

**PRELIMINARY OFFICIAL STATEMENT DATED APRIL 24, 2024**

NEW ISSUE—BOOK-ENTRY ONLY

**RATING: S&P: “ ” (Insured)  
“A” (Stable Outlook) (Underlying)  
(See “RATINGS” herein)**

*In the opinion of Bond Counsel, under existing statutes, regulations, rulings and court decisions, interest on the Bonds, including interest in the form of original issue discount, will not be includible in gross income of the holders thereof for federal income tax purposes, assuming continuing compliance by the School District with the requirements of the Internal Revenue Code of 1986, as amended (the “Code”). Interest on the Bonds will not be a specific preference item for purposes of computing the federal alternative minimum tax on individuals. Under the laws of the Commonwealth of Pennsylvania, as enacted and construed on the date hereof, interest on the Bonds is exempt from Pennsylvania personal income tax and Pennsylvania corporate net income tax. See “TAX MATTERS” herein.*

**\$21,735,000\***  
**Mifflin County School District**  
**Mifflin County, Pennsylvania**  
**Consisting of**  
**\$13,610,000\* General Obligation Bonds, Series of 2024**  
**\$8,125,000\* General Obligation Bonds, Series A of 2024**

**Dated:** Date of Delivery

**Principal Due:** September 1, as shown on inside cover

**Interest Due:** March 1 and September 1

**First Interest Payment:** September 1, 2024

The Bonds described herein are in the combined aggregate principal amount of \$21,735,000\* and consist of \$13,610,000\* General Obligation Bonds, Series of 2024 (the “2024 Bonds”) and \$8,125,000\* General Obligation Bonds, Series A of 2024 (the “2024A Bonds”) and collectively with the 2024 Bonds the “Bonds”). The Bonds will be issued in registered form in denominations of \$5,000 or any integral multiple thereof. The Bonds will be registered in the name of Cede & Co., as the registered owner and nominee of the Depository Trust Company (“DTC”), New York, New York. Beneficial ownership of the Bonds may be acquired in denominations of \$5,000 or any integral multiple thereof only under the book-entry system maintained by DTC through its brokers and dealers who are, or act through, DTC Participants. The purchasers of the Bonds will not receive physical delivery of the Bonds. For so long as any purchaser is the beneficial owner of a Bond, that purchaser must maintain an account with a broker or a dealer who is, or acts through, a DTC Participant to receive payment of principal of and interest on the Bonds. See “**BOOK-ENTRY ONLY SYSTEM**” herein. If, under the circumstances described herein, Bonds are ever issued in certificated form, the Bonds will be subject to registration of transfer, exchange and payment as described herein.

The Bonds are general obligations of the Mifflin County School District, Mifflin County, Pennsylvania (the “School District”), payable from its tax and other general revenues. The School District has covenanted that it will provide in its budget in each fiscal year, and will appropriate from its general revenues in such fiscal year, the amount of the debt service on the Bonds for such fiscal year and will duly and punctually pay or cause to be paid from the sinking fund established under the Resolution or any other of its revenues or funds the principal of every Bond and the interest thereon on the dates, at the place and in the manner stated in the Bonds, and for such budgeting, appropriation and payment the School District irrevocably has pledged its full faith, credit and taxing power, which taxing power presently includes the power to levy ad valorem taxes on all taxable real property within the School District within limits permitted by law. (See “**Security**” and “**TAXING POWERS OF THE SCHOOL DISTRICT**” *infra*).

Interest on each of the Bonds is payable initially on September 1, 2024, and thereafter semiannually on March 1 and September 1 of each year until the maturity date of such Bond or, if such Bond is subject to redemption prior to maturity, until the date fixed for redemption thereof, if payment of the redemption price has been duly made or provided for. The School District has appointed Manufacturers and Traders Trust Company (the “Paying Agent”), as paying agent and sinking fund depository for the Bonds. So long as Cede & Co., as nominee for DTC, is the registered owner of the Bonds, payments of the principal of and interest on the Bonds, when due for payment, will be made directly to DTC by the Paying Agent, and DTC will in turn remit such payments to DTC Participants for subsequent disbursement to the Beneficial Owners of the Bonds. If the use of the Book-Entry System for the Bonds is ever discontinued, the principal of each of the Bonds will be payable, when due, upon surrender of such Bond to the Paying Agent at its corporate trust office located in Harrisburg, Pennsylvania (or any successor paying agent at its designated office(s)) and interest on such Bond will be payable by check made out and mailed to the person(s) in whose name(s) such Bond is registered as of the Record Date with respect to the particular interest payment date (See “**THE BONDS**,” *infra*).

Proceeds of the 2024 Bonds will be used to: (1) currently refund all or a portion of the School District’s outstanding General Obligation Bonds, Series of 2016, and (2) pay the costs and expenses of issuing the 2024 Bonds.

Proceeds of the 2024A Bonds will be used to: (1) currently refund all or a portion of the School District’s outstanding General Obligation Bonds, Series of 2019, and (2) pay the costs and expenses of issuing the 2024A Bonds.

The Bonds are an authorized investment for fiduciaries in the Commonwealth pursuant to the Pennsylvania Probate, Estate and Fiduciaries Code, Act of June 30, 1972, No. 164, P.L. 508, as amended and supplemented.

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by \_\_\_\_\_.

**MATURITIES, AMOUNTS, RATES AND YIELDS**  
**See Inside Front Cover**

The Bonds are offered when, as and if issued, subject to withdrawal or modification of the offer without notice, and subject to the approving legal opinion of Eckert Seamans Cherin & Mellott, LLC, Harrisburg, Pennsylvania, Bond Counsel, to be furnished upon delivery of the Bonds. Certain legal matters will be passed upon for the School District by Knepp & Snook, of Lewistown, Pennsylvania, School District Solicitor and McNees Wallace & Nurick LLC, Lancaster, Pennsylvania, will pass upon certain legal matters for the Underwriter. PFM Financial Advisors LLC, Harrisburg, Pennsylvania, will act as Financial Advisor to the School District in connection with the Bonds. It is expected that the Bonds will be available for delivery through DTC, on or about June \_\_, 2024.

**RAYMOND JAMES®**

Dated: \_\_\_\_\_

\*Estimated, subject to change

This Preliminary Official Statement and the information contained herein are subject to completion, amendment or other change without notice. The Bonds may not be sold nor may offers to buy be accepted prior to the time the Preliminary Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the applicable securities laws of any such jurisdiction.

**\$21,735,000\***  
**Mifflin County School District**  
Mifflin County, Pennsylvania  
Consisting of  
**\$13,610,000\* General Obligation Bonds, Series of 2024**

**Dated:** Date of Delivery  
**Interest Due:** March 1 and September 1

**Principal Due:** September 1, as shown below  
**First Interest Payment:** September 1, 2024

<b>Maturity Date (September 1) Year</b>	<b>Principal Amounts</b>	<b>Interest Rates</b>	<b>Initial Offering Yields</b>	<b>CUSIP Numbers<sup>(1)</sup></b>
2024				
2025				
2026				
2027				
2028				
2029				
2030				

<sup>(1)</sup>The above CUSIP (Committee on Uniform Securities Identification Procedures) numbers have been assigned by an organization not affiliated with the School District or the Underwriter, and such parties are not responsible for the selection or use of the CUSIP numbers. The CUSIP numbers are included solely for the convenience of bondholders and no representation is made as to the correctness of such CUSIP numbers. CUSIP numbers assigned to securities may be changed during the term of such securities based on a number of factors including, but not limited to, the refunding or defeasance of such issue or the use of secondary market financial products. Neither the School District nor the Underwriter has agreed to, and there is no duty or obligation to, update this Preliminary Official Statement to reflect any change or correction in the CUSIP numbers set forth above.

**\$8,125,000\* General Obligation Bonds, Series A of 2024**

**Dated:** Date of Delivery  
**Interest Due:** March 1 and September 1

**Principal Due:** September 1, as shown below  
**First Interest Payment:** September 1, 2024

<b>Maturity Date (September 1) Year</b>	<b>Principal Amounts</b>	<b>Interest Rates</b>	<b>Initial Offering Yields</b>	<b>CUSIP Numbers<sup>(1)</sup></b>
2031				
2032				
2033				

<sup>(1)</sup>The above CUSIP (Committee on Uniform Securities Identification Procedures) numbers have been assigned by an organization not affiliated with the School District or the Underwriter, and such parties are not responsible for the selection or use of the CUSIP numbers. The CUSIP numbers are included solely for the convenience of bondholders and no representation is made as to the correctness of such CUSIP numbers. CUSIP numbers assigned to securities may be changed during the term of such securities based on a number of factors including, but not limited to, the refunding or defeasance of such issue or the use of secondary market financial products. Neither the School District nor the Underwriter has agreed to, and there is no duty or obligation to, update this Preliminary Official Statement to reflect any change or correction in the CUSIP numbers set forth above.

\*Estimated, subject to change.

# Mifflin County School District

Mifflin County, Pennsylvania

## BOARD OF SCHOOL DIRECTORS

---

Mark R. Baker .....	President
John E. Knepp .....	Vice President
Amy L. Smith .....	Secretary*
Melinda K. Kenepf .....	Treasurer*
Fredrick D. Nickel .....	Member
Paula R. Dickson .....	Member
Zeb I. Harshbarger .....	Member
Diane W. Stewart .....	Member
E. Terry Styers .....	Member
Rose M. Salvo .....	Member
Don W. Wright .....	Member

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\*Non-voting member

**SUPERINTENDENT**  
VANCE VARNER

**CHIEF FINANCIAL OFFICER**  
MELINDA K. KENEPP

**SOLICITOR**  
KNEPP & SNOOK  
Lewistown, Pennsylvania

**BOND COUNSEL**  
ECKERT SEAMANS CHERIN & MELLOTT, LLC  
Harrisburg, Pennsylvania

**FINANCIAL ADVISOR**  
PFM FINANCIAL ADVISORS LLC  
Harrisburg, Pennsylvania

**PAYING AGENT**  
MANUFACTURERS AND TRADERS TRUST COMPANY  
Harrisburg, Pennsylvania

**UNDERWRITER**  
RAYMOND JAMES & ASSOCIATES, INC.  
Lancaster, Pennsylvania

**LIMITED SCOPE UNDERWRITER'S COUNSEL**  
MCNEES WALLACE & NURICK LLC  
Lancaster, Pennsylvania

**SCHOOL DISTRICT ADDRESS**  
201 Eighth Street  
Highland Park  
Lewistown, Pennsylvania 17044

No dealer, broker, salesman or other person has been authorized by the School District to give information or to make any representations, other than those contained in this Preliminary Official Statement, and if given or made, such other information or representations must not be relied upon. This Preliminary Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which it is unlawful to make such offer, solicitation or sale. The information set forth herein has been obtained from the School District and from other sources which are believed to be reliable but the School District does not guarantee the accuracy or completeness of information from sources other than the School District. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Preliminary Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in any of the information set forth herein since the date hereof.

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF SUCH BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE UNDERWRITER HAS PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS PRELIMINARY OFFICIAL STATEMENT. THE UNDERWRITER HAS REVIEWED THE INFORMATION IN THIS PRELIMINARY OFFICIAL STATEMENT PURSUANT TO ITS RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS, BUT THE UNDERWRITER DOES NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

THE BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE RESOLUTION BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE BONDS OR THE RESOLUTION IN ACCORDANCE WITH APPLICABLE PROVISIONS OF THE SECURITIES LAWS OF CERTAIN STATES, IF ANY, IN WHICH THE BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN CERTAIN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE BONDS OR THE ACCURACY OR COMPLETENESS OF THIS PRELIMINARY OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

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# PRELIMINARY OFFICIAL STATEMENT

**\$21,735,000\***  
**Mifflin County School District**  
**Mifflin County, Pennsylvania**  
**Consisting of**  
**\$13,610,000\* General Obligation Bonds, Series of 2024**  
**\$8,125,000\* General Obligation Bonds, Series A of 2024**

## INTRODUCTION

This Official Statement, including the cover page hereof, is furnished by Mifflin County School District, Mifflin County, Pennsylvania (the "School District") in connection with the offering of its Bonds consisting of the \$21,735,000\* aggregate principal amount of its General Obligation Bonds consisting of \$13,610,000\* General Obligation Bonds, Series of 2024 (the "2024 Bonds") and the \$8,125,000\* General Obligation Bonds, Series A of 2024 (the "2024A Bonds" and together with the 2024 Bonds the "Bonds"). The Bonds are being issued pursuant to, and are secured by, a Resolution of the Board of School Directors of the School District, to be adopted on April 25, 2024 (the "Resolution"), and pursuant to the Local Government Unit Debt Act of the Commonwealth of Pennsylvania (the "Commonwealth"), 53 Pa.C.S. Chs. 80-82 (the "Act").

## PURPOSE OF THE ISSUE

Proceeds of the 2024 Bonds will be used to (1) currently refund all or a portion of the School District's outstanding General Obligation Bonds, Series of 2016 currently outstanding in the aggregate principal amount of \$13,775,000 (the "2016 Bonds"), and (2) and to pay the costs and expenses of issuing the 2024 Bonds.

Proceeds of the 2024A Bonds will be used to (1) currently refund all or a portion of the School District's outstanding General Obligation Bonds, Series of 2019 currently outstanding in the aggregate principal amount of \$8,180,000 (the "2019 Bonds"), and (2) and to pay the costs and expenses of issuing the 2024A Bonds.

Proceeds of the 2024 Bonds will be deposited with Manufacturers and Traders Trust Company, as paying agent for the 2016 Bonds, and used to purchase United States Treasury Securities, State and Local Government Series ("SLGS") which will mature and earn interest in amounts sufficient to optionally redeem the 2016 Bonds on September 1, 2024, which is within 90 days of the issuance date of the Bonds.

Proceeds of the 2024A Bonds will be deposited with Manufacturers and Traders Trust Company, as paying agent for the 2019 Bonds, and used to purchase United States Treasury Securities, State and Local Government Series ("SLGS") which will mature and earn interest in amounts sufficient to optionally redeem the 2019 Bonds on September 1, 2024, which is within 90 days of the issuance date of the Bonds.

## Sources and Uses of Bond Proceeds

The following is a summary of the sources and uses of the proceeds from the issuance of the Bonds.

<u>Sources of Funds</u>	<u>2024</u>	<u>2024A</u>	<u>Total</u>
Bond Proceeds.....			
[Net Original Issue Premium/(Discount)] .....			
<b><i>Total Sources of Funds</i></b> .....			
<u>Uses of Funds</u>			
Amount Deposited to Escrow Account .....			
Costs of Issuance <sup>(1)</sup> .....			
<b><i>Total Uses of Funds</i></b> .....			

<sup>(1)</sup>Includes bond discount, legal, financial advisor, municipal bond insurance, printing, rating, paying agent, CUSIPs, and miscellaneous fees.

\*Estimated, subject to change.

## THE BONDS

### Description

The Bonds will be issued in fully registered form in denominations of \$5,000 or any integral multiple thereof, will be in the principal amount of \$21,735,000\*, will be dated the Date of Delivery and will bear interest at the rates and mature in the amounts and at the times set forth on the inside cover of this Preliminary Official Statement. Interest on the Bonds will be payable initially September 1, 2024, and thereafter semiannually on March 1 and September 1.

When issued, the Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company (“DTC”), New York, New York. Purchasers of the Bonds (the “Beneficial Owners”) will not receive any physical delivery of bond certificates, and beneficial ownership of the Bonds will be evidenced only by book entries. See “**BOOK-ENTRY ONLY SYSTEM**” herein.

### Payment of Principal and Interest

So long as Cede & Co., as nominee of DTC, is the registered owner of the Bonds, payments of principal of and interest on the Bonds, when due, are to be made to DTC and all such payments shall be valid and effective to satisfy fully and to discharge the obligations of the School District with respect to, and to the extent of, principal, and interest so paid.

If the use of the Book-Entry Only System for the Bonds is discontinued for any reason, bond certificates will be issued to the Beneficial Owners of the Bonds and payment of principal and interest on the Bonds shall be made as described in the following paragraphs:

The principal of the Bonds, when due upon maturity or upon any earlier redemption, will be paid to the registered owners of the Bonds, or registered assigns, upon surrender of the Bonds to Manufactures and Traders Trust Company (the “Paying Agent”), acting as paying agent and sinking fund depository for the Bonds, at its corporate trust office located in Harrisburg, Pennsylvania (or to any successor paying agent at its designated office).

Interest is payable to the registered owner of a Bond from the interest payment date next preceding the date of registration and authentication of the Bond, unless: (a) such Bond is registered and authenticated as of an interest payment date, in which event such Bond shall bear interest from said interest payment date, or (b) such Bond is registered and authenticated after a Record Date (hereinafter defined) and before the next succeeding interest payment date, in which event such Bond shall bear interest from such interest payment date, or (c) such Bond is registered and authenticated on or prior to the Record Date preceding September 1, 2024, in which event such Bond shall bear interest from the Date of Delivery, or (d) as shown by the records of the Paying Agent, interest on such Bond shall be in default, in which event such Bond shall bear interest from the date to which interest was last paid on such Bond. Interest shall be paid initially September 1, 2024, and thereafter, semiannually on March 1 and September 1 of each year, until the principal sum is paid. Interest on each Bond is payable by check drawn on the Paying Agent, which shall be mailed to the registered owner whose name and address shall appear, at the close of business on the fifteenth (15) day next preceding each interest payment date (the “Record Date”), on the registration books maintained by the Paying Agent, irrespective of any transfer or exchange of the Bond subsequent to such Record Date and prior to such interest payment date, unless the School District shall be in default in payment of interest due on such interest payment date. In the event of any such default, such defaulted interest shall be payable to the person in whose name the Bond is registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Paying Agent to the registered owner of such Bond not less than fifteen (15) days preceding such special record date. Such notice shall be mailed to the person in whose name such Bond is registered at the close of business on the fifth (5th) day preceding the date of mailing.

If the date for payment of the principal or interest on any Bonds on an interest payment date, at maturity or at redemption shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the Commonwealth of Pennsylvania are authorized or required by law or executive order to close, then the date for payment of such principal or interest shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized or required to close, and payment on such date shall have the same force and effect as if made on the nominal date established for such payment.

### Transfer, Exchange and Registration of Bonds

Subject to the provisions described below under “**BOOK-ENTRY ONLY SYSTEM,**” Bonds are transferable or exchangeable by the registered owners thereof upon surrender of Bonds to the Paying Agent, accompanied by a written instrument or instruments in form and with instructions satisfactory to the Paying Agent, duly executed by the registered owner of such Bond or his attorney-in-fact or legal representative. The Paying Agent shall enter any transfer of ownership of Bonds in the registration books and shall authenticate and deliver at the earliest practicable time in the name of the transferee or transferees a new fully registered bond or bonds of authorized denominations of the same series, maturity and interest rate for the aggregate principal amount which the registered owner is entitled to receive. The School District and the Paying Agent may deem and treat the registered owner of any Bond as the absolute owner thereof (whether or not a Bond shall be overdue) for the purpose of receiving payment of or on account of principal and interest and for all other purposes, and the School District and the Paying Agent shall not be affected by any notice to the contrary.

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\*Estimated, subject to change.

Bonds are transferable or exchangeable by the registered owners thereof upon surrender of Bonds to the Paying Agent, at its specified corporate trust office accompanied by a written instrument or instruments in form, with instructions satisfactory to the Paying Agent, duly executed by the registered owner of such Bond or his attorney-in-fact or legal representative. The Paying Agent shall enter any transfer of ownership of Bonds in the registration books and shall authenticate and deliver at the earliest practicable time in the name of the transferee or transferees a new fully registered bond or bonds of authorized denominations, maturity and interest rate for the aggregate principal amount which the registered owner is entitled to receive. The School District and the Paying Agent may deem and treat the registered owner of any Bond as the absolute owner thereof (whether or not a Bond shall be overdue) for the purpose of receiving payment of or on account of principal and interest and for all other purposes, and the School District and the Paying Agent shall not be affected by any notice to the contrary.

If Bonds shall be subject to optional redemption or mandatory redemption prior to stated maturity, this School District and the Paying Agent shall not be required to register the transfer of or exchange any of the Bonds then considered for redemption during the period beginning at the close of business on the fifteenth (15th) day next preceding any date of selection of such Bonds to be redeemed and ending at the close of business on the day of mailing of the notice of redemption, as hereinafter provided, or to register the transfer of or exchange any portion of any of the Bonds selected for redemption in whole or in part until after the redemption date.

## **Security**

The Bonds will be general obligations of the School District, payable from its tax and other general revenues. The School District has covenanted that it will provide in its budget for each fiscal year, and will appropriate from its general revenues in each such fiscal year, the amount of the debt service on the Bonds for such fiscal year, and will duly and punctually pay or cause to be paid from its Sinking Fund, as hereinafter defined, or any other of its revenues or funds, the principal of each of the Bonds and the interest thereon at the dates and place and in the manner stated on the Bonds, and for such budgeting, appropriation, and payment the School District irrevocably has pledged its full faith, credit and taxing power, which taxing power presently includes the power to levy ad valorem taxes on all taxable property within the School District, within the limits provided by law (See “**Taxpayer Relief Act (Act 1)**” herein). The Act presently provides for enforcement of debt service payments as hereinafter described (see “**DEFAULTS AND REMEDIES**” herein), and the Public School Code presently provides for the withholding and application of subsidies in the event of failure to pay debt service (see “**Commonwealth Enforcement of Debt Service Payments**” hereinafter).

## **Commonwealth Enforcement of Debt Service Payments**

Section 633 of the Pennsylvania Public School Code of 1949, as amended by Act 150 of 1975, and as further amended and supplemented (the “Public School Code”), presently provides that in all cases where the board of school directors of any school district fails to pay or to provide for the payment of any indebtedness on the date of maturity or date of mandatory redemption or on any sinking fund deposit date, or any interest due on such indebtedness on any interest payment date or on any sinking fund deposit date, in accordance with the schedule under which the Bonds were issued, the Secretary of Education shall notify such board of school directors of its obligation and shall withhold out of any Commonwealth appropriation due such school district an amount equal to the sum of the principal amount maturing or subject to mandatory redemption and interest owing by such school district, or sinking fund deposit due by such school district, and shall pay over the amount so withheld to the bank or other person acting as sinking fund depository for such Bond issue. These withholding provisions are not part of any contract with the holders of the Bonds, and may be amended or repealed by future legislation.

The effectiveness of Section 633 of the Public School Code may be limited by the application of other withholding provisions contained in the Public School Code, such as provisions for withholding and paying over of appropriations for payment of unpaid teachers’ salaries. Enforcement may also be limited by bankruptcy, insolvency, or other laws or equitable principles affecting the enforcement of creditors’ rights generally. See “**Pennsylvania Budget Adoption**” hereinafter.

## **Pennsylvania Budget Adoption**

Due to the uncertainty of funding and expenditures caused by the COVID-19 pandemic, on May 29, 2020, the governor passed a five-month stopgap budget for the fiscal year 2020-21. This budget provided five months of flat funding for most state programs and a full twelve months of flat funding for public education. On November 20, 2020, the General Assembly passed Senate Bill 1350 and House Bill 2536, which included the 2020-21 Supplemental Budget to fund the Commonwealth through the remaining seven-months of fiscal year 2020-21. On November 23, 2020, the Governor approved the 2020-21 Supplemental Budget. The 2020-21 Supplemental Budget included mostly flat funding for public education similar to the stopgap budget adopted for the first five months of the 2020-21 fiscal year.

The Governor timely signed the state’s 2021-2022 fiscal year budget on June 30, 2021. That budget included an increase of \$300 million for basic education, with \$100 million of that targeted to the 100 historically underfunded school districts that included some in both urban and rural areas of the state. Special education received a \$50 million increase, boosting that budget line to \$1.24 billion, while preschool and Head Start programs received a \$30 million increase, to \$311.5 million. All told, funding for K-12 schools reached a record high of \$13.55 billion in the 2021-2022 budget.

After a week’s delay, a \$45.2 billion budget for the state’s 2022-2023 fiscal year was signed by Governor Tom Wolf on July 8, 2022, which included \$7.6 billion for the basic education funding appropriation and \$225 million to supplement those school districts with a higher at-risk student population. The total amount was a \$767.8 million (10.83%) increase over the 2021-2022 fiscal year appropriation.

After over a month delay, a \$45.5 billion budget for the state’s 2023-24 fiscal year was signed by Governor Josh Shapiro on August 3, 2023, which includes \$8.4 billion for the basic education funding appropriation. The total amount is a \$796.6 million (10.45%) increase over the 2022-2023 fiscal year appropriation. The budget also provides \$50 million in additional aid to school districts for special education services for

a total of \$1.3 billion. Certain funds authorized within the 2023-2024 Budget required companion implementation language amending the Fiscal Code to be fully implemented. On December 13, 2023 multiple code bills were passed finalizing the 2023-24 Budget for education.

*During a state budget impasse, school districts in Pennsylvania cannot be certain when state subsidies and revenues owed them from the Commonwealth will become available. This includes many of the major state subsidies, and overall revenues, that a Pennsylvania school district receives including basic education funding, special education funding, PlanCon reimbursements, and certain block grants, among many others. Future budget impasses may affect the timeliness or amount of payments by the Commonwealth under the withholding provisions of Section 633 of the School Code, however recent legislation included in Act 85 of 2016 has attempted to address the timeliness of the withholding provisions of Section 633 of the School Code during any future budget impasses. See "Act 85 of 2016" hereinafter.*

## **Act 85 of 2016**

On July 13, 2016, the Governor of the Commonwealth signed into law Act No. 85 of 2016, (P.L. 664, No. 85) ("Act 85 of 2016"), an amendment to the Act of April 9, 1929 (P.L. 343, No. 176), known as the Fiscal Code ("Fiscal Code"). Act 85 of 2016 adds to the Fiscal Code Article XVII-E.4, entitled "School District Intercepts for the Payment of Debt Service During Budget Impasse", which provides for intercept of subsidy payments by the Pennsylvania Department of Education ("PDE") to a school district subject to an intercept statute or an intercept agreement in the event of a Commonwealth budget impasse in any fiscal year.

Act 85 of 2016 includes in the definition of "intercept statutes" Section 633 of the Public School Code. The School District's general obligation bonds, including the Bonds, are subject to Section 633 of the Public School Code.

Act 85 of 2016 provides that the amounts that may be necessary for PDE to comply with the provisions of the applicable intercept statute or intercept agreement "shall be appropriated" to PDE from the General Fund of the Commonwealth after PDE submits justification to the majority and minority chairs of the appropriations committees of the Pennsylvania Senate and House of Representatives allowing ten (10) calendar days for their review and comment, if, in any fiscal year:

- (1) annual appropriations for payment of Commonwealth money to school districts have not been enacted by July 1 and continue not to be enacted when a payment is due;
- (2) the conditions under which PDE is required to comply with an intercept statute or intercept agreement have occurred, thereby requiring PDE to withhold payments which would otherwise be due to school districts; and
- (3) the Secretary of PDE, in consultation with the Secretary of the Budget, determines that there are no payments or allocations due to be paid to the applicable school districts from which PDE may withhold money as required by the applicable intercept statute or intercept agreement.

The necessary amounts shall be appropriated and paid to the paying agent on the day the scheduled payment for principal and interest is due on the expiration of the tenth (10th) day following submission of the justification described above to the majority and minority chairs of the appropriations committees, who may comment on the justification but cannot prevent the effectiveness of the appropriation.

The total of all intercept payments under Article XVII-E.4 for a school district may not exceed 50% of the total nonfederal general fund subsidy payments made to that school district in the prior fiscal year.

Act 85 of 2016 requires that each school district with bonds or notes subject to an intercept statute or intercept agreement must deliver to PDE, in such format as PDE may direct, a copy of the final Official Statement for the relevant bonds or notes or the loan documents relating to the obligations, within thirty (30) days of receipt of the proceeds of the obligations. The School District intends on submitting this information with respect to the Bonds to PDE within the prescribed timeframe following the issuance of the Bonds. Act 85 of 2016 provides that any obligation for which PDE does not receive the required documents shall not be subject to the applicable intercept statute or intercept agreement.

The provisions of Act 85 of 2016 are not part of any contract with the holders of the Bonds and may be amended or repealed by future legislation.

## **Sinking Fund**

One or more sinking funds for the payment of the debt service on the Bonds, (collectively, the "Sinking Fund"), has been created under the Resolution and shall be maintained by the Paying Agent, as sinking fund depository. The School District shall deposit in the Sinking Fund a sufficient sum not later than the date when interest and/or principal is to become due on the Bonds so that on each payment date the Sinking Fund will contain an amount which, together with any other funds available therein, is sufficient to pay, in full, interest and/or principal then due on the Bonds.

The Sinking Fund shall be held by the Paying Agent, as sinking fund depository, and invested by the Paying Agent in such securities or shall be deposited in such funds or accounts as are authorized by the Act, upon direction of the School District. Such deposits and securities shall be in the name of the School District, but subject to withdrawal or collection only by the Paying Agent, as sinking fund depository, and such deposits and securities, together with the interest thereon, shall be a part of the Sinking Fund.

The Paying Agent, as sinking fund depository, is authorized without further order from the School District to pay from the Sinking Fund the principal of and interest on the Bonds, as and when due and payable.

## BOOK-ENTRY ONLY SYSTEM

*The information in this section has been obtained from materials provided by DTC for such purpose. The School District (herein referred to as the "Issuer") and the Underwriter do not guaranty the accuracy or completeness of such information and such information is not to be construed as a representation of the School District or the Underwriter.*

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The Ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a series and maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such series and maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest and redemption payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest and redemption payments on the Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility

of Issuer or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to Issuer or Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

NEITHER THE ISSUER NOR THE PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY DTC PARTICIPANT, INDIRECT PARTICIPANT OR BENEFICIAL OWNER OR ANY OTHER PERSON WITH RESPECT TO: (1) THE BONDS; (2) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT OR INDIRECT PARTICIPANT; (3) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THE BONDS; (4) THE DELIVERY TO ANY BENEFICIAL OWNER BY DTC OR ANY DTC PARTICIPANT OR INDIRECT PARTICIPANT OF ANY NOTICE WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE RESOLUTION TO BE GIVEN TO BONDHOLDERS; (5) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (6) ANY OTHER ACTION TAKEN BY DTC AS BONDHOLDER.

*The Issuer and the Paying Agent cannot give any assurances that DTC or the Participants will distribute payments of the principal or redemption price of and interest on the Bonds paid to DTC or its nominee, as the registered owner of the Bonds, or any redemption or other notices, to the Beneficial Owners or that they will do so on a timely basis, or that DTC will serve and act in the manner described in this Official Statement.*

### **BOND INSURANCE**

The Bonds may or may not be issued with bond insurance. The decision to use bond insurance on all or a portion of the Bonds will be subject to market conditions at the time of pricing the Bonds.

### **REDEMPTION OF BONDS**

#### **Optional Redemption**

The 2024 Bonds are **not** subject to Optional Redemption.

The 2024A Bonds stated to mature on or after \_\_\_\_\_, 20\_\_\_\_, shall be subject to redemption prior to maturity, at the option of the School District, as a whole, on \_\_\_\_\_, 20\_\_\_\_, or on any date thereafter, or from time to time, in part (and if in part, in any order of maturity as selected by the School District and within a maturity by lot), in either case upon payment of a redemption price of 100% of the principal amount of such Bonds, together with accrued interest to the redemption date.

#### **Mandatory Redemption**

The 2024 Bonds are subject to redemption prior to maturity as required by the Resolution, in the amounts and on September 1 of the years shown below, from moneys in the Mandatory Sinking Fund created pursuant to the Resolution, upon payment of the principal amount being redeemed, together with interest accrued to the date fixed for redemption.

*2024 Bonds stated to mature September 1, \_\_\_\_\_ :*

\_\_\_\_\_  
\*Final Maturity

The 2024A Bonds are subject to redemption prior to maturity as required by the Resolution, in the amounts and on September 1 of the years shown below, from moneys in the Mandatory Sinking Fund created pursuant to the Resolution, upon payment of the principal amount being redeemed, together with interest accrued to the date fixed for redemption.

*2024A Bonds stated to mature September 1, \_\_\_\_\_ :*

\_\_\_\_\_  
\*Final Maturity

In lieu of such Mandatory Redemption, the Paying Agent, on behalf of the School District, may purchase from money in the Sinking Fund, at a price not to exceed the principal amount plus accrued interest, or the School District may tender to the Paying Agent, all or part of the Bonds subject to being drawn for redemption in any such year.

In the case of any partial redemption of Bonds of any maturity that is subject to mandatory sinking fund redemption, the School District shall be entitled to designate whether the amount to be redeemed shall be credited against the principal amount of such Bonds due at maturity or credited against the principal amount of such Bonds scheduled to be called for mandatory sinking fund redemption on any particular date or dates, in each case in an integral multiple of \$5,000 principal amount.

### **Notice of Redemption**

Notice of any redemption shall be given by mailing a copy of the redemption notice not less than 30 days nor more than 45 days prior to the date fixed for redemption addressed to each of the registered owners of Bonds to be redeemed, in whole or in part at the addresses shown on the registration books; provided, however, that failure to give such notice by mailing, or any defect therein or in the mailing thereof shall not affect the validity of any proceeding for redemption of any Bonds called for redemption.

On the date designated for redemption, and money for payment of the principal and accrued interest being held by the Paying Agent, interest on the Bonds and portions thereof so called for redemption shall cease to accrue and such Bonds and portions thereof shall cease to be entitled to any benefit or security under the Resolution, and registered owners of such Bonds or portions thereof so called for redemption shall have no rights with respect to such Bonds, except to receive payment of the principal of and accrued interest on such Bonds to the date fixed for redemption.

If the redemption date for any Bonds shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the Commonwealth of Pennsylvania are authorized or required by law or executive order to close, then the date for payment of the principal, and interest upon such redemption shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized or required to close, and payment on such date shall have the same force and effect as if made on the nominal date of redemption.

### **Manner of Redemption**

If a Bond is of a denomination larger than \$5,000, a portion of such Bond may be redeemed. For the purposes of redemption, a Bond shall be treated as representing that number of Bonds which is obtained by dividing the principal amount thereof by \$5,000, each \$5,000 portion of such Bonds being subject to redemption. In the case of partial redemption of a Bond, payment of the redemption price shall be made only upon surrender of such Bond in exchange for Bonds of authorized denominations in aggregate principal amount equal to the unredeemed portion of the principal amount thereof.

## **THE SCHOOL DISTRICT**

### **Introduction**

The School District which is nearly coterminous with Mifflin County is located in the heart of central Pennsylvania about 60 miles west of Harrisburg. The School District covers approximately 388 square miles and is comprised of the townships of Armagh, Bratton, Brown, Decatur, Derry, Granville, Menno, Oliver, and Union and the boroughs of Burnham, Juniata Terrace, Lewistown and McVeytown.

### **Administration**

The School District is a second class school district organized and existing under the laws of the Commonwealth of Pennsylvania. The governing body of the School District is a board of nine school directors who are elected on a staggered basis for four year terms. The daily operations and management of the School District are performed by the administrative staff of the School District, headed by the Superintendent of Schools who is appointed by the Board of School Directors.

**School Facilities**

The School District presently operates 5 elementary schools, and 3 secondary education facilities. Students in grades 10-12 also attend the Mifflin County Academy of Science and Technology. A listing of the School District existing facilities and their estimated student capacity and enrollments appear below.

**TABLE 1  
MIFFLIN COUNTY SCHOOL DISTRICT  
SCHOOL FACILITIES**

<b>Building</b>	<b>Original Construction Date</b>	<b>Addition/ Renovation Date(s)</b>	<b>Grades</b>	<b>Rated Pupil Capacity</b>	<b>2023-24 Enrollment</b>
<b>Elementary:</b>					
East Derry Elementary.....	1962	2001/2018	K-3	360	279
Strodes Mills Elementary.....	1963	2019	K-3	420	274
Lewistown Elementary .....	2003		K-3	1,022	456
Indian Valley Elementary Center...	1952	1962/2012/2013	K-5	909	584
Lewistown Intermediate School.....	1929	1987/2018	4-5	825	496
<b>Secondary:</b>					
Mifflin County Middle School.....	1976	1990	6-7	1,335	715
Mifflin County Junior High School	1958	2015	8-9	1,281	707
Mifflin County High School .....	2011		10-12	1,494	1,044

Source: School District officials.

**Enrollment Trends**

Table 2 presents recent trends in school enrollment and projections of enrollment for the next five years, as prepared by School District officials.

**TABLE 2  
MIFFLIN COUNTY SCHOOL DISTRICT  
ENROLLMENT TRENDS**

<b>Actual Enrollments</b>				<b>Projected Enrollments</b>			
<b>School Year</b>	<b>Elementary</b>	<b>Secondary</b>	<b>Total</b>	<b>School Year</b>	<b>Elementary</b>	<b>Secondary</b>	<b>Total</b>
2019-20	2,145	2,733	4,878	2024-25	2,429	2,048	4,477
2020-21	2,395	2,292	4,687	2025-26	2,405	1,997	4,402
2021-22	2,402	2,315	4,717	2026-27	2,381	1,947	4,328
2022-23	2,447	2,200	4,647	2027-28	2,357	1,899	4,256
2023-24	2,454	2,101	4,555	2028-29	2,346	1,870	4,216

Source: Pennsylvania Department of Education & School District officials. Enrollments include special education enrollments.

**SCHOOL DISTRICT FINANCES**

**Introduction**

The School District budgets and expends funds according to procedures mandated by the Pennsylvania Department of Education (“PDE”). An annual operating budget is prepared by the Superintendent and Chief Financial Officer and submitted to the School Board for approval prior to the beginning of the fiscal year July 1.

**Financial Reporting**

The financial statements of the School District are prepared in accordance with accounting principles generally accepted in the United States of America. The School District’s reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. The government-wide and proprietary fund financial statements apply Financial Accounting Standards Board pronouncements and Accounting Principles Board opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The government wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds).



The School District keeps its books and prepares its financial reports according to the modified accrual (less taxes) basis of accounting. Major accrual items are payroll taxes and pension fund contributions payable, loans receivable from other funds, and revenues receivable from other governmental units. Expenditures are recognized when liability for payment exists. The School District's financial statements are audited annually by a firm of independent certified public accountants, as required by Commonwealth law. The firm of Young, Oakes, Brown & Company, P.C., of Altoona, Pennsylvania serves as the School District's auditor.

The School District's auditor has not been engaged to perform, and has not performed since the date of its report included as an appendix to this Preliminary Official Statement, any procedure on the financial statement addressed in the report. Such auditor also has not performed any procedures relating to this Preliminary Official Statement.

### **Budgeting Process as modified by Act 1 of 2006 (Taxpayer Relief Act)**

In General. School districts budget and expend funds according to procedures mandated by the Pennsylvania Department of Education ("PDE"). An annual operating budget is prepared by school district administrative officials on a uniform form furnished by such Department and submitted to the board of school directors for approval prior to the beginning of each fiscal year which commences on July 1.

