	816,223	-	816,223
Deferred Outflows PSERS	6,585,777	-	6,585,777
Total Deferred Outflows of Resources	7,402,000	-	7,402,000
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	64,521,928	72,246	64,594,174
LIABILITIES, DEFERRED INFLOWS AND NET POSITION (DEFICIT)			
Current Liabilities:			
Accounts Payable	874,125	58	874,183
Due to Other Funds	6,599	1,849	8,448
Accrued Salaries, Benefits, and Related Expenses	2,004,523	187	2,004,710
Payroll Tax Withholdings and Employer Liabilities Payable	1,212,119	-	1,212,119
Current Portion of Long-Term Debt	1,390,000	-	1,390,000
Accrued Interest	42,277	-	42,277
Unearned Revenue	7,269	35,317	42,586
Total Current Liabilities	5,536,912	37,411	5,574,323
Noncurrent Liabilities			
Long-Term Debt, Net	27,935,000	-	27,935,000
Bond Premium Amortization	2,660,241	-	2,660,241
Long-Term Portion of Compensated Absences	661,985	5,793	667,778
Long-Term Portion of Other Post Employment Benefits	3,944,743	-	3,944,743
Net Pension Liability	41,417,000	-	41,417,000
Total Noncurrent Liabilities	76,618,969	5,793	76,624,762
TOTAL LIABILITIES	82,155,881	43,204	82,199,085
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows OPEB	2,377,223	-	2,377,223
Deferred Inflows PSERS	567,000	-	567,000
Total Deferred Inflows of Resources	2,944,223	-	2,944,223
NET POSITION (DEFICIT)			
Invested In Capital Assets, Net	2,129,672	17,086	2,146,758
Unrestricted	(22,707,848)	11,956	(22,695,892)
TOTAL NET POSITION	$ (20,578,176)	$ 29,042	$ (20,549,134)

See notes to financial statements which are an integral part of this statement

Mifflinburg Area School District
Statement of Activities
For the Year Ended June 30, 2024

Functions/Program	(Expenses)	Programs Revenues: Charges for Services	Programs Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-Type Activities	Net (Expense) Revenue and Changes in Net Position: Total
Governmental Activities:						
Instruction	$ 22,207,511	$ -	$ 6,216,854	$ (15,990,657)	$ -	$ (15,990,657)
Instructional Student Support	2,514,894	-	52,378	(2,462,516)	-	(2,462,516)
Administrative and Financial Support Services	4,199,354	-	311,886	(3,887,468)	-	(3,887,468)
Operation and Maintenance of Plant Services	3,355,317	-	-	(3,355,317)	-	(3,355,317)
Pupil Transportation	2,049,537	-	760,330	(1,289,207)	-	(1,289,207)
Student Activities	1,061,040	-	-	(1,061,040)	-	(1,061,040)
Community Services	50,297	-	-	(50,297)	-	(50,297)
Capital Acquisition	342,636	-	-	(342,636)	-	(342,636)
Interest on Long-Term Debt	898,350	-	285,678	(612,672)	-	(612,672)
Total Governmental Activities	36,678,936	-	7,627,126	(29,051,810)	-	(29,051,810)
Business-Type Activities:						
Food Service	1,449,531	58,399	1,096,340	-	(294,792)	(294,792)
Total Primary Government	$ 38,128,467	$ 58,399	$ 8,723,466	(29,051,810)	(294,792)	(29,346,602)
General Revenues						
Taxes:						
Property Taxes, Levied for General Purpose, Net				13,356,597	-	13,356,597
Public Utility, Reality, Earned Income Taxes, Levied for General Purpose, Net				7,295,399	-	7,295,399
Unrestricted Grants, Subsides, and Contributions				9,682,844	-	9,682,844
Investment Earnings				1,338,360	36	1,338,396
Transfer In (Out)				(100,000)	100,000	-
Miscellaneous Income				1,556,611	-	1,556,611
Total General Revenue				33,129,813	100,036	33,229,849
Changes in Net Position				4,078,003	(194,756)	3,883,247
Net Position, Beginning				(24,656,179)	223,798	(24,432,381)
Net Position, Ending				$ (20,578,176)	$ 29,042	$ (20,549,134)

See notes to financial statements which are an integral part of this statement

Mifflinburg Area School District
Balance Sheet
Governmental Funds
June 30, 2024

	General	Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
ASSETS:				
Cash	$ 19,879,423	$ 2,864,719	$ 147,993	$ 22,892,135
Investments	-	-	337,779	337,779
Taxes Receivables, Net	586,745	-	-	586,745
Due from Other Funds	8,448	-	-	8,448
Intergovernmental Receivables	1,541,997	-	-	1,541,997
Accounts Receivable	258,152	-	-	258,152
Inventories	40,000	-	-	40,000
TOTAL ASSETS	$ 22,314,765	$ 2,864,719	$ 485,772	$ 25,665,256
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:				
LIABILITIES:				
Accounts Payable	$ 696,234	$ 171,389	$ 6,502	$ 874,125
Payroll Deductions and Withholdings	1,212,119	-	-	1,212,119
Accrued Salaries and Benefits	2,004,523	-	-	2,004,523
Due to Other Funds	-	-	6,599	6,599
Unearned Revenues	7,269	-	-	7,269
TOTAL LIABILITIES	3,920,145	171,389	13,101	4,104,635
DEFFERED INFLOWS OF RESOURCES	338,133	-	-	338,133
FUND BALANCES:				
Committed Fund Balance	10,700,001	2,193,330	-	12,893,331
Nonspendable Fund Balance	40,000	-	-	40,000
Assigned Fund Balance	4,400,000	500,000	472,671	5,372,671
Unassigned Fund Balance	2,916,485	-	-	2,916,485
TOTAL FUND BALANCES	18,056,487	2,693,330	472,671	21,222,488
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 22,314,765	$ 2,864,719	$ 485,772	$ 25,665,256

See notes to financial statements which are an integral part of this statement

Mifflinburg Area School District
Reconciliation of the Balance Sheet to the
Statement of Net Position
Governmental Funds
June 30, 2024

TOTAL FUNDS BALANCES, GOVERNMENTAL FUNDS	$	21,222,488
Amounts reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds		
Cost of Assets		69,015,802
Accumulated Depreication		(37,561,130)
		31,454,672
Delinquent personal and property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures and are, therefore, deferred in the funds.		338,133
Governmental funds do not report a liability for accrued interest until due and payable.		(42,277)
Deferred inflows and outflows of resources related to pensions and other postemployment benefits are applicable to future periods and, therefore, are not reported in the funds:		
Deferred Outflows Pension/OPEB		7,402,000
Deferred Inflows Pension/OPEB		(2,944,223)
Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:		
Bonds and Notes Payable, Net		(29,325,000)
Bond Premiums		(2,660,241)
Compensated Absences		(661,985)
Net Pension Liability		(41,417,000)
Other Post Employment Benefits		(3,944,743)
TOTAL NET POSITION, GOVERNMENTAL ACTIVITIES	$	(20,578,176)

See notes to financial statements which are an integral part of this statement

Mifflinburg Area School District
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

	General Fund	Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
REVENUES:				
Local Sources	$ 22,427,004	$ 92,797	$ 207,108	$ 22,726,909
State Sources	16,939,575	-	-	16,939,575
Federal Sources	1,089,273	-	-	1,089,273
Total Revenues	40,455,852	92,797	207,108	40,755,757
EXPENDITURES:				
Instruction	21,875,915	-	-	21,875,915
Support Services	11,470,210	-	140	11,470,350
Operation of Noninstructional Services	833,032	-	218,820	1,051,852
Capital Outlay	136,901	187,393	-	324,294
Total Expenditures	34,316,058	187,393	218,960	34,722,411
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	6,139,794	(94,596)	(11,852)	6,033,346
OTHER FINANCING SOURCES (USES)				
Debt Service-Interest Payments	(1,067,363)	-	-	(1,067,363)
Debt Service-Principal Payments	(1,335,000)	-	-	(1,335,000)
Transfers In (Out)	(1,538,079)	1,450,000	(11,921)	(100,000)
Miscellaneous	5,094	-	-	5,094
Total Other Financing Sources (Uses)	(3,935,347)	1,450,000	(11,921)	(2,497,268)
NET CHANGE IN FUND BALANCE	2,204,447	1,355,404	(23,773)	3,536,078
FUND BALANCE, BEGINNING	15,852,040	1,337,926	496,444	17,686,410
FUND BALANCE, ENDING	$ 18,056,487	$ 2,693,330	$ 472,671	$ 21,222,488

See notes to financial statements which are an integral part of this statement

Mifflinburg Area School District
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances to the Statement of Activities
Governmental Funds
For the Year Ended June 30, 2024

NET CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS		$ 3,536,076
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period		
Capital Outlays	309,776	
Depreciation	(1,963,829)	(1,654,053)
Because some property taxes will not be collected for several months after the District's year end, they are not considered as available revenues in the government funds. Deferred tax revenues increased by this amount this year.		96,085
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		1,335,000
Losses on bond refunding, and bond discounts and premiums are deferred and amortized over the term of the bonds in the statement of activities.		166,788
Interest is recognized in governmental funds when paid but is accrued in the Statement of Activities.		2,225
Some expenses reported on the Statement of Activities do not require the use of current financial resources, therefore, they are not reported as expenditures in governmental funds:		
Changes in Other Post Employment Benefits	282,777	
Changes in Compensated Absences Payable	23,983	
Changes in Pension Expense	289,120	595,880
CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES		$ 4,078,003

See notes to financial statements which are an integral part of this statement

Mifflinburg Area School District
Statement of Net Position
Proprietary Fund
June 30, 2024