Procedures for Adoption of the Annual Budget. Unless the Simplified Procedures described below are utilized, under Pennsylvania Act No. 1 of the Special Session of 2006, as amended by Act 25 of 2011 (together "The Taxpayer Relief Act" or "Act 1") all school districts of the first class A, second class, third class and fourth class must adopt a preliminary budget (which must include estimated revenues and expenditures and proposed tax rates) no later than 90 days prior to the date of the primary election immediately preceding the beginning of each fiscal year. This preliminary budget must be printed and made available for public inspection at least 20 days prior to its adoption; the board of school directors may hold a public hearing on the budget; and the board must give at least 10 days' public notice of its intent to adopt the preliminary budget prior to its adoption. The board of school directors shall print the final budget and make it available for public inspection at least 20 days prior to its adoption and shall give public notice of its intent to adopt the final budget at least 10 days prior to adoption, and may hold a public hearing prior to adoption. Guidance from PDE suggests that the preliminary budget be converted to a proposed budget adopted by the board of school directors at least 30 days prior to the adoption of the final budget as required by the School Code. The School District follows the requirements of Act 1 and the guidance of PDE pursuant to the requirements of the School Code.

If the adopted preliminary budget includes an increase in the rate of any tax levy, the preliminary budget must be submitted to the PDE no later than 85 days prior to the date of the election immediately preceding the fiscal year. PDE is to compare the proposed percentage increase in the rate of any tax with the school district's Index (see "**The Taxpayer Relief Act (Act 1)**" herein) and within 10 days, but not later than 75 days prior to the upcoming election, inform the school district whether the proposed percentage increase is less than or equal to the Index. If PDE determines that a proposed tax increase will exceed the Index, the school district must reduce the proposed tax increase, or seek voter approval for the tax increase at the upcoming election, or seek approval to utilize one of the referendum exceptions authorized under the Taxpayer Relief Act.

With respect to the utilization of any of the Taxpayer Relief Act referendum exceptions for which PDE approval is required (see "**The Taxpayer Relief Act (Act 1)**" herein), the school district must publish notice of its intent to seek PDE approval not less than one week before submitting its request for approval to PDE. If PDE determines to schedule a public hearing on the request, a notice of the date, time and place of such hearing must be published by the school district immediately upon receipt of the notification from PDE that a hearing is required. PDE is required by the Taxpayer Relief Act to rule on the school district's request and inform the school district of its decision no later than 55 days prior to the upcoming election so that, if PDE denies the school district's request, the school district may submit a referendum question to the local election officials at least 50 days before the upcoming election, if it so chooses.

If a school district seeks voter approval to increase taxes at a rate higher than the applicable Index, whether or not it first seeks approval to utilize one of the referendum exceptions available under the Taxpayer Relief Act, and the referendum question is not approved by a majority of the voters voting on the question, the board of school directors may not approve an increase in the tax rate greater than the applicable Index.

Simplified Procedures in Certain Cases. The above budgetary procedures will not apply to a school district if the board of school directors adopts a resolution no later than 110 days prior to the election immediately preceding the upcoming fiscal year declaring that it will not increase any tax at a rate that exceeds the Index and that a tax increase at or below the rate of the Index will be sufficient to balance its budget. In that case, the Taxpayer Relief Act requires only that the proposed annual budget be prepared and approved at least 30 days, and made available for public inspection at least 20 days, prior to its adoption, and that at least ten (10) days' public notice be given of the board's intent to adopt the annual budget. No referendum exceptions are available to a school district adopting such a resolution.

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**Summary and Discussion of Financial Results**

A summary of the General Fund Balance Sheet and changes in fund balances is presented in Tables 3 and 4. Table 5 shows audited revenues and expenditures for the past five years and budgeted for 2023-24. The budget for 2023-24 as adopted June 22, 2023, budgeted \$104,671,553 in revenues and \$107,923,615 in expenditures.

**TABLE 3**  
**MIFFLIN COUNTY SCHOOL DISTRICT**  
**SUMMARY OF COMPARATIVE GENERAL FUND BALANCE SHEET\***  
**(Years Ending June 30)**

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<b>ASSETS</b>					
Cash and Cash Equivalents .....	\$13,393,595	\$16,534,984	\$14,463,650	\$18,971,704	\$28,486,682
Taxes Receivable .....	2,009,503	2,137,197	1,839,903	1,634,094	1,608,890
Interfund Receivables .....	88,240	2,466,861	1,471,667	3,471,616	3,266,313
Intergovernmental Receivable.....	4,619,443	4,055,989	7,023,080	9,335,339	5,842,852
Inventory of Materials & Supplies .....	0	0	0	0	0
Prepaid Expenses/Expenditures .....	7,610	13,084	315,197	25,899	32,016
Other Receivables .....	1,411,369	1,622,014	1,547,007	1,643,958	1,725,692
<b>TOTAL ASSETS</b> .....	<u>\$21,529,760</u>	<u>\$26,830,129</u>	<u>\$26,660,504</u>	<u>\$35,082,610</u>	<u>\$40,962,445</u>
<b>LIABILITIES</b>					
Interfund payables.....	\$1,200,000	\$4,865,625	\$1,013,450	\$1,000,000	\$1,000,000
Accounts Payable.....	620,673	548,365	1,111,718	1,278,013	1,021,506
Accrued Salaries and Benefits.....	7,240,415	7,355,888	7,665,469	7,918,168	7,307,892
Deferred Revenue .....	0	2,456,838	1,953,196	4,720,931	4,773,945
Payroll Deductions & Withholdings .....	381,899	366,371	366,401	380,397	680,845
Other Current Liabilities .....	2,035,358	47,081	50,876	46,957	55,515
<b>TOTAL LIABILITIES</b> .....	<u>\$11,478,345</u>	<u>\$15,640,168</u>	<u>\$12,161,110</u>	<u>\$15,344,466</u>	<u>\$14,839,703</u>
<b>FUND EQUITIES</b>					
Nonspendable Fund Balance.....	\$7,610	\$13,084	\$315,197	\$25,899	\$32,016
Committed Fund Balance.....	20,272	111,760	94,328	1,098,724	302,546
Assigned Fund Balance.....	3,461,558	4,716,140	7,216,140	11,216,140	18,216,140
Unassigned Fund Balance .....	6,561,975	6,348,977	6,873,729	7,397,381	7,572,040
<b>TOTAL FUND EQUITIES</b> .....	<u>\$10,051,415</u>	<u>\$11,189,961</u>	<u>\$14,499,394</u>	<u>\$19,738,144</u>	<u>\$26,122,742</u>
<b>TOTAL LIABILITIES AND FUND EQUITIES</b> .....	<u>\$21,529,760</u>	<u>\$26,830,129</u>	<u>\$26,660,504</u>	<u>\$35,082,610</u>	<u>\$40,962,445</u>

\*Totals may not add due to rounding.  
 Source: School District Annual Financial Reports.

**TABLE 4**  
**MIFFLIN COUNTY SCHOOL DISTRICT GENERAL FUND**  
**SUMMARY OF CHANGES IN FUND BALANCE\***

	<u>Actual</u>					<u>Budgeted</u>
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024<sup>(1)</sup></u>
<b>Beginning Fund Balance</b> .....	\$8,605,136	\$10,051,414	\$11,189,959	\$14,499,392	\$19,738,143	\$26,122,741
Revenues over (under) Expenditures	1,446,282	1,138,545	3,309,433	5,238,751	6,384,598	(3,252,062)
Prior Period Adjustment.....	0	0	0	0	0	0
<b>Ending Fund Balance</b> .....	<u>\$10,051,414</u>	<u>\$11,189,959</u>	<u>\$14,499,392</u>	<u>\$19,738,143</u>	<u>\$26,122,741</u>	<u>\$22,870,679</u>

\*Totals may not add due to rounding.  
<sup>(1)</sup>Budget, as adopted on June 22, 2023.  
 Source: School District Annual Financial Reports and Budget.

## Revenue

The School District received \$97,100,919 in revenue in 2022-23 and has budgeted revenue of \$104,671,553 in 2023-24. Local sources decreased as a share of total revenue in the past five years of approximately 44.6 percent from 2018-19 to 40.0 percent in 2022-23. Revenue from State sources contributed a decreasing share of total revenue going from 51.4 percent to 47.2 percent over this period. Federal Revenue increased as a share of total revenue from 3.9 percent 2018-19 to 12.8 percent in 2022-23.

**TABLE 5**  
**MIFFLIN COUNTY SCHOOL DISTRICT**  
**SUMMARY OF SCHOOL DISTRICT GENERAL FUND**  
**REVENUES AND EXPENDITURES\***  
**(Years ending June 30)**

REVENUE:	Actual					Budgeted 2024 <sup>(1)</sup>
	2019	2020	2021	2022	2023	
<b>Local Sources:</b>						
Real Estate Taxes	\$23,412,142	\$24,377,887	\$24,847,699	\$26,025,448	\$25,652,356	\$26,217,464
Interim Real Estate Taxes	209,007	204,093	154,217	95,086	36,314	0
Total Act 511 Taxes	7,115,785	7,620,594	7,774,375	8,602,599	9,222,518	8,725,000
Per Capita (Sec. 679) Taxes	105,594	103,694	103,415	103,186	101,643	100,000
Public Utility Realty Tax	32,819	29,863	32,182	34,089	34,097	34,000
Payments in Lieu of Taxes	316,855	334,392	362,598	130,987	134,790	138,751
Delinquency on Taxes Levied	2,012,484	1,858,209	2,197,433	1,685,477	1,507,988	1,527,800
Earnings from Investments	318,838	235,099	25,364	29,342	1,026,571	350,000
Fed. IDEA Pass Through Rev.	751,697	761,582	848,494	815,251	827,984	799,791
Rentals	11,918	2,740	0	8,699	7,782	0
Contributions		10,854	3,450	7,345	5,817	500,000
Receipts from Other LEAs	30,525	32,188	39,266	72,970	68,336	0
Revenue from District Activities	0	82,131	29,248	85,839	61,538	76,000
Refunds Prior Years' Expenditures	0	0	0	0	0	50,000
Other	129,434	48,625	45,683	28,592	40,343	0
All Other Revenues Not Specified	50,256	98,098	74,588	117,010	141,232	0
<b>Total Local</b>	<b>\$34,497,353</b>	<b>\$35,800,047</b>	<b>\$36,538,010</b>	<b>\$37,841,920</b>	<b>\$38,869,307</b>	<b>\$38,518,806</b>
<b>State Sources:</b>						
Instructional Subsidy	\$21,468,418	\$21,567,769	\$21,567,750	\$22,118,356	\$23,625,260	\$24,732,010
Tuition for Children & Orphans in Prvt. Homes	207,992	191,835	103,684	83,632	111,724	85,000
Special Education	3,441,983	3,574,547	3,574,435	3,766,178	4,019,417	4,019,484
Transportation	3,377,330	3,742,204	3,936,931	3,891,887	3,519,095	3,678,551
Rentals and Sinking Fund Payments	1,092,331	1,110,564	942,560	1,135,911	1,229,436	1,236,730
Health Services	90,414	98,107	97,978	95,197	92,725	93,000
State Property Tax Allocation	1,920,671	1,920,849	1,921,155	1,923,890	2,422,548	2,423,996
Revenue for Social Security Payments	1,084,509	1,232,700	1,364,713	1,254,244	1,292,120	1,305,558
Revenue for Retirement Payments	6,096,817	6,170,856	6,214,241	6,756,360	7,096,565	6,862,232
PA Accountability Grants	993,914	1,270,939	1,202,532	1,224,367	1,320,959	1,267,437
Other Sources	1,980	24,500	0	160	1,102,471	0
<b>Total State Sources</b>	<b>\$39,776,358</b>	<b>\$40,904,870</b>	<b>\$40,925,979</b>	<b>\$42,250,181</b>	<b>\$45,832,320</b>	<b>\$45,703,998</b>
<b>Federal Sources:</b>						
<b>Total Federal Sources</b>	<b>\$3,043,502</b>	<b>\$3,001,036</b>	<b>\$7,865,821</b>	<b>\$12,049,293</b>	<b>\$10,888,543</b>	<b>\$11,141,679</b>
<b>Other Sources:</b>						
<b>Total Other Sources</b>	<b>\$0</b>	<b>\$1,540,993</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,510,748</b>	<b>\$9,307,070</b>
<b>TOTAL REVENUE</b>	<b>\$77,317,214</b>	<b>\$81,246,946</b>	<b>\$85,329,810</b>	<b>\$92,141,394</b>	<b>\$97,100,919</b>	<b>\$104,671,553</b>
<b>EXPENDITURES:</b>						
Instruction	\$44,487,920	\$44,521,915	\$47,686,935	\$49,408,137	\$52,471,290	\$54,449,301
Pupil Personnel	1,760,072	2,127,161	2,188,115	2,511,197	2,640,922	2,673,793
Instructional Staff	1,647,621	1,666,592	1,446,427	1,443,276	1,676,612	2,194,898
Administration	4,329,710	4,429,585	4,535,353	4,545,550	4,573,574	4,822,772
Pupil Health	657,526	683,002	850,883	872,058	920,241	953,488
Business	763,660	765,670	834,648	879,995	919,580	1,114,385
Operation and Maintenance	5,840,710	5,725,547	6,399,443	7,551,808	7,503,860	7,523,751
Student Transportation	4,899,423	5,091,536	4,671,464	4,848,830	5,086,477	5,472,077
Central	1,348,890	1,356,812	4,252,952	4,646,319	2,986,645	3,449,714
Other Support Services	0	0	0	0	0	0
Operation of Noninstructional Services	1,127,988	1,035,936	980,609	1,162,608	1,336,868	1,473,825
Debt Service	7,737,412	9,159,225	7,160,099	7,993,341	8,677,074	8,294,844
Fund Transfers/Special Items	1,270,000	3,545,420	1,013,450	1,000,000	1,460,577	14,107,070
Facilities, Acq., Construction, & Improv.	0	0	0	39,525	462,601	1,093,697
Budgetary Reserves	0	0	0	0	0	300,000
<b>TOTAL EXPENDITURES</b>	<b>\$75,870,932</b>	<b>\$80,108,401</b>	<b>\$82,020,377</b>	<b>\$86,902,643</b>	<b>\$90,716,321</b>	<b>\$107,923,615</b>
<b>SURPLUS (DEFICIT) OF REVENUES OVER EXPENDITURES</b>	<b>\$1,446,282</b>	<b>\$1,138,545</b>	<b>\$3,309,433</b>	<b>\$5,238,751</b>	<b>\$6,384,598</b>	<b>(\$3,252,062)</b>

\*Totals may not add due to rounding.

<sup>(1)</sup>Budget, as adopted June 22, 2023.

Source: School District officials, School District Annual Financial Reports, and Budget.

## TAXING POWERS OF THE SCHOOL DISTRICT

### In General

*Subject to certain limitations imposed by the Taxpayer Relief Act (more specifically described below),* the School District is empowered by the School Code and other statutes to levy the following taxes:

1. A basic annual tax on all real property taxable for school purposes, not to exceed 25 mills on each dollar of assessed valuation, to be used for general school purposes.
2. An unlimited ad valorem tax on the property taxable for school purposes to provide funds:
  - a. for minimum salaries and increments of the teaching and supervisory staff;
  - b. to pay rentals due any municipality authority or non-profit corporation or due the State Public School Building Authority;
  - c. to pay interest and principal on any indebtedness incurred pursuant to the Local Government Unit Debt Act, or any prior or subsequent act governing the incurrence of indebtedness of the school district; and
  - d. to pay for the amortization of a bond or note issue which provided a school building prior to the first Monday of July, 1959.
3. An annual per capita tax on each resident or inhabitant over 18 years of age of not more than \$5.00.
4. Additional taxes subject to division with other political subdivisions authorized to levy similar taxes on the same person, subject, business, transaction or privilege, under Act No. 511, enacted December 31, 1965, as amended by Act 32 of 2008, enacted July 2, 2008 (53 P.S. §6924.101) the ("Local Tax Enabling Act"). These taxes, which may include, among others, an additional per capita tax, a wage and other earned income tax, a real estate transfer tax, a gross receipts tax, a local services tax and an occupation tax, shall not exceed, in the aggregate, an amount equal to the product of the market valuation of real estate in the School District (as certified by the State Tax Equalization Board of the Commonwealth – "STEB") multiplied by twelve mills. All local taxing authorities are required by the Local Tax Enabling Act to exempt disabled veterans and members of the armed forces reserve who are called to active duty at any time during the tax year from any local services tax and to exempt from any local services tax levied at a rate in excess of \$10 those persons whose total income and net profits from all sources within the political subdivision is less than \$12,000 for the tax year. The Local Tax Enabling Act also authorizes, but does not require, taxing authorities to exempt from per capita, occupation, and earned income taxes and any local services tax levied at a rate of \$10 or less per year, any person whose total income from all sources is less than \$12,000 per year.

### The Taxpayer Relief Act (Act 1)

Under Act 1, a school district may not levy any new tax for the support of the public schools which was not levied in a previous fiscal year, raise the rate of any earned income and net profits tax if already imposed under the authority of the Local Tax Enabling Act (Act 511), or increase the rate of any tax for school purposes by more than the Index (defined below), unless in each case either (a) such increase is approved by the voters in the school district at a public referendum or (b) one of the exceptions summarized below is applicable and the use of such exception is approved by the Pennsylvania Department of Education (PDE):

1. to pay interest and principal on indebtedness "incurred" (i) prior to September 4, 2004, in the case of a school district which had elected to become subject to the provisions of the prior Homeowner Tax Relief Act, Act 72 of 2004, or (ii) *prior to June 27, 2006, in the case of a school district which had not elected to become subject to Act 72 of 2004*; to pay interest and principal on any indebtedness approved by the voters at referendum (electoral debt); and to pay interest and principal on debt refunding or refinancing debt for which one of the above exceptions is permitted, as long as the refunding or refinancing incurs no additional debt other than for costs and expenses related to the refunding or refinancing and the funding of appropriate debt service reserves;
2. to pay costs incurred in providing special education programs and services to students with disabilities, under specified circumstances; and
3. to make payments into the State Public School Employees' Retirement System when the increase in the estimated payments between the current year and the upcoming year is greater than the Index, as determined by PDE in accordance with the provisions of Act 1.

Any revenue derived from an increase in the rate of any tax allowed under the exception numbered 1 above may not exceed the anticipated dollar amount of the expenditure, and any revenue derived from an increase in the rate of any tax allowed pursuant to any other exception enumerated above may not exceed the rate increase required, as determined by PDE. If a school district's petition or request to increase taxes by more than the Index pursuant to one or more of the allowable exceptions is not approved, the school district may submit the proposed tax increase to a referendum.

The Index (to be determined and reported by PDE by September of each year for application to the following fiscal year) is the average of the percentage increase in the statewide average weekly wage, as determined by the State Department of Labor and Industry for the preceding calendar year, and the employment cost index for elementary and secondary schools, as reported by the federal Bureau of Labor Statistics for the

preceding 12-month period beginning July 1 and ending June 30. If and when a school district has a Market Value/Income Aid Ratio greater than 0.40 for the prior school year, however, the Index is adjusted upward by multiplying the unadjusted Index by the sum of 0.75 and such Aid Ratio.

The Act 1 Index applicable to the School District in the next, current, and prior fiscal years are as follows:

<b>Fiscal Year</b>	<b>Index %</b>
2024-25	7.3%
2023-24	5.7
2022-23	4.7
2021-22	4.2
2020-21	3.6

Source: Pennsylvania Department of Education website.

In accordance with Act 1, the School District put a referendum question on the ballot at the May, 15, 2007, primary election seeking voter approval to levy (or increase the rate of) an earned income and net profits tax (“EIT”) or a personal income tax (“PIT”) and use the proceeds to reduce local real estate taxes by a homestead and farmstead exclusion. This referendum question was not approved by the voters. A board of school directors may submit, but is not required to submit, a referendum question to the voters at the municipal election in any later year seeking approval to levy or increase the rate of an EIT or a PIT for the purpose of funding homestead and farmstead exclusions, but the proposed rate of the EIT or PIT shall not exceed the rate that is required to provide the maximum homestead and farmstead exclusions allowable under law.

**Status of the Bonds Under Act 1**

The 2024 Bonds described in this Official Statement are being issued to refund the 2016 Bonds constituting indebtedness that was originally “incurred”, as that term is construed under Act 1, by the School District prior to June 27, 2006, the effective date of Act 1. The 2024 Bonds may, therefore, be entitled to an exception to the index limit of Act 1.

The 2024A Bonds in this Official Statement do not represent debt that was approved (“incurred”) by the board of school directors prior to the effective date of Act 1, therefore the board of school directors may not apply to the Pennsylvania Department of Education (PDE) to use the Act 1 referendum exception for previously incurred debt if a tax increase greater than the Index is needed to provide for payment of principal or interest on the 2024A Bonds.

**SET FORTH ABOVE IS A SUMMARY OF PORTIONS OF ACT 1. THIS SUMMARY IS NOT INTENDED TO BE AN EXHAUSTIVE DISCUSSION OF THE PROVISIONS OF ACT 1 NOR A LEGAL INTERPRETATION OF ANY PROVISION OF ACT 1, AND A PROSPECTIVE PURCHASER OF THE BONDS SHOULD REVIEW THE FULL TEXT OF ACT 1 AS A PART OF ANY DECISION TO PURCHASE THE BONDS.**

**Legislation Limiting Unreserved Fund Balances**

Pennsylvania Act No. 2003-48 (enacted December 23, 2003) prohibits a school district from increasing real property taxes for the school year 2005-2006 or any subsequent school year, unless the school district has adopted a budget for such school year that includes an estimated ending unreserved undesignated fund balance which is not more than a specified percentage of the total budgeted expenditures, as set forth below:

<b><u>Total Budgeted Expenditures</u></b>	<b><u>Estimated Ending Unreserved Undesignated Fund Balance as a Percentage of Total Budgeted Expenditures</u></b>
Less than or equal to \$11,999,999	12.0%
Between \$12,000,000 and \$12,999,999	11.5%
Between \$13,000,000 and \$13,999,999	11.0%
Between \$14,000,000 and \$14,999,999	10.5%
Between \$15,000,000 and \$15,999,999	10.0%
Between \$16,000,000 and \$16,999,999	9.5%
Between \$17,000,000 and \$17,999,999	9.0%
Between \$18,000,000 and \$18,999,999	8.5%
Greater than or equal to \$19,000,000	8.0%*

“Estimated ending unreserved fund balance” is defined in Act 2003-48 as that portion of the fund balance which is appropriate for expenditure or not legally or otherwise segregated for a specific or tentative future use, projected for the close of the school year for which a school district’s budget was adopted and held in the general fund accounts of the school district.

\*Applicable to the School District.

**SET FORTH ABOVE IS A SUMMARY OF PORTIONS OF ACT 48 OF 2003. THIS SUMMARY IS NOT INTENDED TO BE AN EXHAUSTIVE DISCUSSION OF THE PROVISIONS OF ACT 48 OF 2003 NOR A LEGAL INTERPRETATION OF ANY PROVISION OF ACT 48. A PROSPECTIVE PURCHASER OF THE BONDS SHOULD REVIEW THE FULL TEXT OF ACT 48 OF 2003 AS A PART OF ANY DECISION TO PURCHASE THE BONDS.**

**Tax Levy Trends**

Table 6 shows the recent trend of tax rates levied by the School District. Table 7 shows the comparative trend of real property tax rates for the School District, the townships, the boroughs, and Mifflin County.

**TABLE 6  
MIFFLIN COUNTY SCHOOL DISTRICT  
TAX RATES**

	<b>Real Estate</b>	<b>Real Estate</b>	<b>Per Capita</b>	<b>Earned</b>	<b>Local</b>
	<b>Real Estate</b>	<b>Transfer<sup>(1)</sup></b>	<b>Per Capita</b>	<b>Income<sup>(2)</sup></b>	<b>Services<sup>(3)</sup></b>
	<b>(mills)</b>	<b>(%)</b>	<b>(\$)</b>	<b>(%)</b>	<b>(\$)</b>
2019-20 .....	34.5215	1.00	10.00	1.35	52.00
2020-21 .....	34.5215	1.00	10.00	1.35	52.00
2021-22 .....	34.5215	1.00	10.00	1.35	52.00
2022-23 .....	34.5215	1.00	10.00	1.35	52.00
2023-24 .....	34.5215	1.00	10.00	1.35	52.00

<sup>(1)</sup>Subject to sharing (50) with the municipalities.

<sup>(2)</sup>Subject to sharing municipalities. SD receive 0.85% and the municipalities receive 0.5%

<sup>(3)</sup>A tax of \$52 is collected for all buildings except for Strodes Mills Elementary is \$10 subject to sharing with municipalities; SD receives \$5. Source: School District Budgets and Pennsylvania Department of Community and Economic Development- Municipal Statistics.

**TABLE 7  
MIFFLIN COUNTY SCHOOL DISTRICT  
COMPARATIVE REAL PROPERTY TAX RATES  
(Mills on Assessed Value)**

	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Mifflin County School District .....	34.5215	34.5215	34.5215	34.5215	34.5215
Armagh Township .....	1.2330	2.2330	2.2300	2.2300	2.2300
Bratton Township .....	1.4560	1.4560	1.4560	3.0000	3.0000
Brown Township .....	4.5000	4.5000	4.5000	5.5000	5.5000
Burnham Borough.....	12.7000	13.7000	13.7000	13.7000	13.7000
Decatur Township.....	3.0000	3.0000	1.0000	4.0000	4.0000
Derry Township .....	9.4400	9.4400	9.6900	9.6900	9.6900
Granville Township .....	11.1700	11.1700	11.1700	11.1700	11.1700
Juniata Terrace Borough.....	16.2500	16.2500	16.2500	16.2500	16.2500
Lewistown Borough.....	15.8310	15.8310	15.8310	15.8310	15.8310
McVeytown Borough.....	9.5000	9.5000	9.5000	9.5000	9.5000
Menno Township .....	7.5000	7.5000	7.5000	7.5000	7.5000
Oliver Township .....	5.0000	5.0000	5.0000	5.5000	5.5000
Union Township .....	5.0000	5.0000	5.0000	5.0000	5.0000
<i>Mifflin County</i> .....	15.7700	15.7700	15.7700	15.7700	15.7700

Source: Pennsylvania Department of Community and Economic Development- Municipal Statistics and Mifflin County website.

**Real Property Tax**

The real property tax (excluding delinquent collections) produced \$26,022,839 in 2022-23, approximately 26.8 percent of total revenue. The tax is levied on July 1 of each year. Taxpayers who remit within 60 days receive a 2 percent discount, and those who remit subsequent to 120 days after July 1 are assessed a 10 percent penalty. Under provisions of Pennsylvania Act 1 of 2006, those taxpayers who elect to pay by installments pay at the base amount, with no discount or penalty, if paid in a timely manner.

The following tables summarize recent trends of assessed and market valuations of real property and real property tax collection data. The last countywide assessment became effective in 1999-00 school year.

**TABLE 8  
MIFFLIN COUNTY SCHOOL DISTRICT  
REAL PROPERTY ASSESSMENT DATA**

<b>Year</b>	<b>Market Value</b>	<b>Assessed Value</b>	<b>Ratio</b>
2018-19 .....	\$1,883,490,013	\$812,572,780	43.14%
2019-20 .....	1,910,078,413	823,474,560	43.11%
2020-21 .....	1,977,758,133	828,998,708	41.92%
2021-22 .....	2,092,292,318	859,674,875	41.09%
2022-23 .....	2,242,448,527	862,715,225	38.47%
Compound Average Annual Percentage Change .....	3.55%	1.20%	

Source: Pennsylvania State Tax Equalization Board (STEB) / Tax Equalization Division (TED).

**TABLE 9  
MIFFLIN COUNTY SCHOOL DISTRICT  
REAL PROPERTY ASSESSMENT DATA BY MUNICIPALITY**

	<b>2021 Market Value</b>	<b>2021 Assessed Value</b>	<b>2022 Market Value</b>	<b>2022 Assessed Value</b>
<i>Mifflin County School District</i> .....	\$2,092,292,318	\$859,674,875	\$2,242,448,527	\$862,715,225
Armagh Township .....	210,532,100	91,007,085	238,379,179	92,751,825
Bratton Township .....	63,586,379	26,088,895	68,613,190	26,156,415
Brown Township.....	237,764,148	98,985,170	250,180,583	98,776,140
Burnham Borough.....	68,358,265	30,091,280	72,496,979	29,948,930
Decatur Township.....	140,518,876	59,587,405	148,966,840	59,572,330
Derry Township .....	386,876,765	167,228,335	400,960,473	168,018,940
Granville Township .....	346,388,710	125,966,805	375,376,703	126,466,360
Juniata Terrace Borough.....	9,328,677	5,603,750	9,611,426	5,603,750
Lewistown Borough.....	203,475,172	100,781,470	218,636,621	100,493,770
McVeytown Borough.....	11,917,141	4,783,200	12,584,955	4,815,700
Menno Township .....	107,105,827	35,059,300	112,714,939	35,358,350
Oliver Township .....	116,523,125	44,808,515	130,444,913	45,232,690
Union Township .....	189,917,134	69,683,665	203,481,726	69,520,025
Mifflin County .....	2,237,351,642	916,362,555	2,398,725,221	919,550,588

Source: Pennsylvania State Tax Equalization Board (STEB) / Tax Equalization Division (TED).

**TABLE 10  
MIFFLIN COUNTY SCHOOL DISTRICT  
ASSESSMENT BY LAND USE**

	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Residential .....	\$511,667,810	\$516,460,069	\$520,588,120	\$525,775,015	\$527,756,060
Trailers.....	24,110,210	24,148,036	24,233,000	24,303,175	24,410,425
Seasonal .....	11,752,380	12,291,680	12,877,133	12,895,045	12,900,195
Lots .....	15,357,280	14,737,325	14,328,030	13,982,935	14,198,320
Industrial.....	21,074,750	21,089,750	21,220,350	40,555,750	40,543,350
Commercial.....	114,455,180	118,698,095	117,071,555	121,992,410	121,363,495
Agriculture.....	106,770,660	109,064,000	112,189,155	113,769,860	115,081,620
Land.....	7,384,510	6,985,605	6,491,365	6,400,685	6,461,760
<b>Total</b> .....	<b>\$812,572,780</b>	<b>\$823,474,560</b>	<b>\$828,998,708</b>	<b>\$859,674,875</b>	<b>\$862,715,225</b>

Source: Pennsylvania State Tax Equalization Board (STEB) / Tax Equalization Division (TED).

**TABLE 11**  
**MIFFLIN COUNTY SCHOOL DISTRICT**  
**REAL PROPERTY TAX COLLECTION DATA**

Year	Total Adjusted Flat Billing <sup>(1)</sup>	Current Year Collections	Current Year Collections as Percentage of Total Adjusted Flat Billing	Total Current Plus Delinquent Collections <sup>(2)</sup>	Collections as Percentage of Total Adjusted Flat Billing
2019-20 .....	\$27,414,803	\$24,583,117	89.67%	\$26,432,187	96.42%
2020-21 .....	27,531,695	24,847,699	90.25%	27,144,744	98.59%
2021-22 .....	27,746,637	26,415,997	95.20%	27,761,830	100.05%
2022-23 .....	27,438,899	26,022,839	94.84%	27,161,919	98.99%
2023-24 .....	27,662,004	26,270,619	94.97%	26,668,904	96.41%

<sup>(1)</sup> Flat billing plus penalties, less discounts and exonerations.

<sup>(2)</sup> Includes delinquent real estate taxes only.

Source: School District officials.

The ten largest real property taxpayers, together with 2023-24 assessed values are shown in Table 12. The aggregate assessed value of these ten taxpayers totals approximately 4.6 percent of total assessed value.

**TABLE 12**  
**MIFFLIN COUNTY SCHOOL DISTRICT**  
**TEN LARGEST REAL PROPERTY TAXPAYERS, 2023-24**

Owner	Property	2023-24 Assessed Value
First Quality Baby Products, LLC	Manufacturing	\$19,162,750
Geisinger Clinic	Medical	3,006,350
Valley View Haven	Nursing Home	2,949,550
Gumberg Associates	Retail	2,506,400
Wal-mart Real Estate Bus Trust	Retail	2,171,650
Kish Bank	Banking	2,073,150
Standard Steel, LLC	Manufacturing	2,021,200
GPH Lewistown LP #028	Nursing Home	1,839,750
Kish Renewal LLC	Multi Dwelling Unit	1,797,950
224 North Logan Associates LLC	Retail	1,725,650
<b>Total</b>		<b>\$39,254,400</b>

Source: School District officials.

### Other Taxes

Under Act 511, the School District collected \$9,222,518 in other taxes in 2022-23. Among the taxes authorized by Act 511, the Real Estate Transfer Tax, Per Capita Taxes, Local Services Tax (formerly levied as Occupational Privilege Tax), and Earned Income Tax, are levied by the School District. The Act 511 limit, equal to 12 mills on the market value of real property was \$22,601,880. Among the Act 511 taxes collected are:

*Real Estate Transfer.* A tax of one percent (subject to sharing at 50% with the municipalities) of the value of real estate transfers yielded \$672,904 in 2022-23 or less than one percent of total revenue.

*Per Capita Taxes.* A tax of \$10.00 (\$5.00 under Act 511 and \$5.00 under the School Code) on each resident over 18 years old yielded \$101,621 in 2022-23 or less than one percent of total revenue.

*Earned Income Tax.* A tax of 1.35 percent (subject to sharing with the municipalities which receive 0.50 percent) is levied by the School District on earned income of residents. This tax yielded \$8,366,795 in 2022-23 or 8.6 percent of total revenue.

*Local Services Tax.* The School District levies a tax of \$52.00 per person (except for Strodes Mills Elementary which is \$10.00 per person). In 2022-23 the collected portion of this tax yielded \$81,196, or less than one percent of the School District's total revenue.



## COMMONWEALTH AID TO SCHOOL DISTRICTS

### General

Pennsylvania school districts receive financial assistance from the Commonwealth in a number of forms, all subject to statutory provisions and annual appropriation by the Pennsylvania General Assembly.

Basic education funding is allocated to all school districts in an amount equal to: (1) a fixed sum equal to the school district's Fiscal Year 2014-15 basic educational funding; plus (2) an additional increment determined annually pursuant to statutory formula which adjusts a school district's average daily membership by a number of factors specific to the composition of the student population as well as the school district's median household income, local tax effort and capacity to generate local revenue. The additional increment as calculated above for any individual school district may be zero.

Information concerning the calculation of the School District's basic education funding can be found on the Pennsylvania Department of Education's website at <https://www.education.pa.gov>

School districts may also receive state aid for special education, pupil transportation, vocational education, and health services, among other things.

### Current Lack of State Appropriations for Debt Service Subsidies

Commonwealth law presently provides that the School District will receive, subject to state legislative appropriation, reimbursement from the Commonwealth for a portion of debt service paid on the Bonds following final approval by PDE. Commonwealth reimbursement is calculated based on the "Reimbursable Percentage" assigned to the Bonds by the PDE and the School District's permanent Capital Account Reimbursement Fraction ("CARF") (56.79%) or the wealth based Market Value Aid Ratio ("MVAR") currently (62.85%), whichever is higher. The Reimbursable Percentage is determined through a process known as the "Planning and Construction Workbook" or "PlanCon".

Based on the current PlanCon program, School District officials have estimated that the Reimbursable Percentage of the 2024 Bonds will be 9.82% (there has been no determination by the PDE). The School District's MVAR (which is higher than the CARF) is 62.85%. The product of these two factors is 6.17%, which is the estimated percentage of debt service which may be reimbursed by the Commonwealth, subject to annual appropriation. In future years, this percentage may change as the School District's MVAR changes, or as a result of future legislation regarding changes to, or even elimination of, the PlanCon program.

*The School District estimates the 2024A Bonds will not be subject to reimbursement by the Commonwealth.*

In May of 2016, the Commonwealth enacted appropriation legislation known as Act 25 ("Act 25"), which contains authorization for the Commonwealth Finance Authority ("CFA") to issue up to \$2.5 billion of debt to fund PlanCon reimbursements to school districts. Act 25 also instituted a moratorium on new projects entering the PlanCon process while an advisory committee established under Act 25 considers amendments to the PlanCon reimbursement program. This moratorium went into effect on May 15, 2016 and most recently became indefinite with the adoption of Act No. 33 of 2023 on December 13, 2023.

To date, the CFA has issued \$1,903,065,000, to provide for PlanCon reimbursements owed to school districts, including the issuance of its Revenue Bonds, Series A of 2016 (Federally Taxable) in the principal amount of \$758,185,000 issued on October 31, 2016, its Revenue Bonds, Series A of 2018 (Federally Taxable) in the total amount of \$412,520,000 issued on January 18, 2018, its Revenue Bonds (Federally Taxable), Series A of 2019 in the total amount of \$388,975,000 issued on May 9, 2019, as well as its Revenue Bonds (Federally Taxable), Series A of 2021 in the total amount of \$343,385,000 issued on June 23, 2021. It is expected that proceeds of these issues have been and will continue to be used to provide PlanCon reimbursement that is owed to the School District for past and current fiscal years. However, the School District cannot be certain that any future PlanCon reimbursement will be received by PDE as the ability for CFA to issue additional bonds in the future to fund future PlanCon reimbursements owed to school districts may impact the availability of PlanCon reimbursements payable to the School District. Any failure by the Commonwealth to adopt a timely budget and enact necessary spending authorizations could have a material adverse effect upon the School District's anticipated receipt of PlanCon reimbursements.

There can be no assurances that the School District will be able to successfully apply for, be awarded, and receive sufficient PlanCon reimbursement for the costs of any current or future projects of the School District. A failure by the School District to receive such reimbursement could force the School District to apply other available funds, if any, toward the completion costs of the Project and may have a material adverse effect on the financial resources of the School District to fund other obligations, including payment of debt service on the Bonds.

Legislation has been introduced from time to time in the Pennsylvania legislature containing language that would revise or even abolish the debt service reimbursement program for Pennsylvania school districts. As of the date hereof, and except as described above, none of these proposals have been signed into law. To the extent that any future legislation contains material changes to the PlanCon program as it is structured currently, the amount of PlanCon reimbursement to the School District may be positively or negatively affected, which could materially impact the amount of local funds needed to be raised by the School District to pay debt service on its debt obligations.

**DEBT AND DEBT LIMITS**

**Debt Statement**

Table 13 shows the debt of the School District as of April 23, 2024, including the issuance of the Bonds.

**TABLE 13  
MIFFLIN COUNTY SCHOOL DISTRICT  
DEBT STATEMENT\*  
(As of April 23, 2024)**

	<b>Gross Outstanding</b>
<b>NONELECTORAL DEBT</b>	
General Obligation Bonds, Series A of 2024 (last maturity 2033).....	\$8,125,000
General Obligation Bonds, Series of 2024 (last maturity 2030) .....	13,610,000
General Obligation Notes, Series of 2024 (last maturity 2026) .....	7,143,572
General Obligation Notes, Series of 2023 (last maturity 2035) .....	8,000,000
General Obligation Bonds, Series of 2020 (last maturity 2033) .....	11,215,000
General Obligation Bonds, Series A of 2019 (last maturity 2033).....	5,995,000
General Obligation Bonds, Series AA of 2018 (last maturity 2032).....	1,550,000
General Obligation Bonds, Series A of 2018 (last maturity 2031).....	8,395,000
General Obligation Bonds, Series A of 2016 (last maturity 2030).....	14,745,000
<b>TOTAL NONELECTORAL DEBT</b> .....	<b>\$78,778,572</b>
<b>LEASE RENTAL DEBT</b>	
<b>TOTAL LEASE RENTAL DEBT</b> .....	<b>\$0</b>
<b>TOTAL PRINCIPAL OF DIRECT DEBT</b> .....	<b>\$78,778,572</b>

\*Includes the estimated Bonds offered through this Preliminary Official Statement. Does not include the 2016 and 2019 Bonds being refunded herein.

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Table 14 presents the overlapping indebtedness and debt ratios of the School District. After issuance of the Bonds, principal of direct debt of the School District will total \$78,778,572. After adjustment for available funds and estimated Commonwealth Aid, the local effort of direct debt will total \$70,595,309.

**TABLE 14**  
**MIFFLIN COUNTY SCHOOL DISTRICT**  
**BONDED INDEBTEDNESS \***  
**(As of April 23, 2024)**

	<u>Gross Outstanding</u>	<u>Local Effort or Net of Available Funds and Estimated State Aid<sup>(1)</sup></u>
<b><u>DIRECT DEBT</u></b>		
Nonelectoral Debt.....	\$78,778,572	\$70,595,309
Lease Rental Debt.....	0	0
<b>TOTAL DIRECT DEBT</b> .....	<u>\$78,778,572</u>	<u>\$70,595,309</u>
<b><u>OVERLAPPING DEBT</u></b>		
Mifflin County County, General Obligations <sup>(2)</sup> .....	\$8,594,623	\$8,594,623
Municipal Debt.....	37,385,235	37,385,235
<b>TOTAL OVERLAPPING DEBT</b> .....	<u>\$45,979,858</u>	<u>\$45,979,858</u>
<b>TOTAL DIRECT AND OVERLAPPING DEBT</b> .....	<u>\$124,758,430</u>	<u>\$116,575,167</u>
<b><u>DEBT RATIOS</u></b>		
Per Capita .....	\$2,881.52	\$2,692.52
Percent 2022-23 Assessed Value .....	14.46%	13.51%
Percent 2022-23 Market Value .....	5.56%	5.20%

\*Includes the estimated Bonds offered through this Preliminary Official Statement. Does not include the 2016 and 2019 Bonds being refunded herein.

<sup>(1)</sup>Gives effect to current appropriations for payment of debt service and expected future State Reimbursement of School District sinking fund payments based on current Aid Ratio. See "COMMONWEALTH AID TO SCHOOL DISTRICTS", and gives effect to debt deemed self-liquidating.

<sup>(2)</sup>Pro rata 93.5 percent share of \$9,193,583 principal outstanding.

**Debt Limit and Remaining Borrowing Capacity**

The statutory borrowing limit of the School District under the Debt Act is computed as a percentage of the School District's "Borrowing Base". The "Borrowing Base" is defined as the annual arithmetic average of "Total Revenues" (as defined by the Debt Act) for the three full fiscal years ended next preceding the date of incurring debt. The School District calculates its present borrowing base and borrowing capacity as follows:

Total Revenues for 2020-21.....	\$79,510,163
Total Revenues for 2021-22.....	82,123,230
Total Revenues for 2022-23.....	<u>86,534,640</u>
<b>Total</b> .....	<u>\$248,168,033</u>
Annual Arithmetic Average (Borrowing Base).....	<u>\$82,440,726</u>

Under the Debt Act as presently in effect, no school district shall incur any nonelectoral debt or lease rental debt, if the aggregate net principal amount of such new debt together with any other net nonelectoral debt and lease rental debt then outstanding, would cause the net nonelectoral debt plus net lease rental debt to exceed 225% of the Borrowing Base. The application of the aforesaid percentage to the School District's Borrowing Base produces the following product:

	<u>Legal Limit</u>	<u>Net Debt Outstanding*</u>	<u>Remaining Borrowing Capacity</u>
Net Nonelectoral Debt and Lease Rental Debt Limit: 225% of Borrowing Base.....	\$185,491,633	\$78,778,572	\$106,713,061

\*Includes the estimated Bonds offered through this Preliminary Official Statement. Does not reflect credits against gross indebtedness that may be claimed for a portion of principal of debt estimated to be reimbursed by Commonwealth Aid.

**Debt Service Requirements**

Table 15 presents the debt service requirements on the School District’s outstanding general obligation including debt service on the Bonds.

Table 16 presents data on the extent to which Commonwealth Aid provides coverage for debt service on general obligation debt and lease rental requirements.

The School District has never defaulted on the payment of debt service.

**TABLE 15  
MIFFLIN COUNTY SCHOOL DISTRICT  
DEBT SERVICE REQUIREMENTS\***

<u>Year</u>	<u>Other General Obligation Debt</u>	<u>Series of 2024</u>			<u>Series A of 2024</u>			<u>Total Requirements</u>
		<u>Principal</u>	<u>Interest</u>	<u>Subtotal</u>	<u>Principal</u>	<u>Interest</u>	<u>Subtotal</u>	
2023-24	\$8,392,922							
2024-25	9,000,230							
2025-26	9,025,171							
2026-27	16,013,338							
2027-28	8,718,500							
2028-29	8,736,249							
2029-30	8,558,882							
2030-31	8,203,251							
2031-32	8,013,876							
2032-33	8,018,825							
2033-34	4,376,924							
2034-35	4,023,855							
2035-36	4,023,250							
<b>Total</b>	<b>\$105,105,273</b>							

\*Totals may not add due to rounding.

**TABLE 16  
MIFFLIN COUNTY SCHOOL DISTRICT  
COVERAGE OF DEBT SERVICE AND LEASE RENTAL  
REQUIREMENTS BY STATE AID\***

2022-23 Commonwealth Aid Received .....	\$45,832,320
2022-23 Debt Service Requirements .....	\$8,677,074
Maximum Future Debt Service Requirements after Issuance of Bonds.....	
Coverage of 2022-23 Debt Service Requirements .....	5.28 times
Coverage of Maximum Future Debt Service Requirements after Issuance of Bonds .....	times

\*Assumes current Commonwealth Aid Ratio. See “COMMONWEALTH AID TO SCHOOL DISTRICTS”.

**Future Financing**

The School District does not anticipate issuing long term debt for capital project needs in the next 2-3 years however the School District will consider potential refunding opportunities as they arise.

## LABOR RELATIONS

### School District Employees

There are presently 684 employees of the Mifflin County School District, 450 employees are teachers and administrators, 234 are support personnel (secretaries, maintenance staff, cafeteria staff and teacher aides).

The School District's teachers are represented by the Association of Mifflin County Educators, an affiliate of the Pennsylvania State Education Association, under a contract with the School District which expires June 30, 2024. Clerical personnel are represented by the Mifflin County Education Support Professionals Association/ESPA/PSEA/NEA under a contract which expires June 30, 2027. Cafeteria, maintenance and custodial personnel are represented by the Mifflin County Support Association/ESPA/PSEA/NEA, under a contract which expires June 30, 2026.

### Pension Program

Currently, all Pennsylvania school districts and intermediate units participate in a pension program administered by the Commonwealth. The program is formally known as the Public School Employees' Retirement System ("PSERS"), and a percentage of each eligible employee's salary is contributed by the employee, the School District and the Commonwealth. All full-time employees, part-time employees salaried over eighty days per year and hourly employees with over five hundred hours per year participate in the program.

Contributions are required by active members, School Districts, and the Commonwealth of Pennsylvania as established by the Public School Employees' Retirement Code. Members who enrolled prior to January 1, 2002 range from 5.28% to 7.5% of compensation, depending upon the date of commencement of employment and elections made by each employee member. Members who enrolled in the pension plan on or after January 1, 2002 and before July 1, 2011 is 7.5% of compensation. The contribution rate for PSERS members who enrolled on or after July 1, 2011 is 7.5% or 10.3%, depending upon elections made by each employee member. The PSERS Board of Trustees certified an annual employer contribution rate of 33.9% for the fiscal year 2024-25.

The Commonwealth will reimburse the School District at the rate of 50% of its total contributions with respect to all employees who were hired prior to July 1, 1994. With respect to employees hired after July 1, 1994, and who were not previously employed by another public school system in the Commonwealth, the School District will be reimbursed by the Commonwealth at the rate of the higher of 50% of contributions made by the School District or the current Market Value/Personal Income Aid Ratio. The School District is reimbursed on a quarterly basis.

Under Act 5 of 2017 ("Act 5") PSERS will transition from a traditional defined benefit system and begin to offer defined contribution plans as well. Beginning July 1, 2019, in addition to other transaction rules and options based on members' classifications, certain classes of active members may choose to switch from the current defined benefit plan to one of three new retirement benefit plan options which will be available. Additionally, all active members newly hired on or after July 1, 2019 will be required to select one of those three new retirement benefit plan options and will not be eligible to participate in the current defined benefit plan. The three new plans consist of two hybrid plans, with defined benefit and defined contribution components, along with a stand-alone defined contribution plan.

In addition to its comprehensive change in available plans for active members, Act 5 also made certain changes to the PSERS Board of Trustees and administrative protocols and created the Public Pension Management and Asset Investment Review Commission to study and make recommendations to the General Assembly and the Governor regarding investment performance and strategies.

According to the Independent Fiscal Office, Act 5 is not expected to reduce school district and state contributions to PSERS over the first fifteen years. However, beginning in fiscal 2034-35 through fiscal 2049-50, employer contribution rates are expected to begin to decline due to the lower long-term employer costs of the new benefit plans and will be lower, in the aggregate, over the study period.

Annual School District contributions have been as follows:

2019-20	\$9,891,488
2020-21	10,011,003
2021-21	10,738,451
2022-23	11,245,034
2023-24 (budgeted)	11,322,717

At June 30, 2023, the School District reported a liability of \$83,672,893 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by rolling forward the PSERS total pension liability as of June 30, 2021, to June 30, 2022. The School District's proportion of the net pension liability was calculated utilizing its one-year reported covered payroll as it relates to the total one-year reported covered payroll of all school districts. At June 30, 2023, the School District's proportion was 0.2141% which was an increase of 0.0059% from its proportion measured as of June 30, 2022.

As of June 30, 2023, the PSERS plan was 61.60% funded, with an unfunded actuarial accrued liability of approximately \$44.0 billion. PSERS' rate of return for fiscal year ended June 30, 2023 was 3.54%. The Fund had plan net assets of \$72.8 billion at June 30, 2023. For more information, visit the PSERS website at [www.psers.pa.gov](http://www.psers.pa.gov), which is not incorporated by specific reference into this Preliminary Official Statement.

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Source: School District Administrative Officials and PSERS.

### **Other Post-Employment Benefits**

The School District is obligated under collective bargaining agreements to provide in the future health insurance coverage for current and future retired employees, and to provide retirement severance pay for existing employees. The School District became subject to the requirements of GASB Statements No. 43 and 45 commencing with the School District's annual financial statements for the fiscal year ending June 30, 2009. For a full description of the plan, please refer to Appendix "C" - Audit Report - Fiscal year Ended June 30, 2023.

## **LITIGATION**

At the time of settlement, the School Board and the Solicitor will deliver a certificate stating that there is no litigation pending with respect to the Bonds, the Resolution or the right of the School District to issue the Bonds.

## **DEFAULTS AND REMEDIES**

In the event of failure of the School District to pay or cause to be paid the interest on or principal of the Bonds, as the same becomes due and payable, the holders of the Bonds shall be entitled to certain remedies provided by the Act. Among the remedies, if the failure to pay shall continue for 30 days, holders of the Bonds shall have the right to recover the amount due by bringing an action in assumpsit in the Court of Common Pleas of the county in which the School District is located. The Act provides any judgment shall have an appropriate priority upon the funds next coming into the treasury of the School District. The Act also provides that upon a default of at least 30 days, holders of at least 25 percent of the Bonds may appoint a trustee to represent them. The Act provides certain other remedies in the event of default, and further qualifies the remedies hereinbefore described.

## **TAX MATTERS**

### **Federal**

#### ***Exclusion of Interest from Gross Income***

In the opinion of Bond Counsel, under existing statutes, regulations, rulings and court decisions, interest on the Bonds, including interest in the form of original issue discount, will not be includible in gross income of the holders thereof for federal income tax purposes assuming continuing compliance by the School District with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"). Interest on the Bonds will not be a specific preference item for purposes of computing the federal alternative minimum tax on individuals.

In rendering its opinion, Bond Counsel has assumed compliance by the School District with its covenants contained in the Resolution and its representations in the Tax Compliance Certificate executed by the School District on the date of issuance of the Bonds relating to actions to be taken by the School District after issuance of the Bonds necessary to effect or maintain the exclusion from gross income of the interest on the Bonds for federal income tax purposes. These covenants and representations relate to, inter alia, the use and investment of proceeds of the Bonds, and the rebate to the United States Department of Treasury of specified arbitrage earnings, if any. Failure to comply with such covenants could result in interest on the Bonds becoming includible in gross income for federal income tax purposes from the date of issuance of the Bonds.

#### ***Other Federal Tax Matters***

Ownership or disposition of the Bonds may result in other federal tax consequences to certain taxpayers, including, without limitation, certain S corporations, foreign corporations with branches in the United States, property and casualty insurance companies, taxpayers who have an initial basis in the Bonds greater or less than the principal amount thereof, individual recipients of Social Security or Railroad Retirement benefits, and taxpayers, including banks, thrift institutions and other financial institutions subject to Section 265 of the Code, who may be deemed to have incurred or continued indebtedness to purchase or to carry the Bonds. In addition, ownership or disposition of the Bonds may result in other federal tax consequences to "applicable corporations" (within the meaning of Section 59(k) of the Code enacted as part of the Inflation Reduction Act of 2022) for tax years beginning after December 31, 2022, in that interest on the Bonds may be included in the calculation of the alternative minimum tax imposed on applicable corporations under Section 55(b) of the Code.

**Bond Counsel is not rendering any opinion regarding any federal tax matters other than as described under the caption "Exclusion of Interest From Gross Income" above and expressly stated in the form of the opinion of Bond Counsel included as APPENDIX B. Prospective purchasers of the Bonds should consult their independent tax advisors with regard to all federal tax matters.**

## Pennsylvania

In the opinion of Bond Counsel, under the laws of the Commonwealth as enacted and construed on the date hereof, interest on the Bonds is exempt from Pennsylvania personal income tax and Pennsylvania corporate net income tax; however, under the laws of the Commonwealth, as enacted and construed on the date hereof, any profits, gains or income derived from the sale, exchange or other disposition of the Bonds will be subject to Pennsylvania taxes and local taxes within the Commonwealth.

**Bond Counsel is not rendering any opinion as to any Commonwealth of Pennsylvania tax matters other than those described under the caption “Pennsylvania” above and expressly stated in the form of the opinion of Bond Counsel included as APPENDIX B hereto.**

**Prospective purchasers of the Bonds should consult their independent tax advisors with regard to all Commonwealth of Pennsylvania tax matters.**

### *Other*

The Bonds and the interest thereon may be subject to state and local taxes in jurisdictions other than the Commonwealth under applicable state or local tax laws.

**Purchasers of the Bonds should consult their independent tax advisors with regard to all state and local tax matters that may affect them.**

## BONDHOLDER CONSIDERATIONS

*The Bonds, like all investment securities, carry a risk of loss of the investment, in whole or in part. This Official Statement does not purport to describe all of the risks of an investment in the Bonds; both the School District and the Underwriter disclaim any responsibility to advise prospective investors of such risks either as they may exist at the date of dissemination of this Official Statement or as they may appear or change from time to time in the future. Prospective purchasers of the Bonds should consult their own legal and tax advisors as to the risks associated with an investment in the Bonds, their ability to bear a loss from an investment in the Bonds and the suitability of investing in the Bonds, in light of their particular, individual circumstances. Prospective purchasers should carefully consider the matters described below, as well as all the information contained within this entire official Statement inclusive of its Appendices.*

### **Bond Insurance Risk Factors**

In the event of default of the payment of principal or interest with respect to the Bonds when all or some becomes due, any owner of the Bonds shall have a claim under the applicable Bond Insurance Policy (the “Policy”) for such payments. However, in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments are to be made in such amounts and at such times as such payments would have been due had there not been any such acceleration. The Policy does not insure against redemption premium, if any. The payment of principal and interest in connection with mandatory or optional prepayment of the Bonds by the School District which is recovered by the School District from the bond owner as a voidable preference under applicable bankruptcy law is covered by the insurance policy, however, such payments will be made by the Insurer at such time and in such amounts as would have been due absence such prepayment by the School District unless the Bond Insurer chooses to pay such amounts at an earlier date.

Under most circumstances, default of payment of principal and interest does not obligate acceleration of the obligations of the Bond Insurer without appropriate consent. The Bond Insurer may direct and must consent to any remedies that the Paying Agent exercises and the Bond Insurer’s consent may be required in connection with amendments to the applicable agreements.

In the event the Bond Insurer is unable to make payment of principal and interest as such payments become due under the Policy, the Bonds are payable solely from the moneys received by the Paying Agent pursuant to the applicable agreements. In the event the Bond Insurer becomes obligated to make payments with respect to the Bonds, no assurance is given that such event will not adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds.

The long-term ratings on the Bonds are dependent in part on the financial strength of the Bond Insurer and its claim paying ability. The Bond Insurer’s financial strength and claims paying ability are predicated upon a number of factors which could change over time. No assurance is given that the long-term ratings of the Bond Insurer and of the ratings on the Bonds insured by the Bond Insurer will not be subject to downgrade and such event could adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds. See description under “**Ratings**” above.

The obligations of the Bond Insurer are general obligations of the Bond Insurer and in an event of default by the Bond Insurer, the remedies available to the Paying Agent may be limited by applicable bankruptcy law or other similar laws related to insolvency.

Neither the School District or Underwriter has made independent investigation into the claims paying ability of the Bond Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Bond Insurer is given.

## **Cybersecurity**

The School District, like other public and private entities, relies on computer and other digital networks and systems to conduct its operations. As a recipient and provider of personal, private or other electronic sensitive information, the School District may be the subject of cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized remote access to the School District's systems for the purposes of misappropriating assets or information or causing operational disruption or damage, or demanding ransom for restored access to files or information. The School District has never had a material cyber breach or a cyber breach that resulted in a financial loss. No assurance can be given that the School District's current efforts to manage cyber threats and security will, in all cases, be successful. The School District cannot predict what future cyber security events may occur and what impact said events could have on its operations or finances. In addition to the various processes in place to safeguard against cyber security attacks, the School District also maintains a comprehensive insurance policy which includes privacy liability, cyber incident response, data breach, network security, internet media and network extortion coverages.

The School District relies on other entities and service providers in the course of operating the School District, including its accountants, attorneys, the trustee, and banks, as well as vendors with respect to outsourced critical digital network operations and functions. No assurance can be given that future cyber threats and attacks against other third party entities or service providers will not impact the School District, including the possibility of impacting the timely payments of debt service on the Bonds or timely filings pursuant to the Continuing Disclosure Certificate.

## **Climate Change**

Numerous scientific studies have detailed changing global weather patterns and the potential for increasing extreme weather events across the world. The School District cannot predict the timing, extent, or severity of climate change and its impact on its operations and finances. The School District has not experienced increases in extreme weather events, but has established reserves to address severe weather disasters and maintains a comprehensive insurance policy.

## **Coronavirus Pandemic**

Certain external events beyond the control of the School District, such as pandemics, could potentially disrupt the School District's ability to conduct its operations. Since early 2020, the School District, along with the rest of the world, has been dealing with the effects of COVID-19 pandemic. The COVID-19 pandemic and the governmental response has had a profound impact on the operations of educational institutions at all levels, including the School District. As the result of the COVID-19 pandemic, the School District has been allocated federal grant funding assistance totaling approximately \$29,200,000, all of which has been expended or earmarked for use by September 30, 2024 or December 31, 2024. The School District has addressed and continues to address challenges due to COVID-19. For information on the School District's response to the COVID-19 pandemic and the impact of the COVID-19 pandemic on the School District, please see the School District's audited financial statements for the fiscal year ended June 30, 2023, set forth in Appendix "C" to this Preliminary Official Statement. The future severity of the economic challenges and duration of this and other public health crisis cannot be fully known at this time.



## Risk of Audit by Internal Revenue Service

The Internal Revenue Service has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Internal Revenue Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. No assurances can be given as to whether or not the Internal Revenue Service will commence an audit of the Bonds. If an audit is commenced, under current procedures the Internal Revenue Service is likely to treat the School District as the taxpayer and Bond purchasers may have no right to participate in such procedure. None of the School District, the Underwriter or Bond Counsel is obligated to defend the tax-exempt status of the Bonds on behalf of the Bond purchasers, nor to pay or reimburse the cost of any Bond purchaser with respect to any audit or litigation relating to the Bonds. See “TAX MATTERS” herein.

## CONTINUING DISCLOSURE UNDERTAKING

In accordance with the requirement of Rule 15-c2-12 (the “Rule”) of the United States Securities and Exchange Commission (the “SEC”), the School District (being an “obligated person” with respect to the Bonds, within the meaning of the Rule), will agree to provide certain financial information and operating data to the Municipal Securities Rulemaking Board (the “MSRB”) in an electronic format as prescribed by the MSRB, either directly, or indirectly through a designated agent, as set forth in its Continuing Disclosure Certificate substantially in the form attached hereto as Appendix D.

With respect to the filing of annual financial information and operating data, the School District reserves the right to modify from time to time the specific types of information and data provided or the format of the presentation of such information to the extent necessary or appropriate as a result of a change in legal requirements or a change in the nature of the School District or its operations or financial reporting, but the School District will agree that any such modification will be done in a manner consistent with the Rule.

The School District is required to give notice of certain events as set forth in the Continuing Disclosure Certificate (not all of which will be relevant to the School District). The School District may from time to time choose to file notice of other events in addition to those specified in the Continuing Disclosure Certificate.

The School District acknowledges that its undertaking pursuant to the Rule described herein and in the Continuing Disclosure Certificate is intended to be for the benefit of the holders and beneficial owners of the Bonds and shall be enforceable by the holder and beneficial owner of the Bonds, but the right of the holders and beneficial owners of the Bonds to enforce the provisions of the School District’s continuing disclosure undertaking shall be limited to a right to obtain specific enforcement, and any failure by the School District to comply with the provisions of the undertaking shall not be an event of default with respect to the Bonds.

The School District’s obligations with respect to continuing disclosure described herein shall terminate upon the prior defeasance, redemption or payment in full of all of the Bonds or if and when the School District is no longer an “obligated person” with respect to the Bonds, within the meaning of the Rule.

The MSRB has been designated by the SEC to be the central and sole repository for continuing disclosure information filed by issuers of municipal securities since July 1, 2009. Information and notices filed by municipal issuers (and other defined “obligated persons”) with respect to municipal securities issues are made available through the MSRB’s Electronic Municipal Market Access (EMMA) System, which may be accessed on the internet at <http://www.emma.msrb.org>.

The School District has previously entered into Continuing Disclosure Agreements with respect to each one of its previously issued bond issues that are currently outstanding. The School District’s filing history of its annual financial and operating information during the past five (5) years is outlined in the following table.

<b>Fiscal Year</b>	<b>Filing</b>	<b>Filing Dates:</b>		
<b>Ending</b>	<b>Due Date</b>	<b>Audit</b>	<b>Operating Data</b>	<b>Budget</b>
6/30/2023	2/25/2024	2/08/2024	2/08/2024	2/08/2024
6/30/2022	2/25/2023	12/16/2022	12/16/2022	12/16/2022
6/30/2021	2/25/2022	12/30/2021	12/30/2021	12/30/2021
6/30/2020	2/25/2021	12/21/2020	12/21/2020	12/21/2020
6/30/2019	12/27/2019	12/17/2019	12/17/2019	12/17/2019

The School District has reasonable procedures in place designed to ensure ongoing timely filings of its material continuing disclosure requirements.

## RATINGS

S&P Global Ratings is expected to assign its underlying municipal Bond rating of “A” (Stable Outlook) to this issue of Bonds. S&P Global Ratings is expected to assign its municipal Bond rating of “\_\_” to this issue of Bonds with the understanding that upon delivery of the Bonds, a policy insuring the payment when due of principal of and interest on the Bonds will be issued by \_\_\_\_. Such rating reflects only the view of such organization and any desired explanation of the significance of such rating should be obtained from the rating agency furnishing the same, at the

following address: 55 Water Street, 38<sup>th</sup> Floor, New York, New York 10041. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that any such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by the rating agency, if circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

The rating is not a recommendation to buy, sell or hold the Bonds, and such rating may be subject to revision or withdrawal at any time by the rating agency.

**UNDERWRITING**

Raymond James & Associates, Inc., Lancaster, Pennsylvania (the “Underwriter”) subject to certain conditions, has purchased the Bonds from the School District at a purchase price of \$ \_\_\_\_\_ (representing the par amount of the Bonds of \$ \_\_\_\_\_, [plus/less] an original issue [premium/discount] of \$ \_\_\_\_\_ less an underwriting discount of \$ \_\_\_\_\_). The Underwriter's obligations are subject to certain conditions precedent; however, the Underwriter will be obligated to purchase all such Bonds on the Delivery Date if any such Bonds are purchased. The Bonds may be offered and sold to certain dealers (including dealers depositing such bonds into investment trusts) at prices lower than such public offering prices, and such public offering prices may be changed, from time to time, by the Underwriter.

The Underwriter and its respective affiliates are full-service financial institutions engaged in various activities that may include securities trading, commercial and investment banking, municipal advisory, brokerage, and asset management. In the ordinary course of business, the Underwriter and its respective affiliates may actively trade debt and, if applicable, equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps). The Underwriter and its respective affiliates may engage in transactions for their own accounts involving the securities and instruments made the subject of this securities offering or other offering of the School District. The Underwriter and its respective affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of this securities offering or other offerings of the School District. The Underwriter and its respective affiliates may make a market in credit default swaps with respect to municipal securities in the future.

**LEGAL OPINION**

The Bonds are offered with the approving legal opinion of Eckert Seamans Cherin & Mellott, LLC, of Harrisburg, Pennsylvania, Bond Counsel. Certain legal matters will be passed upon for the School District by Knepp & Snook, School District Solicitor of Lewistown, Pennsylvania and McNees Wallace & Nurick LLC, Lancaster, Pennsylvania, will pass upon certain legal matters for the Underwriter.

**FINANCIAL ADVISOR**

The School District has retained PFM Financial Advisors LLC, Harrisburg, Pennsylvania, as financial advisor (the “Financial Advisor”) in connection with the preparation, authorization and issuance of the Bonds. The Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Preliminary Official Statement. PFM Financial Advisors LLC is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

**MISCELLANEOUS**

This Preliminary Official Statement has been prepared under the direction of the School District by PFM Financial Advisors LLC, Harrisburg, Pennsylvania, in its capacity as Financial Advisor to the School District. The information set forth in this Preliminary Official Statement has been obtained from the School District and from other sources believed to be reliable. Insofar as any statement herein includes matters of opinion or estimates about future conditions, it is not intended as representation of fact, and there is no guarantee that it is, or will be, realized. Summaries or descriptions of provisions of the Bonds, the Resolution, and all references to other materials not purporting to be quoted in full are only brief outlines of some of the provisions thereof. Reference is hereby made to the complete documents, copies of which will be furnished by the School District or the Financial Advisor upon request. The information assembled in this Preliminary Official Statement is not to be construed as a contract with holders of the Bonds.

Use of the words “shall,” “will,” or “must”, or words of similar import or meaning in summaries of documents or law in this Preliminary Official Statement to describe future events or continuing obligations is not intended as a representation that such event will occur or such obligations will be fulfilled, but only that the document or law contemplates or requires such event to occur or such obligations to be fulfilled.

The School District has authorized the distribution of this Preliminary Official Statement.

MIFFLIN COUNTY SCHOOL DISTRICT  
Mifflin County, Pennsylvania

By: \_\_\_\_\_  
President, Board of School Directors

**APPENDIX A**  
**Demographic and Economic Information**  
**Relating to the Mifflin County School District**

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**Introduction**

The School District is in south central Pennsylvania, approximately 60 miles northwest of Harrisburg, the State Capital.

**Population**

Table A-1 which follows shows population trends for the School District, Mifflin County and the Commonwealth of Pennsylvania. Table A-2 shows 2020 estimated age composition and average number of persons per household in Mifflin County and for the State.

**TABLE A-1  
POPULATION TRENDS**

<u>Area</u>	<u>2010</u>	<u>2020</u>	<u>Compound Average Annual Percentage Change 2010-2020</u>
School District .....	43,607	43,296	-0.14%
Mifflin County .....	46,682	46,143	-0.23%
Pennsylvania .....	12,702,379	12,779,559	0.12%

Source: U.S. Bureau of the Census and U.S. Census Bureau, 2010-2020 American Community Survey 5-Year Estimates

**TABLE A-2  
AGE COMPOSITION**

	<u>0-19 Years</u>	<u>20-64 Years</u>	<u>65+ Years</u>	<u>Persons Per Household</u>
Mifflin County.....	23.5%	54.2%	21.5%	2.50
Pennsylvania.....	20.9%	60.9%	18.2%	2.51

Source: U.S. Census Bureau, 2020 American Community Survey 5-Year Estimates

**Employment**

Overall employment data is not compiled for the School District or municipalities within it, but such data is compiled for the Lewistown Micropolitan Statistical Area (the “MSA”), (an area which includes the School District). Table A-3 shows nonfarm jobs for the MSA.

**TABLE A-3  
February 2024  
NONFARM JOBS\*  
(Lewistown Micropolitan Statistical Area)**

<i>ESTABLISHMENT DATA</i>	<u>Industry Employment</u>				<u>Net Change From:</u>	
	<u>Feb 2024</u>	<u>Jan 2024</u>	<u>Dec 2023</u>	<u>Feb 2023</u>	<u>Jan 2024</u>	<u>Feb 2023</u>
<b>Total Nonfarm</b>	<b>16,800</b>	<b>16,800</b>	<b>16,900</b>	<b>16,700</b>	<b>0</b>	<b>100</b>
<b>Total Private</b>	<b>15,100</b>	<b>15,100</b>	<b>15,200</b>	<b>14,900</b>	<b>0</b>	<b>200</b>
<b>Goods Producing</b>	<b>4,700</b>	<b>4,800</b>	<b>4,800</b>	<b>4,700</b>	<b>-100</b>	<b>0</b>
Manufacturing	3,800	3,900	3,900	3,900	-100	-100
<b>SERVICE-PROVIDING</b>	<b>12,100</b>	<b>12,000</b>	<b>12,100</b>	<b>12,000</b>	<b>100</b>	<b>100</b>
Trade, Transportation, and Utilities	3,500	3,500	3,500	3,500	0	0
Trade	2,800	2,800	2,800	2,800	0	0
Educational and Health Services	3,900	3,900	3,900	3,700	0	200
Leisure and Hospitality	1,200	1,200	1,200	1,200	0	0
Government	1,700	1,700	1,700	1,800	0	-100
Local Government	1,500	1,500	1,500	1,500	0	0

Data benchmarked to March 2023

\*\*\*Data changes of 100 may be due to rounding\*\*\*

Source: Pennsylvania Department of Labor and Industry.

Major employers within Mifflin County include:

<u>Name</u>
Geisinger-Lewistown Hospital
Mifflin County School District
Standard Steel LLC
Phillips Ultrasound Inc.
Trinity Plastics Inc
Geisinger Clinic
Wal-Mart Associates Inc
First Quality Retail Services
Overhead Door Corp
Valley View Haven

Source: Center for Workforce Information & Analysis- 3<sup>rd</sup> Quarter 2023.

Table A-4 shows recent trends in labor force, employment and unemployment for Mifflin County and the Commonwealth. The unemployment rate for Mifflin County has been higher than the statewide average.

**TABLE A-4  
RECENT TRENDS IN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT**

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023<sup>(1)</sup></u>	<u>Compound Average Annual % Rate</u>
<b><u>Mifflin County</u></b>						
Civilian Labor Force (000) .....	21.1	21.0	21.0	20.7	20.8	-0.29%
Employment (000) .....	20.1	19.2	19.8	19.8	20.3	0.20%
Unemployment (000) .....	0.9	1.8	1.2	0.9	0.6	-7.79%
Unemployment Rate .....	4.4%	8.5%	5.8%	4.5%	2.8%	
<b><u>Pennsylvania</u></b>						
Civilian Labor Force (000) .....	6,492.0	6,483.0	6,406.0	6,479.0	6,550.0	0.34%
Employment (000) .....	6,208.0	5,894.0	5,999.0	6,196.0	6,357.0	0.56%
Unemployment (000) .....	284.0	589.0	407.0	283.0	193.0	-5.23%
Unemployment Rate .....	4.40%	9.10%	6.30%	4.40%	2.90%	

<sup>(1)</sup> As of November 2023.

Source: Pennsylvania Department of Labor and Industry website.

### Income

The data on Table A-5 show trends in per capita income for the School District, the County and Pennsylvania over the 2010-2020 estimated period.

**TABLE A-5  
TRENDS IN PER CAPITA INCOME\***

	<u>2010</u>	<u>2020</u>	<u>Compound Average Annual Percentage Change 2010-2020</u>
School District.....	\$19,138	\$26,464	6.70%
Mifflin County.....	19,085	26,432	6.73%
Pennsylvania.....	26,678	29,291	1.89%

\*Income is defined by the Bureau of the Census as the sum of wage and salary income, non-farm self-employment income, net self-employment income, Social Security and Railroad retirement income, public assistance income, interest, dividends, pensions, etc. before deductions for personal income taxes, Social Security, etc. School District income is the population-weighted average for political subdivisions.

Source: U.S. Bureau of the Census and U.S. Census Bureau, 2010-2020 American Community Survey 5-Year Estimates

## Commercial Activity

Table A-6 shows recent trends for retail sales in Mifflin County and the State.

**TABLE A-6**  
**TOTAL RETAIL SALES**  
**(000)**

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Mifflin County .....	\$637,393	\$715,804	\$732,282	\$697,850	758,801
Pennsylvania .....	188,389,810	244,709,540	251,185,116	274,685,600	297,770,327

Source: Nielsen Company

## Educational Institutions

While there are no major colleges or universities in the School District, the following schools are approximately one hour away or less from the School District, Penn State University, Bucknell University, Susquehanna University and Juniata College.

## Housing

According to 2020 American Community Survey figures, there are 17,547 housing units in Mifflin County, as opposed to 21,537 in 2010.

## Medical Facilities

The School District is served by two medical facilities, Geisinger-Lewistown Hospital in Lewistown, Pennsylvania, and Geisinger Medical Clinic in Lewistown, Pennsylvania.

## Utilities

Electrical service is provided to the School District by Pennsylvania Electric Company., a subsidiary of First Energy Corp. Telephone service is provided by both Verizon and United Telephone Co. Natural gas service is provided by UGI, Central Penn Gas, Inc.

## Transportation

Mifflin County is served by U.S. Route 322 and U.S. Route 522. Train service is provided by AMTRAK. Mifflin County Airport provides for general aviation.

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**APPENDIX B**  
**Form of Bond Counsel Opinion**

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\_\_\_\_\_, 2024

Re: \$ \_\_\_\_\_ Aggregate Principal Amount  
Mifflin County School District  
Mifflin County, Pennsylvania  
General Obligation Bonds, Series of 2024  
General Obligation Bonds, Series A of 2024

To The Purchasers of the Within-Described Bonds:

We have served as bond counsel to Mifflin County School District, Mifflin County, Pennsylvania (the “School District”), in connection with the issuance by the School District of its \$ \_\_\_\_\_ aggregate principal amount General Obligation Bonds, Series of 2024 (the “2024 Bonds”) and its \$ \_\_\_\_\_ aggregate principal amount General Obligation Bonds, Series A of 2024 (the “2024A Bonds,” and together with the 2024 Bonds, collectively, the “Bonds”), under the provisions of the Pennsylvania Local Government Unit Debt Act, 53 Pa. C.S. Chs. 80-82 (the “Act”), and a resolution (the “Resolution”) adopted on April 25, 2024, by the Board of School Directors of the School District (the “Board”).

The 2024 Bonds are being issued to refund all or a portion of the School District’s outstanding General Obligation Bonds, Series of 2016 and to pay the costs of issuing and insuring the Bonds.

The 2024A Bonds are being issued to refund all or a portion of the School District’s outstanding General Obligation Bonds, Series of 2019 and to pay the costs of issuing and insuring the Bonds.

As Bond Counsel for the School District, we have examined: (a) the relevant provisions of the Constitution of the Commonwealth of Pennsylvania (the “Commonwealth”); (b) the Act; (c) the relevant provisions of the Public School Code of 1949, as amended; (d) the Resolution and the Debt Statement of the School District filed with the Pennsylvania Department of Community and Economic Development (the “Department”); (e) the proceedings of the Board with respect to the authorization, issuance and sale of the Bonds; (f) a Certificate of Approval issued by the Department in respect of the proceedings authorizing the issuance of the Bonds; and (g) certain statements, certifications, affidavits and other documents and matters of law which we have considered relevant, including, without limitation, a certificate dated the date hereof (the “Tax

Compliance Certificate”) of officials of the School District having responsibility for issuing the Bonds, given pursuant to the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder (the “Code”), an opinion of the Solicitor to the School District as to various matters, and the other documents, certifications and instruments listed in a closing index filed with the Paying Agent (hereinafter defined) on the date of original delivery of the Bonds. We also have examined a fully executed and authenticated Bond, or a true copy thereof, and assume all other Bonds are in such form and are similarly executed and authenticated.

In rendering the opinion set forth below, we have relied upon the genuineness, accuracy and completeness of all documents, records, certifications and other instruments we have examined, including, without limitation, the authenticity of all signatures appearing thereon. We also have relied, in the opinion set forth below, upon the opinion of the Solicitor of the School District as to all matters of fact and law set forth therein.

Except with respect to paragraph 6 below, our opinion is given only with respect to the internal laws of the Commonwealth as enacted and construed on the date hereof.

Based on the foregoing, we are of the opinion that:

1. The School District is authorized under the provisions of the Constitution and the laws of the Commonwealth to issue the Bonds for the purposes therein set forth; the School District has properly authorized the issuance thereof; and the Department has duly approved such issuance.

2. The School District has established one or more sinking funds for the Bonds (collectively, the “Sinking Fund”) with Manufacturers and Traders Trust Company, as paying agent, registrar and sinking fund depository (the “Paying Agent”), and has covenanted in the Resolution to deposit in the Sinking Fund amounts sufficient to pay the principal of and interest on the Bonds as the same becomes due and payable and to apply the amounts so deposited to the payment of such principal and interest.

3. The School District has effectively covenanted: (i) to include the amount of debt service on the Bonds in each fiscal year of the School District in which such sums are due and payable in its budget for that fiscal year; (ii) to appropriate such amounts from its general revenues for the payment of such debt service; and (iii) to duly and punctually pay, or cause to be paid, from the Sinking Fund or any other of its general revenues or funds, the principal or redemption price of and interest on the Bonds on the dates and in the places and in the manner stated in the Bonds according to the true intent and meaning thereof. For such budgeting, appropriation and payment the School District has pledged, with respect to the Bonds, its full faith, credit and taxing power, within the limits established by law.

4. The Bonds have been duly authorized, executed, authenticated, issued and delivered, and are the legal, valid and binding general obligations of the School District, payable from the general revenues of the School District from whatever source derived, within the limits established by law, and are enforceable in accordance with the terms thereof, except to the extent that enforcement thereof may be affected by bankruptcy, insolvency, reorganization, moratorium or other similar laws or legal or equitable principles affecting the enforcement of creditors' rights.