	Food Service
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
Current Assets:	
Cash and Cash Equivalents	$ 2,094
Other Receivables	137
Inventories	52,929
Total Current Assets	55,160
Noncurrent Assets:	
Machinery and Equipment	667,862
Less: Accumulated Depreciation	(650,776)
Total Non-Current Assets	17,086
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 72,246
LIABILITIES AND NET POSITION	
Current Liabilities:	
Accounts Payable	$ 58
Due to Other Funds	1,849
Accrued Salaries and Benefits	187
Unearned Revenue	35,317
Compensated Absences	5,793
Total Current Liabilities	43,204
TOTAL LIABILITIES	43,204
NET POSITION:	
Net Investment in Capital Assets	158,859
Restricted	15,520
Net Position	(107,290)
Unrestricted	(38,047)
TOTAL NET POSITION	29,042
TOTAL NET POSITION AND LIABILITIES	$ 72,246

See notes to financial statements which are an integral part of this statement

Mifflinburg Area School District
Statement of Revenues, Expenditures, and Changes in Net Position
Proprietary Fund
For the Year Ended June 30, 2024

	Food Service
OPERATING REVENUES:	
Food Service	$ 58,399
Total Operating Revenues	58,399
OPERATING EXPENSES:	
Salaries	433,382
Employee Benefits	234,561
Purchased Professional and Technical Service	574
Purchased Property Services	998
Other Purchased Services	2,705
Supplies	768,157
Depreciation Expense	8,155
Other Expenses	996
Total Operating Expenses	1,449,528
OPERATING (LOSS)	(1,391,129)
NONOPERATING REVENUES (EXPENSES):	
Earning on Investments	36
Transfers In (Out)	100,000
State Sources	186,233
Federal Sources	910,107
Total Nonoperating Revenues	1,196,375
CHANGE IN NET POSITION	(194,756)
NET POSITION, BEGINNING	223,798
NET POSITION, ENDING	$ 29,042

See notes to financial statements which are an integral part of this statement

Mifflinburg Area School District
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2024

	Food Service
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash Received from Users	$ 69,176
Cash Payments to Employees for Services	(675,549)
Cash Payments to Suppliers for Goods and Services	(742,842)
Net Cash Used by Operating Activities	(1,349,216)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Interfund Transfers	100,000
Federal Subsides	910,107
State Subsides	186,233
Net Cash Provided by Noncapital Financing Activities	1,196,340
CASH FLOWS PROVIDED BY INVESTING ACTIVITES:	
Earnings on Investments	36
NET INCREASE IN CASH AND CASH EQUIVALENTS	(152,840)
CASH AND CASH EQUIVALENTS, BEGINNING	154,933
CASH AND CASH EQUIVALENTS, ENDING	$ 2,094
RECONCILIATION OF OPERATING (LOSS)/INCOME TO NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	
Operating Loss	$ (1,391,132)
Adjustment to Reconcile Operating (Loss)/Income to Net Cash (used in) provided by operating activities:	
Depreciation	8,155
Increase or Decrease in Assets and Liabilities:	
Due from Other Funds	8,928
Inventories	27,478
Due to Other Funds	1,849
Accrued Payroll	187
Accounts Payable	(162)
Other Accounts Receivable	3,113
Compensated Absences	(1,375)
Deferred Revenue	(6,256)
Total Adjustments	41,917
NET CASH (USED IN)/PROVIDED BY OPERATING ACTIVITIES	$ (1,349,216)

See notes to financial statements which are an integral part of this statement

NOTE 1 - NATURE OF ENTITY SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Nature of Operations

The Mifflinburg Area School District (the "District") provides public education to the residents of six townships and three boroughs with one elementary school, one intermediate school, one middle school, and one high school in Union County, Pennsylvania. The District operates under current standards prescribed by the Pennsylvania Department of Education in accordance with the provision of the School Laws of Pennsylvania. The District operates under a locally elected nine member Board, which has responsibility and control over all activities related to public school education within the District.

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

B. Reporting Entity

Governmental Accounting Standards Board ("GASB") Statement No. 61, *"The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No.14 and No. 34"* established the criteria used by the District to evaluate the possible inclusion of related entities within its reporting entity based upon financial accountability and the nature and significance of the relationship. Based on the foregoing criteria, the District has no component units that are required to be included in the District's financial statements.

C. Joint Venture

The District participates in the SUN Area Technical Institute (SUN ATI) located in New Berlin, Pennsylvania. This joint venture does not meet the criteria for inclusion within the reporting entity because the SUN ATI is separately chartered from the school districts it serves; its joint operating committee controls the employment of personnel; its joint operating committee has the power to approve all operating expenditures of the SUN ATI; and the SUN ATI is maintained in a separate operating unit.

The District has one member on the joint operating committee which governs the SUN ATI. The committee is comprised of one member from each of the member school districts who are appointed annually. The SUN ATI provides vocational and technical education for students of the member school districts. Each member school district pays tuition to the SUN ATI based upon its enrollment percentage. At the end of each fiscal year, actual expenditures are divided among the member districts based upon the prior year's enrollment percentage. The excess of tuition paid over allocated expenditures is refundable by the SUN ATI to the member districts. If allocable expenditures exceed the tuition paid by any member school district, the school district will pay the additional amount due to the SUN ATI. The member school districts approve the budget of the SUN ATI.

Audited financial statements for the year ended June 30, 2024 for the SUN ATI are available at its business office.

NOTE 1 - NATURE OF ENTITY SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

D. Intermediate Unit

The District is a participating member of the Central Susquehanna Intermediate Unit #16 (CSIU) located in Montandon, Pennsylvania. The CSIU is a self- sustaining organization that provides services for fees to participating districts. Through their membership, the District is able to secure various special services including federal program assistance and special education services.

E. Measurement Focus, Basis of Accounting

The basic financial statements of the District are comprised of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

1. Government-Wide Financial Statements

Government-wide financial statements (i.e. the statement of net position and the statement of activities) report on all the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities which 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.

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and custodial fund financial statements which incorporates noncurrent assets as well as long term debt and obligations. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the 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.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customer or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenue.

NOTE 1 - NATURE OF ENTITY SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

E. Measurement Focus and Basis of Accounting - (Continued)

1. Government-Wide Financial Statements - (Continued)

Amounts expended to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as an other financing source. Amounts paid to reduce long-term indebtedness of the District are reported as a reduction of the related liability, rather than an expenditure.

2. Fund Financial Statements

The operations of the District are organized and are recorded in individual funds. Each fund is a separate accounting entity, with self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures or expenses, as appropriate.

Governmental Funds

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 collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 180 days of the end of the current fiscal period with the exception of taxes which must be received within 60 days of year end to be deemed available. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Operating and capital grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable only when cash is received by the District.

Under the current financial resources measurement focus, only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered to be a measure of "available spendable resources". Governmental funds operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

NOTE 1 - NATURE OF ENTITY SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

E. Measurement Focus and Basis of Accounting - (Continued)

2. Fund Financial Statements - (Continued)

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as an other financing source rather than as a fund liability. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is made.

Proprietary Funds

The District's Food Service Fund is a proprietary fund. In the fund financial statements, the proprietary fund is presented using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when the related goods or services are delivered. In the fund financial statements, the proprietary fund is presented using the economic resources measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. The proprietary fund type operating statement presents increases (revenues) and decreases (expenses) in total net position.

The proprietary fund's operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

Amounts paid to acquire capital assets are capitalized as assets in the fund financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as a liability in the fund financial statements, rather than as an other financing source. Amounts paid to reduce long-term indebtedness are reported as a reduction of the related liabilities, rather than an expense.

F. Basis of Presentation

The following are the District's major funds: Governmental Fund Types

- The General Fund is the operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund.

- The Capital Projects 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.

NOTE 1 - NATURE OF ENTITY SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

F. Basis of Presentation - (Continued)

Additionally, the District reports the following Non-Major Governmental Funds:

- The Scholarship Funds are used to account for assets held by the District under an agreement for individuals, private organizations, or other governments and therefore not available to support the District's own programs. However, the District has the ability to direct how the funds are applied towards their intended purposes established.

- Student Activity Funds account for assets held by the District for various student activities. The District has the ability to direct how the funds are applied towards their intended purposes established.

Proprietary Fund Type

- The Food Service Fund is used to account for the operations of the District's food service operations. Operating Revenues consist of charges for food served. Operating expenses consist mainly of food, food preparation costs, supplies, and other direct costs. All other revenues and expenses are reported as non-operating.

G. Assets, Liabilities, Net Position or Fund Balance

1. Cash and Cash Equivalents

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition, and pooled fund investments subject to daily withdrawal.

2. Investments

The Pennsylvania School Code and the District's investment policy establish criteria for the type of investments that can be held by the District. Investments held by the District are reported at their fair market value, except for investments in external investment pools, which are valued at amortized cost.

3. Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding for goods or services rendered at the end of the fiscal year are referred to as "due to/from other funds."

NOTE 1 - NATURE OF ENTITY SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

G. Assets, Liabilities, Net Position or Fund Balance - (Continued)

4. Inventories

Inventories in governmental funds consist of expendable supplies held for consumption. The cost of governmental fund inventories are recorded as expenditures when purchased rather than when consumed. Food Service fund inventory consisted of expendable supplies valued at cost on a first-in, first-out basis, and federal government donated commodities received from the U.S. Department of Agriculture (USDA) recorded at estimated fair values provided by the USDA. Inventory in the Food Service Fund is recorded as an expense when consumed.