5. Under the laws of the Commonwealth as enacted and construed on the date hereof, interest on the Bonds is exempt from Pennsylvania personal income tax and Pennsylvania corporate net income tax; however, under the laws of the Commonwealth as enacted and construed on the date hereof, any profits, gains or income derived from the sale, exchange or other disposition of the Bonds will be subject to Commonwealth taxes and local taxes within the Commonwealth.

6. Under existing statutes, regulations, rulings and court decisions, interest on the Bonds, including interest in the form of original issue discount, will not be includible in gross income of the holders thereof for federal income tax purposes, assuming continuing compliance by the School District with the requirements of the Code. Interest on the Bonds will not be a specific preference item for purposes of computing the federal alternative minimum tax on individuals.

In rendering this opinion, we have assumed compliance by the School District with the covenants contained in the Resolution and the representations in the Tax Compliance Certificate relating to actions to be taken by the School District after the issuance of the Bonds necessary to effect or maintain the exclusion from gross income of the interest on the Bonds for federal income tax purposes. These covenants and representations relate to, among other things, the use and investment of proceeds of the Bonds, and the rebate to the United States Department of Treasury of specified arbitrage earnings, if any. Failure to comply with such covenants could result in the interest on the Bonds becoming includible in gross income for federal income tax purposes from the date of issuance of the Bonds.

We express no opinion as to any matter not set forth in the numbered paragraphs herein. This opinion is given as of the date hereof and we assume no obligation to supplement this opinion to reflect changes in law that may hereafter occur or changes in facts or circumstances that may hereafter come to our attention. Without limiting the generality of the foregoing, we express no opinion with respect to and assume no responsibility for, the accuracy, adequacy or completeness of the preliminary official statement or the official statement prepared in respect of the Bonds, and make no representation that we have independently verified the contents thereof.

Very truly yours,

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**APPENDIX C**  
**Audited Financial Statements**

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**ANNUAL REPORT  
OF  
MIFFLIN COUNTY SCHOOL DISTRICT  
MIFFLIN COUNTY, PENNSYLVANIA**

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**FOR THE YEAR ENDED JUNE 30, 2023**

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of School Directors  
Mifflin County School District  
MCSD Administration Building  
201 Eighth Street  
Lewistown, Pennsylvania 17044

**Report on the Audit of the Financial Statements**

***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, and each major fund of the Mifflin County School District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, and each major fund of the Mifflin County School District, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Mifflin County School 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***

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 Mifflin County School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

***Auditor's Responsibilities for the Audit of the Financial Statements*** (Continued)

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 generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Mifflin County School 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 Mifflin County School District's ability to continue as a going concern for a reasonable period of time.

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Information, Defined Benefit Pension Plan Information related to the Pennsylvania Public School Employees' Retirement System (PSERS), and the Defined Benefit Postemployment Healthcare Plan's schedule of funding progress, on pages 4 through 10 and 65 through 91 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 Mifflin County School District's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards 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 November 10, 2023, on our consideration of the Mifflin County School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Mifflin County School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Mifflin County School District's internal control over financial reporting and compliance.

*Young, Deke, Brown & Company, P.C.*

**MIFFLIN COUNTY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
REQUIRED SUPPLEMENTARY INFORMATION (RSI)  
JUNE 30, 2022**

This Management's Discussion and Analysis (MD&A) is intended to provide a narrative overview and analysis of the financial activities of the Mifflin County School District (the District) for the year ended June 30, 2023. The District's financial performance is discussed and analyzed within the context of the financial statements and the disclosures that follow. The discussion focuses on the District's financial performance as a whole; readers should also review the basic financial statements and the notes thereto to enhance their understanding of the District's financial performance.

The MD&A focuses on the School District's primary government, and unless otherwise noted, component units reported separately from the primary government are not included.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is 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.

### **Government-Wide 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. These statements are prepared using the accrual basis of accounting. The focus of these statements is long-term.

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

The government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a portion of their costs through user fees and charges (business-type activities). The governmental activities include all of the District's instructional programs and support services except for its food service operation, which is considered a business-type activity.

### **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 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of fund financial statements is short-term. Fund financial statements are prepared using the modified accrual basis of accounting.

**Governmental funds** – Most of the District's activities are reported in governmental funds, which focus on the determination of financial position and change in financial position, not on income determination. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's operations and the services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

The District maintains three individual 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 District's funds, which are the General Fund (major fund), Capital Projects Fund (major fund) and Debt Service Fund (nonmajor fund).



**MIFFLIN COUNTY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
REQUIRED SUPPLEMENTARY INFORMATION (RSI)  
JUNE 30, 2022  
(CONTINUED)**

**Proprietary funds** – The District accounts for its food service operation in a proprietary fund, which reports the same functions presented as the business-type activity in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

**Fiduciary funds** – The District is the trustee, or fiduciary, for some student activity funds and scholarship funds. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Net Position. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance its operations.

**Notes to Financial Statements**

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

**REPORTING ENTITY**

The reporting entity is comprised of the primary government and a component unit. The primary government of the District consists of all funds that are not legally separate from the District. For the District, this includes general operations, food service, and student related activities. Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget or the issuance of debt.

The component unit information on the Statement of Net Position and the Statement of Activities identifies the financial data of the District's component unit, the Mifflin County Academy of Science and Technology (the Academy). The Academy is reported separately to emphasize that it is legally separate from the District. A copy of the Academy's full audit report can be obtained by contacting the Business Office, Mifflin County Academy of Science and Technology, 700 Pitt Street, Lewistown, PA 17044.

**Government-Wide Financial Analysis**

**Condensed Statements of Net Position  
June 30, 2023 and 2022**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Current and other assets	\$ 47,443,254	\$ 41,329,218	\$152,791	(\$32,301)	\$47,596,045	\$41,296,917
Capital assets	100,182,777	103,757,515	0	0	100,182,777	103,757,515
Right-Of-Use Asset	<u>788,875</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>788,875</u>	<u>0</u>
Total assets	148,414,906	145,086,733	152,791	(32,301)	148,567,697	145,054,432
Deferred Outflows of Resource	<u>6,530,905</u>	<u>6,590,158</u>	<u>126,929</u>	<u>138,823</u>	<u>6,657,834</u>	<u>6,728,981</u>
Total	<u>\$154,945,811</u>	<u>\$151,676,891</u>	<u>\$279,720</u>	<u>\$106,522</u>	<u>\$155,225,531</u>	<u>\$151,783,413</u>
Current and other liab	\$13,125,593	\$13,609,136	\$43,734	\$114,696	\$13,169,327	\$13,723,832
Long-term liabilities	<u>166,639,544</u>	<u>165,283,940</u>	<u>2,559,283</u>	<u>2,439,311</u>	<u>169,198,827</u>	<u>167,723,251</u>
Total liabilities	<u>179,765,137</u>	<u>178,893,076</u>	<u>2,603,017</u>	<u>2,554,007</u>	<u>182,368,154</u>	<u>181,447,083</u>
Defer. Inflows of Resource	<u>9,154,063</u>	<u>16,982,622</u>	<u>137,089</u>	<u>411,213</u>	<u>9,291,152</u>	<u>17,393,835</u>
Net Invested in capital assets	\$24,858,211	\$22,341,414	\$0	\$0	\$24,858,211	\$22,341,414
Restricted	7,403,729	7,237,777	0	0	7,403,729	7,237,777
Unrestricted	<u>(66,235,329)</u>	<u>(73,777,998)</u>	<u>(2,460,386)</u>	<u>(2,858,698)</u>	<u>(68,695,715)</u>	<u>(76,636,696)</u>
Total net position	<u>(33,973,389)</u>	<u>(44,198,807)</u>	<u>(2,460,386)</u>	<u>(2,858,698)</u>	<u>(36,433,775)</u>	<u>(47,057,505)</u>
Total	<u>\$154,945,811</u>	<u>\$151,676,891</u>	<u>\$279,720</u>	<u>\$106,522</u>	<u>\$155,225,531</u>	<u>\$151,783,413</u>

**MIFFLIN COUNTY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
REQUIRED SUPPLEMENTARY INFORMATION (RSI)  
JUNE 30, 2022  
(CONTINUED)**

**Condensed Statements of Activities  
For the Years Ended June 30, 2023 and 2022**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>Revenues and Transfers</b>						
Program revenues						
Charges for services	\$ 160,838	\$ 167,755	\$678,800	\$232,042	\$ 839,638	\$ 399,797
Operating grants and contributions	30,415,726	31,100,823	3,089,320	3,457,005	33,505,046	34,557,828
General revenues						
Property taxes	27,310,579	27,716,267	0	0	27,310,579	27,716,267
Other taxes	9,358,900	8,754,423	0	0	9,358,900	8,754,423
Grants, subsidies and contributions, unrestricted	27,297,328	24,166,601	0	0	27,297,328	24,166,601
Interest	1,275,993	43,965	14,192	541	1,290,185	44,506
Transfer to Component Unit	(460,577)	0	0	0	(460,577)	0
<b>Total revenues and transfers</b>	<b><u>95,358,787</u></b>	<b><u>91,949,834</u></b>	<b><u>3,782,312</u></b>	<b><u>3,689,588</u></b>	<b><u>99,141,099</u></b>	<b><u>95,639,422</u></b>
<b>Expenses</b>						
Instruction	51,289,093	47,162,964	0	0	51,289,093	47,162,964
Instructional student support	5,153,553	3,183,086	0	0	5,153,553	3,183,086
Administrative and financial support	7,833,944	5,977,762	0	0	7,833,944	5,977,762
Operation and maintenance of plant	6,957,568	5,070,596	0	0	6,957,568	5,070,596
Pupil transportation	5,084,307	4,811,440	0	0	5,084,307	4,811,440
Student activities	1,266,699	842,294	0	0	1,266,699	842,294
Community services	33,232	16,817	0	0	33,232	16,817
Interest on long-term debt	2,364,461	2,477,167	0	0	2,364,461	2,477,167
Unallocated depreciation expense	5,150,512	5,095,196	0	0	5,150,512	5,095,196
Food services	0	0	3,384,000	3,046,277	3,384,000	3,046,277
<b>Total expenses</b>	<b><u>85,133,369</u></b>	<b><u>74,637,322</u></b>	<b><u>3,384,000</u></b>	<b><u>3,046,277</u></b>	<b><u>88,517,369</u></b>	<b><u>77,683,599</u></b>
<b>Change in net position</b>	<b><u>10,225,418</u></b>	<b><u>17,312,512</u></b>	<b><u>398,312</u></b>	<b><u>643,311</u></b>	<b><u>10,623,730</u></b>	<b><u>17,955,823</u></b>
<b>Beginning Net Position</b>	<b><u>(44,198,807)</u></b>	<b><u>(61,511,319)</u></b>	<b><u>(2,858,698)</u></b>	<b><u>(3,502,009)</u></b>	<b><u>(47,057,505)</u></b>	<b><u>(65,013,328)</u></b>
<b>Ending Net Position</b>	<b><u>(\$33,973,389)</u></b>	<b><u>(\$44,198,807)</u></b>	<b><u>\$ (2,460,386)</u></b>	<b><u>\$ (2,858,698)</u></b>	<b><u>(\$36,433,775)</u></b>	<b><u>(\$47,057,505)</u></b>

Total net position of the District increased \$10,623,730 in 2023. Net position of governmental activities increased by \$10,225,418, while net position of the business-type activity increased \$398,312.

The District had \$85,133,369 in expenses and transfers related to governmental activities in 2023; only \$30,576,564 of these expenses were offset by program specific charges for services and operating grants. The District also received general revenues (primarily taxes and state subsidies) of \$64,782,223. The \$10,225,418 increase in governmental activities net position represents the surplus of revenues over expenses.

In the District's business-type activity, net position increased by \$398,312 as a result of the net income in the food service operation.

**MIFFLIN COUNTY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
REQUIRED SUPPLEMENTARY INFORMATION (RSI)  
JUNE 30, 2022  
(CONTINUED)**

**Financial Analysis of the Governmental Funds**

**General Fund**

**Revenues**

Revenues for the 2022-2023 fiscal year were \$95,590,170, compared to \$92,141,393, for the previous fiscal year. The revenues are derived from the three main sources as follows:

	2023 Amount	2022 Amount	Increase (Decrease)	% Change
Local sources	\$38,869,307	\$37,841,919	\$1,027,388	2.71%
State sources	45,832,320	42,250,181	3,582,139	8.48%
Federal sources	<u>10,888,543</u>	<u>12,049,293</u>	<u>(1,160,750)</u>	(9.63%)
Total	<u>\$95,590,170</u>	<u>\$92,141,393</u>	<u>\$3,448,777</u>	3.74%

Local revenues are derived primarily from levying taxes such as real estate tax, earned income tax and real estate transfer tax. Local revenues increased by \$1,027,388 compared to the prior year. Local real estate tax collections were \$373,092 below 2022 due to additional homestead and farmstead exclusions granted to taxpayers through the state-funded local tax relief program. Earned income tax collections increased by \$700,716 over the prior year, continuing the trend we've seen for strong employment of district residents. Transfer tax decreased \$81,171. Delinquent real estate tax collections decreased \$168,047 as the collection rate of current real estate tax has climbed in recent years. Interest income increased \$997,244 over the prior year due to the sharp increase in interest rates year over year.

State revenues are derived primarily from state subsidies for basic education, special education, transportation and an approximate 50 percent reimbursement for social security and retirement costs. The state also reimburses a percentage of principal and interest payments for outstanding bond issues. State revenues increased \$3,582,139 or 8.48% over the prior year. Basic education subsidy increased \$1,506,903 and the special education subsidy increased \$253,240. In addition, the district received level-up funding in the amount of \$1,102,471. Level-up funding was a supplement to basic education subsidy for school districts with higher at-risk populations of students in the enacted state budget for 2022-2023. The state property tax allocation increased \$498,658 over 2022 due to an increase in state gaming funds. These funds are passed through to taxpayers in the form of property tax relief via the homestead and farmstead exclusion as authorized by the Taxpayer Relief Act, also known as Special Session Act 1 of 2006. Retirement and social security reimbursements increased a net \$378,081, due to increased payroll expense.

Federal revenues include Title I, Title II, Title III, Title IV, Rural and Low as well as medical assistance reimbursement for Access expenditures. The difference between federal revenue received and the actual expense incurred is recorded as either a prepaid expense or a deferred revenue to be recognized in the subsequent fiscal period. Federal revenue decreased \$1,160,750 over the prior year or 9.63% due to the close-out of portions of the Elementary and Secondary School Emergency Relief (ESSER) grant program. ESSER funding was a result of various federal stimulus acts that were created in response to the COVID-19 pandemic. The net decrease in ESSER funding over the prior year was \$1,240,654.

**Expenditures**

Expenditures for the General Fund for the 2022-2023 fiscal year were \$90,716,321 compared to the 2021-2022 fiscal year total of \$86,902,643. The following table shows the expenditures by object category:

	2022-2023	2021-2022	Increase (Decrease)	% Change
Salaries and benefits	\$56,406,376	\$54,364,740	\$2,041,636	3.76%
Professional services	2,718,642	2,226,989	491,653	22.08%
Purchased property services	1,899,288	2,191,744	(292,456)	(13.34%)
Other purchased services	13,056,271	12,231,722	824,549	6.74%
Supplies	5,197,470	5,821,529	(624,059)	(10.72%)
Property	1,231,543	1,001,699	229,844	22.95%
Other objects	8,746,154	8,064,220	681,934	8.46%
Other uses of funds	<u>1,460,577</u>	<u>1,000,000</u>	<u>460,577</u>	46.06%
Total	<u>\$90,716,321</u>	<u>\$86,902,643</u>	<u>\$3,813,678</u>	4.39%

MIFFLIN COUNTY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
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JUNE 30, 2022  
(CONTINUED)

Expenditures increased by \$3,813,678 or 4.39% over the prior year. Salary expense increased \$1,278,383 due to various factors including adjustments to rates per contractual agreements as well as modifications to staffing to accommodate student needs. Benefits increased \$763,255 primarily due to an increase in health insurance of \$262,938 and an increase in retirement expense of \$506,583. The District is required by statute to contribute a percentage of every dollar paid in wages to the retirement fund of each employee. For 2022-2023 the percentage increased to 35.26% from 34.94% in 2021-2022.

Professional services increased 22.08% to \$2,718,642 in 2022-2023 primarily due to engineering and architectural fees incurred for preliminary design work associated with the outdoor multi-sport athletic project.

Overall purchased property services were down from the prior year. An ESCO project for Lewistown Elementary School was completed in 2021-2022. A roof project for Lewistown Elementary School was completed in the 2022-2023 school year.

Other purchased services increased \$824,549 or 6.74% over 2021-2022 due to increased transportation costs of \$391,947, charter school tuition of \$246,689 and vocational education costs of 283,266.

Supplies decreased \$624,059 or 10.72% primarily due to a large smart board technology purchase in 2021-2022.

Property increased \$229,844 or 22.95% which was a combination of an increase of \$704,455 in right-to-use assets for the district's copier leases per a new accounting rule, in addition to \$346,224 in right-to use assets per district subscription-based information technology arrangements. These were offset by \$857,878 in technology equipment purchases that were made in the prior year, with no similar equipment purchased in the current fiscal year.

Other objects increased by \$681,934 or 8.46% due to scheduled debt service payments and the amortization of the right-to-use assets per the new accounting rules.

Other uses of funds increased by funds transferred to the Academy in the amount of \$460,577 for a capital expansion project. The transfer to Capital Reserve remained the same year over year at \$1,000,000.

#### **Capital Projects Fund**

The Capital Projects Fund is used to account for transfers from the General Fund that are to be used to fund future capital projects and equipment. The Capital Projects Fund balance as of June 30, 2023 is \$7,403,729.

#### **General Fund Budgetary Highlights**

The District prepares a budget each year for its General Fund according to Pennsylvania law. The budget complied with all applicable state laws and financial policies approved by the School Board of Directors (the Board). The District maintains a conservative budget approach by estimating revenue based on known tax collections in the prior year and by maintaining state funding at current levels, typically including only a fraction of the proposed state budget increases. All anticipated personnel positions are budgeted based on expected salary for the position and on a family insurance benefit package. During the fiscal year, the Board authorizes revisions to the original budget to accommodate differences from the original budget to the actual expenditures of the District. All adjustments are again confirmed at the time the annual audit is accepted, which is after the end of the fiscal year, which is allowed by state law.

The most significant transfers occur from the budget reserve category to specific expenditure areas. The budgetary reserve includes amounts that will be funded by current revenues found in the general fund budget. These amounts will only be appropriated into expenditure categories to account for unforeseen expenditures after the budget process has been completed. The Board is using this method of budgeting to control tax increases while also protecting the integrity of the fund balance.

The General Fund's originally approved budget for 2022-2023 included \$94,652,031 of revenues and \$94,652,031 of expenditures. The actual 2022-2023 revenues were \$97,100,919 or 2.6% greater than budget. Local revenues showed favorable variances in earned income tax of approximately \$1,367,000, real estate tax revenue of approximately \$140,000 and interest income of \$1,007,000. A positive budget variance was recognized on the state revenue for basic education subsidy in the amount of \$1,217,246, including \$1,102,471 in level-up funding that will become part of the base amount in future years' basic education subsidy calculation. Special education subsidy exceeded budget by \$64,524. The state share of social security and pension revenue exceeded budget by a combined total of \$365,825. The original budget included a transfer in the amount of \$1,800,000 to the Academy for a capital expansion project. Revenue to fund this transfer came from the district's Capital Projects Fund. The actual amount of transfer made during the year was \$460,577, resulting in \$1,339,423 negative budget variance in revenue for the year.



**MIFFLIN COUNTY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
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JUNE 30, 2022  
(CONTINUED)**

Actual expenditures and other financing uses were \$3,935,710 or 4.16% less than the original budget. The most significant positive budget variances include salary, benefits, and budgetary reserve that was not utilized. In addition, a transfer to the Academy of \$1,800,000 was included in the original expense budget and the actual amount transferred was \$460,577 and \$1,000,000 to the Capital Reserve Fund, resulting in \$339,423 favorable budget variance in expense for the year.

The District established an assigned fund balance in 2019-2020 to fund projected revenue shortfalls in future years related to the impacts of the COVID-19 pandemic. The assigned fund balance at June 30, 2023 is \$8,700,000.

The District received \$3,000,000 in grant funding in 2021-2022 for improvements to its outdoor multi-sport athletic facilities. This amount is reflected in deferred revenue in the Capital Projects Fund.

An assigned general fund balance was established in 2021-2022 to earmark funds for the outdoor multi-sport athletic facilities project. The balance at June 30, 2023 is \$7,000,000.

**Capital Assets**

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

	Governmental Activities	Business-Type Activities	Total
Land, buildings and improvements	\$166,924,224	\$0	\$166,924,224
Equipment and other capital assets	<u>7,333,022</u>	<u>128,061</u>	<u>7,461,083</u>
Total	174,257,246	128,061	174,385,307
Accumulated depreciation	<u>(74,074,469)</u>	<u>(128,061)</u>	<u>(74,202,530)</u>
Net	<u>\$100,182,777</u>	<u>\$0</u>	<u>\$100,182,777</u>

**Long-Term Debt**

At June 30, 2023, the District had \$70,328,213 in outstanding general obligation bonds (excluding unamortized bond premium), and notes payable. The District had a net decrease of \$5,467,186 in bonds and notes during the fiscal year. Detailed information regarding long-term debt activity is included in the notes to the basic financial statements (Note H).

**Factors Expected to have an Effect on Future Operations**

**Labor Relations**

The professional staff of the District is represented by the Association of Mifflin County Educators (AMCE). This group has an agreement with the District which details terms of employment. The contract with AMCE runs through June 30, 2024.

The support staff of the District is represented by the Mifflin County Education Support Professionals Association PSEA/NEA. This contract runs through June 30, 2027.

The cafeteria and custodial/maintenance staff of the District is represented by the Mifflin County Support Association ESPA/PSEA/NEA. This contract runs through June 30, 2026.

**Act 1 of 2006**

On June 27, 2006, Pennsylvania Governor Ed Rendell signed into law Special Session Act 1, also known as the Taxpayer Relief act, which changed various aspects of Act 72, originally signed into law in July 2004. Act 72 established a distribution mechanism for new revenues expected to be generated from the legalization of slot machines in various areas around the state. The main objective of the law was to increase state funding for education, thereby reducing local property taxes, given the relative dependence of local school districts on such taxes.

**MIFFLIN COUNTY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
REQUIRED SUPPLEMENTARY INFORMATION (RSI)  
JUNE 30, 2022  
(CONTINUED)**

One significant change contained in the new legislation was the expansion of property tax rate limits to all school districts in the state. School districts are required to limit tax rate increases to an annual index based on the average increase in the statewide average weekly wage and the employment cost index for schools. The index is adjusted upward for school districts whose aid ratios are above .4.

The base index was 3.4% for 2022-2023, 4.1% for 2023-2024 and has been certified at 5.3% for the 2024-2025 school year. The adjusted index for the District was 4.7%, 5.7% and 7.3%, respectively.

**Other**

The District's general obligation bond rating is Standard and Poors A Stable.

The District continues to monitor increases in health benefit costs, special education, contracted services, charter school expenses, and retirement contributions. These areas are a challenge for the District in budgeting. Special education costs are dependent upon the type of student enrolled in the District each year. Enrollment and/or withdrawal of students with significant needs can cause this expenditure to fluctuate. While the District attempts to prepare a budget with a modest reserve each year for unexpected emergencies, this expenditure is dependent upon actual experience during the fiscal year.

The District does not expect significant growth in the near future given the residential nature of the local economy and a lack of developable land within the District. The implementation of Clean and Green throughout the District has resulted in substantial loss in assessed value. The local manufacturing economy remains volatile; however, there are local manufacturing plants that are expanding production operations which should have a positive impact on the area. It is unclear what permanent impact, if any, the COVID-19 pandemic will have on the local economy.

On September 18, 2020, the Board entered into an energy savings agreement that included upgrades to the Mifflin County Middle School roof and chiller as well as the demolition of Highland Park Elementary School. In conjunction with these capital projects, agreements were also executed to authorize the construction of 3 solar photovoltaic (pv) power systems to provide energy district-wide. The East Derry site went online in December, 2021. The Mifflin County High School site went online in November, 2022. The third potential site at Indian Valley Elementary Center did not come to fruition. All district buildings, other than Indian Valley and Strodes Mills Elementary School, are served by the solar power system.

The expenditure budget for the 2023-24 year is \$107,923,615, which is \$13,271,584 more than the final budget for 2022-23. This represents a 14% increase in budgeted expenditures, 12.7% of which is due to an anticipated transfer to capital project fund for the outdoor athletic facilities project which was approved in October, 2023. The District millage rate for the 2023-2024 school year remains at 34.5215.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

Our financial report is designed to provide our citizens, taxpayers, parents, students, investors and creditors with a general overview of the District's finances and to show the Board's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, please contact the Chief Financial Officer at Mifflin County School District, 201 Eighth Street – Highland Park, Lewistown, PA 17044, (717) 248-0148.

**MIFFLIN COUNTY SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2023**

	----- Primary Government -----			-- Component Unit --
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	<u>Mifflin County Academy of Science and Technology</u>
<b><u>ASSETS</u></b>				
Cash and Cash Equivalents	\$ 37,967,491	\$ 333,851	\$ 38,301,342	\$2,884,144
Receivables:				
Taxes - Net	1,608,890	0	1,608,890	0
Internal Balances	262,961	( 262,961)	0	0
Intergovernmental	5,842,852	39,657	5,882,509	155,139
Other	1,725,692	8,730	1,734,422	25,278
Due from Fiduciary Fund	3,352	0	3,352	709
Inventories	0	33,405	33,405	0
Prepaid Expenses	32,016	109	32,125	9,440
Capital Assets:				
Not Depreciated	1,173,122	0	1,173,122	516,762
Depreciated, Net of Depreciation	99,009,655	0	99,009,655	2,912,078
Right-of-Use Asset - Lease	563,564	0	563,564	18,258
Right-of-Use Asset - SBITA	<u>225,311</u>	<u>0</u>	<u>225,311</u>	<u>327</u>
Total Assets	<u>\$148,414,906</u>	<u>\$ 152,791</u>	<u>\$148,567,697</u>	<u>\$6,522,135</u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>				
Deferred Outflows related to Defined Benefit Pension Plan and OPEB	<u>\$ 6,530,905</u>	<u>\$ 126,929</u>	<u>\$ 6,657,834</u>	<u>\$ 61,860</u>
<b><u>LIABILITIES</u></b>				
Accounts Payable	\$ 1,089,755	\$ 2,825	\$ 1,092,580	\$ 77,610
Accrued Salaries and Benefits	7,307,892	1,570	7,309,462	303,439
Payroll Deduction and Withholdings	680,845	0	680,845	2,894
Accrued Interest	854,343	0	854,343	0
Unearned Revenue	3,137,243	39,339	3,176,582	91,520
Other Current Liabilities	55,515	0	55,515	0
Noncurrent Liabilities:				
Due Within One Year	6,634,266	0	6,634,266	156,765
Due in More Than One Year	<u>160,005,278</u>	<u>2,559,283</u>	<u>162,564,561</u>	<u>4,437,718</u>
Total Liabilities	<u>\$179,765,137</u>	<u>\$2,603,017</u>	<u>\$182,368,154</u>	<u>\$5,069,946</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>				
Deferred Inflows related to Defined Benefit Pension Plan and OPEB	<u>\$ 9,154,063</u>	<u>\$ 137,089</u>	<u>\$ 9,291,152</u>	<u>\$ 213,344</u>
<b><u>NET POSITION</u></b>				
Net Investment in Capital Assets	\$ 24,858,211	\$ 0	\$ 24,858,211	\$3,258,746
Restricted for Capital Projects	7,403,729	0	7,403,729	0
Unrestricted	( 66,235,329)	( 2,460,386)	( 68,695,715)	( 1,958,041)
Total Net Position	<u>(\$ 33,973,389)</u>	<u>(\$2,460,386)</u>	<u>(\$ 36,433,775)</u>	<u>\$1,300,705</u>

**See Accompanying Notes and Independent Auditor's Report**

**MIFFLIN COUNTY SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Expenses</u>
<b><u>Functions/Programs</u></b>	
<b><u>Governmental Activities</u></b>	
Unallocated Depreciation, excluding direct depreciation	\$ 5,150,512
Instruction	51,289,093
Instructional Student Support	5,153,553
Administrative and Financial Support Services	7,833,944
Operation and Maintenance of Plant Services	6,957,568
Pupil Transportation	5,084,307
Student Activities	1,266,699
Community Services	33,232
Interest on Long-Term Obligations	<u>2,364,461</u>
Total Governmental Activities	\$85,133,369
<b><u>Business-Type Activities</u></b>	
Food Service	<u>\$ 3,384,000</u>
Total Primary Government	<u>\$88,517,369</u>
<b><u>Component Unit</u></b>	
Mifflin County Academy of Science and Technology	<u>\$ 4,143,354</u>
<b><u>General Revenues and Transfers</u></b>	
Taxes:	
Real Estate Taxes, Levied for General Purposes	
Other Taxes, Levied for General Purposes	
Grants, Subsidies, and Contributions Not Restricted	
Receipts from Mifflin County School District	
Investment Earnings	
Miscellaneous Income	
Transfer to Component Unit from Primary Government	
Total General Revenues and Transfers	
Change in Net Position	
<b><u>Net Position</u> - Beginning</b>	
Prior Period Adjustment	
<b><u>Net Position</u> - Beginning (Restated)</b>	
<b><u>Net Position</u> - Ending</b>	

**See Accompanying Notes and Independent Auditor's Report**



**MIFFLIN COUNTY SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2023**

Net (Expenses) Revenue and  
Changes in Net Position

----- Program Revenues -----			----- Primary Government -----			Component Unit
<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grant</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	<u>Mifflin County Academy of Science and Technology</u>
\$ 0	\$ 0	\$ 0	(\$ 5,150,512)	\$ 0	(\$ 5,150,512)	\$ 0
91,520	19,276,285	0	( 31,921,288)	0	( 31,921,288)	0
0	1,736,379	0	( 3,417,174)	0	( 3,417,174)	0
0	2,532,856	0	( 5,301,088)	0	( 5,301,088)	0
7,781	3,129,769	0	( 3,820,018)	0	( 3,820,018)	0
0	3,612,219	0	( 1,472,088)	0	( 1,472,088)	0
61,537	125,253	0	( 1,079,909)	0	( 1,079,909)	0
0	2,965	0	( 30,267)	0	( 30,267)	0
0	0	0	( 2,364,461)	0	( 2,364,461)	0
\$ 160,838	\$30,415,726	\$ 0	(\$54,556,805)	\$ 0	(\$54,556,805)	\$ 0
\$ 678,800	\$ 3,089,320	\$ 0	\$ 0	\$ 384,120	\$ 384,120	\$ 0
\$ 839,638	\$33,505,046	\$ 0	(\$54,556,805)	\$ 384,120	(\$54,172,685)	\$ 0
\$1,269,367	\$ 1,453,667	\$514,045	\$ 0	\$ 0	\$ 0	(\$ 906,275)
			\$27,310,579	\$ 0	\$27,310,079	\$ 0
			9,358,900	0	9,358,900	0
			27,297,328	0	27,297,328	0
			0	0	0	1,892,434
			1,275,993	14,192	1,290,185	9,858
			0	0	0	66,203
			( 460,577)	0	( 460,577)	460,577
			\$64,782,223	\$ 14,192	\$64,796,415	\$2,429,072
			\$10,225,418	\$ 398,312	\$10,623,730	\$1,522,797
			(\$44,198,807)	(\$2,858,698)	(\$47,057,505)	(\$ 211,540)
			0	0	0	( 10,552)
			(\$44,198,807)	(\$2,858,698)	(\$47,057,505)	(\$ 222,092)
			(\$33,973,389)	(\$2,460,386)	(\$36,433,775)	\$1,300,705

**See Accompanying Notes and Independent Auditor's Report**

**MIFFLIN COUNTY SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2023**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b><u>ASSETS</u></b>				
Cash and Cash Equivalents	\$28,486,682	\$ 9,471,978	\$8,831	\$37,967,491
Receivables:				
Taxes - Net of Allowance for Unavailable	1,608,890	0	0	1,608,890
Interfund	3,266,313	1,000,000	0	4,266,313
Due from Other Governments	939,732	0	0	939,732
State Revenue Receivables	3,254,337	0	0	3,254,337
Federal Revenue Receivables	1,648,783	0	0	1,648,783
Other Receivables	1,725,692	0	0	1,725,692
Prepaid Expenses	<u>32,016</u>	<u>0</u>	<u>0</u>	<u>32,016</u>
<b>TOTAL ASSETS</b>	<b><u>\$40,962,445</u></b>	<b><u>\$10,471,978</u></b>	<b><u>\$8,831</u></b>	<b><u>\$51,443,254</u></b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
<b><u>Liabilities</u></b>				
Due to Other Funds	\$ 1,000,000	\$ 3,000,000	\$ 0	\$ 4,000,000
Accounts Payable - Trade	1,021,506	68,249	0	1,089,755
Accrued Salaries and Benefits	7,307,892	0	0	7,307,892
Payroll Deductions and Withholdings	680,845	0	0	680,845
Unearned Revenue	4,773,945	0	0	4,773,945
Other Current Liabilities	<u>55,515</u>	<u>0</u>	<u>0</u>	<u>55,515</u>
<b>Total Liabilities</b>	<b><u>\$14,839,703</u></b>	<b><u>\$ 3,068,249</u></b>	<b><u>\$ 0</u></b>	<b><u>\$17,907,952</u></b>
<b><u>Fund Balances</u></b>				
Nonspendable	\$ 32,016	\$ 0	\$ 0	\$ 32,016
Assigned:				
Capital Projects Fund	0	7,403,729	0	7,403,729
Future PSERS Obligations	1,500,000	0	0	1,500,000
Future OPEB Obligations	220,000	0	0	220,000
Future Charter School Costs	500,000	0	0	500,000
Future Multi-Sport Project	7,000,000	0	0	7,000,000
Technology	96,140	0	0	96,140
Debt Service	0	0	8,831	8,831
Safety and Security	200,000	0	0	200,000
COVID-19	8,700,000	0	0	8,700,000
Committed:				
Encumbrances	302,546	0	0	302,546
Unassigned:				
General Fund	<u>7,572,040</u>	<u>0</u>	<u>0</u>	<u>7,572,040</u>
<b>Total Fund Balances</b>	<b><u>\$26,122,742</u></b>	<b><u>\$ 7,403,729</u></b>	<b><u>\$8,831</u></b>	<b><u>\$33,535,302</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$40,962,445</u></b>	<b><u>\$10,471,978</u></b>	<b><u>\$8,831</u></b>	<b><u>\$51,443,254</u></b>

See Accompanying Notes and Independent Auditor's Report

**MIFFLIN COUNTY SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2023**

Total Fund Balances - Governmental Funds \$ 33,535,302

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources, and are not reported as assets in governmental funds.