5. Prepaid Expenses

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

6. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, sidewalks, and similar items), are reported in the governmental or business-type activity column in the government-wide and the proprietary fund financial statements. The District defines capital assets with an initial, individual cost of more than: $1,500 and an estimated useful life in excess of one year. Capital assets are recorded at historical costs or estimated historical costs if purchased or constructed. Donated capital assets are recorded at acquisition value.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are completed.

Capital assets of the District are depreciated using the straight line method over the following intended useful lives:

Description	Estimated Useful Life
Buildings	40 Years
Building Improvement	20 Years
Site Improvements	15 Years
Furniture	20 Years
Vehicles	4 Years

NOTE 1 - NATURE OF ENTITY SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

G. Assets, Liabilities, Net Position or Fund Balance - (Continued)

7. Compensated Absences

Compensated absences are those for which employees receive pay. A liability is recorded through the use of estimates, which apply historical data to current factors. The District maintains records of unused absences and applies current and/or contracted compensation rates to the various types of compensated absences using the termination method.

8. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, the long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of applicable bond premium or discount and issuance costs are expensed.

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

9. Unearned Revenues

Revenues that are received but not yet earned are recorded as unearned revenue in the District's financial statements. In the District's governmental funds, unearned revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed from the governmental funds' balance sheet and revenue is recognized.

10. Fund Balance

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 District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent.

NOTE 1 - NATURE OF ENTITY SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

G. Assets, Liabilities, Net Position or Fund Balance - (Continued)

10. Fund Balance - (Continued)

The classifications used in the governmental fund financial statements are as follows:

- Nonspendable fund balance – 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.

- Restricted fund balance – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

- Committed fund balance – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of School Directors. These amounts cannot be used for any other purpose unless the Board of School 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.

- Assigned fund balance – This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. The Board of School Directors delegated this responsibility to the Business Administrator.

- Unassigned fund balance – This classification represents amounts that are available for any purpose. The District strives to maintain an unassigned general fund balance of not less than six percent (6%) of the annual operating budget.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance and lastly unassigned fund balance.

11. Net Position

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

NOTE 1 - NATURE OF ENTITY SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

G. Assets, Liabilities, Net Position or Fund Balance - (Continued)

11. Net Position - (Continued)

- *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.

- *Restricted Net Position* – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

- *Unrestricted Net Position* – This category represents net position of the School District, not restricted for any project or other purpose.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District's policy is to apply restricted net position first.

12. Accounting Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual amounts may differ from those estimates.

13. Interfund Transactions

Quasi-external transactions are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it, which are properly applicable to another fund, are recorded as expenditures in the reimbursing fund, and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

14. Deferred Inflows/Outflows of Resources

The Statements of Net Position report 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 six items that qualify for reporting in these categories: deferred outflows and inflows related to pensions, deferred outflows and inflows related to other postemployment benefits, deferred loss on refunding and unavailable tax revenue.

NOTE 1 - NATURE OF ENTITY SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

G. Assets, Liabilities, Net Position or Fund Balance - (Continued)

14. Deferred Inflows/Outflows of Resources - (Continued)

Deferred outflows and inflows of resources related to pensions are described further in Note 10 and deferred outflows and inflows related to other postemployment benefits are described further in Note 11. The components of deferred outflows of resources and deferred inflows of resources, other than the difference between the projected and actual investment earnings on investments, are amortized into pension or other postemployment benefits ("OPEB") expense over a closed period, which reflects the weighted average remaining service life of all PSERS members beginning the year in which the deferred amount occurs (current year). The annual difference between the projected and actual earnings on PSERS investments is amortized over a five- year closed period beginning the year in which the difference occurs (current year). *Deferred loss of refunding* is the result of differences in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. *Unavailable tax revenue*, which arises under the modified accrual basis of accounting, 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.

15. PSERS Pension and OPEB

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

H. Pending Changes in Accounting Principles

In April 2022, the GASB issued Statement No. 99, *"Omnibus 2022"*. The provisions of Statement No. 99 are effective as follows:

- The requirements related to leases, public-private and public-public partnerships, and subscription-based information technology arrangements are effective for the District's fiscal year 2023 financial statements.

- The requirements related to financial guarantees and the reporting of derivative instruments are effective for the District's fiscal year 2024 financial statements.

NOTE 1 - NATURE OF ENTITY SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

H. Pending Changes in Accounting Principles – (Continued)

In June 2022, the GASB issued Statement No. 100, *"Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62"*. The District has adopted the provisions of Statement No. 100 for its fiscal year 2024 financial statements.

In June 2022, the GASB issued Statement No. 101, *"Compensated Absences"*. The District is required to adopt the provisions of Statement No. 101 for its fiscal year 2025 financial statements.

In December 2023, the GASB issued Statement No. 102, *"Certain Risk Disclosures"*. The District has adopted the provisions of Statement No. 102 for its fiscal year 2024 financial statements.

In April 2024, the GASB issued Statement No. 103, *"Financial Reporting Model Improvements"*. The District is required to adopt the provisions of Statement No. 103 for its fiscal year 2025 financial statements.

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

NOTE 2 - BUDGETS AND BUDGETARY ACCOUNTING

The budget is adopted on a basis consistent with generally accepted accounting principles. An annual appropriated budget is adopted for the general fund. Project- length financial plans are used for capital projects funds. All unencumbered budget appropriations, except capital projects, lapse at the end of each fiscal year.

At the fund level, actual expenditures cannot exceed budgeted appropriations; however, with proper approval by the school board, budgetary transfers between funds accounts can be made. The budgeted financial statements represented in this report reflect the final budget authorization, including all transfers.

NOTE 3 - DEPOSIT AND INVESTMENT RISK

The District's investment policy is in accordance with the Public School Code of 1949, Section 440.1 which requires monies to be invested in the following types of investments:

U.S. Treasury bills, short-term obligations of the U.S. government or its agencies or instrumentalities, savings or time accounts, or share accounts of institutions insured by the FDIC, FSLIC, or NCUSIF to the extent such accounts are so insured and, for any amounts above the insured maximum provided that approved collateral as provided by law therefore shall be pledged by the depository, obligations of the United States of America or any of its agencies or instrumentalities, obligations of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities, or obligations of any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities.

Custodial Credit Risk – For deposits, custodial credit risk is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its deposits or collateral securities that are in the possession of an outside party. As of June 30, 2024, the District's cash balances for its governmental activities and business-type activities were $22,894,229 and its bank balances were $22,983,468. Of these bank balances, $21,566,666 were exposed to custodial credit risk and they were collateralized by the pledging of pooled assets held by the pledging financial institutions and uninsured. The balance of $1,303,741 was invested in external investment pools as described in more detail below.

At June 30, 2024, the District had investments classified as cash equivalents in money market holdings and other short-term investments through the Pennsylvania School District Liquid Asset Fund ("PSDLAF") of $965,962 and the Pennsylvania Local Government Investment Trust ("PLGIT") of $337,779.

PSDLAF and PLGIT were established to enable school districts and other local government agencies to pool funds for investments in instruments authorized by Section 440.1 of the Pennsylvania Public School Code of 1949, as amended. These funds have the characteristics of open-end mutual funds and are not subject to credit risk classification.

Participation in External Investment Pools. Investment Pool investments are multiple investment portfolios with PSDLAF similar to a money market fund. The portfolio investments are valued at amortized costs, which approximates market value. The District has no regulatory oversight for the pool, which is governed by the Board of Trustees. The pool is audited annually by PricewaterhouseCoopers LLP. The pool is rated AAA by Standard & Poor's. PSDLAF issues separate financial statements available at www.psdlaf.org.

The Pennsylvania Local Government Trust ("PLGIT") I-Class is a 2a7-like pool. The District's investment in PLGIT is reported at amortized cost, which approximates fair value. The District has no regulatory oversight for the pool, which is governed by the Board of Trustees and is administered by PFM Asset Management, LLC. The pool is audited annually Ernst & Young, LLP. The pool is rated AAA by Standard & Poor's. PLGIT issues separate financial statements available at www.plgit.com.

Restrictions on Qualified Investment Pool Withdrawals. The District is limited to two withdrawals per calendar month from the PLIGIT account.

NOTE 3 - DEPOSIT AND INVESTMENT RISK - (Continued)

Investments– District investments consists of investment pool deposits held in the General Fund and equities held in the Private Purpose Trust Fund. Investments are measured at fair value on a recurring basis in accordance with the framework established by GASB Statement No. 72, "*Fair Value Measurement and Application*". That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The three levels of the fair value hierarchy are described as below:

Level 1 – inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the District has the ability to access.

Level 2 – inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets or inactive markets; inputs other than quoted prices that are observable for the asset or liability; or inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement.

As of June 30, 2024, the District's investment fair value measurements were as follows:

Investment by Fair Value Level	Fair Value Measurement Using 6/30/2024	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investment Pool	$ 337,779	$ -	$ 337,779	$ -
Total	$ 337,779	$ -	$ 337,779	$ -

As of June 30, 2024, the District's investment maturities were as follows:

Investment Type	Fair Value	Less Than 1 Year	1-5 Years	6-10 Years
Investment Pool	$ 337,779	$ 337,779	$ -	$ -
Total	$ 337,779	$ 337,779	$ -	$ -

Interest Rate Risk – The District does not have a formal policy that limits investments maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial Credit Risk – For investments, custodial credit risk is the risk that, in the event of failure by the counterparty, the District will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. The District has no investments subject to custodial credit risk.

Credit Risk – The District does not have a formal investment policy that would limit its investment choices to certain credit ratings. As of June 30, 2024 investment pool investments are held by PSDLAF and are rated AAA in accordance with the portfolio.

NOTE 4 - RESTRICTED CASH AND INVESTMENTS

Assets whose use is limited to a specific purpose have been classified as “restricted” in the balance sheet.

NOTE 5 - TAXES ASSESSED

Real estate taxes are assessed on July 1, of each year and become due and payable on that date. For the 2023-2024 year the tax rate was 15.08 mills levied upon assessed valuations provided by Union County of approximately $948,975,780. Taxpayers are given a two percent discount if they pay their taxes by September 30. All taxes levied on July 1, become delinquent on December 1, and are charged a ten percent penalty. On December 31, of the following year, all delinquent taxpayers are turned over to the Union County Tax Claim Bureau for collection. Uncollected real estate taxes attach as an enforceable lien on property when recorded.

Taxes which remain unpaid are classified as delinquent taxes receivable. Revenue from these delinquent taxes that is not collected within 60 days of year-end is deferred in the fund financial statements because it is not known to be available to finance the operations of the District in the current year. Delinquent taxes receivable at June 30, 2024 were $586,745.

Taxes receivable also include estimated earned income taxes, real estate transfer taxes, and per capita taxes due to the District at June 30, with the amount not collected within 60 days after year end being deferred in the general fund.

NOTE 6 - CAPITAL ASSETS

Capital Assets are recorded as expenditures at the time of purchase. The amounts recorded for land and site improvements, buildings and improvements, and furniture, equipment and vehicles represent primarily estimates of historical cost prepared by an independent appraiser. During the fiscal years ended June 30, 2008 and June 30, 2018, a fixed asset appraisal of assets held was performed and through the use of alternative methods, an estimate of historical cost was developed. Balances were restated to reflect the appraisal.

Depreciation, where applicable, is straight line over the useful life of the asset. Property additions made subsequent to the appraisal are recorded at cost.

NOTE 6 - CAPITAL ASSETS - (Continued)

A summary of Capital Asset transactions for the year ended June 30, 2024 is as follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Governmental Activities:				
Capital Assets, Not Being Depreciated				
Construction in Progress	$ -	$ 115,332	$ -	$ 115,332
Total Capital Assets, Not Being Depreciated	-	115,332	-	115,332
Capital Assets, Being Depreciated:				
Land and Site Improvements	2,378,368	-	-	2,378,368
Buildings and Building Improvements	60,279,252	19,199	-	60,298,451
Furniture, Equipment, and Vehicles	6,056,406	175,245	8,000	6,223,651
Total Capital Assets, Being Depreciated	68,714,026	194,444	8,000	68,900,470
Less Accumulated Depreciation For:				
Land and Site Improvements	(1,478,106)	(48,313)	-	(1,526,419)
Buildings and Building Improvements	(28,388,511)	(1,807,896)	-	(30,196,407)
Furniture, Equipment, and Vehicles	(5,738,684)	(107,620)	(8,000)	(5,838,304)
Total Accumulated Depreciation	(35,605,301)	(1,963,829)	(8,000)	(37,561,130)
Governmental Activities - Capital Assets, Net -	$ 33,108,725	$ (1,654,053)	$ -	$ 31,454,672
Business Type Activities:				
Capital Assets, Being Depreciated:				
Furniture, Equipment and Vehicles	$ 667,862	$ -	$ -	$ 667,862
Less Accumulated Depreciation For:				
Furniture, Equipment and Vehicles	(642,621)	(8,155)	-	(650,776)
Business Type Activities- Capital Assets, Net	$ 25,241	$ (8,155)	$ -	$ 17,086

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

Instruction	$ 1,235,425
Instructional Student Support	134,031
Administrative & Financial Support Services	225,683
Operation & Maintenance of Plant Services	180,358
Pupil Transportation	110,171
Student Activities	57,030
Community Services	2,710
Capital Outlay	18,421
Total Depreciation Expense	$ 1,963,829

NOTE 7 - LONG TERM OBLIGATIONS

As of June 30, 2024, the District's long-term debt consisted of the following:

Governmental activities	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Due Within One Year
General Obligation Bonds	$ 30,660,000	$ -	$ (1,335,000)	$ 29,325,000	$ 1,390,000
Bond Premium/(Discount)	2,827,029	-	(166,788)	2,660,241	-
Compensated Absences	685,968	-	(23,983)	661,985	-
Other Post Employment Benefits	3,906,017	38,726	-	3,944,743	-
Net Pension Liability	40,858,000	559,000	-	41,417,000	-
Total Long Term Obligations	$ 78,937,014	$ 597,726	$ (1,525,771)	$ 78,008,969	$ 1,390,000
Business-Type Activities:					
Compensated Absences	$ 7,168	$ -	$ (1,375)	$ 5,793	$ -

Pertinent information regarding long-term debt obligations outstanding is presented below:

Issue	Amount of Original Issue	Purpose	Amounts Outstanding
Series A of 2020	$ 20,365,000	In 2020, the District issued General Obligation Bonds Series A of 2020 for the purpose of refunding the General Obligation Bonds Series of 2012, 2014, and 2015. The bond matures serially through June 15, 2040 with an interest rate of 3.00% to 4.00%.	$ 17,365,000
Series B of 2020	$ 13,710,000	In 2020, the District issued General Obligation Bonds Series B of 2020 for the purpose of financing Capital Projects of the school district. The bond matures serially through June 15, 2040 with an interest rate of 2.00% to 4.00%.	11,960,000
Total			$ 29,325,000

NOTE 7 - LONG TERM OBLIGATIONS - (Continued)

The following summarized the District's estimated future debt service requirements on these bonds and notes as of June 30, 2024:

Years Ending June 30,	Principal	Interest	Total Debt Service
2025	$ 1,390,000	$ 1,014,650	$ 2,404,650
2026	1,445,000	959,050	2,404,050
2027	1,500,000	901,250	2,401,250
2028	1,560,000	841,250	2,401,250
2029	1,620,000	778,850	2,398,850
2030-2034	8,970,000	3,021,250	11,991,250
2035-2039	10,530,000	1,471,963	12,001,963
2040	2,310,000	78,019	2,388,019
Totals	$ 29,325,000	$ 9,066,282	$ 38,391,282

NOTE 8 - COMPENSATED ABSENCES

The District's Administrative Compensation Policy and current Collective Bargaining Contracts provides for an unlimited accumulation of sick leave. Employees forfeit accumulated sick leave upon termination or retirement, except as follows. Each administrative and professional employee with twenty-five (25) years of service in the PA Public School Employees' Retirement System (PSERS) and fifteen (15) years of service in the Mifflinburg Area School District, upon retirement, shall be entitled to $50 per day for each unused accumulated sick leave day.

Each classified employee is entitled to a sick day payout based on their year of service with the District as follows:

Years of Service	5	15	20
Payout per Day	$ 15	$ 20	$ 25

The payment for each sick day is not additional compensation. The payment is calculated, and the employee is given the choice of either an employer contribution to a district sponsored 403B or district sponsored Health Retirement Account (HRA).

NOTE 9 - PENSION BENEFITS

Summary of Significant Accounting Policies

Pension

For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension and pension expense, information about the fiduciary net position of the Public School Employee's Retirement System (PSERS) and additional 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.

NOTE 9 - PENSION BENEFITS - (Continued)

General Information about the Pension Plan

Plan Description

The Pennsylvania Public School Employees' Retirement System ("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 in the System include all full-time public school employees, part-time hourly public school employees who render at least 500 hours of service in the school year, and part-time per diem public school employees who render at least 80 days of service in the school year in any of the reporting entities in Pennsylvania.

The administrative staff of PSERS administers the plan. The control and management of PSERS, including the investment of its assets, is vested in the Board of Trustees (Board). The Board consists of 15 members: the Secretary of Education, ex officio; the State Treasurer, ex officio; two Senators; two members of the House of Representatives; the executive secretary of the Pennsylvania School Boards Association, ex officio; two Governor appointees, at least one of whom shall not be a school employee or an officer or employee of the State of Pennsylvania; three who are elected by the active professional members of PSERS from among their number; one who is elected by annuitants from among their number; one who is elected by the active nonprofessional members of PSERS from among their number; and one who is elected by members of Pennsylvania public school boards from among their numbers.

The chairman of the Board is elected by the Board members. Each ex officio member of the Board and each legislative member of the Board may appoint a duly authorized designee to act in their stead.

PSERS was established on July 18, 1917, under the provisions of Pamphlet Law, No. 343. Benefit payments to members and contribution provision by employers and employees are specified in the Pennsylvania Public School Employees' Retirement Code ("Code"). The Commonwealth General Assembly has the authority to amend the benefit terms of the PSERS 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.

Benefits Provided

PSERS provides retirement, disability, and death benefits. Under the provisions of the 1975 revision of the Code by the Pennsylvania General Assembly, members are eligible for monthly retirement benefits upon reaching (a) age 62 with at least 1 year of credited service; (b) age 60 with 30 or more years of credited service; or (c) 35 or more years of service regardless of age. Act 120 of 2010 (Act 120) preserved the benefits of existing members and introduced benefit reductions for individuals who become new members on or after July 1, 2011. Act 120 created two new membership classes, Membership Class T-E (Class T-E) and Membership Class T-F (Class T-F). To qualify for normal retirement, Class T-E and Class T-F members must work until age 65 with a minimum of 3 years of service or attain a total combination of age and service that is equal to or greater than 92 with a minimum of 35 years of service. Benefits are generally equal to 1% 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.