Cost	\$174,257,246	
Accumulated Depreciation	( <u>74,074,469</u> )	100,182,777

Right-of-Use Assets used in governmental activities are not financial resources, and are not reported as assets in governmental funds. 788,875

Accounts receivable, including property taxes receivable will be collected but are not available soon enough to pay for the current period's expenditures, and, therefore, are deferred in the governmental funds. 1,636,702

The net pension liability is not due and payable in the current period and, therefore, is not reported in the funds. ( 81,312,397)

The net other postemployment benefits obligation liability is not due and payable in the current period and, therefore, is not reported in the funds. ( 7,297,685)

The deferred outflows and inflows of resources related to defined benefit pension plans and OPEB are not reported in the funds since they are measured on the accrual basis:

Deferred Outflows of Resources	\$ 6,530,905	
Deferred Inflows of Resources	( <u>9,154,063</u> )	( 2,623,158)

Long-term liabilities, including bonds payable and lease purchase obligations, are not due and payable in the current period, and, therefore, are not reported as liabilities in the funds. Long-term liabilities and the related costs at year end consists of:

Bonds Payable	(\$ 69,405,000)	
Note Payable	( 923,213)	
Unamortized Bond Premium	( 4,996,353)	
Accrued Interest on Bonds	( 854,343)	
Compensated Absences	( 2,013,294)	
Lease Liability	( 571,851)	
SBITA Liability	( <u>119,751</u> )	( <u>78,883,805</u> )

Total Net Position - Governmental Activities (\$ 33,973,389)

**See Accompanying Notes and Independent Auditor's Report**

**MIFFLIN COUNTY SCHOOL DISTRICT  
COMBINED STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b><u>Revenues</u></b>				
Local Sources	\$38,869,307	\$ 249,423	\$ 0	\$39,118,730
State Sources	45,832,320	0	0	45,832,320
Federal Sources	<u>10,888,543</u>	<u>0</u>	<u>0</u>	<u>10,888,543</u>
Total Revenues	<u>\$95,590,170</u>	<u>\$ 249,423</u>	<u>\$ 0</u>	<u>\$95,839,593</u>
<b><u>Expenditures</u></b>				
Current:				
Instruction	\$52,471,290	\$ 0	\$ 0	\$52,471,290
Support Services	24,469,516	0	0	24,469,516
Operation of Noninstructional Services	1,315,173	0	0	1,315,173
Capital Outlays:				
Support Services	1,838,394	0	0	1,838,394
Operation of Noninstructional Services	21,695	0	0	21,695
Facilities Acquisition, Construction, and Improvement Services	462,601	418,145	0	880,746
Debt Service:				
Principal	5,325,000	142,186	0	5,467,186
Interest	2,969,439	62,563	0	3,032,002
Leases and Other Right-to-Use Arrangements:				
Principal	358,570	0	0	358,570
Interest	19,256	0	0	19,256
Refund of Prior Years' Receipts	<u>4,810</u>	<u>0</u>	<u>0</u>	<u>4,810</u>
Total Expenditures	<u>\$89,255,744</u>	<u>\$ 622,894</u>	<u>\$ 0</u>	<u>\$89,878,638</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 6,334,426</u>	<u>(\$ 373,471)</u>	<u>\$ 0</u>	<u>\$ 5,960,955</u>
<b><u>Other Financing Sources (Uses)</u></b>				
Interfund Transfers In	\$ 460,577	\$ 1,000,000	\$ 0	\$ 1,460,577
Proceeds from Leases and Other Right-to-Use Arrangements	1,050,172	0	0	1,050,172
Interfund Transfer Out	( 1,000,000)	( 460,577)	0	( 1,460,577)
Transfer Out to Component Unit	<u>( 460,577)</u>	<u>0</u>	<u>0</u>	<u>( 460,577)</u>
Total Other Financing Sources (Uses)	<u>\$ 50,172</u>	<u>\$ 539,423</u>	<u>\$ 0</u>	<u>\$ 589,595</u>
Net Change in Fund Balances	\$ 6,384,598	\$ 165,952	\$ 0	\$ 6,550,550
<b><u>Fund Balance</u></b> - July 1, 2022	<u>19,738,144</u>	<u>7,237,777</u>	<u>8,831</u>	<u>26,984,752</u>
<b><u>Fund Balance</u></b> - June 30, 2023	<u>\$26,122,742</u>	<u>\$ 7,403,729</u>	<u>\$8,831</u>	<u>\$33,535,302</u>

See Accompanying Notes and Independent Auditor's Report

**MIFFLIN COUNTY SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
TO THE STATEMENT OF ACTIVITIES  
JUNE 30, 2023**

Total Net Change in Fund Balances - Governmental Funds \$ 6,550,550

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 amortization expense. This is the amount by which assets exceeded depreciation in the current period:

Capital Outlays	\$ 2,740,835	
Less: Depreciation Expense	( <u>6,291,840</u> )	( 3,551,005 )

Governmental funds report leases and other right-to-use arrangements as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as amortization expense. This is the amount by which leases and other right-to-use arrangements for the 2022-2023 year exceeded amortization in the current period:

Right-to-Use Assets	\$ 1,050,679	
Less: Amortization Expense	( <u>261,804</u> )	788,875

Because some accounts receivable, including taxes, will not be collected for several months after the School District's year end, they are not considered as "available" revenues and, thus, are deferred revenues in the governmental funds. Deferred revenue decreased by this amount during the year. ( 15,419 )

Issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The issuance and repayment of long-term debt increases and decreases, respectively, long-term liabilities in the statement of net assets. The effect of these transactions in the statement of activities is as follows:

Repayment of Principal	\$ 5,325,000	
Repayment of Note Payable	142,186	
Proceeds from Leases and Other Right-to-Use Arrangements	( 1,050,172 )	
Repayments of Leases and Other Right-to-Use Arrangements	358,570	
Amortization of Bond Premium	<u>624,349</u>	5,399,933

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus, requires the use of current financial resources. In the statement of activities, interest expense is recognized as the interest accrues, regardless of when it is due. The difference between the amount of interest due over interest accrued in the statement of activities is shown here. 62,448

In the statement of activities, certain operating expenses are measured by the amounts earned during the year. In the governmental funds; however, expenditures for these items are measured by the amount of financial resources used. These amounts represent the difference between the amount earned versus the amount used:

Vacation and Sick Days		16,580
------------------------	--	--------

The reduction in pension expense associated with the Defined Benefit Pension Plan (PSERS) that does not provide the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. 976,937

The reduction in other postemployment benefit obligation that does not provide the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. 20,252

The net effect of various miscellaneous transactions involving capital assets (disposals) decrease net assets. ( 23,733 )

Changes in Net Position of Governmental Activities		<u>\$10,225,418</u>
--	--	---------------------

**See Accompanying Notes and Independent Auditor's Report**

**MIFFLIN COUNTY SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUND  
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Food Service</u>
<b><u>ASSETS</u></b>	
<b><u>Current Assets</u></b>	
Cash and Cash Equivalents	\$ 333,851
State Revenue Receivable	2,743
Federal Revenue Receivable	36,914
Other Receivables	8,730
Inventories	33,405
Prepaid Expenses	<u>109</u>
Total Current Assets	\$ 415,752
<b><u>Capital Assets - Depreciated, Net of Depreciation</u></b>	
	<u>0</u>
Total Assets	\$ 415,752
<b><u>Deferred Outflows of Resources</u></b>	
	<u>126,929</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 542,681</u>
 <b><u>LIABILITIES</u></b>	
<b><u>Current Liabilities</u></b>	
Due to Other Funds	\$ 262,961
Accounts Payable	2,825
Accrued Salaries and Benefits	1,570
Unearned Revenue	<u>39,339</u>
Total Current Liabilities	\$ 306,695
<b><u>Noncurrent Liabilities</u></b>	
Compensated Absences	\$ 55,132
Other Postemployment Benefits Obligation	143,655
Net Pension Liability	<u>2,360,496</u>
Total Noncurrent Liabilities	<u>\$2,559,283</u>
Total Liabilities	<u>\$2,865,978</u>
<b><u>Deferred Inflows of Resources</u></b>	
	<u>\$ 137,089</u>
 <b><u>NET POSITION</u></b>	
Unrestricted	(\$2,460,386)
Total Liabilities and Deferred Inflows of Resources and Net Position	<u>\$ 542,681</u>

See Accompanying Notes and Independent Auditor's Report



**MIFFLIN COUNTY SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
PROPRIETARY FUND  
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Food Service</u>
<b><u>Operating Revenues</u></b>	
Food Service Revenue	\$ 630,845
Other Operating Revenue	<u>47,955</u>
Total Operating Revenues	\$ 678,800
<b><u>Operating Expenses</u></b>	
Personnel Services - Salaries	\$1,019,655
Personnel Services - Employee Benefits	530,178
Purchased Professional and Technical Services	152
Purchased Property Services	36,633
Other Purchased Services	167,262
Supplies	1,626,498
Miscellaneous Expenses	<u>3,622</u>
Total Operating Expenses	\$3,384,000
Operating (Loss)	<u>(\$2,705,200)</u>
<b><u>Nonoperating Revenues</u></b>	
Earnings on Investments	\$ 14,192
Contributions and Donations from Private Sources	4,333
State Sources	374,114
Federal Sources	<u>2,710,873</u>
Total Nonoperating Revenues	\$3,103,512
Change in Net Position	\$ 398,312
<b><u>Net Position</u></b> - July 1, 2022	( 2,858,698)
<b><u>Net Position</u></b> - June 30, 2023	<u>(\$2,460,386)</u>

See Accompanying Notes and Independent Auditor's Report

**MIFFLIN COUNTY SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
FOR THE YEAR ENDED JUNE 30, 2023**

	<u><b>Food Service</b></u>
<b><u>Cash Flows from Operating Activities</u></b>	
Cash Received from Users	\$ 597,480
Cash Payments to Employees for Services	( 1,816,304)
Cash Payments to Suppliers for Goods and Services	( 1,623,569)
Net Cash (Used) by Operating Activities	(\$2,842,393)
<b><u>Cash Flows from Noncapital Financing Activities</u></b>	
Local Sources	\$ 4,331
State Sources	371,372
Federal Sources	2,468,837
Net Cash Provided by Noncapital Financing Activities	\$2,844,540
<b><u>Cash Flows from Investing Activities</u></b>	
Earnings on Investments	\$ 14,192
Net Increase in Cash and Cash Equivalents	\$ 16,339
<b><u>Cash and Cash Equivalents</u></b> - Beginning	<u>317,512</u>
<b><u>Cash and Cash Equivalents</u></b> - Ending	<u>\$ 333,851</u>
<b>Reconciliation of Operating (Loss) to Net Cash (Used) by Operating Activities:</b>	
Operating (Loss)	(\$2,705,200)
<b><u>Adjustments to Reconcile Operating (Loss) to Net Cash (Used) by Operating Activities</u></b>	
Donated Commodities Included in Operating Expenses	210,703
Decrease in Other Receivables	2,380
Decrease in Inventories	1,387
(Increase) in Prepaid Expenses	( 109)
Decrease in Deferred Outflows	11,894
(Decrease) in Due to Other Funds	( 138,335)
Increase in Accounts Payable	868
(Decrease) in Accrued Salaries/Benefits	( 2,699)
Increase in Net Pension Liability	178,315
(Decrease) in Other Postemployment Benefit Obligation	( 52,618)
(Decrease) in Unearned Revenue	( 69,129)
(Decrease) in Accumulated Compensated Absences	( 5,726)
(Decrease) in Deferred Inflows	( 274,124)
Net Cash (Used) by Operating Activities	(\$2,842,393)

**See Accompanying Notes and Independent Auditor's Report**



**MIFFLIN COUNTY SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2023**

	----- Primary Government -----		Component Unit
	<u>Private Purpose Trust</u>	<u>Student Activity Custodial</u>	<u>Mifflin County Academy of Science and Technology Agency Fund</u>
<b><u>ASSETS</u></b>			
Cash and Cash Equivalents	\$3,985	\$245,378	\$51,532
<b><u>LIABILITIES</u></b>			
Accounts Payable	\$ 0	\$ 19,174	\$ 254
Due to Other Funds	0	3,352	709
Other Current Liabilities	<u>0</u>	<u>0</u>	<u>410</u>
Total Liabilities	\$ 0	\$ 22,526	\$ 1,373
<b><u>NET POSITION HELD IN TRUST</u></b>	<u>\$3,985</u>	<u>\$222,852</u>	<u>\$50,159</u>

See Accompanying Notes and Independent Auditor's Report

**MIFFLIN COUNTY SCHOOL DISTRICT  
STATEMENT OF CHANGES IN NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023**

	<b><u>Private Purpose Trust</u></b>	<b><u>Student Activity Custodial Funds</u></b>	<b><u>Academy Custodial Fund</u></b>
<b><u>Additions</u></b>			
Gifts and Contributions	\$27,500	\$ 16,863	\$ 0
Net Investment Earnings	22	130	97
Other Addition	<u>0</u>	<u>453,637</u>	<u>169,293</u>
Total Additions	<u>\$27,522</u>	<u>\$470,630</u>	<u>\$169,390</u>
<b><u>Deductions</u></b>			
Scholarships Awarded	\$70,700	\$ 0	\$ 0
Other Deduction	<u>0</u>	<u>484,627</u>	<u>162,483</u>
Total Deductions	<u>\$70,700</u>	<u>\$484,627</u>	<u>\$162,483</u>
Change in Net Position	(\$43,178)	(\$ 13,997)	\$ 6,907
<b><u>Change in Net Position</u></b> - Beginning	<u>47,163</u>	<u>236,849</u>	<u>43,252</u>
<b><u>Change in Net Position</u></b> - Ending	<u>\$ 3,985</u>	<u>\$222,852</u>	<u>\$ 50,159</u>

See Accompanying Notes and Independent Auditor's Report

MIFFLIN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

Note 1: Summary of Significant Accounting Policies

**A. Description of Government-Wide Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the School District and its component unit. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

**B. Reporting Entity**

The Mifflin County School District (a class 2 school district) operates under a nine-member Board of Education and provides instruction, support services, and certain non-instructional services. The accompanying financial statements present the School District and its component unit, an entity for which the School District is considered to be financially accountable. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the School District.

*Discretely presented component unit.* The Mifflin County Academy of Science and Technology was established on April 1, 1996 under the provisions of the Pennsylvania School Code for the purpose of providing vocational and technical programs. The Mifflin County Academy of Science and Technology operates with a four-member Operating Committee, which is appointed by the Mifflin County School District. The Mifflin County School District approves the Mifflin County Academy of Science and Technology's budget and provide funds for operations. In addition, the Mifflin County Academy of Science and Technology receives federal and state revenues as well as other miscellaneous receipts. The Mifflin County School District has an on-going financial responsibility for the Mifflin County Academy of Science and Technology.

Separately issued financial statements are available for the Mifflin County Academy of Science and Technology. Copies of the Mifflin County Academy of Science and Technology's financial statements may be obtained by contacting the Mifflin County Academy of Science and Technology's Business Office, 700 Pitt Street, Lewistown, Pennsylvania 17044.

**C. Basis of Presentation - Government-Wide Financial Statements**

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the School District's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

MIFFLIN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023  
(CONTINUED)

**Note 1: Summary of Significant Accounting Policies** (Continued)

**C. Basis of Presentation - Government-Wide Financial Statements** (Continued)

The School District has a discretely presented component unit. The Mifflin County Academy of Science and Technology is shown in a separate column in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

**D. Basis of Presentation - Fund Financial Statements**

The fund financial statements provide information about the School District's funds, including its fiduciary funds. Separate statements for each fund category - governmental, proprietary, and fiduciary - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The School District reports the following major governmental funds:

- The *general fund* is the School District's primary operating fund. It accounts for all financial resources of the School District, except those specifically required to be accounted for in another fund.
- The *capital project fund* is used to account for the acquisition or construction of the School District's major capital equipment and facilities.
- The *debt service fund* is used to account for the accumulation of resources that are restricted, committed, or assigned for the payment of principal and interest on long-term obligations of governmental funds.

The School District reports the following major enterprise fund:

- The *food service fund* accounts for the operation of the School District's cafeterias.

Additionally, the School District reports the following fiduciary fund types:

- The *private purpose trust fund* is used to account for trust arrangements under which principal or interest benefit specific individuals, private organizations, or other governments - but not the School District.
- The *Student Activity Custodial fund* report resources held by the School District in a purely custodial capacity.

The proprietary funds and the fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

MIFFLIN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023  
(CONTINUED)

**Note 1: Summary of Significant Accounting Policies (Continued)**

**D. Basis of Presentation - Fund Financial Statements (Continued)**

During the course of operations, the School District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, the net amount is included as transfers in the business-type activities column.

**E. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.



MIFFLIN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023  
(CONTINUED)

**Note 1: Summary of Significant Accounting Policies** (Continued)

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

Property taxes and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the School District.

The proprietary funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The agency fund has no measurement focus but utilizes the *accrual basis of accounting* for reporting its assets and liabilities.

**F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance**

**1. Cash and Cash Equivalents**

The School District's cash and cash equivalents are considered to be cash on hand, demand deposits, and pooled funds which can be immediately converted into cash.

**2. Inventories and Prepaid Items**

Inventories consist of commodities held by the School District's Food Service Fund at cost, if purchased, and market, if donated.

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. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

**3. Capital Assets**

Capital assets, which include land, buildings, building improvements, equipment, and improvements other than buildings are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Effective July 1, 2015, the School District defines capital assets as independent asset units which have a per unit cost equal to or greater than \$5,000 and have an estimated useful life of one year or more. In addition, the item should (1) retain its original shape, appearance, and character with use; (2) not lose its identity through incorporation or fabrication into a different or more complex unit or substance; and (3) be more feasible to repair rather than replace when a failure occurs. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

**MIFFLIN COUNTY SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**  
**(CONTINUED)**

**Note 1: Summary of Significant Accounting Policies (Continued)**

**F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Cont.)**

**3. Capital Assets (Continued)**

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Upon sale or retirement of land, buildings, and equipment, the cost and related accumulated depreciation, if applicable, are eliminated from the respective accounts and any resulting gain or loss is included in the results of operations.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction is not capitalized.

Buildings, building improvements, equipment, and improvements other than buildings of the School District and its component unit are depreciated using the straight-line method over the following estimated lives:

<u>Assets</u>	<u>Years</u>
Buildings	15 - 40
Building Improvements	5 - 30
Equipment	3 - 20
Improvements Other Than Buildings	10 - 20

**4. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represent a consumption of net position that applies to future periods and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The government has four items that qualify for reporting in this category. They are the deferred outflows resulting from changes in proportions, changes in assumptions, net differences between projected and actual investment earnings, and net difference between expected and actual experience related to the School District's defined benefit pension plan and OPEB plans and are reported in the government-wide statement of net position. These amounts are deferred. The deferred outflows are amortized over the next eight years.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has four types of items that qualifies for reporting in this category. The deferred inflows resulted from the net difference between expected and actual experience, net differences between projected and actual investment earnings, changes in assumptions, and changes in proportions and are reported in the government-wide statement of net position. These amounts are deferred and are amortized over the next thirteen years.

MIFFLIN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023  
(CONTINUED)

**Note 1: Summary of Significant Accounting Policies** (Continued)

**F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance** (Cont.)

**5. Net Position Flow Assumption**

Sometimes the School District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the School District's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

**6. Fund Balance Flow Assumptions**

Sometimes the School District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the School District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**7. Fund Balance Policies**

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The School District itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

In the governmental fund financial statements, fund balances are classified as follows:

**Nonspendable** - amounts that cannot be spent because they are in a nonspendable form (e.g., inventory or prepaid expenses) or legally or contractually required to be maintained intact (e.g., principal of a permanent fund).

**Restricted** - amounts limited by (a) external parties, such as creditors, grantors, and donors, or (b) legislation, such as constitutional provisions or enabling legislation.

**Committed** - amounts limited by School Board (e.g., encumbrances or future anticipated costs). The School Board establishes, modifies, and rescinds commitments by passage of an ordinance or resolution, typically through the adoption and amendment of the budget.



MIFFLIN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023  
(CONTINUED)

**Note 1: Summary of Significant Accounting Policies** (Continued)

**F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance** (Cont.)

**7. Fund Balance Policies** (Continued)

**Assigned** - amounts that management intends for a particular purpose, such as a rate stabilization fund or segregation of an amount intended to be used at some time in the future. Assigned fund balances are intended for a specific purpose, such as the purchase of capital assets, construction, debt service, or other purposes.

**Unassigned** - amounts available for consumption or not restricted in any manner.

**G. Revenues and Expenditures/Expenses**

**1. Program Revenues**

Amounts reported as program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All internally dedicated resources are reported as general revenues rather than as program revenues.

**2. Property Taxes**

The School District's real estate tax is levied each August 1 on the assessed values currently in effect per the Mifflin County, Pennsylvania assessment office records for all real property located in the School District. The assessed value for which the current levy was based was \$794,835,080. Assessed values represent 50% of the estimated market value which was \$1,589,670,160. For the fiscal year ended June 30, 2023, School District real estate taxes were levied at the rate of 34.5215 mills on every dollar of taxable adjusted valuation. A total of \$26,022,839 was collected on this levy, which represents 94.84% of the total levied of \$27,438,899. The duplicate value was reduced via the homestead farmstead exclusion by the amount of the state property tax relief allocation in the amount of \$2,422,548.

For the year ended June 30, 2023, real estate taxes were billed August 2 and due on or before December 31. A discount of 2% was allowed on taxes paid on or before October 4. A 10% penalty was applied to all taxes paid after December 6. Taxes delinquent after December 31 were turned over to the Mifflin County Tax Claim Bureau for collection.

**3. Compensated Absences**

Under the terms of personnel policies and union contracts, employees of the School District and its component unit accumulate sick, personal, and/or vacation leave hours in varying amounts according to length of service and employee type.

MIFFLIN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023  
(CONTINUED)

Note 1: Summary of Significant Accounting Policies (Continued)

G. Revenues and Expenditures/Expenses (Continued)

3. Compensated Absences (Continued)

These benefits can be available for subsequent use or for payment upon termination or retirement. Accumulated sick, personal and vacation expense to be paid in future periods is accrued when the benefits are earned in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only for amounts that have become due and are not yet paid.

4. Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Note 2: Detailed Notes on All Activities and Funds

A. Cash Deposits with Financial Institutions

The School District's carrying amount of bank deposits at June 30, 2023 is \$38,550,705 and the bank balance is \$39,420,027. Of the bank balance, \$256,112 is covered by federal depository insurance and \$15,854,107 is covered by collateral held in the pledging bank's trust department, but not in the School District's name. In addition, \$23,309,808 of the bank balance is invested in an external investment pool, which is rated AAAM, from which the School District purchased a prorata share of all investments and deposits, which are held in the name of the fund, which is considered to be a cash equivalent by the School District.

**Custodial credit risk** for deposits is the risk that in the event of a bank failure, the School District's deposits may not be returned, or the School District will not be able to recover collateral securities in the possession of an outside party. The School District's policy require that deposits be insured by the Federal Deposit Insurance Corporation to the extent that such accounts are so insured and, for any amounts above the insured maximum, provided that approved collateral as provided by law shall be pledged by the depository and obligations of the United States of America, Commonwealth of Pennsylvania, or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth, or of any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision.

**MIFFLIN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023  
(CONTINUED)**

**Note 2: Detailed Notes on All Activities and Funds (Continued)**

**A. Cash Deposits with Financial Institutions (Continued)**

Deposits of the School District's reporting entity are insured or collateralized with securities held by the School District, its agent, or by the pledging financial institution's trust department or agent in the name of the School District, or collateralized with securities held by the pledging financial institution or by its trust department or agent but not in the School District's name.

**Discretely Presented Component Unit**

The Mifflin County Academy of Science and Technology's carrying amount of bank deposits at June 30, 2023 is \$2,972,838 and the bank balance is \$2,935,677. Of the bank balance, \$250,000 is covered by federal depository insurance and \$2,471,893 is covered by collateral held in the pledging bank's trust department, but not in the Academy's name. In addition, \$250,945 of the bank balance and book balance is invested in an external investment pool from which the Mifflin County Academy of Science and Technology purchased a prorata share of all investments and deposits, which are held in the name of the fund, which is considered to be a cash equivalent by the Mifflin County Academy of Science and Technology.

**Custodial credit risk** for deposits is the risk that in the event of a bank failure, the Academy's deposits may not be returned, or the Academy will not be able to recover collateral securities in the possession of an outside party. The Academy's policy require that deposits be insured by the Federal Deposit Insurance Corporation to the extent that such accounts are so insured and, for any amounts above the insured maximum, provided that approved collateral as provided by law shall be pledged by the depository and obligations of the United States of America, Commonwealth of Pennsylvania, or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth, or of any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision.

Deposits of the Mifflin County Academy of Science and Technology's reporting entity are insured or collateralized with securities held by the Mifflin County Academy of Science and Technology, its agent, or by the pledging financial institution's trust department or agent in the name of the Mifflin County Academy of Science and Technology, or collateralized with securities held by the pledging financial institution or by its trust department or agent but not in the Mifflin County Academy of Science and Technology's name.

**MIFFLIN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023  
(CONTINUED)**

**Note 2: Detailed Notes on All Activities and Funds (Continued)**

**B. Capital Assets**

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

	Balance 06/30/22	Additions	Deletions	Transfer	Balance 06/30/23
<b><u>Governmental Activities</u></b>					
Capital Assets, not being depreciated:					
Land	\$ 703,809	\$ 0	\$ 0	\$ 0	\$ 703,809
Construction in Progress	52,787	462,601	0	( 46,075)	469,313
Total Capital Assets, not being depreciated	\$ 756,596	\$ 462,601	\$ 0	(\$46,075)	\$ 1,173,122
Capital Assets, being depreciated:					
Building	\$146,696,862	\$ 880,098	\$ 0	\$46,075	\$147,623,035
Buildings and Improvements	17,678,778	461,275	( 11,986)	0	18,128,067
Furniture and Equipment	8,454,432	936,861	( 2,058,271)	0	7,333,022
Total Capital Assets, being depreciated	\$172,830,072	\$2,278,234	(\$2,070,257)	\$46,075	\$173,084,124
Less Accumulated Depreciation for:					
Building	(\$ 57,078,354)	(\$4,775,038)	\$ 0	\$ 0	(\$ 61,853,392)
Buildings and Improvements	( 7,307,738)	( 839,290)	11,986	0	( 8,135,042)
Furniture and Equipment	( 5,443,061)	( 677,512)	2,034,538	0	( 4,086,035)
Total Accumulated Depreciation	(\$ 69,829,153)	(\$6,291,840)	\$2,046,524	\$ 0	(\$ 74,074,469)
Total Capital Assets, being depreciated, net	\$103,000,919	(\$4,013,606)	(\$ 23,733)	\$46,075	\$ 99,009,655
Governmental Activities Capital Assets, net	\$103,757,515	(\$3,551,005)	(\$ 23,733)	\$ 0	\$100,182,777
<b><u>Business-Type Activities</u></b>					
Capital Assets, not being depreciated:					
Food Service Equipment	\$ 128,061	\$ 0	\$ 0	\$ 0	\$ 128,061
Less: Accumulated Depreciation for:					
Food Service Equipment	(\$ 128,061)	\$ 0	\$ 0	\$ 0	(\$ 128,061)
Total Capital Assets, being depreciated, net	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Business-Type Activities Capital Assets, net	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

Depreciation expense was charged to governmental functions as follows:

**Governmental Activities**

Depreciation - Unallocated	\$5,150,512
Instructional	238,430
Support Services:	
Administrative and Financial Support Services	308,447
Operating and Maintenance of Plant Services	594,451
Total Depreciation Expense, Governmental Activities	\$6,291,840

**MIFFLIN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023  
(CONTINUED)**

**Note 2: Detailed Notes on All Activities and Funds (Continued)**

**B. Capital Assets (Continued)**

**Discretely Presented Component Unit**

The Mifflin County Academy of Science and Technology's capital assets activity for the year ended June 30, 2023, was as follows:

	<u>Balance</u> <u>06/30/22</u>	<u>Additions</u>	<u>Deductions</u>	<u>Transfers</u>	<u>Balance</u> <u>06/30/23</u>
<b><u>Governmental Activities</u></b>					
Capital Assets, not being depreciated:					
Land	\$ 32,035	\$ 0	\$0	\$ 0	\$ 32,035
Construction in Progress	<u>492,176</u>	<u>439,408</u>	<u>0</u>	<u>( 446,857)</u>	<u>484,727</u>
Total Capital Assets, not being depreciated	<u>\$ 524,211</u>	<u>\$439,408</u>	<u>\$0</u>	<u>(\$446,857)</u>	<u>\$ 516,762</u>
Capital Assets, being depreciated:					
Buildings and Improvements	\$4,986,370	\$205,658	\$0	\$446,857	\$5,638,885
Furniture and Equipment	<u>2,850,583</u>	<u>195,217</u>	<u>0</u>	<u>0</u>	<u>3,045,800</u>
Total Capital Assets, being depreciated	<u>\$7,836,953</u>	<u>\$400,875</u>	<u>\$0</u>	<u>\$446,857</u>	<u>\$8,684,685</u>
Less Accumulated Depreciation:					
Building and Improvements	(\$3,697,583)	(\$195,171)	\$0	\$ 0	(\$3,892,754)
Furniture and Equipment	<u>( 1,674,358)</u>	<u>( 205,495)</u>	<u>0</u>	<u>0</u>	<u>( 1,879,853)</u>
Total Accumulated Depreciation	<u>(\$5,371,941)</u>	<u>(\$400,666)</u>	<u>\$0</u>	<u>\$ 0</u>	<u>(\$5,772,607)</u>
Total Capital Assets, being depreciated, net	<u>\$2,465,012</u>	<u>\$ 209</u>	<u>\$0</u>	<u>\$446,857</u>	<u>\$2,912,078</u>
Governmental Activities, Capital Assets, Net	<u>\$2,989,223</u>	<u>\$439,617</u>	<u>\$0</u>	<u>\$ 0</u>	<u>\$3,428,840</u>

Depreciation expense was charged to functions of the Academy as follows:

Depreciation - Unallocated	\$161,932
Instructional Services	215,381
Supporting Services:	
Administrative and Financial Support	602
Operation and Maintenance of Plant Services	<u>22,751</u>
Total Depreciation Expense, Governmental Activities	<u>\$400,666</u>



**MIFFLIN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023  
(CONTINUED)**

**Note 2: Detailed Notes on All Activities and Funds (Continued)**

**C. Retirement Plans**

**Pensions**

**1. Summary of Significant Accounting Policies Relative to Pension**

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

***General Information about the Pension Plan***

**Plan Description**

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

**Benefits Provided**

PSERS provides retirement, disability, and death benefits. Members are eligible for monthly retirement benefits upon reaching (a) age 62 with at least 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) preserves the benefits of existing members and introduced benefit reductions for individuals who become new members on or after July 1, 2011. Act 120 created two new membership classes, Membership Class T-E (Class T-E) and Membership Class T-F (Class T-F). To qualify for normal retirement, Class T-E and Class T-F members must work until age 65 with a minimum of 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.

Act 5 of 2017 (Act 5) introduced a hybrid benefit with two membership classes and a separate defined contribution plan for individuals who become new members on or after July 1, 2019. Act 5 created two new hybrid membership classes, Membership Class T-G (Class T-G) and Membership Class T-H (Class T-H) and

MIFFLIN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023  
(CONTINUED)

**Note 2: Detailed Notes on All Activities and Funds** (Continued)

**C. Retirement Plans** (Continued)

**Pensions** (Continued)

**1. Summary of Significant Accounting Policies Relative to Pension** (Continued)

**Benefits Provided** (Continued)

the separate defined contribution membership class, Membership Class DC (Class DC). To qualify for normal retirement, Class T-G and Class T-H members must work until age 67 with a minimum of 3 years of credited service. Class T-G may also qualify for normal retirement by attaining a total combination of age and service that is equal to or greater than 97 with a minimum of 35 years of credited service.

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

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

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

**Contributions**

**Member Contributions:**

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

**MIFFLIN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023  
(CONTINUED)**

**Note 2: Detailed Notes on All Activities and Funds (Continued)**

**C. Retirement Plans (Continued)**

**Pensions (Continued)**

**1. Summary of Significant Accounting Policies Relative to Pension (Continued)**

**Contributions (Continued)**

**Member Contributions: (Continued)**

**Member Contribution Rates**

<u>Membership Class</u>	<u>Continuous Employment Since</u>	<u>Defined Benefit (DB) Contribution Rate</u>	<u>DC Contribution Rate</u>	<u>Total Contribution Rate</u>
T-C	Prior to July 22, 1983	5.25%	N/A	5.25%
T-C	On or after July 22, 1983	6.25%	N/A	6.25%
T-D	Prior to July 22, 1983	6.50%	N/A	6.50%
T-D	On or after July 22, 1983	7.50%	N/A	7.50%
T-E	On or after July 1, 2011	7.50% base rate with shared risk provision	N/A	Prior to 7/1/21: 7.50% After 7/1/21: 8.00%
T-F	On or after July 1, 2011	10.30% base rate with shared risk provision	N/A	Prior to 7/1/21: 10.30% After 7/1/21: 10.8%
T-G	On or after July 1, 2019	5.50% base rate with shared risk provision	2.75%	Prior to 7/1/21: 8.25% After 7/1/21: 9.00%
T-H	On or after July 1, 2019	4.50% base rate with shared risk provision	3.00%	Prior to 7/1/21: 7.50% After 7/1/21: 8.25%
DC	On or after July 1, 2019	N/A	7.50%	7.50%

**Shared Risk Program Summary**

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

**Employer Contributions:**

The School District's contractually required contribution rate for fiscal year ended June 30, 2023 was 34.31% 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 School District were \$11,513,107 for the year ended June 30, 2023.



**MIFFLIN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023  
(CONTINUED)**

**Note 2: Detailed Notes on All Activities and Funds (Continued)**

**C. Retirement Plans (Continued)**

**Pensions (Continued)**

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

At June 30, 2023, the School District reported a liability of \$83,672,893 for its proportionate share of the net pension liability, reduced by contributions of \$11,513,107 subsequent to the measurement date. The net pension liability was measured as of June 30, 2022, reduced by contributions subsequent to the measurement date, and the total pension liability used to calculate the net pension liability was determined by rolling forward the System's total pension liability as of June 30, 2021 to June 30, 2022. The School District's proportion of the net pension liability was calculated utilizing the employer's one-year reported contributions as it relates to the total one-year reported contributions. At June 30, 2022, the School District's proportion was .2141%, which was an increase of .0059% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the School District recognized pension expense of \$10,326,751. At June 30, 2023, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Net Difference Between Expected and Actual Experience	\$ 20,988	\$ 427,542
Net Difference Between Projected and Actual Investment Earnings	0	670,621
Changes of Assumptions	1,382,021	0
Changes in Proportions	<u>1,360,000</u>	<u>373,000</u>
Total	<u>\$2,763,009</u>	<u>\$1,471,163</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b><u>Year Ending June 30:</u></b>	<b><u>Amount</u></b>
2024	\$ 712,964
2025	( 1,675,438)
2026	2,254,320
2027	0
2028	<u>0</u>
	<u>\$1,291,846</u>

**MIFFLIN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023  
(CONTINUED)**

**Note 2: Detailed Notes on All Activities and Funds (Continued)**

**C. Retirement Plans (Continued)**

**Pensions (Continued)**

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

**Changes in Actuarial Assumptions**

The Total Pension Liability as of June 30, 2022 was determined by rolling forward the System's Total Pension Liability as of June 30, 2021 to June 30, 2022 using the following actuarial assumptions, applied to all periods included in the measurement:

- Valuation Date - June 30, 2021
- Actuarial Cost Method - Entry Age Normal - Level % of Pay
- The Investment Rate of Return 7.00%, includes inflation at 2.75%
- Salary Growth - Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.
- The discount rate used to measure the Total Pension Liability was 7.00% as of June 30, 2021 and as of June 30, 2022
- Demographic and economic assumptions approved by the Board for use effective with the June 30, 2021 actuarial valuation:
  - Salary growth rate - decreased from 5.00% to 4.50%.
  - 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.
  - 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, 2022 valuation were based on the results of an actuarial experience study that was performed for the five-year period ending June 30, 2020.

**MIFFLIN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023  
(CONTINUED)**

**Note 2: Detailed Notes on All Activities and Funds** (Continued)

**C. Retirement Plans** (Continued)

**Pensions** (Continued)

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

**Changes in Actuarial Assumptions** (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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Public Equity	28.0%	5.3%
Private Equity	12.0%	8.0%
Fixed Income	33.0%	2.3%
Commodities	9.0%	2.3%
Absolute Return	6.0%	3.5%
Infrastructure/MLPs	9.0%	5.4%
Real Estate	11.0%	4.6%
Cash	3.0%	0.5%
Leverage	( 11.0%)	0.5%
	<u>100.0%</u>	

The above was the Board's adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2022.

**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.

**MIFFLIN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023  
(CONTINUED)**

**Note 2: Detailed Notes on All Activities and Funds (Continued)**

**C. Retirement Plans (Continued)**

**Pensions (Continued)**

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

**Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the net pension liability, calculated using the discount rate of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate:

	<b>1% Decrease <u>6.00%</u></b>	<b>Current Discount Rate <u>7.00%</u></b>	<b>1% Increase <u>8.00%</u></b>
School District's Proportionate Share of the Net Pension Liability	\$123,117,000	\$95,186,000	\$71,637,000
	\$123,117,000	\$95,186,000	\$71,637,000

**Pension Plan Fiduciary Net Position**

Detailed information about PSERS' fiduciary net position is available in PSERS Comprehensive Annual Financial Report, which can be found on the System's website at [www.psers.pa.gov](http://www.psers.pa.gov).

Condensed summary information of the School District's proportionate share of the PSERS assets, liabilities, and net position from the PSERS Comprehensive Annual Financial Report for the year ended June 30, 2022 is as follows:

Assets	\$176,754,100
Liabilities	( 25,753,100)
Net Position Held in Trust for Benefits	\$151,001,000

**Pension Plan Fiduciary Net Position**

In addition, as of June 30, 2023, the School District had a payable of \$4,007,093 to the PSERS Pension Plan, of which \$3,016,823 represents the second quarter 2023 required contribution, while \$990,270 represents the liability related to accrued payroll as of June 30, 2023.

**MIFFLIN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023  
(CONTINUED)**

**Note 2: Detailed Notes on All Activities and Funds (Continued)**

**D. Other Postemployment Benefits - PSERS**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Public School Employees' Retirement System (PSERS) and additions to/deductions from PSERS' 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.

***General Information about the Health Insurance Premium Assistance Program***

**Health Insurance Premium Assistance Program**

The System provides Premium Assistance which, is a governmental cost sharing, multiple-employer other postemployment benefit plan (OPEB) for all eligible retirees who qualify and elect to participate. Employer contribution rates for Premium Assistance are established to provide reserves in the Health Insurance Account that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Effective January 1, 2002 under the provisions of Act 9 of 2001, participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of \$100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS' Health Options Program. As of June 30, 2022, there were no assumed future benefit increases to participating eligible retirees.

**Premium Assistance Eligibility Criteria**

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

- Have 24½ or more years of service, or
- Are a disability retiree, or
- Have 15 or more years of service 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.



**MIFFLIN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023  
(CONTINUED)**

**Note 2: Detailed Notes on All Activities and Funds (Continued)**

**D. Other Postemployment Benefits - PSERS (Continued)**

**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 the reporting entities in Pennsylvania. PSERS issues a publicly available financial report that can be obtained at [www.psers.pa.gov](http://www.psers.pa.gov).

**Benefits Provided**

Participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of \$100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS' Health Options Program.

**Employer Contributions**

The School Districts' contractually required contribution rate for the fiscal year ended June 30, 2023 was 0.75% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the OPEB plan from the School District were \$251,671 for the year ended June 30, 2023.

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

At June 30, 2023, the School District reported a liability of \$183,066 for its proportionate share of the net OPEB liability, reduced by contributions of \$13,934 made subsequent to the measurement date. 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, 2021 to June 30, 2022. The School District's proportion of the net OPEB liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2022, the School District's proportion was .2152%, which was an increase of .0064% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the School District recognized OPEB expense of \$111,003. At June 30, 2023, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

**MIFFLIN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023  
(CONTINUED)**

**Note 2: Detailed Notes on All Activities and Funds (Continued)**

**D. Other Postemployment Benefits - PSERS (Continued)**

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 24,986	\$ 16,978
Changes in Assumptions	327,830	721,254
Net Difference Between Projected and Actual Investment Earnings	6,818	0
Changes in Proportions	<u>105,995</u>	<u>41,250</u>
Total	<u>\$465,629</u>	<u>\$779,482</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended June 30:</u>	<u>Amount</u>
2024	(\$69,004)
2025	( 61,822)
2026	( 86,666)
2027	( 96,361)
2028	0
Thereafter	0

**Actuarial Assumptions**

The Total OPEB Liability as of June 30, 2022, was determined by rolling forward the System's Total OPEB Liability as of June 30, 2021 to June 30, 2022 using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method - Entry Age Normal - level % of pay.
- Investment return - 4.09% - S&P 20 Year Municipal Bond Rate.
- Salary growth - Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.
- Premium Assistance reimbursement is capped at \$1,200 per year.
- Assumed Healthcare cost trends were applied to retirees with less than \$1,200 in premium assistance per year.

MIFFLIN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023  
(CONTINUED)

**Note 2: Detailed Notes on All Activities and Funds** (Continued)

**D. Other Postemployment Benefits - PSERS** (Continued)

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

**Actuarial Assumptions** (Continued)

- 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 Mortality Improvement Scale.
- Participation Rate:
  - Eligible retirees will elect to participate Pre age 65 at 50%
  - Eligible retirees will elect to participate Post age 65 at 70%

The actuarial assumptions used in the June 30, 2021 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, 2020 determined the employer contribution rate for fiscal year 2022.
- Cost Method: Amount necessary to assure solvency of Premium Assistance through the third fiscal year after the valuation date.
- Asset valuation method: Market Value.
- Participation rate: The actual data for retirees benefiting under the Plan as of June 30, 2021 was used in lieu of the 63% utilization assumption for eligible retirees.
- Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale.

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

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



**MIFFLIN COUNTY SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**  
**(CONTINUED)**

**Note 2: Detailed Notes on All Activities and Funds (Continued)**

**D. Other Postemployment Benefits - PSERS (Continued)**

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

**Actuarial Assumptions (Continued)**

<u>OPEB - Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	100.0%	0.5%

The above was the Board's adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2022.

**Discount Rate**

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

**Sensitivity of the System Net OPEB Liability to Change in Healthcare Cost Trend Rates**

Healthcare cost trends were applied to retirees receiving less than \$1,200 in annual Premium Assistance. As of June 30, 2022, retirees Premium Assistance benefits are not subject to future healthcare cost increases. The annual Premium Assistance reimbursement for qualifying retirees is capped at a maximum of \$1,200. As of June 30, 2022, 93,293 retirees were receiving the maximum amount allowed of \$1,200 per year. As of June 30, 2022, 582 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 System net OPEB liability for June 30, 2022, calculated using current Healthcare cost trends as well as what the System net OPEB liability would be if its health cost trends were 1-percentage point lower or 1-percentage point higher than the current rate:

**MIFFLIN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023  
(CONTINUED)**

**Note 2: Detailed Notes on All Activities and Funds (Continued)**

**D. Other Postemployment Benefits - PSERS (Continued)**

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

**Sensitivity of the System Net OPEB Liability to Change in Healthcare Cost Trend Rates (Cont.)**

**Dollar Amounts in Thousands**

	<b><u>1% Decrease</u></b>	<b><u>Current Trend Rate</u></b>	<b><u>1% Increase</u></b>
System Net OPEB Liability	\$1,840,584	\$1,840,771	\$1,840,921
	<hr/>	<hr/>	<hr/>

**Sensitivity of the School District's Proportionate Share of the Net OPEB Liability  
to Changes in the Discount Rate**

The following presents the net OPEB liability, calculated using the discount rate of 4.09%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.09%) or 1-percentage-point higher (5.09%) than the current rate:

	<b><u>1% Decrease 3.09%</u></b>	<b><u>Current Discount Rate 4.09%</u></b>	<b><u>1% Increase 5.09%</u></b>
District's Proportionate Share of the Net OPEB Liability	\$4,480,000	\$3,961,000	\$3,527,000
	<hr/>	<hr/>	<hr/>

**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](http://www.psers.pa.gov).

Condensed summary information of the School District's proportionate share of the PSERS assets, liabilities, and net position from the PSERS Comprehensive Annual Financial Report for the year ended June 30, 2022 is as follows:

Assets	\$1,280,900
Liabilities	( 150,500)
Net Position Held in Trust for Benefits	<hr/> \$1,130,400

In addition, as of June 30, 2023, the School District had a payable of \$87,593 to the PSERS OPEB plan, of which \$65,946 represents the second quarter 2023 required contribution, while \$21,647 represents the liability related to accrued payroll as of June 30, 2023.