NOTE 9 - PENSION BENEFITS - (Continued)

Benefits Provided (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

Members Contributions:

Membership Class	Continuous Employment Since	Defined Benefit (DB) Rate	Defined Contribution (DC) Rate	Total Contribition 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	7.5% based with shared risk *	N/A	Prior to 7/1/21: 7.5% After 7/1/21: 8.0%
T-F	On or after July 1, 2011	10.3% based with shared risk *	N/A	Prior to 7/1/21: 10.3% After 7/1/21: 10.8%
T-G	On or after July 1, 2019	5.5% based with shared risk *	2.75%	Prior to 7/1/21: 8.25% After 7/1/21: 9.00%
T-H	On or after July 1, 2019	4.5% based with shared risk *	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%

NOTE 9 - PENSION BENEFITS - (Continued)

Employer Contributions:

The contribution policy is set by the Code. The Districts' contractually required contribution rate for the fiscal year ended June 30, 2024, was 34.11% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the District were $4,101,777 for the year ended June 30, 2024.

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

At June 30, 2024, the District reported a liability of $41,417,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by rolling forward the System's total pension liability as of June 30, 2022 to June 30, 2023. 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 0.0931 percent, which was an increase of 0.0012 from its proportion measured as of June 30, 2023.

For the fiscal year ended June 30, 2024, the District recognized pension expense of $289,120. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings	$ 9,000	$ 567,000
Changes in proportion	685,000	-
Changes in assumptions	618,000	-
Difference between employer contributions and actual experience	1,172,000	-
Contributions subsequent to the measurement date	4,101,777	-
	$ 6,585,777	$ 567,000

NOTE 9 - PENSION BENEFITS - (Continued)

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

$4,101,777 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:		
2024	$	808,000
2025		(659,000)
2026		1,377,000
2027		391,000
Total	$	1,917,000

Changes in Actuarial Assumptions

The total pension liability as of June 30, 2023 was determined by rolling forward the System's total pension liability as of the June 30, 2022 actuarial valuation to June 30, 2023 using the following actuarial assumptions, applied to all periods included in the measurement:

- Valuation Date – June 30, 2022
- Actuarial cost method- Entry Age Normal- level % of pay
- Investment return- 7.00 % includes inflation at 2.75%
- Salary Growth- Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wages growth and for merit or seniority increases
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.
- The discount rate used to measure the Total Pension Liability was 7.00% as of June 30, 2022 and as of June 30, 2023.
- Demographic and economic assumptions approved by the Board for use effective with the June 30, 2021 actual valuation:
    - o Salary growth rate- decreased from 5.00% to 4.50%
    - o Real wage growth and merit or seniority increases (components for salary growth) - decreased from 2.75% and 2.25% to 2.50% and 2.00%, respectively.
    - o Mortality rates - Previously based on the RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale. Effective with the June 30, 2021 actuarial valuation, mortality rates are based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.

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

NOTE 9 - PENSION BENEFITS - (Continued)

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Public Equity	30.0%	5.2%
Private Equity	12.0%	7.9%
Fixed Income	33.0%	3.2%
Commodities	7.5%	2.7%
Infrastructure/MLPs	10.0%	5.4%
Real Estate	11.0%	5.7%
Absolute Return	4.0%	4.1%
Cash	3.0%	1.2%
Leverage	-10.5%	1.2%
	100.0%	

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, 2023.

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 School District's proportionate share of the net pension liability to change in the discount rate

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

NOTE 9 - PENSION BENEFITS - (Continued)

Sensitivity of the School District's proportionate share of the net pension liability to change in the discount rate

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
District's Proportionate Share of the Net Pension Liability	$ 53,688,000	$ 41,417,000	$ 31,064,000

Pension Plan Fiduciary Net Position

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

NOTE 10 - POST EMPLOYMENT BENEFITS PLAN

District Specific Plan

Plan Description

Plan Administration. The District School Board of Directors administers a single-employer defined benefit postemployment benefit (OPEB) plan (the "Plan") that is used to provide healthcare retirement benefits for teachers and administrative employees who retire under the qualifications of the Pennsylvania School Employee's Retirement System. Plan provisions are established based on bargaining agreements negotiated by the District. The plan is unfunded and no financial report is prepared.

Plan Membership. As of June 30, 2024, the Plan's membership consisted of the following:

Active Participants	209
Retired Participants	10
Total	219

NOTE 10 - POST EMPLOYMENT BENEFITS PLAN - (Continued)

District Specific Plan - (Continued)

Plan Description - (Continued)

Benefits Provided. The Plan provides healthcare benefits to eligible retirees (teachers and administrators) and for eligible retirees retired prior to 2007, their spouses. For eligible retirees who retired prior to 2007, the District pays premiums, less a $100 supplement paid by the member, for medical and prescription drug coverage. For eligible retirees who retired before 2011 with 30 years of PSERS service and 15 years of District service, the District will pay $10,000 to an HRA and an additional $10,000 for each additional year of PSERS service up to 35 years. For eligible employees who retired before 2014 with 25 years of PSERS service and 15 years of District service, the District will pay $10,000 to an HRA for 3 years with 25-34 years of PSERS service or $10,000 to an HRA for 5 years if the employee has more than 35 years of PSERS service.

For eligible employees who retire after 2014 with 25 years of PSERS service and 15 years of District service, the District makes a payment to an HRA based on the following: $15,000 for 1 year with 25-29 years of PSERS service, $30,000 for 1 year with 30-34 years of PSERS service, and $10,000 for 4 years with more than 35 years of PSERS service. The School Board of Directors has the authority to periodically negotiate the benefit terms established in the bargaining agreements,

Contributions. The contribution requirements of plan members and the District are established and may be amended by the School Board of Directors. No assets are accumulated in a trust the meets the criteria in paragraph 4 of Statement No. 75. The plan is funded on a pay-as-you-go basis, i.e. premiums are paid annually to fund the healthcare benefits provided to current retirees, primarily through annual appropriations from the General Fund. Retiree contribution rates and amounts vary depending on classification and years of service with the District.

Total OPEB Liability

The District's total OPEB liability of $2,256,743 was measured as of July 1, 2022 and was rolled forward using the actuarial assumptions to the valuation date of July 1, 2023, subject to adjustments.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the July 1, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary Increases	3.50% average, including inflation
Discount Rate	2.28% (adjusted at 7/1/2021)
Healthcare Cost Trend Rates	5.50% for 2020 through 2023, decreasing to 5.40% in 2024, to 4.00% in 2075 and later based on the Society of Actuaries Long-Run Medical Cost Trend Model.

NOTE 10 - POST EMPLOYMENT BENEFITS PLAN - (Continued)

District Specific Plan - (Continued)

Total OPEB Liability - (Continued)

The discount rate was based on the S&P Municipal Bond 20 Year High Grade Rate Index at 7/1/2022.

Mortality rates are assumed using the rates assumed in the PSERS defined benefit pension plan actuarial valuation with projections incorporated based on the Buck Modified 2016 projection scale to reflect mortality improvement.

The actuarial assumptions used in the July 1, 2023, valuation were based on historical results, as a recent experience study was not completed.

Changes in the District's total OPEB liability for the plan for the fiscal year ended June 30, 2024, was as follows:

	Total OPEB Liability
Beginning Balance	$ 2,209,017
Service Cost	105,474
Interest	90,348
Changes of Benefit Terms	-
Differences between Expected and Actual Experience	-
Changed in Assumptions	16,505
Benefit Payments	(164,601)
Net Changes	47,726
Ending Balance	$ 2,256,743

Changes in assumptions reflect a change in the discount rate from 4.06% to 4.13%.

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 a healthcare cost trend rate that is 1-percentage point lower or 1-percentage higher than the current discount rate:

	1% Decrease	Current Discount Rate	1% Increase
District's Total OPEB Liability	$ 2,160,070	$ 2,256,743	$ 2,369,391

NOTE 10 - POST EMPLOYMENT BENEFITS PLAN - (Continued)

District Specific Plan - (Continued)

Total OPEB Liability - (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.13%) or 1-percentage higher (5.13%) than the current discount rate:

	1% Decrease 3.13%	Current Discount Rate 4.13%	1% Increase 5.13%
District's Total OPEB Liability	$ 2,386,196	$ 2,256,743	$ 2,132,479

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

For the year ended June 30, 2024, the District recognized OPEB expense of $201,853. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	$ 180,677	$ 1,061,720
Difference between expected and actual experience	-	965,503
Contributions Subsequent to the Measurement Date	283,198	-
Total	$ 463,875	$ 2,027,223

$283,198 is reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date and will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024.

NOTE 10 - POST EMPLOYMENT BENEFITS PLAN - (Continued)

District Specific Plan - (Continued)

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:		
2025	$	(210,143)
2026		(210,143)
2027		(210,143)
2028		(210,141)
2029		(206,453)
Thereafter		(799,523)
Total	$	(1,846,546)

Other Post Employment Benefits

For the purpose of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, the OPEB expense, information about the fiduciary net position of the Public School Employee's 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 are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

PSERS Healthcare Insurance Premium Assistance Plan

Plan Description

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.

NOTE 10 - POST EMPLOYMENT BENEFITS PLAN - (Continued)

PSERS Healthcare Insurance Premium Assistance Plan - (Continued)

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

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

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

Pension Plan Description

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

Benefits Provided

Participating eligible retirees are entitled to receive premium assistance payments equal to the lessor of $100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS' Health Options Program. As of June 30, 2022, there were no assumed future benefit increases to participating eligible retirees.

Employer Contributions. The school districts' contractually required contribution rate for fiscal year ended June 30, 2024, was 0.75% of covered payroll, an actuarially determined amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the PSERS Plan from the District were $137,348 for the year ended June 30, 2024.

NOTE 10 - POST EMPLOYMENT BENEFITS PLAN - (Continued)

PSERS Healthcare Insurance Premium Assistance Plan - (Continued)

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

At June 30, 2024, the District reported a liability of $1,688,000 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by rolling forward the System's total OPEB liability as of June 30, 2022 to June 30, 2023. The District's proportion of the net OPEB liability was calculated utilizing the employer's one- year reported covered payroll as it relates to the total one-year reported covered payroll of all School Districts in the PSERS Plan. At June 30, 2024, the District's proportion was 0.0922 percent, which was a increase of 0.0004 from its proportion measured as of June 30, 2023.

For the year ended June 30, 2024, the District recognized OPEB expense of $80,924. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings	$ 11,000	$ 17,000
Changes in assumptions	146,000	319,000
Changes in proportion	54,000	14,000
Difference between expected and actual experience	4,000	-
Contributions subsequent to the measurement date	137,348	-
Total	$ 352,348	$ 350,000

$137,348 is reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date and will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

NOTE 10 - POST EMPLOYMENT BENEFITS PLAN - (Continued)

PSERS Healthcare Insurance Premium Assistance Plan - (Continued)

Year Ended June 30:		
2024	$	(25,000)
2025		(27,000)
2026		(40,000)
2027		(44,000)
2028		1,000
Thereafter		-
Total	$	(135,000)

The Total OPEB Liability as of June 30, 2023, was determined by rolling forward the System's Total OPEB Liability on June 30, 2022, to June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method – Entry Age Normal – level % of pay.
- Investment return – 4.13% - 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 a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.
- Participation rate:
  - Eligible retirees will elect to participate pre age 65 at 50%
  - Eligible retirees will elect to participate post age 65 at 70%

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

The following assumptions were used to determine the contribution rate:

- The results of the actuarial valuation as of June 30, 2021 determined the employer contribution rate for fiscal year 2023.
- Cost Method: Amount necessary to assure solvency of Premium Assistance through the third fiscal year after the valuation date.
- Asset valuation method: Market Value.
- Participation rate: 63% of eligible retirees are assumed to elect premium assistance.
- Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale.

Investments 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.

NOTE 10 - POST EMPLOYMENT BENEFITS PLAN - (Continued)

PSERS Healthcare Insurance Premium Assistance Plan - (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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	100.0%	1.2%
Total	100.0%	

Discount rate. The discount rate used to measure the total OPEB liability was 4.09%. Under the plan's funding policy, contributions are structured for short term funding of Premium Assistance. The funding policy sets contribution rates necessary to assure solvency of Premium Assistance through the third fiscal year after the actuarial valuation date. The Premium Assistance account is funded to establish reserves that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Due to the short term funding policy, the OPEB plan's fiduciary net position was not projected to be sufficient to meet projected future benefit payments, therefore the plan is considered a "pay-as-you-go" plan. A discount rate of 4.09% which represents the S&P 20 year Municipal Bond Rate at June 30, 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, 2023, 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. As of June 30, 2023, 92,677 retirees were receiving the maximum amount allowed of $1,200 per year. As of June 30, 2023, 522 members were receiving less than the maximum amount allowed of $1,200 per year. The actual number of retirees receiving less than the $1,200 per year cap is a small percentage of the total population and has 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 Discount Rate	1% Increase
District's Proportionate Share of the Net OPEB Liability	$ 1,688,000	$ 1,688,000	$ 1,688,000

NOTE 10 - POST EMPLOYMENT BENEFITS PLAN - (Continued)

PSERS Healthcare Insurance Premium Assistance Plan - (Continued)

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

The following presents the District's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.09 percent) or higher (5.09 percent) than the current discount rate:

	1% Decrease 3.09%	Current Discount Rate 4.09%	1% Increase 5.09%
District's Proportionate Share of the Net OPEB Liability	$ 1,908,000	$ 1,688,000	$ 1,503,000

OPEB Plan Fiduciary Net Position

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

NOTE 11 - RISK MANAGEMENT

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District provides for these risks through the purchase of commercial insurance coverage.

The District is a participant of the Central Susquehanna Region School Employees' Health and Welfare Trust, a local consortium of schools participating in self-insurance and health maintenance programs for staff medical, dental, and vision benefits, life insurance coverage, and a wellness program. The Trust is organized as consortium of participants in order to offer rate consistency regardless of claims.

NOTE 12 - COMMITMENTS AND CONTINGENCIES

The District is subject to real estate tax assessment appeals on an ongoing basis. If tax appeals are successful, the result is a loss of tax revenue to the District. It is anticipated that any material loss of tax revenue on individual tax appeals will be offset with additional revenues from other properties or other sources of revenue and would not create a financial hardship to the District.

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulation governing the grants, refunds of any money received may be required and the collectability of any related receivables at June 30, 2024 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

NOTE 12 - COMMITMENTS AND CONTINGENCIES - (Continued)

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

NOTE 13 - INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

Interfund balances at June 30, 2024 are as follows:

	Interfund Receivables	Interfund Payable
General Fund	$ 8,448	$ 6,599
Food Service Fund	-	1,849
Total	$ 8,448	$ 8,448

Receivables and Payables between funds result primarily from a time lag between when reimbursable expenditures occur and payments between funds are made. Transfers within the District are substantially for the purposes of subsidizing operating functions, or funding capital projects and asset acquisitions. Resources are accumulated in funds to support and simplify the administration of various projects or programs.

NOTE 14 - EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN MAJOR FUND

The following major fund had an excess of actual expenditures over budget for the year ended June 30, 2024.

	Appropriations	Expenditures	Percent of Excess Expenditures Over Appropriations
General Fund	$ 35,448,741	$ 34,316,058	-3.3%

The excess expenditures over appropriations in the General fund was funded by increased revenue from local and federal sources.

NOTE 15 - SUBSEQUENT EVENTS

The District had evaluated all subsequent events through the report issue date of March 28, 2025. No events have taken place that effect the financial statements or require disclosure.

MIFFLINBURG AREA SCHOOL DISTRICT
JUNE 30, 2024

Required Supplementary Information

Mifflinburg Area School District
Statement of Revenues, Expenditures, and
Changes in Fund Balance- Budget and Actual
General Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Local Sources	$ 20,910,062	$ 20,910,062	$22,427,004	$ 1,516,942
State Sources	16,431,510	16,431,510	16,939,575	508,065
Federal sources	882,732	882,732	1,089,273	206,541
TOTAL REVENUES	38,224,304	38,224,304	40,455,852	2,231,548
EXPENDITURES				
Instruction:				
Regular Programs	15,251,781	15,251,781	15,222,382	29,399
Special Programs	5,131,374	5,131,374	4,955,993	175,381
Vocational Programs	1,642,974	1,642,974	1,600,319	42,655
Other Instructional Programs	166,353	166,353	96,393	69,960
Adult Education Programs	-	-	827	(827)
Support Services:				
Student Support Services	1,374,769	1,374,769	1,294,234	80,535
Instructional Staff Services	1,334,068	1,334,068	1,086,040	248,028
Administrative Services	2,225,657	2,225,657	2,076,472	149,185
Pupil Health	339,154	339,154	344,292	(5,138)
Business Services	504,432	504,432	504,624	(192)
Maintencance	3,522,037	3,522,037	3,175,705	346,332
Pupil Transportation	2,078,055	2,078,055	1,939,818	138,237
Support Services - Central	925,799	925,799	1,049,026	(123,227)
Operation of Non-Instructional Services:				
Student Activities	906,505	906,505	827,088	79,417
Community Services	6,000	6,000	5,944	56
Capital Outlay:				
Existing Building Improvements	39,783	39,783	136,901	(97,118)
TOTAL EXPENDITURES	35,448,741	35,448,741	34,316,059	1,132,683
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,775,563	2,775,563	6,139,793	3,364,231
OTHER FINACING SOURCES (USES)				
Debt Service	2,469,662	2,469,662	(2,402,363)	4,872,025
Budgetary Reserve	165,000	165,000	-	165,000
Miscellaneous	-	-	5,094	(5,094)
Interfund Transfers (Out)	300,000	300,000	(1,538,079)	1,838,079
TOTAL FINANCING SOURCES (USES)	2,934,662	2,934,662	(3,935,346)	6,870,009
NET CHANGE IN FUND BALANCE	$ 5,710,225	$ 5,710,225	$ 2,204,447	$ 10,234,240

Mifflinburg Area School District
Required Supplementary Information
June 30, 2024

Schedule of the District's Proportionate Share of the Net Pension Liability - Last 10 Years

	2024	2023	2022	2021	2020	2019	2018
District's proportion of the net pension liability	0.0931%	0.0919%	0.0917%	0.0897%	0.0912%	0.0895%	0.0912%
District's proportionate share of the net pension liability	$ 41,417,000	$ 40,858,000	$ 37,649,000	$ 44,167,000	$ 42,666,000	$ 42,964,000	$ 45,042,000
District's covered-employee payroll	$ 14,287,662	$ 13,552,968	$ 13,015,493	$ 12,664,753	$ 12,581,036	$ 12,054,951	$ 12,139,708
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	290%	301%	289%	349%	339%	356%	371%
Plan fiduciary net position as a percentage of the total pension liability	56%	61%	54%	54%	54%	54%	52%

1. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is complete, available information is presented.

Schedule of the District Contributions - Last 10 Years

	2024	2023	2022	2021	2020	2019	2018
Contractually required contribution	$ 4,873,844	$ 4,580,274	$ 4,618,488	$ 4,355,738	$ 4,197,746	$ 4,064,289	$ 3,771,046
Contributions in relation to the contractually required contribution	(4,873,844)	(4,580,274)	(4,618,488)	(4,355,738)	(4,197,746)	(4,064,289)	(3,771,046)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 14,287,662	$ 13,552,968	$13,554,756	$13,015,493	$12,664,753	$12,581,036	$12,054,951
Contributions as a percentage of covered-employee payroll	34.11%	33.80%	34%	33%	33%	32%	31%

1. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is complete, available information is presented.