**MIFFLIN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023  
(CONTINUED)**

**Note 2: Detailed Notes on All Activities and Funds (Continued)**

**E. Other Postemployment Benefits - Single-Employer**

Separate financial statements are not prepared for the defined benefit healthcare plan described below.

<b><u>Summary of Plan Provisions</u></b>			
<b><u>Group</u></b>	<b><u>Eligibility</u></b>	<b><u>Coverage and Premium Sharing</u></b>	<b><u>Duration</u></b>
I. Superintendent	All employees are eligible for this benefit upon retirement with 30 years of PSERS service or upon superannuation retirement.	<ul style="list-style-type: none"> <li>• Coverage: Medical, Prescription Drug, Dental and Vision</li> <li>• Premium sharing: The District provides six months of fully subsidized retiree and spouse medical, prescription drug, dental, and vision coverage for each year of administrative service completed. After the subsidized period ends, the retiree and spouse may continue coverage by paying the full premium determined for the purpose of COBRA.</li> <li>• Dependents: Spouse Included</li> </ul>	<ul style="list-style-type: none"> <li>• Member is eligible for coverage until Medicare age. Spouse Coverage ceases at the earlier of member or spouse Medicare age.</li> </ul>
II. Directors, Coordinators, and Chief Officers	All employees are eligible for this benefit upon retirement with 30 years of PSERS service or upon superannuation retirement.	<ul style="list-style-type: none"> <li>• Coverage: Medical and Prescription Drug</li> <li>• Premium Sharing: The District provides six months of fully subsidized retiree and spouse medical and prescription drug coverage for each year of administrative service completed. Following this period, the District contributes \$2,400 annually toward medical and prescription drug premiums with retirees responsible for paying the remaining premiums.</li> <li>• Dependents: Spouse Included</li> </ul>	<ul style="list-style-type: none"> <li>• Member is eligible for coverage until Medicare age. Spouse Coverage ceases at the earlier of member or spouse Medicare age.</li> </ul>
III All Other Administrators	All employees are eligible for this benefit upon retirement with 30 years of PSERS service or upon superannuation retirement.	<ul style="list-style-type: none"> <li>• Coverage: Medical and Prescription Drug</li> <li>• Premium Sharing: The District contributes \$2,400 annually toward medical and prescription drug premiums. Retirees are responsible for paying the remaining premiums.</li> <li>• Dependents: Spouse Included</li> </ul>	<ul style="list-style-type: none"> <li>• Member is eligible for coverage until Medicare age. Spouse Coverage ceases at the earlier of member or spouse Medicare age.</li> </ul>
IV. All Other Employees	All employees are eligible for this benefit upon retirement with 30 years of PSERS service or upon superannuation retirement.	<ul style="list-style-type: none"> <li>• Coverage: Medical and Prescription Drug</li> <li>• Premium Sharing: Retirees may continue coverage by paying the full premium determined for the purpose of COBRA.</li> <li>• Dependents: Spouse Included</li> </ul>	<ul style="list-style-type: none"> <li>• Member is eligible for coverage until Medicare age. Spouse Coverage ceases at the earlier of member or spouse Medicare age.</li> </ul>

MIFFLIN COUNTY SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2023  
 (CONTINUED)

Note 2: Detailed Notes on All Activities and Funds (Continued)

E. Other Postemployment Benefits - Single-Employer (Continued)

Valuation Date

First day of the Fiscal Year (July 1, 2021)

Asset Valuation Method

Program is funded on a pay-as-you-go basis and holds no assets.

Actuarial Assumptions

a. Discount Rate

4.06%, based on S&P Municipal Bond 20-year High Grade Rate Index at July 1, 2022.

b. Salary

Salary increases are composed of a 2.5% cost of living adjustment, 1.5% real wage growth, and for teachers and administrators, a merit increase which varies by age from 2.75% to 0%.

c. Withdrawal

Rates of withdrawal are based on PSERS plan experience and vary by age, gender, years of service, and PSERS pension class. Sample rates for employees with more than 10 years of service are shown below. Rates for new employees start at 25.93% for men and 27.46% for women and decrease with age and service.

<u>Age</u>	<u>Male Rate</u>	<u>Female Rate</u>	<u>Age</u>	<u>Male Rate</u>	<u>Female Rate</u>
25	4.5500%	3.9000%	45	1.4100%	1.6000%
30	4.5500%	3.9000%	50	1.8900%	2.0800%
35	1.6800%	2.8300%	55	3.6300%	3.6600%
40	1.4200%	1.6700%	60	5.4900%	5.9400%

d. Mortality

PubT-2010 Headcount-Weighted Mortality Table including rates for contingent survivors for teachers. PubG-2010 Headcount-Weighted Mortality Table including rates for contingent survivors for all other employees.

Incorporated into the table are rates projected generationally using Scale MP-2021 to reflect mortality improvement.

e. Disability

No disability was assumed.

f. Retirement

Assumed retirement rates are based on PSERS plan experience and vary by age, service, and gender.

**MIFFLIN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023  
(CONTINUED)**

**Note 2: Detailed Notes on All Activities and Funds (Continued)**

**E. Other Postemployment Benefits - Single-Employer (Continued)**

**Actuarial Assumptions (Continued)**

**f. Retirement (Continued)**

<u>Age</u>	<u>Special Early Retirement</u>		<u>TC &amp; TD Superannuation</u>		<u>TE, TF, TG, &amp; TH Superannuation</u>	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
55	14.5%	14.5%	25.0%	16.0%	16.3%	19.5%
56	14.5%	14.5%	25.0%	20.0%	16.3%	19.5%
57	14.5%	15.0%	28.0%	28.0%	16.3%	19.5%
58	14.5%	15.0%	28.0%	30.0%	16.3%	19.5%
59	21.6%	20.7%	28.0%	30.0%	16.3%	19.5%
60	14.5%	15.0%	29.0%	31.0%	16.3%	19.5%
61	29.0%	29.0%	29.0%	31.0%	16.3%	19.5%
62	29.0%	29.0%	36.0%	31.0%	16.3%	19.5%
63	29.0%	29.0%	21.0%	20.0%	16.3%	19.5%
64	29.0%	29.0%	22.0%	25.0%	16.3%	19.5%
65	29.0%	29.0%	23.0%	28.0%	16.3%	19.5%
66	29.0%	29.0%	23.0%	27.0%	16.3%	19.5%
67	29.0%	29.0%	20.0%	23.0%	16.3%	19.5%
68	29.0%	29.0%	20.0%	22.0%	16.3%	19.5%
69	29.0%	29.0%	20.0%	23.0%	16.3%	19.5%
70	29.0%	29.0%	20.0%	23.0%	16.3%	19.5%
71-73	29.0%	29.0%	20.0%	20.0%	16.3%	19.5%
74-79	29.0%	29.0%	25.0%	25.0%	16.3%	19.5%
80+	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

**g. Percent of Eligible Retirees Electing Coverage in Plan**

60% of employees are assumed to elect coverage.

**h. Percent Married at Retirement**

80% of retirees are assumed to be married, and 25% of employees are assumed to have a spouse covered by the plan at retirement. Non-spouse dependents are deemed to be immaterial.

**i. Spouse Age**

Wives are assumed to be two years younger than their husbands.

**j. Per Capita Claims Cost**

The per capita claims cost for medical and prescription drug is based on the expected portion of the group's overall cost attributed to individuals in the specified age and gender brackets. Dental and vision costs are assumed to not vary with age or gender. The resulting costs are as follows:

**MIFFLIN COUNTY SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**  
**(CONTINUED)**

**Note 2: Detailed Notes on All Activities and Funds (Continued)**

**E. Other Postemployment Benefits - Single-Employer (Continued)**

**Actuarial Assumptions (Continued)**

**j. Per Capita Claims Cost (Continued)**

**Medical and Prescription Drug Combined**

<u>Age</u>	<u>Males Rate</u>	<u>Females Rate</u>
45-49	\$ 7,316	\$10,565
50-54	\$ 9,689	\$11,941
55-59	\$11,800	\$12,494
60-64	\$15,399	\$14,353

**k. Retiree Contributions**

Retiree contributions are assumed to increase at the same rate as the Health Care Cost Trend Rate.

**l. Health Care Cost Trend Rate**

6.5% in 2022, 6.0% in 2023, and 5.5% in 2024-2025. Rates gradually decrease from 5.4% in 2026 to 3.9% in 2075 and later based on the Society of Actuaries Long-Run Medical Cost Trend Model.

**m. Actuarial Value of Assets**

Equal to the Market Value of Assets

**n. Actuarial Cost Method - Entry Age Normal**

Under the Entry Age Normal Cost Method, the Normal Cost is the present value of benefits allocated to the year following the valuation date. Benefits are allocated on a level basis over the earnings of an individual between the date of hire and the assumed retirement age. The Accrued Liability as of the valuation date is the excess of the present value of future benefits over the present value of future Normal Cost. The Unfunded Accrued Liability is the excess of the Accrued Liability over the Actuarial Value of Assets. Actuarial gains and losses serve to reduce or increase the Unfunded Accrued Liability.

**o. Participant Data**

Based on census information as of February 2022. Due to the timing of school district turnover, the data is believed to be representative of the population for the 2021-2022 school year.



**MIFFLIN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023  
(CONTINUED)**

**Note 2: Detailed Notes on All Activities and Funds (Continued)**

**E. Other Postemployment Benefits - Single-Employer (Continued)**

**Plan Descriptions, Contribution Information, and Funding Policies**

Memberships of the plan are as follows:

Active Members	616
Retirees and Beneficiaries Currently Receiving Benefits	23
Terminated Plan Members Entitled to But Not Yet Receiving Benefits	<u>0</u>
 Total	 639 <hr/>

**Components of Net OPEB Liability as of July 1, 2022 Measurement Date**

Total OPEB Liability	\$ 3,887,337
Plan Fiduciary Net Position	<u>0</u>
 Net OPEB Liability	 \$ 3,887,337 <hr/>
 Fiduciary Net Position as a Percentage of Total OPEB Liability	 0%
Estimated Covered Employee Payroll	\$29,789,851
Net Liability as a Percentage of Covered Employee Payroll	13.05%

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate as of July 1, 2022**

	<u>1% Decrease</u> <u>3.06%</u>	<u>Current</u> <u>Discount Rate</u> <u>4.06%</u>	<u>1% Increase</u> <u>5.06%</u>
Net OPEB Liability	<u>\$4,207,453</u>	<u>\$3,887,337</u>	<u>\$3,587,368</u>

**Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates as of July 1, 2022**

	<u>1% Decrease</u>	<u>Current</u> <u>Healthcare</u> <u>Cost Trend Rates</u>	<u>1% Increase</u>
Net OPEB Liability	<u>\$3,417,507</u>	<u>\$3,887,337</u>	<u>\$4,450,110</u>

**Investments and Discount Rate**

The discount rate is based on a 20 year High-Grade Municipal Rate Index (4.06%) as of July 1, 2022.

**MIFFLIN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023  
(CONTINUED)**

**Note 2: Detailed Notes on All Activities and Funds (Continued)**

**E. Other Postemployment Benefits - Single-Employer (Continued)**

**Changes in Net OPEB Liability**

	----- Increase (Decrease) -----		
	Total OPEB Liability <u>(a)</u>	Plan Fiduciary Net Position <u>(b)</u>	Net OPEB Liability <u>(a) - (b)</u>
Balances at June 30, 2021	\$4,932,971	\$0	\$4,932,971
	-----	-----	-----
Changes for the Year:			
Service Cost	\$ 387,143	\$0	\$ 387,143
Interest	119,321	0	119,321
Changes of Assumptions	( 1,391,991)	0	( 1,391,991)
Benefit Payments	( 160,107)	0	( 160,107)
Net Changes	(\$1,045,634)	\$0	(\$1,045,634)
	-----	-----	-----
Balances at June 30, 2022	\$3,887,337	\$0	\$3,887,337
	=====	=====	=====

The amount is reduced by benefits paid subsequent to July 1, 2022 of \$155,326.

**Deferred Outflows of Resources and Deferred Inflows of Resources**

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences Between Expected and Actual Experience	\$ 0	\$4,896,748
Changes of Assumptions	3,429,196	2,143,758
Total	\$3,429,196	\$7,040,506
	-----	-----

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30:</u>	<u>Amount</u>
2024	(\$ 80,779)
2025	( 80,779)
2026	( 80,779)
2027	( 80,779)
2028	( 80,779)
Thereafter	( 3,207,415)



**MIFFLIN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023  
(CONTINUED)**

**Note 2: Detailed Notes on All Activities and Funds (Continued)**

**E. Annual OPEB Expense**

Components of OPEB Expense for the year ended June 30, 2023:

Service Cost	\$387,143
Interest	119,321
Recognition of Difference between Expected and Actual Experience	( 406,116)
Recognition of Changes of Assumptions	<u>325,337</u>
Total OPEB Expense	<u>\$425,685</u>

**School District Contributions**

The School District's contributions for the year ended June 30, 2023 was \$155,326.

**Plan Related Financial Statement Items**

As of June 30, 2023, and for the year then ended, the Plan's had the following:

Plan Related Assets	\$ 0
Deferred Outflows of Resources	3,429,196
Net OPEB Liability	( 3,887,337)
Deferred Inflows of Resources	( 7,040,506)
OPEB Expense	425,685
OPEB Expenditures	155,326

**F. Other Significant Commitments**

**Encumbrances**

Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

General Fund	<u>\$302,546</u>
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**G. Risk Management**

The School District is exposed to various risks of loss related to torts; workers' compensation; employee life; unemployment; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the School District carries commercial insurance.

**H. Leases**

The School District is committed under a lease for thirty-eight copiers. In accordance with GASB Statement No. 87, *Leases*, the School District records a Right-to-Use Asset and a related Lease Liability for this lease on the premise that leases are financing transactions.

**MIFFLIN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023  
(CONTINUED)**

**Note 2: Detailed Notes on All Activities and Funds (Continued)**

**H. Leases (Continued)**

As of June 30, 2023, the Right-of-Use Asset under this lease is recognized on the Statement of Net Position at net book value of \$563,564 (basis of \$704,455, less accumulated amortization of \$140,891).

As of June 30, 2023, the Lease Liability under this lease is recognized on the Statement of Net Position at a value of \$571,851.

Future minimum lease payments for this lease is as follows:

<u>Years Ended June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$136,624	\$15,236	\$151,860
2025	140,765	11,095	151,860
2026	145,032	6,828	151,860
2027	<u>149,430</u>	<u>2,430</u>	<u>151,860</u>
Total	<u>\$571,851</u>	<u>\$35,589</u>	<u>\$607,440</u>

**Subscription-Based Information Technology Arrangements (SBITA)**

The School District is committed under four SBITAs with Lancaster-Lebanon Intermediate Unit, Workfence, and Integra One. Some of these agreements were fully paid in the 2022-2023 year. In accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, the School District records Right-to-Use Assets and related SBITA Liabilities for these SBITAs on the premise that these arrangements has future benefit to the School District, as well as an obligation for unpaid amounts.

As of June 30, 2023, the Right-of-Use Asset under these SBITAs are recognized on the Statement of Net Position at net book value of \$225,311 (basis of \$346,224, less accumulated amortization of \$120,913).

As of June 30, 2023, the SBITA Liabilities under this agreements are recognized on the Statement of Net Position at a value of \$119,751.

Future minimum lease payments for this lease is as follows:

<u>Years Ended June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	<u>\$119,751</u>	<u>\$3,581</u>	<u>\$123,332</u>

This agreement expires between April 20, 2024 and May 22, 2028.

**H. Long-Term Liabilities**

The following is a summary of changes in long-term debt and other liabilities for the fiscal year ended June 30, 2023.

**MIFFLIN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023  
(CONTINUED)**

**Note 2: Detailed Notes on All Activities and Funds (Continued)**

**H. Long-Term Liabilities (Continued)**

**Primary Government**

	<u>Balance 07/01/22</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 06/30/23</u>	<u>Due Within One Year</u>
<b><u>Governmental Activities</u></b>					
General Obligation Bonds:					
2016 Issue	\$ 17,655,000	\$ 0	(\$ 1,925,000)	\$ 15,730,000	\$1,955,000
2016A Issue	18,275,000	0	( 1,725,000)	16,550,000	1,805,000
2018 Issue	9,965,000	0	( 10,000)	9,955,000	10,000
2019 Issue	8,190,000	0	( 5,000)	8,185,000	5,000
2019 Issue A	7,020,000	0	( 505,000)	6,515,000	520,000
2020 Issue	<u>13,625,000</u>	<u>0</u>	<u>( 1,155,000)</u>	<u>12,470,000</u>	<u>1,255,000</u>
Total General Obligation Bonds	\$ 74,730,000	\$ 0	(\$ 5,325,000)	\$ 69,405,000	\$5,550,000
Unamortized Bond Premium (Discount)	5,620,702	0	( 624,349)	4,996,353	624,350
Note Payable	1,065,399	0	( 142,186)	923,213	203,541
Other Postemployment Benefits	9,273,957	0	( 1,976,272)	7,297,685	0
Net Pension Liability	72,564,008	8,748,389	0	81,312,397	0
Other Long-Term Obligations:					
Accrued Vacation and Sick Leave	2,029,874	0	( 16,580)	2,013,294	0
Lease Liability	0	704,455	( 132,604)	571,851	136,624
SBITA Liability	<u>0</u>	<u>345,717</u>	<u>( 225,966)</u>	<u>119,751</u>	<u>119,751</u>
Total Governmental Activities	<u>\$165,283,940</u>	<u>\$9,798,561</u>	<u>(\$ 8,442,957)</u>	<u>\$166,639,544</u>	<u>\$6,634,266</u>
<b><u>Business-Type Activities</u></b>					
Other Long-Term Obligations:					
Accrued Vacation and Sick Leave	\$ 60,857	\$ 0	(\$ 5,725)	\$ 55,132	\$ 0
Other Postemployment Benefits	195,273	0	( 52,618)	143,655	0
Net Pension Liability	<u>2,182,181</u>	<u>178,315</u>	<u>0</u>	<u>2,360,496</u>	<u>0</u>
Total Business-Type Activities	<u>\$ 2,439,311</u>	<u>\$ 178,315</u>	<u>(\$ 58,343)</u>	<u>\$ 2,559,283</u>	<u>\$ 0</u>

**Component Unit**

	<u>Balance 07/01/22</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 06/30/23</u>	<u>Due Within One Year</u>
<b><u>Governmental Activities</u></b>					
Capital Lease	\$ 332,380	\$ 0	(\$162,286)	\$ 170,094	\$156,765
Other Long-Term Obligations:					
Accrued Vacation and Sick Leave	108,055	0	( 24,737)	83,318	0
Other Postemployment Benefits	366,239	0	( 75,686)	290,553	0
Other Leases	0	22,823	( 4,296)	18,527	0
Net Pension Liability	<u>3,781,350</u>	<u>250,641</u>	<u>0</u>	<u>4,031,991</u>	<u>0</u>
Total Governmental Activities	<u>\$4,588,024</u>	<u>\$273,464</u>	<u>(\$267,005)</u>	<u>\$4,594,483</u>	<u>\$156,765</u>

**General Obligation Bonds**

**General Obligation Bonds - Series of 2016**

The General Obligation Bond Issues - Series of 2016 were issued March 30, 2016 in the amount of \$24,280,000. The net proceeds of \$27,788,444, including net original issue premium of \$3,714,824 less \$206,380 of underwriter's discount, were used to refund the 2007 Bonds (\$24,955,000) as well as to paying costs and expenses of issuing these bonds. The Series of 2016 bonds are repayable over a 15 year period with interest rates ranging from .39% to 5.0%. Interest on the bonds is payable semi-annually on September 1 and March 1. The Series of 2016 bonds maturing on September 1, 2025 and thereafter are subject to redemption prior to maturity, at the option of the School District, on September 1, 2024, or on any date thereafter.

**MIFFLIN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023  
(CONTINUED)**

**Note 2: Detailed Notes on All Activities and Funds (Continued)**

**H. Long-Term Liabilities (Continued)**

**General Obligation Bonds (Continued)**

**General Obligation Bonds - Series of 2016 (Continued)**

The annual bond payment requirements for the 2016 issue as of June 30, 2023 are as follows:

<u>Payment Dates</u>	<u>Principal</u>	<u>Coupon</u>	<u>Interest</u>	<u>Debt Service</u>
09/01/2023	\$1,955,000	2.000% and 5.000%	\$ 387,550	\$ 2,342,550
03/01/2024			344,375	344,375
09/01/2024	2,000,000	5.000%	344,375	2,344,375
03/01/2025			294,375	294,375
09/01/2025	2,035,000	5.000%	294,375	2,329,375
03/01/2026			243,500	243,500
09/01/2026	2,095,000	5.000%	243,500	2,338,500
03/01/2027			191,125	191,125
09/01/2027	2,130,000	5.000%	191,125	2,321,125
03/01/2028			137,875	137,875
09/01/2028	2,170,000	5.000%	137,875	2,307,875
03/01/2029			83,625	83,625
09/01/2029	2,800,000	5.000%	83,625	2,883,625
03/01/2030			13,625	13,625
09/01/2030	<u>545,000</u>	5.000%	<u>13,625</u>	<u>558,625</u>
	<u>\$15,730,000</u>		<u>\$3,004,550</u>	<u>\$18,734,550</u>

**General Obligation Bonds - Series A of 2016**

The General Obligation Bond Issues - Series A of 2016 were issued December 8, 2016 in the amount of \$23,230,000. The net proceeds of \$26,835,330, including net original issue premium of \$3,802,785 less \$197,455 of underwriter's discount, were used to advance refund the 2009 Bonds (\$24,820,000) as well as to paying costs and expenses of issuing these bonds. The Series A of 2016 bonds are repayable over a 14 year period with interest rates ranging from .9% to 5.0%. Interest on the bonds is payable semi-annually on September 1 and March 1. The Series A of 2016 bonds maturing on September 1, 2025 and thereafter are subject to redemption prior to maturity, at the option of the School District, on March 1, 2025, or on any date thereafter.

To affect the advance refunding of the 2009 bonds, a portion of the proceeds (\$26,636,962) will be irrevocably deposited into an escrow fund maintained by Manufacturers and Traders Trust Company (the Escrow Agent), as paying agent for the 2009 Bonds, under the terms of an Irrevocable Escrow Agreement (the Escrow Agreement). A portion of the amounts so deposited, with a cash balance (\$3,347) will be used to purchase direct United States Treasury obligations, State and Local Government Series which will mature and earn interest at such rates as will provide

**MIFFLIN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023  
(CONTINUED)**

**Note 2: Detailed Notes on All Activities and Funds (Continued)**

**H. Long-Term Liabilities (Continued)**

**General Obligation Bonds (Continued)**

**General Obligation Bonds - Series A of 2016 (Continued)**

sufficient funds to pay the interest, mandatory redemption price and optional redemption price of the 2009 Bonds as and when due through March 1, 2018, when all then outstanding 2009 Bonds will be paid upon optional redemption.

The annual bond payment requirements for the Series A of 2016 issue as of June 30, 2023 are as follows:

<u>Payment Dates</u>	<u>Principal</u>	<u>Coupon</u>	<u>Interest</u>	<u>Debt Service</u>
09/01/2023	\$ 1,805,000	5.000%	\$ 413,750	\$ 2,218,750
03/01/2024			368,625	368,625
09/01/2024	1,895,000	5.000%	368,625	2,263,625
03/01/2025			321,250	321,250
09/01/2025	2,000,000	5.000%	321,250	2,321,250
03/01/2026			271,250	271,250
09/01/2026	2,100,000	5.000%	271,250	2,371,250
03/01/2027			218,750	218,750
09/01/2027	2,215,000	5.000%	218,750	2,433,750
03/01/2028			163,375	163,375
09/01/2028	2,325,000	5.000%	163,375	2,488,375
03/01/2029			105,250	105,250
09/01/2029	2,690,000	5.000%	105,250	2,795,250
03/01/2030			38,000	38,000
09/01/2030	<u>1,520,000</u>	5.000%	<u>38,000</u>	<u>1,558,000</u>
	<u>\$16,550,000</u>		<u>\$3,386,750</u>	<u>\$19,936,750</u>

**General Obligation Bond Issues - Series of 2018**

The General Obligation Bond Issue - Series A of 2018 and Series AA of 2018 were issued on April 19, 2018 in the amounts of \$8,420,000 and \$1,575,000, respectively. The net proceeds of \$8,392,696, less original issue discount of \$27,304, related to Series A of 2018 will be used to pay costs of designing, acquiring, constructing, equipping, and furnishing alterations, additions, renovations and improvements to existing school buildings and facilities of the School District as well as to paying costs and expenses of issuing the Series A of 2018 bonds. The net proceeds of \$1,550,186, less original issue discount of \$24,814, related to Series AA of 2018 will be used to currently refund a portion (\$1,500,000) of the School District's outstanding General Obligation Bonds, Series of 2012 currently outstanding in the aggregate amount of \$7,755,000 and to pay costs and expenses of issuing the Series AA of 2018 bonds. Of the Series AA of 2018 net proceeds, \$1,513,667 were deposited with Manufacturers and Traders Trust Company, as paying agent, for the 2012 Refunded Bonds, for optional redemption on May 23, 2018 at a redemption price of 100% plus accrued interest pursuant to the optional redemption provisions applicable to the Refunded 2012 Bonds.



**MIFFLIN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023  
(CONTINUED)**

**Note 2: Detailed Notes on All Activities and Funds (Continued)**

**H. Long-Term Liabilities (Continued)**

**General Obligation Bonds (Continued)**

**General Obligation Bonds - Series of 2018 (Continued)**

The Series A of 2018 bonds are repayable over a 14 year period with interest rates ranging from 1.95% to 3.30%. Interest on the bonds is payable semi-annually on September 1 and March 1. The Series A of 2018 bonds maturing on September 1, 2024 and thereafter are subject to redemption prior to maturity, at the option of the School District, as a whole, on September 1, 2023, or on any date thereafter, or from time to time, in part, upon payment of a redemption price of 100% of the principal amount of such Bonds, together with accrued interest to the redemption date.

The Series AA of 2018 bonds are repayable over a 15 year period with interest rates ranging from 1.95% to 3.25%. Interest on the bonds is payable semi-annually on September 1 and March 1. The Series A of 2018 bonds maturing on September 1, 2024 and thereafter are subject to redemption prior to maturity, at the option of the School District, as a whole, on September 1, 2023, or on any date thereafter, or from time to time, in part, upon payment of a redemption price of 100% of the principal amount of such Bonds, together with accrued interest to the redemption date.

The annual bond payment requirements for the Series A of 2018 and the Series AA of 2018 issues as of June 30, 2023 are as follows:

Payment Date	----- Series A of 2018 -----				----- Series AA of 2018 -----			
	Principal	Rate	Interest	Debt Service	Principal	Rate	Interest	Debt Service
09/01/2023	\$ 5,000	2.500%	\$ 138,467	\$ 143,467	\$ 5,000	2.500%	\$ 24,901	\$ 29,901
03/01/2024			138,404	138,404			24,839	24,839
09/01/2024	5,000	2.625%	138,404	143,404	5,000	2.625%	24,839	29,839
03/01/2025			138,339	138,339			24,773	24,773
09/01/2025	5,000	3.125%	138,339	143,339	5,000	3.125%	24,773	29,773
03/01/2026			138,260	138,260			24,695	24,695
09/01/2026	5,000	3.125%	138,260	143,260	5,000	3.125%	24,695	29,695
03/01/2027			138,183	138,183			24,617	24,617
09/01/2027	5,000	3.125%	138,183	143,183	5,000	3.125%	24,617	29,617
03/01/2028			138,104	138,104			24,539	24,539
09/01/2028	5,000	3.125%	138,104	143,104	10,000	3.125%	24,539	34,539
03/01/2029			138,028	138,028			24,383	24,383
09/01/2029	90,000	3.125%	138,028	228,028	10,000	3.125%	24,383	34,383
03/01/2030			136,619	136,619			24,226	24,226
09/01/2030	3,370,000	3.300%	136,619	3,506,619	250,000	3.125%	24,226	274,226
03/01/2031			81,015	81,015			20,320	20,320
09/01/2031	4,910,000	3.300%	81,015	4,991,015	620,000	3.200%	20,320	640,320
03/01/2032			0	0			10,400	10,400
09/01/2032	0		0	0	640,000	3.250%	10,400	650,400
	<u>\$8,400,000</u>		<u>\$2,232,371</u>	<u>\$10,632,371</u>	<u>\$1,555,000</u>		<u>\$430,485</u>	<u>\$1,985,485</u>

**MIFFLIN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023  
(CONTINUED)**

**Note 2: Detailed Notes on All Activities and Funds (Continued)**

**H. Long-Term Liabilities (Continued)**

**General Obligation Bonds (Continued)**

**General Obligation Bond Issues - Series of 2019**

The General Obligation Bond Issue - Series 2019 was issued on April 15, 2019 in the amount of \$8,200,000. The net proceeds of \$8,736,582, including an original issue premium of \$536,582, will be used to pay costs of designing, acquiring, constructing, equipping, and furnishing alterations, additions, renovations, and improvements to the Strodes Mills Elementary School, and to other buildings and facilities of the School District as well as to paying costs and expenses of issuing the Bonds.

The Series of 2019 bonds are repayable over a 15 year period with interest rates ranging from 1.80% to 4.00%. Interest on the bonds is payable semi-annually on September 1 and March 1. The Series of 2019 bonds maturing on September 1, 2029 are subject to redemption prior to maturity, at the option of the School District, as a whole, on September 1, 2024, or on any date thereafter, or from time to time, in part, upon payment of a redemption price of 100% of the principal amount of such Bonds, together with accrued interest to the redemption date.

The annual bond payment requirements for the Series of 2019 issue as of June 30, 2023 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023-24	\$ 5,000	\$ 326,905	\$ 331,905
2024-25	5,000	326,803	331,803
2025-26	5,000	326,675	331,675
2026-27	5,000	326,525	331,525
2027-28	5,000	326,375	331,375
2028-29	5,000	326,225	331,225
2029-30	5,000	326,075	331,075
2030-31	10,000	325,800	335,800
2031-32	500,000	315,600	815,600
2032-33	5,620,000	193,200	5,813,200
2033-34	<u>2,020,000</u>	<u>40,400</u>	<u>2,060,400</u>
	<u>\$8,185,000</u>	<u>\$3,160,583</u>	<u>\$11,345,583</u>

**General Obligation Bond Issues - Series A of 2019**

The General Obligation Bond Issue - Series A of 2019 was issued on May 9, 2019 in the amounts of \$8,270,000. The net proceeds of \$8,306,552, including an original issue premium of \$36,552, will be used to currently refund all of School District's outstanding General Obligation Bonds, Series of 2013 currently outstanding in the aggregate amount of \$8,100,000 and to pay costs and expenses of issuing the Series A of 2019 bonds.

**MIFFLIN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023  
(CONTINUED)**

**Note 2: Detailed Notes on All Activities and Funds (Continued)**

**H. Long-Term Liabilities (Continued)**

**General Obligation Bonds (Continued)**

**General Obligation Bond Issues - Series A of 2019 (Continued)**

The Series A of 2019 bonds are repayable over a 15 year period with interest rates ranging from 1.80% to 4.00%. Interest on the bonds is payable semi-annually on May 15 and November 15. The Series A of 2019 bonds maturing on November 15, 2025 and thereafter are subject to redemption prior to maturity, at the option of the School District, as a whole, on November 15, 2024, or on any date thereafter, or from time to time, in part, upon payment of a redemption price of 100% of the principal amount of such Bonds, together with accrued interest to the redemption date.

The annual bond payment requirements for the Series A of 2019 issue as of June 30, 2023 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023-24	\$ 520,000	\$156,468	\$ 676,468
2024-25	540,000	140,668	680,668
2025-26	550,000	129,768	679,768
2026-27	560,000	115,868	675,868
2027-28	575,000	101,143	676,143
2028-29	590,000	88,180	678,180
2029-30	605,000	74,434	679,434
2030-31	620,000	59,575	679,575
2031-32	635,000	43,570	678,570
2032-33	650,000	26,703	676,703
2033-34	<u>670,000</u>	<u>9,045</u>	<u>679,045</u>
	<u>\$6,515,000</u>	<u>\$945,422</u>	<u>\$7,460,422</u>

**General Obligation Bond Issues - Series of 2020**

The General Obligation Bond Issue - Series 2020 was issued on March 3, 2020 in the amount of \$14,395,000. The net proceeds of \$15,837,572, including an original issue premium of \$1,570,687 and an Underwriter's Discount of (\$128,115), was used to currently refund \$5,375,000 of Series of 2012 General Obligation Bonds, currently refund \$5,830,000 of Series of 2014 General Obligation Bonds, and currently refund \$4,415,000 of Series of 2015 General obligation Bonds as well as to paying costs and expenses of issuing the Bonds.

The Series of 2020 bonds are repayable over a 15 year period with interest rates ranging from 1.10% to 4.00%. Interest on the bonds is payable semi-annually on September 1 and March 1. The Series of 2020 bonds maturing on and after September 1, 2028 are subject to redemption prior to maturity, at the option of the School District, as a whole, on March 1, 2028, or on any date thereafter, or from time to time, in part, upon payment of a redemption price of 100% of the principal amount of such Bonds, together with accrued interest to the redemption date.



**MIFFLIN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023  
(CONTINUED)**

**Note 2: Detailed Notes on All Activities and Funds (Continued)**

**H. Long-Term Liabilities (Continued)**

**General Obligation Bonds (Continued)**

**General Obligation Bond Issues - Series of 2020 (Continued)**

The annual bond payment requirements for the Series of 2020 issue as of June 30, 2023 are as follows:

<u>Year</u>	<u>Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023-24	1.50% and 4.00%	\$ 1,255,000	\$ 420,560	\$ 1,675,560
2024-25	1.50% and 4.00%	1,370,000	370,560	1,740,560
2025-26	1.50% and 4.00%	1,485,000	316,898	1,801,898
2026-27	4.00%	1,600,000	257,385	1,857,385
2027-28	4.00%	1,740,000	190,585	1,930,585
2028-29	4.00%	1,895,000	117,885	2,012,885
2029-30	3.00%	940,000	65,885	1,005,885
2030-31	3.00%	760,000	40,385	800,385
2031-32	2.00%	465,000	24,335	489,335
2032-33	2.00%	475,000	14,935	489,935
2033-34	2.10%	<u>485,000</u>	<u>5,093</u>	<u>490,093</u>
		<u>\$12,470,000</u>	<u>\$1,824,506</u>	<u>\$14,294,506</u>

**Note Payable**

In the 2020-2021 year, the School District entered into a Guaranteed Energy Savings Agreement that provided for certain facility improvement measures and subsequent guaranteed energy and operational savings. The improvements included chiller and roof upgrades at Mifflin County Middle School in addition to the demolition of Highland Park Elementary School, all of which were completed in the 2020-2021 school year. The note is noninterest bearing; however, to reflect the time value of money, the liability recorded in the financial statements reflects future payments discounted at an imputed interest rate of 8.134%. The note requires quarterly payments of \$68,250, which includes the imputed interest.

The following is a summary of debt service requirements as of June 30, 2022:

<u>Year Ended June 30:</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2024	\$ 69,457	\$203,541	\$ 272,998
2025	52,270	220,728	272,998
2026	33,632	239,366	272,998
2027	13,420	259,578	272,998
2028	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$168,779</u>	<u>\$923,213</u>	<u>\$1,091,992</u>

**MIFFLIN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023  
(CONTINUED)**

**Note 2: Detailed Notes on All Activities and Funds (Continued)**

**H. Long-Term Liabilities (Continued)**

**Capital Lease**

**Component Unit**

On January 13, 2009, the Mifflin County Academy of Science and Technology entered into a performance based energy savings master lease agreement. Under this agreement, the lessor installed and implemented recommended energy conservation measures that will yield guaranteed energy savings to the Mifflin County Academy of Science and Technology. In turn, the Academy will pay the lessor annual lease payments of \$161,084 (including interest at 4.371%) for 15 years. Based on the Mifflin County Academy of Science and Technology's energy use analysis performed by the lessor, the lessor guarantees that the Mifflin County Academy of Science and Technology will realize total energy conservation savings during each contract year. The equipment installation was financed through a short-term loan. Once the equipment installation under the lease agreement was installed and accepted, the loan used to finance the installation was converted to a capital lease.

At June 30, 2023, the cost and accumulated depreciation of assets recorded under the capital lease were \$1,687,363 and \$1,138,970, respectively.

The Mifflin County Academy of Science and Technology's future minimum lease payments under the capital lease, the present value of the net minimum lease payment, and the guaranteed savings are as follows:

June 30, 2024	\$161,084
June 30, 2025	13,424
June 30, 2026	0
June 30, 2027	0
June 30, 2028	<u>0</u>
	\$174,508
Less: Amount Representing Interest	( <u>4,414</u> )
Present Value of Net Minimum Lease Payment	\$170,094
Less: Current Portion of Capital Lease Obligation	( <u>156,765</u> )
Long-Term Portion of Capital Lease Obligation	<u>\$ 13,329</u>

**I. Fund Balances**

As of June 30, 2023, the governmental fund financial statements fund balances are comprised of the following:

**Nonspendable Fund Balance**

Prepaid Expenses	\$ 32,016
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**Committed Fund Balance**

Encumbrances	\$302,546
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**MIFFLIN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023  
(CONTINUED)**

**Note 2: Detailed Notes on All Activities and Funds (Continued)**

**J. Interfund Receivables and Payables**

Interfund balances at June 30, 2023, consisted of the following:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Fund	\$3,000,000
Capital Projects	General Fund	1,000,000
General Fund	Food Service	262,961
General Fund	Custodial Fund	3,352

Due to/from transactions are used for short-term interfund loans. The outstanding balances for the food service and agency funds are the result of a time lag between the date the expenditure was incurred and when the reimbursement was made.