Schedule of the District's Proportionate Share of the Net OPEB Liability
Health Insurance Premium Assistance Plan
Last 10 Years

	2024	2023	2022	2021	2020	2019	2018
District's proportion of the net OPEB liability	0.0933%	0.0922%	0.0918%	0.0902%	0.0912%	0.0895%	0.0913%
District's proportionate share of the OPEB liability	$ 1,688,000	$ 1,697,000	$ 2,176,000	$ 1,949,000	$ 1,940,000	$ 1,866,000	$ 1,858,000
District's covered-employee payroll	$ 14,287,622	$ 13,552,968	$ 13,015,493	$ 12,664,753	$ 12,581,036	$ 12,054,951	$ 12,139,708
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	11.81%	12.52%	16.72%	15.39%	15.42%	15.48%	15.31%
Plan fiduciary net position as a percentage of the total pension liability	6%	7%	5%	6%	6%	6%	6%

The District adopted GASB 75 on a prospective basis; therefore, information is presented for those years only for which information is available.

Schedule of the District's Proportionate Share of the Net OPEB Liability
Health Insurance Premium Assistance Plan
Schedule of the District Contributions - Last 10 Years

	2024	2023	2022	2021	2020	2019	2018
Contractually required contribution	$ 107,000	$ 108,000	$ 108,225	$107,000	$105,414	$103,477	$98,613
Contributions in relation to the contractually required contribution	(107,000)	(108,000)	(108,225)	(107,000)	(105,414)	(103,477)	(98,613)
Contribution deficiency (excess)	-	-	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 14,287,622	$ 13,552,968	$ 13,554,756	$ 13,015,493	$ 12,664,753	$ 12,581,036	$ 12,054,951
Contributions as a percentage of covered-employee payroll	0.70%	0.80%	0.8%	0.8%	0.8%	0.8%	0.8%

The District adopted GASB 75 on a prospective basis; therefore, information is presented for those years only for which available.

Mifflinburg Area School District
Required Supplementary Information
June 30, 2024

Schedule of Changes in the Net OPEB Liability and Related Ratios
District Other Postemployment Benefits Plan

Fiscal Year Ending	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service Cost	$ 105,474	$ 195,945	$ 197,081	$ 194,013	$ 193,670	$ 224,161	$ 227,632
Interest	90,348	72,485	57,481	116,493	102,695	128,595	101,292
Changes of Benefit Terms	-	164,707	-	-	-	-	-
Differences between Expected and Actual Experience	-	(351,086)	-	(805,632)	-	(221,375)	-
Changes of Assumptions	16,505	(800,507)	(67,593)	238,974	(74,443)	(548,384)	(40,588)
Benefit Payments	(164,601)	(121,684)	(67,834)	(189,566)	(215,280)	(214,310)	(279,825)
Net Change	47,726	(840,140)	119,135	(445,718)	6,642	(631,313)	8,511
Total OPEB Liability - Beginning	2,209,017	3,049,157	2,930,022	3,375,740	3,369,098	4,000,411	3,991,900
Total OPEB Liability - Ending	$ 2,256,743	$ 2,209,017	$ 3,049,157	$ 2,930,022	$ 3,375,740	$ 3,369,098	$ 4,000,411
Covered Payroll	$ 11,806,910	$ 11,806,910	$ 11,466,109	$ 11,466,109	$ 11,043,471	$ 11,043,471	$ 10,328,606
Net OPEB Liability as a Percentage of Covered-Employee Payroll	19.11%	18.71%	26.59%	25.55%	30.57%	30.51%	38.73%

The District adopted GASB 75 on a prospective basis; therefore, information is presented for those years only for which available.

Mifflinburg Area School District
Mifflinburg, Pennsylvania
Combined Balance Sheet
Non-Major Governmental Funds
June 30, 2024

	Student Activities	Scholarship Funds	Total Non-Major Governmental Funds
ASSETS			
Cash and Cash Equivalents	$ 147,488	$ 505	$ 147,993
Investments	-	337,779	337,779
TOTAL ASSETS	$ 147,488	$ 338,284	$ 485,772
LIABILITIES			
Accounts Payable	$ 6,502	$ -	$ 6,502
Due to Other Funds	6,599	-	6,599
TOTAL LIABILITIES	13,101	-	13,101
FUND BALANCES			
Assigned Fund Balance	134,387	338,284	472,671
TOTAL FUND BALANCES	134,387	338,284	472,671
TOTAL LIABILITIES AND FUND BALANCES	$ 147,488	$ 338,284	$ 485,772

Mifflinburg Area School District
Mifflinburg, Pennsylvania
Combined Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2024

	Student Activities	Scholarship Funds	Total Non-Major Governmental Funds
REVENUES			
Local Sources	$ 158,917	$ 48,190	$ 207,108
TOTAL REVENUES	158,917	48,190	207,108
EXPENDITURES			
Support Services	-	140	140
Operation of Noninstructional Services	177,157	41,663	218,820
TOTAL EXPENDITURES	177,157	41,803	218,960
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(18,240)	6,387	(11,852)
OTHER FINANCING SOURCES (USES)			
Interfund Transfers In (Out)	(11,921)	-	(11,921)
TOTAL OTHER FINANCING SOURCES (USES)	(11,921)	-	(11,921)
Net Change in Fund Balances	(30,161)	6,387	(23,773)
Fund Balance - July 1, 2023	164,547	331,896	496,444
Fund Balance - June 30, 2024	$ 134,387	$ 338,284	$ 472,671

Klacik & Associates, P.C.
Certified Public Accountants

Serving the Mid-Atlantic Region since 1954
Member AICPA, PICPA, MACPA

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

Board of School Directors
Mifflinburg Area School District
Mifflinburg, Pennsylvania

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Mifflinburg Area School District (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which comprise the District's basic financial statements, and have issued our report thereon dated.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Klacik & Associates PC
Shamokin, Pennsylvania
March 28, 2025

Klacik & Associates, P.C.
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH UNIFORM GUIDANCE

Members of the School Board
Mifflinburg Area School District
Mifflinburg, Pennsylvania

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

Klacik & Associates, P.C.
Shamokin, Pennsylvania
March 28, 2025

Mifflinburg Area School District
Schedule of Expenditures of Federal Awards and Certain State Awards
For the Year Ended June 30, 2024

Federal Grantor/Pass Through Grantor/Program Title	Source Code	Federal CFDA Number	Passed Through Grantor's Number	Grant Period Beginning/Ending Date	Program or Award Amount	Total Received For Year	Accrued or (Deferred) Revenue July 1, 2023	Revenue Recognized	Expenditures	Accrued or (Deferred) Revenue June 30, 2024
U. S. DEPARTMENT OF EDUCATION										
PASSED THROUGH STATE DEPARTMENT OF EDUCATION										
Title I - Grants to Local Education Agencies	**(I)**	84.010	013-230252	7/1/22-9/30/23	$ 512,658	$ 68,344	$ 68,344	$ -	$ -	$ -
Title I - Grants to Local Education Agencies	**(I)**	84.010	013-240252	7/1/23-9/30/24	508,471	363,184	-	508,458	508,458	145,274
Title I - Grants to Local Education Agencies Subtotal					**1,021,129**	**431,528**	**68,344**	**508,458**	**508,458**	**145,274**
Title II - Improving Teacher Quality	**(I)**	84.367	020-230252	7/1/21-9/30/23	81,700	938	938	-	-	-
Title II - Improving Teacher Quality	**(I)**	84.367	020-240252	7/1/23-9/30/24	74,251	73,208	-	74,251	74,251	1,043
Title II- Improving Teacher Quality					**155,951**	**74,146**	**938**	**74,251**	**74,251**	**1,043**
Title IV - Student Support and Academic Enrichment	**(I)**	84.424	144-230252	7/1/21-9/30/23	40,779	1,933	1,933	-	-	-
Title IV - Student Support and Academic Enrichment	**(I)**	84.424	144-240252	7/1/23-9/30/24	40,134	25,800	-	40,134	40,134	14,334
Title IV - Student Support and Academic Enrichment					**80,913**	**27,733**	**1,933**	**40,134**	**40,134**	**14,334**
COVID-19 Education Stabilization Fund (ESSER II)	**(I)**	84.425D	200-210252	3/13/20-9/30/23	1,939,331	992,216	732,454	259,762	259,762	-
COVID-19 Education Stabilization Fund (ESSER III)	**(I)**	84.425U	223-210252	3/13/20-9/30/24	3,922,706	-	(35,488)	35,488	35,488	-
COVID-19 Education Stabilization Fund (ARP-Learning Loss)	**(I)**	84.425U	225-210252	3/13/20-9/30/24	217,773	63,352	(14,315)	125,181	125,181	47,514
COVID-19 Education Stabilization Fund (ARP-Summer Programs)	**(I)**	84.425U	225-210252	3/13/20-9/30/24	43,555	12,671	17,175	4,998	4,998	9,503
COVID-19 Education Stabilization Fund (ARP-After School)	**(I)**	84.425U	225-210252	3/13/20-9/30/24	43,555	12,671	22,173	-	-	9,503
COVID-19 Education Stabilization Fund (ARP-Homeless)	**(I)**	84.425D	181-212259	7/1/20-9/30/24	12,440	4,785	(1,276)	12,440	12,440	6,379
Total Education Stabilization Fund					**6,179,360**	**1,085,694**	**720,723**	**437,869**	**437,869**	**72,899**
Passed Through Intermediate Units										
CENTRAL SUSQUEHANNA INTERMEDIATE UNIT										
Title III - English Language Acquisition State Grants	**(I)**	84.365	N/A	7/1/23-9/30/24	4,656	4,656	-	4,656	4,656	-
Special Education - Grants to States (IDEA, Part B)	**(I)**	84.027	062-240016	7/1/23-6/30/24	338,898	317,367	354,777	338,895	338,895	376,305
Special Education - Grants to States (IDEA, 619)	**(I)**	84.173	131-230016	7/1/23-6/30/24	6,347	2,970	6,347	2,970	2,970	6,347
LANCASTER-LEBANON IU13										
Special Education - Grant to States (IDEA, Part B)	**(I)**	84.027	062-240033	7/1/23-6/30/24	20,000	19,777	-	19,777	19,777	-
Total Passed Through Intermediate Units					**365,245**	**340,114**	**361,124**	**361,641**	**361,641**	**382,652**
Total Special Education Cluster					**369,901**	**344,770**	**361,124**	**366,297**	**366,297**	**382,652**
Total Department of Education					**7,807,254**	**1,963,871**	**1,153,062**	**1,427,009**	**1,427,009**	**616,201**
U.S Department of Health and Human Services										
Passed Through the PA Department of Human Services										
Ukrainian Refugee School Impact Grant	**(I)**	93.566	228-230009	10/1/23-9/30/24	26,180	10,908	-	3,639	3,639	(7,269)
Medical Assistance Program (Medicaid Cluster)	**(I)**	93.778	N/A	7/1/23-6/30/24	1,095,049	2,929	909	20,265	20,265	18,245
Total U.S. Department of Health and Human Services					**1,121,229**	**13,837**	**909**	**23,905**	**23,905**	**10,976**
U.S. Department of Agriculture										
Passed Through State Department of Education										
Child Nutrition Cluster										
National School Lunch	**(I)**	10.555	362	7/1/23-6/30/24	N/A	562,136	-	562,136	562,136	-
National School Lunch	**(S)**	N/A	N/A	7/1/23-6/30/24	N/A	25,131	-	25,131	25,131	-
School Breakfast	**(I)**	10.553	365	7/1/23-6/30/24	N/A	140,608	-	140,608	140,608	-
School Breakfast	**(S)**	N/A	N/A	7/1/23-6/30/24	N/A	65,314	-	65,314	65,314	-
Supply Chain Assistance	**(I)**	10.555	356	7/1/23-6/30/24	N/A	45,436	-	45,436	45,436	-
P-EBT Local Admin Funds	**(I)**	10.649	358	7/1/23-6/30/24	N/A	3,256	-	3,256	3,256	-
Pass Through State Department of Agriculture:										
National School Lunch Program	**(I)**	10.555	N/A	7/1/23-6/30/24	N/A	81,669	(80,407)	158,672	158,672	(3,403)
Less: State Funds					N/A	90,445	-	90,445	90,445	-
Total Child Nutrition Cluster					**N/A**	**829,848**	**(80,407)**	**906,852**	**906,852**	**(3,403)**
Total Expenditures of Federal Awards					**$ 8,928,483**	**$ 2,810,812**	**$ 1,073,565**	**$ 2,361,021**	**$ 2,361,021**	**$ 623,774**