**K. Interfund Transfers**

The composition of interfund transfers for the year ended June 30, 2023 is as follows:

Interfund Transfers:

<u>From</u>	<u>To</u>	<u>Amount</u>	<u>Purpose</u>
Capital Projects	General	\$ 460,577	To fund component unit's capital projects
General	Capital Projects	1,000,000	To provide funds for capital purchases

**L. Details of General Fund Local Revenues**

Real Estate Taxes	\$27,330,804
Per Capita Taxes	118,992
Act 511 Taxes	9,239,908
Earnings on Investments	1,026,571
Revenues from LEA Activities	61,538
Federal IDEA Revenue Received as Pass-Through	827,984
Rentals	7,782
Contributions and Donations from Private Sources	5,817
Summer School Tuition	10,050
Receipts from Other LEA's in Pennsylvania - Education	22,950
Transportation Services Provided to Other Pennsylvania LEAs	17,157
Other Services Provided to Other Pennsylvania	28,229
All Other Services Provided Other Governments	30,293
Miscellaneous Revenue	<u>141,232</u>
Total Local Revenue	<u>\$38,869,307</u>

**M. Economic Dependency**

The School District is economically dependent on the Commonwealth of Pennsylvania to provide both pass-through federal funds and direct state funds.

**MIFFLIN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023  
(CONTINUED)**

**Note 2: Detailed Notes on All Activities and Funds (Continued)**

**N. On-Behalf Payments**

The amount recognized from revenues and expenditures for on-behalf payments relative to social security and retirement for the year ended June 30, 2023 were \$1,292,120 and \$7,096,565, respectively.

**O. Contingencies**

The School District participates in various federal and state grant programs, the principal of which are subject to program compliance audits pursuant to the Single Audit Act as amended. Accordingly, the School District's compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the School District anticipates such amounts, if any, will be immaterial.

The School District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the School District's legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the School District.

**P. Transactions with Component Unit**

During the 2022-2023 year, the School District incurred expenditures of \$1,892,434 related to services provided by the Mifflin County Academy of Science and Technology.

**Q. Solar Agreements**

On September 18, 2020, the School District entered into a Solar Site Lease Agreement with McClure Company whereby McClure Company, as the lessee, is the developer, owner and operator of photovoltaic solar energy generation equipment and facilities constructed and operated on district-owned property. The project includes construction of a combination roof mount and ground mount solar system at East Derry Elementary School, a ground mount system at Indian Valley Elementary Center and a ground mount system at Mifflin County High School.

Also on September 18, 2020, the School District entered into a Solar Power Purchase Agreement with McClure Company to purchase one hundred percent of the energy generated by the system for a period of twenty years commencing on the commercial operation date.

**Note 3: Subsequent Events**

Subsequent events were evaluated through November 10, 2023, which is the date the financial statements were available to be issued.

**MIFFLIN COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023  
(CONTINUED)**

**Note 4: External Investment Pools**

The School District participates in (2) External Investment Pools - the Pennsylvania School District Liquid Asset Fund (PSDLAF) and the Pennsylvania Local Government Investment Trust (PLGIT).

PSDLAF's and PLGIT's financial statements are available on their respective websites, [www.psdlaf.org](http://www.psdlaf.org) and [www.plgit.com](http://www.plgit.com).

Per PSDLAF's latest available financial statements (September 30, 2022), all investments consist solely of instruments permitted pursuant to Section 440.1 of the School Code. In addition, all cash was fully collateralized by an irrevocable letter of credit from the Federal Home Loan Bank of Pittsburgh. Portfolio securities are valued at amortized cost, which approximates market value. Per PLGIT's latest financial statements (December 31, 2022), all investments consist only of securities which are permitted under Pennsylvania law for borough's, towns, townships, counties, cities, school districts, and authorities of the Commonwealth of Pennsylvania. Portfolio securities are valued at amortized costs, which approximates fair value.

**Note 5: Accounting Change**

The Governmental Accounting Standards Board (GASB) issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITA), which changes the accounting for certain subscription-based IT arrangements by requiring them to be reported on the Statement of Net Position and Balance Sheet. Effective July 1, 2022, the School District was required to recognize an intangible SBITA asset and related SBITA liability, which offset.

**MIFFLIN COUNTY SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
DEFINED BENEFIT PENSION PLAN INFORMATION  
RELATED TO THE PENNSYLVANIA PUBLIC SCHOOL EMPLOYEES'  
RETIREMENT SYSTEM (PSERS)  
SCHEDULE OF SCHOOL DISTRICT'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY**

	<b>As of June 30, 2022 <u>Measurement Date</u></b>
District's Proportion of the Collective Net Pension Liability	.2141%
District's Proportionate Share of the Collective Net Pension Liability	\$ 95,186,000
District's Covered Employee Payroll	\$ 31,391,530
District's Proportionate Share of the Collective Net Pension Liability as a Percentage of its Covered Employee Payroll	303.22%
PSERS' Fiduciary Net Position as a Percentage of the Total Pension Liability	61.34%

	<b>As of June 30, 2021 <u>Measurement Date</u></b>
District's Proportion of the Collective Net Pension Liability	.2082%
District's Proportionate Share of the Collective Net Pension Liability	\$ 85,480,000
District's Covered Employee Payroll	\$ 29,526,428
District's Proportionate Share of the Collective Net Pension Liability as a Percentage of its Covered Employee Payroll	289.50%
PSERS' Fiduciary Net Position as a Percentage of the Total Pension Liability	63.67%

	<b>As of June 30, 2020 <u>Measurement Date</u></b>
District's Proportion of the Collective Net Pension Liability	.2113%
District's Proportionate Share of the Collective Net Pension Liability	\$104,042,000
District's Covered Employee Payroll	\$ 29,587,824
District's Proportionate Share of the Collective Net Pension Liability as a Percentage of its Covered Employee Payroll	351.64%
PSERS' Fiduciary Net Position as a Percentage of the Total Pension Liability	54.32%



**MIFFLIN COUNTY SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
DEFINED BENEFIT PENSION PLAN INFORMATION  
RELATED TO THE PENNSYLVANIA PUBLIC SCHOOL EMPLOYEES'  
RETIREMENT SYSTEM (PSERS)  
SCHEDULE OF SCHOOL DISTRICT'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY  
(CONTINUED)**

	<b>As of June 30, 2019 <u>Measurement Date</u></b>
District's Proportion of the Collective Net Pension Liability	.2139%
District's Proportionate Share of the Collective Net Pension Liability	\$100,068,000
District's Covered Employee Payroll	\$ 29,494,667
District's Proportionate Share of the Collective Net Pension Liability as a Percentage of its Covered Employee Payroll	339.27%
PSERS' Fiduciary Net Position as a Percentage of the Total Pension Liability	55.66%

	<b>As of June 30, 2018 <u>Measurement Date</u></b>
District's Proportion of the Collective Net Pension Liability	.2114%
District's Proportionate Share of the Collective Net Pension Liability	\$101,483,000
District's Covered Employee Payroll	\$ 28,463,172
District's Proportionate Share of the Collective Net Pension Liability as a Percentage of its Covered Employee Payroll	356.54%
PSERS' Fiduciary Net Position as a Percentage of the Total Pension Liability	54.00%

	<b>As of June 30, 2017 <u>Measurement Date</u></b>
District's Proportion of the Collective Net Pension Liability	.2130%
District's Proportionate Share of the Collective Net Pension Liability	\$105,197,000
District's Covered Employee Payroll	\$ 28,363,134
District's Proportionate Share of the Collective Net Pension Liability as a Percentage of its Covered Employee Payroll	370.89%
PSERS' Fiduciary Net Position as a Percentage of the Total Pension Liability	51.84%



**MIFFLIN COUNTY SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
DEFINED BENEFIT PENSION PLAN INFORMATION  
RELATED TO THE PENNSYLVANIA PUBLIC SCHOOL EMPLOYEES'  
RETIREMENT SYSTEM (PSERS)  
SCHEDULE OF SCHOOL DISTRICT'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY  
(CONTINUED)**

	<b>As of June 30, 2016 <u>Measurement Date</u></b>
District's Proportion of the Collective Net Pension Liability	.2164%
District's Proportionate Share of the Collective Net Pension Liability	\$107,241,000
District's Covered Employee Payroll	\$ 28,024,044
District's Proportionate Share of the Collective Net Pension Liability as a Percentage of its Covered Employee Payroll	382.67%
PSERS' Fiduciary Net Position as a Percentage of the Total Pension Liability	50.14%

	<b>As of June 30, 2015 <u>Measurement Date</u></b>
District's Proportion of the Collective Net Pension Liability	.2162%
District's Proportionate Share of the Collective Net Pension Liability	\$ 93,648,000
District's Covered Employee Payroll	\$ 27,822,739
District's Proportionate Share of the Collective Net Pension Liability as a Percentage of its Covered Employee Payroll	336.59%
PSERS' Fiduciary Net Position as a Percentage of the Total Pension Liability	54.4%

	<b>As of June 30, 2014 <u>Measurement Date</u></b>
District's Proportion of the Collective Net Pension Liability	.2183%
District's Proportionate Share of the Collective Net Pension Liability	\$ 86,404,000
District's Covered Employee Payroll	\$ 27,863,144
District's Proportionate Share of the Collective Net Pension Liability as a Percentage of its Covered Employee Payroll	310.10%
PSERS' Fiduciary Net Position as a Percentage of the Total Pension Liability	57.2%

**MIFFLIN COUNTY SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
DEFINED BENEFIT PENSION PLAN INFORMATION  
RELATED TO THE PENNSYLVANIA PUBLIC SCHOOL EMPLOYEES'  
RETIREMENT SYSTEM (PSERS)  
SCHEDULE OF SCHOOL DISTRICT'S CONTRIBUTION**

	<b><u>For the Year Ended June 30, 2022</u></b>
Contractually Required Employer Contribution	\$10,669,981
Contributions in Relation to the Contractually Required Contribution	( <u>10,669,981</u> )
Contribution Deficiency (Excess)	\$ 0
<hr/>	
District's Covered Employee Payroll	\$31,391,530
Employer's Contributions in Relation to the Contractually Required Contribution as a Percentage of Covered Employee Payroll	33.99%
	<b><u>For the Year Ended June 30, 2021</u></b>
Contractually Required Employer Contribution	\$ 9,894,306
Contributions in Relation to the Contractually Required Contribution	( <u>9,894,306</u> )
Contribution Deficiency (Excess)	\$ 0
<hr/>	
District's Covered Employee Payroll	\$29,526,428
Employer's Contributions in Relation to the Contractually Required Contribution as a Percentage of Covered Employee Payroll	33.51%
	<b><u>For the Year Ended June 30, 2020</u></b>
Contractually Required Employer Contribution	\$ 9,870,498
Contributions in Relation to the Contractually Required Contribution	( <u>9,870,498</u> )
Contribution Deficiency (Excess)	\$ 0
<hr/>	
District's Covered Employee Payroll	\$29,587,824
Employer's Contributions in Relation to the Contractually Required Contribution as a Percentage of Covered Employee Payroll	33.36%

**MIFFLIN COUNTY SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
DEFINED BENEFIT PENSION PLAN INFORMATION  
RELATED TO THE PENNSYLVANIA PUBLIC SCHOOL EMPLOYEES'  
RETIREMENT SYSTEM (PSERS)  
SCHEDULE OF SCHOOL DISTRICT'S CONTRIBUTION  
(CONTINUED)**

	<b><u>For the Year Ended June 30, 2019</u></b>
Contractually Required Employer Contribution	\$ 9,583,412
Contributions in Relation to the Contractually Required Contribution	( <u>9,583,412</u> )
Contribution Deficiency (Excess)	\$ 0
<hr/>	
District's Covered Employee Payroll	\$29,396,969
Employer's Contributions in Relation to the Contractually Required Contribution as a Percentage of Covered Employee Payroll	32.60%
	<b><u>For the Year Ended June 30, 2018</u></b>
Contractually Required Employer Contribution	\$ 8,959,251
Contributions in Relation to the Contractually Required Contribution	( <u>8,959,251</u> )
Contribution Deficiency (Excess)	\$ 0
<hr/>	
District's Covered Employee Payroll	\$28,227,004
Employer's Contributions in Relation to the Contractually Required Contribution as a Percentage of Covered Employee Payroll	31.74%
	<b><u>For the Year Ended June 30, 2017</u></b>
Contractually Required Employer Contribution	\$ 8,391,523
Contributions in Relation to the Contractually Required Contribution	( <u>8,391,523</u> )
Contribution Deficiency (Excess)	\$ 0
<hr/>	
District's Covered Employee Payroll	\$28,738,092
Employer's Contributions in Relation to the Contractually Required Contribution as a Percentage of Covered Employee Payroll	29.20%

**MIFFLIN COUNTY SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
DEFINED BENEFIT PENSION PLAN INFORMATION  
RELATED TO THE PENNSYLVANIA PUBLIC SCHOOL EMPLOYEES'  
RETIREMENT SYSTEM (PSERS)  
SCHEDULE OF SCHOOL DISTRICT'S CONTRIBUTION  
(CONTINUED)**

	<b><u>For the Year Ended June 30, 2016</u></b>
Contractually Required Employer Contribution	\$ 7,067,905
Contributions in Relation to the Contractually Required Contribution	( <u>7,067,905</u> )
Contribution Deficiency (Excess)	\$ 0
<hr style="width: 100%;"/>	
District's Covered Employee Payroll	\$28,271,620
Employer's Contributions in Relation to the Contractually Required Contribution as a Percentage of Covered Employee Payroll	25.00%
	<b><u>For the Year Ended June 30, 2015</u></b>
Contractually Required Employer Contribution	\$ 5,810,038
Contributions in Relation to the Contractually Required Contribution	( <u>5,810,038</u> )
Contribution Deficiency (Excess)	\$ 0
<hr style="width: 100%;"/>	
District's Covered Employee Payroll	\$27,614,249
Employer's Contributions in Relation to the Contractually Required Contribution as a Percentage of Covered Employee Payroll	21.04%

**MIFFLIN COUNTY SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
DEFINED BENEFIT PENSION PLAN INFORMATION  
RELATED TO THE PENNSYLVANIA PUBLIC SCHOOL EMPLOYEES'  
RETIREMENT SYSTEM (PSERS)  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**Change in Benefit Terms**

With the passage of Act 5 on June 12, 2017, class T-E & T-F members are now permitted to elect a lump sum payment of member contributions upon retirement.

**Change in Assumptions Used in Measurement of the Total Pension Liability beginning June 30, 2022**

None

**Change in Assumptions Used in Measurement of the Total Pension Liability beginning June 30, 2021**

The Discount Rate decreased from 7.25% to 7.00%. The inflation assumption was decreased from 2.75% to 2.50%. Payroll growth assumption decreased from 3.50% to 3.25%.

Salary growth changed form an effective average of 5.00%, which was comprised of inflation of 2.75% and real wage growth and for merit or seniority increases of 2.25%, to an effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.

Mortality rates were modified from the RP-2014 Mortality Tables for Males and Females to a blended to a blended table based on 50% PubT-2010 Employee (Total Teacher dataset) and 50% PubG-2010 (Total General Employees data), adjusted to reflect PSERS' experience and projected using a modified version MP-2020.

For disabled annuitants, the rates were modified from the RP-2014 Mortality Tables for Males and Females to the Pub-2020 Disability Mortality Non-Safety Headcount Weighted table, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020.

**Change in Assumptions Used in Measurement of the Total Pension Liability beginning June 30, 2017, beginning June 30, 2018, beginning June 30, 2019 and beginning June 30, 2020**

None

**Change in Assumptions Used in Measurement of the Total Pension Liability beginning June 30, 2016**

The Investment Rate of Return was adjusted from 7.50% to 7.25%. The inflation assumption was decreased from 3.00% to 2.75%.

Salary growth changed form an effective average of 5.50%, which was comprised of inflation of 3.00% and real wage growth and for merit or seniority increases of 2.50%, to an effective average of 5.00%, comprised of inflation of 2.75% and 2.25% for real wage growth and for merit or seniority increases.

Mortality rates were modified from the RP-2000 Combined Healthy Annuitant Tables (male and female) with age set back 3 years for both males and females to the RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale. For disabled annuitants, the RP-2000 Combined Disabled Tables (male and female) with age set back 7 years for males and 3 years for females to the RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale.

**MIFFLIN COUNTY SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
DEFINED BENEFIT PENSION PLAN INFORMATION  
RELATED TO THE PENNSYLVANIA PUBLIC SCHOOL EMPLOYEES'  
RETIREMENT SYSTEM (PSERS)  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
(CONTINUED)**

**Methods and Assumptions Used in Calculation of Actuarially Determined Contributions**

The actuarially determined contributions are calculated as of June 30 of the preceding fiscal year in which contributions are made. That is, the contributions calculated as of the June 30, 2021 actuarial valuation will be made during the fiscal year ending June 30, 2023. The following actuarial methods and assumptions were used to determine contribution rates reported:

- The Investment Rate of Return - 7.00%, includes inflation of 2.50% and the real rate of return of 4.50%.
- Salary growth - Effective average of 4.50%, which reflects an allowance for inflation of 2.50% and real wage growth and merit or seniority of 2.00%.
- Benefit payments - No postretirement benefit increases are assumed in the future.
- Mortality Tables for Males and Females to a blended table based on 50% PubT-2010 Employee (Total Teacher dataset) and 50% PubG-2010 (Total General Employees data), adjusted to reflect PSERS' experience and projected using a modified version MP-2020.

**10-Year Reporting Requirements**

The Required Supplementary Schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

**MIFFLIN COUNTY SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
DEFINED BENEFIT OPEB PLAN INFORMATION - SINGLE EMPLOYER  
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY  
AND RELATED RATIOS**

	<b>As of and for Year  <u>Ended June 30, 2022</u></b>
<b><u>Total OPEB Liability</u></b>	
Service Cost	\$ 387,143
Interest	119,321
Benefit Payments	( 160,107)
Change of Assumptions	( 1,391,991)
Differences Between Expected and Actual Experience	<u>0</u>
Net Change in Total Pension Liability	(\$ 1,045,634)
<b><u>Total OPEB Liability</u></b> – Beginning	<u>4,932,971</u>
<b><u>Total OPEB Liability</u></b> – Ending	<u>\$ 3,887,337</u>
 <b><u>Plan's Fiduciary Net Position</u></b>	
Net Change in Plan's Fiduciary Net Position	\$ 0
<b><u>Plan's Fiduciary Net Position</u></b> - Beginning	<u>0</u>
<b><u>Plan's Fiduciary Net Position</u></b> - Ending	<u>\$ 0</u>
 <b><u>School District's Net OPEB Liability</u></b> - Ending	<u>\$ 3,887,337</u>
 Plan's Fiduciary Net Position as a Percentage of Total OPEB Liability	0%
Estimated Covered Employee Payroll	\$29,789,851
Net OPEB Liability as a Percentage of Covered Employee Payroll	13.05%



**MIFFLIN COUNTY SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
DEFINED BENEFIT OPEB PLAN INFORMATION - SINGLE EMPLOYER  
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY  
AND RELATED RATIOS  
(CONTINUED)**

	<b><u>As of and for Year Ended June 30, 2021</u></b>
<b><u>Total OPEB Liability</u></b>	
Service Cost	\$ 483,743
Interest	377,603
Benefit Payments	( 669,527)
Change of Assumptions	( 982,147)
Differences Between Expected and Actual Experience	( 5,158,251)
Net Change in Total Pension Liability	(\$ 5,948,579)
<b><u>Total OPEB Liability</u></b> - Beginning	<u>10,881,550</u>
<b><u>Total OPEB Liability</u></b> - Ending	<u>\$ 4,932,971</u>
<b><u>Plan's Fiduciary Net Position</u></b>	
Net Change in Plan's Fiduciary Net Position	\$ 0
<b><u>Plan's Fiduciary Net Position</u></b> - Beginning	<u>0</u>
<b><u>Plan's Fiduciary Net Position</u></b> - Ending	<u>\$ 0</u>
<b><u>School District's Net OPEB Liability</u></b> - Ending	<u>\$ 4,932,971</u>
Plan's Fiduciary Net Position as a Percentage of Total OPEB Liability	0%
Estimated Covered Employee Payroll	\$29,789,851
Net OPEB Liability as a Percentage of Covered Employee Payroll	16.56%

**MIFFLIN COUNTY SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
DEFINED BENEFIT OPEB PLAN INFORMATION - SINGLE EMPLOYER  
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY  
AND RELATED RATIOS  
(CONTINUED)**

	<b><u>As of and for Year Ended June 30, 2020</u></b>
<b><u>Total OPEB Liability</u></b>	
Service Cost	\$ 506,619
Interest	370,363
Benefit Payments	( 647,829)
Change of Assumptions	0
Differences Between Expected and Actual Experience	<u>0</u>
Net Change in Total Pension Liability	\$ 229,153
<b><u>Total OPEB Liability</u></b> - Beginning	<u>10,652,397</u>
<b><u>Total OPEB Liability</u></b> - Ending	<u>\$10,881,550</u>
<b><u>Plan's Fiduciary Net Position</u></b>	
Net Change in Plan's Fiduciary Net Position	\$ 0
<b><u>Plan's Fiduciary Net Position</u></b> - Beginning	<u>0</u>
<b><u>Plan's Fiduciary Net Position</u></b> - Ending	<u>\$ 0</u>
<b><u>School District's Net OPEB Liability</u></b> - Ending	<u>\$10,881,550</u>
Plan's Fiduciary Net Position as a Percentage of Total OPEB Liability	0%
Estimated Covered Employee Payroll	\$29,417,633
Net OPEB Liability as a Percentage of Covered Employee Payroll	36.99%

**MIFFLIN COUNTY SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
DEFINED BENEFIT OPEB PLAN INFORMATION - SINGLE EMPLOYER  
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY  
AND RELATED RATIOS  
(CONTINUED)**

	<b>As of and for Year  <u>Ended June 30, 2019</u></b>
<b><u>Total OPEB Liability</u></b>	
Service Cost	\$ 319,038
Interest	201,560
Benefit Payments	( 332,360)
Change of Assumptions	4,182,511
Differences Between Expected and Actual Experience	( 443,686)
Net Change in Total Pension Liability	\$ 3,927,063
<b><u>Total OPEB Liability</u></b> - Beginning	<u>6,725,334</u>
<b><u>Total OPEB Liability</u></b> - Ending	<u>\$10,652,397</u>
 <b><u>Plan's Fiduciary Net Position</u></b>	
Net Change in Plan's Fiduciary Net Position	\$ 0
<b><u>Plan's Fiduciary Net Position</u></b> - Beginning	<u>0</u>
<b><u>Plan's Fiduciary Net Position</u></b> - Ending	<u>\$ 0</u>
 <b><u>School District's Net OPEB Liability</u></b> - Ending	<u>\$10,652,397</u>
 Plan's Fiduciary Net Position as a Percentage of Total OPEB Liability	0%
Estimated Covered Employee Payroll	\$28,700,130
Net OPEB Liability as a Percentage of Covered Employee Payroll	37.11%

**MIFFLIN COUNTY SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
DEFINED BENEFIT OPEB PLAN INFORMATION - SINGLE EMPLOYER  
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY  
AND RELATED RATIOS  
(CONTINUED)**

	<b><u>As of and for Year Ended June 30, 2018</u></b>
<b><u>Total OPEB Liability</u></b>	
Service Cost	\$ 327,135
Interest	197,463
Benefit Payments	( 435,575)
Change of Assumptions	0
Differences Between Expected and Actual Experience	<u>0</u>
Net Change in Total Pension Liability	\$ 89,023
<b><u>Total OPEB Liability</u></b> - Beginning	<u>6,636,311</u>
<b><u>Total OPEB Liability</u></b> - Ending	<u>\$ 6,725,334</u>
 <b><u>Plan's Fiduciary Net Position</u></b>	
Net Change in Plan's Fiduciary Net Position	\$ 0
<b><u>Plan's Fiduciary Net Position</u></b> - Beginning	<u>0</u>
<b><u>Plan's Fiduciary Net Position</u></b> - Ending	<u>\$ 0</u>
 <b><u>School District's Net OPEB Liability</u></b> - Ending	<u>\$ 6,725,334</u>
 Plan's Fiduciary Net Position as a Percentage of Total OPEB Liability	0%
Estimated Covered Employee Payroll	\$28,130,056
Net OPEB Liability as a Percentage of Covered Employee Payroll	23.91%

**MIFFLIN COUNTY SCHOOL DISTRICT  
 REQUIRED SUPPLEMENTARY INFORMATION  
 DEFINED BENEFIT OPEB PLAN INFORMATION - SINGLE EMPLOYER  
 SCHEDULES OF EMPLOYER CONTRIBUTIONS AND INVESTMENT RETURNS**

**Fiscal  
 Year Ending  
 June 30, 2022**

**Schedule of Contributions**

Actuarially Determined Contribution	N/A
District Contribution	<u>N/A</u>
Contribution Deficiency (Excess)	N/A
	=
Covered Employee Payroll	\$29,789,851
	=
Contribution as a Percentage of Covered Employee Payroll	N/A
	=

**Schedule of Investment Returns**

Annual Money-Weighted Rate of Return, Net of Investment Expense	N/A
	=

**Fiscal  
 Year Ending  
 June 30, 2021**

**Schedule of Contributions**

Actuarially Determined Contribution	N/A
District Contribution	<u>N/A</u>
Contribution Deficiency (Excess)	N/A
	=
Covered Employee Payroll	\$29,789,851
	=
Contribution as a Percentage of Covered Employee Payroll	N/A
	=

**Schedule of Investment Returns**

Annual Money-Weighted Rate of Return, Net of Investment Expense	N/A
	=

**MIFFLIN COUNTY SCHOOL DISTRICT  
 REQUIRED SUPPLEMENTARY INFORMATION  
 DEFINED BENEFIT OPEB PLAN INFORMATION - SINGLE EMPLOYER  
 SCHEDULES OF EMPLOYER CONTRIBUTIONS AND INVESTMENT RETURNS  
 (CONTINUED)**

**Fiscal  
 Year Ending  
 June 30, 2020**

**Schedule of Contributions**

Actuarially Determined Contribution	N/A
District Contribution	<u>N/A</u>
Contribution Deficiency (Excess)	N/A
	=
Covered Employee Payroll	\$29,417,633
	=
Contribution as a Percentage of Covered Employee Payroll	N/A
	=

**Schedule of Investment Returns**

Annual Money-Weighted Rate of Return, Net of Investment Expense	N/A
	=

**Fiscal  
 Year Ending  
 June 30, 2019**

**Schedule of Contributions**

Actuarially Determined Contribution	N/A
District Contribution	<u>N/A</u>
Contribution Deficiency (Excess)	N/A
	=
Covered Employee Payroll	\$28,700,130
	=
Contribution as a Percentage of Covered Employee Payroll	N/A
	=

**Schedule of Investment Returns**

Annual Money-Weighted Rate of Return, Net of Investment Expense	N/A
	=

**MIFFLIN COUNTY SCHOOL DISTRICT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**DEFINED BENEFIT OPEB PLAN INFORMATION - SINGLE EMPLOYER**  
**SCHEDULES OF EMPLOYER CONTRIBUTIONS AND INVESTMENT RETURNS**  
**(CONTINUED)**

**Fiscal**  
**Year Ending**  
**June 30, 2018**

**Schedule of Contributions**

Actuarially Determined Contribution	N/A
District Contribution	<u>N/A</u>
Contribution Deficiency (Excess)	N/A
	—
Covered Employee Payroll	\$28,130,056
	—————
Contribution as a Percentage of Covered Employee Payroll	N/A
	—

**Schedule of Investment Returns**

Annual Money-Weighted Rate of Return, Net of Investment Expense	N/A
	—



**MIFFLIN COUNTY SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
DEFINED BENEFIT OPEB PLAN INFORMATION - SINGLE EMPLOYER  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

Valuation date	07/01/21
Actuarial cost method	Entry Age Normal
Amortization method	Straight-Line
Remaining amortization period	13 Years
Actuarial asset valuation method	N/A

**Actuarial Assumptions**

**a. Discount Rate**

4.06%, based on S&P Municipal Bond 20-year High Grade Rate Index at July 1, 2022.

**b. Salary**

Salary increases are composed of a 2.5% cost of living adjustment, 1.5% real wage growth, and for teachers and administrators, a merit increase which varies by age from 2.75% to 0%.

**c. Withdrawal**

Rates of withdrawal are based on PSERS plan experience and vary by age, gender, years of service, and PSERS pension class. Sample rates for employees with more than 10 years of service are shown below. Rates for new employees start at 25.93% for men and 27.46% for women and decrease with age and service.

<u>Age</u>	<u>Male Rate</u>	<u>Female Rate</u>	<u>Age</u>	<u>Male Rate</u>	<u>Female Rate</u>
25	4.5500%	3.9000%	45	1.4100%	1.6000%
30	4.5500%	3.9000%	50	1.8900%	2.0800%
35	1.6800%	2.8300%	55	3.6300%	3.6600%
40	1.4200%	1.6700%	60	5.4900%	5.9400%

**d. Mortality**

PubT-2010 Headcount-Weighted Mortality Table including rates for contingent survivors for teachers. PubG-2010 Headcount-Weighted Mortality Table including rates for contingent survivors for all other employees.

Incorporated into the table are rates projected generationally using Scale MP-2021 to reflect mortality improvement.

**e. Disability**

No disability was assumed.

**f. Retirement**

Assumed retirement rates are based on PSERS plan experience and vary by age, service, and gender.

**MIFFLIN COUNTY SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
DEFINED BENEFIT OPEB PLAN INFORMATION - SINGLE EMPLOYER  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
(CONTINUED)**

**Actuarial Assumptions** (Continued)

**f. Retirement** (Continued)

<u>Age</u>	<u>Special Early Retirement</u>		<u>TC &amp; TD Superannuation</u>		<u>TE, TF, TG, &amp; TH Superannuation</u>	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
55	14.5%	14.5%	25.0%	16.0%	16.3%	19.5%
56	14.5%	14.5%	25.0%	20.0%	16.3%	19.5%
57	14.5%	15.0%	28.0%	28.0%	16.3%	19.5%
58	14.5%	15.0%	28.0%	30.0%	16.3%	19.5%
59	21.6%	20.7%	28.0%	30.0%	16.3%	19.5%
60	14.5%	15.0%	29.0%	31.0%	16.3%	19.5%
61	29.0%	29.0%	29.0%	31.0%	16.3%	19.5%
62	29.0%	29.0%	36.0%	31.0%	16.3%	19.5%
63	29.0%	29.0%	21.0%	20.0%	16.3%	19.5%
64	29.0%	29.0%	22.0%	25.0%	16.3%	19.5%
65	29.0%	29.0%	23.0%	28.0%	16.3%	19.5%
66	29.0%	29.0%	23.0%	27.0%	16.3%	19.5%
67	29.0%	29.0%	20.0%	23.0%	16.3%	19.5%
68	29.0%	29.0%	20.0%	22.0%	16.3%	19.5%
69	29.0%	29.0%	20.0%	23.0%	16.3%	19.5%
70	29.0%	29.0%	20.0%	23.0%	16.3%	19.5%
71-73	29.0%	29.0%	20.0%	20.0%	16.3%	19.5%
74-79	29.0%	29.0%	25.0%	25.0%	16.3%	19.5%
80+	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

**g. Percent of Eligible Retirees Electing Coverage in Plan**

100% of Administrative staff eligible for subsidized coverage are assumed to elect coverage. 50% of employees eligible for unsubsidized coverage are assumed to elect coverage. 0% of Administrative staff are assumed to elect Life Insurance coverage.

**h. Percent Married at Retirement**

80% of retirees are assumed to be married, 25% of employees are assumed to have a spouse covered in the plan at retirement. Non-spouse dependents are deemed to be immaterial.

**i. Spouse Age**

Wives are assumed to be two years younger than their husbands.

**j. Per Capita Claims Cost**

The per capita claims cost for medical and prescription drug is based on the expected portion of the group's overall cost attributed to individuals in the specified age and gender brackets. Dental and vision costs are assumed to not vary with age or gender. The resulting costs are as follows:

**MIFFLIN COUNTY SCHOOL DISTRICT  
 REQUIRED SUPPLEMENTARY INFORMATION  
 DEFINED BENEFIT OPEB PLAN INFORMATION - SINGLE EMPLOYER  
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
 (CONTINUED)**

**Actuarial Assumptions** (Continued)

**j. Per Capita Claims Cost** (Continued)

**Medical and Prescription Drug Combined**

<u>Age</u>	<u>Males Rate</u>	<u>Females Rate</u>
45-49	\$ 7,316	\$10,565
50-54	\$ 9,689	\$11,941
55-59	\$11,800	\$12,494
60-64	\$15,399	\$14,353

**k. Retiree Contributions**

Retiree contributions are assumed to increase at the same rate as the Health Care Cost Trend Rate.

**l. Health Care Cost Trend Rate**

6.5% in 2022, 6.0% in 2023, and 5.5% in 2024-2025. Rates gradually decrease from 5.4% in 2026 to 3.9% in 2075 and later based on the Society of Actuaries Long-Run Medical Cost Trend Model.

**m. Actuarial Value of Assets**

Equal to the Market Value of Assets

**n. Actuarial Cost Method - Entry Age Normal**

Under the Entry Age Normal Cost Method, the Normal Cost is the present value of benefits allocated to the year following the valuation date. Benefits are allocated on a level basis over the earnings of an individual between the date of hire and the assumed retirement age. The Accrued Liability as of the valuation date is the excess of the present value of future benefits over the present value of future Normal Cost. The Unfunded Accrued Liability is the excess of the Accrued Liability over the Actuarial Value of Assets. Actuarial gains and losses serve to reduce or increase the Unfunded Accrued Liability.

**o. Participant Data**

Based on census information as of February 2022. Due to the timing of school district turnover, the data is believed to be representative of the population for the 2021-2022 school year.

**MIFFLIN COUNTY SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
DEFINED BENEFIT OPEB PLAN INFORMATION  
COST SHARING PLAN  
SCHEDULE OF EMPLOYER CONTRIBUTIONS**

	<b><u>Fiscal Year Ending June 30, 2022</u></b>
Contractually Required Contribution	\$ 251,000
Contributions in Relation to the Contractually Required Contribution	( <u>251,000</u> )
Contribution Deficiency (Excess)	\$ 0
	<hr style="border-top: 1px solid black;"/>
District's Covered Employee Payroll	\$31,650,267
	<hr style="border-top: 1px solid black;"/>
Contributions as a Percentage of Covered Employee Payroll	.80%

	<b><u>Fiscal Year Ending June 30, 2021</u></b>
Contractually Required Contribution	\$ 243,000
Contributions in Relation to the Contractually Required Contribution	( <u>243,000</u> )
Contribution Deficiency (Excess)	\$ 0
	<hr style="border-top: 1px solid black;"/>
District's Covered Employee Payroll	\$29,605,893
	<hr style="border-top: 1px solid black;"/>
Contributions as a Percentage of Covered Employee Payroll	.82%

	<b><u>Fiscal Year Ending June 30, 2020</u></b>
Contractually Required Contribution	\$ 249,975
Contributions in Relation to the Contractually Required Contribution	( <u>249,975</u> )
Contribution Deficiency (Excess)	\$ 0
	<hr style="border-top: 1px solid black;"/>
District's Covered Employee Payroll	\$29,758,950
	<hr style="border-top: 1px solid black;"/>
Contributions as a Percentage of Covered Employee Payroll	.84%

**MIFFLIN COUNTY SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
DEFINED BENEFIT OPEB PLAN INFORMATION  
COST SHARING PLAN  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
(CONTINUED)**

	<b><u>Fiscal Year Ending June 30, 2019</u></b>
Contractually Required Contribution	\$ 243,995
Contributions in Relation to the Contractually Required Contribution	( <u>243,995</u> )
Contribution Deficiency (Excess)	\$ 0
	<hr/>
District's Covered Employee Payroll	\$29,396,969
	<hr/>
Contributions as a Percentage of Covered Employee Payroll	.83%

	<b><u>Fiscal Year Ending June 30, 2018</u></b>
Contractually Required Contribution	\$ 234,284
Contributions in Relation to the Contractually Required Contribution	( <u>234,284</u> )
Contribution Deficiency (Excess)	\$ 0
	<hr/>
District's Covered Employee Payroll	\$28,227,004
	<hr/>
Contributions as a Percentage of Covered Employee Payroll	.83%

	<b><u>Fiscal Year Ending June 30, 2017</u></b>
Contractually Required Contribution	\$ 235,000
Contributions in Relation to the Contractually Required Contribution	( <u>235,000</u> )
Contribution Deficiency (Excess)	\$ 0
	<hr/>
District's Covered Employee Payroll	\$28,363,134
	<hr/>
Contributions as a Percentage of Covered Employee Payroll	.83%

**MIFFLIN COUNTY SCHOOL DISTRICT  
 REQUIRED SUPPLEMENTARY INFORMATION  
 DEFINED BENEFIT OPEB PLAN INFORMATION  
 COST SHARING PLAN  
 SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE  
 OF THE NET OPEB LIABILITY**

	<b><u>Fiscal Year Ending June 30, 2022</u></b>
School District's Proportion of the Net OPEB Liability	.2152%
School District's Proportionate Share of the Net OPEB Liability	\$ 3,961,000
School District's Covered Employee Payroll	\$31,650,267
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Employee Payroll	12.51%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	6.86%

	<b><u>Fiscal Year Ending June 30, 2021</u></b>
School District's Proportion of the Net OPEB Liability	.2088%
School District's Proportionate Share of the Net OPEB Liability	\$ 4,950,000
School District's Covered Employee Payroll	\$29,605,893
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Employee Payroll	16.72%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	5.30%

	<b><u>Fiscal Year Ending June 30, 2020</u></b>
School District's Proportion of the Net OPEB Liability	.2113%
School District's Proportionate Share of the Net OPEB Liability	\$ 4,581,000
School District's Covered Employee Payroll	\$29,587,824
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Employee Payroll	15.48%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	5.69%

**MIFFLIN COUNTY SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
DEFINED BENEFIT OPEB PLAN INFORMATION  
COST SHARING PLAN  
SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE  
OF THE NET OPEB LIABILITY  
(CONTINUED)**

	<b><u>Fiscal Year Ending June 30, 2019</u></b>
School District's Proportion of the Net OPEB Liability	.2139%
School District's Proportionate Share of the Net OPEB Liability	\$ 4,549,000
School District's Covered Employee Payroll	\$29,494,667
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Employee Payroll	15.42%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	5.56%

	<b><u>Fiscal Year Ending June 30, 2018</u></b>
School District's Proportion of the Net OPEB Liability	.2114%
School District's Proportionate Share of the Net OPEB Liability	\$ 4,408,000
School District's Covered Employee Payroll	\$28,463,172
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Employee Payroll	15.48%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	5.56%

	<b><u>Fiscal Year Ending June 30, 2017</u></b>
School District's Proportion of the Net OPEB Liability	.2130%
School District's Proportionate Share of the Net OPEB Liability	\$ 4,340,000
School District's Covered Employee Payroll	\$28,363,134
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Employee Payroll	15.30%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	5.73%



**MIFFLIN COUNTY SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
TOTAL OPEB LIABILITY INFORMATION  
RELATED TO THE PENNSYLVANIA PUBLIC SCHOOL EMPLOYEES'  
RETIREMENT SYSTEM (PSERS)  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**Change in Benefit Terms**

None.

**Change in Assumptions Used in Measurement of the Total OPEB Liability beginning June 30, 2022**

The Discount Rate increased from 2.18% to 4.09%.

**Change in Assumptions Used in Measurement of the Total Pension Liability beginning June 30, 2021**

The Discount Rate decreased from 2.66% to 2.18%. The inflation assumption was decreased from 2.75% to 2.50%. Payroll growth assumption decreased from 3.50% to 3.25%.

Salary growth changed from an effective average of 5.00%, which was comprised of inflation of 2.75% and real wage growth and for merit or seniority increases of 2.25%, to an effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.

Mortality rates were modified from the RP-2014 Mortality Tables for Males and Females to a blended to a blended table based on 50% PubT-2010 Employee (Total Teacher dataset) and 50% PubG-2010 (Total General Employees data), adjusted to reflect PSERS' experience and projected using a modified version MP-2020.

For disabled annuitants, the rates were modified from the RP-2014 Mortality Tables for Males and Females to the Pub-2020 Disability Mortality Non-Safety Headcount Weighted table, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020.

**Change in Assumptions Used in Measurement of the Total Pension Liability beginning June 30, 2020**

The Discount Rate decreased from 2.79% to 2.66%.

**Change in Assumptions Used in Measurement of the Total Pension Liability beginning June 30, 2019**

The Discount Rate decreased from 2.98% to 2.79%.

**Change in Assumptions Used in Measurement of the Total Pension Liability beginning June 30, 2018**

The Discount Rate decreased from 3.13% to 2.98%.

**Change in Assumptions Used in Measurement of the Total Pension Liability beginning June 30, 2017**

The Discount Rate increased from 2.71% to 3.13%.

**Change in Assumptions Used in Measurement of the Total Pension Liability beginning June 30, 2016**

Salary growth changed from an effective average of 5.50%, which was comprised of inflation of 3.00% and real wage growth and for merit or seniority increases of 2.50%, to an effective average of 5.00%, comprised of inflation of 2.75% and 2.25% for real wage growth and for merit or seniority increases.

Mortality rates were modified from the RP-2000 Combined Healthy Annuitant Tables (male and female) with age set back 3 years for both males and females to the RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale. For disabled annuitants, the RP-2000 Combined Disabled Tables (male and female) with age set back 7 years for males and 3 years for females to the RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale.

**MIFFLIN COUNTY SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
TOTAL OPEB LIABILITY INFORMATION  
RELATED TO THE PENNSYLVANIA PUBLIC SCHOOL EMPLOYEES'  
RETIREMENT SYSTEM (PSERS)  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
(CONTINUED)**

**Methods and Assumptions Used in Calculation of Actuarially Determined Contributions**

The actuarially determined contributions are calculated as of June 30 of the preceding fiscal year in which contributions are made. That is, the contributions calculated as of the June 30, 2021 actuarial valuation will be made during the fiscal year ending June 30, 2023. The following actuarial methods and assumptions were used to determine contribution rates reported:

- The Investment Rate of Return - 4.09% - 20 year S&P Municipal Bond Rate.
- Salary growth - Effective average of 4.50%, which reflects an allowance for inflation of 2.50% and real wage growth and merit or seniority of 2.00%.
- Benefit payments - No postretirement benefit increases are assumed in the future.
- Mortality Tables for Males and Females to a blended table based on 50% PubT-2010 Employee (Total Teacher dataset) and 50% PubG-2010 (Total General Employees data), adjusted to reflect PSERS' experience and projected using a modified version MP-2020.

**10-Year Reporting Requirements**

The Required Supplementary Schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

**MIFFLIN COUNTY SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Positive Negative
	Original	Final		
<b>Revenues</b>				
Local Sources	\$36,155,078	\$36,155,078	\$38,869,307	\$2,714,229
State Sources	44,239,961	44,239,961	45,832,320	1,592,359
Federal Sources	<u>12,456,992</u>	<u>12,456,992</u>	<u>10,888,543</u>	( 1,568,449)
Total Revenues	<u>\$92,852,031</u>	<u>\$92,852,031</u>	<u>\$95,590,170</u>	<u>\$2,738,139</u>
<b>Expenditures</b>				
Regular Programs - Elementary/Secondary	\$34,069,362	\$34,069,362	\$33,283,242	\$ 786,120
Special Programs - Elementary/Secondary	13,602,120	13,602,120	13,748,643	( 146,523)
Vocational Programs	4,118,976	4,118,976	4,062,132	56,844
Other Instructional Programs - Elementary/Secondary	1,500,685	1,500,685	1,274,356	226,329
Nonpublic School Programs	106,244	106,244	102,917	3,327
Support Services - Students	2,690,052	2,690,052	2,640,921	49,131
Instructional Staff Services	1,909,332	1,909,332	1,676,612	232,720
Administrative Services	4,883,043	4,883,043	4,573,574	309,469
Pupil Health	1,050,041	1,050,041	920,241	129,800
Business Services	1,007,493	1,007,493	919,580	87,913
Operation and Maintenance of Plant Services	7,370,473	7,370,473	7,503,860	( 133,387)
Student Transportation Services	5,100,632	5,100,632	5,086,477	14,155
Central	3,830,136	3,830,136	2,986,645	843,491
Student Activities	1,309,466	1,309,466	1,303,283	6,183
Community Services	26,740	26,740	33,585	( 6,845)
Facilities Acquisition, Construction, and Improvement Services	1,240,425	1,240,425	462,601	777,824
Debt Service (Principal and Interest)	8,294,439	8,294,439	8,294,439	0
Refund of Prior Year Receipts	0	0	4,810	( 4,810)
Leases and Other Right-to-Use Arrangements	<u>0</u>	<u>0</u>	<u>377,826</u>	( 377,826)
Total Expenditures	<u>\$92,109,659</u>	<u>\$92,109,659</u>	<u>\$89,255,744</u>	<u>\$2,853,915</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 742,372</u>	<u>\$ 742,372</u>	<u>\$ 6,334,426</u>	<u>\$5,592,054</u>
<b>Other Financing Sources (Uses)</b>				
Interfund Transfers In	\$ 1,800,000	\$ 1,800,000	\$ 460,577	(\$1,339,423)
Interfund Transfers Out	( 1,800,000)	( 1,800,000)	( 1,000,000)	800,000
Proceeds from Leases and Other Right-to-Use Arrangements	0	0	1,050,172	1,050,172
Transfers Out to Component Units	0	0	( 460,577)	( 460,577)
Budgetary Reserve	( 742,372)	( 742,372)	0	742,372
Total Other Financing Sources (Uses)	( \$ 742,372)	( \$ 742,372)	\$ 50,172	\$ 792,544
Net Change in Fund Balance	\$ 0	\$ 0	\$ 6,384,598	\$6,384,598
<b>Fund Balance - Beginning of Year</b>	<u>16,518,234</u>	<u>16,518,234</u>	<u>19,738,144</u>	<u>3,219,910</u>
<b>Fund Balance - End of Year</b>	<u>\$16,518,234</u>	<u>\$16,518,234</u>	<u>\$26,122,742</u>	<u>\$9,604,508</u>

**See Accompanying Notes and Independent Auditor's Report**

**MIFFLIN COUNTY SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
NOTES TO BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2023**

**Budgetary Data**

Budgets are presented on the modified accrual basis of accounting for the General Fund. All annual appropriations lapse at fiscal year-end, with the exception of those indicated as a fund balance reserve.

Annual operating budgets are adopted each year through passage of an annual budget resolution. Budgetary control is exercised at the building or department head level. The Chief Financial Officer exercises oversight control over the entire budget. All budget appropriations lapse at the end of the year, except for certain encumbrances which are indicated as a fund balance reserve. All other encumbrances are re-appropriated from the cash carryover in the ensuing year's budget.

The following procedures are used in establishing the budgetary data reflected in the financial statements.

- Throughout the school year, the building principals and department heads use current financial status reports and reports and established School District objectives to develop financial projections for the ensuing year.
- The Chief Financial Officer assembles the information and presents it to the various Board of Education committees for approval or revision.
- The Board of Education adopts a tentative budget in May of each year which is available for public scrutiny and comment for a period of thirty days.
- The final budget is approved by the Board in June of each year and the required budget report is filed with the Commonwealth of Pennsylvania by June 30.
- Budget transfers are normally approved by the Board as required and these revised amounts are reflected in this schedule.

Encumbrance accounting is employed in the governmental funds. Certain encumbrances (e.g., purchase orders and contracts) outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be appropriated and honored during the subsequent year.

Negative variances in total revenues and the positive variances in total expenditures are largely a result of federal and state program revenues and related expenditures that do not have a direct impact on the undesignated fund balance. Budgets generally assume the expenditure of all available resources. Therefore, when the budget is prepared, it is assumed these funds will not have a carryover of revenue to a subsequent year. Program revenue received but not spent is restricted and deferred to the subsequent fiscal year. As a result, overall fund revenues variances will be negative, and overall fund expenditures variances will be positive.

In the General Fund, Special Program - Elementary/Secondary; Operation and Maintenance of Plant Services; Community Services; Refunds of Prior Year Receipts; Leases and Other Right-to-Use Arrangements; as well as Transfers Out to Component Units exceeded the amount budgeted.

**MIFFLIN COUNTY SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2023**

<u>Grantor Program Title</u>	<u>Source Code</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Thru Grantor's Number</u>	<u>Grant Period</u>
<b><u>U.S. Department of Education</u></b>				
(Passed Through Pennsylvania Department of Education)				
Title I - Grants to Local Educational Agencies	I	84.010	013-230251	07/01/22 - 09/30/23
Title I - Grants to Local Educational Agencies	I	84.010	013-220251	07/01/21 - 09/30/22
Subtotal - Federal Assistance Listing Number 84.010				
(Passed Through Pennsylvania Department of Education)				
English Language Acquisition State Grants	I	84.365	010-230251	07/01/22 - 09/30/23
English Language Acquisition State Grants	I	84.365	010-220251	07/01/21 - 09/30/22
Subtotal - Federal Assistance Listing Number 84.365				
(Passed Through Pennsylvania Department of Education)				
Rural Education	I	84.358	007-220251	12/15/21 - 09/30/23
(Passed Through Pennsylvania Department of Education)				
Improving Teacher Quality - State Grants	I	84.367	020-230251	07/01/22- 09/30/23
Improving Teacher Quality - State Grants	I	84.367	020-220251	07/01/21 - 09/30/22
Improving Teacher Quality - State Grants	I	84.367	020-210251	07/01/20 - 09/30/22
Subtotal - Federal Assistance Listing Number 84.367				
(Passed Through Pennsylvania Department of Education)				
Student Support and Academic Enrichment Program	I	84.424	144-230251	07/01/22 - 09/30/23
Student Support and Academic Enrichment Program	I	84.424	144-220251	07/01/21 - 09/30/22
Subtotal - Federal Assistance Listing Number 84.424				
(Passed Through Pennsylvania Department of Education)				
Elementary and Secondary School Emergency Relief Fund	I	84.425D	200 200251	03/13/20 - 09/30/22
Elementary and Secondary School Emergency Relief Fund	I	84.425D	200-210251	03/13/20 - 09/30/23
Elementary and Secondary School Emergency Relief Fund	I	84.425D	223-210251	03/13/20 - 09/30/24
ARP ESSER	I	84.425U	225-210251	03/13/20 - 09/30/24
ARP ESSER	I	84.425U	225-210251	03/13/20 - 09/30/24
ARP ESSER	I	84.425U	225-210251	03/13/20 - 09/30/24
ARP Homeless Children and Youth	I	84.425W	181-212258	07/01/21 - 09/30/24
Subtotal - Federal Assistance Listing Number 84.425				
(Passed through Tuscarora Intermediate Unit 11)				
Special Education - Preschool Grants	I	84.173	H173A230090	07/01/22 - 09/30/23



**MIFFLIN COUNTY SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2023**

<u>Program Amount</u>	<u>Total Received for Year</u>	<u>Accrued (Deferred) Revenue 07/01/22</u>	<u>Revenue Recognized</u>	<u>Expenditures</u>	<u>Accrued (Deferred) Revenue 6/30/23</u>
\$ 2,594,494 <u>2,259,998</u>	\$ 1,549,451 <u>1,054,638</u>	\$ 0 <u>355,059</u>	\$ 1,698,704 <u>699,579</u>	\$ 1,698,704 <u>699,579</u>	\$ 149,253 <u>0</u>
\$ 4,854,492 <u>          </u>	\$ 2,604,089 <u>          </u>	\$ 355,059 <u>          </u>	\$ 2,398,283 <u>          </u>	\$ 2,398,283 <u>          </u>	\$ 149,253 <u>          </u>
\$ 13,362 <u>13,223</u>	\$ 10,588 <u>164</u>	\$ 0 <u>164</u>	\$ 11,202 <u>0</u>	\$ 11,202 <u>0</u>	\$ 614 <u>0</u>
\$ 26,585 <u>          </u>	\$ 10,752 <u>          </u>	\$ 164 <u>          </u>	\$ 11,202 <u>          </u>	\$ 11,202 <u>          </u>	\$ 614 <u>          </u>
\$ 112,583 <u>          </u>	\$ 67,550 <u>          </u>	\$ 28,532 <u>          </u>	\$ 39,018 <u>          </u>	\$ 39,018 <u>          </u>	\$ 0 <u>          </u>
\$ 312,442 274,416 <u>306,542</u>	\$ 271,090 36,378 <u>0</u>	\$ 0 20,181 ( <u>685</u> )	\$ 301,171 17,777 <u>685</u>	\$ 301,171 17,777 <u>685</u>	\$ 30,081 1,580 <u>0</u>
\$ 893,400 <u>          </u>	\$ 307,468 <u>          </u>	\$ 19,496 <u>          </u>	\$ 319,633 <u>          </u>	\$ 319,633 <u>          </u>	\$ 31,661 <u>          </u>
\$ 177,330 <u>171,744</u>	\$ 139,343 <u>34,430</u>	\$ 0 <u>11,449</u>	\$ 139,719 <u>22,981</u>	\$ 139,719 <u>22,981</u>	\$ 376 <u>0</u>
\$ 349,074 <u>          </u>	\$ 173,773 <u>          </u>	\$ 11,449 <u>          </u>	\$ 162,700 <u>          </u>	\$ 162,700 <u>          </u>	\$ 376 <u>          </u>
\$ 1,835,215 8,433,337 17,058,201 947,003 189,401 189,401 <u>72,051</u>	\$ 0 1,882,207 8,374,026 430,456 86,091 86,091 <u>48,034</u>	(\$ 39,523) 352,494 3,961,896 16,156 14,210 ( 13,775) <u>31,690</u>	\$ 39,523 2,282,672 4,821,885 307,320 161,416 189,401 <u>23,877</u>	\$ 39,523 2,282,672 4,821,885 307,320 161,416 189,401 <u>23,877</u>	\$ 0 752,959 409,755 ( 106,980) 89,535 89,535 <u>7,533</u>
\$28,724,609 <u>          </u>	\$10,906,905 <u>          </u>	\$4,323,148 <u>          </u>	\$ 7,826,094 <u>          </u>	\$ 7,826,094 <u>          </u>	\$1,242,337 <u>          </u>
\$ 17,504 <u>          </u>	\$ 0 <u>          </u>	\$ 0 <u>          </u>	\$ 17,504 <u>          </u>	\$ 17,504 <u>          </u>	\$ 17,504 <u>          </u>

**MIFFLIN COUNTY SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

<u>Grantor Program Title</u>	<u>Source Code</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Thru Grantor's Number</u>	<u>Grant Period</u>
<b><u>U.S. Department of Education</u></b> (Continued)				
(Passed through Tuscarora Intermediate Unit 11) (Continued)				
Special Education - Grants to States	I	84.027	062-23-0011	07/01/22 - 09/30/23
Special Education - Grants to States	I	84.027	062-22-0011	07/01/21 - 09/30/22
ARP - Special Education - Grants to States	I	84.027	062-22-0011	07/01/21 - 09/30/22
Subtotal - Federal Assistance Listing Number 84.027				
Subtotal - Special Education Cluster				
Total U.S. Department of Education				
<b><u>U.S. Department of Agriculture</u></b>				
(Passed through the Pennsylvania Department of Education)				
School Breakfast Program	I	10.553	365	07/01/22 - 06/30/23
Fresh Fruit and Vegetable Program	I	10.582	353	07/01/22 - 06/30/23
National School Lunch Program	I	10.555	362	07/01/22 - 06/30/23
National School Lunch Program	I	10.555	356	07/01/21 - 06/30/23
National School Lunch Program	I	10.555	356	07/01/22 - 06/30/23
(Passed through the Pennsylvania Department of Agriculture)				
National School Lunch Program	I	10.555	N/A	07/01/22 - 06/30/23
Subtotal - Federal Assistance Listing Number 10.555				
Subtotal - Child Nutrition Cluster				
(Passed through the Pennsylvania Department of Education)				
State Pandemic Electronic Benefit Transfer Administrative Costs Grants	I	10.649	358	07/01/22 - 06/30/23
Total U.S. Department of Agriculture				
<b><u>U.S. Department of Health and Human Services</u></b>				
(Passed Through Pennsylvania Department of Education and Human Services)				
Medical Assistance Program	I	93.778	N/A	N/A



**MIFFLIN COUNTY SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2023  
(CONTINUED)**

<u>Program Amount</u>	<u>Total Received for Year</u>	<u>Accrued (Deferred) Revenue 07/01/22</u>	<u>Revenue Recognized</u>	<u>Expenditures</u>	<u>Accrued (Deferred) Revenue 6/30/23</u>
\$ 810,480	\$ 547,121	\$ 0	\$ 810,480	\$ 810,480	\$ 263,359
798,771	798,771	798,771	0	0	0
<u>182,620</u>	<u>37,204</u>	<u>37,204</u>	<u>0</u>	<u>0</u>	<u>0</u>
\$ 1,791,871	\$ 1,383,096	\$ 835,975	\$ 810,480	\$ 810,480	\$ 263,359
\$ 1,809,375	\$ 1,383,096	\$ 835,975	\$ 827,984	\$ 827,984	\$ 280,863
\$36,770,118	\$15,453,633	\$5,573,823	\$11,584,914	\$11,584,914	\$1,705,104
\$ 463,276	\$ 455,685	\$ 0	\$ 463,276	\$ 463,276	\$ 7,591
\$ 29,332	\$ 29,332	\$ 0	\$ 29,332	\$ 29,332	\$ 0
\$ 1,817,816	\$ 1,788,493	\$ 0	\$ 1,817,816	\$ 1,817,816	\$ 29,323
93,390	0	( 66,036)	66,036	66,036	0
126,157	126,157	0	126,157	126,157	0
<u>205,121</u>	<u>205,121</u>	<u>0</u>	<u>205,121</u>	<u>205,121</u>	<u>0</u>
\$ 2,242,484	\$ 2,119,771	(\$ 66,036)	\$ 2,215,130	\$ 2,215,130	\$ 29,323
\$ 2,735,092	\$ 2,604,788	(\$ 66,036)	\$ 2,707,738	\$ 2,707,738	\$ 36,914
\$ 3,135	\$ 3,135	\$ 0	\$ 3,135	\$ 3,135	\$ 0
\$ 2,738,227	\$ 2,607,923	(\$ 66,036)	\$ 2,710,873	\$ 2,710,873	\$ 36,914
N/A	\$ 32,250	\$ 18,200	\$ 28,060	\$ 28,060	\$ 14,010

**MIFFLIN COUNTY SCHOOL DISTRICT  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2023  
 (CONTINUED)**

<u>Grantor Program Title</u>	<u>Source Code</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Thru Grantor's Number</u>	<u>Grant Period</u>
<b><u>U.S. Department of the Treasury</u></b>				
(Passed Through Pennsylvania Department of Community and Economic Development)				
Coronavirus State and Local Fiscal Recovery Funds	I	21.027	C000082646	03/01/20 - 12/31/24
Total Federal Awards				

**Source Codes**  
 I - Indirect Funding

**MIFFLIN COUNTY SCHOOL DISTRICT  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 YEAR ENDED JUNE 30, 2023  
 (CONTINUED)**

<u>Program Amount</u>	<u>Total Received for Year</u>	<u>Accrued (Deferred) Revenue 07/01/22</u>	<u>Revenue Recognized</u>	<u>Expenditures</u>	<u>Accrued (Deferred) Revenue 6/30/23</u>
\$ 3,000,000	\$ 0	(\$3,000,000)	\$ 0	\$ 0	(\$3,000,000)
<u>\$42,508,345</u>	<u>\$18,093,806</u>	<u>\$2,525,987</u>	<u>\$14,323,847</u>	<u>\$14,323,847</u>	<u>(\$1,243,972)</u>

**MIFFLIN COUNTY SCHOOL DISTRICT  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2023**

**Note 1: Basis of Accounting**

The Schedule of Expenditures of Federal Awards has been prepared on the accrual basis of accounting. Revenues were adjusted to balance the expenditures incurred for each project.

**Note 2: Major Federal Programs**

An extensive compliance test, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) was performed on the Education Stabilization Fund; Special Education Cluster; and Improving Teacher Quality - State Grants, which represent 63% of the total expenditures reflected on the Schedule of Expenditures of Federal Awards.

The 20% test for a low-risk auditee was satisfied as follows:

<u>Project Title</u>	<u>Assistance Listing Number</u>	<u>Expenditures</u>
Education Stabilization Fund	84.425C/ 84.425D/84.425U	\$ 7,826,094
Child Nutrition Cluster:		
National School Lunch Program	10.555	2,215,130
School Breakfast Program	10.553	463,276
Fresh Fruits and Vegetables Program	10.582	29,332
Title I Grants to Local Educational Agencies	84.010	2,398,283
Special Education Cluster:		
Special Education - Grants to States	84.027	810,480
Special Education - Preschool Grants	84.173	17,504
Improving Teacher Quality State Grants	84.367	319,633
Student Support and Academic Enrichment Program	84.424	162,700
Rural Education	84.358	39,018
Medical Assistance Program	93.778	28,060
English Language Acquisition State Grants	84.365	11,202
State Pandemic Electronic Benefit Transfer Administrative Costs Grants	10.649	<u>3,135</u>
		\$14,323,847
		x <u>20%</u>
Minimum Amount Which Must Be Tested		<u>\$ 2,864,769</u>

Education Stabilization Fund; Special Education Cluster; and Improving Teacher Quality - State Grants exceeded \$2,864,769, and, therefore, represent the only programs to which the specific compliance requirements must be tested.

MIFFLIN COUNTY SCHOOL DISTRICT  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2023  
(CONTINUED)

**Note 3: In-Kind Federal Support**

USDA Donated Commodities are valued at market value, which represents the costs to replace those commodities.

**Note 4: Medical Assistance Reimbursements**

The School District had a \$96,491 receivable for the ACCESS program as of June 30, 2022. During the current year, the School District received \$96,491 for the ACCESS program. The ACCESS program is the medical assistance (MA) program that reimburses school entities for direct, eligible health-related services provided to MA enrolled, special needs children. These reimbursements are classified as federal money in the School District's account code structure; however, these funds are not restricted in use like other federal monies. ACCESS reimbursements are classified as fee-for-service revenues, and are not considered federal financial assistance, which results in ACCESS funds not being reporting on the School District's Schedule of Expenditures of Federal Awards. Expenditures totaling \$103,551 were recognized in the current year. As a result, as of June 30, 2023, the School District had a \$103,551 receivable for the ACCESS program.

**Note 5: Indirect Cost Rate**

The School District has not elected to use the 10% de minimis indirect cost rate.

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

To the Board of School Directors  
Mifflin County School District  
MCSD Administration Building  
201 Eighth Street  
Lewistown, Pennsylvania 17044

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, and each major fund of Mifflin County School District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Mifflin County School District's basic financial statements, and have issued our report thereon dated November 10, 2023.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Mifflin County School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Mifflin County School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Mifflin County School 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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.



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

**Report on Compliance and Other Matters**

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

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Young, Oberly, Brown & Company, P.C.*



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

To the Board of School Directors  
Mifflin County School District  
MCSD Administration Building  
201 Eighth Street  
Lewistown, Pennsylvania 17044

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Mifflin County School District's 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 Mifflin County School District's major federal programs for the year ended June 30, 2023. Mifflin County School 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, Mifflin County School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

***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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 Mifflin County School 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 Mifflin County School 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 Mifflin County School District's federal programs.

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

***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 Mifflin County School 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 generally accepted auditing standards, *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 Mifflin County School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 Mifflin County School 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 Mifflin County School 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 Mifflin County School 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.

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

**Report on Internal Control Over Compliance (Continued)**

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.

*Young, Baker, Brown & Company, P.C.*

**Altoona, Pennsylvania  
November 10, 2023**

**MIFFLIN COUNTY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**A. Summary of Auditors Results**

1. An unmodified opinion was issued on the School District's financial statements.
2. There were no material weaknesses in internal control identified by the audit of the financial statements.
3. The audit did not disclose any noncompliance which is material to the School District's financial statements.
4. There were no material weaknesses in the internal control over major federal programs identified by the audit.
5. An unmodified opinion was issued on the School District's compliance for major federal programs.
6. The audit disclosed no audit findings which are required to be reported under 2 CFR Section 200.516(a).
7. The School District's major programs are the Education Stabilization Fund; Special Education Cluster; and Improving Teacher Quality - State Grants.
8. The amount of \$750,000 was the dollar threshold used to determine Type A and Type B programs.
9. The School District does qualify as a low-risk auditee.

**B. Financial Statements Findings**

No findings noted.

**C. Federal Awards Findings and Questioned Cost**

No findings noted.

**MIFFLIN COUNTY SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR YEARS' FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2023**

**No prior year finding were noted.**

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**APPENDIX D**  
**Form of Continuing Disclosure Certificate**



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**MIFFLIN COUNTY SCHOOL DISTRICT**  
**MIFFLIN COUNTY, PENNSYLVANIA**  
\$ \_\_\_\_\_ **GENERAL OBLIGATION BONDS, SERIES OF 2024**  
\$ \_\_\_\_\_ **GENERAL OBLIGATION BONDS, SERIES A OF 2024**

**CONTINUING DISCLOSURE CERTIFICATE**

This Continuing Disclosure Certificate (this “Disclosure Certificate”) is made by Mifflin County School District, Mifflin County, Pennsylvania (the “School District”) as of the \_\_\_ day of \_\_\_\_\_, 2024, in connection with the issuance of its \$ \_\_\_\_\_ aggregate principal amount, General Obligation Bonds, Series of 2024, dated \_\_\_\_\_, 2024 (the “2024 Bonds”) and its \$ \_\_\_\_\_ aggregate principal amount, General Obligation Bonds, Series A of 2024, dated \_\_\_\_\_, 2024 (the “2024A Bonds, and together with the 2024 Bonds, the “Bonds”). The Bonds are being issued pursuant to a Resolution adopted by the Board of School Directors of the School District on April \_\_, 2024 (the “Resolution”). Capitalized terms used in this Disclosure Certificate that are not otherwise defined herein (including, without limitation, in Article IV hereof) shall have the meanings ascribed to such terms in the Resolution.

In consideration of the purchase of the Bonds by the Underwriter (as defined below), the School District agrees as follows:

**ARTICLE I**  
**The Undertaking**

Section 1.1. Purpose. This Disclosure Certificate shall constitute a written undertaking for the benefit of the holders of the Bonds, and is being executed and delivered solely to assist the Underwriter in complying with subsection (b)(5) of the Rule.

Section 1.2. Annual Financial Information. (a) The School District shall provide Annual Financial Information with respect to each fiscal year of the School District, commencing with fiscal year ended June 30, 2024, by no later than April 1<sup>st</sup> after the end of each respective fiscal year, to the MSRB through the EMMA System.

(b) The School District shall provide, in a timely manner, notice of any failure of the School District to provide the Annual Financial Information by the date specified in subsection (a) above, in substantially the form attached as Exhibit A hereto, to the MSRB through the EMMA System.

Section 1.3. Audited Financial Statements. If not provided as part of the Annual Financial Information by the date required by Section 1.2 hereof, the School District may provide State Form PDE-2057 Annual Financial Report, or such successor form, by such date and shall subsequently provide Audited Financial Statements when and if available, to the MSRB through the EMMA System.

Section 1.4. Disclosure Event Notices. (a) If a Disclosure Event occurs, the School District shall provide, in a timely manner not in excess of ten (10) business days after the occurrence of the event, notice of such Disclosure Event to the MSRB through the EMMA System.

(b) Any such notice of a defeasance of Bonds shall state whether the Bonds have been escrowed to maturity or to an earlier redemption date and the timing of such maturity or redemption.

Section 1.5. Additional Disclosure Obligations. The School District acknowledges and understands that other state and federal laws, including, but not limited to, the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the School District and that, under some circumstances, additional disclosures or other action may be required to enable the School District to fully discharge all of its duties and obligations under such laws.

Section 1.6. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the School District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Financial Information or notice of Disclosure Event hereunder, in addition to that which is required by this Disclosure Certificate. If the School District chooses to do so, the School District shall have no obligation under this Disclosure Certificate to update such additional information or include it in any future Annual Financial Information or notice of a Disclosure Event hereunder.

## **ARTICLE II Operating Rules**

Section 2.1. Reference to Other Documents. It shall be sufficient for purposes of Section 1.2 hereof if the School District provides Annual Financial Information by specific reference to documents (i) either (1) provided to the MSRB through the EMMA System, or (2) filed with the SEC, or (ii) if such document is a Final Official Statement, available from the MSRB as a word-searchable pdf file.

Section 2.2. Submission of Information. Annual Financial Information may be provided in one document or multiple documents, and at one time or in part from time to time.

Section 2.3. Disclosure Event Notices. Each notice of a Disclosure Event hereunder shall be captioned "Notice of Disclosure Event" and shall prominently state the title, date and CUSIP numbers of the Bonds.

Section 2.4. Transmission of Information and Notices. Unless otherwise required by law and, in the School District's sole determination, subject to technical and economic feasibility, the School District shall employ such methods of information and notice transmission as shall be requested or recommended by the herein-designated recipients of the School District's information and notices.

Section 2.5. Fiscal Year. (a) The School District's current fiscal year is July 1 to June 30, and the School District shall promptly provide written notice of each change in its fiscal year. The School District shall provide such notice to the MSRB through the EMMA System.

(b) Annual Financial Information shall be provided at least annually notwithstanding any fiscal year longer than 12 calendar months.

## **ARTICLE III Effective Date, Termination, Amendment, Default and Enforcement**

Section 3.1. Effective Date, Termination. (a) This Disclosure Certificate shall be effective upon the issuance of the Bonds.

(b) The School District's obligations under this Disclosure Certificate shall terminate upon a legal defeasance, prior redemption or payment in full of all of the Bonds or on the date that the School

District shall no longer be deemed an “obligated person” with respect to the Bonds within the meaning of the Rule.

(c) This Disclosure Certificate, or any provision hereof, shall be null and void in the event that (1) the School District receives an opinion of Counsel to the effect that those portions of the Rule which require this Disclosure Certificate, or such provision, as the case may be, do not or no longer apply to the Bonds, whether because such portions of the Rule are invalid, have been repealed, or otherwise, as shall be specified in such opinion, and (2) the School District delivers a copy of such opinion to the MSRB through the EMMA System.

Section 3.2. Amendment. (a) This Disclosure Certificate may be amended, without the consent of the holders of the Bonds, if all of the following conditions are satisfied: (1) such amendment is made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law (including rules or regulations) or in interpretations thereof, or a change in the identity, nature or status of the School District or the type of business conducted thereby, (2) this Disclosure Certificate as so amended would have complied with the requirements of the Rule as of the date of this Disclosure Certificate, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, (3) the School District shall have received an opinion of Counsel to the same effect as set forth in clause (2) above, (4) the School District shall have received an opinion of Counsel or a determination by a person, in each case unaffiliated with the School District (such as bond counsel or the paying agent) and acceptable to the School District, addressed to the School District, to the effect that the amendment does not materially impair the interests of the holders of the Bonds, and (5) the School District shall have delivered copies of such opinion(s) and amendment to the MSRB through the EMMA System.

(b) In addition to subsection (a) above, this Disclosure Certificate may be amended without the consent of the holders of the Bonds, if all of the following conditions are satisfied: (1) an amendment to the Rule is adopted, or a new or modified official interpretation of the Rule is issued, after the effective date of this Disclosure Certificate which is applicable to this Disclosure Certificate, (2) the School District shall have received an opinion of Counsel to the effect that performance by the School District under this Disclosure Certificate as so amended will not result in a violation of the Rule and (3) the School District shall have delivered copies of such opinion and amendment to the MSRB through the EMMA System.

(c) To the extent any amendment to this Disclosure Certificate results in a change in the type of financial information or operating data provided pursuant to this Disclosure Certificate, the first Annual Financial Information provided thereafter shall include a narrative explanation of the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

(d) If an amendment is made to the accounting principles to be followed by the School District in preparing its financial statements, the Annual Financial Information for the fiscal year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. Such comparison shall include a qualitative and, to the extent reasonably feasible, quantitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information.

Section 3.3. Default. In the event of a failure of the School District to comply with any provision of this Disclosure Certificate, the rights of the holders of the Bonds to enforce the provisions of this Disclosure Certificate shall be limited solely to the right, by action in mandamus or for specific performance, to cause the School District to comply with obligations under this Disclosure Certificate.

The sole remedy under this Disclosure Certificate in the event of any failure of the School District to comply with this Disclosure Certificate shall be an action to compel performance, and no person or entity shall be entitled to recover monetary damages under this Disclosure Certificate.

Section 3.4. Benefit: Third-Party Beneficiaries: Enforcement. (a) The provisions of this Disclosure Certificate shall constitute a contract with and inure solely to the benefit of the Underwriter and the holders from time to time of the Bonds, except that beneficial owners of Bonds shall be third-party beneficiaries of this Disclosure Certificate and shall be deemed to be holders of Bonds for purposes of Section 3.4(b) hereof. The provisions of this Disclosure Certificate shall create no rights in any person or entity except as provided in this subsection (a).

(b) The obligations of the School District to comply with the provisions of this Disclosure Certificate shall be enforceable in the case of enforcement of obligations to provide financial statements, financial information, operating data and notices, by any holder of the Bonds. The holders' rights to enforce the provisions of this Disclosure Certificate shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the School District's obligations under this Disclosure Certificate.

(c) This Disclosure Certificate shall be construed and interpreted in accordance with the laws of the State, and any suits and actions arising out of this Disclosure Certificate shall be instituted in a court of competent jurisdiction in the State; provided, however, that to the extent this Disclosure Certificate addresses matters of federal securities laws, including the Rule, this Disclosure Certificate shall be construed in accordance with such federal securities laws and official interpretations thereof.

#### **ARTICLE IV Definitions**

Section 4.1. Definitions. The following terms used in this Disclosure Certificate shall have the following respective meanings:

“Annual Financial Information” means, collectively,

- (i) the Audited Financial Statements for the most recent fiscal year,
- (ii) A copy of (or summary of) the budget for the current fiscal year;
- (iii) the total assessed value and aggregate market value of all taxable real estate for the most recent fiscal year;
- (iv) the taxes and millage rates imposed for the most recent fiscal year;
- (v) the real property tax collection results for the most recent fiscal year, including (1) the real estate levy imposed (expressed as an aggregate dollar amount), (2) the dollar amount of real estate taxes collected that represented current collections (expressed both as a percentage of such fiscal year's levy and as an aggregate dollar amount), (3) the amount of real estate taxes collected that represented taxes levied in prior years (expressed as an aggregate dollar amount), and (4) the total amount of real estate taxes collected (expressed both as a percentage of the current year's levy and as an aggregate dollar amount);
- (vi) a list of the ten (10) largest real estate taxpayers and, for each, the total assessed value of real estate for the most recent fiscal year; and

(vii) the information regarding amendments to this Disclosure Certificate required pursuant to Sections 3.2(c) and (d) of this Disclosure Certificate.

“Audited Financial Statements” means the annual financial statements, if any, of the School District, audited by the School District's independent public accountants. Audited Financial Statements shall be prepared in accordance with GAAP.

“Counsel” means any nationally recognized bond counsel or counsel expert in federal securities laws.

“Disclosure Event” means any of the following events with respect to the Bonds, whether relating to the School District or otherwise:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) Modifications to rights of security holders, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Bonds;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the School District;
- (13) The consummation of a merger, consolidation, or acquisition involving the School District or the sale of all or substantially all of the assets of the School District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) incurrence of a Financial Obligation of the School District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the School District, any of which affect security holders, if material; and
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the School District, any of which reflect financial difficulties.

For the purposes of the event identified in paragraph (12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the School District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the School District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the

entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the School District.

“EMMA System” means the MSRB’s Electronic Municipal Market Access system (<http://emma.msrb.org/>), or such other electronic system designated by the MSRB.

“Financial Obligation” shall mean (i) a debt obligation; (ii) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of either (i) or (ii) above. The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Final Official Statement” means a “final official statement,” as defined in paragraph (f)(3) of the Rule.

“GAAP” means generally accepted accounting principles as prescribed from time to time by the Financial Accounting Standards Board or any successor to the duties or responsibilities thereof.

“MSRB” means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

“Rule” means Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (17 CFR Part 240, §240.15c2-12), as in effect on the date of this Disclosure Certificate, including any official interpretations thereof issued either before or after the effective date of this Disclosure Certificate which are applicable to this Disclosure Certificate.

“SEC” means the United States Securities and Exchange Commission.

“Underwriter” shall have the meaning given thereto under Rule 15c2-12, or any successor to such underwriter or underwriters known to the School District.

## **ARTICLE V Miscellaneous**

Section 5.1. Disclosure Dissemination Agent. The School District may appoint a disclosure dissemination agent to perform the responsibilities of the School District for compliance with disclosure requirements pursuant to the Rule performed by the School District under this Disclosure Certificate for the benefit of the holders of the Bonds and Underwriter.

Section 5.2. Severability. If any provision hereof shall be held invalid or unenforceable by a court of competent jurisdiction, the remaining provisions hereof shall survive and continue in full force and effect.

Section 5.3. Governing Law. This Disclosure Certificate shall be governed by and interpreted in accordance with the laws of the Commonwealth of Pennsylvania; provided, however, that, to the extent that the Securities and Exchange Commission, the MSRB or any other federal agency or regulatory body with jurisdiction shall have promulgated any rule or regulation governing the subject matter hereof, this Disclosure Certificate shall be interpreted and construed in a manner consistent therewith.



IN WITNESS WHEREOF, the School District has caused its duly authorized representative to execute this Disclosure Certificate as of the day and year first written above.

MIFFLIN COUNTY SCHOOL DISTRICT  
Mifflin County, Pennsylvania

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President, Board of School Directors

ATTEST:

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Board Secretary

(SEAL)

EXHIBIT A

**FORM OF NOTICE OF FAILURE TO FILE ANNUAL FINANCIAL INFORMATION**

Name of Issuer: Mifflin County School District, Mifflin County, Pennsylvania

Name of Issue: Mifflin County School District, Mifflin County, Pennsylvania  
\$ \_\_\_\_\_ General Obligation Bonds, Series of 2024  
\$ \_\_\_\_\_ General Obligation Bonds, Series A of 2024

Date of Issuance: \_\_\_\_\_, 2024

**NOTICE IS HEREBY GIVEN** that the above-named Issuer has not provided the Annual Financial Information with respect to the above-named Bonds as required by the Continuing Disclosure Undertaking dated \_\_\_\_\_, 2024. Said Issuer anticipates that the Annual Financial Information will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_

**MIFFLIN COUNTY SCHOOL DISTRICT**  
Mifflin County, Pennsylvania

By: \_\_\_\_\_  
Authorized Officer

**APPENDIX E**  
**Specimen Municipal Bond Insurance Policy**

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