Source Code Legend:
(I) Indicates Indirect Funding
(S) Indicates State Matching Funds

Other Code Legend
(A) Total amount of commodities received
(B) Beginning inventory at July 1, 2023
(C) Total amount of commodities used
(D) Ending inventory at June 30, 2024

MIFFLINBURG AREA SCHOOL DISTRICT
Notes to Schedule of Expenditures of Federal
and Certain State Awards
Year Ended June 30, 2024

NOTE 1: REPORTING ENTITY

Mifflinburg Area School District (the "District") is the reporting entity for financial reporting purposes as defined in Note 1B to the District's basic financial statements. For purposes of preparing the schedules of expenditures of federal awards, the District's reporting entity is the same that was used for financial reporting.

NOTE 2: BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards includes the grant activity of the District and is presented using the accrual basis of accounting, which is described in Note 1E to the District's basic financial statements. The District did not use the 10% de minimis indirect cost rate.

NOTE 3: RISK-BASED AUDIT APPROACH

The 2024 threshold for determining Type A and Type B programs is $750,000. The School District had two type A programs, ESSER, which is CFDA number 84.425, and Child Nutrition, which CFDA numbers are 10.553, 10.555, 10.556 and 10.559. Both with total expenditures of $1,344,721 which covers 56.96% of total expenditures of all federal expenditures.

NOTE 4: MEDICAL ASSISTANCE

Access reimbursement received under ALN #93.778, Revenue Code 8810 are classified as fee-for-service revenues and are not recognized as federal awards for the purpose of the Schedule of Expenditures of Federal Awards.

NOTE 5: RECONCILIATION TO THE BASIC FINANCIAL STATEMENTS

Total Expenditures per the Schedule of Expenditures of Federal Awards Reconcile to the District's Revenues per the Statement of Revenues, Expenditures and Changes in Fund Balances (Net Position)		
Federal - General Funds	$	1,089,273
Federal - Food Service		910,107
Total Per Financial Statements		1,999,380
Add: IDEA Funds recognized in Local Revenues		361,641
Total Revenue Recognized per Schedule of Expenditures of Federal Awards	$	2,361,021

Mifflinburg Area School District
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	UNMODIFIED			
Internal control over financial reporting: Material weakness(es) identified?	____	Yes	X	No
Significant deficiency(ies)?	____	Yes	X	None reported
Noncompliance material to financial statements noted?	____	Yes	X	No

Federal Awards

Internal control over major programs: Material weakness(es) identified?	____	Yes	X	No
Significant deficiency(ies)?	X	Yes	____	None reported
Type of auditors' report issued on compliance for major programs:	UNQUALIFIED			
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	____	Yes	X	No

Identification of Major Programs:

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.425	Education Stabilization Fund
10.553, 10.555, 10.556, 10.559	Child Nutrition Cluster

Dollar threshold used to distinguish between type A and type B programs:	$750,000			
Auditee qualified as low-risk auditee?	X	Yes	____	No

Section II – Federal Award Finding

A. Significant Deficiency in Internal Control

Finding 2024-001 Procurement for Child Nutrition

Criteria: Under 2 CFR 200.318, non-federal entities are required to maintain documented procurement procedures that align with applicable federal, state, and local laws. Additionally, entities must ensure that all procurements provide full and open competition and take steps to utilize small and minority businesses, women's business enterprises, and labor surplus area firms when possible.

Condition: The District's procurement policies do not comply with the federal procurement standards outlined in 2 CFR 200.318 through 200.327. Specifically, the policies lack adequate procedures to ensure full and open competition, and they do not include provisions addressing the use of small, minority-owned, and women-owned business enterprises as required by federal regulations.

Cause: The District has not updated its procurement policies to reflect current federal requirements, which were revised under the Uniform Guidance. The lack of training and resources contributed to the oversight.

Effect: Noncompliance with federal procurement standards could lead to questioned costs for expenditures under the Child Nutrition Cluster. It also increases the risk of noncompetitive practices and missed opportunities to engage small and disadvantaged businesses.

Questioned Costs: Unknown.

Recommendation: In order to correct the procurement process for Child Nutrition the client should revise the District's procurement policies to fully comply with 2 CFR 200.318 through 200.327, provide training for staff involved in procurement to ensure they understand and implement the updated policies, conduct periodic reviews of procurement activities to verify compliance with the revised policies, document efforts to engage small, minority-owned, and women-owned business enterprises in procurement activities.

Prior Year Finding: None.

Auditee Response: See attached response.

Mifflinburg Area School District
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2024

Section II – Financial Statement Findings and Questioned Costs

Finding 2023-001 Internal Controls Over Public School Employee's Retirement System (PSERS) Payments

Condition: The District is required to send employment information to PSERS to verify the proper retirement expense is being recorded. The District previously manually sent a list of employees to PSERS prior to utilizing their current payroll system to export information to send. The manual listing of employees allowed for employees to be missed.

Recommendation: In order to increase the accuracy and reliability of the District's employee listing to PSERS we recommend the District uses the payroll software to verify all employees are being reported to PSERS or have proper documentation stating their opt-out option.

2023 Conclusion: This finding has been cleared during the current year.

Mifflinburg Area School District
Administrative Offices
178 Maple Street
MIFFLINBURG, PA 17844

Dr. Kenneth J Dady, Jr.
Superintendent

Renee M. Jilinski
Business Administrator

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Executive Assistant

Administrative 570-966-8200
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FINDING 2024-001

Procurement for Child Nutrition

MANAGEMENT RESPONSE:

The Mifflinburg Area School District agrees with the finding.

The SFA has updated Policy #626 Procurement – Federal Programs. The SFA has removed the RFP reference from the informal procurement method. The SFA reviewed the bidding requirements and will adhere to the policy. This policy was approved by the School Board in May 2024.

The SFA has updated future produce solicitations to include the following:

Pricing will be a cost-plus fixed fee structure. All prices bid for all products will be net, Free on Board (F.O.B.). SFA will consider individual product price changes both as part of a renewal to the awarded contract and during the contract year. Product price changes may not exceed the U.S. Department of Labor-Bureau of Labor statistics Northeast region not seasonally adjusted consumer price index percentage change annual average for the previous 12 months. Vendors must submit both the supplier charge and the fixed fee, which much be listed separately.

Additionally, the SFA implemented a formal requisition process in the Food Service department, in which pricing would be entered into the requisition and verified against the bid or other respective documents, then submitted for approval. The SFA employees responsible were trained in this procedure.

INDIVIDUAL RESPONSIBLE:

Superintendent, Business Manager, Food Service Director

ANTICIPATED COMPLETION DATE:

May 31, 2024